

**DELT SHARED SERVICES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

## DELT SHARED SERVICES LIMITED

### COMPANY INFORMATION

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#### DIRECTORS

Lorna Collingwood-Burke  
Nicholas Franklin (resigned 5 May 2023)  
Mark Greaves  
Malcom Keith Senior (appointed 22 May 2023)  
Giles Letheren  
Peter Honeywell (appointed 6 September 2022)  
Mark Lewis (resigned 8 May 2022)  
Andrew Millward (resigned 22 May 2023)  
Kim Brown (resigned 29 July 2022)  
Nicholas Buckland (appointed 15 February 2023)

#### REGISTERED NUMBER

09098450

#### REGISTERED OFFICE

2 Derriford Park  
Derriford Business Park  
Derriford  
Plymouth  
Devon  
PL6 5QZ

#### INDEPENDENT AUDITORS

Bishop Fleming LLP  
Chartered Accountants & Statutory Auditors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

# DELT SHARED SERVICES LIMITED

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## **INTRODUCTION**

Delt Shared Services Ltd (Delt) is a company set up to provide shared business support services. It was founded by Plymouth City Council (PCC) and the NHS Northern, Eastern and Western Devon Clinical Commissioning Group (now NHS Devon ICB) in 2014.

Delt's vision is an inclusive, equitable, and fully sustainable business that will positively impact all of our stakeholders — current and future workers, communities, customers, and our environment.

Delt's mission is to help people customers do amazing things.

Delt's objectives are:

- To create a platform for sustainable economic growth;
- To enable closer collaborative working and meaningful connections;
- To reduce risk for our customers;
- To improve the value for money of all Delt services year on year;
- To actively promote the health and wellbeing of both our staff and our customers;
- To enable the rapid delivery of our customers' transformation journey;
- To drive innovation.

The company now delivers a comprehensive range of services:

- IT Service Management
- HR and Organisational Development
- Finance
- Payroll and Pensions
- Procurement
- Print and Mail
- Estates Management

Delt aims to grow in both scale (more partners and customers) and scope (more services).

The impact and growth of our services means that:

- The wider region benefits from improved service delivery, greater flexibility, improved management information, better technology and more effective partnerships;
- Quality, highly skilled jobs are protected in the local economy;
- The health and wellbeing of our local people is improved;
- All Delt customers' staff, across a wide geographic area, have effective systems no matter where they are or choose to work;
- Increased co-operation with a local supply chain enhancing socio-economic development across the region;
- Delt is seen by customers as a most trusted advisor in the fields in which it operates;
- Delt grows at a sustainable rate, offering increased opportunity for economies of scale.

### **Staff Engagement**

Engagement with staff on Health and Wellbeing continued to be of high importance through the year as we adapt to new ways of working post Covid. We continue to deliver a range of initiatives to ensure people are looking after their mental and physical health so that they maintained the balance they need to look after themselves and their families. That work will continue through the next year and beyond as we learn to adapt to new ways of working.

Our People Strategy defines the expectations of our staff whilst building engagement, development and a learning and coaching culture.

Delt are proud of its staff and their commitment and flexibility with which they carry out their roles. In helping people do amazing things, our people are at the centre of our company. The Board would like to convey its heartfelt thanks to everyone at Delt.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

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**Corporate Social Responsibility**

Our corporate social responsibility practices deliver more sustainable operations, a positive contribution to our local communities, a more diverse and enabled workplace, socially responsible procurement and a healthier work culture.

**Environmental Sustainability**

In all areas of the business, we are committed to the following the Zero to Waste Landfill initiative:

- Our printing service buys paper FSC accredited paper through a supplier that partners with the World Land Trust, a charity that does not just plant trees, it uses financial donations to acquire land that is under threat to protect flora and fauna and also to protect indigenous communities who reside in this land.
- 85% of our waste is recycled;
- We operate a zero to landfill policy for Waste Electrical and Electronic Equipment and in 2022, have saved 13 tonnes of such waste from entering landfill. In addition, 145 devices were reconditioned and donated to local charities.

**PERFORMANCE REVIEW**

2022/23 has seen Delt deliver more work, for more customers, than ever before. After 3 years of revenue being circa £19m, in 2022/3 and against a background of significant economic challenge, we generated £23m. This level of turnover was significantly higher than budgeted, and largely due to the on-boarding of the Devon Partnership Trust in June together with an increase in commercial consultancy.

