

North Lanarkshire Properties LLP

Registration Number SO304142 (Scotland)

Financial Statements

for the year ended 31 March 2026

North Lanarkshire Properties LLP

(Registration Number SO304142)

Financial Statements for the year ended 31 March 2026

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North Lanarkshire Properties LLP

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Financial Statements for the year ended 31 March 2026

Limited Liability Partnership Information

Designated Members	North Lanarkshire Council NL Property Investments Limited
Registered Office	The Civic Centre Windmillhill Street Motherwell ML1 1AB
Bankers	Barclays PLC, 120 Bothwell Street Glasgow G2 7JT
Auditor	CT Audit Limited Chartered Accountant and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL

North Lanarkshire Properties LLP

(Registration Number SO304142)

Financial Statements for the year ended 31 March 2026

Members' Report

The members present their report and the audited financial statements for the year ended 31 March 2026.

Principal activities

The limited liability partnership's principal activity is the rental of property

Designated Members

The designated members who served during the year were as follows:

North Lanarkshire Council

NL Property Investments Limited

Members' Capital and interests

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

Details of changes in members' capital during the year are set out in the Reconciliation of Members' interests.

Members' responsibilities

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulation.

UK law requires the members to prepare financial statements for each financial year. Under the law, the members have prepared the financial statements in accordance with "FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland as adapted by Section 1A of FRS 102, the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships" and applicable law. Under legislation applicable to limited liability partnerships, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing the financial statements, the members are required to:

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

The members are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied to LLPs by the LLP Regulations).

Disclosure of information to the auditors

In the case of each member in office at the date the Members' Report is approved:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditors are unaware; and
- they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditors are aware of that information.

The members' report has been prepared taking advantage of the small companies' exemption of the Companies Act 2006 (as applied to LLPs by the LLP Regulations).

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Members' Report

This report was approved by the members of the limited liability partnership on 16 September 2026 and signed by:

On behalf of the members

Tom Fisher
Mr Tom Fisher
North Lanarkshire Council

Designated Member

Gary Robinson
Mr Gary Robinson
NL Property Investments
Limited

Designated Member

North Lanarkshire Properties LLP

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Financial Statements for the year ended 31 March 2026

Independent Auditor's Report

To the Members of North Lanarkshire Properties LLP

Opinion

We have audited the financial statements of North Lanarkshire Properties LLP (the 'limited liability partnership') which comprise the balance sheet as at 31 March 2026, and the profit and loss account, reconciliation of members' interests for the year then ended, and notes to the financial statements, 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 FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2026 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 properly prepared in accordance with the requirements of the Companies Act 2006 (as applied to LLPs by the LLP Regulations) as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006 (as applied to LLPs by the LLP Regulations)) Regulations 2008.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the document titled "North Lanarkshire Properties LLP financial statements for the year ended 31 March 2026", other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

North Lanarkshire Properties LLP

(Registration Number SO304142)

Financial Statements for the year ended 31 March 2026

Independent Auditor's Report

Opinions on other matters prescribed by the Companies Act 2006 (as applied to LLPs by the LLP Regulations)

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the members' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the limited liability partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the members' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 (as applied to LLPs by the LLP Regulations) 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
- certain disclosures of members' remuneration specified by law are not made; 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 companies regime and take advantage of the small companies' exemptions in preparing the members' report and from the requirement to prepare a strategic report.

Responsibilities of Members

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and 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:

- We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates and considered the risk of acts by the entity which were contrary to applicable laws and regulations, including fraud. This included gaining an understanding of the control environment for monitoring compliance with laws and regulations.
- Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

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Financial Statements for the year ended 31 March 2026

Independent Auditor's Report

We focussed on laws and regulations that could give rise to a material misstatement in the limited liability partnership's financial statements. Our tests included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.
- Performing analytical procedures to identify any unexpected movements which may indicate irregularities and substantiated the explanations given for these movements.
- Reviewing the accounting policies and the application of these policies to ensure compliance with the standard and consistency of application.
- Specific consideration was given to transactions with related parties.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would be to become aware of it. We also addressed the risk of management override of internal controls, including reviewing journals and evaluating whether there was evidence of bias by the members that represented a risk of material misstatement due to fraud.

