

CITY PROPERTY (GLASGOW) LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

CITY PROPERTY (GLASGOW) LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	Glasgow City Council GCC LLP Investments Ltd
Limited liability partnership number	SO302223
Registered office	Exchange House 229 George Street Glasgow G1 1QU
Auditors	Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP
Bankers	Royal Bank of Scotland Glasgow City Branch 10 Gordon Street Glasgow G1 3PL
Solicitors	Glasgow City Council Exchange House 229 George Street Glasgow G1 1QU

CITY PROPERTY (GLASGOW) LLP

CONTENTS

	Page
Members' report	1 - 4
Independent auditor's report	5 - 6
Statement of Comprehensive Income	7
Balance sheet	8
Reconciliation of members' interests	9 - 10
Statement of cash flows	11
Notes to the financial statements	12 - 20

CITY PROPERTY (GLASGOW) LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The members present their annual report and financial statements for the year ended 31 March 2017.

Principal activities

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

Designated members

The members who held office during the year and up to the date of signature of the financial statements were as follows:

Glasgow City Council
GCC LLP Investments Ltd

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 Glasgow City Council, 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 had subcommittees for Audit and Finance & Human Resources which met on two and three 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:

Pauline Barclay	Managing Director
Councillor Angus Millar	Chair (Appointed 18 May 2017)
Councillor Richard Bell	(Appointed 18 May 2017)
Bailie Jacqueline McLaren	(Appointed 18 May 2017)
Bailie Norman MacLeod	(Appointed 18 May 2017)
Councillor Tony Curtis	(Appointed 18 May 2017)
Ian Robertson	Assistant Director of Glasgow City Council (Appointed 30 March 2017)
Councillor Martin Neil	(Resigned 04 May 2017)
Bailie Phil Greene	(Resigned 04 May 2017)
Councillor Helen Stephen	(Resigned 04 May 2017)
Thomas Turley	(Resigned 30 March 2017)
Bailie Gerard Leonard	(Resigned 04 May 2017)
Councillor Frank Docherty	(Resigned 04 May 2017)

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.

CITY PROPERTY (GLASGOW) LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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 £12,531,000 (2016: £11,405,000) 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
- 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 102 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 FRS102 calculations, means that the FRS 102 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 loss for the financial year of £129,755 shown in the Statement of Comprehensive Income is after taking account of £234,000 of FRS 102 Pension Adjustments.

The effect of incorporating the FRS 102 Pension adjustment, as noted 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 £234,000. This technical exercise reduces the trading profit to the reported profit which is carried to reserves. The FRS 102 calculation at the year end shows a deficit on the pension scheme of £5,612,000 (2016: £2,775,000) which exceeds the accumulated reserves of the LLP and accounts for the negative Balance Sheet total. The Members consider the result to be satisfactory.

At the 31 March 2017 the LLP had negative reserves of £5,025,750. This position is wholly attributable to the provision within the financial statements of the value of the Local Government Pension Scheme which is £5,612,000. The liability will not crystallise in the short term and the LLP is able to meet the required increase in contributions arising in the future therefore this will not affect the LLP's ability to operate 12 months from the date of approval of the financial statements.

Profit sharing arrangements

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

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

CITY PROPERTY (GLASGOW) LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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 2017. FRS 102 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.

Auditors

In accordance with the limited liability partnership's membership agreement, a notice proposing that Wylie & Bisset LLP be reappointed as auditors of the limited liability partnership will be put at a Members Meeting.

Statement of members' responsibilities

The members are responsible for preparing the annual report and 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. 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 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 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 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 (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Statement of disclosure to auditors

Each of the members in office at the date of approval of this annual report confirms that:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditors are 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 limited liability partnership's auditors are aware of that information.

On behalf of the members

Angus Millar
Glasgow City Council
Designated Member

28 June 2017

CITY PROPERTY (GLASGOW) LLP

INDEPENDENT AUDITOR'S REPORT

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 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and the 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), including Financial Reporting Standard 102.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by 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 limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the Members' Responsibilities Statement, 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 members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual 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 2017 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 Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

CITY PROPERTY (GLASGOW) LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CITY PROPERTY (GLASGOW) LLP

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.

