

City Property (Glasgow) LLP
Report and Financial Statements
For the year ended
31 March 2015

Registered No: SO 302223

City Property (Glasgow) LLP

Members' report and financial statements for the year ended 31 March 2015

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Designated Members

Glasgow City Council
GCC LLP Investments Ltd

Registered office

Exchange House, 229 George Street, Glasgow, G1 1QU

LLP number

SO 302223

Auditors

Wylie & Bisset LLP, 168 Bath Street, Glasgow, G2 4TP

Bankers

The Royal Bank of Scotland, 10 Gordon Street, Glasgow, G1 3PL

Solicitors

Glasgow City Council, Legal Services

City Property (Glasgow) LLP

Members' report for the year ended 31 March 2015

The Members present their report together with the financial statements for the year ended 31 March 2015.

Principal Activity

The principal activity of City Property (Glasgow) LLP ("the LLP") is to manage, develop and dispose of Glasgow City Council's ("GCC") extensive non-operational property and land assets.

Designated Members

The Designated Members during the period were as follows:

Glasgow City Council -ownership 99.999%
GCC LLP Investments Limited -ownership 0.001%.

Governance

The Governance arrangements are laid out in the LLP's Partnership agreement. Glasgow City Council appoints five elected members to serve and they, together with the Managing Director of the LLP and the Assistant Director of the Council's Development and Regeneration Services, form the advisory board.

Board meetings are held on a regular basis, on dates agreed up to a year in advance. Four Board meetings were held in the year under review. The Board has subcommittees for Audit and Finance & Human Resources which met on two and four occasions, respectively, during the year.

The LLP reports on its activities to both the Council's Operational Delivery Scrutiny Committee and Finance and Audit Scrutiny Committee. In addition to having external auditors, the LLP has an arrangement with the Council's internal audit department for them to undertake periodic reviews of the LLP's operating systems and controls.

The Board

The current Board is as follows:

Councillor Martin Rhodes (resigned as Chair – 11/12/2014; - resigned as Board Member – 2/4/2015)	
Councillor Martin Neil (appointed Chair - 11/12/2014)	Chair
Bailie Philip Braat	
Bailie Phil Greene	
Councillor Rashid Hussain (resigned 30/10/2014)	
Councillor Helen Stephen (appointed 30/10/2014)	
Annemarie O'Donnell (resigned 11/12/2014)	Executive Director of Corporate Services, GCC
Thomas Turley (appointed 11/12/2014)	Assistant Director of DRS, GCC
Pauline Barclay (appointed Managing Director - 30/10/2014)	Managing Director
Bailie Gerald Leonard (appointed 2/4/2015)	

City Property (Glasgow) LLP

Members' report for the year ended 31 March 2015 (continued)

Risk

The LLP has undertaken the assessment of risks to the business and the Board reviews this regularly. Business Continuity Planning has also been addressed to ensure that operations can continue effectively in the event of adverse conditions.

Review of Business

The principal activity of the LLP continues to be the management, development and disposal of Glasgow City Council's non operational land and property assets.

The property market remains unattractive to mass disposals and the LLP, while marketing in traditional fashion, is actively looking towards innovative disposal and development methods. Despite the difficult economic conditions, during the year under review, the LLP concluded the delivery of £11,460,973 in capital receipts to GCC from the disposal of surplus land and property.

In addition, the LLP delivers the following core services:

- a property management service to the Council in the areas of valuation, technical services, insurance and asbestos;
- strategic property management advice to the Council and other ALEOs;
- project management and monitoring of property related projects to the Council and other ALEOs; and
- the management of the open markets across the city.

On 29 March 2010, City Property Glasgow (Investments) LLP, a sister organisation within the GCC family, purchased an investment portfolio of properties from GCC. City Property (Glasgow) LLP employs the staff required to operate the investment portfolio and recharges City Property Glasgow (Investments) LLP for their time. The FRS 17 pension adjustment required by accounting practice, is based on the employees of both at the financial reporting date. The quantum of people working for City Property Glasgow (Investments) LLP and covered by the FRS17 calculations, means that the FRS 17 charge in the profit and loss account is disproportionate to the number of people employed by and disclosed in the financial statements of City Property (Glasgow) LLP.

Financial Performance

The financial results of the LLP are set out in the attached financial statements. The Operating Profit of £2,282 shown in the Profit and Loss Account is after making £193,000 of Operating FRS 17 Pension Adjustments. Without the FRS 17 Pension Adjustment, the LLP would have made a Trading profit of £196,187 against a budgeted profit of £9,316.