Profit of £494k (2020/21: £591k) was also significantly higher than budgeted as a result of the new customer, gain share and efficiency savings from existing customers and higher than expected commercial consultancy opportunities.

Notable highlights this year included:

- We are in year 8 of our 10-year fixed price contracts, with wage inflation, IT inflation (running well above wage inflation) plus ongoing national/international supply chain problems and talent shortages making break-even a challenge to achieve without service quality reductions. Nonetheless we close out the year with high SLA performance and customer satisfaction measured in the high 90's.
- Devon Partnership Trust brought their IT service to Delt, as planned. This included both insourced and outsourced elements. The work is being delivered under a commercial arrangement until DPT becomes a shareholder after approval from the Secretary of State for Health. The total contract value of £15m, plus a significant capital investment throughout the contract term, made this a significant win. Since transition, all performance expectations for DPT and existing customers have been met with no impact on existing business.
- Shareholder expectations of dividend return remained high and despite the financial challenges presented, we were able to propose a dividend of £300k, delivering financial benefit back to all shareholders, in addition to identifying large reductions in cost for PCC services that would not impact other customers.
- The Transforming Futures contract is due to expire in May 2023, but the Trust have indicated that they will seek a further 12-month extension to allow us to support the onboarding of Mount Tamar, which itself will provide a further revenue stream.
- Our co-owned service GPIntheCloud has continued to grow within the South West and is now supporting tens of thousands of patient consultations a year.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

**PRINCIPAL RISKS AND UNCERTAINTIES**

At the heart of our approach to risk management is a governance process with clear responsibilities for identifying, managing, monitoring, and reporting risks. This flows from the Board of Directors to the Operational Leadership Team and is underpinned by an established policy that sets out the approach to managing risk across the company.

A risk register is maintained and reviewed on a regular basis by the Board. The principal risks as at 31st March 2023 were:

Risk	Overview/Causes	Mitigating actions
1.	<p><b><u>Public finance pressures lead to a shareholder review of Delt's purpose and direction</u></b></p> <p>i. Shareholders looking to reduce expenditure in the short term.                      ii. Inability to deliver to growth targets and resulting benefits to shareholders.                      iii. Delt not being seen as the primary vehicle for the transformation of public services</p>	<p>(a) Clear stakeholder engagement plan with a current marketing and communication strategy                      (b) Strong governance model with a golden thread between shareholders and the Board.                      (c) Board and management actively engaged with senior shareholder stakeholders in health and local government.                      (d) Delt driving improvements in service performance/resilience and customer satisfaction through the Net Promoter Score (NPS) measure</p>
2.	<p><b><u>Risk of Cyber Attack</u></b></p> <p>i. Successful Phishing Attack– That a member of Delt staff, or a Delt customer/shareholder, inadvertently releases confidential information or provides system access credentials to a malicious third party as the result of an email phishing (or similar social engineering) attack.                      ii. Malware– That malicious software finds its way onto Delt network causing disruption or data loss to the company and/or its customers.                      iii. Privileged Access Management- Ineffective controls around the use of privileged access (admin) accounts, allowing users, without appropriate authorisation, access to systems or data. This risk includes the compromise of a privileged access account by a malicious third party.</p>	<p>(a) Continue to develop and strengthen our technical countermeasures that identify and block the majority of malicious email. Continue to invest in third party event monitoring to identify any successful breach quickly. Provide robust user education and awareness, specifically through proactive testing (which requires client consent if undertaken on their networks) and remedial training for those who fail.                      (b) Maintain a 'patch current' status on software and hardware with 'patch immediate' for security updates. Maintain and actively monitor current anti-virus and anti-malware software on all computers.                      (c) Proactively monitor and report on the number and scope of privileged accounts. Maintain and communicate robust policies covering the requesting, monitoring, and removal of privileged access accounts.                      (d) With a significant move towards hybrid working, implement multi-factor authentication on all devices across our estate.                      (e) Continue to develop, strengthen, and test the business continuity and disaster recovery plans.</p>
3.	<p><b><u>Business Continuity and disaster recovery</u></b></p> <p>i. Delt suffers a business continuity event for which it is not adequately prepared for.</p>	<p>a) Regularly reviewed and tested disaster recovery plan.                      b) Annual full fail over test for data centre.                      c) Independently adjudicated tabletop exercises to test for readiness.</p>

