

Limited Liability Partnership Registration No. SO302466 (Scotland)

**CITY PROPERTY GLASGOW (INVESTMENTS) LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	City Property (Glasgow) LLP Glasgow City Council
Limited liability partnership number	SO302466
Registered office	Exchange House 229 George Street Glasgow G1 1QU
Auditors	Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP
Bankers	Barclays Bank PLC Aurora Building 1st Floor 120 Bothwell Street GLASGOW G2 7JT
Solicitors	Glasgow City Council Exchange House 229 George Street Glasgow G1 1QU

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

CONTENTS

	Page
Members' report	1 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7 - 8
Reconciliation of members' interests	9 - 10
Statement of cash flows	11
Notes to the financial statements	12 - 20

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The members present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of City Property Glasgow (Investments) LLP (the "LLP") is the ownership and management of investment properties and the management of certain properties on behalf of Glasgow City Council ("GCC").

Designated members

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

City Property (Glasgow) LLP
Glasgow City Council

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 & Regeneration Services, form the advisory board.

Board meetings are held on a regular basis, on dates agreed up to a year in advance. Five 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 Neil	Chair
Pauline Barclay	Managing Director
Bailie Phil Greene	
Councillor Helen Stephen	
Thomas Turley	Assistant Director of DRS, GCC
Bailie Gerald Leonard	(Appointed 2 April 2015)
Bailie Philip Braat	(Resigned 18 February 2016)
Councillor Martin Rhodes	(Resigned 2 April 2015)
Councillor Frank Docherty	(Appointed 31 March 2016)

Review of Business

In an innovative finance deal, the LLP purchased an extensive investment property portfolio from Glasgow City Council on 29 March 2010 for £120m. On the same date the LLP undertook bank borrowings to facilitate the acquisition.

The portfolio consists of over 1,600 industrial, commercial, retail and office premises, rented to a range of tenants from sole traders to multi-national organisations on a mix of long and short term tenancy agreements. The LLP has engaged a third party property management company to undertake the day-to-day running of this portfolio.

In addition to owning and managing the investment portfolio, the LLP provides management services for the Council's Common Good land and property and management of the wholesale markets at Blochairn.

The current economic climate remains challenging, however, the diversity of the portfolio and client base has, to some degree, given the LLP a buffer from the worst of the downturn in the property market.

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Financial Performance

The financial results of the LLP are set out in the attached financial statements.

The LLP has produced a profit available to Members of £6,689,322 from which a distribution was made to Members of £1,480,015. The cash generated through this profit is, in the main, used to repay the capital element of the bank borrowings.

The LLP has met all of the bank loan repayments on time and in full. In addition, as required by the loan agreement, the LLP has laid aside cash as Debt Service Reserve and Maintenance Reserve.

The Members consider the result to be satisfactory.

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 provide and receive services from Cordia (Services) LLP, Jobs and Business Glasgow, Glasgow City Marketing Bureau Limited, Glasgow Life and City Building (Glasgow) LLP.

City Property (Glasgow) LLP employs the staff who work for City Property Glasgow (Investments) LLP and recharges the cost. These transactions are carried out on an arms length basis.

Profit sharing arrangements

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

Auditors

In accordance with the limited liability partnerships'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 (INVESTMENTS) LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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

Martin Neil
Glasgow City Council
Designated Member

22 June 2016

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITY PROPERTY GLASGOW (INVESTMENTS) LLP

We have audited the financial statements of City Property Glasgow (Investments) LLP for the year ended 31 March 2016 which comprise the Profit And Loss Account, 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 2016 and of its profit 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 (INVESTMENTS) LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CITY PROPERTY GLASGOW (INVESTMENTS) 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

22 June 2016

Chartered Accountants
Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	19,739,257	20,377,783
Cost of sales		(1,989,598)	(1,985,723)
Gross profit		17,749,659	18,392,060
Administrative expenses		(5,844,963)	(6,884,635)
Operating profit	4	11,904,696	11,507,425
Interest receivable and similar income	7	37,945	44,006
Interest payable and similar charges	8	(5,473,083)	(5,637,213)
Gain on disposal	9	219,764	-
Increase in fair value of investment property	9	8,791,952	1,082,410
Profit for the financial year before members' remuneration and profit shares		15,481,274	6,996,628
Members' remuneration charged as an expense	6	-	-
Profit for the financial year available for discretionary division among members		15,481,274	6,996,628
Total comprehensive income for the year		15,481,274	6,996,628

