

NORTH LANARKSHIRE PROPERTIES LLP

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

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

Armstrong Watson Audit Limited, 1st Floor 24 Blythswood Square, Glasgow, G2 4BG

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 2025

The members present their annual report together with the audited financial statements of North Lanarkshire Properties LLP (the "LLP") for the ended 31 March 2025.

Principal activities

The LLP was incorporated on 29 October 2012 and commenced trading on that date.

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

Turnover decreased by 2.45% to £6.53m (2024: £6.70m).

Net assets increased by 2.95% to £50.3m (2024: £48.9m), mainly attributable to a profit before tax and pensions in the year of £1.52m (2024: £1.28m).

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 ended 31 March 2025 are set out in the Reconciliation of members' interests.

Members' responsibilities statement

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

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 prevention and detection of fraud and other irregularities.

NORTH LANARKSHIRE PROPERTIES LLP

MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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.

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

T Fisher

T Fisher (Sep 22, 2025 15:26:34 GMT+1)

Mr Tom Fisher

North Lanarkshire Council

Designated member

Date: 22/09/2025

Gary Robinson

Gary Robinson (Sep 22, 2025 15:35:41 GMT+1)

Mr Gary Robinson

NL Property Investments Limited

Designated member

Date: 22/09/2025

NORTH LANARKSHIRE PROPERTIES LLP

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

Opinion

We have audited the financial statements of North Lanarkshire Properties LLP (the 'LLP') for the year ended 31 March 2025, which comprise the Statement of comprehensive income, the Balance sheet, the Reconciliation of members' interests and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2025 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 LLP'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.

NORTH LANARKSHIRE PROPERTIES LLP

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; 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 set out on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

NORTH LANARKSHIRE PROPERTIES LLP

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

Auditors' 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 Auditors' 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and knowledge of the LLP to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management and review of appropriate industry knowledge. Key laws and regulations we identified during the audit were the UK Companies Act 2006 and tax legislation, UK employment legislation, UK health and safety legislation and relevant common law in respect of commercial leasing practices;
- we assessed the extent of compliance with the laws and regulations identified above by making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the LLP's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries recorded on the LLP's finance system to identify unusual transactions that may indicate override of controls;
- reviewed key judgements and estimates for any evidence of management bias; and
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation and
- enquiring of management to identify actual and potential litigation and claims.

NORTH LANARKSHIRE PROPERTIES LLP

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

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications 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, as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Johnston CA (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants and Statutory Auditors
Glasgow
Date: 22/09/2025

NORTH LANARKSHIRE PROPERTIES LLP

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Turnover		6,532,047	6,696,007
Gross profit		6,532,047	6,696,007
Administrative expenses		(4,046,428)	(3,888,026)
Other operating income	4	18,444	26,454
Fair value movements		489,568	(260,000)
Operating profit		2,993,631	2,574,435
Interest receivable and similar income		299,052	368,148
Interest payable and similar expenses		(1,885,044)	(1,745,266)
Other finance income		108,000	78,000
Profit before tax		1,515,639	1,275,317
Profit for the year before members' remuneration and profit shares available for discretionary division among members		1,515,639	1,275,317
Other comprehensive income for the year			
Actuarial gain/(loss) related to the pension scheme		(74,000)	(75,000)
Other comprehensive income for the year		(74,000)	(75,000)
Total comprehensive income for the year		1,441,639	1,200,317

The notes on pages 11 to 24 form part of these financial statements.

NORTH LANARKSHIRE PROPERTIES LLP
REGISTERED NUMBER: SO304142

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Investment property	7	74,435,593	73,946,025
		<u>74,435,593</u>	<u>73,946,025</u>
Current assets			
Debtors: amounts falling due within one year	8	1,557,420	659,912
Cash at bank and in hand		5,985,836	7,087,814
		<u>7,543,256</u>	<u>7,747,726</u>
Creditors: Amounts Falling Due Within One Year	9	(2,726,582)	(3,553,858)
Net current assets		<u>4,816,674</u>	<u>4,193,868</u>
Total assets less current liabilities		<u>79,252,267</u>	<u>78,139,893</u>
Creditors: amounts falling due after more than one year	10	(28,739,820)	(29,235,085)
		<u>50,512,447</u>	<u>48,904,808</u>
Provisions for liabilities			
Other provisions	12	(166,000)	-
		<u>(166,000)</u>	<u>-</u>
Net assets		<u><u>50,346,447</u></u>	<u><u>48,904,808</u></u>

NORTH LANARKSHIRE PROPERTIES LLP
REGISTERED NUMBER: SO304142

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		1,000	1,000
		<u>1,000</u>	<u>1,000</u>
Members' other interests			
Revaluation reserve classified as equity	30,087,267	30,087,267	
Other reserves classified as equity	20,258,180	18,816,541	
		<u>50,345,447</u>	<u>48,903,808</u>
		<u>50,346,447</u>	<u>48,904,808</u>
Total members' interests			
Loans and other debts due to members	13	1,000	1,000
Members' other interests		<u>50,345,447</u>	<u>48,903,808</u>
		<u>50,346,447</u>	<u>48,904,808</u>

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 by:

T Fisher

[T Fisher \(Sep 22, 2025 15:26:34 GMT+1\)](#)

Mr Tom Fisher
North Lanarkshire Council
Designated member

Date: 22/09/2025

Gary Robinson

[Gary Robinson \(Sep 22, 2025 15:35:41 GMT+1\)](#)

Mr Gary Robinson
NL Property Investments Limited
Designated member

Date: 22/09/2025

The notes on pages 11 to 24 form part of these financial statements.

NORTH LANARKSHIRE PROPERTIES LLP

RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 MARCH 2025

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors Members' capital (classified as debt)		Total members' interests
	Revaluation reserve £	Other reserves £	Total £	£	Total £	Total £
Amounts due to members				1,000	1,000	
Balance at 1 April 2023	30,087,267	17,616,223	47,703,490	1,000	1,000	47,704,490
Profit for the year available for discretionary division among members	-	1,275,318	1,275,318	-	-	1,275,318
Members' interests after profit for the year	30,087,267	18,891,541	48,978,808	1,000	1,000	48,979,808
Movement in reserves	-	(75,000)	(75,000)	-	-	(75,000)
Amounts due to members				1,000	1,000	
Balance at 31 March 2024	30,087,267	18,816,541	48,903,808	1,000	1,000	48,904,808
Profit for the year available for discretionary division among members	-	1,515,639	1,515,639	-	-	1,515,639
Members' interests after profit for the year	30,087,267	20,332,180	50,419,447	1,000	1,000	50,420,447
Movement in reserves	-	(74,000)	(74,000)	-	-	(74,000)
Amounts due to members				1,000	1,000	
Balance at 31 March 2025	30,087,267	20,258,180	50,345,447	1,000	1,000	50,346,447

The notes on pages 11 to 24 form part of these financial statements.

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. General information

The LLP is a limited liability partnership and is incorporated in Scotland. The LLP's registration number is SO304142 and the registered office address is Civic Centre, Windmillhill Street, Motherwell, Lanarkshire, ML1 1AB. The address of its place of business is Suite G03 Dalziel building, 7 Scott Street, Motherwell, ML1 1PN.

These financial statements have been presented in Pounds Sterling, rounded to the nearest pound, as this is the currency of the primary economic environment in which the entity operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the requirements of the Companies Act 2006 and the Statement of Recommended Practice (SORP) for Limited Liability Partnerships (LLPs). 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future.

The directors have prepared cash flow forecasts for a period beyond 12 months from the date of approval of these financial statements which indicate that the LLP will have sufficient funds, through its operating cash flows and cash reserves to meet its liabilities as they fall due for that period. As a result, the directors continue to adopt the going concern basis in preparing the financial statements.

The property portfolio is financed by a term loan. Projections indicate the LLP will be able to continue to service the debt through capital and interest payments. As part of the term loan agreement, the LLP must comply with a forward-looking debt service cover ratio which takes account of working capital movements. The LLP is in regular contact with the loan provider to ensure covenant compliance is closely monitored and communicated. Moreover a letter of comfort has been provided by NLC to the loan provider which states that if required they would provide financial support to NLP to ensure covenant compliance.

2.3 Revenue

Turnover comprises rental income, service charges and other property related income. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the income can be reliably measured over the period of the lease. Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Income is recognised in the period in which the rental service is provided, when the income and the associated costs can be measured reliably, and it is probable that consideration will be received in respect of the rental service provided.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.4 Operating leases: the LLP as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.5 Government grants

Grants relating to expenditure on investment properties are recognised in the Statement of Comprehensive Income under the performance model and in the period the related performance obligation is satisfied. The LLP believes this to be reflective of the nature of the capital grants received.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the LLP in independently administered funds.

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 FRS102 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'.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.10 Division and distribution of profits

A division of profits is the mechanism by which the profits of an LLP become a debt due to members. A division may be automatic or discretionary, may relate to some or all of the profits for a financial period and may take place during or after the end of a financial period.

An automatic division of profits is one where the LLP does not have an unconditional right to avoid making a division of an amount of profits based on the members' agreement in force at the time, whereas a discretionary division of profits requires a decision to be made by the LLP, which it has the unconditional right to avoid making.

The LLP divides profits discretionarily. Discretionary divisions of profits are recognised as amounts due to members, although may be used to offset amounts which have been drawn by members, which are recognised as loan assets repayable.

Profits of the LLP which are not yet divided among the members are shown under 'Other reserves' on the Balance sheet, pending a discretionary decision to divide the profits.

2.11 Investment property

Investment property is carried at fair value determined annually by valuers from North Lanarkshire Council with subcontracted valuers BNP Paribas being utilised in the current year's full portfolio valuation. Values are derived from the current market rents and investment property yields for comparable real estate adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.12 Debtors

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

2.13 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.

2.14 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.

2.15 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 includes provision for doubtful debts.

