

UK Shared Business Services Ltd

Annual Report and Financial Statements 2023/24



Registered Office

UK Shared Business Services Ltd
Polaris House
North Star Avenue
SWINDON
SN2 1FF

Registered Number: 06330639 (England and Wales)

UKSBS

Shared Business Services

Contents

●	Chairman's Statement	3
●	Strategic Report	7
●	Directors' Report	35
●	Annual Governance Statement	41
●	Remuneration Report	52
●	Independent Auditor's Report	59
●	Financial Statements	65

Chairman's statement



This year has been a busy yet successful one as we accelerate our transformational programme, continuing to demonstrate the significant commercial and operational value of being a captive shared service centre owned and delivering to the public sector. UK Shared Business Services Ltd (UKSBS) was confirmed as the shared services provider to the Matrix cluster thanks to the phenomenal effort of our employees in their determination to deliver high quality, efficient and effective services.

Alongside the Matrix Programme, the SHARP Programme, led by UKRI, continues to progress and we expect it to be implemented in 2024/25. The new Oracle Fusion ERP platform has been designed and built, with IBM as the implementation partner and testing is fully underway. UKSBS has devoted considerable expertise from all areas to work closely with UKRI to ensure the successful delivery of the programme, and to provide ongoing support, operations and exploit the full value of the modern SaaS based business capability.

The Machinery of Government (MoG) programme to implement changes announced in February 2023 concluded in mid-2024 following the successful creation of three new Government departments and onboarding of approximately 1,500 additional users. The UKSBS team ensured continuity of operations across the impacted departments and solidified our recognised expertise in managing complex change. The Board has been strengthened with new Non-Executive Directors and an additional independent NED, complimenting the skills and knowledge of current Board.

Our ambition and successful delivery is not without risk; we continue to respond to challenges and strengthen our resilience, evidenced with being awarded Cyber Essentials Plus and successfully planning for and implementing the BOE upgrade in-house.

UKSBS was nominated or shortlisted for a multitude of awards this year, including two at the Shared Services Forum Future Vision Awards and three at the Global Sourcing Association Awards, winning Public Sector Project of the Year. This is a true reflection on the standard of services provided by our exceptional workforce and reinforces our confidence that we are well on track to delivering our vision to be the leading UK public sector business service provider, actively sought by public bodies. I am confident that the Company is transforming to be in the strongest position possible to meet the demands and responsibility in delivering the Government's Shared Services Strategy while continuing to deliver existing services.

John Clarke
Chairman
UK Shared Business Services Ltd

Who we are

We're a leading public sector business services provider owned by the Department of Science, Innovation and Technology (DSIT), the Department for Energy Security and Net Zero (DESNZ), the Department of Business and Trade (DBT) and UK Research and Innovation (UKRI).

As a public sector company providing services to the public sector, we have valuable insight and a deep understanding of how the sector operates. This means that our services are fit for purpose, right from the start.

What we do

We provide a range of efficient, scalable, and expert Finance, HR and Payroll, Procurement and Business IT services helping the advancement of the UK's economy and society. We are motivated by a desire to deliver high quality, efficient and reliable service to over 25,000 civil and public servants, employed by our clients.

We work closely with our stakeholders to harness the potential of our expertise, evolving technology and to realise the maximum benefit from shared services. We aim to be a trusted partner, recognised for delivering value and benefits for our owners and to support the work they do for the people of the UK.

Our dedicated teams take immense pride in their contributions, driving value for the UK economy and its taxpayers. At our core, we firmly believe in the power of partnership and expertise. By aligning with the values of our owners, we actively contribute to achieving optimal outcomes through shared services.



Performance highlights



26,000

users



99.8%

Service availability



6.1

User experience



8 out of 10

Client satisfaction



420,000

Customer contacts



189,612

Pensioner Payments



260,940

Employee payslips processed



48,867

Totalling £23.9bn
Grant Payments



+36

Major Change
Programmes



73,000

Purchases processed
under 10k



147,000

Supplier invoices
processed



2,100

Procurement
exercises handled



75.7m

Procurement benefits
generated

UK AWARDS
WINNER



Client testimonials

Proud to play our part

“

A big thank you from us all for yesterday. I do not undervalue the significance of the time that you and your colleagues devoted to us.

We were hugely impressed with the sense of purpose we saw, the professionalism of your people, the humour and team vibe and your determination to drive continued improvement.

We left being supporters of your mission and partners with you in achieving the improvements that lie ahead. Please pass on our thanks to all involved.

Steven O'Donoghue,
Chief Operating Officer
Trade Remedies Authority

“

This would not have been possible without a massive collaborative effort across teams. We really value the expertise, pragmatism, flexibility and hard work of UKSBS colleagues.

Elaine Tuck, Deputy Director,
Shared Services, DSIT



“

Thank you for all you and the UKSBS team do to support us at the agency.

Deputy Chief Executive Officer,
UK Space Agency

“

Massive thanks for all your help getting our candidates onto payroll so quickly.

Head of Talent | Frontier AI
Taskforce, DSIT

Strategic report



UKSBS is on a transformational journey to be the leading UK public sector business service provider, delivering consistent quality service by way of an excellent end-user experience whilst efficiently and effectively managing multiple technology platforms. It provides shared business services, including HR & Payroll, Finance Services, Procurement Services and IT to government departments and some of their arms' length bodies. It operates on a not-for-profit basis and employs almost 670 people over three sites.

In October 2023, UKSBS became the recommended shared service provider to the Matrix cluster of the [refreshed Government Shared Services \(GSS\) Strategy](#), published in March 2021, and will provide shared business services from a new SaaS platform

to the policy cluster of nine government departments by 2029. This decision presented a clear endorsement of the effort and hard work by our people and highlighted the confidence the Matrix has in UKSBS delivering a step-change for our government clients, realising increasing value for money for the taxpayer and delivering significant economies of scale.

The February 2023 Machinery of Government (MoG) changes saw the Department for Business, Energy and Industrial Strategy and the Department for International Trade reorganise into three new government departments, all of which are now fully onboarded as owners and taking services from UKSBS, as three of the nine Matrix departments. As a result of this, our core user numbers grew over 10% in-year.



Strategic report

UK Research and Innovation (UKRI), UKSBS’ fourth owner, continue with their implementation of the Shared Services for HR, Accounting, Reporting and Procurement (SHARP) programme, to replace the second of UKSBS’ current on-prem platforms.

The SHARP Programme is both a business and technology change programme, working to modernise and harmonise the business processes used across UKRI and UKSBS, enabled by a new cloud-based Oracle Fusion platform to replace our current ROE system and is expected to be implemented by the end of 2024/25.

In readiness of the delivery of both the SHARP programme and the Matrix programme, a number of transformational initiatives are underway within UKSBS to ensure successful delivery of our vision and mission. We have introduced Perform Plus into our HR Operations and Customer Support Service Teams, which has enabled an increase in productivity and capacity for delivery. Automation of forms and processes has also increased our service delivery and had a positive impact on KPIs and SLAs.



The UKSBS Partnership Services Agreement (PSA) between all four owners and UKSBS was reviewed and updated in-year by all parties to reflect wider ownership changes and take account of key items requiring greater focus and clarity.

The UKSBS 2023/26 Business Plan set out the strategic approach to attaining our vision and mission, leveraging key strengths that are valued by current and potential public sector clients to exploit market opportunities. Throughout the year, progress was captured against a clear set of measurable success criteria that were important to our partners, as both owners and clients. The plan was built across six maturity themes.

Strategic report

End User Experience

An industry standard four tier service delivery model (TSDM) was implemented, providing a greater understanding of user needs, improved customer support and the correct structure to futureproof and continue to deliver exceptional services to clients and end users. These will be matured as new clients on-board and requirements are identified.

A single 'front door' approach aims for first time resolution by promoting self-serve and enabling customers to have queries successfully dealt with at the first point of entry into the organisation. This is also ensuring a more standardised approach to query management and the ability to better track and manage the query types received.

The launch of the UKSBS Customer Service Strategy and Delivery Plan in-year ensures that we continue to develop our strong user focus through the application of omni-channel technology, virtual assistants and generative AI.

UKSBS became a member of the Institute of Customer Service (ICS) in July 2023, reflecting our commitment to delivering an exceptional customer experience and service.

Ongoing digitisation and automation of forms enabled processes to become more efficient by the autocreation of service requests and approvals where tasks can't be achieved through self-service, including the adjustment of annual leave records, return to work notification, and changes to line managers.



We are proud that we were shortlisted in the Shared Services Forum Future Vision Awards 2023, for the Customer Collaboration, and the Rising Star Awards.

The Customer Collaboration Award nomination was for the successful delivery of payments supporting the Energy Bills Support Scheme in 2022 for DESNZ.

Net Promoter Score data continues to be collected, with substantial improvements recorded in 2023/24. The quarterly client satisfaction survey results also remained stable throughout the year, averaging 7.6 /10 at March 2024.

Strategic report

Cost Effectiveness

As a mutually owned, not-for-profit shared business services provider, UKSBS's costs compare favourably with other providers, confirmed using external consultants.

We continue to seek further cost reductions through continuous improvement, exploiting the opportunities of greater self-service and automation and increasing client user numbers enabling fixed costs to be spread more thinly.

A cost transparency exercise as part of the transformational journey has been completed to provide a baseline cost of individual core and additional services, to feed into a future piece of work looking at the charging model.

Partner Engagement

Successful delivery of the Machinery of Government (MoG) programme that saw the creation of three new government departments in 2023.

The UKSBS stakeholder management and business tool, PIRT, was developed in house to make sure we are better connected as a business, enabling greater visibility when sharing information, helping to build strong and effective partnered relationships with our clients both current and future. .

Client governance was adapted to better focus on specific needs, with two client boards established, one for BOE clients and the other for ROE.

The Partnership Services Agreement was updated following the change in ownership.



We are proud to be a winner in the Global Sourcing Association (GSA) Awards for the Public Sector Project of the Year, and shortlisted in two further categories: Shared Service Centre of the Year and Changemaker of the Year for our work in delivering the energy Bills Support Scheme.

The new Customer Support Services Strategy was launched and welcomed into our partner organisations, providing a clear focus on how the customer will be at the heart of our service delivery

We continued to support DESNZ with UK energy payments as part of the Energy Price Guarantee, Energy Bill Relief and the Energy Bill Support Schemes. Nearly 3,500 payments, totalling £43bn, had been made by April 2023.

The new and improved UKSBS website went live in October 2023 and received positive feedback. The new site was modernised and designed to be easy to navigate, accessible and informative.

Strategic report

Workforce

Our Managed Service Partner (MSP), PwC, is in place, bringing additional knowledge, expertise and capacity to the organisation, as well as a greater commercial mindset.

Perform Plus, a coaching and development programme, created by our MSP, was designed and implemented to empower teams to drive continuous transformation through improving ways of working, trying out new ideas, enhancing how our teams work and unlocking opportunities to better support our people and customers. The first round of implementation was successfully rolled out across operational HR and Customer Support Service teams, with further roll outs across Payroll and Finance in 2024/25.

The UKSBS overall organisational design has started to adapt to ensure effective interoperability with our clients and the multi-platform nature of our current business by integrating our TSDM with clients' retained teams, maximising end-to-end benefits. Work is underway with both UKRI and government clients to develop the 'to-be' operating model leveraging the new platforms.

Employee engagement remains high, with the most recent all employee survey confirming that engagement is positive at 80%. The UKSBS People Strategy agreed by the Board in-year has a focus on Early Careers, seeing increased apprentice numbers being recruited later in 2024 alongside a new work placement scheme. Workforce planning is being embedded.

Technology

The BOE platform was successfully upgraded to the latest version of Oracle EBS in July 2024, ensuring that it remains properly supported until replaced by the new Matrix SaaS platform.

Investment in security and cyber resilience continues to ensure that the ever-evolving threat is countered and ISO27001 accreditation was maintained.

The relocation of UKSBS' Secondary Data Centre to Ark Data Centres - a Tier 5 rated facility - was successfully completed within only five months, ensuring a first-class foundation for disaster recovery. Tier 5 is the highest standard in data centre hosting and offers us the best technologies for availability, resilience and security in a carbon-neutral facility.

Following a rigorous review of our cyber defences, policies and processes, we achieved Cyber Essentials certification in September. This certification ensures our robustness against attack and recognises the strength of our protection against the most common cyber threats. We then went on to achieve Cyber Essentials Plus certification in November 2023, further demonstrating the rigour of our security measures.



Strategic report

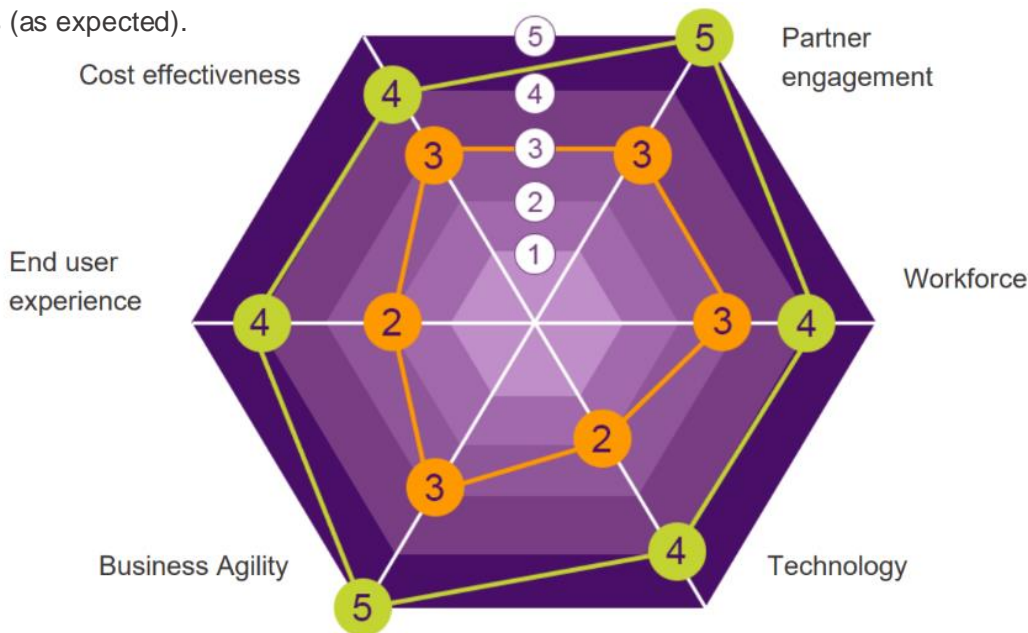
Business Agility

Scaled Agile Framework (SAFe) was launched in May 2023 to support the adoption of organisational and workflow patterns as part of our adoption of 'Agile' methodology. 'Agile' working is enabling our teams to deliver faster, accelerating or changing direction as required, and to make the best use of our resources and investment whilst maintaining quality.

The Agile Centre of Excellence serves as the primary resource or Single Source of Truth for Lean-Agile practitioners within UKSBS, supporting our Agile journey to continuously scale and improve our Agile capabilities and ultimately maximise the value captured by adopting a new ways of working.

We continued to build on our track record to flexibly deliver, at short notice, our Partners' new policy imperatives, with all change to continue being delivered at cost against agreed priorities.

The diagram below outlines the maturity level at the start of 2023/24 (the 'current' maturity level in orange) against each of the maturity themes. The aspired maturity levels for 2026 are outlined in green. 2023/24 saw good progress against each of the themes with the key activities we set out to achieve accomplished in year, even though there was no movement in any of the maturity levels (as expected).



