

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

CITY PROPERTY (GLASGOW) LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members Glasgow City Council
GCC LLP Investments Ltd

Limited liability partnership number SO302223

Registered office Exchange House
229 George Street
Glasgow
G1 1QU

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

Bankers Royal Bank of Scotland
Glasgow City Branch
10 Gordon Street
Glasgow
G1 3PL

Solicitors Dundas & Wilson
191 West George Street
GLASGOW
G2 2LD

Glasgow City Council
Exchange House
229 George Street
Glasgow
G1 1QU

CITY PROPERTY (GLASGOW) LLP

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CITY PROPERTY (GLASGOW) 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) LLP ("the LLP") is to manage, develop and dispose of Glasgow City Council's ("GCC") extensive non-operational property and land assets.

Designated members

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

Glasgow City Council
GCC LLP Investments Ltd

Governance

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

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

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

The Board

The current Board is as follows:

Councillor Martin Neil	Chair
Pauline Barclay	Managing Director
Bailie Phil Greene	
Councillor Helen Stephen	
Thomas Turley	Assistant Director of DRS, GCC
Bailie Gerard Leonard	(appointed 02/04/15)
Bailie Philip Braat	(resigned 18/02/16)
Councillor Martin Rhodes	(resigned 02/04/15)
Councillor Frank Docherty	(appointed 31/03/16)

Risk

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

CITY PROPERTY (GLASGOW) LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Review of Business

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

The property market remains unattractive to mass disposals and the LLP, while marketing in traditional fashion, is actively looking towards innovative disposal and development methods. Despite the difficult economic conditions, during the year under review, the LLP concluded the delivery of £11,405,000 (2015: £11,460,973) in capital receipts to GCC from the disposal of surplus land and property.

In addition, the LLP delivers the following core services:

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

On 29 March 2010, City Property Glasgow (Investments) LLP, a sister organisation within the GCC family, purchased an investment portfolio of properties from GCC. City Property (Glasgow) LLP employs the staff required to operate the investment portfolio and recharges City Property Glasgow (Investments) LLP for their time. The FRS 102 pension adjustment required by accounting practice, is based on the employees of both at the financial reporting date. The quantum of people working for City Property Glasgow (Investments) LLP and covered by the FRS102 calculations, means that the FRS 102 charge in the profit and loss account is disproportionate to the number of people employed by and disclosed in the financial statements of City Property (Glasgow) LLP.

Financial Performance

The financial results of the LLP are set out in the attached financial statements. The loss for the financial year of £390,439 shown in the Profit and Loss Account is after taking account of £406,000 of FRS 102 Pension Adjustments.

The effect of incorporating the FRS 102 Pension adjustment, as noted on above and as undernoted, has to be recognised in the Financial Statements. This resulted in an increased charge in the profit and loss account of £406,000. This technical exercise reduces the trading profit to the reported profit which is carried to reserves. The FRS 102 calculation at the year end shows a deficit on the pension scheme of £2,775,000 (2015: £4,754,000) which exceeds the accumulated reserves of the LLP and accounts for the negative Balance Sheet total. The

Profit sharing arrangements

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

Transactions with Members

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

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

CITY PROPERTY (GLASGOW) LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Pension Scheme

City Property (Glasgow) LLP is an admitted body of the Strathclyde Pension Fund which operates a defined benefit scheme, administered in accordance with the Local Government Pension Scheme (Scotland) regulations 1998, as amended. An actuarial valuation of the fund was carried out as at 31 March 2016. FRS 102 has been fully implemented in the financial statements for the year and its effect is disclosed in note 11 thereto. The annually calculated notional surplus or deficit on the funding of the scheme is now shown in the financial statements as a separate fund which is added to or deducted from the Members funds.

The net deficit on the Fund of £2,775,000 is a statement of the transient situation at 31 March 2016. This is significantly better than the deficit of £4,754,000 shown last year, but the Members recognise that this can move significantly in response to market factors and actuarial assumptions made. The surplus or deficit is affected by market conditions out with the control of the LLP.

