

REGISTERED NUMBER: SC416826

**BON ACCORD CARE LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2014**

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**BON ACCORD CARE LIMITED (SC416826)**

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FOR THE PERIOD ENDED 31 MARCH 2014**

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**BON ACCORD CARE LIMITED (SC416826)**

**COMPANY INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2014**

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**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**

**SC416826**

**AUDITORS**

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

**STRATEGIC REPORT  
FOR THE PERIOD ENDED 31 MARCH 2014**

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The Directors present their Strategic Report for the year ended 31 March 2014

Bon Accord Care Limited provides 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 to Bon Accord Support Services which acts on behalf of Aberdeen City Council to provide these services. The company operates to a trading break even position with its sole customer Bon Accord Support Services Ltd. Financial activity through the company is exclusively payroll related, the company employing approximately 800 staff.

The company is wholly owned by Aberdeen City Council.

These accounts summarise the financial position for the first 8 months of trading. In common with many new operations these 8 months have been challenging both operationally and financially. The company shows a turnover of £12,850,759 for the first 8 months of trading. The company aims to show a trading break-even on the business associated with its sole customer Bon Accord Support Services. This was achieved before any adjustment for pension deficit.

Following the reflection in the accounts of the actuarially assessed pension deficit of £8,195,000 associated with our staff who are members of the North East Scotland Pension Fund the company reports a loss of £478,000 and a total recognised loss for the period of £8,195,000. The pension fund is a final salary pension arrangement. The deficit is reflected in our financial statements in accordance with FRS17 guidance.

Clearly this presents a significant uncertainty to the company going forward, given this issue the Directors of the company have sought and have received the written assurance of Aberdeen City Council to its commitment to on-going financial support for the company.

That aside the company faces many challenges relating to the start-up phase of the company and in the medium to long term. Bon Accord Care exists solely to supply care to the adult population of the Aberdeen City Council area.

This business is funded entirely by Aberdeen City Council via a sub-contract from Bon Accord Support Services Ltd. The financial pressures placed upon public bodies such as Aberdeen City Council present the most significant element of business risk to the company. Financial austerity within the public sector could, in the future, force Aberdeen City Council to reduce their 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 drive to reduce unit price will continue. The management of the company is addressing this by various efficiency measures to tackle and reduce the high sickness levels in existence when staff transferred over to Bon Accord Care, staff productivity is targeted through improved staff deployment by the careful revision of staff rotas to drive down unproductive time and reduce the use of agency staff. Management of our staff is targeted to be improved by increased use of our main operational management tool CM2000, the benefits of greater visibility of operational activity is now beginning to yield significant benefits to line management. Services are being constantly re-examined to ensure the care delivery structure is appropriate and to make changes in service configurations where appropriate.

**BON ACCORD CARE LIMITED (SC416826)**

**STRATEGIC REPORT continued  
FOR THE PERIOD ENDED 31 MARCH 2014**

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

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'John A Maclean', with a long horizontal flourish extending to the right.

**JOHN A MACLEAN**

**FINANCE DIRECTOR**

**DATE: 25<sup>th</sup> September 2014**

**BON ACCORD CARE LIMITED (SC416826)**

**REPORT OF THE DIRECTORS  
FOR THE PERIOD ENDED 31 MARCH 2014**

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The directors present their report with the financial statements of the company for the period ended 31 March 2014.

**DIVIDENDS**

No dividends will be distributed for the period ended 31 March 2014.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2013 to the date of this report:

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

**Employee Policy**

Bon Accord Care Ltd. employs staff regardless of race, gender, disability or sexual orientation. The company aims to apply best industry practice in supporting all staff to perform to the best of their abilities in their role within the organisation.

**Staff Involvement**

Bon Accord Care Limited believes strongly in open, honest and clear communication with all levels of staff within the organisation. The company also believe that communication must work both ways so staff are empowered to have confidence that if issues or concerns are raised they will be heard and acted upon as appropriate.

