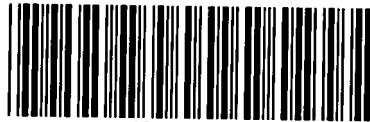


**BON ACCORD SUPPORT SERVICES LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2014**

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**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2014**

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**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**

**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**

**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 PERIOD ENDED 31 MARCH 2014**

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

Bon Accord Support Services 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 surplus generated by the company will be returned to Aberdeen City Council or, if our customer prefers, reinvested in the company to provide additional care.

These accounts summarise the financial position for the first 8 months of trading. In common with many new operations this period has been challenging both operationally and financially. The company shows a turnover of £16,444,627 upon which it recorded a deficit of £425,857.

This deficit arises from a difference in the contract sum and the services provided and the costs of delivery of these services, including administration costs. The deficit has been underwritten by Aberdeen City Council.

The company is entirely funded by 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, 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.

Given this environment the Directors anticipate continued financial austerity with the public sector for the foreseeable future and are planning accordingly. The basis of the contract we have is being re-examined as it is felt by the Directors that the fundamental assumptions within the contract are overly optimistic. The Directors are in discussions with Aberdeen City Council Executive Management with a view to adjusting the contractual basis to a more commercial level. We hope these discussions will be concluded by the end of the calendar year. Notwithstanding the on-going contract discussions the board recognises that the company must aim to maximise efficiency to ensure we deliver the maximum quality care to the population of the city

With that aim, several initiatives are in place or underway to achieve this. Sickness absence is being driven down through careful management of the maximising attendance policy, applying a more organisational need driven annual leave policy to reduce peaks in agency staff usage, the careful revision of staff rotas is driving down unproductive time and reducing our reliance on expensive agency staff. The introduction of a casual pool of care staff to be utilised as a cost effective and more flexible alternative to agency staff is reducing costs. Information technology is also a target for development utilising our CM2000 care management systems to allow our managers better visibility of what is happening out in the workplace. This will yield significant efficiency benefits.

**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**

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

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The Directors believe that much has been achieved in the first 8 months of business and this will continue as the company drives unit costs down and activity up. Over the next 12 months we aim to begin to expand our business outside the core care contract to develop and win new external commercial business.

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, consisting of a large, stylized 'J' followed by a horizontal line extending to the right.

**JOHN A MACLEAN**

**FINANCE DIRECTOR**

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

**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**

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

---

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

**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.

**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**

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

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**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 SUPPORT SERVICES**

---

We have audited the financial statements of Bon Accord Support Services Limited for the period ended 31 March 2014 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 2014 and of its loss 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 SUPPORT SERVICES 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 SUPPORT SERVICES LIMITED (SC432814)**

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2014**

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	<b>Notes</b>	<b>1.8.13 – 31.3.14</b>		<b>18.9.12 – 31.7.13</b>
		<b>£</b>	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	<b>2</b>	<b>16,444,627</b>		<b>-</b>
Cost of sales		<u>(15,905,350)</u>		<u>-</u>
<b>GROSS PROFIT</b>			<b>539,277</b>	<b>-</b>
Administrative expenses			<u>(1,229,820)</u>	<u>-</u>
			(690,543)	-
Other operating income			<u>286,339</u>	<u>-</u>
<b>OPERATING LOSS</b>	<b>4</b>		<b>(404,204)</b>	<b>-</b>
Interest receivable and similar income			<u>9,347</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>			<u><b>(394,857)</b></u>	<u><b>-</b></u>

**CONTINUING OPERATIONS**

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

The notes form part of the financial statements

**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 31 MARCH 2014**

---

	1.8.13 – 31.3.14	18.9.12 – 31.7.13
	£	£
<b>LOSS FOR THE FINANCIAL PERIOD</b>	<b>(394,857)</b>	-
Actuarial gain on defined benefit pension scheme	2,000	-
Transfer of pension deficit	<u>(33,000)</u>	<u>-</u>
<b>TOTAL OF RECOGNISED LOSSES RELATING TO THE PERIOD</b>	<b><u>(425,857)</u></b>	<b><u>-</u></b>

The notes form part of the financial statements

**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)****BALANCE SHEET  
31 MARCH 2014**

		£	2014 £	2013 £
<b>FIXED ASSETS</b>	Notes			
Tangible assets	5		258,352	
<b>CURRENT ASSETS</b>				
Stocks	6	113,623		-
Debtors	7	1,806,614		1
Cash in hand		<u>710</u>		<u>-</u>
			1,920,947	1
<b>CREDITORS</b>				
Amounts falling due within one year	8		<u>(2,463,155)</u>	<u>-</u>
<b>NET CURRENT LIABILITIES</b>			<u>(542,208)</u>	<u>1</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>(283,856)</b>	
<b>DEFERRED GOVERNMENT GRANTS</b>	9		(100,000)	
<b>PENSION LIABILITY</b>	13		<u>(42,000)</u>	<u>-</u>
<b>NET LIABILITIES</b>			<u><b>(425,856)</b></u>	<u><b>1</b></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	11		1	1
Profit and loss account	12		<u>(425,857)</u>	<u>-</u>
<b>SHAREHOLDERS' DEFICIT</b>	15		<u><b>(425,856)</b></u>	<u><b>1</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 SUPPORT SERVICES LIMITED (SC432814)****CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2014**

