

Scottish Borders Cares LLP

Members' report and financial statements

Registered number SO305156

For the year ended 31 March 2017

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Members' report

The members present their annual report and audited financial statements for the period ended 31 March 2017.

Principal Activity

The principal activity of Scottish Borders Cares LLP (SB Cares) is the provision of Adult Social Care services.

These financial statements represent the results of the year of trading from 1 April 2016 until 31 March 2017.

The partnership employs **xx** staff (**xx** full time equivalents) in **xx** positions with a number of staff having more than one role.

Designated Members

SB Cares LLP had two members during the period, Scottish Borders Council and SBC Nominees Limited, both of whom are designated members.

Business Review

Business Structure

The Board of Management is subject to the provision of the Members Agreement and neither the LLP nor the Board of Management shall make decisions in respect of the reserved matters set out in the agreement.

The Board of Management is employed by Scottish Borders Supports LLP and consists of:

- a) The Managing Director
- b) The Finance and Commercial Director
- c) The Operations Director
- d) The Chair

In addition up to five additional persons can be assumed to the Board of Management, where the persons have skills, knowledge or experience deemed to be useful to the Board of Management in fulfilling its obligations and functions to the LLP and its members. There are currently two additional persons on the Board of Management.

The meetings of the Board of Management are held on a monthly basis. The LLP meets with Scottish Borders Council quarterly at the Council's Limited Liability Partnership Strategic Governance Group Committee. In addition the Chief Executive of Scottish Borders Council may at any time invite the LLP Officers to attend a meeting of the Council's Corporate Management Team to discuss such matters related to the Members Agreement and the Services of the Business.

The overall business structure remained consistent in 2016/17.

Members' report (*continued*)

Financial Results for the Period

In the year ended 31 March 2017, SB Cares LLP generated a loss of £2.675m. This result includes the adjustments required in respect of **International Accounting Standards 19 (IAS 19)** 'retirement benefits' totalling £2.627m. The IAS 19 adjustment is met through a transfer between the pension reserve and other reserves within the Reconciliation of Movement on Members' Funds.

The underlying, pre-**IAS 19** results of SB Cares LLP generated a loss of £49k for the year after accounting for a movement in the annual leave accrual of £50k.

Overall SB Cares performed as expected for the year of trading delivering services through its contract with Scottish Borders Supports LLP.

SB Cares LLP's financial statements have been prepared on a going concern basis.

Risk Management

SB Cares LLP recognises the importance of the management of corporate risk and applies appropriate corporate governance to ensure it is successfully monitored and managed.

The overall pressure on public finances continues to be the dominant risk to the LLP. Budget pressures and service reduction within Scottish Borders Council has an effect as the LLP provides key services to this main client grouping. SB Cares continues to monitor the change in business operation and address the mitigation of risk proactively.

Cash flow management procedures are in place to ensure that resources are managed effectively.

SB Cares has adopted Scottish Borders Council's (SBC's) corporate risk policy to embed risk management into its business practices. During 2015 SB Cares Senior Management attended SBC's refreshed corporate risk management training course in recognition that risk management is part of their job. SB Cares has developed its risk register to reflect risks and mitigations associated with the delivery of its 2017-2022 Business Plan. The risk register will be regularly reviewed by its Senior Management Team and Board of Management as part of its performance monitoring processes. Scottish Borders Council's Internal Audit function through a Service Level Agreement carries out regular audits of business functions and areas of risk whose findings are reported to the Board of Management.

The business is subject to further enhanced governance procedures and it reports to the Council's LLP Strategic Governance Group.

Members' report *(continued)*

Employees & Stakeholders

SB Cares LLP is an Equal Opportunities employer and is committed to eliminating discrimination, victimisation, bullying and harassment amongst our workforce. Our Equal Opportunities Policy and Equality and Diversity Programme are in place to ensure our staff will be treated fairly and with dignity and respect at all times.

Our commitment to equality is supported by a legal duty to provide all services and employment opportunities fairly and to adhere to all relevant codes of practice. We welcome our responsibilities as an employer, as a provider of services, and value the legislation that supports our policy commitments to equality and fairness.

Consultation with stakeholders is a key element in ensuring that continuous improvement in service provision is achieved and maintained. SB Cares LLP is responsive to the needs of its communities, citizens, customers and other stakeholders, and its plans and priorities are based on such an understanding. Involving key stakeholders in the decision-making process will continue to help to identify future policy and service priorities, and improvements that are required.

SB Cares LLP utilises a number of methods to communicate with staff. These include:
Staff Newsletters -regularly keep staff updated with company information and news.
Staff Briefings - face to face performance meetings with staff.
Staff Roadshows - face to face information sharing sessions with frontline staff.