The company uses several methods to communicate to and involve staff in the management of the company. These are as follows:

1. BAC Chat : this is a quarterly newsletter in a "magazine" format sent to all staff and includes detail of developments in the company, new policies, company performance and any and all other information that is relevant or of interest to staff members.
2. Chat BAC: this is published 8 times each year, monthly when BAC Chat is not published. This is also sent to all staff and is a brief update on what is happening in the company.
3. Staff forums are held in all the main work areas quarterly, these are run by the Managing Director and are organised as a drop-in meeting open to all staff so they can raise issues or concerns directly with senior management of the organisation.
4. Senior management meet with union representatives on a monthly basis.
5. The company operates a scheme that reward staff with a Union Square voucher for i.e. a special achievement or simply working above and beyond the call of duty.

**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 period. 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 period. 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.

**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<sup>th</sup> September 2014**

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BON ACCORD CARE**

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We have audited the financial statements of Bon Accord Care Limited for the period ended 31 March 2014 on pages ten to twenty-one. 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 seven, 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 2014 and of its profit for the period 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.

### **Emphasis of matter – going concern**

In forming our opinion on the financial statements which is not qualified in this respect, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. These disclosures indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

### **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 period for which the financial statements are prepared is consistent with the financial statements.



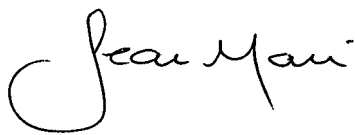
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BON ACCORD CARE**  
**continued**

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**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 ..... 2014

**BON ACCORD CARE LIMITED (SC416826)****PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2014**

	Notes	1.8.13 – 31.3.14		18.4.12 – 31.7.13
		£	£	£
<b>TURNOVER</b>	2	12,850,759		-
Cost of sales		<u>(13,421,272)</u>		<u>-</u>
<b>GROSS LOSS</b>			<b>(570,513)</b>	-
Administrative expenses			<u>(137,232)</u>	<u>-</u>
			(707,745)	-
Other operating income			<u>28,127</u>	<u>-</u>
<b>OPERATING LOSS</b>			<b>(679,618)</b>	-
Interest receivable and similar income			3,618	-
Other finance income			<u>198,000</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>			<b><u>(478,000)</u></b>	<b><u>-</u></b>

**CONTINUING OPERATIONS**

All the company's activities were acquired in the current period.

The notes form part of the financial statements

**BON ACCORD CARE LIMITED (SC416826)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 31 MARCH 2012**

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	1.8.13 – 31.3.14	18.4.12 – 31.7.13
	£	£
<b>LOSS FOR THE FINANCIAL PERIOD</b>	<b>(478,000)</b>	-
Actuarial loss on defined benefit pension scheme	(479,000)	-
Transfer of pension deficit	<u>(7,238,000)</u>	<u>-</u>
<b>TOTAL OF RECOGNISED LOSSES RELATING TO THE PERIOD</b>	<b><u>(8,195,000)</u></b>	<b><u>-</u></b>

The notes form part of the financial statements

**BON ACCORD CARE LIMITED (SC416826)****BALANCE SHEET  
31 MARCH 2014**

	Notes	2014 £	2013 £
<b>CURRENT ASSETS</b>			
Debtors	4	858,327	100
Cash at bank and in hand		<u>5,066</u>	-
		863,393	-
<b>CREDITORS</b>			
Amounts falling due within one period	5	<u>(863,293)</u>	-
<b>NET CURRENT ASSETS</b>		<u><b>100</b></u>	<u><b>100</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		100	100
<b>PENSION LIABILITY</b>		<u>(8,195,000)</u>	-
<b>NET ASSETS</b>		<u><b>(8,194,900)</b></u>	<u><b>100</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	100	100
Profit and loss account	7	<u>(8,195,000)</u>	-
<b>SHAREHOLDERS' FUNDS</b>	10	<u><b>(8,194,900)</b></u>	<u><b>100</b></u>

