

BON ACCORD SUPPORT SERVICES LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

FRIDAY



S4IN42G8

SCT

23/10/2015

#358

COMPANIES HOUSE

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

	Page
Company Information	3
Strategic Report	4
Report of the Directors	6
Reports of the Independent Auditors	8
Profit and Loss Account	10
Statement of Total Recognised Gains and Losses	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015**

DIRECTORS

**Tim Gardiner
Alan Grant
Heather Gray
John A MacLean
Andrew Newall
Graham Parker
Sandra Ross**

REGISTERED OFFICE

**Archibald Simpson House
27-29 King Street
Aberdeen
AB24 5AA**

REGISTERED NUMBER

SC432814

AUDITORS

**Johnston Carmichael LLP
Chartered Accountants And Registered
Auditors
29 Albyn Place
Aberdeen
AB10 1YL**

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

The Directors present their Strategic Report for the year ended 31 March 2015.

Bon Accord Support Services Limited is a wholly owned subsidiary of Aberdeen City Council.

Bon Accord Support Services Limited manages the provision of elderly care, occupational therapy and learning and development services to the people of Aberdeen. The company operates throughout the Aberdeen area in private homes, sheltered housing and specialised facilities.

The company is contracted by Aberdeen City Council to provide these services; Bon Accord Support Services Limited sub-contracts the regulated care element of the contract to Bon Accord Care Limited. The contract and companies are structured this way to ensure that the business can operate under normal VAT trading rules. Aberdeen City Council aims to maximise care delivered to the people of Aberdeen within the limits of the contracted sum. Any distributable surplus generated by the company will be returned to Aberdeen City Council or, if our shareholder prefers, reinvested in the company to provide additional care.

These accounts summarise the financial position for the year to 31 March 2015. The company shows a turnover of £26,025,585 upon which it recorded a profit of £31,204.

The company is almost entirely funded through its core contract with Aberdeen City Council. The financial pressures placed upon public sector bodies present the most significant element of business risk to the company. Financial austerity could, force Aberdeen City Council to reduce its investment in adult care services. The company will always aim to deliver the maximum levels of quality care within the contract sum awarded by our customers.

The Directors anticipate continued financial austerity within the public sector for the foreseeable future and are planning accordingly.

Since the publication of the last set of statutory accounts the company has successfully re-negotiated the basis of its core contract with Aberdeen City Council. Going forward the revised contractual basis will give the company every chance to be commercially successful in the future.

The re-negotiated 2014/15 contract formed the basis of the contract negotiations for 2015/16. The company was asked to look at ways to develop approximately £700,000 of economies from the original contract proposal submitted for 2015/16. This was achieved by the re-configuration of part of the Occupational Therapy services provided, whilst maintaining the overall service provision. The company will continue to make every effort to seek innovative ways to secure efficiencies within the business whilst minimising the impact on our overall service provision and service quality.

The company offers a defined benefit pension arrangement to its staff, directly through Bon Accord Support Services Limited and also indirectly through the costs charged to the company via the sub-contract arrangement with Bon Accord Care Limited. A recent pension review exercise has increased the employer contribution rate for Bon Accord Care Limited (whose staff are members of the same pension scheme). This could increase the sub-contract costs to Bon Accord Support Services. At the time of writing this additional employer contribution rate must be absorbed within the existing contracted sums.

Given the renewed commercial basis for our core business contract and the steps already taken in 2015/16 to generate cash releasing efficiencies the company is now in a much improved position to secure its business beyond the end of the current contract in July 2018. Success in this process will be predicated upon continuing to build upon achieved business efficiencies, service and quality improvements and the development of new business initiatives outside our core contract.

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)

**STRATEGIC REPORT continued
FOR THE YEAR ENDED 31 MARCH 2015**

Several new business opportunities are being pursued that will offer the citizens of Aberdeen additional services that are complementary to our core business activities. The development of these opportunities will help the company to improve and expand the services it offers as part of the core activities to our main customer Aberdeen City Council

The company will deliver increasing levels of high quality care year on year.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a horizontal line extending to the right.

JOHN A MACLEAN

FINANCE DIRECTOR

DATE: 25 September 2015

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2015.