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'. SB Cares LLP transacts with SB Supports LLP not with Members.

These transactions are covered by a five year Service Provision Agreements between SB Cares LLP and SB Supports which commenced on 1st April 2015.

Members' report (*continued*)

Activity Summary

SB Cares supported 12,000 clients, families and carers in 2016/17 through the provision of its adult social cares services by:

- Delivering 821,000 visits to enable people to remain in their own homes
- Issued 45,000 pieces of ability equipment to support people live more independently
- Supported 3,200 clients maintain independence with 24 hour monitored personal alarms
- Provide 24 hour support to 190 clients in a care home environment with for those people with higher level needs
- Supported 150 clients in our day services enabling people to remain at home and providing respite to families and carers

The Board of Management delivery a number of the objectives set out in the 2016/17 business plan during:

- Improved the quality of our services with 84% of services receiving Care Inspectorate grades of good or above
- establish its self as provider of last resort stepping in on behalf of Scottish Borders Council to provide emergency support to vulnerable clients
- to deliver efficient and effective services through new ways of working by sharing staff and expertise across services types
- create the ability to provide and sell a range of services to people who do not meet the Council's current eligibility criteria launching our direct sales of personal alarms and ability equipment
- identifying and deliver recurring procurement savings through a new procurement strategy for the business working in partnership with our suppliers
- are on track to deliver a contribution to the Scottish Borders Council of £1.127m for 2016/17

SB Cares Board of Management has set out its Business Plan for 2017-2022 with the focus on delivering our three strategic aims with 6 key priorities.

Strategic Aims

1. Quality – have a team of staff who can deliver seamless, high quality care and support to every client
2. Efficiency – to develop our staff, resources and finances as efficiently and effectively as possible, ensuring best value
3. Business growth – to expand and grow the services we provided for the people of the Scottish Borders and generate income to invest in future care services

Members' report (continued)

Our Priorities:

1. Invest in our staff
2. Make our services as efficient and effective as possible
3. Modernise our services through technology
4. Grow and develop our business
5. Build on key partnerships
6. Develop excellent governance

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 KPMG LLP will therefore continue in office.

The financial statements were authorised for issue on x September 2017.

Approved by the members and signed on x September 2017 by

For and on behalf of
Scottish Borders Council
Designated member

Registered Office:

Bristol Building
Newtown St Boswells
TD6 0SA

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 LLP 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 LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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 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.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Scottish Borders Cares LLP

We have audited the financial statements of Scottish Borders Cares LLP for the period ended 31 March 2017 set out on pages xx to xx. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*. This report is made solely to the members of the limited liability partnership (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.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 8 the members 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

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 affairs of the LLP as at 31 March 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice 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.

Independent auditor's report to the members of Scottish Borders Cares LLP

(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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

Hugh Harvie

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Saltire Court

20 Castle Terrace

Edinburgh

EH12EG

Profit and Loss Account

For the year ended 31 March 2017

Period ended 31 March 2016

	Note	2017 £000	2016 £000
Turnover	2	14,920	14,547
Cost of sales	2	<u>(14,969)</u>	<u>(14,812)</u>
Gross profit		(49)	(265)
Administrative expenses		=	<u>(32)</u>
Loss on ordinary activities before and after taxation being profit for the financial period before members' remuneration and profit shares		<u>(49)</u>	<u>(297)</u>
Loss for the financial period available for discretionary division among members		<u>(49)</u>	<u>(297)</u>

All of the LLP's operations are classed as continuing.

Other Comprehensive Income

For the period ended 31 March 2017

	Note	2017 £000	2016 £000
Loss for the period available for discretionary division among members		(49)	(297)
Actuarial Gain	7	(1,596)	203
Expenses recognised in the profit and loss account	7	<u>(1,030)</u>	<u>(1,200)</u>
Total comprehensive loss for the period		<u>(2,675)</u>	<u>(1,294)</u>

The accompanying notes form an integral part of the financial statements.

Balance Sheet

at 31 March 2017

Year ended 31st March 2017

	Note	2017 £000	2016 £000
Current assets			
Debtors	5	429	372
Cash at bank and in hand		4	3
Creditors: amounts falling due within one year	6	<u>(779)</u>	<u>(672)</u>
Net current liabilities		<u>(346)</u>	<u>(297)</u>
Total assets less current liabilities		<u>(346)</u>	<u>(297)</u>
Provisions for liabilities – Pension and similar obligations	7	<u>(3,624)</u>	<u>(997)</u>
Net liabilities		<u>(3,970)</u>	<u>(1,294)</u>
Members' other interests			
Members' capital		-	-
Pension reserve		(3,624)	(997)
Other reserves		<u>(346)</u>	<u>(297)</u>
Total other reserves		<u>(3,970)</u>	<u>(1,294)</u>

The accompanying notes form integral part of the financial statements.

