DEPARTMENT FOR INTERNATIONAL TRADE

ANNUAL REPORT AND ACCOUNTS 2022-23

(for the year ended 31 March 2023)

Accounts presented to the House of Commons pursuant to
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<u>Correction:</u>

page 174, text directly underneath “Comptroller and Auditor General”

Text currently reads:

11 July 2022

Text should read:

13 July 2023

Date of correction: 19 July 2023

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A Machinery of Government change took place on the 7 February 2023, which brought together the business focused functions of the former Department for Business, Energy and Industrial Strategy (BEIS) and the Department for International Trade (DIT) to form the Department for Business and Trade (DBT).

The Government Resources and Accounts Act (2000) requires departments to produce Annual Report and Accounts which follow the structures set out to Parliament at the relevant Supplementary Estimate. The 2022-23 Supplementary Estimates for DIT and BEIS were presented before the Machinery of Government change took place, and these presented the financial activity of the respective departments separately. As a result, this Annual Report and Accounts focuses only on the activity of DIT for the year to 31 March 2023. Information relating to the activities of the business focused functions of the former BEIS will be published as part of its own 2022-23 Annual Report and Accounts.

This document refers to the work of DBT where it is relevant, as all future activity of the former DIT will be conducted by the DBT.


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FOREWORD BY THE SECRETARY OF STATE

The Rt Hon Kemi Badenoch
Secretary of State for the Department for Business and Trade and President of the Board of Trade

It has been an honour to serve as the Department for Business and Trade's first Secretary of State.

This has been a major year for DBT and its predecessor, the Department for International Trade. Despite global challenges – such as the economic fallout of Putin's war in Ukraine – we continued to create opportunities for UK businesses at home and overseas.

In February, DIT joined with parts of the former Department for Business, Energy and Industrial Strategy to form DBT. In doing so, we became a central Department in the Prime Minister's plans for economic growth. Over the year covered by this report we've made significant progress towards making the UK one of the most business-friendly, prosperous and globally connected nations in the world.

It was thanks to our teams' hard work, working with UK businesses, that exports climbed to £845 billion in the year to March 2023. This means we're closer to our goal of growing exports to £1 trillion.

I also want to credit everyone in the Department who played a role in some significant trade wins over this period. These include the successful conclusion of talks with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, as well as our first 'from scratch' free deals with Australia and New Zealand coming into force.

We also progressed negotiations with India and launched talks with major trade partners such as Switzerland, the Gulf Cooperation Council (GCC), Israel and Canada, while signing a Trade and Investment Partnership with Italy - our first with an EU country since Brexit.

As we look to grow our trading relationship with the United States, we have signed Memoranda of Understanding on trade and economic cooperation with Indiana, North Carolina, South Carolina, Oklahoma and Utah. Our teams also successfully negotiated a solution to the US Section 232 tariffs on UK steel and aluminium and removed the long-standing US ban on British lamb and beef.

We have also made huge progress towards turning the UK into an even more attractive destination for foreign capital over the period covered by this report.

Teams in this department and in the Office for Investment secured investment wins creating and supporting tens of thousands of jobs across the country.

In 2021 foreign direct investment stock climbed to £2 trillion. And in May last year, in another vote of confidence for the UK, we signed a new Strategic Investment Partnership with Qatar. The deal, which is worth up to £10 billion over the next five years, covers key sectors like fintech, zero emissions vehicles, life sciences and cyber security.

With protectionism on the rise across the globe, we have served as a powerful advocate for free and fair trade on the international stage, continuing to promote this cause in international fora – including at the World Trade Organisation.

Meanwhile, to reduce the UK's vulnerability to global shocks, we have secured stronger, more diverse supply chains with countries who share our values.

Key to this has been developing a Critical Minerals Strategy and launching a critical minerals dialogue with Canada in March, while also strengthening our ties in this sector with Indonesia and the US.

And last August we launched the Developing Countries trading scheme, promoting free trade and helping UK businesses access hundreds of products at lower prices, reducing costs supporting economic growth at home and abroad.

Over the past year this Department has continued to support work to lay the foundations for Ukraine's recovery, including hosting the first UK-Ukraine Infrastructure Summit in London and signing a Digital Trade Agreement with Kyiv. We continue to build on this important work.

I want to thank everyone who has led the Department to success over the past 12 months. That, of, course, includes my predecessor Anne Marie Trevelyan and the department's ministerial team past and present.

Last but very far from least, I would like to thank my department's civil servants, brilliantly led by Gareth Davis, and congratulate them for all they have achieved.

Our work can and will change lives – because when we help to grow businesses, we also grow jobs, opportunity and prosperity.

I look forward to leading this Department to future success.

STATEMENT BY THE PERMANENT SECRETARY

Gareth Davies
Permanent Secretary
Department for Business and Trade

It's been a busy year for the Department. Our teams worked to support UK businesses around the world. They secured new free trade agreements, helped to remove market access barriers, promoted British exporters and landed inward investment.