## DELT SHARED SERVICES LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4.	<p><b>Fragile international supply chain for IT</b></p> <p>i. Semiconductors in poor supply leading to increased competition in the market, resulting in stock shortages and increased lead times.</p> <p>ii. Key raw materials for IT equipment that originate from Ukraine and Russia are not available resulting in stock shortages and long lead times.</p>	<p>a) Partnership with primary wholesaler to give improved access to available stock.</p> <p>b) Increased stock holding to mitigate lead times where possible.</p> <p>c) Identification of alternative hardware to give greater flexibility</p>
5.	<p><b>Inflation</b></p> <p>i. With largely fixed price 10-year contracts at zero margin (pricing set 2014) the rate of inflation on wages or goods and services exceeds our ability to deliver cost efficiencies</p>	<p>a) Continue to seek cost efficiencies wherever possible.</p> <p>b) Recognise that cost efficiencies made in one business area may be needed to offset inflationary rises in another.</p> <p>c) All new contracts to be index linked with shareholder agreements to be index linked from Oct 2024</p> <p>d) The maintenance of a level of reserves that ensures the ability to deliver services at SLA levels through to contract end, recognising that towards the end of a contract it may become loss making.</p>

### KEY PERFORMANCE INDICATORS

The Board reviews the company's financial and non-financial performance indicators each month. In addition to the management accounts and risk register, there is regular review and analysis of the company's performance to contractual service level agreements (SLA's). For the IT and non-IT shared services this review includes:

- (a) Service availability (networks/infrastructure)
- (b) Service desk response rates
- (c) Incident analysis including fix rates
- (d) Payroll processing error rates
- (e) Customer satisfaction

### Financial KPI's

	2022/23	2021/22	2020/21	2019/20	2018/19
<b>Profit &amp; Loss</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Income	22,807	19,344	19,046	19,181	18,093
Accelerated Income- Future Capital					(700)
Net Income	22,807	19,344	19,046	19,181	17,393
<b>EBITDA</b>	<b>958</b>	<b>1,060</b>	<b>1,209</b>	<b>1,550</b>	<b>1,162</b>
<b>Balance Sheet</b>					
Debtor Days	16	46	18	40	75
Net Assets	1,350	1,130	2,666	2,664	2,018
Current Ratio	1.13	1.13	1.49	1.39	1.33

**Shared Services and Business Development**

The budgetary pressures in the NHS and Local Government will doubtless continue for the foreseeable future. However, Delt is a successful shared service that has delivered results and performance ahead of expectations and continues to drive the transformation of public services, the benefits of which are shared with public sector shareholders. Delt will continue to position itself as the most agile delivery model for quality, cost effective support and advisory services working in the public interest.

As we approach the end of our initial shareholder contracts, we will be working with our existing shareholders to evolve their current fixed price support service arrangements into a something new, that takes account both of changes to their needs and significant technology and labour inflation.

Elsewhere, discussions are underway with several third parties (in the public sector) around the provision of new shared services.

**Governance**

Delt is run on a day-to-day basis by the Management Team comprising the Chief Executive and Chief Financial Officer supported by a Senior Management Team. They are, in turn, overseen by a Board of Directors comprising executive and non-executives. One of the non-executive positions is filled by a full-time member of staff who is appointed by their peers. The Board reports to nominated shareholder representatives.

**Directors Remuneration**

In 2022/23, four Directors have received compensation for holding the office of a director. The total compensation was £214k with the highest paid Director earning £174k.

**People and Gender Diversity**

Whilst the company is not required to formally report this information, the Board believe it is appropriate as a company acting in the public interest to highlight our performance in this area to all stakeholders.