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 auditor's report.

Use of this report

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



Barry Truswell CA (Senior Statutory Auditor)

For and on behalf of:

CT Audit Limited

Chartered Accountant and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

23 September 2026

North Lanarkshire Properties LLP

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Financial Statements for the year ended 31 March 2026

Profit and Loss Account

	Notes	2026 £	2025 £
Turnover		6,707,599	6,532,047
Gross profit		6,707,599	6,532,047
Other operating income		316,766	18,444
Administrative expenses		(4,126,741)	(4,046,428)
Gains on revaluation of assets	7	2,441,047	489,568
Operating profit		5,338,671	2,993,631
Interest receivable and similar income	4	208,083	299,052
Interest payable and similar expenses	5	(1,814,227)	(1,885,044)
Other finance income	6	-	108,000
Profit for the year for discretionary division amongst members		3,732,527	1,515,639
Other comprehensive income net of tax			
Gains / (losses) on remeasurements of defined benefit plans	14	26,000	(74,000)
Total other comprehensive income net of tax		26,000	(74,000)
Total comprehensive income		3,758,527	1,441,639

All the activities of the Limited Liability Partnership are from continuing operations.

The notes on pages 13 to 23 form part of these financial statements.

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Financial Statements for the year ended 31 March 2026

Balance Sheet

	Notes	2026 £	2025 £
Fixed assets			
Investment property	7	76,876,641	74,435,593
		76,876,641	74,435,593
Current assets			
Debtors: Amounts falling due within one year	8	1,539,399	1,557,420
Cash at bank and in hand		6,444,352	5,985,836
		7,983,751	7,543,256
Current liabilities			
Creditors: amounts falling due within one year	9	(2,338,086)	(2,726,582)
Net current assets		5,645,665	4,816,674
Total assets less current liabilities		82,522,306	79,252,267
Non-current liabilities			
Creditors: amounts falling due after more than one year	10	(28,251,332)	(28,739,820)
Provision for liabilities		(166,000)	(166,000)
Net assets / (liabilities) attributable to members		54,104,974	50,346,447
Represented by:			
Loans and other debts due to members			
Members' other interests - classified as debt		1,000	1,000
Members' other interests			
Revaluation reserve		32,528,314	30,087,267
Other Reserves		21,575,660	20,258,180
Members' funds		54,103,974	50,345,447
Total members' funds		54,104,974	50,346,447
Total members' interests			
Loans and other debts due to members		1,000	1,000
Members' other interests		54,103,974	50,345,447
		54,104,974	50,346,447

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

The financial statements were approved and authorised for issue by the Members on 16 September 2026.

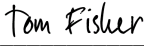
Signed on behalf of the Members

North Lanarkshire Properties LLP

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Financial Statements for the year ended 31 March 2026

Balance Sheet

	Notes	2026 £	2025 £
			
Mr Tom Fisher			Mr Gary Robinson
North Lanarkshire Council			NL Property Investments Limited
Designated member			Designated member

The notes on pages 13 to 23 form part of these financial statements.

LLP registration number: SO304142

North Lanarkshire Properties LLP

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Financial Statements for the year ended 31 March 2026

Reconciliation of Members' Interests

				Equity		Debt	
				Members' other interests		Loans and other debts due to Members less any amounts due from Members in debtors	
	Revaluation surplus	Remeasured defined benefit plan reserve	Other reserves	Total	Members' Capital (Classified as debt)	Total	Total Members' interests
	£	£	£	£	£	£	£
Amounts due to members					1,000		
Balance at 1 April 2024	30,087,267	-	18,816,541	48,903,808	1,000	1,000	48,904,808
Profit / (loss) for the financial year available for discretionary division among members	-	-	1,515,639	1,515,639	-	-	1,515,639
Other comprehensive income for the financial year available for discretionary division among members	-	(74,000)	-	(74,000)	-	-	(74,000)
Members' interests after profit / (loss) for the year	30,087,267	(74,000)	20,332,180	50,345,447	1,000	1,000	50,346,447
Movement in reserves	-	74,000	(74,000)	-	-	-	-
Amounts due to members					1,000	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

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Reconciliation of Members' Interests