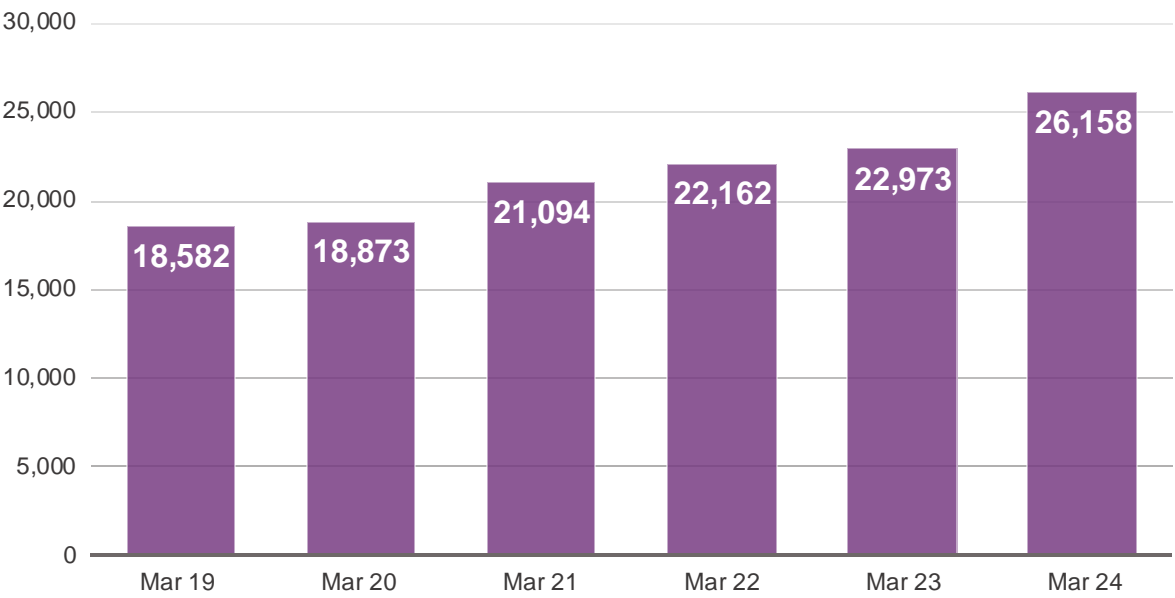
Since agreeing the 2023/26 Business Plan, **UKSBS has successfully become the preferred shared business service partner for the Matrix Programme**. In line with the Matrix and SHARP programme plans, the next iteration of the Business Plan will be extended to cover a five-year period. This aligns with the Matrix Programme Business Case 2 and UKSBS transformation activity. The six maturity themes outlined within this Annual Report will be mapped against the five themes underpinning the proposed Matrix transformation to streamline planning and simplify future governance and reporting

Strategic report

Overall Service Performance

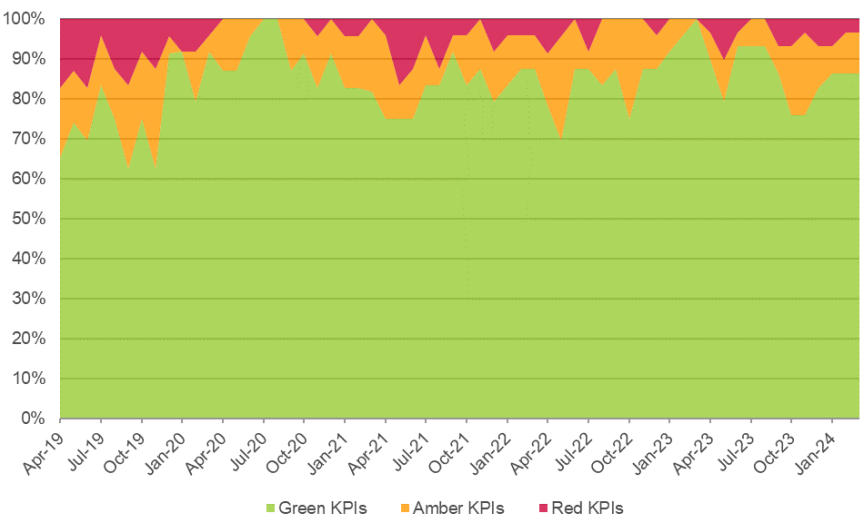
2023/24 saw a large increase in user numbers compared to the previous year, with 26,158 as at 31 March 2024, up from 22,973 on 31 March 2023. Most of this was attributable to the MoG changes with two new departments being created. The growth for the year was at 13.9%, which included 19.8% growth in the BOE department clients/owners.

Chart 1: User numbers – March 2018 – March 2024



Service Key Performance Indicators (SKPIs) continue to be monitored, alongside the Strategic Key Performance Indicators (KPIs) linked to the strategic themes, to be introduced in 2024/25. 86% of SKPIs were achieved for the whole of 2023/24. The chart below indicates the five-year trend of SKPI performance.

Chart 2: Service Key Performance Indicators (SKPIs) – Red, Amber, Green

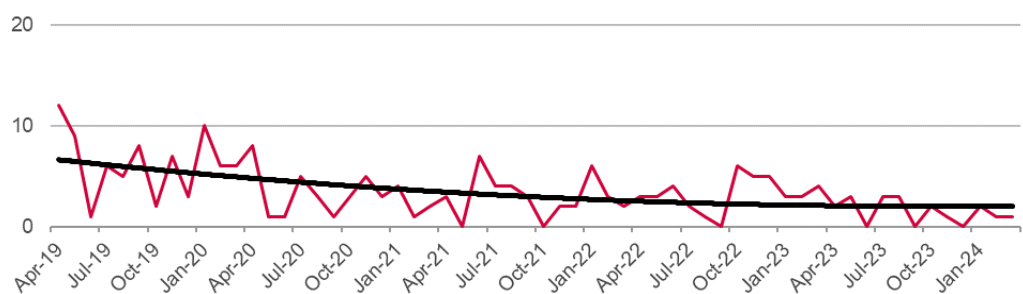


Strategic report

Customer Complaints Received

Customer complaints continued to remain very low in 2023/24, averaging one complaint for every 53,072 key transactions handled.

Chart 3: Customer complaints 2019 – 2024



Strategic report

The snapshot of our key volumes for 2023/24 highlights the range of services successfully delivered to our clients and the year-on-year increases recorded across the service delivery areas.

Customer Service



449,904

Customer contacts handled



25,243

Customer service calls received



6.5 out of 10

User experience



7.6 out of 10

Client satisfaction

Finance Services



151,019

Supplier invoices processed



75,155

Purchases processed under 10k



1,909

Procurement exercises handled



80.72M

Procurement benefits generated

Core user base



26,158

Core users



272,281

Employee payslips processed

HR & Payroll Services

Strategic report

Financial Performance

The Company's financial results for the year are set out in the financial statements (page 65 onwards). The reported result for 2023/24 is a profit of £13,000 (2022/23: £566,000 loss), including £2.1m million cost of depreciation and amortisation (2022/23: £2.2 million)

The Company does not operate with the intention of making a profit, but it is exposed to profits and losses in respect of the difference between actual costs for the year in respect of service delivery and the value of the purchase orders agreed with clients for these charges.

Both income and costs increased in 2023/24 over the previous year because of the cost of the SHARP programme, which is funded by UKRI, and an increase in the number of end users.

The net asset value at 31 March 2024 was £1.8 million. (31 March 2023: £1.8 million)

Further details are set out in the Statement of Financial Position and accompanying notes to the financial statements

Delivery of Change Programmes & Projects

The UKSBS Partnership and Change (P&C) team delivers highly skilled and experienced resources to drive the successful execution of a diverse portfolio of change activities including strategic programme and project management, specialised onboarding services and partnership management. This is securely governed by our in-house Portfolio Management office and is supported and enabled by expertise from all business areas. These resources are meticulously aligned with both our strategic objectives and the operational priorities of our clients, ensuring sustained value and impact across all engagements.

including the Machinery of Government (MoG) changes which mobilised in February 2023, acknowledged as one of the most complex MOG changes to date, alongside our usual change portfolio.

The change portfolio received and delivered 60 change requests, ranging from standard to complex, within the portfolio of change. In addition to this the team supported the implementation of the next phase of the in-house transformation programme to support the delivery of both our strategic objectives and our market growth aspirations.

2023/24 commenced with the challenges of delivering three large strategic programmes,

Strategic report

Throughout this our people's dedication, expertise and agile approach ensured successful delivery across the portfolio, examples of which are in the case studies below.

Supporting Machinery of Government changes

Between May and September 2023, we demonstrated our extensive technical competence and agility, developing new systems and tools to successfully deliver various on and off boarding to the new departments and the complex creation and go live of new financial ledgers for DBT, DSIT and DESNZ.

3 new departments created

12,000 people successfully transitioned

Transferring people under TUPE

fDIT brought in-house its Trade Advisory Service, a network of international trade advisers.

UKSBS delivered the transfer of 334 employees from 18 organisations with 21 different sets of terms and conditions, into fDIT within 2 months of receiving the detailed requirements.

“a fantastic collaborative piece of work.”

Transforming Service Delivery with Data as a Service

Our data experts joined forces with colleagues in DESNZ to develop a new approach to using our data to create meaningful performance data. The aim was to explore data transformation and remove unnecessary processes and resources needed to bring together the data sets.

This initiative improved data offerings for UKSBS system users. It enhances processing speed, report accuracy, data security, and the volume of accessible information.



Our change management governance framework effectively connects strategy to delivery, ensuring that all change activities are actively managed in a controlled, governed, and efficient manner, with full transparency and visibility.

Business Agility

UKSBS continues to embrace agility across the organisation. As well as implementing SAFe, we introduced, with the support of our Managed Service Partners, PwC the award winning Perform Plus operational excellence approach across our operational service areas as part of our Transformation programme. This programme has been instrumental in enhancing staff engagement and empowerment, driving increase productivity through the adoption of new ways of working. These have all significantly improved our ability to better service our clients and users which is demonstrated through benefits realised.

Leadership

We continue to train and develop our leadership team in agile and business agility practices as part of our ongoing transformation and recruit the very best of talent to enhance our teams. A key aspect of our progress has been the unification of our leadership approach to delivering change and fostering innovation. Our Senior Leadership Group work together in a cohesive and collaborative environment that drives consistency and impacts value outcomes. This unified approach ensures that all levels of the organisation are working together towards common goals, enhancing our capacity for innovation and future requirements for the services we provide.

Strategic report

Lean Agile Centre of Excellence

The implementation of the Scaled Agile Framework (SAFe) and established Centre of Excellence continues to support teams in their Agile journey. This Centre is staffed with dedicated skilled and expert Agile practitioners who provide comprehensive training, coaching, and support, enabling the embedding of business agility across the organisation. These efforts are designed to complement our existing delivery methodologies, ensuring we remain at the forefront of change management and continue to deliver exceptional value to our clients and stakeholders.

Business Change Team

This year we successfully implemented a dedicated Business Change Team to support end-to-end change initiatives for our clients and users, marking a significant milestone in our commitment to delivering sustainable and lasting value. This team has played a crucial role in ensuring that change is not only efficiently executed but also effectively embedded within the organisation, supporting the ability for enhanced benefit realisation. By providing continuous support within our major programmes throughout the change process, the team has enabled us to address potential challenges proactively, driving smoother transitions and fostering a culture of adaptability. This approach has been instrumental in maximising the impact of the initiatives, ensuring that the intended benefits can be realised and sustained over long term.

Lean Portfolio Management

Building on the strong foundation of our existing practices and governance model, we continue to progress beyond traditional PPM approaches by transitioning to Lean Portfolio Management. This began in April 2023 with a full review of the governance of change, the process of change, alongside our supporting tooling and reporting. A revised and more streamlined approach will be finalised and implemented in 2024/25, enabling us to focus more on defining outcomes rather than merely delivering outputs, thereby maximising the throughput of value and accelerating the delivery of emerging solutions to achieve early value.

Strategic Onboarding Team

Introduced as part of our Partnership & Change offer in 2023 and to support our future client requirements, the Strategic Onboarding Services team are a cornerstone of our commitment to ensuring seamless integration and success for new clients joining our shared services ecosystem. Tailored to meet the unique needs of each client, our team is designed to support smooth transition, minimising disruption and accelerating time to value. By fostering strong partnerships from the outset, we ensure that new clients not only feel supported but are empowered to achieve their strategic objectives with confidence as well as supporting the comprehensive requirements of any MOG programme of works.

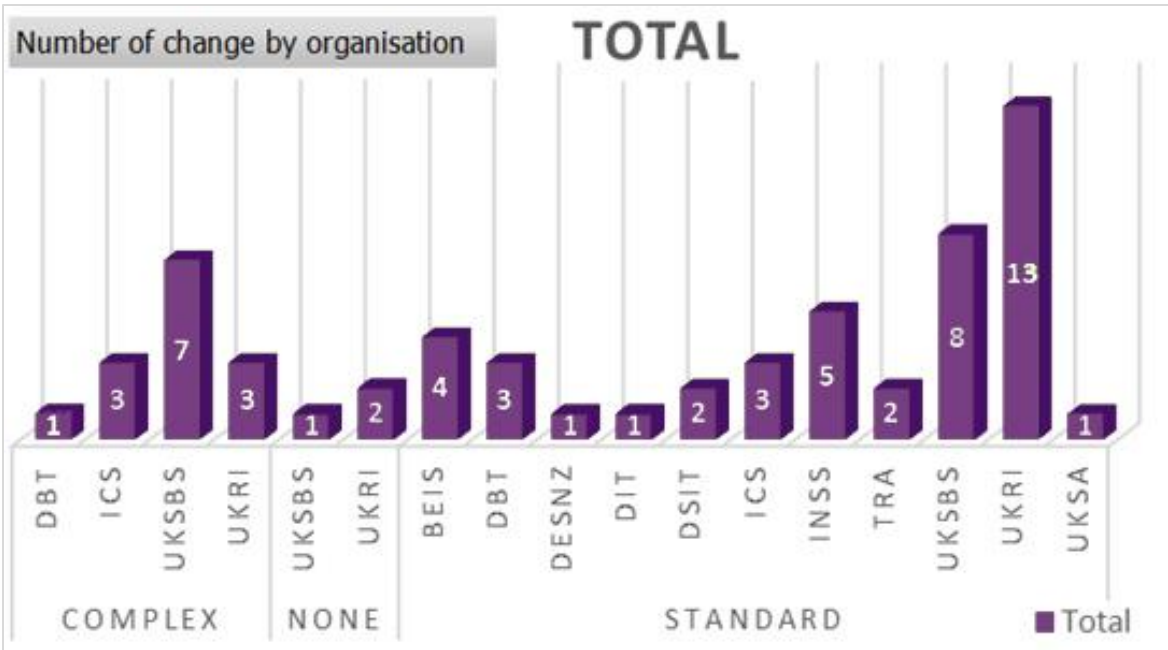
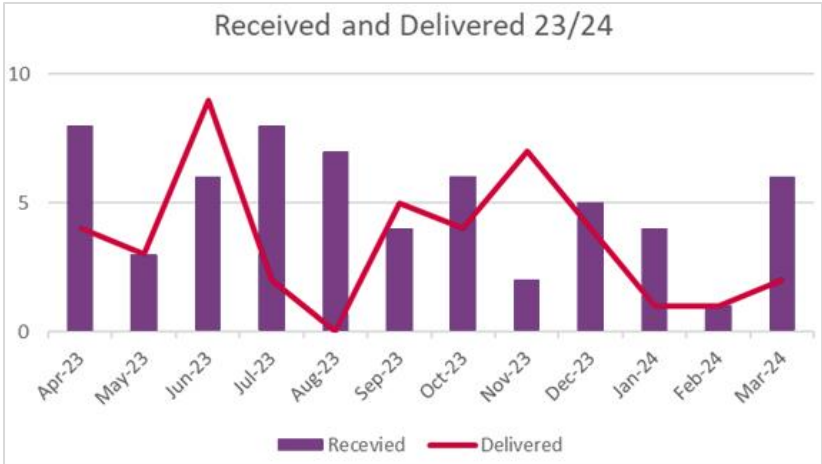
Strategic report

Change Requests

With the complexity and requirements of the three major programmes, one of which itself was a platform upgrade and other strategic programmes being delivered by UKSBS during 2023/24, change requests reduced by 25% from the previous year to 60 for 2023/24. Our clients supported this by ensuring high priority or legislative changes were put through on the BOE system.

However, delivering 60 is still a significant number. The majority of these requests were of a more standard nature with less complexity, enabling our more complex change requests to be managed more efficiently. The numbers of change requests raised and delivered in 2023/24 are shown below.

Changes received by organisation are shown on the graph below and broken down into complex and standard change. The reduction in complex change recognises the BOE system upgrade project and the delivery of the Machine of Government Changes which were delivered by P&C expert resource supplemented where required with specialist roles.



Strategic report

Transformation Programme

Our ongoing transformation programme represents a significant leap forward in our commitment to excellence, innovation and client and user satisfaction. Through strategic partnerships, unified leadership and the adoption of market leading methodologies such as SAFe, we are not only enhancing our operational efficiency but also laying a robust foundation for sustainable growth. Rebased during in 2023, to take account of our emerging update Business Plan and recognising our status within the Matrix Programme, the programme is designed around 5 key areas of Transformation focusing on the organisations maturity and future innovation to support our business objectives.