Number of full time (FT) and part time (PT) male and female employees

FT Male	FT Female	% Male	% Female	PT Male	PT Female	% Male	% Female
120	52	69.8%	30.2%	2	24	7.7%	92.3%

Mean and Median Gender Pay Gap for all staff

Directorate	Mean			Median		
	Male	Female	GPG	Male	Female	GPG
IT	£16.04	£18.27	-13.9%	£15.26	£17.29	-13.3%
Support Services	£13.64	£14.40	-5.6%	£12.75	£12.95	-1.6%
Senior Leadership Team	£45.22	£42.58	5.9%	£39.48	£42.58	-7.8%
	£16.81	£16.47	2.0%	£14.82	£15.57	-5.0%

The mean gender pay gap for the whole economy (according to the 2022 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 14.9%. At 2.0%, the Delt mean gender pay gap is lower than both the whole economy and our 2021-2022 reporting at 14.8% which, is positive.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

Mean and Median Gender Pay Gap for full-time staff only

Directorate	Mean			Median		
	Male	Female	GPG	Male	Female	GPG
<b>IT</b>	£16.04	£18.17	-13.3%	£15.26	£17.80	-16.7%
<b>Support Services</b>	£13.89	£15.76	-13.5%	£12.84	£15.21	-18.5%
<b>Senior Leadership Team</b>	£45.22	£42.58	5.9%	£39.48	£42.58	-7.9%
	£16.90	£17.86	<b>-5.7%</b>	£14.95	£16.27	<b>-8.8%</b>

In 2022, the mean gender pay gap for the whole economy among full-time employees was 8.3%, up from 7.9% in 2021. At minus 5.7% (2021/22 minus 6.1%), our mean gender pay gap for full-time employees means on average, full time women’s gross hourly earnings at Delt are higher than those of full-time men. The sample size is relatively small so the gender pay gap data is statistically less reliable. However, it reflects that of 52 women in full time positions, the majority are in more senior positions.

We continue to monitor gender pay gaps and will continue to take steps to promote gender diversity at all levels.

This report was approved by the board and signed on its behalf.

**Mark Greaves**  
Director

Date: 21 July 2023

## **DELT SHARED SERVICES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

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The Directors present their report and the financial statements for the year ended 31 March 2023.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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 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 to 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.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £494k (2022: £583k).

During the year dividends of £1,357k have been paid in respect of the 2022 year end and £300k in respect of 2023 (2022: £Nil).

#### **DIRECTORS**

The Directors who served during the year were:

Lorna Collingwood-Burke  
Nicholas Franklin (resigned 5 May 2023)  
Mark Greaves  
Giles Letheren  
Peter Honeywell (appointed 6 September 2022)  
Mark Lewis (resigned 8 May 2022)  
Andrew Millward (resigned 22 May 2023)  
Kim Brown (resigned 29 July 2022)  
Nicholas Buckland (appointed 15 February 2023)

#### **FUTURE DEVELOPMENTS**

Full details are included within the Strategic Review.

## **DELT SHARED SERVICES LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

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#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director 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 auditors are aware of that information.

#### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

#### **AUDITORS**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**Mark Greaves**  
Director

Date: 21 July 2023

2 Derriford Park  
Derriford Business Park  
Derriford  
Plymouth  
Devon  
PL6 5QZ

**OPINION**

We have audited the financial statements of Delt Shared Services Limited (the 'Company') for the year ended 31 March 2023, 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, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**OTHER INFORMATION**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **DELT SHARED SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DELT SHARED SERVICES LIMITED (CONTINUED)**

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#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' responsibilities statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company'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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DELT SHARED SERVICES LIMITED  
(CONTINUED)**

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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 an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**Identifying and assessing potential risks related to irregularities**

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and Directors in relation to their own identification and assessment of the risk of irregularities within the entity; and,
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in revenue recognition and assessment of long-term contract revenue recognition.

In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty, including data protection legislation.

**Audit response to risks identified**

We identified revenue recognition, in particular, assessment of long-term contract profit recognition, cut-off and accounting estimates as key audit matters related to the potential risk of fraud.

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year end cut-off;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries, and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of the business.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DELT SHARED SERVICES LIMITED  
(CONTINUED)**

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We also communicated relevant identified laws and regulations and potential fraud risk to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**USE OF OUR REPORT**

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 Auditors' 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.