				Equity		Debt	
				Members' other interests		Loans and other debts due to Members less any amounts due from Members in debtors	
	Revaluation surplus	Remeasured defined benefit plan reserve	Other reserves	Total	Members' Capital (Classified as debt)	Total	Total Members' interests
	£	£	£	£	£	£	£
Amounts due to members					1,000	1,000	
Balance at 1 April 2025	30,087,267	-	20,258,180	50,345,447	1,000	1,000	50,346,447
Profit / (loss) for the financial year available for discretionary division among members	-	-	3,732,527	3,732,527	-	-	3,732,527
Other comprehensive income for the financial year available for discretionary division among members	-	26,000	-	26,000	-	-	26,000
Members' interests after profit / (loss) for the year	30,087,267	26,000	23,990,707	54,103,974	1,000	1,000	54,104,974
Movement in reserves	2,441,047	(26,000)	(2,415,047)	-	-	-	-
Amounts due to members				-	1,000	1,000	1,000
Balance at 31 March 2026	32,528,314	-	21,575,660	54,103,974	1,000	1,000	54,104,974

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Financial Statements for the year ended 31 March 2026

Notes to the Financial Statements

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 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.

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 judgement in applying the LLP's accounting policies (see note 2.16).

The following principal accounting policies have been applied:

2.2 Going concern

At the time of approving the financial statements, the directors have 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.

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.

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Financial Statements for the year ended 31 March 2026

Notes to the Financial Statements

2. Accounting policies (continued)

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.

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.

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Financial Statements for the year ended 31 March 2026

Notes to the Financial Statements

2. Accounting policies (continued)

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

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

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

2.12 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.

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Financial Statements for the year ended 31 March 2026

Notes to the Financial Statements

2. Accounting policies (continued)

2.13 Debtors

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

2.14 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.

2.15 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.

2.16 Judgements 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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Notes to the Financial Statements

2. Accounting policies (continued)

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 prudent and aligned with the requirements of FRS 102.

3. Employees

The average monthly number of employees, including members, during the year was as follows:

	2026	2025
Employees	9	9

4. Interest receivable and similar income

	2026 £	2025 £
From group undertakings	-	-
	208,083	299,052

5. Interest payable and similar expenses

	2026 £	2025 £
From group undertakings	1,814,227	1,885,044
	1,814,227	1,885,044

6. Other finance income

	2026 £	2025 £
Interest on pension scheme liabilities	-	(108,000)
	-	(108,000)

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Financial Statements for the year ended 31 March 2026

Notes to the Financial Statements

7. Investment property

	Investment property £
Cost	
At 01 April 2025	74,435,593
Revaluation gains / (losses)	2,441,047
At 31 March 2026	76,876,640
Net book value	
At 01 April 2025	74,435,593
At 31 March 2026	76,876,640

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 2026. The valuation carried out was an update to the full valuation on all properties in the portfolio for the period ended 31 March 2025. The 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 for the specific asset.

8. Debtors

	2026 £	2025 £
Amounts falling due within one year		
Trade debtors	718,039	779,472
Other debtors	821,360	777,948
	1,539,399	1,557,420

9. Creditors: amounts falling due within one year

	2026 £	2025 £
Trade creditors	185,839	304,816
Bank loans	500,000	500,000
Social security and other taxes	120,053	50,973
Accruals and deferred income	1,532,194	1,870,793
	2,338,086	2,726,582

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

	2026 £	2025 £
Bank loans	28,251,332	28,739,820
	28,251,332	28,739,820

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10. Creditors: amounts falling due after more than one year (continued)

As at 31 March 2026, secured creditors falling due after more than 1 year amounted to £28,241,646 (2025: £28,739,820). Details of security are included in note 11.

11. Loans

Analysis of the maturity of loans is given below

	2026 £	2025 £
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	27,751,332	28,239,820
	<u>27,751,332</u>	<u>28,239,820</u>
	<u>28,751,332</u>	<u>29,239,820</u>

The bank loan is secured by a standard security on the LLP's investment properties and floating charge over the assets of the LLP. The loan is comprised of two separate balances one of which incurs fixed interest of 6.20% per annum, and the other which incurred a variable rate of interest of 4.89% in the period 31 March 2026 (2025: 5.99%). The loan is due for repayment on 31 October 2029.