I started as the Permanent Secretary of the Department for International Trade in January. I would like to thank my predecessor - James Bowler - and Crawford Falconer who was the acting Permanent Secretary for over 2 months.

In February DIT became part of the new Department for Business and Trade. The new Department has a clear mission - to support businesses to grow and flourish, to create jobs and opportunities across the UK. At home we promote competitive markets, reform regulation and protect consumers. Internationally we open up markets and promote free trade. We actively partner with businesses by providing advice, finance, export promotion and support.

We have staff based across the UK and the world - from Scunthorpe to Shanghai. Our UK teams support businesses looking to export -

and our international teams help identify market opportunities. The international teams also provide on the ground support to potential investors and our UK teams help identify investment opportunities.

This report is an opportunity to review our achievements over the year.

During the past 12 months we've hit significant milestones - getting closer towards our goal of boosting UK exports to £1 trillion by 2030. Since our last report we have helped UK businesses achieve almost 5,000 export wins – supporting jobs and wages across the country. I am particularly proud of the support we gave Airbus and Rolls Royce to help land the record order from Air India in February.

As well as making it easier for UK businesses to trade overseas, we also focused on encouraging many more to do so - working towards the ambitions set out in our Export Strategy – 'Made in the UK, Sold to the World'.

Our teams of dedicated trade specialists based across England, Scotland, Wales and Northern Ireland have worked with over 55,000 firms - and our trade specialists located worldwide have helped thousands of businesses sell into global markets.

Our Export Academy supported over 6,000 businesses during the year on taking their first step into global trade as we redoubled our efforts to deliver the benefits of trade to the whole UK and help level up our country.

This work is supported by our team of Export Champions – all successful business leaders themselves – who help inspire and advise the next generation of exporters. Their success is underpinned by crucial access to finance provided by our export credits agency UKEF, which backed projects worth billions of pounds during the past year.

Through our Investment Transformation Programme we continue to pursue our ambition to become the world's most capable and respected investment promotion agency, driving economic growth and prosperity. We supported 1,083 investment projects in 2022-23, which included the creation of over 66,000 new jobs. These deals impact all corners of our country; Wales and Yorkshire and The Humber recorded increases in new jobs from investment projects to the tune of 71% and 97% respectively.

We will continue to pursue more strategic investments like the ten-year partnership between the UK Government and Moderna. This investment provides the UK with access to pandemic response capabilities and includes a new state-of-the-art facility which will establish the UK as a world-leading mRNA centre of excellence.

On trade negotiations it has been another momentous year. From receiving Royal Assent on the UK's new trade deals with Australia and New Zealand, to substantially progressing negotiations with India, and launching new trade agreements with Mexico, Israel and the GCC.

I am proud of our achievement to close negotiations for UK accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Joining CPTPP shows how the Government is taking advantage of its independent trade policy, championing openness, and doing trade deals that work for the UK. This is our biggest trade deal to date; it will support UK jobs and provide opportunities for growth across the UK.

Internally we have strengthened our capability. We have opened trade and investment hubs in Edinburgh, Cardiff and Belfast, building on the success of presence in the Darlington Economic Campus. We already have a Director General based on Darlington and I want us to have more senior roles outside of London.

I'm very proud of what this Department has achieved over the last year. This is to the credit of the professional, expert and dedicated officials working in the Department across the world, supporting the Secretary of State and her Ministerial team.

PERFORMANCE REPORT

OVERVIEW

This overview section provides a summary of The Department for International Trade (DIT), its purpose and structure, and the main issues and risks relating to the achievements of our objectives.

OUR VISION

To champion open and fair global trading that drives growth, creates better jobs and higher wages, and improves living standards in this country and around the world.

OUR MISSION

Our Mission is to:

> negotiate trade deals and open up markets;

> give our exporters the tools, support and opportunities to succeed through global trade;

> drive investment;

> build a global appetite for British goods and services;

> promote choice and value for UK consumers; and

> improve international trading standards and fight unfair trading practices.

OUR PRIORITY OUTCOMES

1. Secure world-class free trade agreements and reduce market access barriers, ensuring that consumers and businesses can benefit from both.
2. Deliver economic growth to all the nations and regions of the UK through attracting and retaining inward investment.
3. Support UK business to take full advantage of trade opportunities, including those arising from delivering FTAs, facilitating UK exports.
4. Champion the rules-based international trading system and operate the UK's new trading system, including protecting UK businesses from unfair trade practices.

Image: Secretary of State for Business & Trade Kemi Badenoch attended Business Connect with leading business figures alongside the Prime Minister 24th April

A YEAR IN SUMMARY...

April 2022 - May 2022

- DIT successfully negotiates a deal on Section 232 tariffs with the US, reopening tariff free access for UK steel and aluminium exporters to the US, supporting jobs across the UK.
- The UK and Qatar sign a new Strategic Investment Partnership which will see Qatar invest up to £10 billion over the next five years in key sectors of the UK economy, including fintech, zero emissions vehicles, life sciences and cyber security.
- The Healthcare and Life Sciences team launches DIT's first Innovator Showcase to profile UK businesses and promote the UK as a science and technology superpower.
- The UK marks a milestone in trade relations with the US by signing its first state-level Memorandum of Understanding (MoU) with Indiana.

