

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

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members City Property (Glasgow) LLP
Glasgow City Council

Limited liability partnership number SO302466

Registered office Exchange House
229 George Street
Glasgow
G1 1QU

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

Bankers Barclays Bank PLC
Aurora Building
1st Floor
120 Bothwell Street
GLASGOW
G2 7JT

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

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

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CITY PROPERTY GLASGOW (INVESTMENTS) LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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

Principal activities

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

Designated members

The 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

Governance

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

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

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

The Board

The current Board is as follows:

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

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Review of Business

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

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

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

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

Financial Performance

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

The LLP has produced a profit available to Members of £7,224,895 from which a distribution was made to Members of £1,999,020. The cash generated through this profit is, in the main, used to repay the capital element of the bank borrowings.

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

The Members consider the result to be satisfactory.

Transactions with Members

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

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

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

Profit sharing arrangements

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

Auditor

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

Statement of disclosure to auditor

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 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 limited liability partnership's auditor is aware of that information.

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

On behalf of the members

Angus Millar
Glasgow City Council
Designated Member

28 June 2017

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

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

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

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

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

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITY PROPERTY GLASGOW (INVESTMENTS) LLP

We have audited the financial statements of City Property Glasgow (Investments) LLP for the year ended 31 March 2017 which comprise the Statement of Total Comprehensive Income, the Balance Sheet, the Reconciliation of Members' Interests, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CITY PROPERTY GLASGOW (INVESTMENTS) LLP

Matters on which we are required to report by exception

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

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

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

28 June 2017

Chartered Accountants
Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	21,634,900	19,739,257
Cost of sales		(2,174,087)	(1,989,598)
Gross profit		19,460,813	17,749,659
Administrative expenses		(7,122,036)	(5,844,963)
Operating profit	4	12,338,777	11,904,696
Interest receivable and similar income	7	25,905	37,945
Interest payable and similar expenses	8	(5,139,787)	(5,473,083)
Gain on disposal	9	-	219,764
Increase in fair value of investment property	9	13,511,025	8,791,952
Profit for the financial year before members' remuneration and profit shares		20,735,920	15,481,274
Members' remuneration charged as an expense	6	-	-
Profit for the financial year available for discretionary division among members		20,735,920	15,481,274
Total comprehensive income for the year		20,735,920	15,481,274

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

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	10		191,040		254,720
Investment properties	11		171,543,498		160,007,115
			<u>171,734,538</u>		<u>160,261,835</u>
Current assets					
Debtors	13	4,066,535		3,538,721	
Cash at bank and in hand		7,531,819		8,041,420	
		<u>11,598,354</u>		<u>11,580,141</u>	
Creditors: amounts falling due within one year	15	(9,360,007)		(10,166,773)	
Net current assets			<u>2,238,347</u>		<u>1,413,368</u>
Total assets less current liabilities			173,972,885		161,675,203
Creditors: amounts falling due after more than one year	16		(85,909,705)		(91,066,273)
Net assets attributable to members			<u>88,063,180</u>		<u>70,608,930</u>
Represented by:					
Loans and other debts due to members within one year					
Amounts due in respect of profits			1,285,875		1,141,099
Other amounts			(961,875)		(961,875)
			<u>324,000</u>		<u>179,224</u>
Members' other interests					
Members' capital classified as equity			1,000		1,000
Non distributable reserve			52,014,628		39,337,253
Other reserves classified as equity			35,723,552		31,091,453
			<u>88,063,180</u>		<u>70,608,930</u>
Total members' interests					
Amounts due from members			(1,027,806)		(449,000)
Loans and other debts due to members			324,000		179,224
Members' other interests			87,739,180		70,429,706
			<u>87,035,374</u>		<u>70,159,930</u>