The financial statements were approved by the Board of Directors on 25<sup>th</sup> September 2014 and were signed on its behalf by:



John A MacLean

The notes form part of the financial statements

**BON ACCORD CARE LIMITED (SC416826)****CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2014**

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	Notes	1.8.13 – 31.3.14 £	18.4.12 – 31.7.13 £
<b>Net cash inflow from operating activities</b>	1	4,957	-
<b>Returns on investments and servicing of finance</b>	2	<u>109</u>	<u>-</u>
<b>Increase in cash in the period</b>		<u><b>5,066</b></u>	<u><b>-</b></u>

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<b>Reconciliation of net cash flow to movement in net funds</b>	3		
Increase in cash in the period		5,066	-
Cash outflow from decrease in debt		<u>-</u>	<u>-</u>
Change in net debt resulting from cash flows		<u>5,066</u>	<u>-</u>
<b>Movement in net funds in the period</b>			
<b>Net funds at 1 August 2013</b>		<u>-</u>	<u>-</u>
<b>Net funds at 31 March 2014</b>		<u><b>5,066</b></u>	<u><b>-</b></u>

The notes form part of the financial statements

**BON ACCORD CARE LIMITED (SC416826)**

**NOTES TO THE CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2014**

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

	1.8.13 – 31.3.14 £	18.4.12 – 31.7.13 £
Operating loss	(679,618)	-
(Increase) in debtors	(854,718)	-
Increase in creditors	863,293	-
Pension provision	676,000	-
<b>Net cash inflow from operating activities</b>	<b>4,957</b>	<b>-</b>

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

	1.8.13 – 31.3.14 £	18.4.12 – 31.7.13 £
<b>Returns on investments and servicing of finance</b>		
Interest received	109	-
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	<b>109</b>	<b>-</b>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.8.13 £	Cash flow £	At 31.3.14 £
Net cash:			
Cash at bank and in hand	-	5,066	5,066

The notes form part of the financial statements

## **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 expects to trade on a break-even basis for the foreseeable future, maximising the provision of care provided to the people of Aberdeen within the contracted sum. The pension deficit arising from the company's future commitments under North East Scotland Pension Fund clearly presents issues regarding the longer term going concern status of the company.

The company supplies its services to Bon Accord Support Services Limited (BASS) and in turn are contracted by Aberdeen City Council. BASS reported a trading deficit at 31st March 2014 and has continued to trade at a deficit since the year end. Continuation of trade is made possible due to income being received in advance. The deficit was expected given the start-up nature of the operation and the fact that the service contract BASS operates under makes assumptions of immediate operational savings to cover the cost of new corporate expenditures and in addition reduces the overall operational cost. BASS is making every effort to develop efficiencies within its operations however it is not reasonable to expect these costs to be negated by new efficiency initiatives within the first 8 months of existence. Several initiatives have been developed to promote efficiency within the organisation, sickness policy has been reviewed and robustly enforced, staff rotas have been revised to reduce cost, increase activity and minimise inactive time. Agency staff engagement processes have been formalised and agency costs closely scrutinised on an on-going basis. Various services have also been examined for the possibility of reconfiguration to continue to deliver the same high quality care but in more efficient structures. Going forward the company has started discussions with Aberdeen City Council to re-examine the basis of the contractual arrangements to ensure that in the short-long term our business relationship is based on what can truly be delivered at a realistic cost.

Given the deficit position of BASS and the pension liability noted within the accounts the company has sought written assurance from the company's sole shareholder, Aberdeen City Council, to its on-going financial support of the company. 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 their position was to change Aberdeen City Council will communicate this immediately to the company.

The going concern status of the company is dependent on the renegotiation of the contract between BASS and Aberdeen City Council and the directors are confident that this will be achieved. In the meantime assurances have been obtained that Aberdeen City Council will continue to support the company and therefore 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.