12. Provisions

	Demolition provision £
At 01 April 2025	166,000
Charged to profit or loss	-
At 31 March 2026	<u>166,000</u>

The LLP has recognised a provision of £166,000 in the prior year 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 Members' best estimate of the expenditure required to settle the obligation at the reporting date.

13. Capital commitments

As at 31 March, the limited liability partnership had the following capital commitments:

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13. Capital commitments (continued)

	2026 £	2025 £
Contracts for future capital expenditure not provided in the financial statements	180,000	-

14. Pension commitments

The entity is a member of the Strathclyde Pension Fund, 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 2026 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 6.30% per year, that salary increases would average 3.70% per year and that present and future pensions would increase at a rate of 3.00% per year. The contribution for the year ended 31 March 2026 was £18,000. The agreed contribution rate for 2026/27 is 14.9%, rising to 17.5% in 2027/28. 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. The effect of the asset ceiling was to restrict the value of the plan assets by £3,020,000 (2025: £2,665,000).

Reconciliation of present value of plan liabilities:

	2026 £	2025 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	1,969,000	2,288,000
Current service cost	44,000	51,000
Interest cost	115,000	111,000
Contributions	17,000	16,000
Benefits paid	(32,000)	(64,000)
Changes in financial assumptions	(94,000)	(414,000)
Changes in demographic assumptions	10,000	(3,000)
Other experience	14,000	(16,000)
At the end of the year	2,043,000	1,969,000

Reconciliation of present value of plan assets:

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14. Pension commitments (continued)

	2026 £	2025 £
Reconciliation of present value of plan assets:		
At the beginning of the year	1,969,000	2,288,000
Interest income	269,000	219,000
Contributions by employer	18,000	17,000
Contributions by scheme participants	17,000	16,000
Benefits paid	(32,000)	(64,000)
Other experience	-	-
Return on assets	157,000	(83,000)
Derecognition of surplus	(355,000)	(424,000)
At the end of the year	2,043,000	1,969,000

Composition of plan assets:	2026 %	2025 %
Equities	58	60
Bonds	22	23
Property	10	9
Cash	10	8
Total plan assets	100	100

The return on the plan assets for the year to 31 March 2026 was 9.2% (2025: 3.0%)

	2026 £	2025 £
Fair value of plan assets	2,043,000	1,969,000
Present value of plan liabilities	(2,043,000)	(1,969,000)
	-	-

The amounts recognised in profit or loss are as follows:

	2026	2025
Current service cost	(44,000)	(51,000)
Interest on obligation	-	108,000
	(44,000)	57,000

The cumulative amount of actuarial gains recognised in the Statement of Comprehensive Income was £26,000 (2025: actuarial loss of £74,000)

The entity expects to contribute £49,000 to its Defined benefit scheme in 2027

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14. Pension commitments (continued)

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

	2026 %	2025 %
Discount rate	6.30	5.80
Future salary increases	3.70	3.45
Pension Increase rate (CPI)	3.00	2.75
Mortality rates		
- for a male aged 65 now	16.8	16.4
- at 65 for a male aged 45 now	20.5	20.1
- for a female aged 65 now	23.7	23.6
- at 65 for a female member aged 45 now	25.2	25.1

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females.

15. Contingent assets and liabilities

Contingent assets

North Lanarkshire Properties LLP has incurred a share of repair costs recharged from North Lanarkshire Council in respect of a property held by the LLP as at 31 March 2026. 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 the reimbursement at this stage however the members 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 members 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. In addition to the below, at the year end date and at the time of the signing of the financial statements, to the best of the directors current knowledge RAAC has been identified within another site of the LLP's estate. At the year-end, there is no additional provision for the further site identified, while next steps are being considered.

However as disclosed in note 12 with 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 members 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 was charged for services from North Lanarkshire Council totalling £3,483,657 (2025: £3,640,418). During the year the LLP received rent and service charges from North Lanarkshire Council totalling £478,596 (2025: £329,553).

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16. Related party transactions (continued)

At the balance sheet date the LLP was owed £247,343 (2025: £148,580) by North Lanarkshire Council. These balances are held within trade and other debtors.

At the balance sheet date the LLP owed £607,148 (2025: £813,903) 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.