These financial statements were approved by the members on x September 2017 and were signed on its behalf by:

For and on behalf of
Scottish Borders Council
Designated member

Company registered number: **SO305156**

Statement of Changes in Net Assets Attributable to Partners

For the year ended 31 March 2017

	Members Capital	Pension Reserves	Other reserves	Total other reserves	Total Members Interest
	£000	£000	£000	£000	£000
Balance at 1 April 2016	-	(997)	(297)	(1,294)	(1,294)
Movement in the period	-	(2,627)	(49)	(2,676)	(2,676)
Balance as 31 March 2017	-	<u>(3,624)</u>	<u>(346)</u>	<u>(3,970)</u>	<u>(3,970)</u>

The accompanying notes form an integral part of the financial statements

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

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules.

The financial statements have been prepared under FRS101.

The LLP's financial statements are fully consolidated in the group financial statements prepared and published by Scottish Borders Council. This entitles the LLP to use the exemption from the preparation of a cash flow statement as stated in **International Accounting Standard 1 ("IAS1")**.

As the LLP is a wholly owned subsidiary of Scottish Borders Council, the LLP has taken advantage of the exemption contained in **International Accounting Standard 24 'related parties' ("IAS24")** and has therefore not disclosed transactions or balances with entities which form part of the group as related parties.

Going concern

The LLP's business activities, together with the factors likely to affect its future development, performance and position, are set out in the members' report on page 3. The members have a reasonable expectation that despite there being a significant negative net worth at the end of the year the LLP has adequate resources to continue in operational existence for the foreseeable future with a service provision agreement in place with Scottish Borders Supports LLP until March 2020 and a guarantee for SB Cares pension liability by Scottish Borders Council. Thus Members continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 is registered for VAT purposes. 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.

Notes (continued)

1 Accounting policies (continued)

Taxation

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

Income recognition

Income is recognised in the accounting period to which it relates. Income from grants, 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.

Retirement benefits

All existing and new members of staff have the option of joining the SB Cares Pension Fund ("the Fund"). The Fund is a defined benefit pension scheme, providing benefits based on final pensionable pay, which is contracted out of the State Earnings-Related Pension Fund. Assets and liabilities of the Fund are held separately from those of the LLP. Fund assets are measured using market values. For quoted securities the current bid price is taken as market value. Fund liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Leases

Operating lease rentals are charged to the Profit & Loss Account on a straight line basis over the period of the lease.

Notes (continued)

2 Turnover

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

3 Staff numbers and costs

The average Full Time Equivalent number of persons employed by the LLP during the period, analysed by category, was as follows:

	Number of employees (FTE)	
	2017	2016
	£000	£000
Front Line Services	501	479
Staff costs for the above persons were		
Wages and salaries	11,828	11,705
Social security costs	777	652
Pension costs	<u>1,745</u>	<u>1,629</u>
	<u>14,351</u>	<u>13,986</u>

4 Particulars of members

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

5 Debtors

	2017	2016
	£000	£000
Trade debtors	2	3
Amounts owed by group undertakings	376	337
Prepayments and accrued income	3	6
Value added tax	22	-
Other debtors	<u>26</u>	<u>26</u>
	<u>429</u>	<u>372</u>

Notes (continued)

6 Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Other creditors	3	-
Other taxation and social security	344	347
Accruals and deferred income	<u>432</u>	<u>325</u>
	<u>779</u>	<u>672</u>

7 Employee benefits

The information disclosed below is in respect of the LLP's share of assets and liabilities within the Scottish Borders Council Pension Fund, in which it is a participating employer. The latest full actuarial valuation was carried out as at 31 March 2014.

The Scottish Borders Council Pension Fund is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme (Scotland) Regulations 2014, is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement.

Governance

The administering authority for the Fund is Scottish Borders Council. The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers.

As administering authority to the Fund, Scottish Borders Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Statement of Investment Principles. These should be amended when appropriate based on the Fund's performance and funding.

Risk exposure

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of 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 future liability cashflows. 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; and

-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.

Notes (continued)

7 Employee benefits (continued)

In addition, as many unrelated employers participate in the Scottish Borders 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.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

Amendments, curtailments and settlements

Past service costs/gains

Past service costs/gains arise as a result of introduction or withdrawal of, or changes to, member benefits. For example, an award of additional discretionary benefits to a member such as added years by a member would be considered a past service cost.

