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**CITY PARKING (GLASGOW) LLP**

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**CITY PARKING (GLASGOW) LLP**

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**INFORMATION**

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**Designated Members** Glasgow City Council  
GCC LLP Investments Limited

**LLP registered number** SO301266

**Registered office** 5 Cadogan Square  
Anderston Centre  
Glasgow  
G2 7PH

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

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

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**CITY PARKING (GLASGOW) LLP**

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## CITY PARKING (GLASGOW) LLP

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### MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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The members present their annual report together with the audited financial statements of City Parking (Glasgow) LLP (the "LLP") for the year ended 31 March 2018.

#### **Principal activities**

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

#### **Designated Members**

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

#### **Members' capital and interests**

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

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

#### **Members' responsibilities statement**

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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

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**CITY PARKING (GLASGOW) LLP**

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**MEMBERS' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2018**

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**Disclosure of information to auditor**

The members confirm that:

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

This report was approved by the members on 20 September 2018 and signed on their behalf by:

**William Taggart**  
Designated member



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

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### Opinion

We have audited the financial statements of City Parking (Glasgow) LLP for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2018 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.

### 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.

### Who we are reporting to

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 to limited liability partnerships. 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.

### 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.



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

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### 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 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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.

### Responsibilities of members for the financial statements

As explained more fully in the Members' Responsibilities Statement on page 1, 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.



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

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**Auditor's responsibilities for the audit of the financial statements**

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

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

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

20 September 2018



**CITY PARKING (GLASGOW) LLP**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	3	14,854,088	15,853,105
Impairment on valuations of investment property	11	(106,754)	(600,000)
Other external charges		(7,363,755)	(7,525,638)
<b>Gross profit</b>		<b>7,383,579</b>	<b>7,727,467</b>
Staff costs	6	(4,995,402)	(4,830,124)
Depreciation	11	(744,231)	(695,304)
Reversal of impairment	11	4,891,891	-
<b>Operating profit</b>	4	<b>6,535,837</b>	<b>2,202,039</b>
Interest receivable and similar income		13,148	16,590
Interest payable and expenses	8	(2,737,738)	(2,386,889)
Other finance income		(66,000)	9,000
<b>Profit/(loss) before tax</b>		<b>3,745,247</b>	<b>(159,260)</b>
<b>Profit/(loss) before members' remuneration and profit shares</b>		<b>3,745,247</b>	<b>(159,260)</b>
Profit/(loss) for the year before members' remuneration and profit shares		3,745,247	(159,260)
Members' remuneration charged as an expense		(100,075)	(104,032)
<b>Profit/(loss) for the financial year available for discretionary division among members</b>		<b>3,645,172</b>	<b>(263,292)</b>
<b>Other comprehensive income for the year</b>			
Actuarial gains / (losses) on defined benefit pension scheme		2,872,001	(2,049,000)
<b>Other comprehensive income for the year</b>		<b>2,872,001</b>	<b>(2,049,000)</b>
<b>Total comprehensive income for the year</b>		<b>6,517,173</b>	<b>(2,312,292)</b>

The notes on pages 10 to 26 form part of these financial statements.

**CITY PARKING (GLASGOW) LLP**  
**REGISTERED NUMBER: SO301266**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	<b>20,107,427</b>	15,896,620
		<u>20,107,427</u>	<u>15,896,620</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	12	<b>203,274</b>	-
Debtors: amounts falling due within one year	12	<b>1,603,672</b>	1,313,359
Cash at bank and in hand	13	<b>4,246,917</b>	5,379,613
		<u>6,053,863</u>	<u>6,692,972</u>
Creditors: Amounts Falling Due Within One Year	14	<b>(2,415,910)</b>	(2,603,036)
<b>Net current assets</b>		<b>3,637,953</b>	4,089,936
<b>Total assets less current liabilities</b>		<b>23,745,380</b>	19,986,556
Creditors: amounts falling due after more than one year	15	<b>(43,631,049)</b>	(44,090,882)
		<u>(19,885,669)</u>	<u>(24,104,326)</u>
Pension liability/asset		-	(2,261,000)
<b>Net liabilities</b>		<b>(19,885,669)</b>	(26,365,326)

