

**Cordia (Care) LLP**

Members' report and financial statements

Registered number S0302145

For the year ended 31 March 2019

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## Members' report

The members present their report and audited financial statements for the year ended 31 March 2019.

### Going Concern

On 19 April 2018, at the meeting of the City Administration Committee, it was agreed that Cordia (Care) LLP would cease trading on 29 September 2018 following the decision to transfer Cordia (Care) LLP to the direct control of Glasgow City Council. Cordia (Care) LLP transferred in its entirety to Glasgow City Council on 30 September 2018. For the above reasons, the members have determined that the going concern basis is no longer appropriate, and the 2018/19 financial statements have been prepared on a break-up basis.

### Principal Activity

The principal activity of Cordia (Care) LLP is the provision of care services.

### Designated Members

Cordia (Care) LLP had two members during the year, Glasgow City Council and GCC LLP Investments Ltd, both of whom were designated members.

### Members' Capital

Current policy is not to make repayment of members' capital. No additional members' contributions to capital were made and no cash drawings were made against members' capital in the year ended 31 March 2019.

### Business Review

#### *Business Structure*

Cordia (Care) LLP purchases care services from its sister organisation Cordia (Services) LLP. These services are sold on to one of the members of the LLP, Glasgow City Council. The overall business structure remained consistent in 2018/19.

#### *Financial Results for the Year*

Cordia (Care) LLP purchases care services from its sister organisation Cordia (Services) LLP at full cost which are sold at full cost to one of the members, Glasgow City Council.

In the year ended 31 March 2019, Cordia (Care) LLP generated a loss of £62,000.

No division was made among members for the period. Net current assets and net assets were nil.

#### *Administrative Expenses*

Due to there being no operational resource requirements in Cordia (Care) LLP, administrative expenses and support are negligible and have been managed at a minimum level.

#### *Risk Management*

Cordia (Care) LLP recognises the importance of the management of corporate risk. The business relationship with Cordia (Services) LLP means that the business risks facing the LLP are tied in to those facing Cordia (Services) LLP, and are therefore monitored and managed through Cordia (Services) LLP.

A risk register is maintained and is regularly reviewed by an audit committee which is chaired by an elected member of the Cordia (Services) LLP Board. The audit committee meets three times annually and reports findings to the Cordia (Services) LLP Board. An internal audit function also carries out regular audits of business functions and these are reported both to the audit committee and the Board.

## **Members' report** *(continued)*

The business is subject to further enhanced governance procedures and it reports to Glasgow City Council's professional standards and scrutiny committee twice yearly.

### *Transactions with Members*

No remuneration of Members occurred during the period. The members' share in the profit or loss for the period is accounted for as an allocation of profits, with unallocated profits and losses included within 'other reserves'. Cordia (Care) LLP transacts with one of its members, Glasgow City Council, through its provision of care services.

### **Disclosure of information to auditor**

The Members who held office at the date of approval of this Members' report confirm that, so far as they are aware, there is no relevant audit information of which the Partnership's auditor is unaware; and each Member has taken all the steps that they ought to have taken as a Member to make themselves aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Chiene + Tait will therefore continue in office, pending cessation of LLP operations.

The financial statements were authorised for issue on 11 September 2019.

Approved by the members and signed on 11 September 2019 by

**For and on behalf of**  
**GCC LLP Investments Limited**  
*Designated member*

## **Statement of members' responsibilities in respect of the Members' Report and the financial statements**

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of its profit or loss for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

# **Independent auditor's report to the members of Cordia (Care) LLP**

## **Opinion**

We have audited the financial statements of Cordia (Care) LLP ("the LLP") for the year ended 31 March 2019 which comprise the profit and loss account, balance sheet, statement of changes in equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Emphasis of matter - non-going concern basis of preparation**

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

## **Other information**

The members are responsible for the other information, which comprises the members' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 as applied to limited liability partnerships we are required 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
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

## **Members' responsibilities**

As explained more fully in their statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report to the members of Cordia (Care) LLP (continued)**

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **Use of our Report**

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Barry Truswell (Chartered Accountant)  
for and on behalf of Chiene + Tait LLP, Statutory Auditor