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

28 June 2017

Chartered Accountants
Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

CITY PROPERTY (GLASGOW) LLP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	2	2,493,302	2,347,330
Cost of sales		<u>(1,721,587)</u>	<u>(1,338,234)</u>
Gross profit		771,715	1,009,096
Administrative expenses		<u>(667,915)</u>	<u>(994,426)</u>
Operating profit	3	103,800	14,670
Interest receivable and similar income	6	445	891
Other finance (expense) associated with FRS102	7	<u>(234,000)</u>	<u>(406,000)</u>
(Loss) for the financial year before members' remuneration and profit shares		<u>(129,755)</u>	<u>(390,439)</u>
Members' remuneration charged as an expense		-	-
(Loss) for the financial year available for discretionary division among members		<u>(129,755)</u>	<u>(390,439)</u>
Total comprehensive (outgoings) for the year		<u><u>(129,755)</u></u>	<u><u>(390,439)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CITY PROPERTY (GLASGOW) LLP

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Current assets					
Debtors	9	436,988		354,832	
Cash at bank and in hand		905,104		640,333	
		<u>1,342,092</u>		<u>995,165</u>	
Creditors: amounts falling due within one year	10	(755,842)		(513,160)	
Net current assets			586,250		482,005
Pension fund deficit	11	(5,612,000)		(2,775,000)	
Net liabilities attributable to members		<u>(5,025,750)</u>		<u>(2,292,995)</u>	
Represented by:					
Loans and other debts due to members within one year					
Amounts due in respect of profits			(362,370)		(362,370)
Other amounts			367,236		367,236
			<u>4,866</u>		<u>4,866</u>
Members' other interests					
Members' capital classified as equity			1,000		1,000
Pension reserve			(5,612,000)		(2,775,000)
Other reserves classified as equity			580,384		476,139
			<u>(5,025,750)</u>		<u>(2,292,995)</u>
Total members' interests					
Loans and other debts due to members			4,866		4,866
Members' other interests			(5,030,616)		(2,297,861)
			<u>(5,025,750)</u>		<u>(2,292,995)</u>

The financial statements were approved by the members and authorised for issue on 28 June 2017 and are signed on their behalf by:

Angus Millar
Glasgow City Council
Designated member

Pauline Barclay
GCC LLP Investments Ltd
Designated Member

Limited Liability Partnership Registration No. SO302223

CITY PROPERTY (GLASGOW) LLP
RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2017

<i>Current financial year</i>	EQUITY					TOTAL MEMBERS' INTERESTS	
	Members' other interests			Total	Other amounts	Total	Total 2017
Members' capital (classified as equity)	Pension reserve	Other reserves	£				
Amount due to members					(362,370)		
Amounts due from members					367,236		
Members' interests at 1 April 2016	1,000	(2,775,000)	476,139	(2,297,861)	4,866	4,866	(2,292,995)
Loss for the financial year available for discretionary division among members	-	(234,000)	104,245	(129,755)	-	-	(129,755)
Members' interests after loss for the year	1,000	(3,009,000)	580,384	(2,427,616)	4,866	4,866	(2,422,750)
Other movements	-	(2,603,000)	-	(2,603,000)	-	-	(2,603,000)
Members' interests at 31 March 2017	1,000	(5,612,000)	580,384	(5,030,616)	4,866	4,866	(5,025,750)
Amount due to members					(362,370)		
Amounts due from members					367,236		
					4,866		