---

	Notes	1.8.13 – 31.3.14 £	18.9.12 – 31.7.13 £
<b>Net cash outflow from operating activities</b>	1	(48,136)	-
Returns on investments and servicing of finance	2	5,357	-
Capital expenditure and financial investment	2	<u>(17,000)</u>	<u>-</u>
<b>Decrease in cash in the period</b>		<u><b>(59,779)</b></u>	<u><b>-</b></u>

---

<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Decrease in cash in the period		(59,779)	-
Cash outflow from decrease in debt		<u>-</u>	<u>-</u>
Change in net debt resulting from cash flows		<u>(59,779)</u>	<u>-</u>
Movement in net debt in the period		(59,779)	-
Net debt at 1 August 2013		<u>-</u>	<u>-</u>
<b>Net debt at 31 March 2014</b>		<u><b>(59,779)</b></u>	<u><b>-</b></u>

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The notes form part of the financial statements

**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)****NOTES TO THE CASH FLOW STATEMENT  
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 £	18.9.12 – 31.7.13 £
Operating loss	(404,204)	-
Depreciation charges	101,385	-
Increase in stock	(113,623)	-
Increase in debtors	(1,806,614)	-
Increase in creditors	2,163,920	-
Pension provision	11,000	-
<b>Net cash outflow from operational activities</b>	<b><u>(48,136)</u></b>	<b><u>-</u></b>

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

	1.8.13 – 31.3.14 £	18.9.12 – 31.7.13 £
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>5,357</u>	<u>-</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b><u>5,357</u></b>	<b><u>-</u></b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<u>17,000</u>	<u>-</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<b><u>17,000</u></b>	<b><u>-</u></b>

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

	At 1.8.13 £	Cash flow £	At 31.3.14 £
Net cash:			
Cash at bank and in hand	-	710	710
Bank overdraft	<u>-</u>	<u>(60,489)</u>	<u>(60,489)</u>
<b>Total</b>	<b><u>-</u></b>	<b><u>(59,779)</u></b>	<b><u>(59,779)</u></b>

The notes form part of the financial statements

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

---

**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 deficit at 31 March 2014 and has continued to trade at a deficit since 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 the company operates under makes assumptions of immediate operational savings to cover the cost of new corporate expenditures while also reducing the overall operational cost. The company 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 report 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 with 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.

**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	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's principal customer is Aberdeen City Council. The company therefore operates on a mutual trading basis with this principal customer. The company is seeking confirmation from HMRC that it will not be liable for Corporation Tax on its trade with Aberdeen City Council. In the future should any new commercial business ventures be set up, that business will be liable to corporation tax but the new business will be under a corporate structure separate from the core business of Bon Accord Support Services Limited in its trade with Aberdeen City Council.

**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.

**2. TURNOVER**

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



**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)****NOTES TO THE FINANCIAL STATEMENTS continued  
FOR THE PERIOD ENDED 31 MARCH 2014****3. STAFF COSTS**

	1.8.13 – 31.3.14	18.9.12 – 31.7.13
	£	£
Wages and salaries	211,142	-
Social security costs	18,573	-
Other pension costs	29,457	-
	<u>259,172</u>	<u>-</u>

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

	1.8.13 – 31.3.14	18.9.12 – 31.7.13
Administration	<u>11</u>	<u>-</u>
	<u>11</u>	<u>-</u>

**4. OPERATING LOSS**

The operating loss is stated after charging:

	1.8.13 – 31.3.14	18.9.12 – 31.7.13
	£	£
Depreciation – owned assets	101,385	-
Auditors' remuneration	11,950	-
Other operating leases	<u>712,313</u>	<u>-</u>
Directors' remuneration	112,683	-
Directors' fees	19,700	-
Directors' pension contributions	<u>13,012</u>	<u>-</u>

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

Final salary schemes	<u>2</u>	<u>-</u>
----------------------	----------	----------

**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**

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

**5. TANGIBLE FIXED ASSETS**

	Motor Vehicles £	Other fixed assets £	Property and tenants' improvements £	Totals £
<b>COST</b>				
At 1 August 2013	-	-	-	-
Additions	<u>40,535</u>	<u>96,754</u>	<u>222,448</u>	<u>359,737</u>
At March 2014	<u>40,535</u>	<u>96,754</u>	<u>222,448</u>	<u>359,737</u>
<b>DEPRECIATION</b>				
At 1 August 2013	-	-	-	-
Charge for year	<u>21,631</u>	<u>79,754</u>	<u>-</u>	<u>101,385</u>
At 31 March 2014	<u>21,631</u>	<u>79,754</u>	<u>-</u>	<u>101,385</u>
<b>NET BOOK VALUE</b>				
At 31 March 2014	<u><b>18,904</b></u>	<u><b>17,000</b></u>	<u><b>222,448</b></u>	<u><b>258,352</b></u>
At 1 August 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**6. STOCKS**