DIRECTORS

The directors shown below have held office during the whole of the year from 1 April 2014 to the date of this report:

Tim Gardiner
Alan Grant
Heather Gray
John A MacLean
Andrew Newall
Graham Parker
Sandra Ross

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 the directors 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTORS continued
FOR THE YEAR ENDED 31 MARCH 2015**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Johnston Carmichael LLP, will be deemed re-appointed under S487 of the Companies Act 2006.

ON BEHALF OF THE BOARD:



JOHN A MACLEAN

FINANCE DIRECTOR

DATE: 25 September 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BON ACCORD SUPPORT SERVICES LIMITED

We have audited the financial statements of Bon Accord Support Services Limited for the year ended 31 March 2015 on pages ten to twenty-three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BON ACCORD SUPPORT SERVICES LIMITED continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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 director's remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.



Jean Main (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP
Chartered Accountants and Registered Auditors
29 Albyn Place
Aberdeen
AB10 1YL

25 September 2015

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	1.8.13 – 31.3.14 £
TURNOVER	2	26,025,585	16,444,627
Cost of sales		<u>(24,503,000)</u>	<u>(15,905,350)</u>
GROSS PROFIT		1,522,585	539,277
Administrative expenses		<u>(1,919,701)</u>	<u>(1,229,820)</u>
		(397,116)	(690,543)
Other operating income		<u>420,286</u>	286,339
OPERATING PROFIT / (LOSS)	4	23,170	(404,204)
Interest receivable and similar income		6,034	9,347
Other finance incomes		<u>2,000</u>	<u>-</u>
PROFIT / (LOSS) FOR THE FINANCIAL YEAR		<u>31,204</u>	<u>(394,857)</u>

CONTINUING OPERATIONS

All the company's activities were acquired in the prior year.

The notes form part of the financial statements

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	1.8.13 – 31.3.14 £
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	31,204	(394,857)
Actuarial (loss) / gain on defined benefit pension scheme	(17,000)	2,000
Transfer of pension deficit	-	(33,000)
TOTAL OF RECOGNISED GAINS / (LOSSES) RELATING TO THE YEAR	14,204	(425,857)

The notes form part of the financial statements

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**BALANCE SHEET
31 MARCH 2015**

		2015 £	2014 £
FIXED ASSETS	Notes		
Tangible assets	5	276,507	258,352
CURRENT ASSETS			
Stocks	6	325,378	113,623
Debtors	7	1,674,363	1,806,614
Cash in hand		810	710
		<u>2,000,551</u>	<u>1,920,947</u>
CREDITORS			
Amounts falling due within one year	8	<u>(2,520,377)</u>	<u>(2,463,155)</u>
NET CURRENT LIABILITIES		<u>(519,826)</u>	<u>(542,208)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(243,319)</u>	<u>(283,856)</u>
DEFERRED GOVERNMENT GRANTS	9	(93,333)	(100,000)
PENSION LIABILITY	13	<u>(75,000)</u>	<u>(42,000)</u>
NET LIABILITIES		<u>(411,652)</u>	<u>(425,856)</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	<u>(411,653)</u>	<u>(425,857)</u>
SHAREHOLDERS' DEFICIT	15	<u>(411,652)</u>	<u>(425,856)</u>

The financial statements were approved by the Board of Directors on 25th September 2015 and were signed on its behalf by:



John A MacLean

The notes form part of the financial statements

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	1.8.13 – 31.3.14 £
Net cash outflow from operating activities	1	(15,182)	(48,136)
Returns on investments and servicing of finance	2	10,024	5,357
Capital expenditure and financial investment	2	<u>(37,871)</u>	<u>(17,000)</u>
Decrease in cash in the year		<u>(43,029)</u>	<u>(59,779)</u>

Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the year		(43,029)	(59,779)
Cash outflow from decrease in debt		<u>-</u>	<u>-</u>
Change in net debt resulting from cash flows		<u>(43,029)</u>	<u>(59,779)</u>
Movement in net debt in the year		(43,029)	(59,779)
Net debt at 1 April 2014		<u>(59,779)</u>	<u>-</u>
Net debt at 31 March 2015		<u>(102,808)</u>	<u>(59,779)</u>