CITY PROPERTY (GLASGOW) LLP

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

<i>Prior financial year</i>	EQUITY					Total	TOTAL MEMBERS' INTERESTS Total 2016
	Members' capital (classified as equity)	Pension reserve	Other reserves	Total	Other amounts		
	£	£	£	£	£	£	£
Amount due to members					(362,370)		
Amounts due from members					367,236		
Members' interests at 1 April 2015	1,000	(4,754,000)	460,578	(4,292,422)	4,866	4,866	(4,287,556)
Loss for the financial year available for discretionary division among members	-	(406,000)	15,561	(390,439)	-	-	(390,439)
Members' interests after loss for the year	1,000	(5,160,000)	476,139	(4,682,861)	4,866	4,866	(4,677,995)
Other movements	-	2,385,000	-	2,385,000	-	-	2,385,000
Members' interests at 31 March 2016	1,000	(2,775,000)	476,139	(2,297,861)	4,866	4,866	(2,292,995)
Amount due to members					(362,370)		
Amounts due from members					367,236		
					4,866		

CITY PROPERTY (GLASGOW) LLP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	17		264,326		(232,889)
Investing activities					
Interest received		445		891	
Net cash generated from investing activities			445		891
Net increase/(decrease) in cash and cash equivalents			264,771		(231,998)
Cash and cash equivalents at beginning of year			640,333		872,331
Cash and cash equivalents at end of year			905,104		640,333

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Limited liability partnership information

City Property (Glasgow) LLP is a limited liability partnership domiciled and incorporated in Scotland. The registered office is Exchange House, 229 George Street, Glasgow, G1 1QU.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in July 2014, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements for the year ended 31 March 2017 shows a net liabilities position of £5,025,750 (2016: £2,292,995). The reason for the net liabilities position is the Defined Benefit Pension Liability of £5,612,000 (2016: £2,775,000). The liability will not crystallise in the short term and the LLP is able to meet the required increase in contributions arising in the future therefore this will not affect the LLP's ability to operate 12 months from the date of approval of the financial statements.

1.3 Turnover

Turnover represents fees receivable in respect of work executed for clients over the period, excluding value added tax.

1.4 Members' participating interests

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 section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

The limited liability partnership has only basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently measured at their settlement value.

1.6 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.7 Retirement benefits and post retirement payments to members

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.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

2 Turnover

An analysis of the limited liability partnership's turnover is as follows:

	2017	2016
	£	£
Turnover		
Fees	2,493,302	2,347,330
Other significant revenue		
Interest income	445	891
	<u> </u>	<u> </u>

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

3 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Audit fees	7,250	8,140
	<u> </u>	<u> </u>

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 Employees

The average number of persons (excluding members) employed by the partnership during the year was:

	2017	2016
	Number	Number
Core staff	42	44

Staff costs for the above persons:

	2017	2016
	£	£
Wages and salaries	1,362,723	1,018,579
Social security costs	119,761	93,289
Pension costs	239,103	226,366
	<u>1,721,587</u>	<u>1,338,234</u>

Note that the superannuation cost and current and past service cost above is in relation to a total of 95 employees, including those recharged to the sister organisation. These are accounted for within this LLP since, whilst general staff costs are recharged, the FRS102 costs of the pension relating to that LLP cannot be estimated with reasonable certainty.

5 Members' remuneration

	2017	2016
	Number	Number
The average number of members during the year was	2	2

	2017	2016
	£	£
Loss attributable to the member with the highest entitlement	(129,754)	(390,434)
Average members' remuneration	<u>(64,877)</u>	<u>(195,219)</u>

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

6	Interest receivable and similar income	2017	2016
		£	£
	Interest income		
	Interest on bank deposits	445	891
		<u> </u>	<u> </u>
7	Other financial income/(expense) associated with FRS102	2017	2016
		£	£
	FRS102 pension adjustment	(234,000)	(406,000)
		<u> </u>	<u> </u>
8	Financial instruments	2017	2016
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	433,950	351,155
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	481,546	272,069
		<u> </u>	<u> </u>
9	Debtors	2017	2016
		£	£
	Amounts falling due within one year:		
	Trade debtors	22,782	4,261
	Amount due from parent undertaking	192,403	299,336
	Amounts due from fellow group undertakings	216,766	47,556
	Other debtors	2,000	2
	Prepayments and accrued income	3,037	3,677
		<u> </u>	<u> </u>
		<u>436,988</u>	<u>354,832</u>
	All amounts shown under debtors fall due for payment within one year.		
10	Creditors: amounts falling due within one year	2017	2016
		£	£
	Trade creditors	33,564	5,836
	Amount due to parent undertaking	301,815	87,266
	Other taxation and social security	274,296	241,091
	Accruals and deferred income	146,167	178,967
		<u> </u>	<u> </u>
		<u>755,842</u>	<u>513,160</u>