June 2022

- The UK-Singapore Digital Economy Agreement (DEA) – the world's most innovative trade agreement, covering the digitised trade in services and goods across the whole economy – comes into force.
- The UK hosts the UK-Ukraine Infrastructure Summit, which include high-level talks on how the international community can help rebuild Ukraine after the conflict and ensure its long-term prosperity.
- DIT launches FTA negotiations with the Gulf Cooperation Council. Collectively, the GCC is equivalent to the UK's seventh largest export market in 2022. The GCC's demand for international goods and services is expected to grow rapidly to almost £1 trillion by 2035 - an increase of 75% (compared to 2021).

July 2022

- An investment is secured from Moderna to open a vaccine research facility in the UK.
- Trade negotiations launch with Israel that seek to establish a modern, revamped trading relationship between two of the world's services superpowers, upgrading trading relationship already worth £7.2 billion.
- The UK signs the second state-level trade and economic Memorandum of Understanding with North Carolina.

August 2022

- The Developing Countries trading scheme launches, helping UK businesses access hundreds of products from around the globe at lower prices, reducing costs for UK consumers, whilst supporting economic growth at home and abroad.
- The UK agrees two deals with major gulf trading partner Qatar, which include an agreement between DIT and Qatar's Investment Promotion Agency, to help British businesses to enter the Qatari market.

September 2022

- DIT leads the Atlantic Future Forum, displaying the UK's exporting excellence.
- Rt Hon Kemi Badenoch MP becomes Secretary of State for International Trade and President of the Board of Trade

October 2022

- International Trade Week showcases a brand-new series of events designed to help businesses of all shapes and sizes maximise their global potential.
- The Department contributes to services sanctions and export bans that target Russian economic vulnerabilities.
- DIT announces the signing of the UK-Indonesia Memorandum of Understanding, looking to secure trade in key minerals and boost collaboration with life sciences.

November 2022

- The Australia and New Zealand Trade Bill began its journey through the House of Commons.
- DIT held the first in person Investment Leaders Conference in Edinburgh.
- Five sets of trade sanctions are levied against Russia.

December 2022

- The UK launches an eight-week public consultation on an enhanced free trade agreement with South Korea.
- The UK signs a Memorandum of Understanding on Cooperation and Trade Relations with South Carolina.
- Gareth Davies becomes the new Permanent Secretary for DIT.

February 2023

- The UK and Italy agree a trade partnership to boost our trade relationship worth more than £45.8 billion.
- The Department for International Trade and the business element of Department for Business, Energy and Industrial Strategy are merged to form the Department for Business and Trade.
- The Department publishes the Global Trade Outlook 2023 report.

March 2023

- The UK and Canada agreed a landmark agreement to co-operate on critical minerals.
- The UK sign a Digital Trade Agreement to help Ukraine.
- The UK conclude negotiations on the accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

CONTEXT: NOTABLE ISSUES AND RISKS

DIT's 2022-23 Outcome Delivery Plan (ODP) identified several risks that cut across the Department's portfolio. While these challenges affected delivery, our interventions mitigated their impact. DIT's governance model allowed cross-departmental surveillance of these risks at executive and Board level across the year. This section sets out these challenges and assesses our efforts to alleviate them.

Global economic trade and geopolitical outlook

Despite the changing global outlook, DIT continued to progress the UK's trade policy agenda by supporting UK businesses at home and overseas, whilst championing the rules-based trading system and promoting global prosperity.

UK businesses have been adjusting to new trading relationships and have responded with incredible resilience in the face of persistent global trade shocks: Russia's invasion of Ukraine, global inflationary pressures, and the rising headwinds of international protectionism. To support them, DIT's Exports Strategy focussed on promoting and supporting UK business. The action-led 12-Point Plan targeted the barriers to trade and makes Government support easier to access.

DIT continued to use our independent trading policy to capitalise on the substantial trade and investment opportunities across the globe, though progress has much depended on the circumstances of our partners. The Department made progress on FTAs with India, the Gulf Cooperation Council, Canada, Mexico, Israel, and Greenland, with future negotiations scheduled with Switzerland and South Korea.

DIT improved access to US markets by agreeing Memorandums of Understanding with 3 US States. There are plans to unlock global export opportunities worth around £20 billion over 5 years by resolving around 100 priority trade barriers.

To aid Ukraine, the UK hosted the UK-Ukraine Infrastructure Summit and signed a ground-breaking new Digital Trade Agreement (DTA) that will help Ukraine support its economy through the current crisis and lay foundations for its recovery. DIT continued working to limit the power of Russia by restricting its economic influence and by enforcing a range of import and export sanctions. In doing so, supply chain resilience has been tested and the Department implemented measures to mitigate the impact of these shocks and continued working to decrease our reliance on susceptible supply chains.