Nathan Coughlin FCA (Senior statutory auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

24 July 2023

**DELT SHARED SERVICES LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023	2022 £000
Turnover	4	22,807	19,344
Cost of sales		(17,875)	(14,514)
<b>GROSS PROFIT</b>		<b>4,932</b>	4,830
Administrative expenses		(4,483)	(4,241)
<b>OPERATING PROFIT</b>	5	<b>449</b>	589
Interest receivable and similar income	9	50	2
<b>PROFIT BEFORE TAX</b>		<b>499</b>	591
Tax on profit	10	(5)	(8)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>494</b>	583

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:NIL).

The notes on pages 18 to 27 form part of these financial statements.

**DELT SHARED SERVICES LIMITED**  
**REGISTERED NUMBER:09098450**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	Note	2023 £000	2022 £000
<b>FIXED ASSETS</b>			
Intangible assets	11	-	-
Tangible assets	12	<b>1,605</b>	1,631
		<u>1,605</u>	<u>1,631</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	13	<b>3,688</b>	5,360
Cash at bank and in hand	14	<b>8,189</b>	4,809
		<u>11,877</u>	<u>10,169</u>
Creditors: amounts falling due within one year	15	<b>(10,527)</b>	(9,039)
		<u>1,350</u>	<u>1,130</u>
<b>NET CURRENT ASSETS</b>		<b>1,350</b>	1,130
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>2,955</b></u>	<u>2,761</u>
<b>NET ASSETS</b>		<u><b>2,955</b></u>	<u>2,761</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	-	-
Capital redemption reserve	17	-	-
Profit and loss account	17	<b>2,955</b>	2,761
		<u><b>2,955</b></u>	<u>2,761</u>

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

**Mark Greaves**  
 Director

Date: 21 July 2023

The notes on pages 18 to 27 form part of these financial statements.

**DELT SHARED SERVICES LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2022	-	2,761	2,761
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	494	494
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>494</b>	<b>494</b>
Dividends: Equity capital	-	(300)	(300)
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	<b>-</b>	<b>(300)</b>	<b>(300)</b>
<b>AT 31 MARCH 2023</b>	<b>-</b>	<b>2,955</b>	<b>2,955</b>

The notes on pages 18 to 27 form part of these financial statements.

**DELT SHARED SERVICES LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2021	-	3,535	3,535
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	583	583
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>583</b>	<b>583</b>
Dividends: Equity capital	-	(1,357)	(1,357)
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	<b>-</b>	<b>(1,357)</b>	<b>(1,357)</b>
<b>AT 31 MARCH 2022</b>	<b>-</b>	<b>2,761</b>	<b>2,761</b>

The notes on pages 18 to 27 form part of these financial statements.

**DELT SHARED SERVICES LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	2022
	<b>£000</b>	£000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	<b>494</b>	583
<b>ADJUSTMENTS FOR:</b>		
Amortisation of intangible assets	-	5
Depreciation of tangible assets	<b>496</b>	466
Loss on disposal of tangible assets	<b>18</b>	-
Interest received	<b>(50)</b>	(2)
Taxation charge	<b>5</b>	8
Decrease/(increase) in debtors	<b>1,673</b>	(1,813)
Increase in creditors	<b>2,844</b>	2,298
Corporation tax (paid)	<b>(5)</b>	(8)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>5,475</b>	1,537
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	<b>(488)</b>	(1,232)
Interest received	<b>50</b>	2
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(438)</b>	(1,230)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	<b>(1,657)</b>	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,657)</b>	-
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,380</b>	307
Cash and cash equivalents at beginning of year	<b>4,809</b>	4,502
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>8,189</b>	4,809
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	<b>8,189</b>	4,809
	<b>8,189</b>	4,809

The notes on pages 18 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**1. GENERAL INFORMATION**

Delt Shared Services Limited is a private limited company limited by shares, registered in England and Wales (registered number: 09098450). Its registered office is 2 Derriford Park, Derriford Business Park, Derriford, Plymouth, PL6 5QZ.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£'000).

The preparation of financial statements in compliance with FRS 102 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 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:

**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.

**2.3 OPERATING LEASES: THE COMPANY AS LESSEE**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.4 INTEREST INCOME**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**2. ACCOUNTING POLICIES (continued)**

**2.5 PENSIONS**

Retirement benefits to employees are provided by the NHS Pension Scheme, the Local Government Pension Scheme (LGPS) and the People's Pension.