User and client experience

We will be providing a highly-rated customer experience, underpinned by an effective partnership approach and a deep understanding of the customer journey to drive improved customer satisfaction, quality and innovation.

Service excellence

We will have delivered a step change in both service quality and the cost to serve, establishing practices that continually improve efficiency and performance and drive continuous improvement.

Cost Effectiveness and Transparency

We will be providing full transparency of the cost to serve, enabling better informed service design, change and innovation and enhanced partner dialogue.

Organisational design

We will have optimised the organisation with the right structure in the right locations to deliver an efficient service and support the attraction and retention of talent.

Engaged workforce

Targeted investment in our people will have delivered a step change in performance through an engaged and motivated workforce that has the right capabilities and skills.

Strategic report

Our People

Our employees are essential to all that we do, and we work together to deliver our key objectives. This year, in meeting the requirements of our clients, UKSBS has steadily increased its headcount, beginning with 639 (600 FTE) (excluding contractors) and finishing with 678 (640 FTE).

UKSBS continues to embed its Values and Behaviours in all that the organisation seeks to achieve alongside ensuring an inclusive and supporting working environment is provided.



The Board endorsed an ambitious People Strategy 2023-28 which, at its heart aims to leverage our public sector values and to build on our flexible, caring and creative environment so that we grow and retain people who feel empowered to make a difference for our clients in support of the UK society and economy. This means we plan to continually evolve how we address three inter-related challenges, as below.

Strategic report



An effectiveness challenge – right resources, right skills, right price:

To maintain and act upon our data-driven, strategic workforce plan to deliver the capacity and capability for tomorrow's challenges.

To build a centre of excellence for shared service education to leverage both early career and mature entry opportunities to grow and retain talent with an enduring focus on service quality, innovation and continuous improvement.

To evolve our reward strategy to cost effectively ensure we can reward the application of acquired competencies to retain talent in the public sector.

An engagement challenge – right attitudes, right behaviours, right results:

To ensure a diverse workforce and an inclusive flexible workplace, where employees are valued and feel involved, informed and motivated to support each other in delivering value to our clients and owners.

A leadership challenge – right people, right capabilities, right capacity:

To build and maintain a talented and professional leadership cadre that looks to the future in setting an organisational vision and plans to continually evolve UKSBS capabilities and right-size capacity.

Our corporate People Team resource has been bolstered over the last quarter of 2023 – building our strategic capability – which will drive forward our ambitious plans at greater pace, and acknowledging that progress has been slower than originally anticipated.

Strategic report

Diversity

At 31 March 2024, the numbers of men and women in the Company were as follows:

	Men	Women
Board (exc the CEO)	3	3
Executive Team (inc the CEO)	4	3
Employees (exc Exec Team)	251	381

Current reporting requirements stipulate that data is reported in a binary way, this does not currently take into account non-binary or other identities.

At 31 March 2024 the proportion of employees who have elected to be identified as being from an ethnic minority is currently 6.5% (2022/23: 7.3%).

UKSBS publishes its [Gender and Ethnicity Pay Gap](#) report annually on the UKSBS website. This includes an action plan that is linked to a wider Equality, Diversity and Inclusion Strategy. The gender pay gap is the difference in the average pay between men and women in an organisation over a period of time no matter what the role is. In March 2023, when comparing mean (average) hourly pay, women's mean hourly pay is 17.6% lower than men's (18.5% in March 2022). While the decrease in the gender pay gap is marginal, the number of female new starter employees has increased in all but the Lower Middle Quartile coupled with promotions of existing employees.

Employee Health

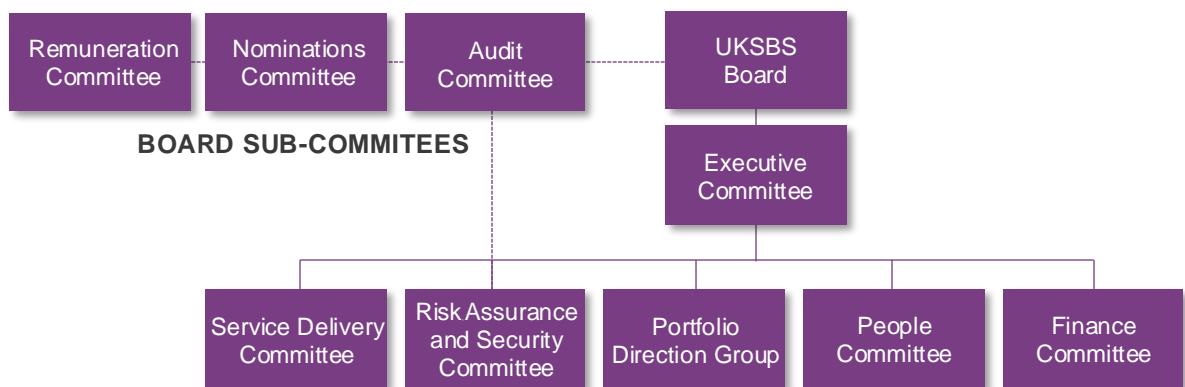
During 2023/24 the average number of working days lost through recorded sickness absence was 3.5% (2022/23: 3.0%).



Strategic report

Internal Governance

The internal governance structure includes the Portfolio Direction Group, the Risk, Assurance and Security Committee, the Service Delivery Committee and the People Committee. A new Finance Committee was established in June 2024. All of the Committees have clear terms of reference that are reviewed annually and provide support to the Executive Committee on specific matters, with escalations up to as and when Exec when required.



The Strategic Leadership Group meets regularly with the Executive, to ensure two-way engagement on priorities and future planning for the organisation.

Further information on the Executive structure and Committees can be found in the Annual Governance Statement on page 41.



Strategic report



Data Protection Act 2018 and Information Security

UKSBS continues to put the maintenance, security and integrity of data at the heart of the organisation's activities. Our internal programme, Securing our Data and Reputation (SoDaR), which brought together key activities to provide a holistic view of data management across the Company was successfully completed.

There remains a focus on maintaining the strong culture of good data and information management, which is supported by a

continued focus on education and training of employees and ensuring legacy data is appropriately handled. UKSBS retained its ISO 27001 certification.

UKSBS recognises working towards full implementation of the legislative requirements must remain cognisant of current technical barriers. The Audit Committee receive regular updates on areas of potential non-compliance and the mitigating actions in place.

Strategic report

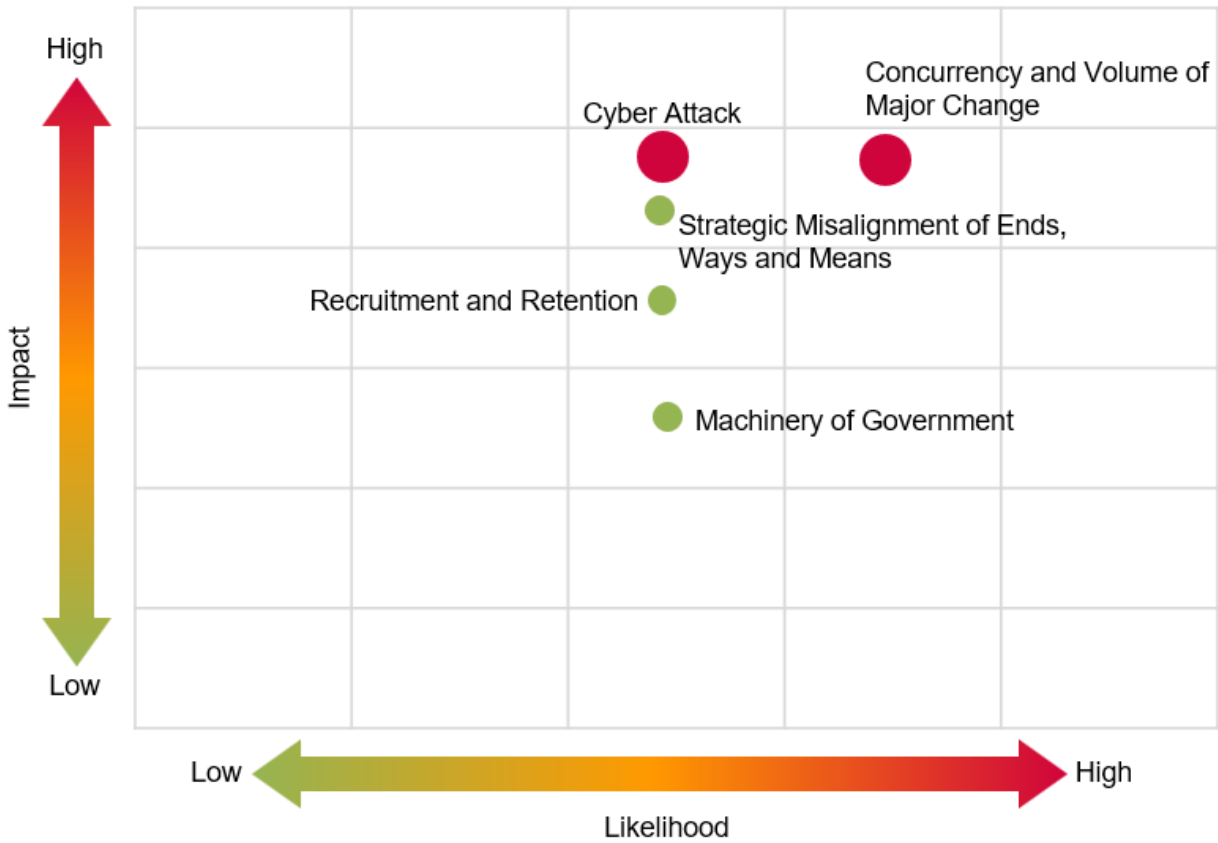
Managing Risks and Controls

The Government Internal Audit Agency (GIAA) continues to provide the Company's internal audit function and in 2023/24 undertook ten audits. An overall assurance opinion of 'Moderate' was issued by the GIAA Head of Internal Audit, reflecting the results of audits which have consistently demonstrated continued effective operation of the Company's governance and risk management processes.

The GIAA Head of Internal Audit's annual report is summarised in the Annual Governance Statement.

The Company's Corporate Risk Register (CRR) is reviewed at every Board and Audit Committee meeting. Each major team maintains its own risk register, capturing risks to team-specific activity and objectives, as well as a procedural-driven Risk and Control framework. Processes are in place to escalate risks from team risk register to the CRR when necessary.

Risk profile end of Mar 2024 – key risks only



Strategic report

The main differences seen in our active risk profile between April 2023 and March 2024 are as follows:

Closed risks

2023/24 saw a reduction in risk profile from 12 to nine active risks with the following in place to close three risks.

- The Hybrid working policy helped to mitigate the impact of broader industrial strikes.
- Close working relationships with the Client key stakeholders to ascertain and cover programme scope and funding to cover UKRI SBF and Data Programmes.
- Contract extensions to cover the timelines for implementation of the SHARP programme and BOE upgrade..

Risks out of tolerance

Cyber risks are evolving but the mitigations have increased in proportion to the risk.

Improvements to Vulnerability Management, third party review on Security Incident and Event Monitoring (SIEM) solution and GIAA audits focusing on Cyber are in place. Cyber Essentials Plus for Windows 11 environment and Cyber Essentials Certification for end user devices have been achieved. Network Simplification continues and phishing simulation exercises are carried out to increase employee awareness.

Strategic planning continues to assess the risk of Major programmes and budget discussions are in place to secure the 2024/25 BAU and Programme funding. Changes in the funding landscape to accommodate the Major Programmes and the impact of the Machinery of Government (MoG) Changes has increased the Concurrency and Volume of Major Change risk.



Risks in tolerance

MoG moved from an issue to a risk during the year. Onboarding of the new clients and staff has been successful.

Delivery of improved candidate attraction methodologies, delivery of candidate and line manager experience improvements in training have been in place to manage the dip in recruitment and retention.

Risk response plans for red risks have been developed and actions will continue throughout the year to continue to mitigate these evolving and continuing risks.

Further information on UKSBS risks and internal control management can be found within the Annual Governance Statement on page 41-51.

Strategic report

Managing our Footprint – Sustainability Report

During 2022/23, sustainability consultancy, 3ADAPT, was commissioned to initiate the development of a Corporate Social Responsibility Strategy. The resulting action plan continues to be taken forward in 2024/25.

UKSBS operates over three sites: Polaris House, Swindon (Head Office), Concept House, Newport and Queensway House, Billingham. All sites are owned or managed by third parties (Government Property Agency or Local Authority). The Company complies with energy, water and waste management measures in operation at each site. The breakdown of energy consumption and waste generated at each site, based on % footprint occupied by UKSBS within the respective buildings, is outlined in the tables below, by site. Our carbon footprint is generated primarily from heating and lighting UKSBS accommodation, powering our IT infrastructure and from business travel.

Both Polaris House and Concept House are shared premises occupied by other public sector organisations. These buildings have been awarded ISO14001 accreditation. ISO14001 is a set of standards to clarify best practice for reducing environmental footprint by adopting an effective environmental management system. Since September 2024, UKSBS is the only tenant in Queensway House.

During the year we clarified our expectations for hybrid working at UKSBS. Whilst our people are able to decide where best to spend 80% of their time according to the needs of themselves and their role, at least one day per week will be spent onsite with colleagues. The figures in the tables below do not include any emissions or waste from employees working from home.



Strategic report

Energy

Electricity

In 2023/24 our total electricity usage was 447,244 kWh across our three sites. This shows a reduction against the previous year, due in large part to a reduction in our footprint across Concept House. Usage by headcount continues to fall. 79% of the electricity is supplied through a renewables tariff (Polaris House).

Electricity usage (kWh)	2021-22	2022-23	2023-24
Total	426,957	460,993	447,244
Polaris House, Swindon	336,198	340,146	354,291
Concept House, Newport	75,349	74,132	43,591
Queensway House, Billingham	15,410	46,712	49,362

Electricity usage (kWh) per employee per year ¹	2021-22	2022-23	2023-24
Whole Estate	684.2	680.9	633.9
Polaris House, Swindon	701.9	626.4	642.1
Concept House, Newport	1027.7	1029.6	506.6
Queensway House, Billingham	285.4	753.4	728.5

Electricity usage (kg CO ₂ e) ²	2021-22	2022-23	2023-24
Total	88,410	95,458	92,610
Polaris House, Swindon	69,617	70,435	73,363
Concept House, Newport	15,602	15,350	9,026
Queensway House, Billingham	3,191	9,673	10,221

Gas

Over the same period our total gas usage was 357,565 kWh across our three sites. The total usage has declined in Swindon and Billingham. There is a significant increase in the attributed gas consumption in Newport. This is a result of the resolution of previous issues with the metering system and points to an under reporting of usage in 2021/22 and 2022/23.

Gas usage (kWh)	2021-22	2022-23	2023-24
Total	302,696	307,385	357,565
Polaris House, Swindon	229,795	202,945	181,891
Concept House, Newport	4,348	4,219	80,514
Queensway House, Billingham	68,553	100,221	95,148

Gas usage (kWh) per employee per year ¹	2021-22	2022-23	2023-24
Whole Estate	485.1	454.0	506.8
Polaris House, Swindon	479.7	373.7	329.7
Concept House, Newport	59.3	58.6	935.7
Queensway House, Billingham	1269.5	1616.5	1404.2

1. Unit per employee per year is based on employee and contractor numbers in March 2024

2. CO₂e emissions have been calculated using a simple conversion factor provided by the Carbon Trust.

Strategic report

Gas

Gas usage (kg CO ₂ e) ²	2021-22	2022-23	2023-24
Whole Estate	55,371	56,230	65,406
Polaris House, Swindon	42,036	37,125	33,273
Concept House, Newport	795	772	14,728
Queensway House, Billingham	12,540	18,333	17,405

Waste minimisation and finite resource consumption

Water

Usage of mains water is falling at Concept House as this building is set up to harvest water where possible. Overall consumption has increased at both Queensway House and Polaris House, reflecting increased attendance.

Water usage (M ³)	2021-22	2022-23	2023-24
Total	1,312	1,992	2,427
Polaris House, Swindon	694	1,327	1,722
Concept House, Newport	272	140	112
Queensway House, Billingham	346	525	592

Water usage (M ³) per employee per year ¹	2021-22	2022-23	2023-24
Whole Estate	2.10	2.94	3.44
Polaris House, Swindon	1.45	2.44	3.14
Concept House, Newport	3.70	1.94	1.30
Queensway House, Billingham	6.40	8.47	8.74

Office Waste

Overall, our office waste has increased since 2021/22 as more people are attending the office space.