The UK's accession to CPTPP demonstrated its commitment to ensuring the UK is trading with the fast-emerging markets of the Indo-Pacific – securing the future of a Global Britain set out in the Integrated Review Refresh. The membership of CPTPP will enhance the UK's position of strength on global security matters, enhancing economic security while promoting the benefits of free trade and fair competition. CPTPP represents a landmark moment for the UK and a step towards the future of global trade.

As reflected in the Integrated Review Refresh, rising tensions and protectionism pose real challenges to the international trading system. From strengthening supply chains to supporting green industries, to tailoring import controls and imposing economic sanctions, DIT has been committed to using levers across business and trade as a tool for security as well as growth, keeping the UK economically resilient and prepared for possible future crises.

DIT published the second edition of the Global Trade Outlook in February 2023, which re-examined the long-term trends that may shape the global economy and international trade until 2050. The report is clear – due to seismic international challenges, the global economic outlook has dimmed and global trade prospects have deteriorated. The support the Department will provide to UK businesses is more important than ever for ensuring our economic security.

Having integrated business and trade in a single Department, DBT are positioned to offer a more seamless service to business, maximising the benefits of all our levers to boost business and trade, and promoting choice for consumers.

Operating model and people capacity, capability and resilience

The 2022-23 ODP continued to identify and mitigate risks around attracting and retaining talent. The Department continued to manage related risks around staff welfare caused by resourcing constraints, increased workload in key areas, and in the latter half of the final quarter, the announcement regarding the Machinery of Government change and the formation of the new Department for Business and Trade (DBT).

DIT's ambitious trade negotiation agenda remained vital to the organisation's and UK's success, and it was critical to maintain capacity and ensure retention of essential skills. To assist in mitigating this, DIT submitted a comprehensive pay business case to HM Treasury which was approved and rolled out across the organisation during December 2022.

DBT will continue to develop an attractive employer brand to secure new talent and a renewed focus on careers, including through the leadership of the International Trade Profession. DBT will also be developing new talent pipelines through the Places for Growth programme, ensuring a broad range of skills in each of the Department's locations.

Regular communications to our staff were critical throughout 2022-23 to ensure wellbeing and continue engagement levels, as the organisation had navigated a fast-shifting operational landscape. Improvements and further communications were also made to ensure staff are clearly signposted to available well-being support.

Image: Secretary of State for Business & Trade Kemi Badenoch visiting SIX in Switzerland May 2023

DIT'S STRUCTURE

The structure of the Department at the time of the Machinery of Government change on 7 February 2023 is detailed below. These functions have continued within the new Department for Business and Trade:

> **Trade Negotiations group:** delivering an ambitious programme of free trade agreements, securing greater market access for exporters and bringing greater opportunities and supporting economic growth across the UK.

> **Trading Systems group:** responsible for leading on creating a fair rules-based trading environment, managing the UK's trade disputes and remedies interests, implementing agreements, leading a whole of government effort to remove the highest value barriers so that UK businesses can export and invest more freely around the world, supporting supply chain management and resilience and the licensing of military and dual-use exports.

> **Strategy and Investment group:** working across government to enhance the UK's investment environment, attracting high-value, high-impact investment through the Office for Investment (a joint DIT and Number 10 unit), while delivering cross-government priorities through attraction and retention of internationally mobile investment. Supporting the Department's work for national security, the Dubai World Expo and other world events, Trade Envoys and delivery of analysis and support for Ministers in setting and delivering the Department's strategy.

> **Exports and UK Trade group:** supporting UK businesses to take full advantage of trade opportunities. This includes four pillars: export strategy and delivery; sector-specific support for exporters and investors; support to exporters in teams in over 100 countries.

> **Corporate functions:** provision of the digital services to support trade negotiations, trading systems, exporters and investors as well as the infrastructure required for the achievement of DIT's priority outcomes. Provision of other support services, including communications and marketing, finance, human resources, commercial, estates, security and information management.

> **Overseas:** a network of over 1,400 staff in more than 100 countries providing expert advice in support of UK exports and investment and the implementation of free trade agreements. The network is divided into nine regions, each with an HMTC responsible for delivering a Regional Trade Plan.

> **Trade Remedies Authority (an arm's length body):** established on 1 June 2021 (previously the Trade Remedies Investigations Directorate) undertaking investigations into the economic impact of unfair trade practices and making recommendations on appropriate measures.

> **UK Export Finance:** the UK government's export credit agency. It exists to advance prosperity by ensuring no viable UK export fails for lack of finance or insurance from the private sector, providing finance and insurance to help exporters win, fulfil and get paid for export contracts. UKEF is a separate Ministerial Government Department for which the Secretary of State for International Trade was responsible, and which was strategically and operationally aligned with DIT.