The notes form part of the financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	1.8.13 – 31.3.14 £
Operating profit / (loss)	23,170	(404,204)
Depreciation charges	29,623	101,385
Increase in stock	(211,755)	(113,623)
Decrease / (increase) in debtors	132,251	(1,806,614)
(Decrease) / increase in creditors	(6,471)	2,163,920
Excess of current service cost over pension contributions paid	18,000	11,000
Net cash outflow from operational activities	<u>(15,182)</u>	<u>(48,136)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £	1.8.13 – 31.3.14 £
Returns on investments and servicing of finance		
Interest received	<u>10,024</u>	<u>5,357</u>
Net cash inflow for returns on investments and servicing of finance	<u>10,024</u>	<u>5,357</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>37,871</u>	<u>17,000</u>
Net cash outflow for capital expenditure and financial investment	<u>37,871</u>	<u>17,000</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.14 £	Cash flow £	At 31.3.15 £
Net cash:			
Cash at bank and in hand	710	100	810
Bank overdraft	<u>(60,489)</u>	<u>(43,129)</u>	<u>(103,618)</u>
Total	<u>(59,779)</u>	<u>(43,029)</u>	<u>(102,808)</u>

The notes form part of the financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historic cost convention in accordance with applicable accounting standards.

Going Concern

The company reports a trading profit at 31 March 2015. During 2014/15 the company has been successful in re-negotiating the basis of its core contract with Aberdeen City Council so now it has a true commercial basis to operate this year and into the future. The company traded on a profitable basis in 2014/15 and fully expects to continue to trade on a profitable or break-even basis for the foreseeable future. The re-negotiated contract for 2014/15 formed the basis for setting the 2015/16 contract and the company can report that it is planning to negate the impact of increased pension costs whilst maintaining already committed business efficiencies to meet its financial targets for 2015/16.

That said the company continues to show an accumulated deficit, the 2014/15 profits reducing but not negating the brought forward deficit arising from the initial 8 months of trading and the recognition of defined benefit pension scheme liabilities in the balance sheet.

Given this accumulated deficit the company has sought written assurance from the company's sole shareholder, Aberdeen City Council, to its on-going financial support. Aberdeen City Council have confirmed that they are not aware of any current plans to withdraw the funding currently in place or any other financial support within 12 months from the date of approval of the financial statements. If this position was to change Aberdeen City Council will communicate this immediately to the company.

Having obtained the agreement of Aberdeen City Council to continue its support of the company in these circumstances the Directors are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax and is recognised when the company has earned the rights to consideration.

Tangible Fixed Assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates to write off the cost or valuation of fixed assets, less their residual value, over their expected useful lives on the following basis:

Motor vehicles	5 – 7 years
Other fixed assets	3 - 5 years
Property improvements	15 years

1. ACCOUNTING POLICIES continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete or slow moving items.

Operating Leases

Operating lease rentals are charged on a straight-line basis over the term of the lease.

Government Grants

Any government grants received are matched with the corresponding expenditure in the period the expenditure is recognised.

Corporation Tax

Bon Accord Support Services Limited is constituted as a private limited company wholly owned by Aberdeen City Council. The company trades with a view to making profits and providing a 5 star service to the citizens of Aberdeen. Aberdeen City Council, is entitled to dividend should a distribution be authorised by the Board from accumulated profits. Given these circumstances Bon Accord Support Services Limited will be liable for Corporation Tax on any taxable profits generated.

Given the accumulated losses to date and our customers aim to maximise the delivery of the company's services it is unlikely in the medium term that any Corporation Tax will be payable upon the company's core trading activities for Aberdeen City Council. Should the commercial opportunities being developed prove successful, taxable surpluses may be generated in the future. Corporation tax is payable on any unearned incomes i.e. interest receivable on bank deposits.

Pension Costs and other Post-Retirement Benefits

The company offers staff membership of a defined benefit pension scheme, the North East Scotland Pension Fund, a Local Government Pension Scheme that provides benefits based upon members average career salary. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate. The expected cost to the company of pensions is charged to the profit and loss account so as to spread the cost of pensions over the service lives of the employees.

In accordance with FRS17 Retirement Benefits the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the profit and loss account. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

The difference between the actual and expected returns on assets during the year, including changes in actuarial assumptions, is recognised as assets or liabilities within the company balance sheet.

2. TURNOVER

The directors consider that the company's entire turnover in the year was generated in the United Kingdom.