Waste (tonnes)	2021-22	2022-23	2023-24
Total	22.54	25.02	25.61
Polaris House, Swindon	10.36	14.63	16.84
Concept House, Newport	5.00	5.76	4.15
Queensway House, Billingham	7.18	4.63	4.63

Total Waste (tonnes) per employee per year ¹	2021-22	2022-23	2023-24
Whole Estate	0.038	0.037	0.035
Polaris House, Swindon	N/A	0.019	0.031
Concept House, Newport	N/A	0.080	0.048
Queensway House, Billingham	N/A	0.075	0.053

1. Unit per employee per year is based on employee and contractor numbers in March 2024
2. CO₂e emissions have been calculated using a simple conversion factor provided by the Carbon Trust.

Strategic report

Paper

The Company uses A4 and A3 paper that is 75% recycled (made from post-consumer waste using low CO2 production methods).

e-Waste

UKSBS makes a distinction between electronic assets (equipment handling data such as infrastructure laptops and mobile phones) and consumables (eg keyboards, mice and monitors). There was no disposal of electronic assets during 2023/24. All UKSBS electronic consumables were disposed of securely and in an environmentally friendly way in line with the WEEE Directive.

UKSBS has been a member of the UKRI PC recycling scheme since its inception a couple of years ago. The scheme has sold or donated more than 5,000 devices to schools, charities, refugees and colleagues. At least 36 UKSBS colleagues have benefitted from this scheme, purchasing around 70 devices. Since these devices are recycled products, they don't end up in landfill sites, helping to reduce environmental damage.

Carbon Impacts of ICT and Digital Technology

During 2023, UKSBS successfully moved its Disaster Recovery servers to the Government ARK, which provides a carbon-neutral solution. Subject to funding, we hope to move our Polaris House Data Centre across to the ARK in the future.

As with many other companies, we are conscious that the move to greater use of digital and AI technology will have an impact on our carbon footprint and this will be a consideration as we develop our Enabling Technology and AI Strategies.

Travel

UKSBS has embraced hybrid working since April 2022, making use of effective videoconferencing and collaborative technology to allow our people to work from home and avoid unnecessary travel between office buildings. We also make full use of appropriate communication tools to ensure that we are able to engage with stakeholders through relevant channels.

Business travel by UKSBS employees fell dramatically in 2020/21 due to the COVID pandemic. There was a slight increase in travel in 2023/24 compared with the previous year, but the overall distance travelled remains considerably lower compared to pre-COVID levels. In 2023/24, our people travelled approximately 220,000km on company business. Rail and car travel make up the bulk of the distance travelled, with domestic flights accounting for 8,000km travelled.



Biodiversity

UKSBS is not responsible for any outside space and therefore does not have its own biodiversity plan. However, we were pleased to take part in a Polaris House Bioblitz event, which was an opportunity to do a census of the biodiversity around the site. This contributed to a Polaris House Enhancement Strategy report commissioned by UKRI. We look forward to being fully engaged in taking this forward in partnership with the Estate Manager and Office Tenants.

Strategic report

Section 172 Reporting

The Directors are bound by their duties under the Companies Act 2006 (the Act) and the manner in which these have been discharged, particularly their duty to promote the success of the Company for the benefit of its members as a whole. Whilst UKSBS is not required to report under the UK Corporate Governance Code 2024, it is considered to be a large private company under the Act and this section reflects some of the key themes of the new governance and reporting regulations.

As a Public Contract Regulations (PCR) Regulation 12 Company, there is a unique relationship between the Board and Shareholders, with owner-nominated representatives appointed to the Board alongside independent directors.

The Board recognises the importance of a continuing effective dialogue with Shareholders and the sharing of relevant information to ensure that the strategy and objectives of the Company are clearly articulated and understood by all by way of owners group meetings. This also allows for the opportunity for feedback and to address any questions or issues raised and for all members to be treated fairly.

The directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to the CEO, Executive Team and other employees of the Company. The wider impacts of any decisions taken are considered and underpinned by the culture, values, behaviours and standards exhibited within the organisation.

Risk Management, Governance and Decision-Making

UKSBS provides a range of critical services to our clients, in particular the payment of suppliers, people and grants. It is vital that the Company continually identifies, evaluates, manages and mitigates risks. Further information on the risks faced by the Company and how they are managed can be found within the Directors' Report and the Annual Governance Statement.

Each year, the Board undertakes a review of the UKSBS Business Plan. Once agreed by the Board and Shareholders, this sets the strategic direction for the Company and provides the basis for resourcing plans and financial budgets.

In the development of the Business Plan, the Board has regard to a variety of matters including the interests of various stakeholders and the long-term reputational effects of decisions taken. The CEO is responsible for delivering the agreed strategic Business Plan, with authority delegated to the Executive team as appropriate to make decisions subject to the values of the Company.

The Board receives regular reports from across the business on performance, financing and the implementation of strategy, as well as updates on external factors, including this year the cost of living crisis and the general election. These factors feed into discussions on strategy and setting priorities to ensure that the potential impact of decisions, particularly in the long-term, are understood and considered.

Strategic report

Our people

The employees of UKSBS are its most valuable asset and are central to the long-term success of the Company. The culture, values, behaviours and standards underpin the way in which UKSBS delivers service and are the key elements to maintaining a high standard of business conduct and quality services. The Board supports the CEO in embedding the right culture to deliver long-term success. The Board sets the Company values; these were refreshed in 2019, driven by our employees' voices and views through workshops and facilitated sessions. An annual employee engagement survey, supported by 'pulse' surveys throughout the year, regularly elicits employees' views on the direction of the Company, how it is being led and the overall working environment, providing valuable insights for improvement activity. The Board receives summary results of these surveys and reviews and agrees the UKSBS Code of Conduct policy on an annual basis.

All employees participate in an annual performance review with a focus on objectives and achievements at the beginning of the year and a focus on identifying relevant opportunities for career development at the half-year. The performance framework reflects the Company's values and behaviours. Workforce planning ensures that the impacts of change programmes is reflected in resourcing activity to equip the organisation with the right skills and talent to deliver success in the future.

Further information on our people, diversity, values, culture and engagement with the Trade Unions can be found on pages 23 and 25, and within the Directors' Report.

Relationships with Clients

Our biggest clients are our owners; the fundamental principle for the existence of UKSBS is to provide effective and efficient shared business services to its clients. UKSBS does not seek to make a profit and operates on a cost-recovery basis. The Company has embedded a partnered approach in its relationships with clients in a Partnership Services Agreement agreed by the Board and clients in May 2024. The Agreement is underpinned by a client engagement boards and functional service review meetings. Building trusted partnerships through ongoing dialogue and share learnings helps us to better understand the needs of our partners.

Client and customer (end-user) feedback and satisfaction scores are collected and shared with clients to inform continuous service improvement priorities. Key Performance Indicators (KPIs), annually agreed with clients, provide the information required to make accurate deductions of service performance. Key Service Indicators (KSIs), that are focussed on key UKSBS process steps, are closely monitored and acted upon.

Further information on client relationships and interactions can be found within the Annual Governance Statement.

Strategic report

Communities and the Environment

The Board approves the Corporate Social Responsibility (CSR) policy as part of its annual governance review. Given the priority placed by our owners and clients on achieving net zero and the wider sustainability agenda, UKSBS continues to develop its approach to this important issue through designing and implementing a CSR action plan that will be woven into the organisation's activities.

Details on further environmental considerations can be found on pages 28 and 31.

Focusing on the Future

UKSBS is committed to working in partnership with our owners to grow the business and provide value to the UK public sector through providing modern, stable, efficient and effective services. Increasing agility and adaptability will ensure responsiveness to clients' changing requirements and UKSBS will continue to transform its capacity and capability alongside modernising and replacing the underlying technology platforms. UKSBS will continue to work with and support all owners in the development of their new solution programmes whilst building upon the strong working relationships already formed with our clients to continue to meet their service delivery expectations both now and in the future.

For and on behalf of the Board



Richard Semple,
Chief Executive Officer
UK Shared Business Services Ltd

Date: 24 October 2024



Directors' report



UK Shared Business Services Ltd is a company limited by shares providing a range of services to its Shareholders, all of which are public bodies. Whilst supporting our owners to implement their major change programmes and undergoing our own transformation agenda, our prime objectives remain the same – to deliver efficient, effective and value for money services. On 7 February 2023, the government announced a Machinery of Government (MoG) change to include the creation of three new government departments and the dissolution of BEIS.

Confirmation was received on 3rd May 2023 that the sponsorship of UKSBS would transfer from BEIS to the Department for Science,

Innovation and Technology (DSIT), along with the shares previously held by BEIS. During July 2023, the ownership of the Company was expanded to include the Department for Energy Security and Net Zero (DESNZ), and the Department of Business and Trade (DBT). All relevant documentation, including the constitutional documents and framework agreement, were updated in July 2023 to reflect the changes in ownership.

Further details on the ownership of UKSBS can be found within the Annual Governance Statement on pages 41-51.

The Board of Directors

The majority of Board members are appointed from owner organisations to comply with Regulation 12 of the Public Contracts Regulations 2015, the framework through which UKSBS provides services to its owners.

The following table identifies all the Company Directors that held office during the accounting period, and later to the date of the report. The changes to ownership of the Company during July 2023 led to some changes in Board membership.

	Date Appointed	In post/date resigned
Chair		
John Clarke ¹	16 June 2021	In post
Executive Directors		
Richard Semple	1 May 2018	In post
Non-Executive Directors		
Graham McAlister	1 April 2018	In post
Alice Hurrell	27 September 2018	Resigned 27 July 2023
Nick Sammons	30 March 2021	Resigned 25 May 2023
Katrina Nevin-Ridley	29 September 2022	In post
Louise Mackin	1 March 2023	Resigned 19 January 2024
Helen Mills	27 July 2023	In post
Bidesh Sarkar	27 July 2023	In post
David Thomas	27 July 2023	In post
Sarah Finigan	20 March 2024	In post
Michele Hughes	30 November 2023	In post

In 2024, the Board completed a skills matrix table to understand the range of skills and knowledge on the Board and identify any gaps to be filled when considering future recruitment / nominations.

Directors' report

Meetings of the Board and its Committees

The Company's governance structure and composition and operation of the Board are described within the Annual Governance Statement on pages 41-51, which forms part of this Directors' Report.

The Board meets formally every other month. Meeting frequency, membership and focus of each of the Board Committees is set out below:

Audit Committee

The Audit Committee meets five times a year. In 2023/24, the Committee was attended by Graham McAlister, Tim Sparrow (co-opted member, appointed 29 September 2022) and Michele Hughes (since November 2023). The Audit Committee meetings are also attended by external (National Audit Office (NAO)) and internal (GIAA) audit. Throughout the year, the Committee's work included, inter alia, approving the internal audit plan and receiving all completed audit reports, reviewing Corporate and Departmental risk registers, monitoring the implementation of audit recommendations, providing assurance to the Board on the effectiveness of risk managements controls and systems and reviewing reports of fraud and whistleblowing policies.

Remuneration and/or Nominations Committee

The Board meets as the Remuneration and/or Nominations Committee as and when required to consider and advise the Board on remuneration and terms of conditions for Executive and Non-Executive Directors. The Board met as the Nomination Committee in May 2023 to consider the findings of the Board Skills Matrix, and as the Remuneration Committee in July 2023 to approve the annual pay settlement proposal.

Independent Directors

In accordance with the Company's constitutional documents that were agreed by Shareholders in August 2018 and revised in July 2023, all independent Non-Executive Directors and Executive Directors are appointed by unanimous decision of the Shareholders. Owner-nominated Non-Executive Directors are appointed by unanimous decision of the Board.

For the period 1 April 2023 – 31 March 2024, those Non-Executive Directors considered by the Board to be independent were John Clarke, Graham McAlister and Michele Hughes. Graham McAlister's term is due to end in March 2025; a recruitment campaign has taken place and a replacement independent NED has been selected ahead of formal appointment next year.

Directors' report

Performance Evaluation of the Board

The Board Performance evaluation took place in the winter of 2023/24, the key outcomes of which can be found within the Annual Governance Statement on pages 41-51. The Audit Committee also undertook an annual review of its effectiveness and individual Committee members' performance.

The Board last underwent an external performance evaluation in 2022/23 in alignment with good practice guidelines.

Dividends

No dividends were paid on ordinary shares during the period and the Directors do not recommend a payment of a final ordinary dividend.

Political and Charitable Contributions

The Company made no political donations or incurred any political expenditure during the period. The Company made no charitable donations during the period.

Employment of Disabled People

UKSBS is an accredited *Disability Confident* employer. The company is committed to fostering an inclusive environment, representative of a diverse workforce and the communities we operate in. The contributions of all employees are recognised and valued and everyone has an equal chance to succeed.

The Company's Inclusiveness Policy applies to all aspects of employment, including recruitment, terms and conditions of work, training and development, promotion, performance management, grievance, discipline and treatment of workers when their contract of employment ends.

In 2023, UKSBS partnered with *Inclusive Employers*, experts in workplace inclusion to further evolve our strategy and approach to inclusion in the workplace.



Directors' report



Employee Communications and Engagement

UKSBS has a number of established communication channels in place to ensure that any information on matters of concern to our employees is communicated clearly, effectively and timely. Internal channels focused on employees include face-to-face engagement, Town Halls, emails, instant messaging, videoconferencing, TV screens, the intranet, posters and printed materials. The Communications Team is responsible for maintaining the Communications Policy and guidance and dissemination of information via the appropriate channels.

The Trade Union (TU) is consulted when considering any policy changes or decisions that may affect UKSBS employees.

Regular meetings take place between Corporate People Team, the CEO and the TU to share updates on the strategic direction of the Company, operational / business-as-usual information and to ensure the views of the employees are considered when making decisions that may affect their interests.

Slavery and Human Trafficking Statement

In accordance with Section 54 of the Modern Slavery Act 2015, the UKSBS statement on slavery and human trafficking as agreed by the Board has been published on the UKSBS website.

Directors' report

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' report, the strategic 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 UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements comply with UK-adopted international accounting standards in conformity with the requirements of the CA 2006, subject to any material departures disclosed and explained in the financial statements;
- 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 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 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 preventing and detecting fraud and other irregularities.

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

Directors' report

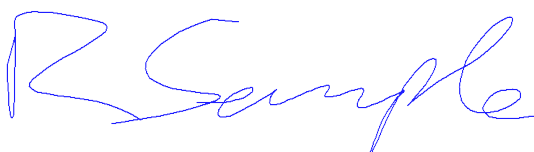
Statement as to Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The Comptroller and Auditor General (National Audit Office) was re-appointed as auditor during the period, under Section 487 of the Companies Act 2006.

For and on behalf of the Board



Richard Semple, Chief Executive Officer,

UK Shared Business Services Ltd

Date: 24 October 2024 Date: 14 October 2024



Annual Governance Statement 2023/24

The Board of UK Shared Business Services Limited (UKSBS) is accountable to shareholders for the corporate governance arrangements and internal control framework deployed to ensure that the Company complies with relevant legislation. UKSBS is a private company limited by shares but it is also a public body, and as such is required to comply with applicable Government and Departmental policies, instructions and guidance. Key is compliance with Managing Public Money to ensure that public money is safeguarded, properly accounted for and used economically and effectively.

The Board has delegated responsibility for the preparation of this Annual Governance Statement to the UKSBS Chief Executive, who is also a director of the Company and the UKSBS Accounting Officer. The Statement has been signed by the Chief Executive on behalf of the Board following their review and with their agreement.

The Purpose of the Annual Governance Statement

The Annual Governance Statement forms part of the Company's Annual Report and Accounts, as a record of the stewardship of the Company by the Board and the Executive. It outlines the Company's governance, business and control structures, and highlights changes implemented and challenges addressed during the year.

Corporate Governance Framework

UKSBS is a private company limited by shares wholly owned by the Secretary of State for each of the Department for Science, Innovation and Technology (DSIT), the Department for Energy Security and Net Zero (DESNZ), the Department for Business and Trade (DBT), and by United Kingdom Research and Innovation (UKRI). It is classified as within the public sector and operates as a Public Contract Regulations 2015 (PCR 2015) Regulation 12 entity.

UKSBS continues to be classified as a Non-Departmental Public Body (NDPB). The Cabinet Office confirmed they were comfortable with this classification within the period of the previous Statement, having considered some areas of partial compliance, and no notification of a change in this position has been received by the Company.

