

Limited Liability Partnership Registration No. SO306677 (Scotland)

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

| | |
|---|---|
| Designated members | City Property (Glasgow) LLP Glasgow City Council |
| Limited liability partnership number | SO306677 |
| Registered office | Exchange House 229 George Street Glasgow G1 1QU |
| Auditor | Wylie & Bisset (Audit) Limited Chartered Accountants 168 Bath Street Glasgow G2 4TP |
| Business address | Exchange House 229 George Street Glasgow G1 1QU |

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

CONTENTS

| | Page |
|--------------------------------------|-------------|
| Members' report | 1 |
| Members' responsibilities statement | 2 |
| Independent auditor's report | 3 - 5 |
| Statement of comprehensive income | 6 |
| Balance sheet | 7 |
| Reconciliation of members' interests | 8 |
| Notes to the financial statements | 9 - 15 |

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The members present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the limited liability partnership is that of a property holding entity.

The partnership was incorporated on 28th March 2019 and its first set of financial statements are drawn up to the 31 March 2020. It was incorporated to purchase the following operational assets from Glasgow City Council and to lease these assets back to the Council:

- Riverside Museum
- The Glasgow Royal Concert Hall
- Tollcross Park Leisure Centre
- Gorbals Leisure Centre
- Toryglen Football Centre

Designated members

The designated 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

Auditor

In accordance with section 485 of the Companies Act 2006, as applied by the Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, Wylie & Bisset LLP was appointed as auditors following a competitive tender process. Wylie & Bisset LLP was replaced by Wylie & Bisset (Audit) Limited on 4 April 2020 because of a transfer of the audit registration licence. Wylie & Bisset (Audit) Limited will be considered for reappointment at a Board meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the members on 23 September 2020 and signed on behalf by:

Pauline Barclay
City Property (Glasgow) LLP
Designated Member

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

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 (OPERATIONS SL1) LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

Opinion

We have audited the financial statements of City Property Glasgow (Operations SL1) LLP (the 'limited liability partnership') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the reconciliation of members' interests and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2020 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CITY PROPERTY GLASGOW (OPERATIONS SL1) 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; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime.

Responsibilities of members

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, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

Use of our report

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.

Scott Gillon BA(Hons) FCCA CA (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset (Audit) Limited

23 September 2020

Chartered Accountants
Statutory Auditor

Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | 2020 £000 |
|--|-------|----------------------|
| Administrative expenses | | (279) |
| Other operating income | | 3,352 |
| Operating profit | | <u>3,073</u> |
| Interest payable and similar expenses | | (2,240) |
| Fair value gains and losses on investment properties | 3 | 38,475 |
| Profit for the financial year before members' remuneration and profit shares available for discretionary division among members | | <u><u>39,308</u></u> |

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

BALANCE SHEET

AS AT 31 MARCH 2020

| | Notes | 2020 £000 | £000 |
|--|-------|----------------|------------------|
| Fixed assets | | | |
| Intangible assets | 2 | | 3,441 |
| Investment properties | 3 | | 227,015 |
| | | | <u>230,456</u> |
| Current assets | | | |
| Debtors | 4 | 7 | |
| Cash at bank and in hand | | 9,169 | |
| | | <u>9,176</u> | |
| Creditors: amounts falling due within one year | 6 | <u>(7,375)</u> | |
| Net current assets | | | <u>1,801</u> |
| Total assets less current liabilities | | | <u>232,257</u> |
| Creditors: amounts falling due after more than one year | 7 | | <u>(192,948)</u> |
| Net assets attributable to members | | | <u>39,309</u> |
| Represented by: | | | |
| Members' other interests | | | |
| Members' capital classified as equity | | | 1 |
| Other reserves classified as equity | | | 39,308 |
| | | | <u>39,309</u> |
| Total members' interests | | | <u>39,309</u> |
| Members' other interests | | | <u>39,309</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.