Auditors

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

Statement of members' responsibilities

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members are required to:

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

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

CITY PROPERTY (GLASGOW) LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 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) LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITY PROPERTY (GLASGOW) LLP

We have audited the financial statements of City Property (Glasgow) LLP for the year ended 31 March 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

CITY PROPERTY (GLASGOW) LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CITY PROPERTY (GLASGOW) LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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

22 June 2016

Chartered Accountants
Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

CITY PROPERTY (GLASGOW) LLP

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	2,347,330	2,060,352
Cost of sales		<u>(1,338,234)</u>	<u>(1,125,897)</u>
Gross profit		1,009,096	934,455
Administrative expenses		<u>(994,426)</u>	<u>(932,173)</u>
Operating profit	4	14,670	2,282
Interest receivable and similar income	7	891	905
Other finance income/(expense) associated with FRS102	8	<u>(406,000)</u>	<u>150,000</u>
(Loss)/profit for the financial year before members' remuneration and profit shares		<u>(390,439)</u>	<u>153,187</u>
Members' remuneration charged as an expense		-	-
(Loss)/profit for the financial year available for discretionary division among members		<u>(390,439)</u>	<u>153,187</u>
Total comprehensive income/(outgoings) for the year		<u><u>(390,439)</u></u>	<u><u>153,187</u></u>

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

CITY PROPERTY (GLASGOW) LLP

BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Current assets					
Debtors	9	354,832		140,067	
Cash at bank and in hand		640,333		872,331	
		<u>995,165</u>		<u>1,012,398</u>	
Creditors: amounts falling due within one year	10	<u>(513,160)</u>		<u>(545,954)</u>	
Net current assets			482,005		466,444
Pension fund deficit	11	<u>(2,775,000)</u>		<u>(4,754,000)</u>	
Net liabilities attributable to members		<u>(2,292,995)</u>		<u>(4,287,556)</u>	
Represented by:					
Loans and other debts due to members within one year					
Amounts due in respect of profits			(362,370)		(362,370)
Other amounts			367,236		367,236
			<u>4,866</u>		<u>4,866</u>
Members' other interests					
Members' capital classified as equity			1,000		1,000
Pension reserve			(2,775,000)		(4,754,000)
Other reserves classified as equity			476,139		460,578
			<u>(2,292,995)</u>		<u>(4,287,556)</u>
Total members' interests					
Loans and other debts due to members			4,866		4,866
Members' other interests			<u>(2,297,861)</u>		<u>(4,292,422)</u>
			<u>(2,292,995)</u>		<u>(4,287,556)</u>

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

Martin Neil
Glasgow City Council
Designated member

Pauline Barclay
GCC LLP Investments Ltd
Designated Member

Limited Liability Partnership Registration No. SO302223

CITY PROPERTY (GLASGOW) LLP
RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2016

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

CITY PROPERTY (GLASGOW) LLP

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Prior financial year

	EQUITY					Total	TOTAL MEMBERS' INTERESTS Total 2015
	Members' other interests				Other amounts		
	Members' capital (classified as equity)	Pension reserve	Other reserves	Total			
£	£	£	£	£	£	£	
Amount due to members					(151,956)		
Members' interests at 1 April 2014	1,000	(2,823,000)	421,213	(2,400,787)	(151,956)	(151,956)	(2,552,743)
Profit for the financial year available for discretionary division among members	-	(150,000)	3,187	153,187	-	-	153,187
Members' interests after profit for the year	1,000	(2,673,000)	424,400	(2,247,600)	(151,956)	(151,956)	(2,399,556)
Other movements	-	(2,081,000)	36,178	(2,044,822)	156,822	156,822	(1,888,000)
Members' interests at 31 March 2015	1,000	(4,754,000)	460,578	(4,292,422)	4,866	4,866	(4,287,556)
Amounts due to members					4,866		
					4,866		

CITY PROPERTY (GLASGOW) LLP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	17		(232,889)		(50,916)
Investing activities					
Interest received		891		905	
Net cash generated from investing activities			891		905
Financing activities					
Capital introduced by members (classified as debt or equity)		-		156,822	
Net cash (used in)/generated from financing activities			-		156,822
Net (decrease)/increase in cash and cash equivalents			(231,998)		106,811
Cash and cash equivalents at beginning of year			872,331		765,520
Cash and cash equivalents at end of year			640,333		872,331

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Limited liability partnership information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.4 Members' participating interests

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

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

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

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

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.5 Cash and cash equivalents

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

Basic financial assets

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

1.6 Employee benefits

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

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

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

1.7 Retirement benefits and post retirement payments to members

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

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

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

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

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

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

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

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

2 Turnover

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

	2016	2015
	£	£
Turnover		
Fees	2,347,330	2,060,352
Other significant revenue		
Interest income	891	905

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

3 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Audit fees	7,196	6,970

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

4 Employees

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

	2016	2015
	Number	Number
Core staff	44	33

Staff costs for the above persons:

	2016	2015
	£	£
Wages and salaries	1,018,579	1,014,456
Social security costs	93,289	68,441
Pension costs	226,366	43,000
	<u>1,338,234</u>	<u>1,125,897</u>