GOVERNANCE STRUCTURE

The following represents the principal governance structures of the Department as at 7 February 2023, both at Board-level (oversight) and Executive-level (management). Further information is also provided in the Governance Statement.

Board-level governance:

- **Departmental Board**
  Chaired by the Secretary of State
  - **Nominations and Governance Committee**
    Chaired by the Lead Non-Executive Board Member
  - **Audit and Risk Assurance Committee**
    Chaired by a Non-Executive Board Member

Executive-level governance:

- **Executive Committee**
  Chaired by the Permanent Secretary
  - **Performance, Finance and Risk Committee**
    Chaired by a Director General
  - **Projects and Change Committee**
    Chaired by a Director General
  - **People Committee**
    Chaired by a Director General

PERFORMANCE SUMMARY

KEY PERFORMANCE MEASURES AND STATISTICS

The following provides a summary of key metrics and statistics that the Department used to monitor performance. Where information does not relate to 2022-23, the latest available is provided.

PRIORITY OUTCOMES

	Key performance measures and statistics (2022-23 unless stated)	Link to the UN Sustainable Development Goals
Secure world-class free trade agreements and reduce market access barriers, ensuring that consumers and businesses can benefit from both.	> Value of total trade in 2022 with countries for which a trade agreement has been secured as at 31 March 2023: £1.1tn > Number of Market Access Barriers reported on the Digital Market Access Service in 2022-23: 371 (a decrease of 49.9% or 370 barriers from 2021-22). > Value of total trade in 2022 with countries for which a trade agreement has been secured as at 31 March 2023, as a percentage of total UK trade: 64.4% > Number of Market Access Barriers on the Digital Market Access Service fully resolved in 2022-23: 145 (a decrease of 8.8% or 14 barriers from 2021-22). > Number of Market Access Barriers on the Digital Market Access Service resolved in part in 2022-23: 33 (a decrease of 13.2% or 5 barriers from 2021-22).	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

PRIORITY OUTCOMES (CONTINUED)

	Key performance measures and statistics (2022-23 unless stated)	Link to the UN Sustainable Development Goals
Deliver economic growth to all the nations and regions of the UK through attracting and retaining inward investment.	> Inward Foreign Direct Investment (FDI) Stock in 2021: £2.0 trillion (4.3% increase from 2020) > Number of DIT supported FDI projects: 1,083 (8% decrease from 2021-22) > Gross Value Added (GVA) of DIT supported FDI projects: £5,769 million (18% decrease from 2021-22) > New jobs created or safeguarded from DIT supported FDI projects: 66,633 (9% decrease from 2021-22) – see performance analysis section for regional breakdown) > Value of venture capital supported: £1,239 million (29% increase from 2021-22) > Value of large capital supported: £17,253 million (268% increase from 2021-22)	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Support UK business to take full advantage of trade opportunities, including those arising from delivering FTAs, facilitating UK exports.	> UK Exports of Goods and Services in 12 months to March 2023: £845.4 billion (24.4% current prices increase from 12 months to March 2022). > UK Imports of Goods and Services in 12 months to March 2023: £907.8 billion (22.8% current prices increase from 12 months to March 2022). > UK Exports as a % of GDP: in 12 months to March 2023: 33.4% (4.3 percentage point increase from 12 months to March 2022) > Outward Foreign Direct Investment (ODI) Stock in 2021: £1.8 trillion (0.9% increase from 2020) > UK share of exports to the world in 2021: 3.1% (0.4 percentage point decrease from 2020) > Value of Export Wins in 2022-23: £19.6 billion (13.4% increase from 2021-22 and 16.3% increase from 2020-2021) > Value of ODI Wins in 2022-23: £5.6 billion (47.5% decrease from 2021-22 and 53.4% increase from 2020-21)	8 DECENT WORK AND ECONOMIC GROWTH

PRIORITY OUTCOMES (CONTINUED)

	Key performance measures and statistics (2022-23 unless stated)	Link to the UN Sustainable Development Goals
Champion the rules-based international trading system and operate the UK's new trading system, including protecting UK businesses from unfair trade practices.	> Standard Individual Export Licences (SIELs) processed in 2022: 13,717 (an increase of 864 from 2021) > Proportion of SIELs processed within 20 working days in 2022: 62% – against a target of 70% (a decrease of 7 percentage points from 2021) > Proportion of SIELs processed within 60 working days in 2022: 89% – against a target of 99% (a decrease of 2 percentage points from 2021) > Median number of days to process SIEL applications in 2022: 16 days (an increase of one day from 2021) > In 2022, an estimated 79.6% of UK exports were at risk due to harmful restrictive trade policies (a rise of 0.3 percentage points since 2021) > In 2022 in was estimated that 44.5% of UK exports are at risk due to harmful subsidies (a rise of 2.1 percentage points since 2021)	

STRATEGIC ENABLERS

The delivery of the Department's priority outcomes was supported by four 'Strategic Enablers': (i) Workforce, skills and location; (ii) New ideas: Innovation, technology and data; (iii) Better outcomes: Delivery, evaluation and collaboration; and (iv) Sustainability.

