

Financial Statements Buckinghamshire Care Limited

For the Year Ended 31 March 2016



Registered number: 08597911

Company Information

Director	Sheila Norris
Company secretary	Sheila Norris
Registered number	08597911
Registered office	Wycombe Area Office, Easton Street High Wycombe Buckinghamshire HP11 1NH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP

Contents

	Page
Director's report	1 - 3
Strategic report	4 – 5
Independent auditor's report	6 – 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 32

Director's Report

For the Year Ended 31 March 2016

The director presents his report and the financial statements for the year ended 31 March 2016.

The Board

Monthly Board Meetings are held by the Group at which the directors review all elements of the Group governance including financial results, quality audits, operational performance and future strategy.

The membership of the Board during the period is set out below

Mr. Paul Woodward -	Appointed 1st October 2013 Resigned 15th December 2016
Mr. Matthew Abercrombie -	Appointed 1st January 2015 Resigned 1st April 2016
Mr. Martin Farrow -	Appointed 2nd January 2014 Resigned 1st July 2016
Mrs. Margaret Thornley -	Appointed 1st January 2014 Resigned 6th January 2017
Mr. David Young -	Appointed 1st April 2015 Resigned 13th October 2016

Changes in the membership of the Board since the end of the financial period are set out below:

Mr. Tony Bonnar -	Appointed 11th July 2016 Resigned 6th April 2017
Mr. Phillip Jones -	Appointed 11th July 2016 Resigned 18th January 2017
Sheila Norris -	Appointed 8th May 2017

Post balance sheet events

In late 2016 Buckinghamshire County Council ("BCC"), as the sole shareholder and principal customer of the group's two operating companies, Buckinghamshire Care Limited and Buckinghamshire Support Limited, decided that it was the best interest of clients, staff and suppliers to retake direct control of all of the services that were transferred from BCC to the group in October 2013.

As a result, on 31st December 2016, the businesses of the group were transferred back to BCC, together with all their financial assets and liabilities as at that date, and the two operating companies ceased trading. The employment of all of the group's staff transferred to BCC on 1st January 2017.

In the early months of 2017 Buckinghamshire Support and Buckinghamshire Care have acted as agent for Buckinghamshire County Council in liquidating the assets, e.g. trade receivables, and settling the liabilities of the group as at 31st December 2016. It is intended to dissolve the companies later in 2017.

Director's Report (continued)

For the Year Ended 31 March 2016

Key performance indicators

The director measured a range of 'Key Performance Indicators (KPI's) which cover activity levels, employee absenteeism, quality measures against care standards and outcomes of care provided to clients. A number of these KPI's were also monitored as part of the contract for the main service contract with Buckinghamshire County Council.

Financial risk management and objectives

The group used various financial instruments including cash and other working capital elements, such as trade receivables and trade payables, that arise directly from its operations.

The group sought to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Credit risk

The group's principal financial assets are cash and trade receivables.

Creditor payment policy

The group aims to pay creditors in line with agreed payment terms.

Results and dividends

As a result of further losses no dividend was declared during the period.

Charitable donations

No political or charitable donations were made during this period.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every reasonable effort is made to support their continued employment with the group. It is the policy of the group that training, career development and promotion opportunities should be available to all employees.

Employee involvement

The group has established a practise of keeping employees informed of matters directly affecting them and the financial & economic factors impacting the performance of the group. This has been achieved through half yearly management day events, newsletters, e-mails and consultations with employee groups on specific matters.

Director's Report (continued)

For the Year Ended 31 March 2016

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Under company law the director must not approve the financial statements unless he is satisfied that he gives 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 director is required to:

- select suitable accounting policies for the company's financial statements 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

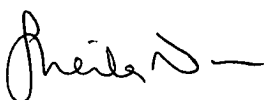
- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The group is classified as a medium company under the Companies Act 2006.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12/06/2017 and signed on its behalf.



Sheila Norris
Director

Strategic Report

For the Year Ended 31 March 2016

Principal activities

The company was incorporated on 04 July 2013, commenced trading on 1 October 2013 and ceased trading on 31st December 2016. The company is a Local Authority Trading Company with 100% of share capital owned by Buckinghamshire County Council.

The company was principally engaged in the provision of social care and welfare services for vulnerable adults across Buckinghamshire.