Annual Governance Statement 2023/24

By an announcement made on 23 February 2023 by the Prime Minister, the Secretaries of State for the above-named departments were created, and on 4 April 2023 the Privy Council made The Secretaries of State for Energy Security and Net Zero, for Science Innovation and Technology, for Business and Trade and for Culture, Media and Sport and the Transfer of Functions (National Security and Investment Act 2021 etc) Order 2023, under which the property formerly owned by the Secretary of State for Business, Energy and Industrial Strategy was transferred to the new Secretaries of State, and a Ministerial Certificate was executed on 13 July 2023 implementing the Order in respect of the share capital of UKSBS.

In accordance with the Articles and Shareholders' Agreement then in force, shareholder and Board approval was sought for the implementation of the transfers of shares in the capital of the Company pursuant to the above Machinery of Government (MoG) changes. The Board approved the proposed changes in principle on 25 May 2023. Shareholder approval was given on 17 July 2023. The 2023 Shareholders' Agreement took effect and the Secretaries of State for DSIT, DESNZ and DBT became shareholders in the Company on 17 July 2023, and the Board noted the share capital changes and approved the consequent director appointments on 27 July 2023.

As of the date of this Statement, the share capital of UKSBS is held as follows:

Shareholder	Share Class	Number of Shares
The Secretary of State for Science, Innovation and Technology	Deferred £1.00	4
	Non Voting £1.00	62,016,358
	Sponsor £1.00	1
The Secretary of State for Business and Trade	GD £1.00	1
The Secretary of State for Energy Security and Net Zero	GD £1.00	1
UK Research and Innovation	NGD £1.00	9

The corporate governance framework, in conjunction with the constitutional documents, is central to the governance of the Company in practice, and includes Board and Audit Committee terms of reference, a corporate scheme of delegation, corporate policies, the Partnership Services Agreement (PSA) and the Sponsorship Framework document which is in the process of being updated to reflect DSIT as the new sponsor department.

Annual Governance Statement 2023/24

Change Programmes

UKSBS has been managing a significant volume of change across the business, and in partnership with client-led Programmes. An update on major change programmes is provided at each Board meeting.

UKSBS was confirmed as the shared service centre (SSC) for the Matrix Programme in April 2024 following successful approval of Programme Business Case 2 (PBC2). UKSBS provided input into PBC2 at each stage of its development. The Matrix Transformation Strategy provides the basis for the Service workstream through 2024 and this was agreed by the Matrix Steering Group on 18 December 2023. Following confirmation of UKSBS as the Matrix Programme SSC, it has mobilised resource across the business geared to the successful implementation of the Strategy, worked with Matrix colleagues to identify the most appropriate UKSBS deliverables, contributed to pre- and post-negotiation briefings in support of commercial negotiations and to the Transformation and Communications & Engagement workstreams. Governance oversight of UKSBS Matrix activity has been established at Executive level and in an internal Matrix PMO function.

The go live date for the UKRI Services for HR, Accounting, Reporting and Procurement (SHARP) Programme has been delayed from April 2024 to an unspecified future date, which UKSBS understands is most likely to fall in the October to December 2024 timeframe. UKSBS, UKRI and third party contractors have conducted programme replanning, aimed at resolving challenges associated with data cleansing, migration and assurance, and a revised go live date cannot be confirmed until the replan is complete.

UKSBS has activated contingency plans to run on the Research Council Oracle Estate (ROE); however, market support for the infrastructure will cease at the end of 2024 and the Board are keenly aware that successful completion of SHARP within the 2024 calendar year is therefore of strategic importance to the business. The present delay itself has heightened the risk around concurrency and volume of major change, and strategic misalignment of ends, ways and means. These risks have been referred to frequently in Board and Audit Committee discussion of major change programme matters.

The upgrade of the BEIS Oracle Estate (BOE) is on track for a go live date of July 2024, avoiding conflict of User Acceptance Testing with financial year end activity.

The UKSBS MoG programme is tracking to plan, supporting Matrix readiness. Ledger separation and system changes for new clients have been completed, and payroll separation is planned for delivery in September 2024. Work to resolve challenges around onboarding is in progress.

UKSBS will continue to provide high quality business as usual (BAU) services to our existing clients, whilst working closely with UKRI, DSIT, DESNZ and DBT to ensure the successful delivery of the SHARP and Matrix programmes.

Aligned to Matrix planning, internal UKSBS transformation activity is being replanned for 2024 and beyond, as reflected in the Business Plan 2024-29 agreed by the Board in May 2024. The five-year timescale was agreed by the Board so as to incorporate full Matrix Programme plans, and align with PBC2 and activities pursuant to the Matrix Transformation Strategy.

Annual Governance Statement 2023/24



Internal Governance

The internal governance structure of the Company continued to reflect previous arrangements in the period 2023-24, with the Executive Committee supported by the Service Delivery Committee, the People Committee, the Risk, Assurance and Security Committee (RASC) and the Portfolio Direction Group (PDG), alongside the subordinate Portfolio Progress Group (PPG). A Finance Committee was created in May 2024 to sit alongside the management committees, reporting into the Executive Committee.

Data management is overseen by the Infrastructure, Security and Data Enablers Working Group, focussed on the Knowledge and Information Management (KIM) Strategy, SharePoint online migration, disposal of data held beyond retention schedules and joiners, movers and leavers improvements.

UKSBS' Information Security Management System (ISMS) has been ISO 27001 certified by the British Standards Institution, the UK Accreditation Service's certification body for international standards. On an annual basis UKSBS is externally audited by BSI against the ISO 27001 control framework. UKSBS adopts the three line of defence model which internally assesses the business compliance with the controls and ISO 27001 requirements throughout the financial year. In 2024-25 we are on track to achieve certification under the 2022 Standard in November 2024, which supersedes the 2013 Standard. This will be a much larger audit than the previous Continuous Assessment Visit (CAV).

Annual Governance Statement 2023/24

UKSBS Board Structure and Operations

The UKSBS corporate governance structure consists of a Board and an Audit Committee. To ensure compliance with Regulation 12 of the Public Contracts Regulations 2015, which provides the framework under which UKSBS delivers services to its owners, the majority of the Board is comprised of shareholder-nominated Non-Executive Directors (NEDs).

The Board meets as a Remuneration and/or Nomination Committee when circumstances require, rather than maintaining separate committees.

The roles and responsibilities of the Board and the Audit Committee are defined within the Company's Articles of Association. Their terms of reference were last agreed by the Board in September 2023.

The composition of the Board is as follows:

- Three independent NEDs, one of whom is appointed by the shareholders as the Board Chair;
- Five NEDs nominated by shareholders; and
- One Executive Director (the UKSBS Chief Executive).

The directors acknowledge and understand the responsibilities inherent in their appointment.

In September 2023, as part of its Annual Governance Review (AGR), the Board reviewed corporate policies, committee structure, membership and terms of reference to ensure alignment with the Company's constitutional documents.

A Board Performance Evaluation is carried out annually to support the AGR, and the 2023-24 evaluation was conducted internally. The key outcomes from the 2023-24 evaluation are outlined below:

- Confidence that the Board understands shareholder strategy and ensures that the Company's plans and activities align with them;
- The outcomes regarding performance were more mixed, with a number of responses indicating the Board should consider risk in greater depth and discussions should be supported by clearer client feedback and performance indicators, although it was broadly agreed that the Board devoted sufficient time to scrutiny of financial and non-financial performance;
- Relationships between Board members, and engagement between the Board and key stakeholders, were felt to be positive; however, some responses suggested the division of responsibilities between the Board and the Executive could be more clearly defined;
- The Board understands its individual and collective statutory responsibilities and ensures the corporate governance framework is fit for purpose;
- The Board has the right skills, is of the right size, and has appropriate induction procedures and development opportunities;
- It was agreed that Board meetings encourage constructive challenge, were supported by timely circulation of papers, and were of appropriate frequency and duration.

Annual Governance Statement 2023/24

The Board discussed the findings of the 2023-24 evaluation at its meeting in March 2024. Consideration was given to matters highlighted for the Board to consider, principally around scheduling strategy and risk as regular agenda items throughout the year (in addition to discussion as a standing agenda item at Audit Committee). The Board also noted that the Executive were making updates to the presentation of client feedback and performance indicators in light of comments received at meetings earlier in the year.

As a private limited company, UKSBS is not obliged to comply with the UK Corporate Governance Code; however, the Board has agreed that they will consider and apply the guidance where practicable within the context of the Company's operating environment.

Tabled below is a record of Board membership and Board and Audit Committee attendance for the period 1 April 2023 to 31 March 2024.

2023/24	Attendance/Meetings eligible to attend	
Name of Board Member	Board	Audit Committee
John Clarke (independent NED)	6/6	
Graham McAlister (independent NED)	6/6	5/5
Sarah Finigan (UKRI nominated NED)	1/1	
Michele Hughes (independent NED)	3/3	1/1
Alice Hurrell (then-BEIS nominated NED)	1/1	
Louise Mackin (UKRI nominated NED)	3/4	
Helen Mills (DSIT nominated NED)	5/5	
Katrina Nevin-Ridley (UKRI nominated NED)	4/6	
Nicholas Sammons (then-BEIS nominated NED)	1/1	
Bidesh Sarkar (DBT nominated NED)	4/5	
Richard Semple (CEO, Executive Director)	6/6	
David Thomas (DESNZ nominated NED)	4/5	
Tim Sparrow (DSIT co-opted Audit Committee member)		5/5

The shareholder representatives and the Chair met twice in the period 2023-24 to discuss the strategic priorities and performance of UKSBS and ensure strategic alignment.

The Board met as the Nomination Committee in May 2023 to consider the findings of the Board Skills Matrix, and as the Remuneration Committee in July 2023 to approve the annual pay settlement proposal.

Annual Governance Statement 2023/24

The Audit Committee is independent of management and comprises two independent NEDs, one of whom is appointed as the Chair, and one external co-opted member. Representatives from the Company's external auditors (National Audit Office, NAO) and internal auditors (Government Internal Audit Agency, GIAA) are invited to attend every meeting. The Chief Executive (as SIRO) and the Data Protection Officer are invited to attend and report to the Audit Committee. The Committee met five times in 2023/24, and at each meeting considered inter alia the UKSBS Corporate Risk Register, audit reports and recommendations, and received detailed reports on the Company's financial performance, data protection and health and safety.

The Committee takes a risk-based approach when considering matters brought forward for discussion, and provides feedback to Board meetings on all relevant audit, risk and control issues.

Client Governance

UKSBS works in partnership with all clients to review service and change delivery performance and identify opportunities for improvements and efficiencies. This is through a governance structure organised around client groups serviced by the two separate service platforms: BEIS Oracle Estate (BOE) and Research Oracle Estate (ROE) / SHARP.

The Client governance structure is as follows:

- BOE and ROE/SHARP Client Partnership Boards
- BOE and ROE/SHARP Functional Senior Client Meetings
- Functional Client Partnership Meetings

Service management reviews operate on an individual client basis with the day-to-day, end-to-end service relationship maintained between service delivery teams and the clients' corporate functions.

To support these engagements, UKSBS holds periodic review meetings with client organisations on a mutually agreed frequency – anything between monthly and annually. These meetings provide an opportunity for customers to engage with UKSBS about issues or queries relating to any aspect of service taken by the client.

The performance management pack created using PowerBI is updated annually to reflect the current business plan measures and strategic themes. It allows users to drill down into specific areas of concern or interest so allowing for more dynamic visualisation of performance measures.

Annual Governance Statement 2023/24

Client and customer feedback mechanisms exist, with individual customers having the ability to rate the service that they have received and provide any comments on the completion of each Service Request in Oracle or an Incident or Service Request in ServiceNow. On a monthly basis, UKSBS works with the respective clients to identify key client issues for inclusion within the regular client reporting. Quarterly, UKSBS works with respective senior client contacts through a client feedback survey to collect feedback at a service level.

In 2022-23, as part of the Government's Shared Services Strategy, UKSBS introduced the Net Promotor Score (NPS) to help us better understand customers' experiences of interacting with our services. It enables UKSBS to measure customer satisfaction, identify areas for improvement and enable us to benchmark the services we provide against other Government Shared Services providers. NPS also complements the feedback already provided via the Service Request / Incident User Experience surveys and forms part of our quarterly performance reporting to each client organisation.

The Executive

The Executive Team comprises of Richard Semple (Chief Executive Officer), John Amott (Chief Strategy & People Officer), Victoria McMyn (Chief Change Officer), David Walder (Chief Digital & Information Officer), Liz Creedy (Chief Operations Officer), Crispin Dawe (Chief Finance Officer) and Caroline Jenkins (Company Secretary).

The Executive Team meets monthly, supplemented by weekly operational meetings and at least two strategy offsite meetings a year.

Leadership Groups

UKSBS currently has two levels of leadership engagement:

- All 'Heads of' at Level 2 form the Strategic Leadership Group (SLG) with the Executive
- All managers at Level 3 form the 'Leadership Group' (LG)

The SLG meets monthly, with an offsite meeting held quarterly. The meetings provide an opportunity for SLG members from across the business to report to colleagues on specific items of work or general updates from within their areas. The Executive Team share progress on strategic matters and in-depth discussions are held around development of the operational and business plans.

Annual Governance Statement 2023/24

Risk and Internal Control Management

UKSBS uses the 'three lines of defence' risk management approach and operates in accordance with Cabinet Office guidelines:

- First line - Operational management;
- Second line - Central compliance oversight;
- Third line - Internal Audit programme.

Risk and control activities are set out in the Risk Management Strategy, Policy and Guidance. These were reviewed and endorsed by the Board and Audit Committee in September 2023. The Audit Committee reviews the Corporate Risk Register at each meeting and holds a deep-dive review of each pillar risk register during the year to ensure the approach to risk management is consistent with the Company's risk appetite. Internal Audit carry out an annual review of risk management and internal controls.

The Board is responsible for identifying the Company's strategic risks and setting the Company's risk appetite, each of which was last agreed in September 2023 and is reflected in business planning. The Board considers the Corporate Risk Register and mitigating actions at every meeting, with scrutiny of risk management and internal controls carried out by the Audit Committee.

The Chief Executive ensures active management of risk and internal controls through monthly Risk, Assurance and Security Committee (RASC) meetings, scrutiny of the Risk Register, quarterly self-assessments completed by service areas (first line of defence), dip sampling of controls and risk response plans by the Risk, Information and Security Compliance team (second line of defence) and an annual audit of the internal



controls framework completed by GIAA (third line of defence). This model of three lines of defence provides the Chief Executive and Board with the required confidence that business processes are operating effectively as designed and satisfy control objectives, highlighting process steps or controls that require change and the action to be taken.

The Risk and Control Framework, launched internally in 2022, and embodying control-based assessment and control testing under ISO 27001, continues in operation.

The Chief Executive provides an assurance report to client Accounting Officers twice a year based on internal self-assessment and second line of defence assessment of controls together with the results of internal audit reports, audit actions, performance indicators and client feedback on key issues identified within the relevant time period.

Annual Governance Statement 2023/24

Risks

As part of the overall Risk Management process, key risks facing the Company are captured in the Corporate Risk Register, each owned by a member of the Executive Team for management, and detailed risk response plans are put in place for those risks with a current risk score that is over-appetite. Risks are actively managed and monitored by the Executive, RASC, the Audit Committee and the Board.

During 2023-24 the Company identified and managed a number of corporate risks, including those relating to the delivery of major change programmes. At the end of the period, and as noted above, the risk associated with Successful and Timely Delivery of the SHARP Programme escalated into an issue, and the matter retains that rating on the Corporate Risk Register. UKSBS has contributed to a SHARP replanning exercise to expedite the revised go live date. A second issue facing the Company at the end of the period was In Year Overspend, caused by a mismatch between client demand, programme needs, transformation requirements and funding. The Company has addressed this issue through an action plan to reduce contingent labour costs, restrict recruitment and travel, and further examine cost recovery with clients.

At the end of the financial year and looking ahead to 2024-25, the key out of tolerance risks are as follows:

- Cyber Attack (Technology) – UKSBS has achieved Cyber Essentials Plus for the Windows 11 environment, however, the continuing threat and determination of cyber crime means this risk cannot be downgraded even as we enhance our defences.
- Concurrency and Volume of Major Change – As noted above, this is seen as a key risk to the business given the potential for insufficient funding, capacity and/or capability to result in delayed delivery of programmes and/or BAU services. The Risk Response Plan has been updated to include financial mitigations.

