

BDO Employment Services Limited
Directors' Report and Financial Statements
For the 52 weeks ended 29 June 2018

Company Number 02928250

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BDO Employment Services Limited
Directors' report and financial statements
For the 52 weeks ended 29 June 2018

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Directors

A Butterworth
M A Sherfield
S Knight
T M Payne
D I Lowson

Company Secretary

M A Hutchinson

Company number

02928250

Registered office

55 Baker Street, London, W1U 7EU.

BDO Employment Services Limited
Directors' report
For the 52 weeks ended 29 June 2018

The directors present their report and the financial statements for the 52 weeks ended 29 June 2018.

Principal activities and business review

The company's principal activity was the supply of personnel and associated services. On 28 March 2013, as part of an agreement between Pannells LLP (formerly PKF (UK) LLP) and BDO LLP the company was sold to BDO LLP and all of the current employees transferred to BDO Services Limited. The company has obligations to former employees in respect of contributions, due in accordance with actuarial advice, to two defined benefit schemes for which it will continue to be reimbursed by the parent undertaking.

Results

The company has not traded during the financial period and accordingly no profit and loss account has been prepared. The directors do not recommend the payment of a dividend.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

A Butterworth
M A Sherfield
S Knight
T M Payne
D I Lowson

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), 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;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

In preparing this directors' report, advantage has been taken of the small companies' exemption.

On behalf of the Board


A Butterworth
Director
3 January 2019

BDO Employment Services Limited

**Statement of financial position
As at 29 June 2018**

Company number 02928250	Note	2018 £	2017 £
Current assets			
Debtors	2	8,343	8,343
		<u>8,343</u>	<u>8,343</u>
Net current assets		<u>8,343</u>	<u>8,343</u>
Net assets		<u>8,343</u>	<u>8,343</u>
Capital and Reserves			
Called up share capital	3	2	2
Profit and loss account		<u>8,341</u>	<u>8,341</u>
Shareholders' Funds	4	<u>8,343</u>	<u>8,343</u>

These accounts have been prepared and delivered in accordance with the provisions applicable to the small companies regime and a copy of the profit and loss account has not been delivered.

For the 52 weeks ended 29 June 2018 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on 3 January 2019 on its behalf by


M A Sherfield
Director

The notes on pages 3 to 6 form part of these financial statements.

BDO Employment Services Limited

Notes to the Financial Statements for the 52 weeks ended 29 June 2018

1. Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The company is dormant within the Companies Act definition of a dormant company and has taken advantage of the option available under Section 35:10 of FRS 102 to retain its accounting policies for reported assets, liabilities and equity at the date of transition to FRS 102 until there is any change to those balances or the company undertakes any new transactions.

Pension costs

A provision has not been made in these financial statements for the net pension liability as, under the terms of the service agreement, the liability is borne by the parent undertaking and is dealt with in the financial statements of that entity along with any contributions made.

2. Debtors

	2018 £	2017 £
Amounts due from the members of BDO LLP	8,343	8,343
	<u>8,343</u>	<u>8,343</u>

Amounts due from the members of BDO LLP are unsecured, interest free and repayable on demand.

3. Share Capital

	2018 £	2017 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

4. Reconciliation of movements in shareholders' funds

	2018 £	2017 £
Opening and Closing shareholders' funds	<u>8,343</u>	<u>8,343</u>

BDO Employment Services Limited

Notes to the Financial Statements for the 52 weeks ended 29 June 2018 (continued)

5. Pensions

BDO ES Pension Schemes

The BDO ES Pension Scheme (formerly PKF Final Salary Pension Scheme) was closed to both new members and future accrual on 31 March 1997. The assets and liabilities of the Pannell Kerr Forster Pension Fund were transferred into the scheme effective from 31 January 2006.

The BDO ES (Manchester) Pension Fund (formerly PKF (Manchester) Pension Fund) closed to future accrual with effect from 31 August 2002. For reporting purposes, the assets and liabilities of this scheme have been combined with the BDO ES Pension Scheme on the basis that they are not material to report separately. At 29 June 2018 the scheme was showing a net defined benefit liability of £7.2m.

There are no outstanding or prepaid contributions to these arrangements as at 29 June 2018 (2017 - £Nil).

The assets and liabilities of the BDO ES Pension Schemes have been valued for IAS 19 purposes by a qualified actuary from Broadstone Pensions & Investments Limited on 25 July 2017.