Investment Property Valuation

The LLP's investment properties are revalued annually by RICS registered valuers. The valuation is subject to location and expected future rental income. 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 differing from the valuation incorporated into the financial statements and the difference could have a material effect on the financial statements. There is a degree of judgement involved in that the value of the investment properties will ultimately be determined by the market. 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.

Pension Liability

The LLP has valued the pension liability using actuarial assumptions from a qualified actuary which have been reviewed and are considered reasonable and appropriate. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation. 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. Where the performance of the scheme in any given period results in a surplus position at the year end, management consider the likelihood that the Partnership will receive future economic benefits via reduced contributions or rebates from the scheme. If these benefits can be reliably quantified and receipt is considered highly probable the value of the recognised asset is restricted to only those amounts deemed as recoverable. Where the economic benefit cannot be reliably quantified or the timing of receipt is uncertain, management have determined that no asset will be recognised. Management consider this policy to be prudent and aligned with the requirements of FRS 102.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

4. Other operating income

	2025	2024
	£	£
Other operating income	18,444	26,454
	<u>18,444</u>	<u>26,454</u>
	<u>18,444</u>	<u>26,454</u>

5. Employees

The average monthly number of employees, including directors, during the year was 9 (2024 - 10).

6. Other finance costs

	2025	2024
	£	£
Net interest on net defined benefit liability	108,000	78,000
	<u>108,000</u>	<u>78,000</u>
	<u>108,000</u>	<u>78,000</u>

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

7. Investment property

	Freehold investment property £
Valuation	
At 1 April 2024	73,946,025
Surplus on revaluation	489,568
At 31 March 2025	74,435,593

The most recent valuation of the property portfolio was carried out by BNP Paribas Real Estate, Chartered Valuation Surveyors and members of the Royal Institute of Chartered Surveyors (RICS) at fair value. The date of the valuation was 31 March 2025. The valuation carried out was an update to the full valuation on all properties in the portfolio for the period ended 31 March 2023. The 2025 valuations were carried out in line with the RICS Valuation - Global Standards 2021. The properties were valued on the basis of Fair Value with reference to up to date tenancy information. Values are 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.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

8. Debtors

	2025 £	2024 £
Trade debtors	779,472	562,101
Other debtors	777,948	97,810
	<u>1,557,420</u>	<u>659,911</u>

9. Creditors: Amounts falling due within one year

	2025 £	2024 £
Bank loans	500,000	500,000
Trade creditors	304,816	552,634
Other taxation and social security	50,972	70,332
Accruals and deferred income	1,870,794	2,430,892
	<u>2,726,582</u>	<u>3,553,858</u>

As at 31 March 2025, secured creditors falling due within 1 year amounted to £500,000 (2024: £500,000). Details of security are included in note 11.

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

	2025 £	2024 £
Bank loans	28,739,820	29,235,085
	<u>28,739,820</u>	<u>29,235,085</u>

As at 31 March 2025, secured creditors falling due after more than 1 year amounted to £28,739,820 (2024: £29,235,085). Details of security are included in note 11.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

11. Loans

Analysis of the maturity of loans is given below:

	2025 £	2024 £
Amounts falling due within one year		
Bank loans	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Amounts falling due 1-2 years		
Bank loans	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Amounts falling due 2-5 years		
Bank loans	28,239,820	28,735,085
	<u>28,239,820</u>	<u>28,735,085</u>
	<u>29,239,820</u>	<u>29,735,085</u>

The bank loan is secured by a standard security on the LLP's investment properties and a floating charge over the assets of the LLP. The loan is comprised of two separate balances one which incurs fixed interest of 6.20% per annum, and the other which incurred a variable rate of interest of 5.99% in the period ended 31 March 2025. The loan is due for repayment on 31 October 2028.

12. Provisions

	Demolition provision £
Charged to profit or loss	166,000
At 31 March 2025	<u><u>166,000</u></u>

The LLP has recognised a provision of £166,000 in respect of the expected costs to demolish eight retail units owned by the entity. The obligation arises as the rental units are directly associated with a building found to contain Reinforced Aerated Autoclaved Concrete (RAAC). The timing of the demolition is uncertain and will depend on the lease expiry dates of the current tenants of the units. The provision represents the Directors' best estimate of the expenditure required to settle the obligation at the reporting date.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

13. Loans and other debts due to members

	2025 £	2024 £
Members' capital treated as debt	1,000	1,000
	1,000	1,000

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

	2025 £	2024 £
Falling due after more than one year	1,000	1,000
	1,000	1,000

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 2025

14. Pension commitments

The entity is a member of the Strathclyde Pension Fund, a defined benefit scheme which provides benefits based on the final pensionable salary, the assets of which are held in a separate trustee administered fund. The pension costs are assessed with the advice of independent qualified actuaries, using the projected unit method.

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 2024 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 5.80% per year, that salary increases would average 3.45% per year and that present and future pensions would increase at a rate of 2.75% per year. The contribution for the year ended 31 March 2025 was £17,000. The agreed contribution rate for 2025/26 is 6.5%, rising to 17.5% in 2026/27. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

In line with the stated accounting policy and having given due consideration to the requirements of FRS 102, the Directors have determined that recognition of the net pension asset within the financial statements is not appropriate given the lack of quantifiable economic benefit the LLP expects to receive, and the undeterminable timing of any inflow should it arise.

Reconciliation of present value of plan liabilities:

	2025 £	2024 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	2,288,000	2,539,000
Current service cost	51,000	59,000
Interest cost	111,000	122,000
Contributions	16,000	18,000
Benefits paid	(64,000)	(22,000)
Changes in financial assumptions	(414,000)	(163,000)
Changes in demographic assumptions	(3,000)	(68,000)
Other experience	(16,000)	(197,000)
At the end of the year	1,969,000	2,288,000

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

14. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2025 £	2024 £
At the beginning of the year	2,288,000	2,539,000
Interest income	219,000	200,000
Contributions by employer	17,000	56,000
Contributions by scheme participants	16,000	1,800
Benefits paid	(64,000)	(22,000)
Other experience	-	(112,000)
Return on assets	(83,000)	215,000
Derecognition of surplus	(424,000)	(589,800)
At the end of the year	1,969,000	2,288,000

Composition of plan assets:

	2025 %	2024 %
Equities	60	58
Bonds	23	27
Property	9	10
Cash	8	5
Total plan assets	100	100

The return on the plan assets for the year to 31 March 2025 was 3.0% (2024: 9.9%).

	2025 £	2024 £
Fair value of plan assets	1,969,000	2,288,000
Present value of plan liabilities	(1,969,000)	(2,288,000)
Net pension scheme liability	-	-

The amounts recognised in profit or loss are as follows:

	2025 £	2024 £
Current service cost	(51,000)	(59,000)
Interest on obligation	108,000	78,000
Total	57,000	19,000

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

14. Pension commitments (continued)

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was £74,000 (2024 - £75,000).

The entity expects to contribute £16,000 to its Defined benefit pension scheme in 2026.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2025	2024
	%	%
Discount rate	5.80	4.85
Future salary increases	3.45	3.45
Pension Increase rate (CPI)	2.75	2.75
Mortality rates		
- for a male aged 65 now	16.4	16.5
- at 65 for a male aged 45 now	20.1	20.2
- for a female aged 65 now	23.6	23.6
- at 65 for a female member aged 45 now	25.1	25.2

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% per annum for both males and females.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

15. Contingent assets and liabilities

Contingent assets

North Lanarkshire Properties LLP have incurred a share of repair costs recharged from North Lanarkshire Council in respect of a property held by the LLP as at 31 March 2025. It is expected that ownership of this property will be transferred to North Lanarkshire Council post year end and that North Lanarkshire Properties LLP will receive an element of reimbursement of these costs. It is not certain as to the value of this reimbursement at this stage however the directors are of the view that as the reimbursement arises from a past event and due to the expected likelihood of this transaction occurring that it should be disclosed as a contingent asset within the financial statements.

Contingent liabilities

Grants were received and recognised in the year ended 31 March 2022 totalling £2,092,792 in relation to assisting with the construction of a property which was completed in the year ended 31 March 2022. A proportion of the grant may become repayable should any part of the property be sold within 15 years of the date of completion.

As disclosed in the prior year, the directors are aware of the recent findings within the UK property sector in respect of Reinforced Autoclaved Aerated Concrete (RAAC). A review of the LLP's property estate is ongoing. Notwithstanding the below paragraph, at the year end date and at the time of the signing of the financial statements, to the best of the directors current knowledge there is no RAAC within the area of title of the LLP's estate.

However as disclosed in note 12 within the financial statements, A provision has been recognised in respect of the expected costs to demolish eight retail units owned by the entity which are within a wider North Lanarkshire Council owned building which has been identified as containing RAAC. Following the completion of the review of the LLP's property estate, should RAAC be identified within the title of the LLP's estate the directors are committed to taking remedial action to manage or correct this. As such this continues to represent a contingent liability of unknown quantum at this time.

16. Related party transactions

During the year the LLP were charged for services from North Lanarkshire Council totalling £3,640,418 (2024: £3,238,244). During the year the LLP received rent and service charges from North Lanarkshire Council totalling £329,553 (2024: £341,156).

At the balance sheet date the LLP was owed £148,580 (2024: £126,959) by North Lanarkshire Council. These balances are held within trade and other debtors.

At the balance sheet date the LLP owed £813,903 (2024: £1,414,529) to North Lanarkshire Council. These balances are held within trade creditors and accruals and deferred income.

17. Controlling party

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

NORTH LANARKSHIRE PROPERTIES LLP

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

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

Armstrong Watson Audit Limited, 1st Floor 24 Blythswood Square, Glasgow, G2 4BG

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 2025

The members present their annual report together with the audited financial statements of North Lanarkshire Properties LLP (the "LLP") for the ended 31 March 2025.

Principal activities

The LLP was incorporated on 29 October 2012 and commenced trading on that date.

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

Turnover decreased by 2.45% to £6.53m (2024: £6.70m).

