

Registered number: SO304142

NORTH LANARKSHIRE PROPERTIES LLP

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

NORTH LANARKSHIRE PROPERTIES LLP

INFORMATION

Designated Members

North Lanarkshire Council

NL Property Investments Limited

LLP registered number

SO304142

Registered office

The Civic Centre, Windmillhill Street, Motherwell, ML1 1AB

Independent auditors

French Duncan LLP, 133 Finnieston Street, Glasgow, G3 8HB

Bankers

Barclays PLC, 120 Bothwell Street, Glasgow, G2 7JT

NORTH LANARKSHIRE PROPERTIES LLP

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NORTH LANARKSHIRE PROPERTIES LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The members present their annual report together with the audited financial statements of North Lanarkshire Properties LLP (the LLP) for the year ended 31 March 2017.

Principal activities and Review of the Business

The principal activity of the LLP is the rental of property.

Turnover increased by 1% to £6.78 million (2016 - £6.71 million).

Net assets increased by 2% to £29.0 million (2016 - £28.5 million) mainly attributable to the profit in the year of £1.1m.

Designated Members

North Lanarkshire Council and NL Property Investments Limited were designated members of the LLP throughout the period.

Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the year ended 31 March 2017 are set out in the financial statements.

Members' responsibilities statement

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 section 1A Small Entities 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 (United Kingdom Accounting Standards and applicable law). 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to 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 the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the

NORTH LANARKSHIRE PROPERTIES LLP

**MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017**

prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are members at the time when this Members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.


Auditors

The auditors, French Duncan LLP, have indicated their willingness to continue in office. The Designated members will propose a motion appointing the auditors at a meeting of the members.

This report was approved by the members on 29/08/17 and signed on their behalf by:



.....
Mr Ian McNeil
North Lanarkshire Council



.....
Mr Pat O'Rourke
NL Property Investments Limited

NORTH LANARKSHIRE PROPERTIES LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH LANARKSHIRE PROPERTIES LLP

We have audited the financial statements of North Lanarkshire Properties LLP for the year ended 31 March 2017, set out on pages 5 to 23. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of 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 LLP's members those matters we are required to state to them in an Auditors' 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 LLP and the LLP's members 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 on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Financial Reporting Council'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 LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' 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 LLP'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.


NORTH LANARKSHIRE PROPERTIES LLP

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH LANARKSHIRE PROPERTIES LLP
(CONTINUED)**

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.



Antony J Sinclair (Senior statutory auditor)

for and on behalf of
French Duncan LLP

Chartered Accountants and Statutory Auditors
Registered Auditors

133 Finnieston Street
Glasgow
G3 8HB

Date: 29/09/2017

NORTH LANARKSHIRE PROPERTIES LLP

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	4	6,782,585	6,707,153
Administrative expenses		(3,454,881)	(3,079,959)
Fair value (loss)/gain		(186,349)	657,436
Operating profit	5	3,141,355	4,284,630
Interest receivable and similar income	9	14,653	18,428
Interest payable and similar charges	10	(2,008,337)	(2,053,423)
Other finance income		(10,000)	(23,000)
Profit for the financial year available for discretionary division among members		1,137,671	2,226,635

The notes on pages 10 to 23 form part of these financial statements.

NORTH LANARKSHIRE PROPERTIES LLP

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Profit for the financial year		1,137,671	2,226,635
Other comprehensive income			
Actuarial (loss)/gain related to pension scheme		(648,000)	449,000
Other comprehensive (loss)/income for the year		(648,000)	449,000
Total comprehensive income for the year		489,671	2,675,635

NORTH LANARKSHIRE PROPERTIES LLP
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BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Investment property	12	66,865,210	67,051,559
		<u>66,865,210</u>	<u>67,051,559</u>
Current assets			
Debtors: amounts falling due within one year	13	1,232,473	1,344,900
Short term deposit	14	2,006,027	-
Cash at bank and in hand	15	3,733,215	5,255,840
		<u>6,971,715</u>	<u>6,600,740</u>
Creditors: Amounts Falling Due Within One Year	16	(3,175,404)	(3,004,449)
Net current assets		<u>3,796,311</u>	<u>3,596,291</u>
Total assets less current liabilities		<u>70,661,521</u>	<u>70,647,850</u>
Creditors: amounts falling due after more than one year	17	(40,701,000)	(41,856,000)
		<u>29,960,521</u>	<u>28,791,850</u>
Pension liability		(948,000)	(269,000)
Net assets attributable to members		<u><u>29,012,521</u></u>	<u><u>28,522,850</u></u>