The company had three main categories of service delivery:

- Day Centres across Buckinghamshire which provide opportunities for adults with learning disabilities and older adults. These Centres play an active role in rehabilitation and skills development, as well as providing a social support network, transport and meals.
- A Reablement service which provides support to rebuild confidence in the skills needed for day-to-day living and to boost independence. The support comprises personal care, managing medication, preparing a meal, shopping, light household tasks and getting out and about.
- An Employment service which provide support for adults with learning disabilities and mental health difficulties; this covers skills learning and socialisation within our cafés, horticultural sites and farm-park. One-to-one support is also delivered through our Back 2 Base service connecting with a variety of organisations to provide work experience, employment opportunities and independent living skills.

The strategy during the year continued to be to establish the group in the marketplace. This has entailed establishing relevant management structures to deliver a good quality safe service to our customers and ensure the group operates within appropriate revenue and cost targets.

Principal risks and uncertainties

The group maintains a Risk Register which requires both financial and operational risk to be scored on a regular basis for both probability of occurrence and severity of impact; this process not only ensures that risk is identified but also that mitigation plans are discussed and implemented as appropriate. The directors review the highest risks as soon as an updated register is available.

Following a number of concerns relating to the management, financial performance and service delivery of the group the businesses were transferred to Buckinghamshire County Council on 31st December 2016, and the two operating companies ceased trading. Buckinghamshire County Council ensured that the position of all clients, employees and suppliers were fully protected as part of this process.

Buckinghamshire Care Limited

Strategic Report (continued)

For the Year Ended 31 March 2016

Financial review of the business

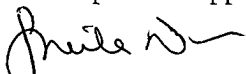
Revenue for the year of £7.44 million represented an increase of £0.8 million on the twelve months ended 31st March 2015 i.e. an improvement of just over 20%.

Despite these increases in Revenue, the year recorded a Loss from Continuing Operations of £421,476 which represents a substantial reduction from the Profit of £446,862 recorded in the previous year.

Going concern

The accounts have been prepared on a going concern basis as it is the clear understanding of the board that adequate funding will continue to be provided by Buckinghamshire County Council to enable the Company to settle all of its financial liabilities and therefore to operate as a going concern until the operating companies are dissolved.

This report was approved by the board on 12/06/2017 and signed on its behalf.



Sheila Norris
Director



Independent Auditor's Report to the Members of Buckinghamshire Care Limited

We have audited the financial statements of Buckinghamshire Care Limited for the year ended 31 March 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 Director and Auditor

As explained more fully in the Director's responsibilities statement on page 3, the director is 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 Practice Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements.



Grant Thornton

Independent Auditor's Report to the Members of Buckinghamshire Care 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.

Grant Thornton UK LLP

Richard Hagley
Senior Statutory Auditor
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
London

Date: *20 June 2017*

Statement of Comprehensive Income

For the Year Ended 31 March 2016

	Note	2015/16 £	2014/15 £
Revenue	4	7,440,753	6,636,803
Cost of sales		(6,881,249)	(6,067,415)
Gross profit		559,504	569,388
Administrative expenses		(961,980)	(131,643)
Operating (loss)/profit	6	(402,476)	437,745
Finance income	10	-	10,000
Finance cost	11	(19,000)	-
(Loss)/profit before tax		(421,476)	447,745
Income tax expense	12	-	(883)
(Loss)/profit for the year		<u>(421,476)</u>	<u>446,862</u>
Other comprehensive income for the year			
Remeasurement of the net defined benefit liability	20	362,000	(345,000)
Movement of deferred tax relating to pension liability	17	(151,865)	132,200
Other comprehensive income for the year		210,135	(212,800)
Total comprehensive income for the year		<u>(211,341)</u>	<u>234,062</u>

There were no recognised gains and losses for 2015/16 or 2014/15 other than those included in the statement of comprehensive income.

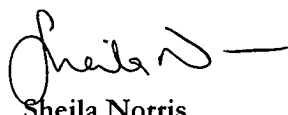
The notes on pages 12 to 32 form part of these financial statements.