Net assets increased by 2.95% to £50.3m (2024: £48.9m), mainly attributable to a profit before tax and pensions in the year of £1.52m (2024: £1.28m).

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 ended 31 March 2025 are set out in the Reconciliation of members' interests.

Members' responsibilities statement

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

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 prevention and detection of fraud and other irregularities.

NORTH LANARKSHIRE PROPERTIES LLP

**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

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.

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

T Fisher

[T Fisher \(Sep 22, 2025 15:26:34 GMT+1\)](#)

Mr Tom Fisher

North Lanarkshire Council

Designated member

Date: 22/09/2025

Gary Robinson

[Gary Robinson \(Sep 22, 2025 15:35:41 GMT+1\)](#)

Mr Gary Robinson

NL Property Investments Limited

Designated member

Date: 22/09/2025

NORTH LANARKSHIRE PROPERTIES LLP

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

Opinion

We have audited the financial statements of North Lanarkshire Properties LLP (the 'LLP') for the year ended 31 March 2025, which comprise the Statement of comprehensive income, the Balance sheet, the Reconciliation of members' interests and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2025 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 LLP'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.

NORTH LANARKSHIRE PROPERTIES LLP

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; 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 set out on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

NORTH LANARKSHIRE PROPERTIES LLP

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

Auditors' 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 Auditors' 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and knowledge of the LLP to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management and review of appropriate industry knowledge. Key laws and regulations we identified during the audit were the UK Companies Act 2006 and tax legislation, UK employment legislation, UK health and safety legislation and relevant common law in respect of commercial leasing practices;
- we assessed the extent of compliance with the laws and regulations identified above by making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the LLP's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries recorded on the LLP's finance system to identify unusual transactions that may indicate override of controls;
- reviewed key judgements and estimates for any evidence of management bias; and
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation and
- enquiring of management to identify actual and potential litigation and claims.

NORTH LANARKSHIRE PROPERTIES LLP

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

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications 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, as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Johnston CA (Senior statutory auditor)
for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors
Glasgow

Date: 22/09/2025

NORTH LANARKSHIRE PROPERTIES LLP

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Turnover		6,532,047	6,696,007
Gross profit		6,532,047	6,696,007
Administrative expenses		(4,046,428)	(3,888,026)
Other operating income	4	18,444	26,454
Fair value movements		489,568	(260,000)
Operating profit		2,993,631	2,574,435
Interest receivable and similar income		299,052	368,148
Interest payable and similar expenses		(1,885,044)	(1,745,266)
Other finance income		108,000	78,000
Profit before tax		1,515,639	1,275,317
Profit for the year before members' remuneration and profit shares available for discretionary division among members		1,515,639	1,275,317
Other comprehensive income for the year			
Actuarial gain/(loss) related to the pension scheme		(74,000)	(75,000)
Other comprehensive income for the year		(74,000)	(75,000)
Total comprehensive income for the year		1,441,639	1,200,317

The notes on pages 11 to 24 form part of these financial statements.

NORTH LANARKSHIRE PROPERTIES LLP
REGISTERED NUMBER: SO304142

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Investment property	7	74,435,593	73,946,025
		<u>74,435,593</u>	<u>73,946,025</u>
Current assets			
Debtors: amounts falling due within one year	8	1,557,420	659,912
Cash at bank and in hand		5,985,836	7,087,814
		<u>7,543,256</u>	<u>7,747,726</u>
Creditors: Amounts Falling Due Within One Year	9	(2,726,582)	(3,553,858)
Net current assets		<u>4,816,674</u>	<u>4,193,868</u>
Total assets less current liabilities		<u>79,252,267</u>	<u>78,139,893</u>
Creditors: amounts falling due after more than one year	10	(28,739,820)	(29,235,085)
		<u>50,512,447</u>	<u>48,904,808</u>
Provisions for liabilities			
Other provisions	12	(166,000)	-
		<u>(166,000)</u>	<u>-</u>
Net assets		<u><u>50,346,447</u></u>	<u><u>48,904,808</u></u>

NORTH LANARKSHIRE PROPERTIES LLP
REGISTERED NUMBER: SO304142

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		1,000	1,000
		<u>1,000</u>	<u>1,000</u>
Members' other interests			
Revaluation reserve classified as equity	30,087,267	30,087,267	
Other reserves classified as equity	20,258,180	18,816,541	
		50,345,447	48,903,808
		<u>50,346,447</u>	<u>48,904,808</u>
Total members' interests			
Loans and other debts due to members	13	1,000	1,000
Members' other interests		50,345,447	48,903,808
		<u>50,346,447</u>	<u>48,904,808</u>

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 by:

T Fisher

[T Fisher \(Sep 22, 2025 15:26:34 GMT+1\)](#)

Mr Tom Fisher

North Lanarkshire Council

Designated member

Date: 22/09/2025

Gary Robinson

[Gary Robinson \(Sep 22, 2025 15:35:41 GMT+1\)](#)

Mr Gary Robinson

NL Property Investments Limited

Designated member

Date: 22/09/2025

The notes on pages 11 to 24 form part of these financial statements.

NORTH LANARKSHIRE PROPERTIES LLP

RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 MARCH 2025

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors Members' capital (classified as debt)		Total members' interests
	Revaluation reserve £	Other reserves £	Total £	Total £	Total £	Total £
Amounts due to members				1,000	1,000	
Balance at 1 April 2023	30,087,267	17,616,223	47,703,490	1,000	1,000	47,704,490
Profit for the year available for discretionary division among members	-	1,275,318	1,275,318	-	-	1,275,318
Members' interests after profit for the year	30,087,267	18,891,541	48,978,808	1,000	1,000	48,979,808
Movement in reserves	-	(75,000)	(75,000)	-	-	(75,000)
Amounts due to members				1,000	1,000	
Balance at 31 March 2024	30,087,267	18,816,541	48,903,808	1,000	1,000	48,904,808
Profit for the year available for discretionary division among members	-	1,515,639	1,515,639	-	-	1,515,639
Members' interests after profit for the year	30,087,267	20,332,180	50,419,447	1,000	1,000	50,420,447
Movement in reserves	-	(74,000)	(74,000)	-	-	(74,000)
Amounts due to members				1,000	1,000	
Balance at 31 March 2025	30,087,267	20,258,180	50,345,447	1,000	1,000	50,346,447

The notes on pages 11 to 24 form part of these financial statements.

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. General information

The LLP is a limited liability partnership and is incorporated in Scotland. The LLP's registration number is SO304142 and the registered office address is Civic Centre, Windmillhill Street, Motherwell, Lanarkshire, ML1 1AB. The address of its place of business is Suite G03 Dalziel building, 7 Scott Street, Motherwell, ML1 1PN.

These financial statements have been presented in Pounds Sterling, rounded to the nearest pound, as this is the currency of the primary economic environment in which the entity operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the requirements of the Companies Act 2006 and the Statement of Recommended Practice (SORP) for Limited Liability Partnerships (LLPs). 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future.

The directors have prepared cash flow forecasts for a period beyond 12 months from the date of approval of these financial statements which indicate that the LLP will have sufficient funds, through its operating cash flows and cash reserves to meet its liabilities as they fall due for that period. As a result, the directors continue to adopt the going concern basis in preparing the financial statements.

The property portfolio is financed by a term loan. Projections indicate the LLP will be able to continue to service the debt through capital and interest payments. As part of the term loan agreement, the LLP must comply with a forward-looking debt service cover ratio which takes account of working capital movements. The LLP is in regular contact with the loan provider to ensure covenant compliance is closely monitored and communicated. Moreover a letter of comfort has been provided by NLC to the loan provider which states that if required they would provide financial support to NLP to ensure covenant compliance.

2.3 Revenue

Turnover comprises rental income, service charges and other property related income. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the income can be reliably measured over the period of the lease. Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Income is recognised in the period in which the rental service is provided, when the income and the associated costs can be measured reliably, and it is probable that consideration will be received in respect of the rental service provided.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.4 Operating leases: the LLP as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.5 Government grants

Grants relating to expenditure on investment properties are recognised in the Statement of Comprehensive Income under the performance model and in the period the related performance obligation is satisfied. The LLP believes this to be reflective of the nature of the capital grants received.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)

2.9 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 FRS102 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'.

2.10 Division and distribution of profits

A division of profits is the mechanism by which the profits of an LLP become a debt due to members. A division may be automatic or discretionary, may relate to some or all of the profits for a financial period and may take place during or after the end of a financial period.

An automatic division of profits is one where the LLP does not have an unconditional right to avoid making a division of an amount of profits based on the members' agreement in force at the time, whereas a discretionary division of profits requires a decision to be made by the LLP, which it has the unconditional right to avoid making.

The LLP divides profits discretely. Discretionary divisions of profits are recognised as amounts due to members, although may be used to offset amounts which have been drawn by members, which are recognised as loan assets repayable.

Profits of the LLP which are not yet divided among the members are shown under 'Other reserves' on the Balance sheet, pending a discretionary decision to divide the profits.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.11 Investment property

Investment property is carried at fair value determined annually by valuers from North Lanarkshire Council with subcontracted valuers BNP Paribas being utilised in the current year's full portfolio valuation. Values are derived from the current market rents and investment property yields for comparable real estate adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.12 Debtors

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

2.13 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.

2.14 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.

2.15 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 includes provision for doubtful debts.

Investment Property Valuation

The LLP's investment properties are revalued annually by RICS registered valuers. The valuation is subject to location and expected future rental income. 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 differing from the valuation incorporated into the financial statements and the difference could have a material effect on the financial statements. There is a degree of judgement involved in that the value of the investment properties will ultimately be determined by the market. 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.

