

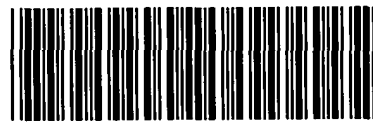
Registered number: 09098450

**DELT SHARED SERVICES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

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27/12/2024

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COMPANIES HOUSE

**DELT SHARED SERVICES LIMITED**

**COMPANY INFORMATION**

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<b>DIRECTORS</b>	Nicholas Brian Buckland (appointed 15 February 2023) Lorna Collingwood-Burke Mark Greaves Aaron Hartley (appointed 22 May 2024) Giles Letheren Karen Morris (appointed 19 January 2024) Malcolm Keith Senior (appointed 22 May 2023) Andrew Sharp (appointed 14 November 2024) Peter Honeywell (resigned 15 August 2024) Rachel Lyddon (appointed 5 May 2023, resigned 22 May 2024) Andrew Millward (resigned 22 May 2023)
<b>COMPANY SECRETARY</b>	Sian Millard (appointed 24 June 2024)
<b>REGISTERED NUMBER</b>	09098450
<b>REGISTERED OFFICE</b>	2 Derriford Park Derriford Business Park Derriford Plymouth Devon PL6 5QZ
<b>INDEPENDENT AUDITORS</b>	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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## DELT SHARED SERVICES LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

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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. We continue to deliver a range of initiatives to ensure people are looking after their mental and physical health so that they maintain the balance they need to look after themselves and their families.

We are proud to report that in 2023 we were voted 9th in the Newsweek Best Loved Companies UK survey.

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.

## **DELT SHARED SERVICES LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

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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.
- The majority of our waste is recycled;
- We operate a zero to landfill policy for Waste Electrical and Electronic Equipment and in 2023/24, have saved 11.7 tonnes of such waste from entering landfill. This has reduced our CO2 impact by 11.06 Tonnes of CO2 on recycling, less waste miles makes a net CO2e reduction of 8,721 Tonnes or just under 56 trees.
- In addition, 193 devices were reconditioned and donated to local charities.

#### **PERFORMANCE REVIEW**

2023/24 has been the first year that Delt has recorded a deficit. This is as a result of being in year 9 of a 10-year fixed price contract and was expected. The deficit of £317k was less than the budgeted £410k.

Turnover continues to grow and exceed £25m for the first time. This was as a result of increased project work and growth in the TFT contract. The ability to grow 3rd party revenue is restricted as a result of us reaching our Teckal limit of 20%.

Deficit of £317k (2022/23: £494k surplus) was less than budgeted as a result of lower than expected staffing levels and higher than expected bank interest received.

#### **Notable highlights this year included:**

- We are in year 9 of our 10-year fixed price contracts, with wage inflation, IT inflation (running well above wage inflation) and talent shortages making break-even a challenge to achieve without service quality reductions. Nonetheless we close out the year with good SLA performance and only a small, better than budgeted, deficit.
- The Transforming Futures contract continues to grow, Mount Tamar was onboarded in July 2023. The contract runs to May 2025.
- 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 and has won two prestigious HSJ awards.

#### **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.

**DELT SHARED SERVICES LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

A risk register is maintained and reviewed on a regular basis by the Board. There have been no significant changes to the principal risks in the last year. The principal risks as at 31st March 2024 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.</p> <p>ii. Inability to deliver to growth targets and resulting benefits to shareholders.</p> <p>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</p> <p>(b) Strong governance model with a golden thread between shareholders and the Board.</p> <p>(c) Board and management actively engaged with senior shareholder stakeholders in health and local government.</p> <p>(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.</p> <p>ii. Malware– That malicious software finds its way onto Delt network causing disruption or data loss to the company and/or its customers.</p> <p>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.</p> <p>(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.</p> <p>(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.</p> <p>(d) With a significant move towards hybrid working, implement multi-factor authentication on all devices across our estate.</p> <p>(e) Continue to develop, strengthen, and test the business continuity and disaster recovery plans.</p>

**DELT SHARED SERVICES LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

Risk	Overview/Causes	Mitigating actions
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.</p> <p>b) Annual full fail over test for data centre.</p> <p>c) Independently adjudicated tabletop exercises to test for readiness.</p>
4.	<p><b><u>Replacement Data Centre implementation delays or cost overruns</u></b></p> <p>i. Implementation delays impact customer service, customer project delivery or prevent PCC selling current location of the DC.</p> <p>ii. Need to extend licence arrangements on existing hardware due to delays.</p> <p>iii. Requirements change beyond original scope</p>	<p>a) Weekly project boards including review of risk register.</p> <p>b) Change control review process includes sign off by CTO.</p> <p>c) Short term agreement with any new owner of existing site.</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**