The NHS Pension Scheme is an externally managed defined benefit scheme. However, the scheme is run in such a way the individual NHS bodies are unable to identify their share of the underlying scheme assets and liabilities. The scheme is therefore accounted for as if it were a defined contribution scheme.

The Company has entered into a pass-through agreement with Plymouth City Council in respect of the LGPS, under which any difference between the Company's share of scheme assets and liabilities is accounted for by Plymouth City Council. In return, the Company has agreed to pay a fixed rate of employer contributions based on independently commissioned actuarial guidance. On this basis, the Company accounts for the scheme as if it were a defined contribution scheme.

The People's Pension is a defined contribution scheme open to new and existing employees.

**2.6 TAXATION**

Tax is recognised in profit or loss 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.

**2.7 INTANGIBLE ASSETS**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	1 - 3 years
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**2.8 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**2. ACCOUNTING POLICIES (continued)**

**2.8 TANGIBLE FIXED ASSETS (CONTINUED)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 20% - 33% straight line
Assets under construction	- Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.9 FINANCIAL INSTRUMENTS**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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.

**2.10 DIVIDENDS**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimations and assumptions that affect the amounts reported for assets and liabilities as at the year end and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

Revenue and profits in relation to contracts with members of Delt Shared Services Limited is recognised by reference to the level of costs incurred at any point in time. Revenue not matched to costs is deferred to the next period.

## DELT SHARED SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 4. TURNOVER

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

	<b>2023</b>	2022
	<b>£000</b>	£000
IT services	<b>20,093</b>	16,792
Print and document services	<b>1,170</b>	1,132
Payroll services	<b>783</b>	825
Human resource services	<b>156</b>	142
Estates services	<b>419</b>	322
Finance services	<b>186</b>	131
	<b>22,807</b>	19,344

#### 5. OPERATING PROFIT

The operating profit is stated after charging:

	<b>2023</b>	2022
	<b>£000</b>	£000
Depreciation of tangible fixed assets	<b>496</b>	466
Amortisation of intangible fixed assets, including goodwill	-	5
Operating lease rentals	<b>125</b>	183

#### 6. AUDITORS' REMUNERATION

During the year, the Company obtained the following services from the Company's auditors:

	<b>2023</b>	2022
	<b>£000</b>	£000
Fees payable to the Company's auditors for the audit of the Company's financial statements	<b>17</b>	14
<b>FEES PAYABLE TO THE COMPANY'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:</b>		
Audit-related assurance services	<b>17</b>	14
Taxation compliance services	<b>2</b>	2
All other services	-	2

## DELT SHARED SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 7. EMPLOYEES

Staff costs were as follows:

	<b>2023</b>	2022
	<b>£000</b>	£000
Wages and salaries	<b>6,906</b>	6,389
Social security costs	<b>672</b>	613
Cost of defined contribution scheme	<b>658</b>	652
	<b>8,236</b>	7,654

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

	<b>2023</b>	2022
	<b>No.</b>	No.
	<b>216</b>	197

#### 8. DIRECTORS' REMUNERATION

The highest paid Director received remuneration of £174k (2022: £171k).

#### 9. INTEREST RECEIVABLE

	<b>2023</b>	2022
	<b>£000</b>	£000
Other interest receivable	<b>50</b>	2

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**
**10. TAXATION**

	<b>2023</b>	2022
	<b>£000</b>	£000
<b>CORPORATION TAX</b>		
Current tax on profits for the year	5	8
<b>TOTAL CURRENT TAX</b>	<u>5</u>	<u>8</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	<b>2023</b>	2022
	<b>£000</b>	£000
Profit on ordinary activities before tax	<u>499</u>	<u>591</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	95	112
<b>EFFECTS OF:</b>		
Non-taxable income	(90)	(104)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u>5</u>	<u>8</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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11. INTANGIBLE ASSETS

	<b>Computer software £000</b>
<b>COST</b>	
At 1 April 2022	773
At 31 March 2023	<u>773</u>
<b>AMORTISATION</b>	
At 1 April 2022	773
At 31 March 2023	<u>773</u>
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u><u>-</u></u>
At 31 March 2022	<u><u>-</u></u>