NORTH LANARKSHIRE PROPERTIES LLP
REGISTERED NUMBER: SO304142

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Represented by:			
Loans and other debts due to members within one year			
Other amounts	20	1,000	1,000
		1,000	1,000
Members' other interests			
Revaluation reserve classified as equity	21,865,210		22,051,559
Other reserves classified as equity	7,146,311		6,470,291
		29,011,521	28,521,850
		29,012,521	28,522,850
Total members' interests			
Loans and other debts due to members	20	1,000	1,000
Members' other interests		29,011,521	28,521,850
		29,012,521	28,522,850

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 29/03/2017



Mr Ian McNeil
North Lanarkshire Council
 Designated member



Mr Pat O'Rourke
NL Property Investments Limited
 Designated member

The notes on pages 10 to 23 form part of these financial statements.

NORTH LANARKSHIRE PROPERTIES LLP

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Revaluation reserve £	Other reserves £	Total equity £
At 1 April 2016	22,051,559	6,470,291	28,521,850
Comprehensive income for the year			
Profit for year for discretionary division among members	-	1,137,671	1,137,671
Actuarial gain	-	(648,000)	(648,000)
Other comprehensive income for the year	-	(648,000)	(648,000)
Total comprehensive income for the year	-	489,671	489,671
Transfer to non distributable reserve	(186,349)	186,349	-
Total transactions with members	(186,349)	186,349	-
At 31 March 2017	21,865,210	7,146,311	29,011,521

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Revaluation reserve £	Other reserves £	Total equity £
At 1 April 2015 (as restated)	21,394,123	4,452,092	25,846,215
Comprehensive income for the year			
Profit for year for discretionary division among members	-	2,226,635	2,226,635
Actuarial gain	-	449,000	449,000
Other comprehensive income for the year	-	449,000	449,000
Total comprehensive income for the year	-	2,675,635	2,675,635
Transfer to non distributable reserve	657,436	(657,436)	-
Total transactions with members	657,436	(657,436)	-
At 31 March 2016	22,051,559	6,470,291	28,521,850

The notes on pages 10 to 23 form part of these financial statements.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

The firm is a private limited liability partnership and is incorporated in Scotland. The address of its registered office is North Lanarkshire Properties LLP, Civic Centre, Windmillhill Street, Motherwell, Lanarkshire, ML1 1AB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 section 1A Small Entities, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of the financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also required management to exercise judgement in applying the LLP's accounting policies (see note 3).

2.2 Revenue

Turnover comprises revenue recognised by the LLP in respect of rental income and service charges recovered during the year.

2.3 Operating leases: the LLP as lessee

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The LLP has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.4 Investment property

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

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

NORTH LANARKSHIRE PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.10 Pensions

Defined benefit pension plan

The LLP operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the LLP's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.11 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.12 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the LLP a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the LLP becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. However, the nature of estimation means that actual outcomes could differ from these estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Provisions

Provisions are recognised where the LLP has an obligation, as a result of a past event, that can be measured reliably and where the outcome is less than probable, but more than remote, no provision is recorded but a contingent liability is disclosed in the financial statements if material. The recording of provisions is an area which requires the exercise of management judgement relating to the nature, timing and probability of the liability and typically the LLP's balance sheet includes provisions for doubtful debts.

Investment property valuation

The LLP's investment properties are revalued annually by the Members. The valuation is subjective to, among other factors, the nature of the property, its location and the expected future rental. As a result, the valuation of the investment properties incorporated into the financial statements is subject to a degree of uncertainty and is made on the basis of assumptions which may prove to be inaccurate, particularly in periods of volatility or low transaction flow in the market. If any of the assumptions used prove to be incorrect this could result in the valuation of the LLP's investment properties differing from the valuation incorporated into the financial statements and the difference could have a material effect on the financial statements.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Accounting policies in relation to these judgements and key sources of estimation uncertainty have been discussed above.