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 MARCH 2015****3. STAFF COSTS**

	2015 £	1.8.13 – 31.3.14 £
Wages and salaries	432,988	211,142
Social security costs	35,970	18,573
Other pension costs	78,970	40,457
	<u>547,928</u>	<u>270,172</u>

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

	2015	1.8.13 – 31.3.14
Administration	<u>15</u>	<u>11</u>
	<u>15</u>	<u>11</u>

4. OPERATING PROFIT / (LOSS)

The operating profit / (loss) is stated after charging:

	2015 £	1.8.13 – 31.3.14 £
Depreciation – owned assets	29,624	101,385
Auditors' remuneration	6,405	11,950
Other operating leases	<u>1,050,434</u>	<u>712,313</u>
Directors' remuneration	161,750	112,683
Directors' fees	38,475	19,700
Directors' pension contributions	<u>24,358</u>	<u>13,012</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit pension scheme	<u>2</u>	<u>2</u>
--------------------------------	----------	----------

Emoluments of highest paid Director:

Aggregate emoluments	93,358	61,276
Company pension contributions	14,190	8,061
Accrued pension benefit	2,605	1,031

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 MARCH 2015

5. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Other fixed assets £	Property and tenants' improvements £	Totals £
COST				
At 1 April 2014	40,535	96,754	222,448	359,737
Additions	<u>19,816</u>	<u>0</u>	<u>27,963</u>	<u>47,779</u>
At 31 March 2015	<u>60,351</u>	<u>96,754</u>	<u>250,411</u>	<u>407,516</u>
DEPRECIATION				
At 1 April 2014	21,631	79,754	0	101,385
Charge for year	<u>7,263</u>	<u>5,667</u>	<u>16,694</u>	<u>29,624</u>
At 31 March 2015	<u>28,894</u>	<u>85,421</u>	<u>16,694</u>	<u>131,009</u>
NET BOOK VALUE				
At 31 March 2015	<u>31,457</u>	<u>11,333</u>	<u>233,717</u>	<u>276,507</u>
At 31 March 2014	<u>18,904</u>	<u>17,000</u>	<u>222,448</u>	<u>258,352</u>

6. STOCKS

	2015 £	2014 £
Goods for resale	<u>325,378</u>	<u>113,623</u>
	<u>325,378</u>	<u>113,623</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	46,403	19,085
Amounts due from group undertakings	1,618,337	1,677,966
Other debtors	<u>9,623</u>	<u>109,563</u>
	<u>1,674,363</u>	<u>1,806,614</u>

Included within amounts due from group undertakings is £475,000 (2014 - £1,387,000) cash deposited in an interest bearing bank account. The cash is immediately available but loaned on a temporary basis to Aberdeen City Council who manage the investment on the company's behalf.

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 MARCH 2015**

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Bank loans and overdrafts	103,618	60,489
Trade creditors	34,951	217,875
Amounts owed to group undertakings	1,485,702	242,796
Social security and other taxes	11,347	10,150
VAT	576,191	1,524,741
Other creditors	5,949	9,308
Accruals and deferred income	<u>302,619</u>	<u>397,796</u>
	<u>2,520,377</u>	<u>2,463,155</u>

Included in accruals and deferred income are pension contributions of £7,590 (2014 – £6,899)

9. DEFERRED GOVERNMENT GRANTS

	2015	2014
	£	£
Opening balance	100,000	-
Government grants received	-	100,000
Amortised	<u>(6,666)</u>	<u>-</u>
Closing balance	<u>93,333</u>	<u>100,000</u>

10. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2015	2014
	£	£
Expiring:		
Between one and five years	<u>946,850</u>	<u>946,850</u>
	<u>946,850</u>	<u>946,850</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015	2014
			£	£
1	Ordinary	100p	<u>1</u>	<u>1</u>

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 MARCH 2015**

12. RESERVES

	Profit and loss account	
	2015	2014
	£	£
At 1 April 2014	(425,857)	-
Profit / (loss) for the year	31,204	(394,857)
Actuarial (loss) / gain on defined benefit pension scheme	(17,000)	2,000
Transfer of pension deficit	-	(33,000)
	<u>-</u>	<u>(33,000)</u>
At 31 March 2015	<u>(411,653)</u>	<u>(425,857)</u>

13. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit pension scheme.

Certain employees of the company are members of North East of Scotland Pension Fund a Local Government Pension Scheme. Premiums in the year relating to those employees amounted to £61,000 (2014 - £32,000). In the year to 31 March 2015 the employer contribution rate was 15.2% (2014 – 12.9%).