*Chartered Accountants*

**61 Dublin Street**

**Edinburgh**

**EH3 6NL**

**Profit and Loss Account**  
*for the year ended 31 March 2019*

|                                                                                                | <i>Note</i> | <b>Year<br/>ended<br/>31 March<br/>2019<br/>£000</b> | Year<br>ended<br>31 March<br>2018<br>£000 |
|------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------|-------------------------------------------|
| <b>Turnover</b>                                                                                | <i>1</i>    | <b>31,584</b>                                        | 63,059                                    |
| Cost of sales                                                                                  |             | <b>(31,602)</b>                                      | (63,039)                                  |
|                                                                                                |             |                                                      |                                           |
| <b>Gross profit/(loss)</b>                                                                     |             | <b>(18)</b>                                          | 20                                        |
| Administrative expenses                                                                        |             | <b>(8)</b>                                           | (6)                                       |
|                                                                                                |             |                                                      |                                           |
| <b>Operating profit/(loss)</b>                                                                 | <i>2</i>    | <b>(26)</b>                                          | 14                                        |
| Other interest receivable and similar income                                                   | <i>3</i>    | <b>4</b>                                             | 2                                         |
|                                                                                                |             |                                                      |                                           |
| <b>Profit/(loss) before and after taxation</b>                                                 |             | <b>(22)</b>                                          | 16                                        |
| <b>Distribution of net assets to members</b>                                                   | <i>9</i>    | <b>(40)</b>                                          | -                                         |
|                                                                                                |             |                                                      |                                           |
| <b>Profit/(loss) for the financial year available for discretionary division among members</b> |             | <b>(62)</b>                                          | 16                                        |
|                                                                                                |             |                                                      |                                           |

There are no other gains and losses for the year other than those reported in the profit and loss account.



**Balance Sheet**  
*at 31 March 2019*

|                                                       | <i>Note</i> | <b>2019</b><br><b>£000</b> | 2018<br>£000     |
|-------------------------------------------------------|-------------|----------------------------|------------------|
| <b>Current assets</b>                                 |             |                            |                  |
| Debtors                                               | 5           | -                          | 451              |
| Cash at bank and in hand                              |             | -                          | 1,323            |
|                                                       |             | <hr/>                      | <hr/>            |
| <b>Creditors:</b> amounts falling due within one year | 6           | -                          | 1,774<br>(1,712) |
|                                                       |             | <hr/>                      | <hr/>            |
| <b>Net current assets</b>                             |             | -                          | 62               |
|                                                       |             | <hr/>                      | <hr/>            |
| <b>Net assets attributable to members</b>             |             | -                          | 62               |
|                                                       |             | <hr/> <hr/>                | <hr/> <hr/>      |
| <b>Members' other interests</b>                       |             |                            |                  |
| Members' capital                                      |             | <b>1</b>                   | 1                |
| <b>Other reserves</b>                                 |             | <b>(1)</b>                 | 61               |
|                                                       |             | <hr/>                      | <hr/>            |
| <b>Member's funds</b>                                 |             | -                          | 62               |
|                                                       |             | <hr/> <hr/>                | <hr/> <hr/>      |

These financial statements were approved by the members on 11 September 2019 and were signed on their behalf by:

**For and on behalf of**  
**GCC LLP Investments Limited**  
*Designated member*

Company registered number: S0302145

**Statement of Changes in Equity**  
*for the year ended 31 March 2019*

|                                                | <b>Members'<br/>capital</b> | <b>Other<br/>reserves</b> | <b>Total<br/>other<br/>reserves</b> | <b>Total<br/>members'<br/>interest</b> |
|------------------------------------------------|-----------------------------|---------------------------|-------------------------------------|----------------------------------------|
|                                                | £000                        | £000                      | £000                                | £000                                   |
| Balance at 1 April 2018                        | 1                           | 61                        | 61                                  | 62                                     |
| <b>Total comprehensive income for the year</b> |                             |                           |                                     |                                        |
| Profit or loss                                 | -                           | (62)                      | (62)                                | (62)                                   |
| <b>Balance as at 31 March 2019</b>             | <b>1</b>                    | <b>(1)</b>                | <b>(1)</b>                          | <b>-</b>                               |

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Limited Liability Partnership's financial statements.

#### ***Basis of preparation***

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014 and in accordance with the Statement of Recommended Practice (SORP) on *Accounting by Limited Liability Partnerships* (LLPs).