The effect of incorporating the FRS 17 Pension adjustment, as commented on above and as undernoted, has to be recognised in the Financial Statements. This resulted in an increased charge in the profit and loss account of £193,000. This technical exercise reduces the trading profit to the reported profit which is carried to reserves. The FRS 17 calculation at the year end shows a deficit on the pension scheme of £4,754,000 which exceeds the accumulated reserves of the LLP and accounts for the negative Balance Sheet total. The Members consider the result to be satisfactory.

Profit sharing arrangements

The Members share profits or losses in the same ratio as their ownership.

City Property (Glasgow) LLP

Members' report for the year ended 31 March 2015 (continued)

Transactions with Members

The Members participate fully in the LLP's profit or loss, share the risks and subscribe to the LLP's capital.

The LLP receives services from the Council, for example, from Land & Environmental Services, and Customer & Business Services. We also receive services from Glasgow City Marketing Bureau Limited and City Building (Glasgow) LLP.

Pension Scheme

City Property (Glasgow) LLP is an admitted body of the Strathclyde Pension Fund which operates a defined benefit scheme, administered in accordance with the Local Government Pension Scheme (Scotland) regulations 1998, as amended. An actuarial valuation of the fund was carried out as at 31 March 2015. FRS 17 has been fully implemented in the financial statements for the year and its effect is disclosed in note 11 thereto. The annually calculated notional surplus or deficit on the funding of the scheme is now shown in the financial statements as a separate fund which is added to or deducted from the Members funds.

The net deficit on the Fund of £4,754,000 is a statement of the transient situation at 31 March 2015. This is significantly worse than the deficit of £2,823,000 shown last year, but the Members recognise that this can swing notably in response to market factors and actuarial assumptions made. The surplus or deficit is affected by market conditions outwith the control of the LLP.

Statement of Members' responsibilities in respect of the financial statements

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law (as applied by 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 limited liability partnership and of the profit or loss of the limited liability partnership for that year. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

City Property (Glasgow) LLP

Members' report for the year ended 31 March 2015 (continued)

Disclosure of information to Auditors

All of the current Members have taken all steps they ought to have taken to make themselves aware of any information needed by the LLP's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Members are not aware of any relevant audit information of which the auditors are unaware.

Auditors

A resolution to re-appoint Wylie & Bisset LLP as auditors will be proposed at a meeting of the Designated Members.

ON BEHALF OF THE MEMBERS

for Glasgow City Council, Designated Member

Date: 23 September 2015

City Property (Glasgow) LLP

Report of the Independent auditors to the Members of City Property (Glasgow) LLP

We have audited the financial statements of City Property (Glasgow) LLP for the year ended 31 March 2015 which comprise the profit and loss account, the statement of total recognised gains and losses, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Members, as a body, in accordance with the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the Members those matters we are required to state to them in an auditors' 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 partnership and the Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members and auditors

As explained more fully in the Members' Responsibilities Statement set out on page 4, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Designated Members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 March 2015 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 by the Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

City Property (Glasgow) LLP

Report of the Independent auditors to the Members of City Property (Glasgow) LLP (cont)

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, as applied to limited liability partnerships, 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; or
- the Members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime.

Ross McLauchlan BAcc CA (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset LLP

23 September 2015

Chartered Accountants
Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

Wylie & Bisset LLP is eligible to act as an Auditor in terms of section 1212 of the Companies Act 2006

City Property (Glasgow) LLP

Profit and loss account for the year ended 31 March 2015

	Note	2015 £	2014 £
Fee income & charges	2	2,060,352	2,023,213
		<u>2,060,352</u>	<u>2,023,213</u>
Staff costs	3	(1,125,897)	(1,637,505)
Other operating expenses		(932,173)	(705,465)
Operating Profit / (Loss)	4	<u>2,282</u>	<u>(319,757)</u>
Net interest receivable	5	905	581
Other Finance income associated with FRS17		<u>150,000</u>	<u>18,000</u>
Profit / (Loss) for the year before Members' remuneration and profit shares	6	<u>153,187</u>	<u>(301,176)</u>
Members' remuneration charged as an expense		-	-
Profit / (Loss) for the year available for discretionary division amongst Members	10	<u>153,187</u>	<u>(301,176)</u>

All amounts relate to continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

City Property (Glasgow) LLP

Statement of total recognised gains and losses for the year ended 31 March 2015

	Note	2015 £	2014 £
Profit / (Loss) for the year to be available for division amongst the Members		153,187	(301,176)
		<u>153,187</u>	<u>(301,176)</u>
Actuarial (Loss) on the pension scheme	10, 11	(1,888,000)	(741,000)
		<u>(1,888,000)</u>	<u>(741,000)</u>
Total Recognised (Losses) for the year		<u>(1,734,813)</u>	<u>(1,042,176)</u>

The notes on pages 11 to 18 form part of these financial statements.