NORTH LANARKSHIRE PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Rental Income	6,782,585	6,707,153
	<u>6,782,585</u>	<u>6,707,153</u>

All turnover is wholly attributable to the principal activity of rental income and service charges of the LLP and arises solely within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Defined benefit pension cost	96,000	112,000
	<u>96,000</u>	<u>112,000</u>

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts.	6,000	6,000
	<u>6,000</u>	<u>6,000</u>

7. Employees

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

	2017 No.	2016 No.
Staff Numbers	14	13
	<u>14</u>	<u>13</u>

NORTH LANARKSHIRE PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Information in relation to members

	2017	<i>2016</i>
	Number	<i>Number</i>
The average number of members during the year was	<u>2</u>	<u>2</u>

9. Interest receivable

	2017	<i>2016</i>
	£	<i>£</i>
Other interest receivable	<u>14,653</u>	<u>18,428</u>
	<u>14,653</u>	<u><i>18,428</i></u>

10. Interest payable and similar charges

	2017	<i>2016</i>
	£	<i>£</i>
Bank interest payable	<u>2,008,337</u>	<u>2,053,423</u>
	<u>2,008,337</u>	<u><i>2,053,423</i></u>

11. Other finance costs

	2017	<i>2016</i>
	£	<i>£</i>
Net interest on net defined benefit liability	<u>(94,000)</u>	<u>(95,000)</u>
Interest on pension scheme asset	<u>84,000</u>	<u>72,000</u>
	<u>(10,000)</u>	<u><i>(23,000)</i></u>

NORTH LANARKSHIRE PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. Investment property

	Freehold investment property £
Valuation	
At 1 April 2016	67,051,559
Deficit on revaluation	(186,349)
At 31 March 2017	66,865,210

The 2017 valuations were made by North Lanarkshire Council, a designated member, on an open market value for existing use basis.

13. Debtors

	2017 £	2016 £
Trade debtors	1,047,235	1,209,113
Other debtors	185,238	135,787
	<u>1,232,473</u>	<u>1,344,900</u>

14. Short term deposit

	2017 £	2016 £
Short term deposit	2,006,027	-
	<u>2,006,027</u>	<u>-</u>

During the year the LLP placed funds in a twelve month Fixed Term Deposit account.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

15. Cash and cash equivalents

	2017 £	2016 £
Bank current accounts	3,733,215	5,255,840
	<u>3,733,215</u>	<u>5,255,840</u>

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	1,155,000	1,063,000
Trade creditors	236,265	102,693
Other taxation and social security	226,525	129,563
Other creditors	1,557,614	1,709,193
	<u>3,175,404</u>	<u>3,004,449</u>

Secured creditors amounted to £1,155,000 (2016 - £1,063,000).

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

	2017 £	2016 £
Bank loans	40,701,000	41,856,000
	<u>40,701,000</u>	<u>41,856,000</u>

NORTH LANARKSHIRE PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

18. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	1,155,000	1,063,000
	<u>1,155,000</u>	<u>1,063,000</u>
Amounts falling due 1-2 years		
Bank loans	1,227,000	1,155,000
	<u>1,227,000</u>	<u>1,155,000</u>
Amounts falling due 2-5 years		
Bank loans	4,089,000	3,843,000
	<u>4,089,000</u>	<u>3,843,000</u>
Amounts falling due after more than 5 years		
Bank loans	35,385,000	36,858,000
	<u>35,385,000</u>	<u>36,858,000</u>

Interest is charged on the loan at 4.73% until 2018. Thereafter the interest rate increases to 4.98%.

The bank loan is secured by a standard security on the company's investment properties and a floating charge over the assets of the company.

NORTH LANARKSHIRE PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

19. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	1,232,473	1,344,900
	<u>1,232,473</u>	<u>1,344,900</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(1,793,879)	(1,811,886)
	<u>(1,793,879)</u>	<u>(1,811,886)</u>

Financial assets measured at amortised cost comprise trade and other debtors.