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

5 Members' remuneration

	2016	2015
	Number	Number
The average number of members during the year was	2	2

	2016	2015
	£	£
Profit attributable to the member with the highest entitlement	(390,434)	153,187
Average members' remuneration	<u>(195,219)</u>	<u>76,593</u>

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

6	Interest receivable and similar income	2016	2015
		£	£
	Interest income		
	Interest on bank deposits	891	905
		<u> </u>	<u> </u>
7	Other financial income/(expense) associated with FRS102	2016	2015
		£	£
	FRS102 pension adjustment	(406,000)	150,000
		<u> </u>	<u> </u>
8	Financial instruments	2016	2015
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	351,155	135,067
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	272,069	445,507
		<u> </u>	<u> </u>
9	Debtors	2016	2015
		£	£
	Amounts falling due within one year:		
	Trade debtors	4,261	-
	Amount due from parent undertaking	299,336	31,833
	Amounts due from fellow group undertakings	47,556	-
	Other debtors	2	103,234
	Prepayments and accrued income	3,677	5,000
		<u> </u>	<u> </u>
		<u>354,832</u>	<u>140,067</u>
	All amounts shown under debtors fall due for payment within one year.		
10	Creditors: amounts falling due within one year	2016	2015
		£	£
	Trade creditors	5,836	-
	Amount due to parent undertaking	87,266	80,313
	Other taxation and social security	241,091	100,447
	Other creditors	-	84,843
	Accruals and deferred income	178,967	280,351
		<u> </u>	<u> </u>
		<u>513,160</u>	<u>545,954</u>

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

11 Pension fund deficit

	2016 £	2015 £
Retirement benefit obligations	2,775,000	4,754,000
	<u>2,775,000</u>	<u>4,754,000</u>

12 Retirement benefit schemes

Defined benefit schemes

The information disclosed below is in respect of the LLP's share of assets and liabilities within the Strathclyde Pension Fund, in which it is a participating employer. The latest full actuarial valuation was carried out at 31 March 2016 based on the requirements of FRS102.

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

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

Key assumptions

	2016 %	2015 %
Discount rate	2.2%	2.40%
Expected rate of increase of pensions in payment	4.2%	4.30%
Expected rate of salary increases	3.5%	3.20%

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2016 Years	2015 Years
Retiring today		
- Males	22.1	22.1
- Females	23.6	23.6
Retiring in 20 years		
- Males	24.8	24.8
- Females	26.2	26.2

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

12 Retirement benefit schemes

Amounts recognised in the profit and loss account:

	2016	2015
	£	£
Current service cost	808,000	688,000
Net interest on defined benefit liability/(asset)	156,000	125,000
Other costs and income	106,000	(706,000)
	<u>1,070,000</u>	<u>107,000</u>

Amounts taken to other comprehensive income:

	2016	2015
	£	£
Actuarial changes related to obligations	<u>2,491,000</u>	<u>(2,319,000)</u>

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

	2016	2015
	£	£
Present value of defined benefit obligations	(21,215,000)	(22,457,000)
Fair value of plan assets	<u>18,440,000</u>	<u>17,703,000</u>
Deficit in scheme	<u>2,775,000</u>	<u>(4,754,000)</u>

Movements in the present value of defined benefit obligations:

	2016
	£
Liabilities at 1 April 2015	(4,754,000)
Current service cost	(808,000)
Actuarial gains and losses	2,491,000
Interest cost	(156,000)
Other	452,000
	<u>2,775,000</u>
At 31 March 2016	<u><u>2,775,000</u></u>

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

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

12 Retirement benefit schemes

Movements in the fair value of plan assets:

2016
£

Contributions by the employer

515,000

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

	2016 £	2015 £
At 31 March 2016	18,440,000	17,703,000

13 Loans and other debts due to members

2016
£

2015
£

Analysis of loans

Amounts falling due within one year

4,866

4,866

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

14 Operating lease commitments

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

	2016 £	2015 £
Within one year	-	7,235
Between two and five years	14,826	-
	14,826	7,235

15 Related party transactions

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

There have been no other related party transactions.

CITY PROPERTY (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

16 Controlling party

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

17 Cash generated from operations	2016 £	2015 £
(Loss)/profit for the year	(390,439)	153,187
Adjustments for:		
Finance costs recognised in profit or loss	406,000	(150,000)
Investment income recognised in profit or loss	(891)	(905)
Movements in working capital:		
(Increase)/decrease in debtors	(214,765)	98,739
(Decrease) in creditors	(32,794)	(151,937)
Cash (absorbed by)/generated from operations	<u>(232,889)</u>	<u>(50,916)</u>