Statement of Financial Position

As at 31 March 2016

	Note	2015/16 £	2014/15 £
Non Current assets			
Deferred tax asset	17	-	151,865
Trade and other receivables: amounts falling due within one year	13	-	781,416
		-	933,281
Current assets			
Trade and other receivables: amounts falling due within one year	13	1,322,524	8,224
Cash and cash equivalents	14	166,202	230,794
		1,488,726	239,018
Trade and other payables: amounts falling due within one year	15	(758,004)	(178,236)
Net current assets		730,722	60,782
Total assets less current liabilities		858,162	994,063
Pension and other employee obligations	20	(708,000)	(760,000)
Net assets		22,722	234,063
Equity			
Share capital	18	1	1
Retained earnings	19	22,721	234,062
		22,722	234,063

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12/06/2017



Sheila Norris
Director

The notes on pages 12 to 32 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2016

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2015	1	234,062	234,063
Comprehensive income for the year			
Loss for the year	-	(421,476)	(421,476)
Remeasurement of the net defined benefit liability	-	362,000	362,000
Movement of deferred tax relating to pension liability	-	(151,865)	(151,865)
Other comprehensive income for the year	-	210,135	210,135
Total comprehensive income for the year	-	(211,341)	(211,341)
At 31 March 2016	1	22,721	22,722

Statement of Changes in Equity

For the Year Ended 31 March 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014	1	-	1
Comprehensive income for the year			
Profit for the year	-	446,862	446,862
Remeasurement of the net defined benefit liability	-	(345,000)	(345,000)
Movement of deferred tax relating to pension liability	-	132,200	132,200
Other comprehensive income for the year	-	(212,800)	(212,800)
Total comprehensive income for the year	-	234,062	234,062
At 31 March 2015	1	234,062	234,063

The notes on pages 12 to 32 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 March 2016

	2015/16 £	2014/15 £
Operating activities		
(Loss)/profit before tax for the financial year	(421,476)	447,745
Adjustments for:		
Interest paid	19,000	-
Interest received	-	(10,000)
(Increase) in receivables	(532,884)	(326,884)
Increase/(decrease) in payables	579,768	(347,861)
(Decrease) in provisions	-	(31,726)
Increase in net pension assets/liabilities	291,000	326,000
Net cash from operating activities	<u>(64,592)</u>	<u>57,274</u>
Financing activities		
	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	<u>(64,592)</u>	<u>57,274</u>
Cash and cash equivalents at beginning of year	230,794	173,520
Cash and cash equivalents at the end of year	<u><u>166,202</u></u>	<u><u>230,794</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	166,202	230,794
	<u><u>166,202</u></u>	<u><u>230,794</u></u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. General information

Buckinghamshire Care Limited is a limited liability company incorporated in England and Wales. The registered office address is Wycombe Area Office, Easton Street, High Wycombe, Buckinghamshire, HP11 1NH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

Notwithstanding the financial difficulties the group experienced since it was established in October 2013, its only shareholder, Buckinghamshire County Council ("BCC"), maintained financial support through working capital funding as it was required. During the year this took the form of a short-term loan of £1m in December 2015 and, subsequent to the 31st March 2016, through a number of further loans; together this funding ensured the group was able to meet its liabilities as they fell due.

In agreements dated 29th December 2016 and 28th February 2017, BCC accepted the transfer as at 1st January 2017 of all of the financial liabilities of the company as disclosed in its Balance Sheet on 31st December 2016, the date on which the company ceased trading.

The director believes this financial support and legal undertaking is sufficient to prepare the financial statements on a going concern basis.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Receivables

Short term receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.6 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other receivables and payables, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade receivables and payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.7 Payables

Short term payables are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

Under the scheme, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

The liability has been estimated by Barnett Waddingham Public Sector Consulting, an independent firm of actuaries, based on the latest full valuation of the scheme as at 31 March 2013 on an actuarial basis using the projected unit method — i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, salary growth rates and inflation. Liabilities are discounted to their value at current prices, using a discount rate of 3.5% based on the annualised yield at the 25 year point on the Merrill Lynch AA rated corporate bond curve, which has been chosen with consideration of the duration of the Company's liabilities.

The change in the net pension liability is analysed into the following components:

- Service cost on the net defined benefit liability is included in employee benefits expense.
- Net interest on the net defined benefit asset is included in finance income.
- Contributions paid to the Pension Fund — cash paid as employer's contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense.
- Re-measurements - the return on plan assets (excluding amounts included in net interest) charged as Other Comprehensive Income.
- Actuarial gains and losses — changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions — charged as Other Comprehensive Income.