Pension Liability

The LLP has valued the pension liability using actuarial assumptions from a qualified actuary which have been reviewed and are considered reasonable and appropriate. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation. 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. Where the performance of the scheme in any given period results in a surplus position at the year end, management consider the likelihood that the Partnership will receive future economic benefits via reduced contributions or rebates from the scheme. If these benefits can be reliably quantified and receipt is considered highly probable the value of the recognised asset is restricted to only those amounts deemed as recoverable. Where the economic benefit cannot be reliably quantified or the timing of receipt is uncertain, management have determined that no asset will be recognised. Management consider this policy to be prudent and aligned with the requirements of FRS 102.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

4. Other operating income

	2025	2024
	£	£
Other operating income	18,444	26,454
	<u>18,444</u>	<u>26,454</u>
	<u>18,444</u>	<u>26,454</u>

5. Employees

The average monthly number of employees, including directors, during the year was 9 (2024 - 10).

6. Other finance costs

	2025	2024
	£	£
Net interest on net defined benefit liability	108,000	78,000
	<u>108,000</u>	<u>78,000</u>
	<u>108,000</u>	<u>78,000</u>

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

7. Investment property

	Freehold investment property £
Valuation	
At 1 April 2024	73,946,025
Surplus on revaluation	489,568
At 31 March 2025	74,435,593

The most recent valuation of the property portfolio was carried out by BNP Paribas Real Estate, Chartered Valuation Surveyors and members of the Royal Institute of Chartered Surveyors (RICS) at fair value. The date of the valuation was 31 March 2025. The valuation carried out was an update to the full valuation on all properties in the portfolio for the period ended 31 March 2023. The 2025 valuations were carried out in line with the RICS Valuation - Global Standards 2021. The properties were valued on the basis of Fair Value with reference to up to date tenancy information. Values are 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.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

8. Debtors

	2025 £	2024 £
Trade debtors	779,472	562,101
Other debtors	777,948	97,810
	<u>1,557,420</u>	<u>659,911</u>

9. Creditors: Amounts falling due within one year

	2025 £	2024 £
Bank loans	500,000	500,000
Trade creditors	304,816	552,634
Other taxation and social security	50,972	70,332
Accruals and deferred income	1,870,794	2,430,892
	<u>2,726,582</u>	<u>3,553,858</u>

As at 31 March 2025, secured creditors falling due within 1 year amounted to £500,000 (2024: £500,000). Details of security are included in note 11.

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

	2025 £	2024 £
Bank loans	28,739,820	29,235,085
	<u>28,739,820</u>	<u>29,235,085</u>

As at 31 March 2025, secured creditors falling due after more than 1 year amounted to £28,739,820 (2024: £29,235,085). Details of security are included in note 11.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

11. Loans

Analysis of the maturity of loans is given below:

	2025 £	2024 £
Amounts falling due within one year		
Bank loans	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Amounts falling due 1-2 years		
Bank loans	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Amounts falling due 2-5 years		
Bank loans	28,239,820	28,735,085
	<u>28,239,820</u>	<u>28,735,085</u>
	<u>29,239,820</u>	<u>29,735,085</u>

The bank loan is secured by a standard security on the LLP's investment properties and a floating charge over the assets of the LLP. The loan is comprised of two separate balances one which incurs fixed interest of 6.20% per annum, and the other which incurred a variable rate of interest of 5.99% in the period ended 31 March 2025. The loan is due for repayment on 31 October 2028.

12. Provisions

	Demolition provision £
Charged to profit or loss	166,000
At 31 March 2025	<u><u>166,000</u></u>

The LLP has recognised a provision of £166,000 in respect of the expected costs to demolish eight retail units owned by the entity. The obligation arises as the rental units are directly associated with a building found to contain Reinforced Aerated Autoclaved Concrete (RAAC). The timing of the demolition is uncertain and will depend on the lease expiry dates of the current tenants of the units. The provision represents the Directors' best estimate of the expenditure required to settle the obligation at the reporting date.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

13. Loans and other debts due to members

	2025 £	2024 £
Members' capital treated as debt	1,000	1,000
	1,000	1,000

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

	2025 £	2024 £
Falling due after more than one year	1,000	1,000
	1,000	1,000

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 2025

14. Pension commitments

The entity is a member of the Strathclyde Pension Fund, a defined benefit scheme which provides benefits based on the final pensionable salary, the assets of which are held in a separate trustee administered fund. The pension costs are assessed with the advice of independent qualified actuaries, using the projected unit method.

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 2024 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 5.80% per year, that salary increases would average 3.45% per year and that present and future pensions would increase at a rate of 2.75% per year. The contribution for the year ended 31 March 2025 was £17,000. The agreed contribution rate for 2025/26 is 6.5%, rising to 17.5% in 2026/27. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

In line with the stated accounting policy and having given due consideration to the requirements of FRS 102, the Directors have determined that recognition of the net pension asset within the financial statements is not appropriate given the lack of quantifiable economic benefit the LLP expects to receive, and the undeterminable timing of any inflow should it arise.

Reconciliation of present value of plan liabilities:

	2025 £	2024 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	2,288,000	2,539,000
Current service cost	51,000	59,000
Interest cost	111,000	122,000
Contributions	16,000	18,000
Benefits paid	(64,000)	(22,000)
Changes in financial assumptions	(414,000)	(163,000)
Changes in demographic assumptions	(3,000)	(68,000)
Other experience	(16,000)	(197,000)
At the end of the year	1,969,000	2,288,000

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

14. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2025 £	2024 £
At the beginning of the year	2,288,000	2,539,000
Interest income	219,000	200,000
Contributions by employer	17,000	56,000
Contributions by scheme participants	16,000	1,800
Benefits paid	(64,000)	(22,000)
Other experience	-	(112,000)
Return on assets	(83,000)	215,000
Derecognition of surplus	(424,000)	(589,800)
At the end of the year	1,969,000	2,288,000

Composition of plan assets:

	2025 %	2024 %
Equities	60	58
Bonds	23	27
Property	9	10
Cash	8	5
Total plan assets	100	100

The return on the plan assets for the year to 31 March 2025 was 3.0% (2024: 9.9%).

	2025 £	2024 £
Fair value of plan assets	1,969,000	2,288,000
Present value of plan liabilities	(1,969,000)	(2,288,000)
Net pension scheme liability	-	-

The amounts recognised in profit or loss are as follows:

	2025 £	2024 £
Current service cost	(51,000)	(59,000)
Interest on obligation	108,000	78,000
Total	57,000	19,000

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

14. Pension commitments (continued)

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was £74,000 (2024 - £75,000).

The entity expects to contribute £16,000 to its Defined benefit pension scheme in 2026.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2025	2024
	%	%
Discount rate	5.80	4.85
Future salary increases	3.45	3.45
Pension Increase rate (CPI)	2.75	2.75
Mortality rates		
- for a male aged 65 now	16.4	16.5
- at 65 for a male aged 45 now	20.1	20.2
- for a female aged 65 now	23.6	23.6
- at 65 for a female member aged 45 now	25.1	25.2

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% per annum for both males and females.

NORTH LANARKSHIRE PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

15. Contingent assets and liabilities

Contingent assets

North Lanarkshire Properties LLP have incurred a share of repair costs recharged from North Lanarkshire Council in respect of a property held by the LLP as at 31 March 2025. It is expected that ownership of this property will be transferred to North Lanarkshire Council post year end and that North Lanarkshire Properties LLP will receive an element of reimbursement of these costs. It is not certain as to the value of this reimbursement at this stage however the directors are of the view that as the reimbursement arises from a past event and due to the expected likelihood of this transaction occurring that it should be disclosed as a contingent asset within the financial statements.

Contingent liabilities

Grants were received and recognised in the year ended 31 March 2022 totalling £2,092,792 in relation to assisting with the construction of a property which was completed in the year ended 31 March 2022. A proportion of the grant may become repayable should any part of the property be sold within 15 years of the date of completion.

As disclosed in the prior year, the directors are aware of the recent findings within the UK property sector in respect of Reinforced Autoclaved Aerated Concrete (RAAC). A review of the LLP's property estate is ongoing. Notwithstanding the below paragraph, at the year end date and at the time of the signing of the financial statements, to the best of the directors current knowledge there is no RAAC within the area of title of the LLP's estate.

However as disclosed in note 12 within the financial statements, A provision has been recognised in respect of the expected costs to demolish eight retail units owned by the entity which are within a wider North Lanarkshire Council owned building which has been identified as containing RAAC. Following the completion of the review of the LLP's property estate, should RAAC be identified within the title of the LLP's estate the directors are committed to taking remedial action to manage or correct this. As such this continues to represent a contingent liability of unknown quantum at this time.

16. Related party transactions

During the year the LLP were charged for services from North Lanarkshire Council totalling £3,640,418 (2024: £3,238,244). During the year the LLP received rent and service charges from North Lanarkshire Council totalling £329,553 (2024: £341,156).

At the balance sheet date the LLP was owed £148,580 (2024: £126,959) by North Lanarkshire Council. These balances are held within trade and other debtors.

At the balance sheet date the LLP owed £813,903 (2024: £1,414,529) to North Lanarkshire Council. These balances are held within trade creditors and accruals and deferred income.

