

Delphi Medical Limited
Report and Financial Statements
Year ended 31 March 2021

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Officers and professional advisors

Directors

Grahame Elliott CBE
Richard Jones CBE
Michelle Pilling (resigned 1 December 2020)
Georgina Nolan (resigned 6 July 2020)
Anne Coats (resigned 1 March 2021)

Company Secretary

Stephen Aggett

Executive Officers

Chief Executive	Anthony Duerden
Executive Director of Group Finance	Stephen Aggett
Executive Director of Group Operations	Helen Thompson
Executive Director of Organisational Development	Vicki Howard

Company Leads

Head Of Corporate Services	Emma Knappe
Head Of Integrated Services	Karon Brown
Head Of Medicines Management	Colin Fearn
Head Of Prison and Psychosocial Interventions	Claire Illingworth
Head Of Clinical Services	Julian Coxon

Registered Office

Centenary Court
Croft Street
Burnley
Lancashire
BB11 2ED

Registered Number

06944767

External Auditor

Beever and Struthers
Chartered Accountants and Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

Bankers

HSBC
Newhouse Road
1 Oxford Square
Blackpool
Lancashire
FY4 4YH

Report of the Directors

The Directors are pleased to present their report along with the audited financial statements for the year ended 31 March 2021.

Objectives and Activities

Incorporated as a limited company, Delphi Medical Limited was established on 25 June 2009. The principal activity of the company during the period was an in-patient detoxification service and clinical treatment.

Delphi Medical Limited is a private limited company which since October 2016 has formed part of the group of companies within The Calico Group.

Delphi is a subsidiary company of Acorn Recovery Projects (Acorn), which is a subsidiary of Syncora Limited (Syncora). Oversight of the activities of Delphi is carried out by the Syncora Board.

Group Structure

Syncora Limited (registered number 11171831) was established in 2018 as a holding company with a common board for each of its subsidiaries which are SafeNet Domestic Abuse and Support Services Ltd ("Safenet"), Acorn Recovery Projects ("Acorn") and Calico Enterprise Limited ("Enterprise"). Syncora sits between the legal entities and the Calico Group Board. This arrangement was made to enhance continued growth by integrating service and company offers and allowing competition with larger scale 'lead' providers.

Delphi Medical Limited ("Delphi") and Delphi Medical Consultants Limited ("DMC"), subsidiaries of Acorn, provide clinical and psychosocial detoxification services which compliments existing services provided by Acorn. Delphi is the lead provider of integrated substance misuse services in Blackpool and in prisons across the North West working in conjunction with Acorn.

Directors

The Directors, together with details of the changes which have occurred up to the date of approval of this report are set out on page 1.

Conflict Resolution Policy

The Board Members acknowledge that regardless of the number of Boards within the Group upon which they serve, each Group Member is a legal entity in its own right, with its own distinct Board. When taking decisions, the Board Members on each Board are under a duty to act in the best interests of each separate legal entity. The rules of each Group member include appropriate wording to deal with conflicts generally, and also state that merely sitting on the Board of another Group member will not give rise to a conflict. However, in the event that circumstances arise in which the Board Members are unable to independently fulfil their duties to each Group member on which they serve (a Conflict Situation) there is a written procedure which shall be adopted.

NHF Code of Governance

The Syncora Group have adopted the NHF Code of Governance 2015, compliance is reviewed and self-assessed annually.

The Board confirm compliance with the Code for the full year ended 31 March 2021

In June 2021 the Syncora Board approved the adoption of the 2020 Charity Governance Code for the year ended 31 March 2022. This governance code will apply to all entities within the Syncora Group.

Review of the Business

With passion and excellence, Delphi makes a difference to people's lives by providing innovative and specialist addiction services that lead the way 'from Dependence to Freedom'.

Delphi provide safe and effective detoxification services from drugs and/or alcohol, to patients funded privately or via their Local Authority. Services are provided from The Pavilion, which is a stunning residential drug and alcohol treatment centre situated in private grounds, just outside Lancaster.