Data Security

The Company experienced one significant information security breach during the period, resulting from errors by a third-party printer of paper payslips. UKSBS reported this data breach to the ICO on 3 November 2023, exceeding regulatory requirements, and a verbal update was provided by the Data Protection Officer to the Audit Committee along with the post-incident report. The incident met the threshold for a UKSBS SILVER response with the SILVER team managing the incident and conducting a lessons learned exercise. A comprehensive list of actions to be tracked at RASC was shared with the Audit Committee.

UKSBS has not been made aware of any other significant information security breaches during the period; however, there have been minor breaches which have been managed and reported in line with established procedures. The Company takes practical steps to minimise such breaches, including mandatory annual KIM training, and when trends in breaches are identified mitigation measures are put in place. Disciplinary action may be taken depending on the seriousness of any human error identified.

Security policies, including incident management and reporting, are subject to regular review to ensure they remain up to date.

Annual Governance Statement 2023/24

Government Functional Standards

Government functional standards are system-wide reference documents designed to:

- Support coherent, efficient and mutually understood ways of working across government;
- Provide a stable basis for continuous improvement and professional development;
- Provide a stable basis for proportionate and tailored assurance activities to monitor adherence, allow risk-based control and compare performance; and
- Clarify accountabilities, by defining the roles needed, what role-holders are accountable for, and to whom.

UKSBS has integrated these disciplines appropriately into our control framework.

Whistleblowing Arrangements

The Company maintains a Whistleblowing policy which is reviewed annually by the Audit Committee and Board. The policy was last updated and approved by the Board in September 2023. The policy is accessible to employees via the Company intranet. No incidents were raised in 2023-24.

Assurance on Tax Compliance

The Alexander Review published in May 2012 made a number of recommendations to ensure that the highest standards of integrity could be demonstrated in the tax arrangements of senior public appointees. All UKSBS senior employees and those Board members who are paid through the payroll. In 2023-24 the Company identified 20 contractors who were within the scope of the Alexander Review criteria. Assurance that appropriate tax arrangements are in place for all 20 contractors was sought and confirmation received.

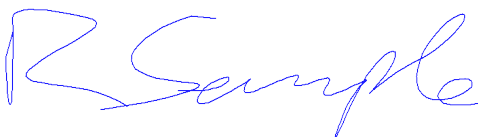
Conclusion

The Board has considered the Annual Governance Statement and the evidence underlying its production.

UKSBS will continue to work in partnership with our clients to realise our vision of becoming the leading public sector shared services provider in the United Kingdom.

The Board is satisfied that the Company's governance arrangements and internal controls are correct for a business undergoing transformational change, are being applied properly and are subject to appropriate scrutiny by the Executive, Internal Audit, the Audit Committee and the Board.

For and on behalf of the Board



Richard Semple, Chief Executive Officer
UK Shared Business Services Ltd
Date: 24 October 2024

Remuneration Report for the year ended 31 March 2024

The Remuneration Report is prepared using the Government Financial Reporting Manual (FReM).

The Board determined in December 2015 that they would meet as a Remuneration and/or Nominations Committee in line with need rather than maintaining a standing committee. Meeting as the Remuneration and/or Nominations Committee the Board is responsible for:

- Considering and agreeing policy for the remuneration of the Company's Executive, being the Chief Executive Officer (CEO) and any other Executives reporting directly to the CEO.
- The process for the recruitment, selection, remuneration and terms and conditions for the CEO and recommending appointment to the Shareholders for unanimous agreement. This includes ensuring compliance with government policies and processes where they apply.
- The appropriateness of the remuneration policy for all employees and proposals for any annual pay award in accordance with government guidelines are also considered. Remuneration in this context covers salaries, bonus schemes and any other benefits.

The Board met twice as the Remuneration and Nominations Committee in 2023/24 to agree the annual pay award and strategy and to consider and approve future pay and reward proposals.

Service Contracts

Non-Executive Directors and any external members of Committees are appointed for a fixed term of office, renewable by agreement. Independent Director appointments, including the Chairman, and the CEO, require unanimous agreement of the Shareholders. Owner- nominated Board members require unanimous agreement of the Board. The Non-Executive Directors are appointed for either a two- or three-year term of office. The notice period set out in terms of appointment is no less than three months.

The services of the majority of Non-Executive Directors are provided on a pro bono basis by their employing organisations. As at 31 March 2024, these Directors were Sarah Finigan, Helen Mills, Katrina Nevin-Ridley, Bidesh Sarkar and David Thomas. All three of the Independent Non-Executive Directors, John Clarke, Graham McAlister and Michele Hughes, are remunerated. There is also one external non-remunerated member co-opted to the Audit Committee.

Remuneration Report for the year ended 31 March 2024

Information regarding Directors', External Committee members' and Executives' service contracts is set out below.

Directors and Committee Members (excluding the Chief Executive Officer) (subject to audit)

	Appointment		Remuneration £000	
	From	To	2023/24	2022/23
John Clarke (Chairman)	16 June 2021	31 July 2027	20-25	20-25
Graham McAlister	01 April 2018	31 March 2025	5-10	5-10
Michele Hughes ⁴	30 November 2023	30 November 2026	0-5	0
Alice Hurrell ¹	27 September 2018	30 September 2024	n/a	n/a
Nick Sammons ²	30 March 2021	31 March 2024	n/a	n/a
Katrina Nevin-Ridley	29 September 2022	30 September 2024	n/a	n/a
Louise Mackin ³	1 March 2023	31 March 2026	n/a	n/a
Helen Mills	27 July 2023	31 July 2026	n/a	n/a
Bidesh Sarkar	27 July 2023	31 July 2026	n/a	n/a
David Thomas	27 July 2023	31 July 2026	n/a	n/a
Sarah Finigan	20 March 2024	31 March 2027	n/a	n/a
Tim Sparrow (co-opted member of the Audit Committee)	29 September 2022	30 September 2024	n/a	n/a

1. Alice Hurrell resigned from the Board on 27 July 2023.

2. Nick Sammons resigned from the Board on 25 May 2023.

3. Louise Mackin resigned from the Board on 19 Jan 2024.

4. Michelle Hughes was appointed on 30 Nov 2023 and full year equivalent remuneration is £0-5k.

UKSBS Executive Team (including the Chief Executive Officer)

Name	Appointment Date	Expired Term	Notice Period
Richard Semple	01 May 2018	Open Ended	3 months
John Arnott	01 January 2016	Open Ended	3 months
Liz Creedy	01 August 2022	Open Ended	3 months
Victoria McMyn	04 July 2022	Open Ended	3 months
David Walder	1 January 2022	Open Ended	3 months
Crispin Dawe	01 March 2018	Open Ended	3 months

Salary

Salary covers pensionable and non-pensionable amounts and includes: gross salaries; performance related pay; overtime; allowances and any ex-gratia payments. It does not include any amounts for the reimbursement of expenses directly incurred in the performance of an individual's duties in accordance with the UKSBS travel and subsistence policy.

Benefits In Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HMRC as a taxable emolument. Benefits in kind were not provided to any member of senior management during the financial year.

Bonuses

UKSBS did not budget or plan for any bonus payments for any staff in 2023/24 and none were paid (2022/23: none).

Remuneration Report for the year ended 31 March 2024

Remuneration of senior employees (subject to audit)

Single total figure of remuneration								
Employee Name	Salary (£'000)		Bonus Payments (£'000)		Pension Benefits (£'000)		Total (£'000)	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Arnott J	105-110	100-105	0	0	17	0	120-125	100-105
Sample R	155-160	150-155	0	0	0	0	155-160	150-155
Lewis A	N/A	20-25	N/A	0	N/A	-27	N/A	-5-0
Creedy L	105-110	65-70	0	0	48	27	155-160	95-100
McMyn V	110-115	75-80	0	0	47	28	160-165	100-105
White J	N/A	0-5	N/A	0	N/A	-8	N/A	-5-0
Dawe C	90-95	85-90	0	0	31	69	120-125	155-160
Walder D	115-120	110-115	0	0	42	62	155-160	170-175

Liz Creedy became a member of the Executive Team on 1 Aug 2022; the table above reflects salary from that date. The full year equivalent salary she received in 2022/23 was £100-105k.

Victoria McMyn became a member of the Executive Team on 4 Jul 2022; the table above reflects salary from that date. The full year equivalent salary she received in 2022/23 was £110-115k.

Andrew Lewis left the Company on 13 Jun 2022 and his full year equivalent salary was £120-125k. As the employee left within the year this generated a negative result on their pension benefits.

Jacqueline White left the Company on 15 Apr 2022 and her full year equivalent salary was £95-100k. As the employee left within the year this generated a negative result on their pension benefits.

No Executive bonuses were awarded in the years 2023/24 or 2022/23.

Remuneration Report for the year ended 31 March 2024

Pay Multiples (subject to audit)

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

Total remuneration for these purposes includes salary (as defined above), non-consolidated performance-related pay, benefits in kind and severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The banded remuneration of the highest-paid director in UKSBS in the financial year 2023/24 was £155,000-£160,000 (2022/23: £150,000-£155,000). This was 6.1 times (2022/23: 6.3) the lower quartile of the workforce, which was £25,686 (2022/23: £23,683)

The banded remuneration of the highest-paid director in UKSBS was 5 times (2022/23: 5) the median remuneration of the workforce, which was £31,833 (2022/23: £30,283).

The banded remuneration of the highest-paid director in UKSBS was 3.5 times (2022/23: 3.7) the upper quartile of the workforce, which was £44,800 (2022/23: £40,558).

The highest paid director of UKSBS percentage change from the previous financial year of salary and allowances is 3.2% on salary and allowances.

For the employees of UKSBS taken as a whole (excluding the highest paid director), the average percentage changes from the previous financial year of salary and allowances is 8.5% on an average salary of £36,592 (2022/23 £33,722) this doesn't include a one off cost of living payment of £1,500 per full time equivalent that was given to all permanent staff less the Executive Team.

The increase in salary was driven by an overall 5% increase in overall pay-bill which is a straightforward pay increase (pro-rata for part time) though the percentage increase will be specific to individuals, relating to their position in the pay band. So, those in the more junior pay bands and nearer the band minimum will receive a higher percentage than those in the higher pay bands and nearer the band maximum.

In 2023-24 no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £14,645 to £160,000.

Remuneration Report for the year ended 31 March 2024

The Pension Scheme

The main pension scheme used by employees of UKSBS is the Research Councils' Pension Scheme (RCPS), which is a defined benefit government pension scheme. The Company also offers a Partnership stakeholder pension. Further details of these schemes are given in the notes to the financial statements.

The remuneration and pension tables shown below include members of the Executive Team.

Pension Benefits of senior employees (subject to audit)

Employee Name	Accrued pension and lump sum at pension age as at 31/03/2024 (£5,000 bands)	Real increase in pension and lump sum at pension age as at 31/03/2024 (£2,500 bands)	Cash equivalent transfer value as at 31/03/2024 (£'000)	Employer Contributions Partnership Pension 31/03/2024 nearest £100	Cash equivalent transfer value as at 31/03/2023 (£'000)	Real increase in cash equivalent transfer value as at 31/03/2024 (£'000)
Creedy L	5-10	2.5-5	116	N/A	29	74
McMyn V	30-35	2.5-5	510	N/A	428	38
Dawe C	30-35	0-2.5	608	N/A	503	30
Walder D	10-15	2.5-5	205	N/A	150	29
Arnott J	N/A	N/A	N/A	17,400	N/A	N/A

Richard Sample opted out of pension arrangements throughout the periods shown, so no figures are shown.

Details of Pension Scheme

Employees of UKSBS are members of the Research Councils' Pension Schemes (RCPS) which are defined benefit schemes funded from annual grant-in-aid on a pay-as-you-go basis. The benefits are by analogy to the Principal Civil Service Pension Scheme, except that while the schemes provide retirement and related benefits based on final or average emoluments, redundancy and injury benefits are administered and funded by UKSBS. The scheme is administered by the Research Councils' Joint Superannuation Service.

From 30 July 2007, employees may be in one of four defined schemes; either a 'final salary' scheme (classic, classic plus or premium); or a career average scheme (Nuvos). Pensions payable are increased annually in line with changes in the Consumer Prices Index (CPI). Employees' contributions vary between 4.6% and 8.05% depending on scheme. The employer's contribution is agreed by the RCPS Board of Management on the recommendation of the Government Actuary's Department (GAD) and is currently set at 26.0% of pensionable pay.

Remuneration Report for the year ended 31 March 2024

The Research Councils' Pension Scheme (RCPS) is a 'by-analogy' scheme to the Principal Civil Service Pension Scheme (PCSPS) and as a result any changes made to the PCSPS, including member contribution rates, are automatically applied to the RCPS.

On 1 April 2015 PCSPS launched a new pension scheme called Alpha. This scheme is similar to the Nuvos career average scheme, but with the retirement age aligned to the state pension age. RCPS cannot at present create a by-analogy Alpha scheme as the legislation does not currently permit this. Reform options are currently being discussed with HM Treasury and DSIT who have given permission for RCPS to continue 'as is' for the time being.

A table of the employee contributions by pay band and scheme is provided below.

Annual Pensionable Earnings (full-time equivalent basis)	Classic	Premium, Classic Plus & Nuvos
	2023/24 contributions	2023/24 contributions
£0 - £32,000	4.60	4.60
£32,001 - £56,000	5.45	5.45
£56,001 - £150,000	7.35	7.35
£150,001+	8.05	8.05

A Partnership Pension Account was made available to new staff from 1 October 2002, based on the portable Stakeholder Pension introduced by the Government in 2001. This is a defined contribution scheme. The employers pay the RCPS 0.8% of pensionable pay to cover death in service and ill health benefits. The employers pay the balance to the employee's private pension provider.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age or immediately on ceasing to be an active member of the scheme if they are already at or over pensionable age. Pensionable age is 60 for members of classic, classic plus and premium and 65 for members of Nuvos.

The Civil Service Pension arrangements comprise the PCSPS and alpha, a new scheme set up in April 2015. Generally, all new employees joining on UKRI Terms and Conditions are enrolled in the alpha pension scheme.

Alpha provides benefits on a career-average basis with a normal pension age equal to the members State Pension Age (or 65 if higher).

These statutory arrangements are unfunded, with the costs of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Employee contributions are salary-related and range between 4.60 to 8.05%.

Remuneration Report for the year ended 31 March 2024

Annual Pensionable Earnings (full-time equivalent basis)	Normal member contrition rate
£0 - £32,000	4.60
£32,001 - £56,000	5.45
£56,001 - £150,000	7.35
£150,001+	8.05

The accrued pension quoted is the pension that the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for the members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures quoted for officials show pension earned in PCSPS or alpha, as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages. The scheme actuary valued the PCSPS as at 31 March 2020. Further details about the Civil Service pension scheme can be found at www.civilservicepensionscheme.org.uk

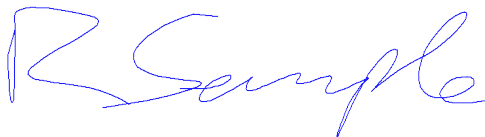
Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in the former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Research Councils' pension arrangement and for which the RCPS has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

Real Increase in the Value of the CETV

The real increase in the value of the CETV reflects the increase effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (excluding the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Richard Semple, Chief Executive Officer
UK Shared Business Services Ltd
Date: 24 October 2024

Independent Auditor's Report to the Members of UK Shared Business Services Limited

Opinion on financial statements

I have audited the financial statements of UK Shared Business Services Limited for the year ended 31 March 2024.

The financial statements comprise UK Shared Business Services Limited's

- Statements of Financial Position as at 31 March 2024;
- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion the financial statements:

- give a true and fair view of the state of UK Shared Business Services Limited's affairs as at 31 March 2024 and its profit for the year then ended; and
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*¹. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of UK Shared Business Services Limited in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

¹Reference here to PN10 is to cover the basis for our regularity opinion AND public sector adaptation of the ISAs.

Independent Auditor's Report to the Members of UK Shared Business Services Limited

Conclusions relating to going concern

In auditing the financial statements, I have concluded that UK Shared Business Services Limited's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on UK Shared Business Services Limited'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.

My 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, but does not include the financial statements and my auditor's report thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In my 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.