City Property (Glasgow) LLP

Balance sheet at 31 March 2015

	Note	2015 £	2014 £
Current assets			
Debtors	7	140,067	202,628
Cash at bank and in hand		872,331	765,520
		<u>1,012,398</u>	<u>968,148</u>
Creditors: amounts falling due within one year	8	(545,954)	(697,891)
		<u>466,444</u>	<u>270,257</u>
Net current assets / Net assets before pension fund deficit			
Pension fund (deficit)	11	(4,754,000)	(2,823,000)
		<u>(4,287,556)</u>	<u>(2,552,743)</u>
NET ASSETS / (LIABILITIES) ATTRIBUTABLE TO MEMBERS			
		<u>(4,287,556)</u>	<u>(2,552,743)</u>
REPRESENTED BY:			
Members capital classified as equity	10	1,000	1,000
Pension reserve		(4,754,000)	(2,823,000)
Other amounts		465,444	269,257
		<u>(4,287,556)</u>	<u>(2,552,743)</u>
TOTAL MEMBERS INTERESTS:			
Amounts due from Members	10	(79,977)	(174,801)
Loans and other amounts due to Members	10	84,843	22,845
Members other interests	10	(4,292,422)	(2,400,787)
		<u>(4,287,556)</u>	<u>(2,552,743)</u>

These financial statements have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved on 23 September 2015, and signed on behalf of the Members of the Limited Liability Partnership by:

for Glasgow City Council,
Designated Member

for GCC LLP Investments Limited,
Designated Member

The notes on pages 11 to 18 form part of these financial statements.

Registered No: SO 302223

City Property (Glasgow) LLP

Notes forming part of the financial statements for the year ended 31 March 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice, Accounting & Reporting by Limited Liability Partnerships issued in March 2010, applicable UK Accounting Standards and the Companies Act 2006 (as applied to limited liability partnerships).

Cash flow statement

The LLP has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' entity under the Companies Act 2006 (as applied to limited liability partnerships).

Fee income

Fee income consists of the value of work executed for clients during the period.

Investments

The value of the investment in City Property Glasgow (Investments) LLP, a minority holding of 0.001%, is not incorporated in the financial statements as it is not considered to be material. Information relating to the investment is disclosed in the accounts of the ultimate parent entity Glasgow City Council.

Leases and hire purchase contracts

All leases currently held by the LLP are operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Retirement benefits

All existing and new members of staff have the option of joining the Strathclyde Pension Fund ('the Fund'). The Fund is a defined benefit pension scheme, providing benefits based on final pensionable pay, which is contracted out of the State Earnings-Related Pension Fund. Assets and liabilities of the Fund are held separately from those of the LLP. Fund assets are measured using market values. For quoted securities the current bid price is taken as market value. Fund liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus, to the extent it is recoverable, or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

City Property (Glasgow) LLP

Notes forming part of the financial statements for the year ended 31 March 2015 (*Continued*)

1 Accounting policies (continued)

Tax provisions

As a limited liability partnership, City Property (Glasgow) LLP is not liable to tax in its own right. Instead, the Members of the LLP are liable to tax on their own portion of the profits of the LLP dependant on their own tax status. No provision is made in respect of taxation, nor is any amounts retained from profits in order to fund taxation on behalf of the Members.

2 Fee income

Fee income is wholly attributable to the principal activity of the LLP and arises solely within the United Kingdom.

3 Employees

	2015	2014
	£	£
Staff costs consist of:		
Salaries	1,014,456	1,225,305
National Insurance	68,441	74,200
Superannuation	165,931	166,946
Other pension costs/credits	(122,931)	171,054
	<hr/>	<hr/>
	1,125,897	1,637,505
	<hr/>	<hr/>

Note that the superannuation cost and current and past service cost above is in relation to a total of 82 employees, including those recharged to the sister organisation. These are accounted for within this LLP since, whilst general staff costs are recharged, the FRS17 costs of the pension relating to that LLP cannot be estimated with reasonable certainty (see note 11).