Financial Liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

20. Loans and other debts due to members

	2017 £	2016 £
Amounts due to members	(1,000)	(1,000)
	<u>(1,000)</u>	<u>(1,000)</u>

Loans and other debts due to members may be further analysed as follows:

	2017 £	2016 £
Falling due after more than one year	(1,000)	(1,000)
	<u>(1,000)</u>	<u>(1,000)</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

NORTH LANARKSHIRE PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

21. Reconciliation of members' interests

	EQUITY			DEBT		Total members' interests
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		
	Revaluation reserve	Other reserves	Total	Other amounts	Total	Total
	£	£	£	£	£	£
Amounts due to members				1,000	1,000	
Balance at 1 April 2015	21,394,123	4,452,092	25,846,215	1,000	1,000	25,847,215
Profit for the year available for discretionary division among members	-	2,226,635	2,226,635	-	-	2,226,635
Members' interests after profit for the year	21,394,123	6,678,727	28,072,850	1,000	1,000	28,073,850
Movement in reserves	657,436	(208,436)	449,000	-	-	449,000
Amounts due to members				1,000	1,000	
Balance at 31 March 2016	22,051,559	6,470,291	28,521,850	1,000	1,000	28,522,850
Profit for the year available for discretionary division among members	-	1,137,671	1,137,671	-	-	1,137,671
Members' interests after profit for the year	22,051,559	7,607,962	29,659,521	1,000	1,000	29,660,521
Movement in reserves	(186,349)	(461,651)	(648,000)	-	-	(648,000)
Amounts due to members				1,000	1,000	
Balance at 31 March 2017	21,865,210	7,146,311	29,011,521	1,000	1,000	29,012,521

NORTH LANARKSHIRE PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

22. Pension commitments

The entity operates a Defined benefit pension scheme.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the credit method. The most recent valuation was at 31 March 2017 which has been updated to reflect conditions at the balance sheet date. The assumptions that have the most significant effect on the results of the valuation are those relating to the rate for discounting fund assets and the rate of increase in salaries and pensions. It was assumed that the asset discounting rate would be 2.7 per cent per year, that salary increases would average 4.4 per year and that present and future pensions would increase at the rate of 2.4 per cent per year.

The contribution made for the year ended 31 March 2017 was £75,000. The agreed contribution rate for future years is 19.3%

Reconciliation of present value of plan liabilities:

	2017 £	2016 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	269,000	652,000
Current service cost	96,000	112,000
Interest income	10,000	23,000
Actuarial gains/losses	648,000	(449,000)
Contributions	(75,000)	(69,000)
At the end of the year	948,000	269,000

	2017 £	2016 £
Present value of plan liabilities	(948,000)	(269,000)
Net pension scheme liability	(948,000)	(269,000)

The amounts recognised in profit or loss are as follows:

	2017 £	2016 £
Interest cost on obligation	(94,000)	(95,000)
Interest income on plan assets	84,000	72,000
Current service cost	(96,000)	(112,000)
Total	(106,000)	(135,000)

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22. Pension commitments (continued)

Reconciliation of fair value of plan liabilities were as follow:

	2017 £	2016 £
Opening defined benefit obligation	(2,560,000)	(2,802,000)
Current service cost	(96,000)	(112,000)
Interest cost	(94,000)	(95,000)
Contributions by scheme participants	(25,000)	(23,000)
Benefits paid	9,000	8,000
Changes in financial assumptions	(1,106,000)	464,000
Closing defined benefit obligation	(3,872,000)	(2,560,000)

Reconciliation of fair value of plan assets were as follows:

	2017 £	2016 £
Opening fair value of scheme assets	2,291,000	2,150,000
Interest income on plan assets	84,000	72,000
Contributions by employer	75,000	69,000
Contributions by scheme participants	25,000	23,000
Benefits paid	(9,000)	(8,000)
Return on assets	458,000	(15,000)
	2,924,000	2,291,000

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23. Related party transactions

During the year the company obtained goods and services from North Lanarkshire Council totalling £711,987 (2016 - £705,513). During the year the company received rent and management fees from North Lanarkshire Council totalling £459,256 (2016 - £441,239).

At the balance sheet date the company owed North Lanarkshire Council £759,747 (2016 - £811,993).

At the balance sheet date the company was owed £349,602 (2016 - £213,339) by North Lanarkshire Council.

24. Controlling party

The ultimate parent undertaking and controlling party is North Lanarkshire Council.