**CITY PARKING (GLASGOW) LLP**  
**REGISTERED NUMBER: SO301266**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Other amounts		4,090,875	4,128,392
		4,090,875	4,128,392
<b>Members' other interests</b>			
Members' capital classified as equity	1,000		1,000
Other reserves classified as equity	(23,977,544)		(30,494,718)
		(23,976,544)	(30,493,718)
		(19,885,669)	(26,365,326)
<b>Total members' interests</b>			
Amounts due from members (included in debtors)	12	(997,072)	(315,794)
Loans and other debts due to members		4,090,875	4,128,392
Members' other interests		(23,976,544)	(30,493,718)
		(20,882,741)	(26,681,120)

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 20 September 2018.

**William Taggart**  
Designated member

The notes on pages 10 to 26 form part of these financial statements.

CITY PARKING (GLASGOW) LLP

**RECONCILIATION OF MEMBERS' INTERESTS  
FOR THE YEAR ENDED 31 MARCH 2018**

	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £
Amounts due to members				3,814,157	
Amounts due from members				(192,395)	
<b>Balance at 1 April 2016</b>	<b>1,000</b>	<b>(28,182,426)</b>	<b>(28,181,426)</b>	<b>3,621,762</b>	<b>(24,559,664)</b>
Members' remuneration charged as an expense	-	-	-	(104,032)	(104,032)
Loss for the year available for discretionary division among members	-	(263,292)	(263,292)	-	(263,292)
<b>Members' interests after profit for the year</b>	<b>1,000</b>	<b>(28,445,718)</b>	<b>(28,444,718)</b>	<b>3,517,730</b>	<b>(24,926,988)</b>
Movement in defined benefit pension scheme deficit	-	(2,049,000)	(2,049,000)	-	(2,049,000)
Amounts introduced by members	-	-	-	418,267	418,267
Amounts withdrawn	-	-	-	(123,399)	(123,399)
Amounts due to members				4,128,392	
Amounts due from members				(315,794)	
<b>Balance at 31 March 2017</b>	<b>1,000</b>	<b>(30,494,718)</b>	<b>(30,493,718)</b>	<b>3,812,598</b>	<b>(26,681,120)</b>
Profit for the year available for discretionary division among members	-	3,645,173	3,645,173	-	3,645,173
<b>Members' interests after profit for the year</b>	<b>1,000</b>	<b>(26,849,545)</b>	<b>(26,848,545)</b>	<b>3,812,598</b>	<b>(23,035,947)</b>
Movement in defined benefit pension scheme deficit	-	2,872,001	2,872,001	-	2,872,001
Amounts introduced by members	-	-	-	(37,517)	(37,517)
Amounts withdrawn	-	-	-	(681,278)	(681,278)
Amounts due to members				4,090,875	
Amounts due from members				(997,072)	
<b>Balance at 31 March 2018</b>	<b>1,000</b>	<b>(23,977,544)</b>	<b>(23,976,544)</b>	<b>3,093,803</b>	<b>(20,882,741)</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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

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

The following principal accounting policies have been applied:

**1.2 Financial reporting standard 102 - reduced disclosure exemptions**

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

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

This information is included in the consolidated financial statements of Glasgow City Council as at 31 March 2018 and these financial statements may be obtained from City Chambers, Glasgow, G2 1DU.

**1.3 Going concern**

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

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

The designated member, Glasgow City Council, provided funding through an unsecured term loan of £2m which is due for renewal on 5 September 2035. Glasgow City Council has confirmed, as ultimate parent undertaking, they will continue to provide the LLP with the necessary financial support for at least a further 12 months from the date of signing of the financial statements of the LLP for the year ended 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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**1. Accounting policies (continued)**

**1.4 Revenue**

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

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

**1.5 Tax**

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

**1.6 Intangible assets**

**Goodwill**

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

**Other intangible assets**

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets**

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

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

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

Depreciation is provided on the following basis:

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

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

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

**1.8 Impairment of fixed assets and goodwill**

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

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

**1.9 Investment property**

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

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## CITY PARKING (GLASGOW) LLP