The following metrics and statistics were used by the Department to monitor performance against these four enablers. The enablers are also linked to the UN Sustainable Development Goals indicated below.

Key performance measures and statistics (2022-23 unless stated)	Link to the UN Sustainable Development Goals
> DIT 2022 People Survey results, overall engagement score: 65% (down 2 percentage points from 2021 survey) > Average diversity declaration rate: 71% as of 31 March 2023 (1 percentage point increase from 31 March 2022) > The new Civil Service Apprenticeship Strategy uses at least 5% of total Civil Service headcount should be apprentices on a programme by 2025. As of 31 March 2023, this was 5.6% in DIT > Number of UK-based Civil Servants who are based outside of London and the South East of England as of 31 March 2023 (FTE): 620 (226% increase from 31 March 2022) > Proportion of FOI requests answered on time, including those with permitted extensions: 58% (8 percentage point decrease from 2021-22) > Proportion of Written PQs answered on time: 59% (23 percentage point decrease from 2021-22) > Proportion of ministerial correspondence answered on time: 67% (7 percentage point decrease from 2021-22) > Total greenhouse gas emissions (scope 1, 2 and 3 excluding international travel) (tCO2e) : 1167 (34.2% increase from 2021-22) > Total energy usage (MWh): 4278 (45.5% increase from 2021-22) > Total expenditure on energy (£000): 837 (171.8% increase from 2021-22) > Total waste production (tonnes): 70 (479.9% increase from 2021-22) > Total water consumption (m3): 2,586 (3% increase from 2021-22)	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

For further information on the Department's performance relating to its strategic enablers see pages 68 to 73 in the Performance Analysis section.

TRADING AGREEMENTS SECURED AS AT 31 MARCH 2023

This table includes those countries the government sought continuity for under our previous EU trade agreements (the continuity negotiations programme) as well as all other trade agreements as at 31 March 2023 that were outside the scope of the programme, such as the Free Trade Agreement with Australia.

Agreement and country	Total UK trade with countries (2022 calendar year, £m)
Albania	477
Andean countries (Colombia, Ecuador, Peru)	5,655
Australia	15,080
Canada	25,221
Cameroon	938
CARIFORUM trade bloc (Antigua and Barbuda, Barbados, Belize, Bahamas, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago)	4,937
Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama)	2,545
Chile	1,669
Côte d'Ivoire	638
Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) (Brunei, Malaysia) (see note below)	5,782
Eastern and Southern Africa (ESA) trade bloc (Madagascar, Mauritius, Seychelles, Zimbabwe)	1,235
Egypt	4,733
Faroe Islands	2,242
Georgia	411
Ghana	2,230

Agreement and country	Total UK trade with countries (2022 calendar year, £m)
Iceland and Norway	56,290
Israel	7,187
Japan	27,735
Jordan	940
Kenya	1,177
Kosovo	13
Lebanon	632
Liechtenstein	223
Mexico	4,796
Moldova	2,215
Morocco	3,115
New Zealand	2,516
North Macedonia	2,341
Pacific States (Fiji, Papua New Guinea, Samoa, Solomon Islands)	284
Palestinian Authority	59
Serbia	867
Singapore	20,176
South Korea	18,346
Southern Africa Customs Union and Mozambique (SACUM) trade bloc (Botswana, Eswatini, Lesotho, Mozambique, Namibia, South Africa)	11,668
Switzerland	52,828
Tunisia	567
Turkey	23,482
Ukraine	1,734
Vietnam	6,943
Subtotal for non-EU countries	**319,927**
European Union and applicable territories (see note below)	786,633
Total (all countries plus the EU)	**1,106,560**

Note: 'Secured' refers to agreements that are in effect, or else have been signed or agreed in principle or concluded negotiations. The CPTPP bloc comprises of Australia, Brunei, Canada, Chile, Japan, Malaysia, New Zealand, Peru, Singapore and Vietnam; the values in the table only account for Malaysia and Brunei so that there is no double counting with other agreement partners. The UK-EU figure, which forms part of the UK bilateral trade figure, includes trade with the European Union plus Andorra, San Marino, EU overseas territories and UK crown dependencies. These statistics do not estimate the value or impact of the trade agreements themselves. The figures provide for context, the overall value of the UK's trade with these countries i.e. the UK's bilateral trade with partner countries covering all exports and imports of goods and services. This is the case even for agreements that cover only goods or only services.

Source: ONS: UK total trade: all countries, seasonally adjusted: October to December 2022. Please note that this publication incorporates routine data revisions each quarter. All figures are provisional and subject to revision.

Image: Secretary of State Kemi Badenoch speaking in Bern, Switzerland

PERFORMANCE ANALYSIS

This section provides an analysis of DIT's performance against each priority outcome and includes references to several performance metrics that are used to monitor performance against the full breadth of our activity. These metrics are drawn from the Department's performance framework, which is the basis of internal performance reporting.