Delphi's aim is to inspire those they work with to better achieve their potential. All Delphi services are focused on developing pathways that bring substance misuse into broader health and social care provision with the aim of improving the health and wellbeing of all Delphi clients and their families.

Delphi has defined the culture of the organisation by implementing core values. Values are referenced in all Delphi decision making; from decisions about patient care through to strategic planning.

Key Risks and Challenges

Delphi saw an improvement in its financial performance in 2020/21 due to a more stable occupancy level and more consistent uptake of services from both privately funded patients and patients coming to Delphi via their Local Authority. The key challenge for Delphi moving forward is to ensure this position remains, and that it continues to grow in line with the business' growth plans.

Delphi Medical Ltd remains a key priority for the Calico Group to ensure future viability and is therefore monitored and reviewed by Directors on a regular basis.

Report of the Directors (continued)

Key Risks and Challenges (Continued)

As part of the Calico Group approach to risk management, Delphi has in place a risk map which is reviewed by the Syncora Board on a quarterly basis. The Directors have undertaken a review of the major strategic risks faced by the charity and have put in place systems to mitigate Delphi's exposure to the major risks.

Key Opportunities

New opportunities for Delphi centre around the Government's announcement of nationwide increased funding for detox services, which is now starting to filter through to Delphi services.

As part of Syncora, Delphi has the support and weight of a large organisation to support growth and enhance our profile across the North West.

Delphi are part of a combined Group business strategy for growth based upon geography and themed work-streams and developing a bidding model within the Group to enable Delphi to bid for large scale service models across the North West.

The success of the Delphi model could allow this model to be expanded to other geographic areas nationally. The business model will allow this approach to work in most parts of the country.

Key Performance Indicators (KPIs)

Due to the clinical nature of our services, Delphi has legal and contractual obligations to adhere to the following:

- Care Quality Commission – involving regular inspections (currently rated as good)
- Home Office Inspections.
- Investigations into Death in Custody/Death in Service.
- Production of Coroners reports and attendance at court/court reports.
- General Medical Council – medical revalidation and accountable officer for Clinicians.
- Nursing & Midwifery Council – compliance with National Institute for Health Care Excellence (NICE) guidelines and accountability for Nurses.
- KPI Frameworks directed by Commissioners.
- KPI Frameworks directed by Board.
- Implementation of performance monitoring systems to ensure high quality performance across services.
- Audit, reviews, implementing improvement and managing change.

As well as the above, we manage financial performance through performance of contracts against budgets, contribution to overhead costs and cash flow performance.

All inspections conducted this financial year were positive with no recommendations for improvement observed.

Employees

We are able to attract a wide range of staff from different backgrounds to our business. The diversity of our employees within Delphi Medical Limited is 24% (2020: 25%) male, 76% (2020: 75%) female, 7% (2020: 4%) who self-identify as disabled, 7% (2020: 7%) from a BME background and 8% LGBTQ.

Statement of Directors' Responsibilities in respect of the Annual Report & Financial Statements

The Directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102").

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements.
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors (continued)

Statement as to disclosure of information to auditor

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. The Directors have confirmed that they have taken all the steps that they ought to have taken as Director in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Covid-19

Despite the current Covid-19 outbreak, there is no expectation or evidence in the forecasts or the financial performance of the year to date that would suggest the pandemic will have a significant impact on the financial position of the business.

The Syncora Group have been undertaking regular forecast updates in each of its entities to help mitigate unexpected risks. Although the long-term effects of the Pandemic are still largely uncertain, adding in this additional exercise allows the Board to identify any potential future changes to the business.

Going concern

The business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 2 to 5. In addition, notes on pages 10 to 15 of the financial statements include the company's objectives, policies and processes.