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. Accounting policies (continued)

##### 1.10 Operating leases: the LLP as lessee

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

##### 1.11 Members' capital

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

##### 1.12 Members' remuneration and allocation of profits

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

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

##### 1.13 Members' participation rights

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

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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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1. Accounting policies (continued)

1.14 Pension costs and other post-retirement benefits

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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

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

**Investment Properties**

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

**Staff Pension Scheme and Recognition of Pension Scheme Asset**

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

**Carrying Value of Property**

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

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CITY PARKING (GLASGOW) LLP

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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3. Turnover

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

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	<u>14,854,088</u>	<u>15,853,105</u>

4. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	744,231	695,304
Impairment of investment properties	100,000	600,000
Other operating lease rentals	158,874	188,263
Defined benefit pension cost	<u>1,137,800</u>	<u>842,628</u>

5. Auditor's remuneration

	2018 £	2017 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	18,620	16,650
<b>Fees payable to the LLP's auditor and its associates in respect of:</b>		
Other services relating to taxation	<u>1,850</u>	<u>1,850</u>

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**CITY PARKING (GLASGOW) LLP**

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FOR THE YEAR ENDED 31 MARCH 2018**

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**6. Employees**

Staff cost were as follows:

	<b>2018</b>	<i>2017</i>
	£	£
Wages and salaries	<b>3,526,222</b>	3,638,867
Social security costs	<b>322,873</b>	340,903
Cost of defined benefit scheme	<b>1,137,800</b>	842,628
Redundancy Costs	<b>8,507</b>	7,726
	<b>4,995,402</b>	4,830,124

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

	<b>2018</b>	<i>2017</i>
	No.	No.
Senior management	<b>4</b>	4
Administrative support	<b>14</b>	15
Car park management	<b>1</b>	1
Car park staff	<b>30</b>	31
On street management	<b>2</b>	3
On street staff	<b>95</b>	103
	<b>146</b>	157

**7. Information in relation to members**

	<b>2018</b>	<i>2017</i>
	£	£
Interest in relation to members' loan	<b>100,075</b>	104,032

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

There were 2 members in the year to March 2018 (2017: 2).

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**CITY PARKING (GLASGOW) LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**8. Interest payable and similar charges**

	<b>2018</b>	<b>2017</b>
	£	£
Bank interest payable	<b>2,737,738</b>	2,386,889
	<u>2,737,738</u>	<u>2,386,889</u>

**9. Other finance costs**

	<b>2018</b>	<b>2017</b>
	£	£
Expected return on pension scheme assets	<b>718,000</b>	774,000
Interest cost on defined benefit obligation	<b>(784,000)</b>	(765,000)
	<u>(66,000)</u>	<u>9,000</u>

**10. Intangible assets**

	<b>Goodwill</b>
	£
<b>Cost</b>	
At 1 April 2017	4,928,500
At 31 March 2018	<u>4,928,500</u>
<b>Amortisation</b>	
At 1 April 2017	4,928,500
At 31 March 2018	<u>4,928,500</u>
<b>Net book value</b>	
At 31 March 2018	<u>-</u>
At 31 March 2017	<u>-</u>

**CITY PARKING (GLASGOW) LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**11. Tangible fixed assets**

	Leasehold investment property £	Leasehold property £	Leasehold improvements £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2017	1,200,000	16,173,424	78,883	1,493,405	18,945,712
Additions	-	169,900	-	-	169,900
Impairment	(100,000)	(6,754)	-	-	(106,754)
Revaluations	-	2,101,853	-	-	2,101,853
At 31 March 2018	<u>1,100,000</u>	<u>18,438,423</u>	<u>78,883</u>	<u>1,493,405</u>	<u>21,110,711</u>
<b>Depreciation</b>					
At 1 April 2017	-	2,236,790	48,369	763,933	3,049,092
Charge for the year on owned assets	-	604,747	5,527	133,957	744,231
Depreciation reversal due to revaluation	-	(2,790,039)	-	-	(2,790,039)
At 31 March 2018	<u>-</u>	<u>51,498</u>	<u>53,896</u>	<u>897,890</u>	<u>1,003,284</u>
<b>Net book value</b>					
At 31 March 2018	<u>1,100,000</u>	<u>18,386,925</u>	<u>24,987</u>	<u>595,515</u>	<u>20,107,427</u>
At 31 March 2017	<u>1,200,000</u>	<u>13,936,634</u>	<u>30,514</u>	<u>729,472</u>	<u>15,896,620</u>