Uncertainty cannot be eliminated from the data used to assess departmental performance – trade and investment data is frequently subject to revisions, and significant variations can be found between estimates by different organisations. The challenges of EU Exit and COVID-19 reduced the quality of some data sources used by DIT; for example, by reducing survey response rates. To continue to maximise the accuracy of the data, a broad range of sources were used to inform DIT's operations and policy. Quality issues were also routinely flagged as part of internal reporting, with verification procedures in place on the main operational metrics, to mitigate risks associated with the use of incorrect data. The figures presented here represent the most recent data that was available as at the end of June 2023.

Information provided on expenditure apportioned to each priority outcome was estimated by budget holders based on their judgement and should be considered approximate. The percentages were reviewed in February 2023 and have been applied to DIT's outturn for 2022-23 excluding non-cash. Further information on expenditure can be found in the Financial Review section. Information on workforce apportioned to each priority outcome is based on the beginning of the 2022-23 reporting year. Further information on the average number of full-time equivalent persons employed during 2022-23 can be found in the Staff Report.

DIT commitment to publishing an Annual Trade Statement

This analysis also fulfils DIT's commitment within the 2019 Command Paper (Processes for making free trade agreements after the United Kingdom has left the European Union) to publish an Annual Trade Report covering progress across the full programme of trade negotiations.

PRIORITY OUTCOME 1.

Secure world-class free trade agreements and reduce market access barriers, ensuring that consumers and businesses can benefit from both.

£122 million
(21.8% of total expenditure)

1,270 FTE
(24% of total workforce)

The Department made significant progress with fulfilling the Government's commitment to negotiate ambitious new free trade agreements and reduce market access barriers for business.

DIT's FTA programme continued at unprecedented scale, and as of 31 March 2022, the UK Government had secured trade deals with 73 countries plus The EU that accounted for £1.1 trillion of UK bilateral trade in 2022.

DIT put the UK at the centre of a network of modern deals and negotiations spanning the Americas and Indo-Pacific, starting with ratification of new trade deals with Australia and New Zealand, and completion of trade negotiations to accede to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a vast free trade area of 11 countries spanning the Indo-Pacific. After 21 months of negotiations, this was the UK's biggest trade deal since Brexit and the UK was the first European country to join CPTPP. Joining CPTPP will boost growth and strengthen our ties with some of the world's most dynamic economies, with a combined GDP of £12 trillion once the UK joins.

As well as progressing negotiations with India (closing 16 chapters over the course of the year), Canada and Greenland, DIT launched negotiations with Mexico, the Gulf Cooperation Council (GCC), and Israel in 2022. DIT also furthered plans for new negotiations with Switzerland, South Korea, the Maldives and Turkey, with negotiations on Switzerland having launched on 15 May 2023.

Outside of FTAs, the Digital Economy Agreement (DEA) with Singapore came into force in June 2022, and DIT signed a ground-breaking digital trade agreement with the Ukraine, supporting further UK-Ukraine trade.

The Department also focused on ensuring the access secured by trade deals is protected and enhanced, through an ongoing dialogue with our trading partners. These dialogues were also used to advance broader UK interests, prevent new barriers from emerging, and keep our agreements up to date.

Lastly, the Department had focused on leading a whole of government effort to resolve the highest value non-tariff barriers which prevent businesses from selling their goods and services around the world. These barriers were reported to us by businesses, and then prioritised on a cross-government basis for resolution. Removing these barriers increases prosperity and jobs across the UK and supports other government priorities, including the green industrial revolution and levelling up.

The Department's work on overcoming non-tariff trade barriers was underpinned by deep trade relationships with key strategic partners, spearheaded by our overseas network of HM Trade Commissioners and a range of trade dialogues including Joint Economic and Trade Committees and other specialised committees established under our concluded free trade agreements.

DIT'S ACHIEVEMENTS AND PROGRESS

Key achievements and progress in 2022-23 under this priority outcome also include the following:

> Having signed comprehensive FTAs with Australia in 2021 and New Zealand in 2022, DIT has been working to ratify and implement these agreements. The Trade (Australia and New Zealand) Act received Royal Assent on 23 March 2023.

> The conclusion of negotiations on the UK's accession to CPTPP in March 2023 is a gateway to the wider Indo-Pacific region, which is set to account for the majority of global economic growth and over half of the world's 3.5 billion middle-class consumers by 2050. DIT worked to secure our place as a key partner to the Asia Pacific region, and as the second largest economy in CPTPP, an agreement committed to free and rules-based trade that is a global standards setter.

> Having launched negotiations with India in 2022, DIT provisionally closed eighteen chapters (as of June 2023) and are continued to concentrate on issues such as goods market access, services, and investment.

> Since the Department commenced negotiations with Canada in March 2022, DIT has completed six rounds, successfully closed two chapters (as of June 2023) and continued to make steady progress across the wider agreement. Additionally, in May 2022, the Department launched FTA negotiations with Mexico, and has since completed three (as of June 2023) rounds.. Both countries share an ambition to secure an inclusive and progressive deal that is fit for the 21st century.

