Limited Liability Partnership Registration No. SO306677 (Scotland)

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

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

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

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CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The members present their annual report and financial statements for the year ended 31 March 2021.

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

The partnership was incorporated to purchase the following operational assets from Glasgow City Council and to lease these assets back to the Council:

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

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

City Property (Glasgow) LLP
Glasgow City Council

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

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

Approved by the members on 25 August 2021 and signed on behalf by:

Pauline Barclay
City Property (Glasgow) LLP
Designated Member

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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.

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of City Property Glasgow (Operations SL1) LLP (the 'limited liability partnership') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the reconciliation of members' interests and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the company and the industry, control environment and business performance; and
- Our enquiries of management about their identification and assessment of the risks of irregularities.

Based on our understanding of the company and the industry we identified that the principal risks of noncompliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the company's industry operations; and
- UK tax legislation.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries to increase revenue; and
- Management bias in accounting estimates.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and legal advisors concerning actual and potential litigation and claims;
- Reviewing correspondence with HMRC;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and, evaluating business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would be to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

25 August 2021

Chartered Accountants
Statutory Auditor

Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £000	2020 £000
Administrative expenses		(521)	(279)
Other operating income		8,090	3,352
Operating profit		7,569	3,073
Interest payable and similar expenses		(5,241)	(2,240)
Fair value gains and losses on investment properties	**5**	3,057	38,475
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		5,385	39,308

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible assets	**4**		3,318		3,441
Investment properties	**5**		230,072		227,015
			233,390		230,456
Current assets					
Debtors	**6**	5		7	
Cash at bank and in hand		9,712		9,169	
		9,717		9,176	
Creditors: amounts falling due within one year	**8**	(7,784)		(7,375)	
Net current assets			1,933		1,801
Total assets less current liabilities			235,323		232,257
Creditors: amounts falling due after more than one year	**9**		(191,462)		(192,948)
Net assets attributable to members			43,861		39,309
Represented by:					
Members' other interests					
Members' capital classified as equity			1		1
Other reserves classified as equity			43,860		39,308
			43,861		39,309

These financial statements have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

The financial statements were approved by the members and authorised for issue on 25 August 2021 and are signed on their behalf by:

City Property (Glasgow) LLP
Designated member

Glasgow City Council
Designated Member

Limited Liability Partnership Registration No. SO306677

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

RECONCILIATION OF MEMBERS' INTERESTS

FOR THE YEAR ENDED 31 MARCH 2021

Current financial year	**EQUITY Members' other interests**		**TOTAL MEMBERS' INTERESTS**
	Members' capital (classified as equity)	**Other reserves**	**Total 2021**
	£000	**£000**	**£000**
Members' interests at 1 April 2020	1	39,308	39,309
Profit for the financial year available for discretionary division among members	-	5,385	5,385
Members' interests after profit for the year	1	44,693	44,694
Allocation of profit for the financial year	-	(833)	(833)
Members' interests at 31 March 2021	1	43,860	43,861

CITY PROPERTY GLASGOW (OPERATIONS SL1) LLP

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

1 Accounting policies

Limited liability partnership information

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

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

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £000.

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

1.2 Going concern

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

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

1.3 Members' participating interests

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

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

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

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

1 Accounting policies **(Continued)**

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

1.4 Intangible fixed assets other than goodwill

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

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

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

Transaction costs	over the term of the loan

1.5 Investment properties

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

1.6 Impairment of fixed assets

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

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

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

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

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

1 Accounting policies **(Continued)**

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

1 Accounting policies **(Continued)**

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

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

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

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

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

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

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

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

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

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.

The key accounting estimate is property revaluations of the investment properties. Independent property valuers are used to value the properties on a regular basis.

3 Employees

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

	2021 Number	**2020 Number**
Total	-	-

4 Intangible fixed assets

	Transaction costs £000
Cost	
At 1 April 2020 and 31 March 2021	3,492
Amortisation and impairment	
At 1 April 2020	51
Amortisation charged for the year	123
At 31 March 2021	174
Carrying amount	
At 31 March 2021	3,318
At 31 March 2020	3,441

5 Investment property

	2021
	£000
Fair value	
At 1 April 2020	227,015
Net gains or losses through fair value adjustments	3,057
At 31 March 2021	230,072

Investment property comprises:

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

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2021 by City Property Glasgow, The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

6 Debtors

	2021	2020
Amounts falling due within one year:	£000	£000
Amounts owed by group undertakings	5	7

7 Loans and overdrafts

	2021	2020
	£000	£000
Loans from group undertakings and related parties	192,744	194,614
Payable within one year	2,118	1,871
Payable after one year	190,626	192,743

The long-term loans are secured by fixed charges over the investment properties disclosed in note 5.

7 Loans and overdrafts **(Continued)**

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

A financial liability has also been recognised above in relation to the sale and leaseback for the outstanding loan which funded this transaction. The liability at the year end of £192,743k will mature on 31 March 2048 and an agreed commercial interest rate will be applied over the term of the loan. Any repayments made will reduce this liability and at 31 March 2021, £1,871k of capital was repaid in line with the repayment schedule.

The liability noted above has been disclosed as other creditors due within one year £2,118k and in creditors due after one year £190,626k in notes 8 and 9 respectively.

8 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Taxation and social security	888	864
Other creditors	6,896	6,511
	7,784	7,375

9 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Other creditors	191,462	192,948

The long-term loans are secured by fixed charges over the investment properties disclosed in note 5.

10 Operating lease commitments

Lessor

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

	2021 £000	2020 £000
	385,229	394,068

11 Related party transactions

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

12 Parent company

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