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

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	10		254,720		-
Investment properties	11		160,007,115		150,360,301
			<u>160,261,835</u>		<u>150,360,301</u>
Current assets					
Debtors					
Cash at bank and in hand	13	3,538,721		3,512,285	
		8,041,420		7,732,697	
		<u>11,580,141</u>		<u>11,244,982</u>	
Creditors: amounts falling due within one year	15	(10,166,773)		(9,148,760)	
Net current assets			1,413,368		2,096,222
Total assets less current liabilities			<u>161,675,203</u>		<u>152,456,523</u>
Creditors: amounts falling due after more than one year	16		(91,066,273)		(95,926,486)
Net assets attributable to members			<u>70,608,930</u>		<u>56,530,037</u>
Represented by:					
Loans and other debts due to members within one year					
Amounts due in respect of profits			1,141,099		1,108,575
Other amounts			(961,875)		(961,875)
			<u>179,224</u>		<u>146,700</u>
Members' other interests					
Members' capital classified as equity			1,000		1,000
Non distributable reserve			39,337,253		30,545,301
Other reserves classified as equity			31,091,453		25,837,036
			<u>70,608,930</u>		<u>56,530,037</u>
Total members' interests					
Amounts due from members			(449,000)		(371,366)
Loans and other debts due to members			179,224		146,700
Members' other interests			70,429,706		56,383,337
			<u>70,159,930</u>		<u>56,158,671</u>

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2016

The financial statements were approved by the members and authorised for issue on 22 June 2016 and are signed on their behalf by:

Pauline Barclay
City Property (Glasgow) LLP
Designated member

Martin Neil
Glasgow City Council
Designated Member

Limited Liability Partnership Registration No. SO302466

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 MARCH 2016

	EQUITY				Total	Other amounts	Total	TOTAL MEMBERS' INTERESTS Total 2016
	Members' capital (classified as equity)	Revaluation reserve	Members' other interests	Other reserves				
Current financial year								
Amount due to members						146,700		
Amount due from members						(371,366)		
Members' interests at 1 April 2015	1,000	30,545,301	25,837,036		56,383,337	(224,666)	(224,666)	56,158,671
Profit for the financial year available for discretionary division among members	-	(8,791,952)	6,689,322		15,481,274	-	-	15,481,274
Members' interests after profit for the year	1,000	39,337,253	32,526,358		71,864,611	(224,666)	(224,666)	71,639,945
Other divisions of profits	-	-	(1,480,015)		(1,480,015)	-	-	(1,480,015)
Other movements	-	-	45,110		45,110	(45,110)	(45,110)	-
Members' interests at 31 March 2016	1,000	39,337,253	31,091,453		70,429,706	(269,776)	(269,776)	70,159,930
Amounts due to members						179,224		
Amounts due from members, included in debtors						(449,000)		
						(269,776)		

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

<i>Prior financial year</i>	EQUITY				Other amounts	Total	MEMBERS' INTERESTS Total 2015
	Members' capital (classified as equity)	Revaluation reserve	Members' other interests	Total			
	£	£	£	£	£	£	£
Amount due to members					1,025,851		
Members' interests at 1 April 2014	1,000	30,703,802	18,831,417	49,536,219	1,025,851	1,025,851	50,562,070
Profit for the financial year available for discretionary division among members	-	1,082,410	5,914,218	6,996,628	-	-	6,996,628
Members' interests after profit for the year	1,000	31,786,212	24,745,635	56,532,847	1,025,851	1,025,851	57,558,698
Transfer	-	-	1,240,911	1,240,911	-	-	1,240,911
Other divisions of profits	-	-	(1,400,027)	(1,400,027)	-	-	(1,400,027)
Other movements	-	(1,240,911)	1,250,517	9,606	(1,250,517)	(1,250,517)	(1,240,911)
Members' interests at 31 March 2015	1,000	30,545,301	25,837,036	56,383,337	(224,666)	(224,666)	56,158,671
Amounts due to members					146,700		
Amounts due from members, included in debtors					(371,366)		
					(224,666)		