2.10 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

For the Year Ended 31 March 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the accounting policies set out in Note 2, the company has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The valuation of the pension liability is based on a number of assumptions made by a firm of independent actuaries.

4. Revenue

An analysis of revenue by class of business is as follows:

	2015/16 £	2014/15 £
Income from Buckinghamshire Support Ltd	7,396,177	6,636,778
Other Income	44,576	25
	<u>7,440,753</u>	<u>6,636,803</u>

All revenue arose within the United Kingdom.

5. Segmental reporting

The company has three main divisions:

- Day opportunities provide a range of day centre based opportunities across Buckinghamshire for adults with learning disabilities and older adults. Day opportunity centres play an active role in rehabilitation and skills development, as well as providing a social support network, transport and meals.
- Reablement service provides support to rebuild individuals' confidence in the skills you need for day-to-day living and become as independent as possible. This may be support with your personal care, to manage medication, prepare a meal, shopping, light household tasks, and getting out and about.
- Employment services provide services for adults with learning disabilities and mental health difficulties. This broad service offering covers skills learning opportunities and socialisation within our Cafés, Horticultural sites and Farm Park. We also deliver one to one support through our Back 2 Base service connecting with a variety of organisation to provide work experience, employment opportunities and independent living skills.

Operating segments across the group companies are combined for the internal reporting provided to the Board. As a result the group position only is presented in the group accounts.

Notes to the Financial Statements

For the Year Ended 31 March 2016

6. Operating (loss)/profit

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

	2015/16 £	2014/15 £
Defined benefit pension cost	<u>802,920</u>	<u>962,494</u>

7. Auditor's remuneration

	2015/16 £	2014/15 £
Fees payable to the group's auditor for the audit of the group's annual financial statements	31,500	18,000
Fees payable in respect of taxation services	<u>3,750</u>	<u>17,750</u>
	<u>35,250</u>	<u>35,750</u>

The auditors' fee covers Buckinghamshire Care and Buckinghamshire Support Ltd.

8. Employee Benefits

Employee benefits costs were as follows:

	2015/16 £	2014/15 £
Wages and salaries	5,732,624	4,726,867
Social security costs	335,339	275,874
Cost of defined benefit scheme	802,920	962,494
Staff expenses	-	230,303
	<u>6,870,883</u>	<u>6,195,538</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

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

	2015/16 No.	2014/15 No.
Frontline Staff	264	208
Support Staff	72	67
Managerial Staff	13	11
	<u>349</u>	<u>286</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

9. Director's remuneration

	2015/16	2014/15
	£	£
Director's emoluments	<u>295,013</u>	<u>334,842</u>

The highest paid director received remuneration of £123,264 (2015 - £140,341).

10. Interest receivable

	2015/16	2014/15
	£	£
Net interest on defined benefit pension	<u>-</u>	<u>10,000</u>

11. Interest payable and similar charges

	2015/16	2014/15
	£	£
Net interest on defined benefit pension	<u>19,000</u>	<u>-</u>
	<u>19,000</u>	<u>-</u>

12. Taxation

	2015/16	2014/15
	£	£
Corporation tax		
Current tax on profits for the year	<u>-</u>	<u>883</u>
	<u>-</u>	<u>883</u>
Total current tax	<u>-</u>	<u>883</u>
Deferred tax		
Origination and reversal of timing differences	<u>137,840</u>	<u>(125,591)</u>
Changes to tax rate	<u>14,025</u>	<u>(6,609)</u>
Total deferred tax charged to other comprehensive income	<u>151,865</u>	<u>(132,200)</u>
Total tax expense	<u>151,865</u>	<u>(131,317)</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

12. Taxation (continued)

Factors affecting tax charge for the year

The standard rate of corporation tax in the UK of 20% (2015 - 21%).