The fund is reviewed every three years by a professionally qualified independent actuary using the projected unit credit actuarial cost method, the rates of contribution payable being determined by the directors on the advice of the actuaries. In the intervening years the actuaries will review the progress of the scheme and prepare an interim valuation for the purposes of reporting under FRS17. The last actuarial valuation was carried out at 31 March 2014. The value of the fund at 31 March 2015 was as follows.

	Defined benefit pension plans	
	2015	2014
	£	£
Present value of funded benefit obligation	407,000	255,000
Fair value of plan assets	<u>(332,000)</u>	<u>(213,000)</u>
Deficit	<u>75,000</u>	<u>42,000</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2015	1.8.13 – 31.3.14
	£	£
Current service cost	79,000	43,000
Interest on pension liabilities	14,000	7,000
Expected return on assets	<u>(16,000)</u>	<u>(7,000)</u>
	<u>77,000</u>	<u>43,000</u>
Actual return on plan assets	<u>28,000</u>	<u>9,000</u>

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 MARCH 2015**

13. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Opening defined benefit obligation	255,000	-
Current service cost	79,000	43,000
Interest on pension liabilities	14,000	7,000
Member contributions	30,000	16,000
Actuarial losses on liabilities	28,000	-
Benefits/transfers paid	1,000	-
Business combinations	-	189,000
	<u>407,000</u>	<u>255,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Opening fair value of scheme assets	213,000	-
Employer contributions	61,000	32,000
Member contributions	30,000	16,000
Expected return on plan assets	16,000	7,000
Actuarial gains	11,000	2,000
Benefits / transfers paid	1,000	-
Business combinations	-	156,000
	<u>332,000</u>	<u>213,000</u>

The amounts recognised in the statement of recognised gains and losses are as follows:

	Defined benefit pension plans	
	2015	1.8.13 – 31.3.14
	£	£
Actuarial losses / (gains)	<u>17,000</u>	<u>(2,000)</u>
	<u>17,000</u>	<u>(2,000)</u>
Cumulative amount of actuarial losses / (gains)	<u>15,000</u>	<u>(2,000)</u>

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 MARCH 2015

13. EMPLOYEE BENEFIT OBLIGATIONS - continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
Equities	78.4%	83.7%
Government bonds	6.7%	6.4%
Other bonds	1.9%	2.2%
Property	6.4%	5.8%
Cash/liquidity	2.4%	1.9%
Other	4.2%	-
	<u>100.0%</u>	<u>100.0%</u>

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

	2015	2014
Discount rate	3.4%	4.5%
Expected return on scheme assets	5.69%	6.2%
Future salary increases	3.6%	4.15%
Future pension increases	2.1%	2.4%
Rate of CPI inflation	2.1%	2.4%
Life expectancy	Males	Males
Current pensioners	22.1 years	22.4 years
Future pensioners	24.3 years	24.7 years
	Females	Females
Current pensioners	24.7 years	25.4 years
Future pensioners	27.5 years	27.8 years

Amounts for the current year are as follows:

	2015	2014
	£	£
Defined benefit pension plans		
Defined benefit obligation	407,000	255,000
Fair value of scheme assets	332,000	213,000
Deficit	75,000	42,000
Experience adjustments on scheme assets	11,000	2,000

14. RELATED PARTY DISCLOSURES

During the current and previous year, the company was controlled by Aberdeen City Council.

The company is a wholly owned subsidiary of Aberdeen City Council. The results of the company are included within the consolidated accounts of Aberdeen City Council. The company has taken advantage of paragraph 3 of FRS 8 Related Party Disclosures which allows exemption from disclosure of related party transactions with other group companies.

BON ACCORD SUPPORT SERVICES LIMITED (SC432814)

**NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 MARCH 2015**

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit / (loss) for the financial year	31,204	(394,857)
Issue of share capital	<u>-</u>	<u>-</u>
	31,204	(394,857)
Other recognised gains and losses relating to the year (net)	<u>(17,000)</u>	<u>(31,000)</u>
Net increase / (reduction) of shareholders' funds	14,204	(425,857)
Opening shareholders' funds	<u>(425,856)</u>	<u>1</u>
Closing shareholders' funds	<u>(411,652)</u>	<u>(425,856)</u>

16. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Aberdeen City Council, a local authority organisation operating in Scotland. Copies of the audited accounts can be obtained from Aberdeen City Council, Marischal College, Broad Street, Aberdeen or online at www.aberdeencity.gov.uk.