The average number of employees during the year was as follows:-

	2015	2014
	Number	Number
Core Staff	<u>33</u>	<u>34</u>

City Property (Glasgow) LLP

Notes forming part of the financial statements for the year ended 31 March 2015 (*Continued*)

4 Operating (Loss)

	2015	2014
	£	£
This is stated after charging:		
Payments to Auditors:		
Current year audit fee	6,970	6,800
Tax fee	520	520
Operating lease payments - land and buildings	106,000	106,000
- motor vehicles	9,327	9,207
	<u> </u>	<u> </u>

5 Interest

	2015	2014
	£	£
<i>Receivable</i>		
Bank Interest	905	581
	<u> </u>	<u> </u>
	905	581
	<u> </u>	<u> </u>

6 Members' share of (losses) / profits

(Losses) / profits are shared among the Members after the end of the year in accordance with agreed profit sharing arrangements and include interest on Members' funds.

	2015	2014
	Number	Number
Average number of Members	2	2
	<u> </u>	<u> </u>
	2015	2014
	£	£
Average profit / (loss) per Member	76,593	(150,588)
	<u> </u>	<u> </u>
The result attributable to the Member with the largest entitlement was	153,187	(301,173)
	<u> </u>	<u> </u>

City Property (Glasgow) LLP

Notes forming part of the financial statements for the year ended 31 March 2015 (*Continued*)

7 Debtors

	2015 £	2014 £
Amounts due by Members	79,977	174,801
Amounts due by other group undertakings	31,833	4,013
Other Debtors	23,257	18,814
Prepayments	5,000	5,000
	<u>140,067</u>	<u>202,628</u>

All amounts shown under debtors fall due for payment within one year.

8 Creditors: amounts falling due within one year

	2015 £	2014 £
Amounts due to Members	84,843	22,845
Amounts due to other group undertakings	80,313	189,390
Other creditors and accruals	280,351	309,724
Taxation and social security	100,447	175,932
	<u>545,954</u>	<u>697,891</u>

9 Operating Lease obligations

As at 31 March 2015, the LLP had annual commitments under non-cancellable operating leases as set out below:

	2015 Land and Buildings £	2015 Motor Vehicles £
Leases expiring within one year	91,000	4,761
Leases expiring within two to five years	-	7,235
	<u>91,000</u>	<u>11,996</u>

City Property (Glasgow) LLP

Notes forming part of the financial statements for the year ended 31 March 2015 (*Continued*)

10 Total Members' interests

	Members' Other Interests			Loans & other debts due to Members less amounts due from Members in debtors	Total 2015	Total 2014
	Members' Capital (classified as equity)	Other reserves	Total			
Amounts due to Members	-			22,845		
Amounts due from Members	-			<u>(174,801)</u>		
Balance at 1 April 2014	1,000	(2,401,787)	(2,400,787)	(151,956)	(2,552,743)	(1,510,567)
Members remuneration charged as an expense	-	-	-	-	-	-
(Loss)/ Profit for the year available for discretionary division among Members	-	153,187	153,187	-	153,187	(301,176)
Other recognised losses	-	(1,888,000)	(1,888,000)	-	(1,888,000)	(741,000)
Members interests after (loss) / profit for the year	1,000	(4,136,600)	(4,135,600)	(151,956)	(4,287,556)	(2,552,743)
Other movements	-	(156,822)	(156,822)	156,822	-	-
Amounts due to Members	-			84,843		
Amounts due from Members	-			<u>(79,977)</u>		
Balance at 31 March 2015	1,000	(4,293,422)	(4,292,422)	4,866	(4,287,556)	(2,552,743)

The amount of capital each Member is required to subscribe is determined by the LLP agreement relating to City Property (Glasgow) LLP and a Member can only withdraw capital when they cease to be a Member.

City Property (Glasgow) LLP

Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)

11 Pension schemes

The information disclosed below is in respect of the LLP's share of assets and liabilities within the Strathclyde Pension Fund, in which it is a participating employer. The latest full actuarial valuation was carried out at 31 March 2014 and was updated for FRS17 purposes to 31 March 2015.

The LLP is an admitted body to the Strathclyde Pension Fund, part of the Local Government Pension Scheme (LGPS) which is a defined benefit pension scheme. The Local Government Pension Scheme is an independently administered fund and is valued every three years.