17. Controlling party

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

NORTH LANARKSHIRE PROPERTIES LLP

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Turnover		6,532,047	6,696,007
Gross profit		6,532,047	6,696,007
Other operating income		18,444	26,454
Less: overheads			
Administration expenses		(4,046,428)	(3,888,025)
Fair value movements		489,568	(260,000)
Operating profit		2,993,631	2,574,436
Interest receivable		299,052	368,147
Interest payable		(1,885,044)	(1,745,266)
Other finance income		108,000	78,000
Profit before members' remuneration and profit shares available for discretionary division among members		1,515,639	1,275,317
Profit for the financial year available for discretionary division among members		1,515,639	1,275,317

NORTH LANARKSHIRE PROPERTIES LLP

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Turnover		
Rental income	5,966,362	6,106,513
Other property associated income	565,685	589,494
	<u>6,532,047</u>	<u>6,696,007</u>
	<u><u>6,532,047</u></u>	<u><u>6,696,007</u></u>
	2025 £	2024 £
Other operating income		
Other operating income	18,444	26,454
	<u>18,444</u>	<u>26,454</u>
	<u><u>18,444</u></u>	<u><u>26,454</u></u>

NORTH LANARKSHIRE PROPERTIES LLP

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025**

	2025 £	2024 £
Administration expenses		
Staff salaries	306,999	371,047
Staff national insurance	32,452	39,598
Staff pension costs - defined benefit schemes	304	1,742
Staff pension current service costs (DB)	51,000	59,000
Staff training	283,436	94,416
Staff welfare	29	-
Hotels, travel and subsistence	2,639	4,350
Printing, postage and stationery	1,998	1,777
Telephone and fax	71,853	18,117
Computer costs	110,592	163,989
General office expenses	9,390	4,851
Advertising and promotion	-	450
Legal and professional	308,352	360,514
Auditors' remuneration	26,505	23,275
Bank charges	231,911	234,554
Sundry expenses	14,029	(4,027)
Rates	572,645	373,797
Water	157,941	105,319
Light and heat	250,082	315,984
Cleaning	184,719	179,119
Service charges	235,969	191,510
Insurances	173,502	170,032
Repairs and maintenance	488,662	902,476
Movement in bad debt provision	8,905	49,406
Janitorial costs	21,944	19,573
Security & patrols contracts	45,868	68,505
Property costs	44,478	10,990
Management expenses	169,224	127,661
Refurbishment costs NLC	75,000	-
Increase in provisions	166,000	-
	4,046,428	3,888,025
	2025 £	2024 £
Interest receivable		
Bank interest receivable	299,052	368,147
	299,052	368,147

NORTH LANARKSHIRE PROPERTIES LLP

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025**

	2025 £	2024 £
Interest payable		
Bank loan interest payable	1,885,044	1,745,266
	1,885,044	1,745,266
	2025 £	2024 £
Other finance income		
Interest on pension scheme liabilities	108,000	78,000
	108,000	78,000

North Lanarkshire Properties LLP
Suite G3
Dalziel Building
7 Scott Street
Motherwell
ML1 1PN

Armstrong Watson Audit Limited
1st Floor
24 Blythswood Square
Glasgow
G2 4BG

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the LLP's financial statements for the year ended 31 March 2025. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

GENERAL

1. We have fulfilled our responsibilities as members, as set out in the terms of your engagement letter dated 21 June 2022 under the Companies Act 2006, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the LLP have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the LLP and group, and with all other records and related information requested, including minutes of all management and shareholder meetings.
4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements (as set out in appendix 2 to this letter) are immaterial both individually and in total.

INTERNAL CONTROL AND FRAUD

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
7. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

ASSETS AND LIABILITIES

9. The LLP has satisfactory title to all assets and there are no liens or encumbrances on the LLP's assets, except for those that are disclosed in the notes to the financial statements.
10. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
11. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
12. We can confirm that cash at bank and in hand as at 31 March 2025 was £5,985,836
13. We confirm that PAYE and VAT regulations in force during the financial period have been complied with.
14. We confirm that the value of the investment property as at 31 March 2025 was £74,435,593

ACCOUNTING ESTIMATES

15. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

LOANS AND ARRANGEMENTS

16. The LLP has not granted any advances or credits to, or made guarantees on behalf of, members other than those disclosed in the financial statements.

LEGAL CLAIMS

17. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

18. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

RELATED PARTIES

19. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of LLP law or accounting standards.

Balances outstanding with related parties at 31 March 2025 were as follows:

North Lanarkshire Council	£148,580	DR
North Lanarkshire Council	£813,903	CR

SUBSEQUENT EVENTS

20. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

GOING CONCERN

21. We believe that the LLP's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the LLP's needs. We have considered a period of twelve months from the date of approval of the financial statements.

We believe that no further disclosures relating to the LLP's ability to continue as a going concern need to be made in the financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

T Fisher

[T Fisher \(Sep 22, 2025 15:26:34 GMT+1\)](#)

Signed on behalf of the board of members

Date: 22/09/2025

Gary Robinson

[Gary Robinson \(Sep 22, 2025 15:35:41 GMT+1\)](#)

22/09/2025

Appendix 1

Summary of adjusting errors

Name	Account No	Debit	Credit
Provision For Doubtful Debt	P2357		-74,892.82
Bad Debt Provision	P9268	74,892.82	
Being to post decrease to bad debt			
		74,892.82	-74,892.82
Payments To Other Bodies - Gen	P3210		-600,000.00
Downward Revaluation	P3655		
Sundry Debtors	P9240	600,000.00	
Reallocation of payment in relation to Braidhurst Industrial Estate development from expenses to prepayments			
		600,000.00	-600,000.00
Interest	P3601	4,791.95	
Sundry Creditors - General	P9400		-4,791.95
Being to post difference in loan interest accrual			
		4,791.95	-4,791.95
Sundry Debtors	P9240		-37,644.54
Nlp Barclaysbank Operating Acc	P9434	33,964.84	
Nlp Barclaysbank Rental Accnt	P9435	3,679.70	
Per management - reversal of ETB adjustment relating to accrued interest income			
		37,644.54	-37,644.54
Actuarial gain/loss	0007	74,000.00	
Revaluation Reserve	P9616		
General Surplus/Deficit	P9632		-74,000.00
Being to post Movement in reserves			
		74,000.00	-74,000.00
Sundry Creditors - General	P9400	297,660.31	
Accrued Loan Interest	P9457		-297,660.31
Being to reclass loan interest			
		297,660.31	-297,660.31
Downward Revaluation	P3655	503,020.00	

Property revaluation (TFA code)	P9999		-503,020.00
Being removal valuation of units at Braidhurst		503,020.00	-503,020.00
Payments To Other Bodies - Gen	P3210	75,000.00	
Sundry Debtors	P9240		-75,000.00
Adjustment to Braidhurst development prepayment (13% relates to refurbished units already owned by NLP)		75,000.00	-75,000.00
Demolition costs	6000-AW	166,000.00	
RAAC demolition provision - additions	9600-AW		-166,000.00
Inclusion of provision for RAAC demolition costs		166,000.00	-166,000.00
Sundry Debtors	P9240	80,789.24	
Recovery of Service Charges	P5326		-32,961.93
Recovery of Service Charges	P5326		-45,261.62
Recovery of Service Charges	P5326		-2,565.69
Being to post Equans Income- Late client adjustment		80,789.24	-80,789.24
Software Licences	P1082	3,891.92	
Sundry Debtors	P9240		-3,891.92
Reversal of prepayment- Co-Star- Late Client adjustment		3,891.92	-3,891.92
Debtors unallocated income	P9230	96.15	
NLP Barclays Bank Operating Acc	P9434	242.06	
NLP Barclays Bank Rent Acc	P9435		-338.21
Reversal of prepayment- Co-Star- Late Client adjustment		338.21	-338.21

Summary of unadjusted errors

Name	Account No	Debit	Credit
Consultants Fees	P2225	9,261.88	
Sundry Creditors - General	P9400		-9,261.88
Error noted in relation to other employee costs not accrued into this financial year per expenses cut-off testing		9,261.88	-9,261.88

T Fisher

T Fisher (Sep 22, 2025 15:26:34 GMT+1)

Signed on behalf of the board of members

Date: 22/09/2025

Gary Robinson

Gary Robinson (Sep 22, 2025 15:35:41 GMT+1)

22/09/2025

North Lanarkshire Properties LLP

Final Management Report

For the period ended 31 March 2025

This document is strictly private and confidential



Armstrong Watson LLP is a limited liability partnership registered in England and Wales, number OC415608. The registered office is James Watson House Montgomery Way, Rosehill Industrial Estate, Carlisle, England, CA1 2UU where a list of members is kept. Armstrong Watson LLP is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. Unless otherwise indicated, either expressly or by the context, we use the word “partner” to describe a member of Armstrong Watson LLP or an employee of Armstrong Watson LLP in their capacity as such.

Armstrong Watson Audit Limited is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Registered as a limited company in England and Wales, number 8800970. The registered office is James Watson House Montgomery Way, Rosehill Industrial Estate, Carlisle, England, CA1 2UU.

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Appendix 1 - Current Business Topics

1. INTRODUCTION

a. Purpose

This report has been prepared for the Directors of North Lanarkshire Properties LLP to bring attention to various matters arising from the audit of North Lanarkshire Properties LLP for the period ended 31 March 2025.

b. Responsibilities

Details of the responsibilities of the Directors of North Lanarkshire Properties LLP are set out in our engagement terms dated 21 June 2022.

Armstrong Watson Audit Limited, as auditor to North Lanarkshire Properties LLP, is responsible for forming an opinion on the financial statements. Details of our responsibilities are set out in our engagement terms. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

c. Limitations

Our audit procedures, which have been designed to enable us to express an opinion on the financial statements, have included the examination of the transactions and the controls thereon of North Lanarkshire Properties LLP. The International Standards on Auditing (UK) do not require us to design audit procedures for the purpose of identifying supplementary matters to communicate with those charged with governance.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

We have included in this report only those matters that have come to our attention as a result of our normal audit procedures and, consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

This report is to be regarded as confidential to the Directors of North Lanarkshire Properties LLP and is intended for use by them and staff of North Lanarkshire Properties LLP only. No responsibility is accepted to any other person in respect of the whole or part of its contents. Before this report, or any part of it, is disclosed to a third party our written consent must be obtained.

d. Independence

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that there are no relationships between us and any of our related or subsidiary companies and you and your related entities creating an actual or perceived threat to our independence within the regulatory or professional requirements governing us as your auditors.