	2023/ 24	2022/ 23	2021/ 22	2020/ 21	2019/20
<b>Profit &amp; Loss</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Income	25,870	22,807	19,344	19,046	19,181
Accelerated Income-Future Capital					
Net Income	25,870	22,807	19,344	19,046	19,181
<b>EBITDA</b>	<b>(25)</b>	<b>958</b>	<b>1,060</b>	<b>1,209</b>	<b>1,550</b>
<b>Balance Sheet</b>					
Debtor Days	43	16	46	18	40
Net Assets	1,021	1,350	1,130	2,666	2,664
Current Ratio	1.11	1.13	1.13	1.49	1.39

## DELT SHARED SERVICES LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

#### Services and Business Development

Our initial shareholder contracts expired at the end of September 2024. Both shareholders have signed new 10-year contracts, securing the future of the organisation through to 2034.

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.

North Somerset Council have political approval to join Delt Shared Services Limited as shareholder and have given notice to their existing provider. Contracts are expected to be signed early in 2025 with the service transitioning in October 2025.

#### 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 2023/24, seven Directors have received compensation for holding the office of a director. The total compensation was £230k with the highest paid Director earning £179k.

#### 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
128	52	71.1%	28.9%	5	45	10.0%	90.0%

#### Mean and Median Gender Pay Gap for all staff

Directorate	Mean			Median		
	Male	Female	GPG	Male	Female	GPG
IT	£19.26	£20.28	-5.3%	£17.36	£19.33	-11.3%
Support Services	£15.21	£14.38	5.5%	£14.28	£12.38	13.3%
Senior Leadership Team	£48.89	£44.59	8.8%	£43.47	£44.59	-2.6%
Whole Company	£19.58	£16.70	14.7%	£16.38	£13.85	15.5%

The mean gender pay gap for the whole economy (according to the 2023 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 14.3%. At 14.7%, the Delt mean gender pay gap is slightly higher. In previous years Delt has been lower than the whole economy statistics. The current year has been adversely impacted by significant increases to some full-time specialist IT roles as a result of market forces, and an increase in the Estates team that has more lower paid part time roles traditionally filled by females.



**DELT SHARED SERVICES LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

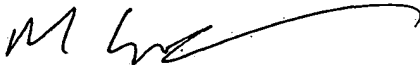
**Mean and Median Gender Pay Gap for full-time staff only**

Directorate	Mean			Median		
	Male	Female	GPG	Male	Female	GPG
IT	£19.41	£20.33	-4.7%	£17.72	£20.00	-12.9%
Support Services	£15.47	£16.85	-8.9%	£14.34	£15.51	-8.2%
Senior Leadership Team	£48.89	£44.59	8.8%	£43.47	£44.59	-2.6%
Whole Company	£19.86	£19.39	2.4%	£16.97	£17.59	-3.6%

In 2023, the mean gender pay gap for the whole economy among full-time employees was 7.7%, up from 7.6% in 2022. At 2.4%, our mean gender pay gap for full-time employees is significantly better than the average. 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: 19-12-2024

## **DELT SHARED SERVICES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024**

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The Directors present their report and the financial statements for the year ended 31 March 2024.

#### **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 loss for the year, after taxation, amounted to £317k (2023: profit £494k).

During the year dividends of £Nil have been paid (2023: £1,657k).

#### **DIRECTORS**

The Directors who served during the year were:

Nicholas Brian Buckland (appointed 15 February 2023)  
Lorna Collingwood-Burke  
Mark Greaves  
Giles Letheren  
Karen Morris (appointed 19 January 2024)  
Malcolm Keith Senior (appointed 22 May 2023)  
Peter Honeywell (resigned 15 August 2024)  
Rachel Lyddon (appointed 5 May 2023, resigned 22 May 2024)  
Andrew Millward (resigned 22 May 2023)

#### **FUTURE DEVELOPMENTS**

Full details are included within the Strategic Review.

**DELT SHARED SERVICES LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

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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**

Our initial shareholder contract expired at the end of September 2024. Both shareholders have signed new 10-year contracts post year end, securing the future of the organisation. Further details of this can be found in the Strategic Report.