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	21	13,037,587		11,119,771	
Interest paid		(5,473,083)		(5,637,213)	
Net cash inflow from operating activities		<u>7,564,504</u>		<u>5,482,558</u>	
Investing activities					
Purchase of tangible fixed assets		(318,400)		-	
Purchase of investment property		(3,150,000)		-	
Proceeds on disposal of investment property		2,295,138	1,240,911		
Gain on sale of investment properties		219,764		-	
Interest received		37,945	44,006		
Net cash (used in)/generated from investing activities		<u>(915,553)</u>		<u>1,284,917</u>	
Financing activities					
Capital introduced by members (classified as debt or equity)		45,110	1,250,517		
Payments to members that represent a return on amounts subscribed or otherwise contributed		(45,110)	(1,250,517)		
Members' dividend paid		(1,480,015)	(1,400,027)		
Repayment of bank loans		(4,860,213)	(4,590,597)		
Net cash used in financing activities		<u>(6,340,228)</u>		<u>(5,990,624)</u>	
Net increase in cash and cash equivalents		<u>308,723</u>		<u>776,851</u>	
Cash and cash equivalents at beginning of year		7,732,697		6,955,846	
Cash and cash equivalents at end of year		<u><u>8,041,420</u></u>		<u><u>7,732,697</u></u>	

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Limited liability partnership information

City Property Glasgow (Investments) 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, modified to include the revaluation of freehold properties and to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the amounts recoverable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time.

Fee income and charges represents fee income from Glasgow City Council based on a Service Agreement and ad hoc sales income generated from activities, such as car boot sales, net of VAT.

If, at the balance sheet date, completion of contractual obligations is dependent on external factors (and thus outside the control of the Limited Liability Partnership), then revenue is recognised only when the event occurs.

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

(Continued)

1 Accounting policies

1.4 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement.

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.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

IT Systems

20% straight line

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 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.

1.8 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Basic financial assets

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 carried at cost.

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

1.10 Retirement benefits and post retirement payments to members

Staff working for the LLP are actually employees of City Property (Glasgow) LLP and a charge is made for the use of their time. The charge covers all employment costs including pension and national insurance.

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 in City Property (Glasgow) LLP. The movement in the scheme surplus/deficit is split between operating charges and finance items; actuarial gains and losses are disclosed within the accounts of City Property (Glasgow) LLP. It is not possible to identify City Property Glasgow (Investments) LLPs share of the underlying assets and liabilities on a consistent and reasonable basis.

1.11 Tax provisions

As a limited liability partnership, City Property Glasgow (Investments) 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. No provision is made in respect of taxation, nor is any amount retained from profits in order to fund taxation on behalf of the members.

2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

3 Turnover

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

	2016 £	2015 £
Turnover		
Rent, fees and service charges	19,739,257	20,377,783
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	37,945	44,006
	<u> </u>	<u> </u>

4 Operating profit

Operating profit for the year is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of owned tangible fixed assets	63,680	-
	<u> </u>	<u> </u>

5 Employees

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

	2016 Number	2015 Number
Core staff	52	53
	<u> </u>	<u> </u>

Staff costs for the above persons:

	2016 £	2015 £
Wages and salaries	1,579,100	1,590,572
Social security costs	127,848	125,698
Pension costs	303,995	269,453
	<u> </u>	<u> </u>
	2,010,943	1,985,723
	<u> </u>	<u> </u>

The staff are employed by City Property (Glasgow) LLP, a sister organisation, and the relevant Pension disclosure is made in the financial statements of that entity.

Pauline Barclay, who is the managing director, and is also a member of the Board, received a salary and benefits for her role as Managing Director.

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

6	Members' remuneration		
		2016	2015
		Number	Number
	The average number of members during the year was	2	2
		<u> </u>	<u> </u>
		2016	2015
		£	£
	Profit attributable to the member with the highest entitlement	6,689,255	5,914,159
		<u> </u>	<u> </u>
	Average members remuneration	3,344,661	2,957,109
		<u> </u>	<u> </u>
7	Interest receivable and similar income		
		2016	2015
		£	£
	Interest income		
	Interest on bank deposits	37,945	36,413
	Other interest income	-	7,593
		<u> </u>	<u> </u>
	Total income	37,945	44,006
		<u> </u>	<u> </u>
8	Interest payable and similar charges		
		2016	2015
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	5,441,671	5,605,801
	Release of cost of raising finance	31,412	31,412
		<u> </u>	<u> </u>
		5,473,083	5,637,213
		<u> </u>	<u> </u>
9	Changes in value of investments		
		2016	2015
		£	£
	Gain on disposal of fixed asset investments	219,764	-
	Increase in the fair value of investment properties	8,791,952	1,082,410
		<u> </u>	<u> </u>
		9,011,716	1,082,410
		<u> </u>	<u> </u>