	2014 £	2013 £
Goods for resale	<u>113,623</u>	<u>-</u>
	<u><b>113,623</b></u>	<u>-</u>

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

	2014 £	2013 £
Trade debtors	19,085	-
Amounts due from group undertakings	1,677,966	1
Other debtors	<u>109,563</u>	<u>-</u>
	<u><b>1,806,614</b></u>	<u><b>1</b></u>

Included within amounts due from group undertakings is £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 PERIOD ENDED 31 MARCH 2014****8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE PERIOD**

	2014 £	2013 £
Bank loans and overdrafts	60,489	-
Trade creditors	217,875	-
Amounts owed to group undertakings	242,796	-
Social security and other taxes	10,150	-
VAT	1,524,741	-
Other creditors	9,308	-
Accruals and deferred income	397,796	-
	<u>2,463,155</u>	<u>-</u>

Included in accruals and deferred income are pension contributions of £6,899. (2013 – £ nil)

**9. DEFERRED GOVERNMENT GRANTS**

	2014 £	2013 £
Grants received in period	<u>100,000</u>	<u>-</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	
	2014 £	2013 £
Expiring: Between one and five years	<u>946,850</u>	<u>-</u>
	<u>946,850</u>	<u>-</u>

**11. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
1	Ordinary	100p	<u>1</u>	<u>1</u>

**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**

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

**12. RESERVES**

	Profit and loss account	
	2014	2013
	£	£
At 1 August 2013	-	-
Loss for the period	<u>(425,857)</u>	<u>-</u>
At 31 March 2014	<u><b>(425,857)</b></u>	<u>-</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. Premiums in the year relating to those employers amounted to £32,000 (2013 - £ nil). In the period to 31 March 2014 the employer contribution rate was 12.9% (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.

	Defined benefit pension plans	
	2014	2013
	£	£
Present value of funded benefit obligation	255,000	-
Fair value of plan assets	<u>(213,000)</u>	<u>-</u>
<b>Deficit</b>	<u><b>42,000</b></u>	<u>-</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	1.8.13 – 31.3.14	18.9.12 – 31.7.13
	£	£
Current service cost	43,000	-
Interest on pension liabilities	7,000	-
Expected return on assets	<u>(7,000)</u>	<u>-</u>
	<u>43,000</u>	<u>-</u>
Actual return on plan assets	<u>9,000</u>	<u>-</u>

**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)****NOTES TO THE FINANCIAL STATEMENTS continued  
FOR THE PERIOD ENDED 31 MARCH 2014****13. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	2014	2013
	£	£
Opening defined benefit obligation	-	-
Current service cost	43,000	-
Interest on pension liabilities	7,000	-
Member contributions	16,000	-
Business combinations	189,000	-
	<u>255,000</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	-	-
Employer contributions	32,000	-
Member contributions	16,000	-
Expected return on plan assets	7,000	-
Actuarial gains	2,000	-
Business combinations	156,000	-
	<u>213,000</u>	<u>-</u>

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

	Defined benefit pension plans	
	1.8.13 – 31.3.14	18.9.12 – 31.7.13
	£	£
Actuarial (gains)/losses	<u>(2,000)</u>	<u>-</u>
	<u>(2,000)</u>	<u>-</u>
<b>Cumulative amount of actuarial gains</b>	<u><b>(2,000)</b></u>	<u><b>-</b></u>

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

**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	
	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	1.9%	N/A
	100.0%	N/A

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

	2014	2013
Discount rate	4.5%	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

	Males	Females
Life expectancy		
Current pensioners	22.4 years	25.4 years
Future pensioners	24.7 years	27.8 years

Amounts for the current period are as follows:

	2014	2013
	£	£
<b>Defined benefit pension plans</b>		
Defined benefit obligation	255,000	-
Fair value of scheme assets	213,000	-
Deficit	42,000	-
Experience adjustments on scheme assets	2,000	-

**14. 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.

**BON ACCORD SUPPORT SERVICES LIMITED (SC432814)**

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

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

	2014 £	2013 £
Loss for the financial period	(390,857)	-
Issue of share capital	-	1
	<u>(390,857)</u>	
Other recognised gains and losses relating to the period (net)	<u>(35,000)</u>	-
<b>Net reduction of shareholders' funds</b>	<b>(425,857)</b>	-
Opening shareholders' funds	<u>1</u>	-
<b>Closing shareholders' funds</b>	<b><u>(425,856)</u></b>	<b><u>1</u></b>

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