The Directors have reviewed and considered the future projected cash flows for the next two years. Inter-company balances are supporting the negative reserves position, primarily a loan from the parent company, Acorn Recovery Projects, which is not to be repaid in the next twelve months and support from fellow subsidiary Delphi Medical Consultants Limited. In practice, the two Delphi companies are operated as one business and consideration is to be given to amalgamating the companies into one. Work is ongoing to ensure that the Pavilion is self-sustaining during 2021/22 and Delphi Medical Consultants Limited has long term contracts in place. The business is now supported by four Directors from the Calico Group Executive Team who form part of the Delphi Senior Leadership Team. Further, there has been a recent appointment of a new Director of Treatment with a focus to increase occupancy levels.

The Calico Group Board is confident that Delphi Medical Limited remains a Going Concern for the following reasons:

- Following the third lockdown announcement in January 2021 the Group Board continued its Business Continuity arrangements, which meant that all services within Delphi Medical Limited that were able to be delivered safely were able to continue. These included services required by and provided to vulnerable tenants within admissions and therapy. The lockdown restrictions ceased in July 2021.
- Delphi Medical Limited is forecasting positive cash flows and a future profitable performance.
- There will be new opportunities for Delphi centred around the Government's announcement of nationwide increased funding for detox services, which is now starting to filter through to Delphi's services.

The Calico Group Board confirms it has a reasonable expectation that the organisation and subsidiaries have adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

Statement as to disclosure of information to auditor

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. The Directors have confirmed that they have taken all the steps that they ought to have taken as Director in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The Directors will be carrying out a tender process in respect of the auditor appointment for the next financial period.

Small company provisions

The report of the Directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The Directors have taken advantage of the small companies' exemption from the requirement to prepare a strategic report.

Approved by the Board and signed on its behalf by: -

Stephen Aggett
Company Secretary
14 September 2021
For the year ended 31 March 2021

Independent Auditor's Report to the members of Delphi Medical Limited

Opinion

We have audited the financial statements of Delphi Medical Limited "the company" for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, the Statement of Financial Position and notes to the financial statements 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 FRS 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 2021 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 Auditor's 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 UK, including the FRC's Ethical Standard and the provisions available for small entities, as set out in the accounting policies, 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 group's or parent charity'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 auditor's report thereon. The Directors are responsible for the other information. 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.

In connection with our audit of the financial statements 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the members of Delphi Medical Limited (continued)

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or;
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, tax legislation and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws relating to taxation matters.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Independent Auditor's Report to the members of Delphi Medical Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Lee Cartwright (Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS, Statutory Auditor
St George's House
215/219 Chester Road
Manchester
M15 4JE

Date: 24 September 2021

Statement of Comprehensive Income

For the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	2	681,209	547,425
Cost of Sales		(148,189)	(182,052)
Gross profit		533,020	365,373
Administrative expenses		(682,704)	(713,459)
Operating profit	3	(149,684)	(348,086)
Bank Charges		-	-
Profit on ordinary activities before taxation		(149,684)	(348,086)
Taxation on profit on ordinary activities	6	7,765	-
Total comprehensive income for the year		(141,919)	(348,086)
Total comprehensive income for the year attributable to: Owners of the parent		(141,919)	(348,086)

All of the activities in the current and prior financial periods are derived from continuing operations.

The notes on pages 10 to 15 form part of the accounts.

Statement of Changes in Equity

For the year ended 31 March 2021

	Called-up Share Capital	Income and Expenditure Reserve	Total
	£	£	£
At 31 March 2019	4	(1,235,697)	(1,235,693)
Loss for the year	-	(348,086)	(348,086)
At 31 March 2020	4	(1,583,783)	(1,583,779)
Loss for the year		(141,919)	(141,919)
At 31 March 2021	4	(1,725,702)	(1,725,698)