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

10 Tangible fixed assets

	IT Systems £
Cost	
Additions	318,400
At 31 March 2016	<u>318,400</u>
Depreciation and impairment	
Depreciation charged in the year	63,680
At 31 March 2016	<u>63,680</u>
Carrying amount	
At 31 March 2016	<u><u>254,720</u></u>

11 Investment property

	2016 £
Fair value	
At 1 April 2015	
Additions through external acquisition	150,360,301
Disposals	3,150,000
Increase in the fair value of investment properties	(2,295,138)
At 31 March 2016	<u>8,791,952</u>
	<u><u>160,007,115</u></u>

Investment properties, the majority of which are freehold, were acquired on 29 March 2010 at a price considered by the Members to be open market value on an existing use basis. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2016 by RICS accredited registered valuers, who are not connected with the limited liability partnership. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

Investment properties are not depreciated.

12 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>3,089,721</u>	<u>3,140,919</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>100,166,238</u>	<u>104,676,955</u>

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

13 Debtors

Amounts falling due within one year:	2016 £	2015 £
Trade debtors	1,510,881	2,347,305
Amounts due from fellow group undertakings	139,031	33,758
Amounts due from members	449,000	371,366
Other debtors	1,439,809	759,856
	<u>3,538,721</u>	<u>3,512,285</u>

14 Loans and overdrafts

	2016 £	2015 £
Bank loans	95,926,486	100,517,083
Payable within one year	4,860,213	4,590,597
Payable after one year	91,066,273	95,926,486

The bank loan is secured by a floating charge over the LLPs assets. The repayment of the bank loan is guaranteed by Glasgow City Council which is the ultimate controlling party.

The bank loan is repayable by 31 March 2030. The interest rate on the loan is 5.4025%.

The bank loan is disclosed net of issue costs which in accordance with FRS 102 will be charged to the profit and loss over the life of the loan.

16 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Loans and overdrafts	14	4,860,213	4,590,597
Trade creditors		1,240,697	1,352,213
Amounts due to fellow group undertakings		457,461	220,372
Other taxation and social security		1,066,808	398,291
Other creditors		179,224	146,700
Accruals and deferred income		2,362,370	2,440,587
		<u>10,166,773</u>	<u>9,148,760</u>

16 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Loans and overdrafts	14	91,066,273	95,926,486

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

17 Retirement benefit schemes

Defined contribution schemes

The limited liability partnership operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the limited liability partnership in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £303,995 (2015 - £269,453).

18 Loans and other debts due to members

	2016 £	2015 £
Analysis of loans		
Amounts falling due within one year	179,224	146,700

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

19 Operating lease commitments

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	468,663	475,739
Between two and five years	1,449,355	1,432,285
In over five years	4,262,107	4,333,267
	<u>6,180,125</u>	<u>6,241,291</u>

20 Controlling party

The LLP was controlled throughout the period by its Members. The Members are Glasgow City Council and City Property (Glasgow) LLP. The ultimate controlling party is Glasgow City Council as they own 99.999% of City Property (Glasgow) LLP; the other 0.001% is owned by GCC LLP Investments Limited who are ultimately 100% owned by Glasgow City Council.

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

21 Cash generated from operations	2016 £	2015 £
Profit for the year	15,481,274	6,996,628
Adjustments for:		
Finance costs recognised in profit or loss	5,473,083	5,637,213
Investment income recognised in profit or loss	(37,945)	(44,006)
Depreciation of tangible fixed assets	63,680	-
Gain on disposal of investments	(219,764)	-
Increase in fair value of investment properties	(8,791,952)	(1,082,410)
Movements in working capital:		
Decrease in debtors	51,198	353,199
Increase/(decrease) in creditors	1,018,013	(740,853)
Cash generated from operations	<u>13,037,587</u>	<u>11,119,771</u>