	2015/16 £	2014/15 £
(Loss)/profit on ordinary activities before tax	<u>(421,476)</u>	<u>447,746</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(84,295)	94,027
Effects of:		
Income not taxable for tax purposes	-	(11,345)
Expenses not deductible for tax purposes	39,427	-
Adjustments to brought forward values	(135)	-
Adjustments to tax charge in respect of prior periods	-	883
Other permanent differences	72,400	(72,450)
Impact of change of tax rate on deferred tax	14,025	6,609
Group relief (surrendered)	(17,132)	(149,041)
Deferred tax not recognised	127,440	-
Total tax charge for the year	<u>151,865</u>	<u>(131,317)</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

13. Receivables

	2015/16 £	2014/15 £
Due after more than one year		
Amounts owed by group undertakings	-	781,416
	<u>-</u>	<u>781,416</u>
	2015/16 £	2014/15 £
Due within one year		
Trade receivables	115,337	-
Amounts owed by group undertakings	809,247	-
Amounts owed by Buckinghamshire County Council	218,725	-
Other receivables	42,145	8,224
VAT recoverable	151,813	-
Doubtful debt provision	(14,743)	-
	<u>1,322,524</u>	<u>8,224</u>

14. Cash and cash equivalents

	2015/16 £	2014/15 £
Cash at bank and in hand	166,202	230,794
	<u>166,202</u>	<u>230,794</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

15. Payables: Amounts falling due within one year

	2015/16 £	2014/15 £
Trade payables	284,534	91,214
Corporation tax	883	-
Other taxation and social security	129,293	87,022
VAT payable	143,223	-
Other payables	113,464	-
Accruals and deferred income	86,607	-
	<u>758,004</u>	<u>178,236</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

16. Financial instruments

	2015/16 £	2014/15 £
Financial assets		
Cash and cash equivalents	96,294	230,794
Financial assets measured at amortised cost	1,170,711	789,640
	<u>1,267,005</u>	<u>1,020,434</u>

Financial liabilities

Financial liabilities measured at amortised cost	(484,605)	(91,214)
	<u>(484,605)</u>	<u>(91,214)</u>

Financial assets measured at amortised cost comprise trade receivables, amounts owed by group undertakings and other receivables.

Financial liabilities measured at amortised cost comprise trade payables, other payables and accruals.

17. Deferred taxation

	2015/16 £	2014/15 £
At beginning of year	151,865	19,665
Charged to profit or loss	-	-
Charged to other comprehensive income	(151,865)	132,200
At end of year	<u>-</u>	<u>151,865</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

18. Share capital

	2015/16 £	2014/15 £
Shares classified as equity		
Allotted, called up and fully paid		
1- Ordinary share of £1	<u>1</u>	<u>1</u>

19. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. Pension commitments

The company operates a Defined benefit pension scheme.

Employees of the company are members of the Local Government Pensions Scheme ('LGPS'). It is a funded defined benefit final salary scheme, meaning that the company and employees pay contributions into a Fund, calculated at a level intended to balance the pensions' liabilities with investment assets.

The scheme is open only to employees that transferred from Buckinghamshire County Council. A new scheme has been introduced (from 2014/15) for employees not eligible to join the LGPS. The assets and liabilities in relation to the staff that transferred to the Company within the LGPS were transferred on a fully-funded basis on 1 October 2013. The company is responsible for pension service costs incurred post transfer and Buckinghamshire County Council is responsible for all assets and liabilities in respect of pensionable service before that date.

Membership of the LGPS exposes the company to a number of actuarial risks:

- Investment risk: The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk: The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation risk: All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- Longevity risk: In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Buckinghamshire County Council Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

A reconciliation of the company's defined benefit obligation and plan assets to the amounts presented in the balance sheet is presented below:

	2015/16 £	2014/15 £
Reconciliation of present value of plan liabilities:		
At the beginning of the year	2,186,000	598,000
Current service cost	749,000	925,000
Interest cost	81,000	32,000
Contributions by scheme participants	181,000	218,000
Change in financial assumptions	(390,000)	413,000
Past service costs, including curtailments	70,000	-
At the end of the year	2,877,000	2,186,000

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2015/16 £	2014/15 £
At the beginning of the year	1,426,000	499,000
Interest on assets	62,000	42,000
Return on assets less interest	(28,000)	68,000
Employer contributions	529,000	599,000
Administration expenses	(1,000)	-
Contributions by scheme participants	181,000	218,000
At the end of the year	2,169,000	1,426,000

Composition of plan assets:

	2015/16 £	2014/15 £
UK equities	1,161,000	779,000
Gifts	265,000	177,000
Absolute return portfolio	96,000	60,000
Hedge funds	91,000	54,000
Alternative assets	30,000	21,000
Cash	56,000	28,000
Property	206,000	122,000
Other bonds	264,000	185,000
Total plan assets	2,169,000	1,426,000

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. Pension commitments (continued)

	2015/16 £	2014/15 £
Fair value of plan assets	2,169,000	1,426,000
Present value of plan liabilities	(2,877,000)	(2,186,000)
Net pension scheme liability	<u>(708,000)</u>	<u>(760,000)</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2015/16 £	2014/15 £
Profit or loss		
Service cost	819,000	925,000
Net interest on the defined liability (asset)	19,000	(10,000)
Administration expenses	1,000	-
Total	<u>839,000</u>	<u>915,000</u>
Other comprehensive income & expenditure		
Return on plan assets in excess of interest	28,000	(68,000)
Change in financial assumptions	(390,000)	413,000
	<u>(362,000)</u>	<u>345,000</u>

The current service cost is included in employee benefits expense. The net interest expense is included in finance costs. The gain from changes in financial assumptions relates primarily to an increase in the discount rate (shown above) and is shown as other comprehensive income. All items of other comprehensive income summarised above are included within items that will not be reclassified subsequently to profit or loss.

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. Pension commitments (continued)

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	2015/2016 %	2014/2015 %
RPI Increases	3.4	3.4
CPI Increases	2.5	2.6
Rate of increase in salaries	4.3	4.4
Rate of increase in pensions	2.5	2.6
Rate for discounting scheme liabilities	3.9	3.5
Mortality rates pensioners:		
for a current male pensioner aged 65 now	23.8 years	23.7 years
for a future male pensioner aged 65 now	26.1 years	26.0 years
for a current female pensioner aged 65 now	26.2 years	26.1 years
for a future female pensioner aged 65 now	<u>28.5 years</u>	<u>28.4 years</u>

Employees of the company make contributions on a variable scale depending on their pensionable salary. The remaining contribution is funded by the company. Based on historical data: the company expects to make contributions of £392,000 in 2016/17 (£602,000 2015/16). The estimated duration of the Employer's liabilities at 31 March 2016 is 27 years

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. Pension commitments (continued)

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate, pension increases and deferred revaluation and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2016:

		Present value of total obligation	Projected service cost
	+0.1%	2,802,000	606,000
Adjustment to discount rate	0.0%	2,877,000	622,000
	-0.1%	2,954,000	639,000
	+0.1%	2,881,000	622,000
Adjustment to long term salary increase	0.0%	2,877,000	622,000
	-0.1%	2,873,000	622,000
	+0.1%	2,951,000	639,000
Adjustment to pension increases and deferred revaluation	0.0%	2,877,000	622,000
	-0.1%	2,805,000	606,000
	+1 Year	2,951,000	638,000
Adjustment to mortality age rating assumption	none	2,877,000	622,000
	-1 Year	2,805,000	607,000

The sensitivity analyses are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

21. Related party transactions

Buckinghamshire County Council (the ultimate parent undertaking and controlling party) and Buckinghamshire Care Limited (the immediate parent undertaking) are both classified as related parties. The entity has opted to take the exemption from the disclosure requirements in relation to related parties.

Notes to the Financial Statements

For the Year Ended 31 March 2016

22. Post balance sheet events

In late 2016 Buckinghamshire County Council ("BCC"), as the sole shareholder and principal customer of the Group's two operating companies, Buckinghamshire Care Limited and Buckinghamshire Support Limited, decided that it was the best interest of clients, staff and suppliers to retake direct control of all of the services that were transferred from BCC to the Group in October 2013.

As a result, on 31st December 2016, the businesses of the group were transferred back to BCC, together with all their financial assets and liabilities as at that date, and the two operating companies ceased trading. The employment of all of the Group's staff transferred to BCC on 1st January 2017.

In the early months of 2017 Buckinghamshire Care Limited and Buckinghamshire Support Limited acted as agent for BCC in liquidating the assets, e.g. trade receivables, and settling the liabilities of the Group as at 31st December 2016. It is intended to dissolve the companies later in 201