**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: 19-12-2024

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

## **DELT SHARED SERVICES LIMITED**

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

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#### **OPINION**

We have audited the financial statements of Delt Shared Services Limited (the 'Company') for the year ended 31 March 2024, 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 2024 and of its loss 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.

#### **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

## DELT SHARED SERVICES LIMITED

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

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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.

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.

DELT SHARED SERVICES LIMITED

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

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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

Date: 19 December 2024

**DELT SHARED SERVICES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £000	2023 £000
Turnover	4	25,870	22,807
Cost of sales		(21,943)	(17,875)
<b>GROSS PROFIT</b>		<b>3,927</b>	<b>4,932</b>
Administrative expenses		(4,370)	(4,483)
<b>OPERATING (LOSS)/PROFIT</b>	5	<b>(443)</b>	<b>449</b>
Interest receivable and similar income	9	142	50
<b>(LOSS)/PROFIT BEFORE TAX</b>		<b>(301)</b>	<b>499</b>
Tax on (loss)/profit	10	(16)	(5)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(317)</b>	<b>494</b>

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2024 (2023:£NIL).

The notes on pages 18 to 28 form part of these financial statements.



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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

	Note	2024 £000	2023 £000
<b>FIXED ASSETS</b>			
Intangible assets	11	-	-
Tangible assets	12	1,617	1,605
		<u>1,617</u>	<u>1,605</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	13	6,036	3,688
Cash at bank and in hand	14	3,942	8,189
		<u>9,978</u>	<u>11,877</u>
Creditors: amounts falling due within one year	15	(8,957)	(10,527)
		<u>1,021</u>	<u>1,350</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,638</u>	<u>2,955</u>
<b>NET ASSETS</b>		<u>2,638</u>	<u>2,955</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	-	-
Capital redemption reserve	17	-	-
Profit and loss account	17	2,638	2,955
		<u>2,638</u>	<u>2,955</u>

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



**Mark Greaves**  
 Director

Date: 19-12-2024

The notes on pages 18 to 28 form part of these financial statements.

**DELT SHARED SERVICES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2024**

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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 2023	-	2,955	2,955
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Loss for the year	-	(317)	(317)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>-</u>	<u>(317)</u>	<u>(317)</u>
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>AT 31 MARCH 2024</b>	<u>-</u>	<u>2,638</u>	<u>2,638</u>

The notes on pages 18 to 28 form part of these financial statements.

**DELT SHARED SERVICES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

	<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 28 form part of these financial statements.

**DELT SHARED SERVICES LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 £000	2023 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) for the financial year:	(317)	494
<b>ADJUSTMENTS FOR:</b>		
Depreciation of tangible assets	418	496
Loss on disposal of tangible assets	-	18
Interest received	(142)	(50)
Taxation charge	16	5
(Increase)/decrease in debtors	(2,348)	1,673
(Decrease)/increase in creditors	(1,570)	2,844
Corporation tax (paid)	(16)	(5)
<b>NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES</b>	<b>(3,959)</b>	<b>5,475</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(430)	(488)
Interest received	142	50
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(288)</b>	<b>(438)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	-	(1,657)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-</b>	<b>(1,657)</b>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,247)</b>	<b>3,380</b>
Cash and cash equivalents at beginning of year	8,189	4,809
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>3,942</b>	<b>8,189</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	3,942	8,189

The notes on pages 18 to 28 form part of these financial statements.

## **DELT SHARED SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

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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 2024

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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 2024

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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

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

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 are 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 2024**

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**4. TURNOVER**

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

	2024 £000	2023 £000
IT services	22,714	20,093
Print and document services	1,261	1,170
Payroll services	867	783
Human resource services	179	156
Estates services	608	419
Finance services	241	186
	<u>25,870</u>	<u>22,807</u>

**5. OPERATING (LOSS)/PROFIT**

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

	2024 £000	2023 £000
Depreciation of tangible fixed assets	418	496
Operating lease rentals	-	125
	<u>-</u>	<u>621</u>

**6. AUDITORS' REMUNERATION**

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

	2024 £000	2023 £000
Fees payable to the Company's auditors for the audit of the Company's financial statements	18	17
	<u>18</u>	<u>17</u>



**DELT SHARED SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**7. EMPLOYEES**

Staff costs were as follows:

	2024 £000	2023 £000
Wages and salaries	8,236	6,906
Social security costs	735	672
Cost of defined contribution scheme	739	658
	<u>9,710</u>	<u>8,236</u>

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

	2024 No.	2023 No.
	<u>238</u>	<u>216</u>

**8. DIRECTORS' REMUNERATION**

The highest paid Director received remuneration of £179k (2023: £175k).