**1. ACCOUNTING POLICIES continued**

**Corporation Tax**

Bon Accord Care Limited has been set up to exclusively provide Aberdeen City Council funded adult care services. The care provided does not involve a profit motive rather the aim is to maximise the amount of care within the contracted sum awarded. As such Corporation Tax is unlikely to be levied upon the company now or in the foreseeable future. The company is in discussion with HMRC to formally confirm these assumptions.

**Pension Costs and other Post-Retirement Benefits**

The company operates a defined benefit pension scheme.

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate. The company is also a member of the North East Scotland Pension Fund, a Local Government Pension Scheme, which provides benefits based on a final pensionable pay. 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 also recognised in the profit and loss account.



**BON ACCORD CARE LIMITED (SC416826)****NOTES TO THE FINANCIAL STATEMENTS continued  
FOR THE PERIOD ENDED 31 MARCH 2014****2. TURNOVER**

All of the company's turnover in the period was generated in the United Kingdom.

**3. STAFF COSTS**

	1.8.13 – 31.3.14	18.4.12 – 31.7.13
	£	£
Wages and salaries	10,632,195	-
Social security costs	719,606	-
Other pension costs	1,393,471	-
	<u>12,745,272</u>	<u>-</u>

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

	1.8.13 – 31.3.14	18.4.12 – 31.7.13
Care Staff	<u>752</u>	<u>-</u>
	<u>752</u>	<u>-</u>

**4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE PERIOD**

	2014	2013
	£	£
Amounts due from group undertakings	830,000	-
Other debtors	<u>28,327</u>	<u>100</u>
	<u>858,327</u>	<u>100</u>

The amount due from group undertakings is £830,000 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.

**5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE PERIOD**

	2014	2013
	£	£
Amounts owed to group undertakings	290,966	-
Social security and other taxes	313,157	-
Other creditors	<u>259,170</u>	<u>-</u>
	<u>863,293</u>	<u>-</u>

Included in other creditors are pension contributions of £247,226. (2013 – £ nil)

**BON ACCORD CARE LIMITED (SC416826)****NOTES TO THE FINANCIAL STATEMENTS continued  
FOR THE PERIOD ENDED 31 MARCH 2014****6. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
100	Ordinary	100p	<u>100</u>	<u>100</u>

**7. RESERVES**

	Profit and loss account	
	2014 £	2013 £
At 1 August 2013	-	-
Loss for the period	<u>(8,195,000)</u>	<u>-</u>
<b>At 31 March 2014</b>	<b><u>(8,195,000)</u></b>	<b><u>-</u></b>

**8. 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. Premiums in the year relating to those employers amounted to £1,391,000 (2013 - £ nil). In the period to 31 March 2014 the employer contribution rate was 12.8% (2013 – N/A).

The fund is reviewed every three years by a professionally qualified independent actuary using the project 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 2011. The value of the fund at 31 March 2014 was as follows.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014 £	2013 £
Present value of funded benefit obligation	48,764,000	-
Fair value of plan assets	<u>(40,569,000)</u>	<u>-</u>
<b>Deficit</b>	<b><u>(8,195,000)</u></b>	<b><u>-</u></b>

NOTES TO THE FINANCIAL STATEMENTS continued  
FOR THE PERIOD ENDED 31 MARCH 2014

8. EMPLOYEE BENEFIT OBLIGATIONS – continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	1.8.13 – 31.3.14	18.4.12 – 31.7.13
	£	£
Current service cost	2,067,000	-
Interest on pension liabilities	1,363,000	-
Expected return on assets	(1,561,000)	-
	<u>1,869,000</u>	<u>-</u>
Actual return on plan assets	<u>1,945,000</u>	<u>-</u>

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

	Defined benefit pension plans	
	2014	2013
	£	£
Opening defined benefit obligation	-	-
Current service cost	2,067,000	-
Interest on pension liabilities	1,363,000	-
Member contributions	544,000	-
Actuarial losses on liabilities	863,000	-
Benefits/transfers paid	(503,000)	-
Business combinations	44,430,000	-
	<u>48,764,000</u>	<u>-</u>