Independent Auditor's Report to the Members of UK Shared Business Services Limited

Matters on which I report by exception

In the light of the knowledge and understanding of UK Shared Business Services Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report. I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within UK Shared Business Services Limited from whom the auditor determines it necessary to obtain audit evidence.
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006;
- preparing the Annual Report, which includes the Remuneration Report, in accordance with the Companies Act 2006; and
- assessing UK Shared Business Services Limited'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 intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report to the Members of UK Shared Business Services Limited

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the applicable law and International Standards on Auditing (UK) (ISAs (UK)).

My 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 a report that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of UK Shared Business Services Limited's accounting policies and performance indicators.
- inquired of management, UK Shared Business Services Limited's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to UK Shared Business Services Limited's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including UK Shared Business Services Limited's controls relating to UK Shared Business Services Limited's compliance with the Companies Act 2006 and Managing Public Money;
- inquired of management, UK Shared Business Services Limited's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations; and
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Independent Auditor's Report to the Members of UK Shared Business Services Limited

As a result of these procedures, I considered the opportunities and incentives that may exist within UK Shared Business Services Limited for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, bias in management estimates and completeness of accrued expenditure. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of UK Shared Business Services Limited's framework of authority and other legal and regulatory frameworks in which UK Shared Business Services Limited operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of UK Shared Business Services Limited. The key laws and regulations I considered in this context included Companies Act 2006, Managing Public Money, employment law and tax Legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I addressed the risk over completeness of accrued expenditure by extending the testing of invoiced expenditure occurring post year end to identify expenditure relating to the year under audit that may have gone unrecorded.

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

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

Independent Auditor's Report to the Members of UK Shared Business Services Limited

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Matt Kay (Senior Statutory Auditor)

25 October 2024

For and on behalf of the

Comptroller and Auditor General (Statutory Auditor)

National Audit Office,
157-197 Buckingham Palace Road,
Victoria,
London,
SW1W 9SP

Financial Statements

Statement of Comprehensive Income for the year ended 31 March 2024

	Notes	2024 £000	2023 £000
CONTINUING OPERATIONS			
Revenue	2.1	64,447	Restated 49,978
Cost of sales	2.2	(58,788)	(45,458)
GROSS PROFIT		5,659	4,520
Administrative expenses	2.3	(5,644)	(5,086)
OPERATING PROFIT		15	(566)
Lease Interest		0	0
Finance income		0	0
PROFIT BEFORE TAX		15	(566)
Taxation	6	(2)	0
PROFIT FOR THE YEAR		13	(566)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR		13	(566)

All revenue and costs relate to continuing activities.
For details of the restatement please refer to note 1.15.

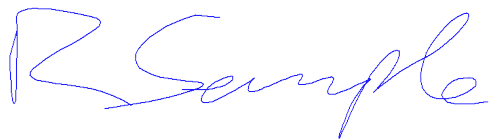
Financial Statements

Statement of Financial Position as at 31 March 2024

	Notes	2024 £000	2023 £000 Restated
ASSETS			
NON-CURRENT ASSETS			
Intangible Assets	7	7,104	4,794
Property, plant and equipment	7	2,479	3,012
Right of use assets	11	292	13
		9,875	7,819
CURRENT ASSETS			
Trade and other receivables	8	9,899	5,740
Cash and cash equivalents	9	1,863	4,674
		11,762	10,414
TOTAL ASSETS		21,637	18,233
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	14,225	11,629
Leases	11	64	4
		14,289	11,633
NET CURRENT ASSETS		(2,527)	(1,219)
NON CURRENT LIABILITIES			
Other Payables	10	5,292	4,790
Leases	11	233	0
TOTAL LIABILITIES		19,814	16,423
NET ASSETS		1,823	1,837
SHAREHOLDERS' EQUIT			
Called up share capital	13	62,016	62,016
Retained earnings		(60,193)	(60,206)
TOTAL EQUITY		1,823	1,810

For details of the restatement please refer to note 1.15.

The financial statements were approved by the Board of Directors on 26 September 2024 and were signed on its behalf by:



Richard Semple, Chief Executive Officer

UK Shared Business Services Ltd

Date: 24 October 2024

Financial Statements

Statement of Cash Flows for the year ended 31 March 2024

	Notes	2024 £000	2023 £000 Restated
Cash flows from/(used in) operating activities			
Operating (loss)/profit		15	(566)
Depreciation charges tangible assets	7	893	783
Depreciation charge right of use assets	11	73	66
Amortisation charge intangible assets	7	1,139	1,321
Decrease/(Increase) in prepayments	8	(652)	(83)
Decrease/(Increase) in receivables	8	(3,507)	(1,390)
(Decrease)/Increase in payables	10	3,098	4,499
Net Cash Inflow from Operating Activities		1,059	4,630
Cash flows from/(used in) investing activities			
Purchases of tangible fixed assets	7	(361)	(1,037)
Purchases of intangible fixed assets	7	(3,449)	(2,276)
Interest received		0	0
Taxation		(2)	0
Net cash from/(used in) investing activities		(3,812)	(3,313)
Net cash from/(used in) Financing Activities			
Repayment of capital element of obligations under leases		(57)	(14)
Lease liability interest		(1)	0
Net cash from/(used in) Financing activities		(58)	(14)
Increase/(decrease) in cash and cash equivalents		(2,811)	1,303
Cash and cash equivalents at beginning of year	9	4,674	3,371
Cash and cash equivalents at end of year	9	1,863	4,674

For details on the restatement please refer to note 1.15.

Financial Statements

Statement of Changes in Equity

	Called up share capital £000	Retained earnings £000	Total equity £000
Balance as at 1 April 2022	62,016	(59,640)	2,376
Retained profit/(loss) for 2022/23	-	(566)	(566)
Balance at 31 March 2023	62,016	(60,206)	1,810
Retained (loss)/profit for 2023/24	-	13	13
Balance at 31 Mar 2024	62,016	(60,193)	1,823

Financial Statements

Notes to the Financial Statements for the year ended 31 March 2024

1. Accounting Policies

1.1 Basis of preparation

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards and meet the accounting and disclosure requirements of the Companies Act 2006 and the accounting and financial reporting standards issued or adopted by the International Accounting Standards Board as interpreted for public sector use by the Financial Reporting Manual (FReM) in so far as these requirements are appropriate and do not conflict with the Companies Act.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts. Estimates are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances. There are no judgements or key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements other than as disclosed in the financial statements.

1.2 Going concern basis

The Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future. The financial statements are therefore prepared on the basis of going concern. This opinion is based on commitments made by the Shareholders that they will continue to take service from the Company.

1.3 New accounting standards and interpretations

The Company has considered the newly-issued accounting standards, interpretations and amendments to published standards that are not yet effective and concluded that they are either not relevant to the Company or would not have a significant impact on the Company's financial statements.

1.4 Revenue recognition for services provided to customers

IFRS 15 is applied to the funding streams for standard service charges, recoverables and other service charges which are described in Note 2. These streams represent UKSBS' charging to customers for specific services. In both cases, revenue is recognised in the accounts as performance obligations are met through the delivery of services.

Fees for the provision of continuing services ('standard service charges') are agreed with customers at the start of each financial year and are set at a level to cover the anticipated costs of service provision, excluding depreciation and amortisation. These are recognised over time in the periods to which they relate, generally coinciding with UKSBS' financial year. Purchase orders are agreed with UKSBS' government customers for specific budgeted amounts; this can lead to a small profit or loss to the extent that those budgeted and billed amounts are different to the actual costs of providing these services, since there is no contractual mechanism for true-up.

Financial Statements

1.4 Revenue recognition for services provided to customers (cont)

The costs of other sundry activities representing a service to customers ('recoverables' and 'other service charges') are charged in arrears on a cost recovery basis at a point in time, specifically when the project or task has been completed or a milestone reached.

Revenue is stated net of VAT where VAT is applicable.

1.5 Revenue recognition in relation to government funding for programmes and projects

From time-to-time the Company may be funded to undertake programmes and projects, principally for the enhancement of the systems it uses to offer services to customers.

The Company accounts for these funding streams as government grants under IAS 20, using the income approach i.e. recognising them in profit and loss (as revenue) over the periods in which the Company incurs the related expenditure that the income is intended to cover. Where this expenditure is capital in nature, grants will become receivable (billable) in advance of this expenditure being recognised, because it will be released to the Income Statement over future periods as depreciation or amortisation. In such cases, the income is deferred and released as income in the period in which the relevant costs, such as depreciation and amortisation, are recognised. Deferred income is shown within liabilities in the statement of financial position. Practice and custom between UKSBS and its funders is for grants to be claimed on an 'actuals' basis – the Company therefore does not recognise revenue in excess of its actuals even if the purchase order agreed with the funder allows for a higher amount.

The net result of these policies and practices is, in general, for the revenue and related costs to be equal in any given year, leading to break-even for this income stream.

1.6 Non-current assets and depreciation

The value of the Company's non-current assets is stated at cost less accumulated depreciation and impairment losses. Only those assets costing more than £3,000 and having an economic value to the Company beyond the year in which they were bought are capitalised. Where parts of an item have different useful lives, they are accounted for as separate assets.

Depreciation is applied on a straight-line basis over the estimated useful economic lives of assets. Assets under construction are not depreciated. Depreciation methods, useful lives and residual values of non-current assets are reviewed at least at each balance sheet date.

1.6.1 Intangible non-current assets

Intangible assets relate to purchased software, software licences and certain system development costs.

Cloud computing services do not give rise to an intangible non-current asset unless the arrangement can be shown to allow "control" as defined in IAS 38.

1.6.2 Tangible non-current assets

Tangible assets include items such as IT hardware and fixtures & fittings.

Financial Statements

1.6.3 Estimated useful economic lives of non-current assets

The following estimated useful economic lives are used in the calculation of depreciation.

Tangible assets	
Fixtures and fittings:	5 years
IT hardware:	5 years
Intangible assets	
IT software:	1 to 5 years
IT development costs:	1 to 5 years

Note that if IT licences or capitalised development costs have an expected useful economic life that is shorter than 5 years, the costs are depreciated over that shorter period.

Capitalised right-of-use assets are depreciated over the life of the lease.

1.6.4 Impairment review

Depreciation methods, estimated useful economic lives and residual values of non-current assets are reviewed at least at each balance sheet date. Any resultant impairment charges are charged to the Statement of Comprehensive Income and the carrying value of the relevant non-current asset is reduced to the recoverable amount. The recoverable amount of an asset is the amount to be recovered through use or sale.

1.7 Financial instruments

The nature of the Company's activities and the method of its funding mean that the Company is not exposed to the degree of financial risk faced by non-public sector entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of companies engaged in investment, lending or borrowing. The Company has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Company in undertaking its activities.

Receivables are initially recognised when services are delivered. Financial liabilities comprise trade and other payables, and other financial liabilities.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred taxation. Current corporation tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years. The company is considered a "mutual trader" for corporation tax purposes and as a mutual trader, is not subject to corporation tax on the services provided. It remains, however, subject to corporation tax on any other income received such as interest income or capital gains.

1.9 Deferred Tax

Deferred tax is not relevant to the Company. Assets are realised through use rather than sale and therefore no capital gains are made.

Financial Statements

1.10 Employee benefit costs

The main pension scheme used by employees of the Company is the Research Councils Pension Scheme (RCPS) (see note 14). The RCPS is a multi-employer defined benefit scheme. As instructed by IAS 19, since UKSBS is unable to reliably estimate its share of the underlying asset and liability of this and other schemes noted below, they are accounted for on the basis of employer contributions in the periods they fall due, as for defined contribution schemes.

1.11 VAT

Revenue is stated net of VAT where VAT is applicable. Because the Company doesn't apply VAT to income from within the same VAT group, it has to comply with a limited partial recovery formula for input VAT and therefore expenditure and fixed asset purchases are shown inclusive of input VAT where applicable. Residual input tax is reclaimable by the application of the partial recovery formula and is taken as negative expenditure.

1.12 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the obligation, and where the amount of the obligation can be reliably estimated.

1.13 Judgements, estimates and assumptions

A number of judgements have been made around non-current assets, particularly regarding useful economic lives and depreciation rates used. These have been more fully explained in Note 1.6 above.

1.14 Leases

Leases are classified in accordance with IFRS 16 as leases when the risks and rewards of ownership are transferred substantially to the lessee; other leases are classified as operating leases.

UKSBS has made use of the exemptions to exclude short-term leases (1 year or less), and those where the underlying asset is classified as of "low value", this is deemed to be £3,000 which is the capitalisation threshold for UKSBS.

1.15 Contract for services – prior period adjustment

The 2022/23 financial statements have been restated to include £1.496m regarding work performed under a contract for service which should have been accounted for in 2022/23. This was work relating to, and rechargeable to, the SHARP Programme within UKRI. This affects accrued income, expense, receivables and payables balances by the same figure. Therefore the changes have no effect on the profit or cash flow for that year.

For comparative purposes, restated figures for 2022/23 have been used throughout the financial statements. A summary of the 2022/23 Financial Statement changes is given below.

	£000
To increase revenue for the year ended 31 March 2023 by	1,496
To increase cost of sales for the year ended 31 March 2023 by	1,496
To increase receivables from related parties as at 31 March 223 by	1,496
To increase accrued expense at 31 March 2023 by	1,496

Financial Statements

Restatement of Comprehensive Income for the year ended 31 March 2023

	Notes	2023 £000 Restated	2023 £000 Original
CONTINUING OPERATIONS			
Revenue	2.1	49,978	48,482
Cost of sales	2.2	(45,458)	(43,962)
GROSS PROFIT		4,520	4,520

Restatement of Financial Position as at 31 March 2023

	Notes	2023 £000 Restated	2023 £000 Original
ASSETS			
NON-CURRENT ASSETS			
Intangible Assets	7	4,794	4,794
Property, plant and equipment	7	3,012	3,012
Right of use assets	11	13	13
		7,819	7,819
CURRENT ASSETS			
Trade and other receivables	8	5,740	4,244
Cash and cash equivalents	9	4,674	4,674
		10,414	8,918
TOTAL ASSETS		18,233	16,737
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	11,629	10,133
Leases	11	4	4
		11,633	10,137
NET CURRENT ASSETS		(1,219)	(1,219)

Financial Statements

2. Revenue, Cost of Sales, Administrative Expenses and Auditor's Remuneration

2.1 Revenue

Revenue	2023/24	2022/23
Rendering of services		Restated
	£000	£000
Department for Science, Innovation and Technology	8,426	0
Department for Business and Trade	4,998	0
Department for Energy Security and Net Zero	4,598	0
Department for Business, Energy and Industrial Strategy	0	10,998
UK Research and Innovation	45,516	35,673
Revenue from shareholders.	63,534	46,669
Other Non-Departmental Public Bodies	13	13
Other Central Government Bodies	899	3,289
Other Income	1	7
Total revenue	64,447	49,978

Revenue is recognised as follows:

Standard Service Charges – fees for the provision of continuing services agreed with customers at the start of each financial year to cover the anticipated costs of service provision. Revenue is recognised annually and the charges recovered in 12 equal parts monthly. The intent is to try to break even.

Recoverables – charges raised to recover the cost of items purchased for re-sale to clients such as training and immigration charges. Costs are fully recoverable and revenue is recognised on successful completion of the service.

Other service charges – sources of income for providing other services e.g., recovery of secondment charges for staff on loan to client organisations. Revenue is recognised following provision of the service.

Programmes and Projects – sources of income to recover the cost of specific, large projects UKSBS has been requested to undertake. Charges are made and revenue recognised when a project milestone has been reached.

Deferred Income - income that has been deferred and is released as income in the period in which the relevant costs, such as depreciation and amortisation, are recognised. Deferred income is not recognised as part of the requirement for IFRS 15 but as part of IAS 20, accounting for Government Grants.