We are not aware of any additional benefits which were granted over the year ending 31 March 2016.

Curtailments

We have calculated the cost of curtailments arising as a result of the payment of unreduced pensions on early retirement. The Employer may also have to account for non-pension related costs (e.g. lump sum payments on redundancy) but for the avoidance of doubt, we have only calculated the cost of curtailments which affect the Employer's LGPS pension liabilities.

We calculate the cost of curtailments at the point of exit, with interest applied to the accounting date accounted for separately.

Over the year, we understand that one former employee became entitled to unreduced early retirement benefits.

The capitalised cost of the additional benefits on FRS102 compliant assumptions is calculated at £58,000. This figure has been included within service cost in the statement of profit or loss.

Settlements

We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year.

The assets and defined benefit obligations prior to the 1st April 2015 will be accounted and disclosed for within Scottish Borders Council for service prior to the transfer date.

In accordance with the agreement between Scottish Borders Council and SB Cares LLP, no liability was transferred from the Council to SB Cares LLP at the date of incorporation.

Notes (continued)

7 Employee benefits (continued)

	2017	2016
	£000	£000
Present value of funded defined benefit obligations	(8,864)	(3,184)
Fair value of plan assets	5,240	2,187
Net liability	<u>3,624</u>	<u>997</u>
	<u>(3,624)</u>	<u>(997)</u>

Movements in present value of defined benefit obligation

	2017 £000	2016 £000
At 31 st March 2016	3,184	-
Current service cost	2,784	2,830
Past service costs/(gains)	-	58
Interest cost	132	9
Actuarial losses/(gains)	2,169	(229)
Contributions by members	545	503
Estimated benefits paid	50	13
At 31 March 2017	<u>8,864</u>	<u>3,184</u>

Movements in fair value of plan assets were as follows:

	2017	2016
	£000	£000
At 31 st March 2016	2,187	-
Expected return on plan assets	699	12
Contributions by employer	1,759	1,659
Contributions by members	545	503
Benefits paid	50	13
At 31 March 2017	<u>5,240</u>	<u>2,187</u>

Notes (continued)

7 Employee benefits (continued)

Expenses recognised in the profit and loss account

	2017	2016
	£000	£000
Current service cost	2,784	2,830
Past service cost/(gain)	0	58
Interest on defined benefit pension plan obligation	5	(29)
Employers Contribution	<u>(1,759)</u>	<u>(1,659)</u>
At 31 March	<u>(1,030)</u>	<u>(1,200)</u>

The fair value of the plan assets and the return on those assets were as follows:

	2017	2016
	£000	£000
Equities	3,648	1,439
Corporate bonds	428	195
Real Estate	269	135
Other	<u>895</u>	<u>418</u>
	<u>5,240</u>	<u>2,187</u>

Actual return on plan assets

£(1,596)k

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2017 %	2016 %
Discount rate	2.8	3.8
Future salary increases	3.7	4.3
Pension increase rate	2.7	2.5
RPI	3.6	3.4
CPI	2.7	2.5

In valuing the liabilities of the pension fund at 31 March 2017, mortality assumptions have been made as indicated below.

Notes (continued)

7 Employee benefits (continued)

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

- Salary increases are expected to be 1% p.a. until 31 March 2016 and 1.8% p.a. thereafter
- Current pensioner aged 65: 22.8 years (male), 23.7 years (female)
- Future retiree upon reaching 65: 25 years (male), 26 years (female)

The LLP expects to contribute approximately £1,622k to its defined benefit plan in the next financial period.

Sensitivity Analysis

Adjustment to discount rate	+0.1%	. 0.0%	0.1%
Present value of total obligation	8,657	8,864	9,076
Projected service cost	3,768	3,858	3,950
Adjustment to long term salary increase	+0.1%	0.0%	0.1%
Present value of total obligation	8,865	8,864	8,863
Projected service cost	3,860	3,858	3,856
Adjustment to pension increases and deferred reevaluation	+0.01%	0.0%	-0.1%
Present value of total obligation	9,075	8,864	8,657
Projected service cost	3,948	3,858	3,770
Adjustment to life expectancy assumptions	+1 year	None	-1 Year
Present value of total obligation	9,148	8,864	8,589
Projected service cost	3,981	3,858	3,739

Notes (continued)

8 Post balance sheet events

There were no post balance sheet events requiring adjustment or disclosure within the financial statements.

9 Ultimate parent organisation

The LLP's ultimate parent undertaking is Scottish Borders 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 Scottish Borders Council may be obtained from its registered office at the Scottish Borders Council offices, Newtown St Boswells, TD6 0SA.