The Pension and FRS17 information relates to all City Property employees whether employed in City Property (Glasgow) LLP or the sister organisation, City Property Glasgow (Investments) LLP. The normal payroll costs for City Property Glasgow (Investments) LLP are transferred and borne by that LLP, but the full FRS17 adjustment is made within City Property (Glasgow) LLP.

The amounts recognised in the Balance Sheet are as follows:

	31 March 2015	31 March 2014
	£000s	£000s
Fair Value of Employer Assets	17,703	16,082
Present Value of Funded Liabilities	(21,264)	(18,022)
Net Under funding in Funded Plans	<u>(3,561)</u>	<u>(1,940)</u>
Present Value of Unfunded Liabilities	(1,193)	(883)
Unrecognised Past Service Cost	-	-
Net Liability	<u>(4,754)</u>	<u>(2,823)</u>
Amount in the Balance Sheet		
Liabilities	(4,754)	(2,823)
Assets	-	-
Net Liability	<u>(4,754)</u>	<u>(2,823)</u>
	31 March 2015	31 March 2014
	£000s	£000s
Fair Value of Employer assets		
Equities	13,278	12,222
Bonds	2,301	1,930
Property	1,947	1,126
Cash	177	804
Total	<u>17,703</u>	<u>16,082</u>

City Property (Glasgow) LLP

Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)

11 Pension schemes (continued)

The amounts recognised in the Profit and Loss Account are:

	31 March 2015 £000s	31 March 2014 £000s
Current Service Cost	688	619
Interest Cost	821	762
Expected Return on Employer Assets	(971)	(780)
Losses on Curtailments and Settlements	-	249
Total	<u>538</u>	<u>850</u>
Actual Return on Plan Assets	2,117	1,011

Changes in the present value of the defined benefit obligation are as follows:

	31 March 2015 £000s	31 March 2014 £000s
Opening Defined Benefit Obligation	18,905	16,684
Current Service Cost	688	619
Interest Cost	821	762
Contributions by Members	159	167
Actuarial Losses	2,319	950
Losses on Curtailments	-	249
Estimated Unfunded Benefits Paid	(42)	(34)
Estimated Benefits Paid	(393)	(512)
Closing Defined Benefit Obligation	<u>22,457</u>	<u>18,905</u>

Changes in the fair value of the plan assets are as follows:

	31 March 2015 £000s	31 March 2014 £000s
Opening Fair Value of Employer Assets	16,082	14,940
Expected Return on Assets	971	780
Contributions by Members	159	167
Contributions by Employer	453	478
Contributions in Respect of Unfunded Benefits	42	34
Actuarial Gains	431	229
Estimated Unfunded Benefits Paid	(42)	(34)
Estimated Benefits Paid	(393)	(512)
Closing Fair Value of Employer Assets	<u>17,703</u>	<u>16,082</u>

The total amount recognised in the statement of total recognised gains and losses in respect of actuarial losses is £1,888,000 loss. (2014: £741,000 loss).

City Property (Glasgow) LLP

Notes forming part of the financial statements for the year ended 31 March 2015 (*Continued*)

11 Pension schemes (continued)

Principal Financial Assumptions by the Actuary at the Balance Sheet date

	31 March 2015 % p.a.	31 March 2014 % p.a.	31 March 2013 % p.a.
Inflation / Pension Increase Rate	2.4%	2.8%	2.8%
Salary Increase Rate	4.3%	5.1%	5.1%
Expected Return on Assets	3.2%	6.0%	5.2%
Discount Rate	3.2%	4.3%	4.5%
Breakdown of the expected return on assets by category			
Equities	3.2%	6.6%	5.7%
Bonds	3.2%	3.7%	3.4%
Property	3.2%	4.8%	3.9%
Cash	3.2%	3.7%	3.0%

Mortality assumption.

The average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	22.1 years	23.6 years
Future Pensioners	24.8 years	26.2 years

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

12 Related Party Transactions

The LLP takes advantage of the exemptions within FRS8 '*Related Party Disclosures*', as allowed under the Limited Liability Partnership Act 2000, as a wholly owned LLP of Glasgow City Council, from disclosing transactions with other entities within that group. The results of the LLP are included within the consolidated financial statements of Glasgow City Council.

There have been no other related party transactions.

13 Controlling Party

The LLP was controlled throughout the period by its Members. The Members are Glasgow City Council and GCC LLP Investments Limited. The ultimate controlling party is Glasgow City Council due to 100% ownership of GCC LLP Investments Limited.