Financial Statements

Income analysis by client and type

2023/24 Income analysis	Standard service charges	Recoverables	Other service charges	Programmes and Projects	Deferred Income Release	Total
	£000	£000	£000	£000	£000	£000
DSIT	6,528	0	190	264	1,443	8,426
DESNZ	2,693	0	0	1,902	0	4,596
DBT	4,518	0	0	478	0	4,996
UKRI	26,578	283	159	17,508	988	45,516
ONDPB	13	0	0	0	0	13
OCGB	887	0	0	12	0	899
Other income	0	0	1	0	0	1
Total	41,216	283	350	20,164	2,431	64,447

2022/23 Restated Income analysis	Standard service charges	Recoverables	Other service charges	Programmes and Projects	Deferred Income Release	Total
	£000	£000	£000	£000	£000	£000
BEIS	9,166	0	174	205	1,451	10,996
UKRI	24,435	404	0	10,010	824	35,673
ONDPB	13	0	0	0	0	13
OCGB	2,952	0	0	337	0	3,289
Other income	0	0	7	0	0	7
Total	36,566	404	181	10,552	2,275	49,978

Key:

- DSIT – Department for Science, Innovation and Technology
- DBT - Department for Business and Trade
- DESNZ - Department for Energy Security and Net Zero
- BEIS - Department for Business, Innovation & Skills
- UKRI – UK Research and Innovation
- ONDPB – Other Non-Departmental Public Bodies
- OCGB – Other Central Government Bodies

Financial Statements

2.2 Cost of sales

The cost of sales is the direct cost of providing service to our customers relating to the above revenue and is as follows.

	2023/24 £000	2022/23 £000 Restated
Payroll costs	27,976	22,839
IT equipment, maintenance and software	21,772	16,836
Consultancy	4,986	2,717
Depreciation	893	783
Amortisation	1,139	1,321
Depreciation of right of use assets	73	66
Cost of Goods Sold	297	350
Telecommunications	192	232
Travel and subsistence	107	83
Other	1,353	231
Cost of sales of continuing activities	58,788	45,458

2.3 Administrative expenses

Administrative expenses, the costs of corporate support as opposed to the costs of delivering service, are as follows.

	2023/24 £000	2022/23 £000
Payroll costs	3,812	3,309
Administrative costs	1,733	1,688
External audit	99	89
Total administrative expenses	5,644	5,086

Payroll costs include social security costs and employer's pension contributions.

The external audit fee was £82.5k excluding VAT.

No fees were paid to the Company's auditors other than for the audit of the Company's annual accounts as above.

Financial Statements

3. Employees and Directors	2023/24 £000	2022/23 £000
Wages and salaries	23,748	19,283
Social security costs	2,420	2,006
Other pension costs	5,620	4,858
	31,788	26,147

The employees’ and directors’ payroll costs are included with the cost of sales and administrative expenses disclosed in note 2.

Included in the employment costs above are amounts in relation to directors of the company as shown in the directors’ report. There is no performance related pay in respect of directors and there has been no compensation for loss of office during the period. The remuneration of the directors was £184,604 (2022/23, £175,716) and nil pension contributions are paid.

The average monthly number of employees during the year was as follows.

	2023/24	2022/23
Average number of employees	677	620
Average number of employees (full time equivalent)	667	581
Average number of contractors	72	24

Included in the average number of employees are 24 employees on fixed term contracts with a combined salary of £930k (2022/23, 11 employees on fixed term contracts with a combined salary of £286k).

4. Reporting of Civil Service and other Compensation Schemes – Exit Packages

Exit Packages by cost band	Compulsory Redundancies		Other departures agreed		of exit packages by cost band	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
<£10,000	0	0	0	0	0	0
£10,000 - £25,000	0	0	1	0	1	0
£25,000 - £50,000	0	0	0	0	0	0
£50,000 - £100,000	0	0	0	1	0	1
£100,000 - £150,000	0	0	0	0	0	0
£150,000 - £200,000	0	0	0	0	0	0
Total number of exit packages by type	0	0	1	1	1	1
Total resource cost (£'000)	0	0	18	92	18	92

Financial Statements

5. Profit before Tax

The profit before tax is stated after charging:

	2023/24 £000	2022/23 £000
Depreciation – tangible assets	893	783
Amortisation – intangible assets	1,193	1,321
Depreciation – right of use assets	73	66
External auditors' remuneration (including VAT)	99	89

6. Tax

The tax charge in the Statement of Comprehensive Income comprises Corporation Tax charged at 25% (2022/23 19%) on bank interest receivable plus any adjustments arising from prior years. Corporation Tax of £0k is recognised for 2023/24 (2022/23 £0k).

There is no deferred tax in these financial statements relating to 2023/24 or 2022/23. No deferred tax asset has been recognised as the Company is not likely to incur profits in the near future against which such assets may be offset. Assets are realised through use rather than sale and therefore no capital gains are made.

Financial Statements

7. Non-current Assets

	Software and Intangibles £000	Assets Under construction £000	Total £000
Cost			
At 1st April 2023	63,977	2,695	66,672
Additions	111	3,338	3,449
Transfers	1,727	(1,727)	0
Disposals	(5,251)	0	(5,251)
At 31st March 2024	60,564	4,306	64,870
Accumulated amortisation			
At 1st April 2023	61,878	0	61,878
Charge for the year	1,139	0	1,139
Disposals	(5,251)	0	(5,251)
At 31st March 2024	57,766	0	57,766
Net Book Value 31st March 2024	2,798	4,306	7,104

	Property, Plant and Equipment £000	Assets Under construction £000	Total £000
Cost			
At 1st April 2023	4,887	1,272	6,159
Additions	19	341	360
Transfers	889	(889)	0
Disposals	0	0	0
At 31st March 2024	5,795	724	6,519
Accumulated depreciation			
At 1st April 2023	3,147	0	3,147
Charge for the year	893	0	893
Disposals	0	0	0
At 31st March 2024	4,040	0	4,040
Net Book Value 31st March 2024	1,755	724	2,479

	Software and Intangibles	Assets Under construction	Total
Cost			
At 1st April 2022	63,411	2,254	65,665
Additions	244	2,032	2,276
Transfers	1,591	(1,591)	0
Disposals	(1,269)	0	(1,269)
Total At 31st March 2023	63,977	2,695	66,672

Accumulated amortisation			
At 1st April 2022	61,826	0	61,826
Charge for the year	1,321	0	1,321
Disposals	(1,269)	0	(1,269)
At 31st March 2023	61,878	0	61,878
Net Book Value 31st March 2023	2,099	2,695	4,794

	Property, Plant and Equipment	Assets Under construction	Total
Cost			
At 1st April 2022	4,960	1,116	6,076
Additions	375	662	1,037
Transfers	506	(506)	0
Disposals	(954)	0	(954)
Total At 31st March 2023	4,887	1,272	6,159

Accumulated depreciation			
At 1st April 2022	3,318	0	3,318
Charge for the year	783	0	783
Disposals	(954)	0	(954)
At 31st March 2023	3,147	0	3,147
Net Book Value 31st March 2023	1,740	1,272	3,012

Assets under construction are shown separately in the table for the first time above, including the figures for 2022/23. They are not depreciated. Depreciation methods, useful lives and residual values of the non-current assets were reviewed by the Company as at 31 March 2024.

Financial Statements

8. Trade and Other Receivables

	2023/24	2022/23
	£000	£000
Current:		Restated
Trade receivables	3,300	77
Other receivables	4	0
Accrued Income	4,157	3,877
Prepayments	2,438	1,786
	9,899	5,740

For details on the restatement please refer to note 1.15.

9. Cash and Cash Equivalents

	2023/24	2022/23
	£000	£000
Current cash and equivalents	1,863	4,674

10. Trade and Other Payables

	2023/24	2022/23
	£000	£000
Current:		Restated
Trade payables	1,678	858
Other payables	1,769	825
Accruals	7,191	7,126
Deferred Income received from related parties	3,587	2,820
	14,225	11,629
Non-Current:		
Deferred Income received from related parties	5,292	4,790
	5,292	4,790

For details on the restatement please refer to note 1.15.

Financial Statements

11. Right-of-Use Assets

	2023/24 £000	2022/23 £000
Capitalised asset balance as at 01 Apr 23	13	79
Additions	352	0
Depreciation charge for year	(73)	(66)
Net asset balance as at 31 Mar 23	292	13

Minimum lease liabilities under non-cancellable operating leases fall due as follows:

	2023/24 £000	2022/23 £000
Within one year	64	4
Between two and five years	233	0
Over five years	0	0
Total lease liability	297	4

During the year the following right-of-use assets were added.

Multi-Functional Devices (MFDs) with a capitalised value of £103k.
ARK Racking with a capitalised value of £249k.

Repayments of lease liabilities during the year were – MFDs £27k and ARK Racking - £30k.

The leased assets are depreciated on a straight-line basis over 5 years or over the life of the lease.

UKSBS also pays a variable element with regards to the Multi-Functional Devices lease, dependent on the number of copies made (click cost). Part of this cost is absorbed by UKRI, according to usage.

The Public Expenditure System paper produced by HM Treasury lays down the discount rates to be used. The very long- term discount rate increased from 3.0% to 4.4%, the long-term rate increased from 3.51% to 4.72%, medium term rate increased from 3.2% to 4.03% and the short-term rate increased from 3.27% to 4.26%.

Financial Statements

12. Financial Instruments and Capital Risk Management

Risk management is carried out by the Executive Team under the direction of the Board. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide benefits for shareholders and other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure the Company may return capital to shareholders or issue new shares.

Credit risk

The Company has credit risk in the form of receivables from its customer companies. These companies are all in the public sector, have an appropriate credit history and have undertaken to pay on agreed terms.

Liquidity risk

The Company evaluates and follows continuously the amount of liquid funds needed for business operations in order to secure that funding.

Cash flows and fair value interest rate risk

As the Company has no significant interest-bearing assets, the operating income and operating cash flows are substantially independent of changes in market interest rates.

Fair value

Assets and liabilities have been accounted for at historic cost, which due to their nature is not materially different from Fair Value.

13. Called Up Share Capital

Ownership of the Company as at 31 March 2024

As at 31 March 2024, the shareholders of the Company were as below.

- The Department for Science, Innovation and Technology (DSIT) held one Sponsor Share carrying 51% of the votes controlling the company.
- UK Research and Innovation (UKRI) held nine Non-Government Department (NGD) Shares carrying 35% of the votes controlling the company.
- The Department for Energy Security and Net Zero (DESNZ) held one Government Department (GD) carrying 7% of the votes controlling the company.
- The Department for Business and Trade (DBT) held one Government Department (GD) carrying 7% of the votes controlling the company.
- The Department for Science, Innovation and Technology (DSIT) held four Deferred Shares.
- The Department for Science, Innovation and Technology (DSIT) also held 62,016,358 Non-Voting Shares. Holders of Non-Voting Shares are entitled to 100 per cent of the profits of the Company. The holders of Sponsor, GD, NGD and Deferred Shares have no right to dividends or to otherwise participate in the profits of the Company

Financial Statements

Allotted, issued and fully paid Share Capital at the date of approval of the Financial Statements

Share class	Held by	Number of shares (all with a nominal value of £1 each)	Ownership %
Sponsor	DSIT	1	51%
Government Department (GD)	DESNZ	1	7%
	DBT	1	7%
Non-Government Department (NGD)	UKRI	9	35%
Deferred	DSIT	4	n/a
Non-Voting	DSIT	62,016,358	n/a
TOTAL		62,016,374	

14. Employee Benefit Obligations

Pension plans

The Research Councils' Pension Scheme (RCPS) is in all respects 'by-analogy' with the Principal Civil Service Pension Scheme, except that the employer's contribution is determined separately on the recommendation of the Government Actuary's Department (GAD). It is a notionally funded, contributory, defined benefit scheme, and is administered by the Research Councils' Joint Superannuation Services. The Scheme's accounts are prepared by UK Research and Innovation (UKRI) on behalf of the Chief Executive UKRI as Accounting Officer for RCPS.

The employer's contribution for those Company employees who participate in RCPS is agreed by RCPS Board of Management on the recommendation of the GAD and the employer's most recent pension rate (until further notice) will be 26.0%.

The RCPS is a multi-employer defined benefit scheme. As instructed by IAS 19, since UKSBS is unable to reliably estimate its share of the underlying asset and liability of this and other schemes noted below, they are accounted for on the basis of employer contributions in the periods they fall due, as for defined contribution schemes. The RCPS prepares separate accounts and the Company contributions for 2023/24 were £5.5m (2022/23 £4.9m).

23 employees have retained alternative pension arrangements that originated with the organisations from which they transferred. For 2023/24 the employer's contribution for these employees was 15.9% for the Medical Research Council Pension scheme and 15.8% for the United Kingdom Atomic Energy Authority Scheme. The Company contributions for 2023/24 were £0.1m (2022/23 £0.1m). UKSBS also offers a stakeholder pension which attracts age-related employer contributions between 3% and 12.5%. Additionally, any level of optional employee contributions is matched by a further employer contribution up to maximum of 3% of pensionable salary.

In order that the defined benefit obligations recognised in the RCPS financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the HM Treasury Financial Reporting Manual requires that "the period between formal actuarial valuations shall be four years, with approximate assessments in intervening years". The last formal actuarial valuation undertaken for RCPS as at 31 March 2018 was completed in February 2021.

Financial Statements

15. Other Capital and Financial Commitments

There are no capital commitments to be disclosed in these financial statements. However, the Company has the following financial commitments in respect of IT contracts.

	2023/24 £000	2022/23 £000
Within one year	7,678	4,577
Between two and five years	1,806	0
Over five years	0	0
Total financial commitment	9,484	4,577

16. Related Parties

Revenue with related parties during the year was as follows

	2023/24 £000	2022/23 £000 Restated
Department for Science, Innovation and Technology	8,426	0
Department for Business, Energy and Industrial Strategy	0	10,996
UK Research and Innovation	45,516	35,673
	53,942	46,669

A more detailed breakdown of revenue is provided in note 2.

Expenditure with related parties during the year was as follows

	2023/24 £000	2022/23 £000
Department for Science, Innovation and Technology	0	45
UK Research and Innovation	817	821
	817	866

Expenditure with related parties is for various items, the biggest being rent and building services, printing services and staff secondments.

Trade receivables and accrued income balances with related parties

	2023/24 £000	2022/23 £000 Restated
Due within 1 year:		
Department for Science, Innovation and Technology	1,565	196
UK Research and Innovation	5,271	3,572
	6,836	3,768

Financial Statements

Trade payables and accruals balances with related parties

	2023/24 £000	2022/23 £000
Due within 1 year:		
Department for Science, Innovation and Technology	30	45
UK Research and Innovation	565	598
	<hr/> 595	<hr/> 643

Related Party Disclosures

The Company is a separate legal entity, wholly-owned by clients, providing services to multiple clients. Transactions with related parties take place on a cost-recovery basis. The Company seeks to set service charges such that it breaks even.

The Company is deemed to be a state-controlled entity because all of the shareholders are publicly-owned entities. The Company has been classified by the Cabinet Office as a Non-Departmental Public Body (NDPB).

The shareholders as at 31 March 2024 were the Department for Science, Innovation and Technology (DSIT), UK Research and Innovation (UKRI), the Department for Energy Security and Net Zero (DESNZ) and the Department for Business and Trade (DBT), Note 13 explains the ownership.

As at 31 March 2024 only the Department for Science, Innovation and Technology (DSIT) and UK Research and Innovation (UKRI) are classed as related parties.

The accounts provide disclosure of all material transactions with those who are recognised as key management personnel as per IAS 24 'Related Parties'. This is taken to be those members of staff who are included under Executive Directors' remuneration in the Remuneration Report and all UKSBS Board members. Currently there are no additional disclosures due to related parties.

The Department for Science, Innovation and Technology (DSIT) is the ultimate controlling party of the Company. Their address is:

Department for Science, Innovation and Technology
100 Parliament Street
London
SW1A 2BQ

UKSBS is a non-departmental public body sponsored by DSIT. For the purposes of International Accounting Standard 24, DSIT is regarded as a related party. During the year UKSBS had various material transactions with DSIT and UKRI, as disclosed above. In addition, UKSBS has had various material transactions with other government departments. Most of these transactions have been with DESNZ and DBT and are of a similar nature as those disclosed above. A detailed breakdown of revenue is provided in note 2.

Financial Statements

17. Losses and Special Payments

There were no losses or special payments made during the financial year 2023/24 (2022/23 £0k).

18. Events after the Reporting Period

In accordance with the requirements of IAS 10 Events after the Reporting Period, events after the Statement of Financial Position are considered up to the date on which the Accounts are authorised for issue. This is interpreted as the same date as the date of the Certificate and Report of the Comptroller and Auditor General.



UKSBS

*Shared **Business Services***

www.uksbs.co.uk

Registered Office

UK Shared Business Services Ltd

Polaris House
North Star Avenue
SWINDON
SN2 1FF

Concept House
Cardiff Road
NEWPORT
NP10 8QQ

Queensway House
West Precinct
BILLINGHAM
TS23 2NF

Registered Number: 06330639 (England and Wales)