During the period, the Group paid contributions of £0.7m (2017 - £0.5m). In addition, the Group pays the costs of administering the Scheme. The most recent signed actuarial valuations, conducted under the new Scheme Funding Regulations (Pensions Act 2004), of the two BDO ES Schemes were carried out on 1 April 2017 by Broadstone and on 1 May 2016 (BDO ES (Manchester) Fund) by Aviva. The ongoing contribution levels were set at £0.6m and £0.1m per annum respectively.

Key actuarial assumptions

	29 June 2018 %	30 June 2017 %
Discount rate	2.70	2.70
Rate of inflation – RPI	3.40	3.50
Rate of inflation – CPI	2.40	2.50
Commutation – percentage of pension	20.00	20.00

The underlying mortality assumption is based upon the SAPS (Series 2) mortality base tables with future improvements in line with CMI 2016 projection tables subject to a long-term rate of improvement of 1% pa.

	29 June 2018	30 June 2017
Life expectancies from age 65:		
Male currently aged 65	86.9	86.9
Female currently aged 65	88.7	88.7
Male currently aged 45	88.0	88.0
Female currently aged 45	90.0	90.0

In July 2010 the UK Government announced that the statutory minimum level of revaluation would in future be calculated using the Consumer Prices Index ("CPI"), rather than the Retail Prices Index ("RPI"). In the schemes, revaluation of deferred pensions is in line with the statutory minimum, and therefore an assumption has been made about future rates of CPI in order to value deferred pensions.

BDO Employment Services Limited

Notes to the Financial Statements for the 52 weeks ended 29 June 2018 (continued)

5. Pensions (continued)

Sensitivity analysis

The sensitivity of the present value of the defined benefit obligations to changes in each of the individual principal actuarial assumptions is shown below:

Effect on net defined benefit liability:

0.1% pa decrease in the discount rate	£0.5m increase
0.1% pa increase in the assumed rates of inflation	£0.1m increase
0.5% increase in the assumed long term rate of mortality improvements	£0.6m increase

Reconciliation of funded status to statement of financial position	29 June 2018 £m	30 June 2017 £m
Defined benefit obligation	(40.7)	(41.4)
Fair value of plan assets	33.5	34.9
	<hr/>	<hr/>
Net defined benefit liability	(7.2)	(6.5)
	<hr/>	<hr/>

Reconciliation of defined benefit obligation over the period	29 June 2018 £m	30 June 2017 £m
Defined benefit obligation at the start of the period	41.4	36.4
Interest expense on defined benefit obligation	1.1	1.1
Remeasurement – effect of experience adjustments loss	-	2.4
Remeasurement – effect of changes in financial assumptions – (gain)/loss	(0.1)	1.9
Remeasurement – effect of changes in demographic assumptions (gain)	-	(0.2)
Benefits paid	(1.7)	(1.9)
Value of annuity policies now included in obligations	-	1.7
	<hr/>	<hr/>
Defined benefit obligation at the end of the period	40.7	41.4
	<hr/>	<hr/>

Assets	29 June 2018 £m	29 June 2018 % weight	30 June 2017 £m	30 June 2017 % weight
Equities	0.6	1.9%	0.5	1.4%
Bonds	0.7	2.0%	0.6	1.8%
Gilts	0.5	1.6%	0.5	1.4%
Diversified funds	29.8	89.0%	31.5	90.2%
Cash	0.2	0.5%	0.1	0.3%
Annuity	1.7	5.0%	1.7	4.9%
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	33.5	100%	34.9	100%
	<hr/>	<hr/>	<hr/>	<hr/>

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Notes to the Financial Statements for the 52 weeks ended 29 June 2018 (continued)

5. Pensions (continued)

Reconciliation of fair value of plan assets over the period	29 June 2018 £m	30 June 2017 £m
Fair value of plan assets at the start of the period	34.9	29.9
Interest income on plan assets	0.9	0.9
Contributions by the employer	0.7	0.5
Benefits paid	(1.7)	(1.9)
Remeasurement – return on planned assets excluding interest income gain/(loss)	(1.3)	3.8
Value of annuity policies now included in assets	-	1.7
Fair value of plan assets at the end of the period	33.5	34.9
Return on plan assets	(0.4)	4.7

6. Ultimate Parent Undertaking and Controlling Party

The ultimate parent undertaking is BDO LLP, a limited liability partnership incorporated in the UK and registered in England. Copies of the consolidated financial statements of BDO LLP are available from Companies House.