2. AUDIT RISK AREAS

a. Significant Audit Risks

Significant audit risks highlighted in the Audit Strategy Memorandum

Significant risk	Our response	Findings
Revenue recognition International auditing standards determine that this is a presumed key risk in any engagement. We have not rebutted this presumption and have concluded that the significant risk of material misstatement is most prevalent in respect of revenue recognition around the year end date.	We have maintained and updated our documentation of the processes and controls in operation in respect of revenue recognition and performed walkthrough testing to confirm our understanding of these processes. We have undertaken substantive testing of rental income starting with individual lease agreements to ensure the accuracy in the recording of revenue throughout the year. We have performed cut off testing and reperformed management calculations of deferred income to ensure rental income around the year-end is recognised in the correct accounting period.	We were able to successfully confirm our understanding of the processes and controls in place in relation to the sales and debtors systems. No significant deficiencies in respect of controls were identified from this procedure. During our testing it was identified that for one lease within the sample selected for testing, management were unable to provide copies of signed lease documentation or signed rent increase letters that agreed to the annual rental charge per the leases to the details in the uniform system. For all sales in the sample, the charges per the Uniform system were agreed to monthly invoices and transactions within the e-financials system. Based on the aforementioned, we are satisfied that the income being recognised in the financial statements is reasonably stated. However, we have noted systems improvement points in section 5 of this report. No other issues were identified in relation to this testing. We have reviewed and recalculated management's deferred income calculation and a sample of the invoiced amounts that form the basis of the income deferral calculation were agreed to underlying sales invoices. No significant issues were identified as a result of this.

Significant risk	Our response	Findings
Management override International auditing standards determine that this is a presumed key risk in any engagement.	We have reviewed other key systems and processes to identify potential areas of management override risk. We performed journal entry testing across a targeted sample of transactions to provide us with assurance that journal entries are indicative of the business. We reviewed the accounts for any key estimates and judgements and assessed whether these are reasonable and free of management bias.	No instances of management override were identified from our review of systems and procedures in place at the entity. No significant deficiencies in controls were identified from these procedures. All journals tested were found to be within the ordinary course of business. No indicators of management bias were identified through our review of judgements and estimates in the financial statements.
Valuation of investment properties This has been identified as a significant risk due to the material value of the investment properties held by the entity.	We have maintained and updated our systems notes on the processes and controls in place relating to the annual valuations of investment properties held by the business. We have considered the report prepared by BNP Paribas in the year in line with ISA 500 in respect of reliance on evidence from a management expert.	We were able to successfully confirm our understanding of the processes and controls in place in relation to the investment properties. No significant deficiencies in respect of controls were identified from this procedure. We are satisfied that BNP Paribas and the valuers assigned to the LLP's valuation are sufficiently competent, capable and independent to carry out the property valuations. We have verified the valuers to the RICS register as part of this review.

Significant risk	Our response	Findings
	We have considered the reasonableness of the valuation approach taken to value the different types of property held by the LLP. We have held a call with the valuers to further understand the methodology applied. We have audited inputs provided to the valuers in the current year in respect of rental income by verifying these details back to the underlying property systems to ensure that the information provided to BNP was accurate. We have considered key assumptions and estimates made within the report which mainly encompasses forming assessments of market rent and rental yield values as part of the valuation process.	We have reviewed and challenged the methodologies and assumptions used in a sample of investment property valuations with the external valuers. Following discussions with the external valuer and recalculating a sample of valuations to confirm our understanding, we found the methodologies applied to be reasonable, consistent and within industry norms. Our review highlighted 8 of 50 inputs tested whereby the rental charges provided to the valuers by NLP varied from the actual rental income charged in the year. For these properties, we discussed the differences with the external valuer who explained that the differences identified would not lead to significant changes in the valuation of the corresponding properties. This is due to the often lower impact (due to shorter term leases in place) that current rental income has on the wider projection of rental income in obtaining the overall property values. Whilst we are satisfied with this explanation, we recommend that this input sheet is reviewed in detail to avoid any discrepancies in future information passed to the external valuers. See section 5 for further details. We are satisfied that the comparable rental information considered in the BNP report has applied relevant and current market data. We are satisfied that the comparable investment information considered in the BNP report has applied relevant and current market data in determining the range of yields applied to the property valuations.

b. Key Audit Focus Areas

Key audit focus areas highlighted in the Audit Strategy Memorandum

Key area of focus	Our response	Findings
Actuarial Valuation of Pension Scheme This has been identified as a key focus area due to the material adjustments and disclosure requirements required each year for defined benefit pension schemes.	We have undertaken a review of the actuarial report and ensured the results are reflected in accordance with the applicable accounting standard. We assessed the underlying assumptions within the actuarial report and benchmarked them against comparable third-party documents to assess their reasonableness. We also performed a reconciliation between the prior and current year balances to ensure the balance in the accounts is correctly stated.	Upon review of the actuarial report, it was found that the results are accurately reflected in the financial statements. In addition, we have reviewed the disclosures made to the financial statements in respect of the pensions and are satisfied that all required disclosures per FRS 102 requirements have been made. The underlying assumptions included in the actuarial report were found to be reasonable when compared to third party reports on average assumptions across pension scheme valuations with the same year-end. As was the case in the prior year, the actuarial report provided by Hyman Robertson once again showed the pension to be in a net asset position at the year-end. As at 31 March 2025, the report showed an increase in the asset position to £2,665k. Management have confirmed their decision not to recognise this asset in line with FRS 102 requirements. See section 4 key audit judgements for further details of our conclusion in respect of the pension position. The prior year and current year balances have been reconciled and agreed to the financial statements with no issues identified.

c. Additional Risks Identified

We have not identified any additional risks during the audit process and therefore we have not had to amend our planned audit procedures.

3. SUMMARY OF ADJUSTMENTS

a. Audit Adjustments (following receipt of information)

AW have identified and management have agreed the following audit adjustments. These have been approved by management and posted to the nominal ledger in the year to 31 March 2025 and therefore they are recognised in the profit reconciliation from the opening position as presented at the start of the audit work. Items identified by AW audit procedures are identified by the suffix **AW**.

	£
Profit per management accounts presented for audit	1,512,662
Equans Income recognised	80,789
Reversal of prepayment- Co-Star	(3,892)
Decrease to bad debt general provision- AW	74,893
Decrease in loan interest accrual- AW	(4,793)
Reallocation of payment in relation to the Braidhurst- AW	525,000
Being removal valuation of units at Braidhurst - AW	(503,020)
Inclusion of demolition provision for Main Street properties - AW	(166,000)
Total comprehensive income per financial statements	1,515,639

b. Unadjusted Audit Difference

The following audit differences have been identified which remain unadjusted:

No	Account	Type	DR	CR	Impact P&L
1	Dr Consultant fees	Fact	9,262		
	Cr Sundry creditors			(9,262)	(9,262)
	Being error noted in relation to other employee costs not accrued into this financial year per expenses cut-off testing. Immaterial				

4. AUDIT FINDINGS

a. Matters Identified To Bring To Your Attention

Braidhurst Industrial Estate

During the year, land at the Braidhurst Industrial Estate owned by North Lanarkshire Properties LLP had been developed by North Lanarkshire Council (NLC). The project involved both refurbishment of existing NLP properties and the construction of 10 industrial units being built on the aforementioned land. At the year-end these units were complete subject to resolving remaining snagging issues.

Management confirmed that all costs for the project incurred in the year were recognised and fully capitalised by NLC. The total cost of the project incurred by NLC at the year-end was approximately £6-7m. The project was partly funded by circa £3m grant funding awarded to NLC and a £600k contribution from NLP to NLC.

At the year-end, the land and developed properties had been included in the investment property external valuation report of North Lanarkshire Properties LLP, however it was identified that the legal transfer of the new properties had not concluded at 31 March 2025. Therefore, an adjustment was made to the financial statements to reflect the correct ownership of the land and property on the Braidhurst site. Following this, we are satisfied that the investment property value included in the financial statements is not materially misstated and is reflective of the ownership of the land and developed units as at 31st March 2025.

North Lanarkshire Properties LLP contributed £600k to the project, which was initially recorded as an expense. We challenged this treatment, as the payment was linked to the subsequent transfer of new industrial units, suggesting it should be recognised as a prepayment. Management clarified that 13% of the costs related to refurbishing existing units, supported by documentation. They agreed that the remaining 87% (£525k) should be treated as a prepayment, reflecting the substance of the transaction. Consequently, an adjustment for £525k (87% of £600k) was made to reallocate the payment from expenses to prepayments.

Going forward, we recommend that formal agreements between North Lanarkshire Properties LLP and North Lanarkshire Council are established prior to developments of investment property being carried out. This will ensure clarification of the rights and obligations of each party in relation to the funding and subsequent ownership, as well as providing a basis for establishing the appropriate accounting treatment of the associated transactions.

b. Key Audit JudgementsRecognition of Defined Benefit Pension Scheme Asset

During the year ended 31 March 2025 the Defined benefit pension was assessed by the actuaries, Hymans Robertson to have finished the year in a net asset position.

This was predominately driven by two factors. The continued increase in value of the pension scheme's investment assets. Secondly an increase in the discount rate used in calculating the present value of the schemes future obligations resulted in a reduction in the projected liabilities of the scheme. These two items coupled together result in an increased asset position for the scheme.

Similar to that of the prior year, the SPF actuarial calculation did not contain an adjustment for an "Asset Ceiling". AW challenged the recognition of such an asset for the following reasons:

A. Per FRS 102, recognition of any asset requires there to be probable future economic benefits that will flow to the recognising entity. In this case there is no quantifiable benefit that will flow to the LLP, as the scheme have not indicated that lower contributions can be made in the future or that the entity will receive a rebate as a direct result of the surplus.

B. FRS 102 makes clear in section 28.22 that any asset recognised must be restricted to the amount that will be recoverable by the entity. Given that there is no quantifiable or supportable recoverable balance (as per point A) the recognisable asset should therefore be restricted to Nil.

C. The actuarial report makes reference to the fact that recognition of any surplus would be limited under FRS 102 and that the actuaries have not completed checks to determine what the limit would be. The report goes on to state that if a limit were to apply there would be necessary changes to their calculation. AW consider that these changes would be presented as an "impact of asset ceiling" and would likely reduce the recognisable asset to Nil.