Statement of Financial Position

At 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible Assets	7	2,708	4,772
Current assets			
Cash at bank and in hand		92,399	23,265
Debtors	8	173,902	136,572
		<u>266,301</u>	<u>159,837</u>
Creditors: amounts falling due within one year	9	(1,993,875)	(1,739,791)
Net current (liabilities) / assets		<u>(1,727,574)</u>	<u>(1,579,954)</u>
Total assets less current liabilities		<u>(1,724,866)</u>	<u>(1,575,182)</u>
Provision for liabilities	10	(832)	(8,597)
Net (liabilities) / assets		<u>(1,725,698)</u>	<u>(1,583,779)</u>
Capital and reserves			
Called up share capital	11	4	4
Reserves		(1,725,702)	(1,583,783)
		<u>(1,725,698)</u>	<u>(1,583,779)</u>

These accounts have been delivered in accordance with the provisions applicable to companies subject to the small company's regime.

The notes on pages 10 to 15 form part of these financial statements.

The financial statements were approved by the Directors and authorised for issue on 14 September 2021 and signed on their behalf by:

Stephen Aggett
Company Secretary
14 September 2021

Notes to the Financial Statements

1. Accounting policies

Delphi Medical Limited is a limited company incorporated in England & Wales. The registered office is Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") and with the Companies Act 2006, and are presented in sterling £ for the year ended 31 March 2021.

The company meets the definition of a qualifying entity under FRS 102 and has taken advantage of the disclosure exemptions available to it in respect of presentation of a cash flow statement and financial instruments.

Going concern

The business activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the Directors on pages 2 to 5. In addition, notes on pages 10 to 15 of the financial statements include the company's objectives, policies and processes. The company incurred a net loss of £142k during the year ended 31 March 2021 and, as of that date, the company's net current liabilities amounted to £1,728k and total net liabilities amounted to £1,726k.

The Calico Group Board is confident that Delphi Medical Ltd remains a Going Concern for the following reasons:

- Following the third lockdown announcement in January 2021 the Group Board continued its Business Continuity arrangements, which meant that all services within Delphi Medical Limited that were able to be delivered safely were able to continue. These included services required by and provided to vulnerable tenants within admissions and therapy. The lockdown restrictions ceased in July 2021.
- Delphi Medical Limited are forecasting positive cash flows and a future profitable performance.
- There will be new opportunities for Delphi centred around the Government's announcement of nationwide increased funding for detox services, which is now starting to filter through to Delphi's services.

The Directors have reviewed and considered the future projected cash flows for the next two years. The negative reserves position is being supported by inter-company balances, primarily a loan from the parent company, Acorn Recovery Projects, which is not to be repaid in the next twelve months, and support from fellow subsidiary Delphi Medical Consultants Limited. In practice, the two Delphi companies are operated as one business and consideration is to be given to amalgamating the companies into one. Work is ongoing to ensure that the Pavilion is self-sustaining during 2020/21 and Delphi Medical Consultants Limited has long term contracts in place. The business is now supported by four Directors from the Calico Group Executive Team who form part of the Delphi Senior Leadership Team. Further, there has been a recent appointment of a new Director of Treatment with a focus to increase occupancy levels.

Based on this information, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the Going Concern basis of accounting in preparing the annual financial statements.

Value Added Tax ("VAT")

The supply of health services provided by registered doctors is VAT exempt. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable.

Taxation

The charge for taxation for the year is based on the profits arising on taxable activities undertaken at the appropriate enacted rate.

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Except as noted below, full provision for deferred taxation is made under the liability method on all timing differences that have arisen, but not reversed by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted. Deferred tax assets are only recognised to the extent that their recovery is reasonably expected in the foreseeable future.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. It is not considered that there are any judgements (apart from those involving estimates) that have had a significant effect on amounts recognised in the financial statements.

Turnover

Turnover comprises of medical treatment income. Turnover is stated exclusive of Value Added Tax ("VAT").