**DELT SHARED SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**12. TANGIBLE FIXED ASSETS**

	Computer equipment £000	Assets under construction £000	Total £000
<b>COST OR VALUATION</b>			
At 1 April 2022	2,712	921	3,633
Additions	225	263	488
Disposals	(32)	-	(32)
Transfers between classes	1,184	(1,184)	-
	<u>4,089</u>	<u>-</u>	<u>4,089</u>
At 31 March 2023			
<b>DEPRECIATION</b>			
At 1 April 2022	2,002	-	2,002
Charge for the year on owned assets	496	-	496
Disposals	(14)	-	(14)
	<u>2,484</u>	<u>-</u>	<u>2,484</u>
At 31 March 2023			
<b>NET BOOK VALUE</b>			
At 31 March 2023	<u>1,605</u>	<u>-</u>	<u>1,605</u>
At 31 March 2022	<u>710</u>	<u>921</u>	<u>1,631</u>

**13. DEBTORS**

	2023 £000	2022 £000
Trade debtors	976	2,450
Other debtors	9	5
Prepayments and accrued income	2,703	2,905
	<u>3,688</u>	<u>5,360</u>

**14. CASH AND CASH EQUIVALENTS**

	2023 £000	2022 £000
Cash at bank and in hand	<u>8,189</u>	<u>4,809</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £000	2022 £000
Trade creditors	1,492	681
Dividends payable	-	1,357
Corporation tax	3	3
Other taxation and social security	596	215
Other creditors	90	86
Accruals and deferred income	8,346	6,697
	<u>10,527</u>	<u>9,039</u>

16. SHARE CAPITAL

	2023 £	2022 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2 (2022: 2) Ordinary A shares of £1 each	2	2
100 (2022: 100) Ordinary B shares of £1 each	100	100
100 (2022: 100) Ordinary C shares of £1 each	100	100
100 (2022: 100) Ordinary D shares of £1 each	100	100
	<u>302</u>	<u>302</u>

Ordinary A shares have full voting rights within the company.

Ordinary B shares have full rights in respect of any dividend declared in respect of profits from certain activities.

Ordinary C shares have full rights in respect of any dividend declared in respect of profits from certain activities.

Ordinary D shares have full rights in respect of any dividend declared in respect of profits from certain activities.

17. RESERVES

**Capital redemption reserve**

Includes the nominal value of all shares repurchased by the Company.

**Profit and loss account**

Includes current and prior year retained profits and losses.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**18. PENSION COMMITMENTS**

Retirement benefits to employees of the Company are provided by the NHS Pension Scheme and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are externally managed.

Further retirement benefits are provided by the People's Pension, an externally managed defined contributions scheme. As set out in the Company's accounting policies, all three schemes are accounted for as defined contribution schemes.

The pension charge for the year represents contributions and strain payments payable by the Company to the schemes and amounted to £658k (2022: £652k). Contributions totalling £90k (2022: £86k) were payable to the schemes at the reporting date.

**19. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2023</b>	2022
	<b>£000</b>	£000
Not later than 1 year	<b>167</b>	125
Later than 1 year and not later than 5 years	<b>507</b>	81
Later than 5 years	<b>17</b>	1
	<b>691</b>	207

**20. RELATED PARTY TRANSACTIONS**

During the year, the Company made sales of £11,301k (2022: £11,147k) to Plymouth City Council (shareholder) and purchases of £189k (2022: £271k) from Plymouth City Council. At the year end the Company was owed £785k (2022: £387k) from Plymouth City Council, and owed £1k (2022: £Nil) to Plymouth City Council. During the year, Plymouth City Council received dividend income of £210k (2022: £950k) from the Company.

During the year, the Company made sales of £7,101k (2022: £6,445k) to NHS Devon ICB (shareholder). At the year end the Company was owed £9k (2022: £959k) by NHS Devon ICB. During the year, NHS Devon ICB received dividend income of £90k (2022: £407k) from the Company.

During the year, the Company made aggregate sales of £247k (2022: £97k) to subsidiaries of Plymouth City Council. At the year end the Company was owed £43k (2022: £Nil) from these organisations.

The Directors of the Company were paid total remuneration of £194k (2022: £216k).

**21. CONTROLLING PARTY**

The Company is jointly controlled by Plymouth City Council and NHS Devon ICB (previously NHS Devon Clinical Commissioning Group).