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

	2018 £	2017 £
Freehold	1,100,000	1,200,000
Long leasehold	18,386,926	13,936,634
	<u>19,486,926</u>	<u>15,136,634</u>

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

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

**CITY PARKING (GLASGOW) LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**12. Debtors**

	2018 £	2017 £
<b>Due after more than one year</b>		
Prepayments and accrued income	<b>203,274</b>	-
	<u>203,274</u>	<u>-</u>
	2018 £	2017 £
<b>Due within one year</b>		
Trade debtors	27,687	192,529
Other debtors	133,656	198,159
Prepayments and accrued income	445,257	606,877
Amounts due from members	997,072	315,794
	<u>1,603,672</u>	<u>1,313,359</u>

**13. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	<b>4,246,917</b>	5,379,613
	<u>4,246,917</u>	<u>5,379,613</u>

**14. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Bank loans	504,000	504,000
Trade creditors	7,621	36,650
Amounts owed to group undertakings	102,097	112,413
Other taxation and social security	529,225	469,015
Other creditors	144,409	127,260
Accruals and deferred income	1,128,558	1,353,698
	<u>2,415,910</u>	<u>2,603,036</u>

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FOR THE YEAR ENDED 31 MARCH 2018

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

	2018 £	2017 £
Bank loans	42,771,998	43,275,998
Other creditors	859,051	814,884
	<u>43,631,049</u>	<u>44,090,882</u>

**Secured loans**

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

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

16. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
<b>Amounts falling due within one year</b>		
Bank loans	504,000	504,000
<b>Amounts falling due 1-2 years</b>		
Bank loans	504,000	504,000
<b>Amounts falling due 2-5 years</b>		
Bank loans	3,118,000	2,242,000
<b>Amounts falling due after more than 5 years</b>		
Bank loans	39,149,998	40,529,998
	<u>43,275,998</u>	<u>43,779,998</u>



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CITY PARKING (GLASGOW) LLP

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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17. Financial instruments

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	4,246,917	5,379,613
Financial assets measured at amortised cost	<u>1,159,227</u>	<u>748,438</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(49,456,260)</u>	<u>(50,074,052)</u>

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

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

18. Contingent liabilities

There were no contingent liabilities at 31 March 2018 and 31 March 2017.

19. Capital commitments

There were no capital commitments at 31 March 2018 and 31 March 2017.

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**CITY PARKING (GLASGOW) LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**20. Pension commitments**

The entity operates a Defined Benefit Pension Scheme.

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

Assets are valued at fair value. Quoted securities are valued at bid price rather than mid-market value to comply with the 2008 SORP. Liabilities are valued on actuarial basis using the projected unit method, which assessed the future liabilities of the fund discounted to their present value. The fund's liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries. Calculations have been based on the valuation of the scheme as at 31 March 2012 updated to 31 March 2018.

Reconciliation of present value of plan liabilities:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of present value of plan liabilities</b>		
Opening fair value of scheme liabilities	<b>(29,731,000)</b>	<i>(21,560,000)</i>
Current service cost	<b>(1,150,000)</b>	<i>(834,000)</i>
Interest cost	<b>(784,000)</b>	<i>(765,000)</i>
Actuarial gains/(losses)	<b>4,375,000</b>	<i>(6,769,000)</i>
Contributions	<b>(179,000)</b>	<i>(182,000)</i>
Benefits paid	<b>445,000</b>	<i>358,000</i>
Estimated unfunded benefits paid	<b>21,000</b>	<i>21,000</i>
<b>At the end of the year</b>	<b><u>(27,003,000)</u></b>	<i><u>(29,731,000)</u></i>