Tangible Assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. Their actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Tangible assets are stated at cost less depreciation. Depreciation is provided evenly on the cost of the assets to write them down to their estimated residual values over their expected useful lives. The principle annual rates used for tangible assets are:

- Furniture, fixtures and fittings 25%
- Computers and office equipment 25%
- Motor Vehicles 25%

Pensions

The Group operates defined contribution plans for the benefit of its employees. The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

Financial instruments

Financial assets and liabilities are initially measured at the transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

2. Turnover

	2021	2020
	£	£
Medical Treatment Income	681,209	547,425
	=====	=====

3. Operating profit

The operating profit for the year is stated after charging:-

	2021	2020
	£	£
Auditor's fees	3,666	2,330
Depreciation of tangible fixed assets (note 7)	3,926	4,502
	=====	=====

4. Directors' remuneration

The Directors, also members of the larger group of the Syncora Limited Board, a holding company with a common board for each of its subsidiaries, which are Acorn Recovery Projects, Calico Enterprise Limited, SafeNet Domestic Abuse Support Services Ltd, Delphi Medical Consultants Limited and Delphi Medical Limited. During the year, these members received a total remuneration of £38,000 (2020: £42,000).

The Syncora Board receive an annual allowance. The Chair receives £6,000 and all other Board members £3,500.

Notes to the Financial Statements (continued)

5. Employees

Employee numbers are a combination of Delphi Medical Limited and Delphi Medical Consultants Limited. All employees are on dual contracts with both entities. The average monthly number of employees during the year, analysed by function, was as follows:

	2021	2020
	No.	No.
Community and Prison staff	92	71
Finance and administration	16	13
Detoxification staff	23	24
	<u>131</u>	<u>108</u>

	2021	2020
	£	£
Staff costs consist of:		
Salaries	3,035,298	2,463,810
Social security costs	277,500	234,700
Pension contributions	139,986	132,766
	<u>3,452,784</u>	<u>2,831,276</u>
Allocated to Delphi Medical <i>Consultants</i> Limited:		(2,279,750)
	<u>(2,911,404)</u>	<u>551,526</u>
	<u>541,380</u>	<u>551,526</u>

Aggregate number of full time equivalent staff whose remuneration (basic salary, benefits in kind, employer's pension contributions and compensation for loss of office) exceeded £60,000 in the period:

	2021	2020
	No.	No.
£60,000 to £70,000	2	1
£70,000 to £80,000	-	1
£80,000 to £90,000	1	-
	<u>3</u>	<u>2</u>

	2021	2020
	£'000	£'000
The aggregate emoluments paid to or receivable by non-executive Directors	38	42
The aggregate emoluments paid to or receivable by executive officers	215	75
The emoluments paid to the highest paid officer (excluding pension)	77	71
Pension costs for company leads executive officers	4	4
The aggregate amount of any consideration payable to / (receivable from) third parties for making available the services of non-executive Directors	(38)	(42)
Total key management personnel remuneration	<u>215</u>	<u>75</u>

Notes to the Financial Statements (continued)

6. Taxation

	2021	2020
	£	£
<i>Current tax charge</i>		
UK Corporation tax on current year's profit	-	-
Deferred tax	(7,765)	-
	<u> </u>	<u> </u>
<i>Factors affecting the tax charge for the period</i>		
Profit/(loss) on ordinary activities before tax	(149,684)	(348,086)
	<u> </u>	<u> </u>
Taxation at the standard rate of corporation tax of 19% (2020: 19%)	(28,440)	(66,136)
Non tax deductible expense	659	-
Depreciation in excess of capital allowances	(7,765)	-
Loss carried forward	-	66,136
Losses utilised	(33,639)	-
Group relief	61,420	-
	<u> </u>	<u> </u>
Current tax charge for the period	(7,765)	-
	<u> </u>	<u> </u>