In line with the accounting treatment applied last year the necessary accounting entries have been posted to cap the recognised pension asset at nil.

c. Qualitative Aspects of Financial Statements

There are no qualitative aspects which we would like to bring to your attention.

5. INTERNAL CONTROLS

a. Significant Deficiencies In Internal Controls

We have not identified any significant deficiencies in the internal controls. However please refer to the section below for recommendations on improvements in internal systems identified during the course of the audit.

b. Systems Improvements

These controls have been assessed on the following basis:

Recommendation Rating / Colour		Definition
Red Priority		Recommendations which are fundamental to the system and upon which the organisation should take immediate action.
Amber Priority		Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
Green Priority		Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed.
Improved System Potential		Issues concerning potential opportunities for management to improve the operational efficiency and/or effectiveness of the system.

Observation	Risk Arising	Recommended Actions	Management Response
Red Priority			
None identified			
Amber Priority			
Our sample testing of expenses around the year end identified a number of post year end expenses which related to the year ended 31 st March 2025. Having extrapolated the error within the sample tested as a percentage and applying this percentage across total post year end expenditure for April we are satisfied that the potential error of expenses recognised post year end incorrectly is immaterial. We believe this indicates that there is room for additional accrual consideration to be made of post year end expenditure as part of the year end process however reiterate that this issue is not material in nature.	Incorrect cut-off can lead to understatement of liabilities and expenses, affecting the accuracy of the balance sheet and income statement.	Review of invoices posted around the year end to ensure recognition in correct accounting period with an enhanced focus on reviewing post year end expenses.	

Observation	Risk Arising	Recommended Actions	Management Response
Whilst vouching a sample of the rental information provided to BNP Paribas for the purposes of the investment property valuation to information per the Uniform system, it was identified that a small number of updates to rentals had not been communicated to the external valuers. It was established that the differences identified would not significantly impact the resulting valuations.	There is a risk that updates to rental information in the year could have a significant impact to the corresponding investment property valuation and lead to a misstatement in the year-end investment property value.	We recommend that current rental information is checked against the information provided in the prior year for all properties to ensure that going forward the information provided for the valuations is accurate and up to date.	
Green Priority			
From our testing of sales, we were unable to obtain one signed lease as part of our testing due to the information being inaccessible.	There is a risk that lease information cannot be traced back to signed documentation which may impact any legal disputes with tenants if not accessible.	We understand that NLP are aware of a need to transfer paper documentation to electronic format and to address scanning lease information on to the property system and recommend that this is completed to ensure documentation is accessible.	
Improved System Potential			
We identified from our payroll testing that a new NLP employee who commenced employment during the year was issued a contract under NLC as opposed to NLP.	While we accept this was one occasion and not a widespread issue, there is a risk of non-compliance with employment law. The issue identified indicates a potential weakness in respect of the control environment around new employment contracts	We recommend that consideration is made for new employees and that review of contracts before issue consider which legal entity the employee should be contracted to.	

6. AUDIT CONCLUSIONS

a. Significant Difficulties Encountered During The Audit

No significant difficulties were encountered during the audit. We would like to thank all members of staff for their assistance throughout the engagement.

b. Written Representations

A Letter of Representation will be signed on behalf of the Directors prior to the audited accounts being issued. Please note that we will be seeking the following specific representations.

Amounts owed to North Lanarkshire Council at 31 March 2025 £813,903 Cr

Amounts owed by North Lanarkshire Council at 31 March 2025 £138,129 Dr

c. Audit Opinion

We anticipate that we will issue an unmodified audit report on the financial statements of North Lanarkshire Properties LLP, subject to the directors approving the accounts as presented to us.

d. Acknowledge of Final Report

I/We acknowledge receipt of the final management report on behalf of those charged with governance

T Fisher
Signed: [T Fisher \(Sep 22, 2025 15:26:34 GMT+1\)](#).....

Name T Fisher

Position: Labour Group Business Manager

Date: 22/09/2025

Gary Robinson
Signed: [Gary Robinson \(Sep 22, 2025 15:35:41 GMT+1\)](#).....

Name Gary Robinson

Position: Councillor and Group Secretary, SNP Group

Date: 22/09/2025

APPENDIX 1 – Current Business Topics

a. Cyber & Data Protection

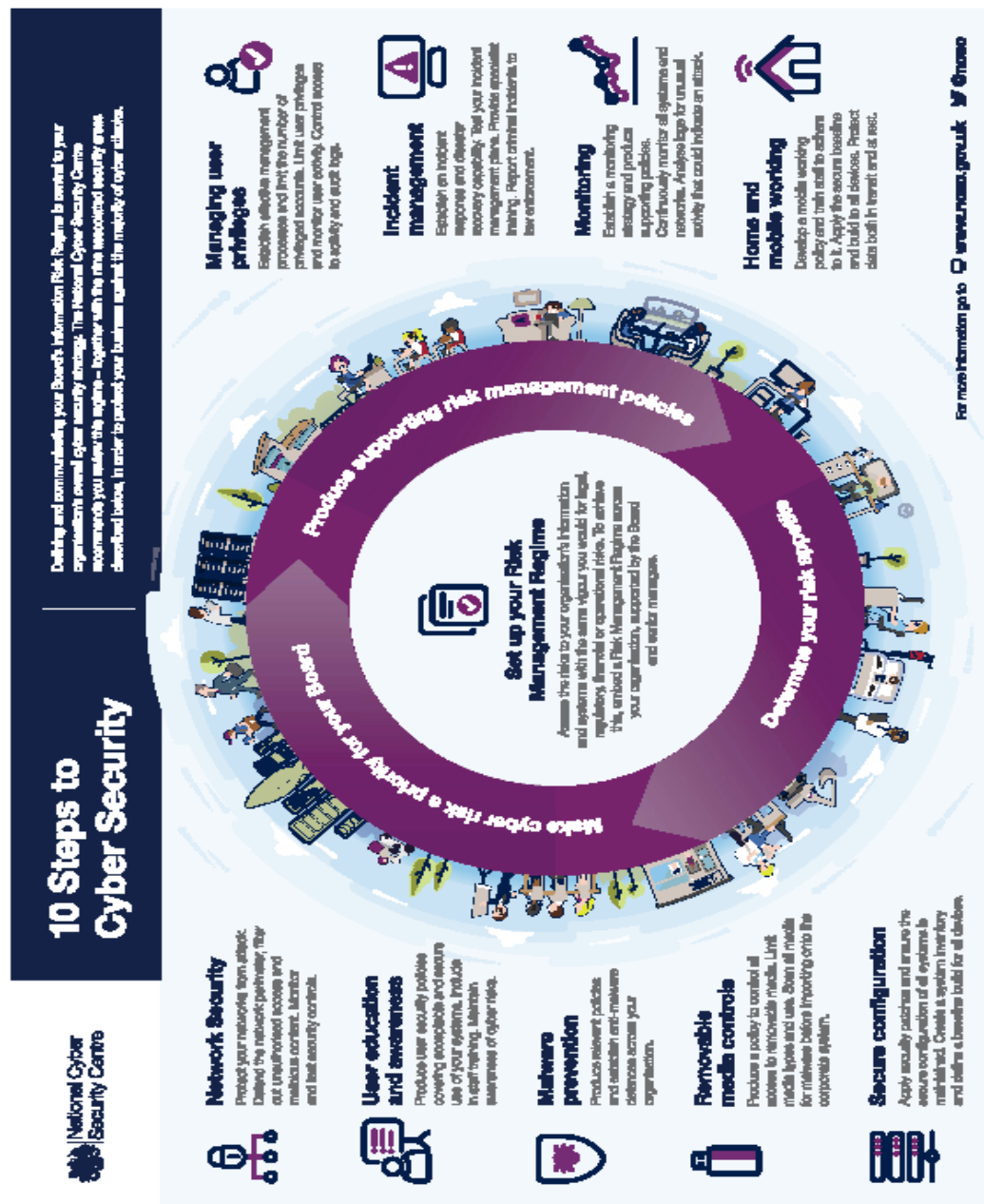
We would like to bring to your attention some recent developments in this important area.

It is clear from recent well publicised cyber-attacks on UK entities that data breaches are of a major concern and risk to companies both financially and reputationally.

Most companies are data controllers under the Data Protection Act (2018) which was applicable in the UK from May 2018. Whilst this is over five years ago, a company's responsibility remains to have all appropriate protocols and procedures in place, demonstrating that your risks continue to be appropriately managed and regularly reviewed and that your outsourced activities are similarly covered.

We recommend you consider regularly reviewing and if necessary, refreshing existing cyber security policies, procedures and checklists. In addition, updating your Risk Register for the methodology you use to ensure your company's protocols are sufficiently robust in this area. These should be kept under regular review. Raise awareness and train staff. The most common types of breaches can be linked to human factors, such as unwittingly clicking on a malicious link. Staff awareness and vigilance are essential to a business' cyber security alongside any technical and software protections. Raising awareness and education across all staff - not just specialist IT staff - is essential.

On the next page are the ten steps to cyber security as issued by the National Cyber Security Centre



b. Upcoming changes to FRS102

Following consultations under exposure draft (FRED82) in March 2024 a revised FRS102 was issued.

There are a number of extensive changes to update the standard to align it more closely with International Financial Reporting Standards (IFRS). The changes apply to accounting periods commencing 1 January 2026 onwards.

The main changes include:

Revenue

A new model for revenue recognition is now mandated.

This model is based on the five step model for revenue recognition in IFRS15 with a small number of simplifications.

Revenue will be largely recognised based on promises included in contracts with customers and whether these are satisfied over time or at a point in time.

This may mean that revenue will be recognised in a different accounting period to which it is now.

Leasing

A new on-balance sheet model has been adopted. This model is based on the IFRS16 leasing requirements with a small number of simplifications.