Reconciliation of present value of plan assets:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	<b>27,470,000</b>	<i>21,919,000</i>
Expected return on assets	<b>718,000</b>	<i>774,000</i>
Actuarial gains	<b>1,739,000</b>	<i>4,361,000</i>
Contributions by employer	<b>605,000</b>	<i>613,000</i>
Contributions by scheme participants	<b>179,000</b>	<i>182,000</i>
Estimated unfunded benefits paid	<b>(21,000)</b>	<i>(21,000)</i>
Benefits paid	<b>(445,000)</b>	<i>(358,000)</i>
<b>At the end of the year</b>	<b><u>30,245,000</u></b>	<i><u>27,470,000</u></i>

**CITY PARKING (GLASGOW) LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**20. Pension commitments (continued)**

Composition of plan assets:

	2018 %	2017 %
Equity	66	73
Bonds	15	12
Property	9	10
Cash	10	5
<b>Total plan assets</b>	<b>100</b>	<b>100</b>
	2018 £	2017 £
Fair value of plan assets	30,245,000	27,470,000
Present value of plan liabilities	(27,003,000)	(29,731,000)
Derecognition of pension assets	(3,242,000)	-
<b>Net pension scheme liability</b>	<b>-</b>	<b>(2,261,000)</b>

The amounts recognised in profit or loss are as follows:

	2018 £	2017 £
Current service cost	(1,150,000)	(834,000)
Interest on obligation	(784,000)	(765,000)
Interest income on plan assets	718,000	774,000
<b>Total</b>	<b>(1,216,000)</b>	<b>(825,000)</b>

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £1,223,000 (2017: (£4,360,000)).

The entity expects to contribute £584,000 to its Defined Benefit Pension Scheme in 2019.

**CITY PARKING (GLASGOW) LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**20. Pension commitments (continued)**

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

	<b>2018</b>	2017
	%	%
Discount rate at 31 March	<b>2.70</b>	2.60
Expected return on scheme assets	<b>2.40</b>	2.50
Future salary increases	<b>3.60</b>	4.40
Future pension increases	<b>2.40</b>	2.40
	<b>2.70</b>	2.60

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

Defined benefit pension schemes

	2018	2017	2016	2015	2014
	£	£	£	£	£
Defined benefit obligation	<b>(27,003,000)</b>	(29,731,000)	(21,560,000)	(22,593,000)	(19,782,000)
Scheme assets	<b>30,245,000</b>	27,470,000	21,919,000	20,944,000	19,012,000
<b>Surplus</b>	<b>3,242,000</b>	(2,261,000)	359,000	(1,649,000)	(770,000)
Experience adjustments on scheme assets	<b>1,739,000</b>	4,361,000	(127,000)	735,000	269,000

At 31 March 2018 year end pension scheme had a surplus of £3,242,000. This was not recognised in the Statement of Financial Position because the surplus could not be recovered through reduced future contributions or other means. This is discussed at Note 2 'Judgements in applying accounting policies and key sources of estimation uncertainty'.

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

	Approx % increase to Employer Liability	2018	2018 amount (£000)	2017 £000
		£		
<b>Change in assumptions at 31 March 2018:</b>				
0.5% decrease in Real Discount Rate	11%	<b>2,973,000</b>	2,973	3,737
0.5% increase in the Salary Increase Rate	3%	<b>708,000</b>	708	1,528
0.5% increase in the Pension Increase Rate	8%	<b>2,200,000</b>	2,200	2,076
		<b>2,973,000</b>	2,973	3,737

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**CITY PARKING (GLASGOW) LLP**

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FOR THE YEAR ENDED 31 MARCH 2018**

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**21. Commitments under operating leases**

At 31 March 2018 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2018</b>	<i>2017</i>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>2,601,423</b>	<i>2,550,725</i>
Later than 1 year and not later than 5 years	<b>10,806,719</b>	<i>10,592,244</i>
Later than 5 years	<b>80,816,923</b>	<i>83,320,496</i>
	<b><u>94,225,065</u></b>	<i><u>96,463,465</u></i>

**22. Related party transactions**

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

**23. Ultimate parent company**

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