The financial statements were approved by the members and authorised for issue on 23 September 2020 and are signed on their behalf by:

Pauline Barclay
City Property (Glasgow) LLP
Designated Member

Limited Liability Partnership Registration No. SO306677

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

RECONCILIATION OF MEMBERS' INTERESTS

FOR THE YEAR ENDED 31 MARCH 2020

Current financial year

| | EQUITY | | TOTAL |
|--|---|----------------|--------------------|
| | Members' other interests | | MEMBERS' INTERESTS |
| | Members' capital (classified as equity) | Other reserves | Total 2020 |
| | £000 | £000 | £000 |
| Members' interests at 1 April 2019 | - | - | - |
| Profit for the financial year available for discretionary division among members | - | 39,308 | 39,308 |
| Members' interests after profit for the year | - | 39,308 | 39,308 |
| Introduced by members | 1 | - | 1 |
| Members' interests at 31 March 2020 | 1 | 39,308 | 39,309 |

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Limited liability partnership information

City Property Glasgow (Operations SL1) LLP is a limited liability partnership incorporated in Scotland. The registered office is Exchange House, 229 George Street, Glasgow, G1 1QU.

The limited liability partnership's principal activities are disclosed in the Members' Report.

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 December 2018, 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments 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.

The members have taken cognisance of the current COVID 19 pandemic and consider this will not have a material impact on the going concern of the business.

1.3 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.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

| | |
|-------------------|---------------------------|
| Transaction costs | over the term of the loan |
|-------------------|---------------------------|

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in the Statement of Comprehensive Income.

1.6 Impairment of fixed assets

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

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.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the limited liability partnership.

1.10 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Intangible fixed assets

Transaction
costs
£000

Cost

At 1 April 2019

-

Additions

3,492

At 31 March 2020

3,492

Amortisation and impairment

At 1 April 2019

-

Amortisation charged for the year

51

At 31 March 2020

51

Carrying amount

At 31 March 2020

3,441

3 Investment property

2020
£000

Fair value

At 1 April 2019

-

Additions through external acquisition

188,540

Net gains or losses through fair value adjustments

38,475

At 31 March 2020

227,015

Investment property comprises:

- Riverside Museum
- The Glasgow Royal Concert Hall
- Tollcross Park Leisure Centre
- Gorbals Leisure Centre
- Toryglen Football Centre

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 May 2019 by Avison Young Chartered Surveyors, 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.

The members do not believe there to be a material change in value between the valuation date and the Balance Sheet date.

4 Debtors

2020
£000

Amounts falling due within one year:

Amounts owed by group undertakings

7

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Debtors (Continued)

5 Loans and overdrafts

2020
£000

| | |
|---|---------|
| Loans from group undertakings and related parties | 194,614 |
| Payable within one year | 1,871 |
| Payable after one year | 192,743 |

The long-term loans are secured by fixed charges over the investment properties disclosed in note 3

The LLP has entered into a sale and leaseback agreement over the investment properties. The costs associated with this have been recognised as an intangible asset and £3,492k of costs were capitalised during the period. These costs are amortised over the term of the lease of 28.5 years at £123k per annum (£51k in 2019-20).

A financial liability has also been recognised above in relation to the sale and leaseback for the outstanding loan which funded this transaction. The liability at the year end of £194,614 will mature on 31 March 2048 and an agreed commercial interest rate will be applied over the term of the loan. Any repayments made will reduce this liability and at 31 March 2020, £600,635 of capital was repaid in line with the repayment schedule.

The liability noted above has been disclosed as other creditors due within one year £1,871k and in creditors due after one year £192,743 in notes 6 and 7 respectively.

6 Creditors: amounts falling due within one year

2020
£000

| | |
|------------------------------|--------------|
| Taxation and social security | 864 |
| Other creditors | 6,511 |
| | <u>7,375</u> |

7 Creditors: amounts falling due after more than one year

2020
£000

| | |
|-----------------|---------|
| Other creditors | 192,948 |
|-----------------|---------|

The long-term loans are secured by fixed charges over the investment properties disclosed in note 3

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Operating lease commitments

Lessor

At the reporting end date the limited liability partnership had contracted with tenants under a sale and leaseback agreement for the following minimum lease payments:

2020
£000

394,068

9 Related party transactions

The LLP has taken advantage of FRS 102 "related party disclosures" whereby it has not disclosed transactions with the ultimate parent or any wholly owned subsidiary undertaking of the group.

10 Parent company

The ultimate parent is Glasgow City Council, which prepares group accounts. Copies of these can be obtained from 82 George Square, Glasgow, G2 1DU