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Pension fund deficit

	2016 £	2015 £
Retirement benefit obligations	5,612,000	2,775,000
	<u>5,612,000</u>	<u>2,775,000</u>

12 Retirement benefit schemes

Defined benefit 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 2017 based on the requirements of FRS102.

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 FRS102 information relates to all City Property employees whether employed in City Property (Glasgow) LLP or the sister organisation, City Property (Investments) LLP. The normal payroll costs for City Property Glasgow (Investments) LLP are transferred and borne by that LLP, but the full FRS102 adjustment is made within City Property (Glasgow) LLP.

Key assumptions

	2017 %	2016 %
Discount rate	2.6%	3.5%
Expected rate of increase of pensions in payment	2.4%	2.2%
Expected rate of salary increases	4.4%	4.2%

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2017 Years	2016 Years
Retiring today		
- Males	22.1	22.1
- Females	23.6	23.6
Retiring in 20 years		
- Males	24.8	24.8
- Females	26.2	26.2

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

12 Retirement benefit schemes

Amounts recognised in the profit and loss account:

	2017 £	2016 £
Current service cost	722,000	808,000
Net interest on defined benefit liability/(asset)	100,000	156,000
Other costs and income	-	106,000
	<u>822,000</u>	<u>1,070,000</u>

Amounts taken to other comprehensive income:

	2017 £	2016 £
Actuarial changes related to obligations	<u>6,270,000</u>	<u>2,491,000</u>

The amounts included in the balance sheet arising from the limited liability partnership's obligations in respect of defined benefit plans are as follows:

	2017 £	2016 £
Present value of defined benefit obligations	(28,682,000)	(21,215,000)
Fair value of plan assets	<u>23,070,000</u>	<u>18,440,000</u>
Deficit in scheme	<u>(5,612,000)</u>	<u>2,775,000</u>

Movements in the present value of defined benefit obligations:

	2017 £
Liabilities at 1 April 2016	(2,775,000)
Current service cost	(722,000)
Actuarial gains and losses	(6,270,000)
Interest cost	(100,000)
Other	<u>4,255,000</u>
At 31 March 2017	<u>(5,612,000)</u>

The defined benefit obligations arise from plans which are wholly or partly funded.

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

12 Retirement benefit schemes

Movements in the fair value of plan assets:

2017
£

Contributions by the employer

545,000

The fair value of plan assets at the reporting period end was as follows:

	2017 £	2016 £
At 31 March	23,070,000	18,440,000

13 Loans and other debts due to members

2017
£

2016
£

Analysis of loans

Amounts falling due within one year

4,866

4,866

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

14 Operating lease commitments

At the reporting end date the limited liability partnership had total outstanding commitments for future minimum lease payments under non-cancellable operating leases on leases which expire: -

	2017 £	2016 £
Within one year	11,548	12,934
Between two and five years	2,307	13,855
	13,855	26,789

15 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 subsidiary 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.

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

16 Controlling party

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

17 Cash generated from operations	2017	2016
	£	£
(Loss) for the year	(129,755)	(390,439)
Adjustments for:		
Finance costs recognised in profit or loss	234,000	406,000
Investment income recognised in profit or loss	(445)	(891)
Movements in working capital:		
(Increase) in debtors	(82,156)	(214,765)
Increase/(Decrease) in creditors	242,682	(32,794)
Cash generated from/(absorbed by) operations	<u>264,326</u>	<u>(232,889)</u>