**9. INTEREST RECEIVABLE**

	2024 £000	2023 £000
Other interest receivable	<u>142</u>	<u>50</u>

**DELT SHARED SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**10. TAXATION**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>CORPORATION TAX</b>		
Current tax on profits for the year	<u>16</u>	<u>5</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is \*\*\*select\*\*\* (2023: lower than) the standard rate of corporation tax in the UK of 19% (2023: 19%). The differences are explained below:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
(Loss)/profit on ordinary activities before tax	<u>(301)</u>	<u>499</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2023: 19%)	(57)	95
<b>EFFECTS OF:</b>		
Non-taxable income	73	(90)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u>16</u>	<u>5</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**DELT SHARED SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**11. INTANGIBLE ASSETS**

	<b>Computer software £000</b>
<b>COST</b>	
At 1 April 2023	774
At 31 March 2024	<u>774</u>
<b>AMORTISATION</b>	
At 1 April 2023	774
At 31 March 2024	<u>774</u>
<b>NET BOOK VALUE</b>	
At 31 March 2024	<u>-</u>
At 31 March 2023	<u>-</u>

**DELT SHARED SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024****12. TANGIBLE FIXED ASSETS**

	<b>Computer equipment £000</b>
<b>COST</b>	
At 1 April 2023	4,089
Additions	430
Disposals	(173)
At 31 March 2024	<u>4,346</u>
<b>DEPRECIATION</b>	
At 1 April 2023	2,484
Charge for the year on owned assets	418
Disposals	(173)
At 31 March 2024	<u>2,729</u>
<b>NET BOOK VALUE</b>	
At 31 March 2024	<u>1,617</u>
At 31 March 2023	<u>1,605</u>

**13. DEBTORS**

	<b>2024 £000</b>	<b>2023 £000</b>
Trade debtors	3,029	976
Other debtors	6	9
Prepayments and accrued income	3,001	2,703
	<u>6,036</u>	<u>3,688</u>

**14. CASH AND CASH EQUIVALENTS**

	<b>2024 £000</b>	<b>2023 £000</b>
Cash at bank and in hand	<u>3,942</u>	<u>8,189</u>

**DELT SHARED SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2024 £000	2023 £000
Trade creditors	1,093	1,492
Corporation tax	3	3
Other taxation and social security	475	596
Other creditors	102	90
Accruals and deferred income	7,284	8,346
	<u>8,957</u>	<u>10,527</u>

**16. SHARE CAPITAL**

	2024 £	2023 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2 (2023: 2) Ordinary A shares of £1 each	2	2
100 (2023: 100) Ordinary B shares of £1 each	100	100
100 (2023: 100) Ordinary C shares of £1 each	100	100
100 (2023: 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, C and 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.

## DELT SHARED SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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#### 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 £739k (2023: £658k). Contributions totalling £102k (2023: £90k) were payable to the schemes at the reporting date.

#### 19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £000	2023 £000
Not later than 1 year	215	167
Later than 1 year and not later than 5 years	570	507
Later than 5 years	89	17
	<u>874</u>	<u>691</u>

#### 20. RELATED PARTY TRANSACTIONS

During the year, the Company made sales of £11,298k (2023: £11,301k) to Plymouth City Council (shareholder) and purchases of £198k (2023: £189k) from Plymouth City Council. At the year end the Company was owed £212k (2023: £785k) from Plymouth City Council, and owed £1k (2023: £1k) to Plymouth City Council. During the year, Plymouth City Council received dividend income of £Nil (2023: £210k) from the Company.

During the year, the Company made sales of £9,086k (2023: £7,101k) to NHS Devon ICB (shareholder). At the year end the Company was owed £1,060k (2023: £9k) by NHS Devon ICB. During the year, NHS Devon ICB received dividend income of £Nil (2023: £90k) from the Company.

During the year, the Company made aggregate sales of £392k (2023: £247k) to subsidiaries of Plymouth City Council. At the year end the Company was owed £30k (2022: £43k) from these organisations.

The Directors of the Company were paid total remuneration of £229k (2023: £194k).

#### 21. POST BALANCE SHEET EVENTS

The Company's initial shareholder contract expired at the end of September 2024. Both shareholders have signed new 10-year contracts post year end, securing the future of the organisation. Further details of this can be found in the Strategic Report.

**DELT SHARED SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**22. CONTROLLING PARTY**

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