Lessees with significant operating leases will be the most affected by the new arrangements as most leased assets and lease liabilities will come onto the balance sheet.

Exceptions are available for small value leases and for short term leases (those with a lease term of 12 months and under at commencement)

There is no monetary limit stated in the standard in determining what are small value leases.

The disclosures under the new standard are significantly more extensive both in volume and complexity.

There is not much of an impact on lessors.

Other

Following Brexit, there has been changes to disclosures for small companies. Disclosures in Appendix E to section 1A, which currently are encouraged, will become mandatory. This means that full related party disclosures and dividend notes will be required again.

The revisions will affect accounting periods commencing on 1st January 2026 although early adoption will be permitted if all changes to the standard are applied at the same time.

c. Company size limits and audit thresholds

The government has announced that the company size monetary thresholds will change as part of measures designed to ease the UK's regulatory burden.

Subject to secondary legislation being adopted, the current limits will increase by approximately 50%.

Companies must meet at least 2 of the 3 criteria in either their first financial year or two consecutive financial years to be able to qualify for a particular regime.

	Turnover (Not more than)		Balance Sheet (Not more than)		Employees (Not more than)
	Old	New	Old	New	
Micro	£632k	£1m	£316k	£500k	10
Small	£10.2m	£15m	£5.1m	£7.5m	50
Medium	£36m	£54m	£18m	£27m	250

These are intended to take effect for accounting periods beginning on or after 6 April 2025.

d. Employment taxes risk factors

Employment taxes red flags

All of these scenarios present significant tax risk to clients and it is important to recognise when it is an issue for you.

Fact pattern	Risks
High contractor/consultancy expenditure (e.g. £50k+ for smaller clients, £100k+ for larger clients)	- Non-compliance with employment status rules - Not completing statutory IR35 processes - Exposure for both can be significant
Payments to employment agencies or labour providers	- PAYE/NIC liabilities can often be transferred if agency is non-compliant - IR35 responsibilities for end client if off-payroll labour exists

Fact pattern	Risks
Directors or board members being paid off-payroll (excluding dividends)	- Almost certainly going to be a compliance failure that needs to be fixed - Risk of reputational damage as well as financial cost
Construction Industry Scheme tax paid or received	Non-compliance with CIS (also links to employment status)
Significant expenditure on redundancy or other pay-offs	- May have wrongly applied £30k exemption (not automatic) - May not be following statutory formula for Post Employment Notice Pay
Double-cab pickups or vans owned or leased by the business	- Vehicles may be incorrectly classified as vans for tax purposes (following leading case law) - Incorrect use of the commuting exemption for vans
Accommodation costs (rent or purchase), excluding commercial premises	- May not be reporting BIKs correctly (or at all). Strict rules can bring many accommodation into a charge to tax - Incorrect use of (limited) work-related exemptions
Overdrawn director loan accounts	- S.455 CT position irrelevant to employment tax position – is this being reported correctly on P11Ds? - Overdrawn accounts often indicate other bad practices which can give rise to tax/NIC charges
Significant expenditure on travel and subsistence	Rules are complex and may give rise to additional tax/NIC charges around Permanent Workplace rules
Family members receiving salaries	Tax avoidance if not genuine employments with robust records kept to evidence this

e. Holiday pay entitlement reforms

The UK government has introduced reforms to simplify holiday entitlement and holiday pay calculations. These changes, effective from 1 January 2024, include:

1. **Defining irregular hours workers and part-year workers:** This relates to the introduction of the holiday entitlement accrual method and rolled-up holiday pay.
2. **Calculating statutory holiday entitlement for irregular hours and part-year workers:** A method has been introduced to determine holiday entitlement for these workers.
3. **Accrued leave calculation:** When irregular hour or part-year workers take maternity or family-related leave or are off sick, a method is used to calculate their accrued leave.

4. **Removal of COVID-19 carryover accrual:** The Working Time (Coronavirus) (Amendment) Regulations 2020, which affected COVID-19 carryover of leave, have been removed.
5. **Holiday pay rates:** The current rates remain unchanged, with 4 weeks paid at the normal rate of pay and 1.6 weeks paid at the basic rate of pay. Two distinct pots of leave are retained.
6. **Definition of 'normal remuneration':** This is clarified in relation to the 4 weeks of statutory annual leave.
7. **Rolled-up holiday pay:** An alternative method for calculating holiday pay for irregular hours workers and part-year workers.

Calculating holiday pay for irregular workers and part-year workers

What is an irregular worker?

A worker is an irregular hours worker, in relation to a leave year, if the number of paid hours that they will work in each pay period during the term of their contract in that year is, under the terms of their contract, wholly or mostly variable. This could be a 'casual' contract or a zero hours contract.

What is a part-year worker?

A worker is a part-year worker, in relation to a leave year, if, under the terms of their contract, they are required to work only part of that year and there are periods within that year (during the term of the contract) of at least a week which they are not required to work and for which they are not paid. This includes part-year workers who may have fixed hours.

What is the change in calculating holiday pay?

For leave years beginning on or after 1 April 2024, there is a new accrual method for irregular hour workers and part-year workers in the first year of employment and beyond. Holiday entitlement for these workers will be calculated as 12.07% of actual hours worked in a pay period.

Worked example:

Mr Watson works 70 hours in May 2024.

1. Divide the hours worked in that pay period by 100 - $70/100 = 0.70$
2. Multiply by 12.07% - $0.70 \times 12.07 = 8.449$
3. Round up to the nearest hour – 9 hours of holiday accrued for the month of May

Changes to maternity or family related leave or off sick leave

Leave is accrued in these instances using the same method outlined above, but using a 52 week relevant period to calculate an average for hours worked. This 52 week period works backwards from the first date of leave. The employer is only required to calculate this one per period of leave.

Worked example:

Mrs Watson is a part-year worker who is entitled to the minimum 5.6 weeks statutory holiday entitlement. Over a 52 week period, she worked 25 weeks for a total of 900 hours. She then took the following 40 weeks as maternity leave:

1. Calculate average hours per week during the relevant 52 week period leading up to the first day of maternity leave – 52 weeks – 5.6 holiday pay = 46.4 weeks.
 - $900 \text{ hours} / 46.4 \text{ weeks} = 19.397 \text{ hours (3dp)}$
2. Calculate the number of hours of annual leave accrued per week of the maternity period
 - $19.397 / 100 \times 12.07\% = 2.341$
3. Calculate the total number of hours of annual leave accrued whilst on maternity
 - $2.341 \times 40 \text{ weeks} = 93.64$

In this example Mrs Watson would have 94 hours holiday entitlement accrued under the new rules.

Holiday pay rates

Regulation 13 of the Working Time Regulations now states that 4 of the 5.6 weeks paid statutory holiday entitlement for the year must be paid at a worker's 'normal' rate of pay. The remaining 1.6 weeks' can be paid at 'basic' rate of pay.

From 1 January 2024, 'Normal rate' of pay is defined as:

- Payments, including commission payments, intrinsically linked to the performance of tasks which a worker is contractually obliged to carry out.
- Payments relating to length of service, professional status or professional qualifications.
- Other payments, such as overtime payments, which have regularly been paid to a worker in the 52 weeks preceding the calculation date.

Basic pay = a workers wages that they would have earned had they been working (not including bonuses, commission and other additional payments).

For leave years beginning on or after 1 April 2024, part-year and irregular hours workers are legally entitled up to a maximum amount of 5.6 weeks of paid statutory holiday entitlement per year, calculated according to actual hours worked using the 12.07% accrual method. If their employer chooses to use rolled-up holiday pay, then the entire amount of their leave for irregular hours and part-year workers will be paid at the 'normal' rate of pay.

Rolled-up holiday pay for irregular hour and part-year workers only

Employers have an option which allows them to include an additional amount with every payslip to cover a worker's holiday pay, rather than paying it whilst the worker is on annual leave.

This can only be used on leave years beginning on or after 1 April 2024.

Holiday pay is still calculated using the 12.07% based on a workers total pay in a pay period. If employers want to opt to use this method, they will need to revisit contracts of employment and their HR team to ensure that variations are made where required. Holiday pay will also need to be separated out on a worker's payslip, and paid at the same time as their normal pay.

f. Companies House reform

The Economic Crime and Corporate Transparency Act 2023 received royal assent on 26 October 2023.

Whilst the bill gave Companies House more powers over verification and correction of information and introduced new identity identification protocols the main effect for companies is the requirement for small and micro companies to produce and file a profit and loss account with Companies House.

The timescales for this are unclear as it needs secondary legislation to be passed to actually implement the measures. It is again unclear whether the filed profit and loss account will be viewable by the public as the legislation passes the decision to decide to a minister at a later date.

The ability to file filleted or abridged accounts has been removed but again at a future undetermined date.

Companies House can mandate the electronic filing of all accounts but there is no date set for this to be implemented.

g. Economic Crime and Transparency Act 2023 – Failure to prevent

The act became law on 26 October 2023. Some parts of the Act are still to be enacted.

One of them is a new 'failure to prevent' offence

Organisations will be held criminally liable where a person associated with it (including employees, agents and subsidiaries) commits a fraud intending to benefit the organisation and it does not have reasonable procedures in place to prevent the fraud.

The offence will apply to all large organisations including:

- Companies
- Partnerships
- Not for profit organisations
- Incorporated public bodies

Organisations are large if they meet 2 out of 3 of the following:

- More than 250 employees
- More than £36 million turnover
- More than £18 million total assets

Types of offences that could be committed

- False accounting
- False representation
- Failure to disclose information
- False statements by company directors amongst others

What are reasonable procedures to prevent fraud?

- The government is to publish guidance.
- The offence will then come into force.
- There will be a transition period but its length is unknown.
- The penalty is an unlimited fine.

Organisations should now consider if they are within its scope prior to its introduction and prepare themselves to implement when it's start date is known.

2025-03-31- North Lanarkshire Properties LLP - Final Filing accounts

Final Audit Report

2025-09-22

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