The LLP's financial statements are fully consolidated in the group financial statements prepared and published by Glasgow City Council. This entitles the LLP to use the exemption from the preparation of a cash flow statement and related notes, and key management personnel compensation as stated in FRS 102.

As the LLP is a wholly owned subsidiary of Glasgow City Council, the LLP has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group as related parties.

#### ***Going concern***

On 19 April 2018, at the meeting of the City Administration Committee, it was agreed that Cordia (Care) LLP would cease trading on 29 September 2018 following the decision to transfer Cordia (Care) LLP to the direct control of Glasgow City Council. Accordingly the members have not prepared the financial statements on a going concern basis. There are no measurement adjustments to asset or liabilities required in these financial statements as a result of not preparing the financial statements on a going concern basis. Cordia (Care) LLP transferred in its entirety to Glasgow City Council on 30 September 2018. For the above reasons, the members have determined that the going concern basis is no longer appropriate, and the 2018/19 financial statements have been prepared on a break-up basis.

#### ***Members' remuneration and allocation of profits***

Members are not remunerated by the LLP. A member's share in the profit or loss for the accounting period is accounted for as an allocation of profits. Unallocated profits and losses are included within 'other reserves'.

#### ***Members' capital***

The capital requirements of the LLP are determined from time to time by the members. No interest is paid on capital.

#### ***Value added tax***

The LLP was registered for VAT purposes up to 31 March 2019. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

#### ***Taxation***

Taxation on all partnership profits is solely the personal liability of individual members. Consequently neither taxation nor related deferred taxation arising in the LLP are accounted for in these financial statements.

**Notes** (continued)

**1 Accounting policies (continued)**

**Basic financial instruments**

*Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

*Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**Turnover and income recognition**

Income is recognised in the accounting period to which it relates. Income from contracts and other services rendered is included to the extent of the completion of the contract or service concerned. Income received in advance is included in the balance sheet within creditors: amounts falling due within one year.

Turnover represents the invoiced value of goods and services supplied under the principal activities of the LLP.

**2 Operating profit**

|                                                   | <b>2019</b> | 2018 |
|---------------------------------------------------|-------------|------|
|                                                   | <b>£000</b> | £000 |
| <i>Operating profit is stated after charging:</i> |             |      |
| Auditor's remuneration:                           |             |      |
| Audit of these financial statements               | 5           | 3    |
| Taxation compliance services                      | 3           | 3    |
|                                                   | =           | =    |

**3 Other interest receivable and similar income**

|                           | <b>2019</b> | 2018 |
|---------------------------|-------------|------|
|                           | <b>£000</b> | £000 |
| Other interest receivable | 3           | 2    |
|                           | =           | =    |

**4 Particulars of members**

The number of members of the Limited Liability Partnership for the year was two. No remuneration was paid to either member.

**Notes** *(continued)*

**5 Debtors**

|                                    | <b>2019</b> | 2018 |
|------------------------------------|-------------|------|
|                                    | <b>£000</b> | £000 |
| Trade debtors                      | -           | 153  |
| Amounts owed by group undertakings | -           | 291  |
| Prepayments and accrued income     | -           | 7    |
|                                    | -           | 451  |
|                                    | -           | 451  |

**6 Creditors: amounts falling due within one year**

|                                    | <b>2019</b> | 2018  |
|------------------------------------|-------------|-------|
|                                    | <b>£000</b> | £000  |
| Amounts owed to group undertakings | -           | 576   |
| Value added tax                    | -           | 891   |
| Accruals and deferred income       | -           | 245   |
|                                    | -           | 1,712 |
|                                    | -           | 1,712 |

**7 Subsequent events**

There were no subsequent events requiring adjustment or disclosure within the financial statements.

**8 Ultimate parent organisation**

The LLP's ultimate parent undertaking is Glasgow City Council, one of its designated members, as this is the largest group into which the results of the LLP are consolidated. The consolidated group financial statements of Glasgow City Council may be obtained from its registered office at the City Chambers, Glasgow, G2 1DU.

**9 Distribution of net assets to members**

On 29 September 2018, the entire net assets of the LLP were distributed to the ultimate parent undertaking, Glasgow City Council under the terms of a business transfer agreement.