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

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

Pauline Barclay
City Property (Glasgow) LLP
Designated member

Angus Millar
Glasgow City Council
Designated Member

Limited Liability Partnership Registration No. SO302466

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

RECONCILIATION OF MEMBERS' INTERESTS

FOR THE YEAR ENDED 31 MARCH 2017

Current financial year

	EQUITY					Total	TOTAL MEMBERS' INTERESTS Total 2017	
	Members' other interests			Total	Other amounts			Total
	Members' capital (classified as equity)	Revaluation reserve	Other reserves					
£	£	£	£	£	£	£		
Amount due to members					179,224			
Amount due from members					(449,000)			
Members' interests at 1 April 2016	1,000	39,337,253	31,091,453	70,429,706	(269,776)	(269,776)	70,159,930	
Profit for the financial year available for discretionary division among members	-	13,511,025	7,224,895	20,735,920	-	-	20,735,920	
Members' interests after profit for the year	1,000	52,848,278	38,316,348	91,165,626	(269,776)	(269,776)	90,895,850	
Other divisions of profits	-	-	(1,999,020)	(1,999,020)	-	-	(1,999,020)	
Fair value adjustment to investments	-	(833,650)	-	(833,650)	-	-	(833,650)	
Other movements	-	-	(593,776)	(593,776)	(434,030)	(434,030)	(1,027,806)	
Members' interests at 31 March 2017	1,000	52,014,628	35,723,552	87,739,180	(703,806)	(703,806)	87,035,374	
Amounts due to members					324,000			
Amounts due from members, included in debtors					(1,027,806)			
					(703,806)			

CITY PROPERTY GLASGOW (INVESTMENTS) LLP
RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Prior financial year

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

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	21	10,322,522		13,037,587	
Interest paid		(5,139,787)		(5,473,083)	
Net cash inflow from operating activities		5,182,735		7,564,504	
Investing activities					
Purchase of tangible fixed assets		-	(318,400)		
Capital investment		(71,658)	(3,150,000)		
Proceeds on disposal of investment property		1,212,650	2,514,902		
Interest received		25,905	37,945		
Net cash generated from/(used in) investing activities		1,166,897		(915,553)	
Financing activities					
Capital introduced by members (classified as debt or equity)		434,030	45,110		
Payments to members that represent a return on amounts subscribed or otherwise contributed		(434,030)	(45,110)		
Members' dividend paid		(1,999,020)	(1,480,015)		
Repayment of bank loans		(4,860,213)	(4,860,213)		
Net cash used in financing activities		(6,859,233)		(6,340,228)	
Net (decrease)/increase in cash and cash equivalents		(509,601)		308,723	
Cash and cash equivalents at beginning of year		8,041,420		7,732,697	
Cash and cash equivalents at end of year		7,531,819		8,041,420	

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Limited liability partnership information

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

The limited liability partnerships'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 January 2017, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

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

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

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

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

1.4 Members' participating interests

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

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

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

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

1.5 Tangible fixed assets

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

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

IT Systems	20% straight line
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1.6 Investment properties

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

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

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

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

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at cost.

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

1.9 Employee benefits

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

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

1.10 Retirement benefits and post retirement payments to members

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

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

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

1.11 Tax provisions

As a limited liability partnership, City Property Glasgow (Investments) LLP is not liable to tax in its own right. Instead, the members of the LLP are liable to tax on their own portion of the profits of the LLP. No provision is made in respect of taxation, nor is any amount retained from profits in order to fund taxation on behalf of the members.

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover

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

	2017	2016
	£	£
Turnover		
Rent, fees and service charges	21,634,900	19,739,257

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

3 Turnover

Other significant revenue

Interest income	25,905	37,945
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4 Operating profit

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

	2017	2016
	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	13,250	14,385
Depreciation of owned tangible fixed assets	63,680	63,680

5 Employees

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

	2017	2016
	Number	Number
Core staff	54	52

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	1,682,221	1,579,100
Social security costs	169,458	127,848
Pension costs	322,408	303,995
	<u>2,174,087</u>	<u>2,010,943</u>

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

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

CITY PROPERTY GLASGOW (INVESTMENTS) LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

6 Members' remuneration

	2017	2016
	Number	Number
The average number of members during the year was	2	2
	<u>2</u>	<u>2</u>
	2017	2016
	£	£
Profit attributable to the member with the highest entitlement	7,224,823	6,689,255
	<u>7,224,823</u>	<u>6,689,255</u>
Average members remuneration	3,612,448	3,344,661
	<u>3,612,448</u>	<u>3,344,661</u>