7. Tangible fixed assets

	Computer	Fixtures & Fittings	Total
	£	£	£
Cost			
At 1 April 2020	31,351	15,321	46,673
Additions	598	1,265	1,862
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2021	31,949	16,586	48,535
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 April 2020	30,451	11,450	41,901
Charge in the year	225	3,701	3,926
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2021	30,676	15,151	45,827
	<u> </u>	<u> </u>	<u> </u>
Net book amount at 31 March 2021	1,273	1,435	2,708
	<u> </u>	<u> </u>	<u> </u>
Net book amount at 31 March 2020	900	3,872	4,772
	<u> </u>	<u> </u>	<u> </u>

Notes to the Financial Statements (continued)

8. Debtors

	2021	2020
	£	£
Trade debtors	116,800	126,681
Prepayments	10,518	9,891
VAT	30	-
Amounts owed by group undertakings	46,554	-
	<u>173,902</u>	<u>136,572</u>

9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	8,462	10,813
Accruals and deferred income	6,786	10,777
Amounts due to group undertakings	1,978,627	1,718,201
	<u>1,993,875</u>	<u>1,739,791</u>

10. Provision for liabilities

	2021	2020
	£	£
Deferred tax	832	8,597
	<u>832</u>	<u>8,597</u>

11. Share capital

At 31 March 2021, the number of allotted, called up and fully paid shares was 4 (2020: 4). On 15 October 2016, the company was acquired by Acorn Recovery Projects.

The total authorised number of £1 ordinary shares at 31 March 2021 was 1,000 (2020: 1,000).

12. Parent undertaking

The Company is a 100% subsidiary of Acorn Recovery Projects, a company incorporated in England and Wales.

The Directors consider The Calico Group Limited to be the ultimate parent entity.

Consolidated accounts which include the results of the charity can be obtained from:

- Company Secretary, The Calico Group Limited, Centenary Court, Croft Street, Burnley, BB11 2ED

No other accounts include the results of the charity.

Notes to the Financial Statements (continued)

13. Related party transactions

Sales and purchases of goods and services between related parties are at an arm's length basis at normal market prices. Any outstanding balances are unsecured and interest free.

Calico Homes Limited make Purchase ledger and payroll payments on behalf of the Syncora Group and these amounts are then recharged back to the relevant entities.

Syncora Limited ("Syncora"), the parent company.

Trustees are members of the Syncora Limited Board a holding company with a common board for each of its subsidiaries, which are SafeNet, Acorn and Calico Enterprise. These members received a total remuneration of £38,000 in 2021 (2020: £42,000).

During the year, Syncora recharged the company £Nil (2020: £14,000).

At 31 March 2021, the company owed Syncora £2,000 (2020: £1,000).

Acorn Recovery Projects ("Acorn"), the parent company

During the year, there were no transactions (2020: £Nil).

At 31 March 2021, Acorn owed the company £47,000 (2020: £Nil).

Calico Homes Limited ("Homes"), a fellow subsidiary of Group

During the year, Homes recharged office costs and rents amounting to £Nil (2020: £180,000).

At 31 March 2021, the company owed Homes £149,000 (2020: £180,000).

Calico Enterprise Limited ("Enterprise"), a fellow subsidiary of Group

During the year, Enterprise supplied cleaning, painting & decorating services amounting to £Nil (2020: £1,000).

At 31 March 2021, the company owed Enterprise £1,000 (2020: £Nil).

Delphi Medical Consultants Limited ("DMC"), a fellow subsidiary of Acorn

During the year, there were no transactions (2020: £Nil).

At 31 March 2021, the company owed DMC £1,577,000 (2020: £1,537,000). DMC make purchase ledger payments on behalf of DML and these amounts are recharged back to DML.

Ring Stones Maintenance and Construction Limited ("Ring Stones"), a fellow subsidiary of Group

During the year, Ring Stones lent the company £250,000 (2020: £Nil) at an interest rate of base plus 1% and repayable by 31 March 2022.

At 31 March 2021, the company owed Ring Stones £250,000 (2020: £Nil).