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

	Defined benefit pension plans	
	2014	2013
	£	£
Opening fair value of scheme assets	-	-
Expected return on plan assets	1,561,000	-
Actuarial gains on assets	384,000	-
Business combinations	37,192,000	-
Employer contributions	1,391,000	-
Member contributions	544,000	-
Benefits/transfers paid	(503,000)	-
	<u>40,569,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS continued  
FOR THE PERIOD ENDED 31 MARCH 2014

8. EMPLOYEE BENEFIT OBLIGATIONS – continued

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

	Defined benefit pension plans	
	1.8.13 – 31.3.14	18.4.12 – 31.7.13
	£	£
Actuarial gains	<u>479,000</u>	<u>-</u>
	<u>479,000</u>	<u>-</u>
<b>Cumulative amount of actuarial gains</b>	<b><u>479,000</u></b>	<b><u>-</u></b>

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

	Defined benefit pension plans	
	2014	2013
Equities	83.7%	N/A
Government bonds	6.4%	N/A
Other bonds	2.2%	N/A
Property	5.8%	N/A
Cash/liquidity	<u>1.9%</u>	<u>N/A</u>
	<u>100.0%</u>	<u>N/A</u>

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

	2014	2013
Discount rate	4.4%	N/A
Expected return on scheme assets	6.2%	N/A
Future salary increases	4.15%	N/A
Future pension increases	2.4%	N/A
Rate of CPI inflation	2.4%	N/A
Life expectancy	Males	Females
Current pensioners	22.4 years	25.4 years
Future pensioners	24.7 years	27.8 years

**8. EMPLOYEE BENEFIT OBLIGATIONS – continued**

Other expense deductions are as follows:

	2014 £	2013 £
<b>Defined benefit pension plans</b>		
Defined benefit obligation	48,764,000	-
Fair value of scheme assets	40,569,000	-
Deficit	(8,195,000)	-
Experience adjustments on scheme assets	384,000	-

**9. RELATED PARTY DISCLOSURES**

During the current and previous period, 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 account 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.

**10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Loss for the financial period	(478,000)	-
Issue of share capital	-	100
	(478,000)	-
Other recognised gains and losses relating to the period (net)	(7,717,000)	-
<b>Net reduction of shareholders' funds</b>	<b>(8,195,000)</b>	<b>-</b>
Opening shareholders' funds	100	-
<b>Closing shareholders' funds</b>	<b>(8,194,900)</b>	<b>100</b>

**11. 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](http://www.aberdeencity.gov.uk)

**BON ACCORD CARE LIMITED (SC416826)****TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2014**

	1.8.13 – 31.3.14		18.4.12 – 31.7.13
	£	£	£
<b>Sales</b>		<b>12,850,759</b>	-
<b>Cost of sales</b>			
Wages	(10,632,195)		-
Social security	(719,606)		-
Pensions	(2,069,471)		-
		<u>(13,421,272)</u>	<u>-</u>
<b>Gross loss</b>		<b>(570,513)</b>	-
Sundry receipts	28,127		-
Other interest receivable	3,618		-
		<u>31,745</u>	<u>-</u>
		<b>(538,768)</b>	-
<b>Administration costs</b>			
Travel and subsistence	(136,076)		-
Sundry expenses	(314)		-
Disclosure Scotland fees	(744)		-
		<u>(137,134)</u>	<u>-</u>
		<b>(675,902)</b>	-
<b>Finance charges</b>			
Bank charges		(98)	-
<b>Other finance income</b>			
Expected return on pension scheme assets	1,561,000		-
Interest on pension scheme liabilities	(1,363,000)		-
		<u>198,000</u>	<u>-</u>
<b>Loss for the period</b>		<b>(478,000)</b>	-

This page does not form part of the statutory financial statements.