7 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Interest on bank deposits	25,905	37,945
	<u>25,905</u>	<u>37,945</u>

8 Interest payable and similar expenses

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	5,108,375	5,441,671
Release of cost of raising finance	31,412	31,412
	<u>5,139,787</u>	<u>5,473,083</u>

9 Changes in value of investments

	2017	2016
	£	£
Gain on disposal of fixed asset investments	-	219,764
Increase in the fair value of investment properties	13,511,025	8,791,952
	<u>13,511,025</u>	<u>8,791,952</u>
	<u>13,511,025</u>	<u>9,011,716</u>

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Tangible fixed assets

	IT Systems £
Cost	
At 1 April 2016 and 31 March 2017	318,400
Depreciation and impairment	
At 1 April 2016	63,680
Depreciation charged in the year	63,680
At 31 March 2017	127,360
Carrying amount	
At 31 March 2017	191,040
At 31 March 2016	254,720

11 Investment property

	2017 £
Fair value	
At 1 April 2016	160,007,115
Capital investment	71,658
Disposals	(1,212,650)
Increase in the fair value of investment properties	12,677,375
At 31 March 2017	171,543,498

Investment properties, the majority of which are freehold, were acquired on 29 March 2010 at a price considered by the Members to be open market value on an existing use basis. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2017 by RICS accredited registered valuers, who are not connected with the limited liability partnership. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

Investment properties are not depreciated.

12 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,038,729	3,089,721
Carrying amount of financial liabilities		
Measured at amortised cost	94,780,783	100,166,238

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

13 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	2,312,574	1,510,881
Amounts due from group undertakings	19,000	139,031
Amounts due from members	1,027,806	449,000
Other debtors	707,155	1,439,809
	<u>4,066,535</u>	<u>3,538,721</u>

14 Loans and overdrafts

	2017	2016
	£	£
Bank loans	<u>91,066,273</u>	<u>95,926,486</u>
Payable within one year	5,156,568	4,860,213
Payable after one year	<u>85,909,705</u>	<u>91,066,273</u>

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

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

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

15 Creditors: amounts falling due within one year

	Notes	2017	2016
		£	£
Bank loans and overdrafts	14	5,156,568	4,860,213
Trade creditors		1,172,525	1,240,697
Amounts due to group undertakings		392,995	457,461
Other taxation and social security		488,929	1,066,808
Other creditors		324,000	179,224
Accruals and deferred income		1,824,990	2,362,370
		<u>9,360,007</u>	<u>10,166,773</u>

16 Creditors: amounts falling due after more than one year

	Notes	2017	2016
		£	£
Bank loans and overdrafts	14	<u>85,909,705</u>	<u>91,066,273</u>

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

17 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £322,408 (2016 - £303,995).

18 Loans and other debts due to members

	2017	2016
	£	£
Analysis of loans		
Amounts falling due within one year	324,000	179,224

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

19 Operating lease commitments

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

	2017	2016
	£	£
Within one year	501,098	468,663
Between two and five years	1,384,161	1,449,355
In over five years	3,929,836	4,262,107
	<u>5,815,095</u>	<u>6,180,125</u>

20 Controlling party

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

CITY PROPERTY GLASGOW (INVESTMENTS) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

21 Cash generated from operations	2017 £	2016 £
Profit for the year	20,735,920	15,481,274
Adjustments for:		
Finance costs recognised in profit or loss	5,139,787	5,473,083
Investment income recognised in profit or loss	(25,905)	(37,945)
Depreciation of tangible fixed assets	63,680	63,680
Gain on disposal of investments	-	(219,764)
Increase in fair value of investment properties	(13,511,025)	(8,791,952)
Movements in working capital:		
(Increase)/decrease in debtors	(976,814)	51,198
(Decrease)/increase in creditors	(1,103,121)	1,018,013
Cash generated from operations	10,322,522	13,037,587