> In May 2022, the UK fully liberalised all remaining tariffs under the UK-Ukraine Free Trade Agreement as a means of providing economic support to Ukraine. This world-leading initiative is now being extended until the end of March 2024.

> DIT continued our focus of ensuring strong digital provisions in our trade agreements, with the Singapore DEA (Digital Economy Agreement) coming into force in June 2022. In March 2023, DIT also signed a ground-breaking digital trade agreement with Ukraine.

> In June 2022, the Department launched UK-GCC FTA negotiations, and has since completed three rounds. Draft treaty text has advanced across most chapters and positive technical discussions have been held across the scope of the agreement.

> Based on information reported to us by UK businesses, in June 2022 DIT announced a cross government hit list of around 100 priority trade barriers currently blocking British trade worldwide.

> In June 2022 DBT hosted the inaugural UK-Thailand JETCO in London. This Ministerial event, led by Minister Mordaunt and Deputy PM Jurin on the Thailand side, signed off an ambitious programme of work to advance trade, and agreed to develop an Enhanced Trade Partnership (ETP) which will further grow our relationship across multiple sectors.

> In July 2022, DIT signed a Memorandum of Understanding with India, officially recognising each other's higher education qualifications.

> In July 2022, negotiations between the UK and Israel for a new, innovation-focused Free Trade Agreement (FTA) were launched, with two rounds completed (as of June 2023).

> In August 2022, at the third UK-Qatar Joint Economic and Trade Committee (JETCO), the UK took steps to further deepen the trade and investment relationship we share with Qatar. This led to DBT also opening the UK export market to Qatar for UK company Holland & Barrett to export vitamins and supplement products to the country.

> In October 2022, the Department announced the unlocking of alcohol export markets worth over £100 million in 2021 after removing trade barriers that deterred alcohol sales to multiple countries across South America and Africa.

> Over the last year the UK and US (at federal level) have worked together to lift barriers and improve the trading landscape, such as agreeing a solution to the US Section 232 tariffs on UK steel and aluminium and removing the long-standing US ban on UK lamb and beef.

> In parallel with trade engagement with the US federal government, DIT also signed a Memoranda of Understanding on trade and economic cooperation with Indiana, North Carolina, and South Carolina. These Memoranda of Understanding provide a framework to unlock trade barriers, realise investment opportunities, and share expertise – supporting growth in bilateral trade.

> In November 2022, the UK and Brazil signed a Double Taxation Agreement (DTA). Once ratified, the DTA will substantially increase cross-border trade and investment between the two countries.

> February 2023 – DIT concludes its review of the trade remedies framework to ensure it remains up-to-date, champions WTO rules and is fit for purpose going forwards.

> March 2023 – DIT introduces legislation in the Finance Bill to provide greater flexibility for Ministers to make evidence-based decisions on trade remedy measures, as well as creating a new role for the TRA in conducting bilateral safeguard investigations.

WHAT'S NEXT?

> India and CPTPP are the cornerstones of DBT's FTA programme through 2023-24. Both deals represent a significant step forward in the UK's strategy to strengthen trade in the Indo-Pacific, which represents 35% of global GDP in 2022 and has some of the world's fastest-growing economies.

> Though CPTPP negotiations are concluded, work will continue to ratify the agreement and accede as a permanent CPTPP member. CPTPP engagement will become a permanent priority for the Government, as the UK uses its membership to engage and influence countries within the bloc.

> A trade deal with India will remain as a top priority for Government. India is an economic superpower, projected to be the world's third largest economy by 2035. The deal would boost our current trading relationship, worth £36 billion in 2022.

> DBT will continue negotiations with the Gulf Cooperation Council (GCC), Canada, Mexico, Israel, and Greenland. Progressing, and ultimately closing the FTA with the GCC will allow us to build closer ties with important trade partners and re-negotiations with Israel, Canada and Mexico present opportunities to both support businesses and strengthen trade and relations with these strategically important countries.

> DBT will start negotiations with Switzerland, South Korea, Turkey, and the Maldives, and negotiate a bilateral investment treaty with Singapore.

> The Australia and New Zealand FTAs entered into force on 31 May 2023, and DBT will now implement the agreement and work across the Department to support utilisation of the deals.

> DBT will continue to take a twin track approach to trading with the US, seeking ways to open our markets for businesses at the state level in addition to our engagement at the federal level.

> DBT will co-chair and support relevant TCA trade specialised committees and wider governance structures, continuing to work on market access barriers in trade with the EU and prepare for the TCA review in 2025-2026. This will ensure the agreement continues to deliver beneficial economic outcomes for the UK.

> DBT will continue our work on focussing on resolving around 100 of our top priority barriers worth around £20 billion to British businesses over five years.

DBT will also continue to advance innovative approaches to tackling market access including:

> Driving the UK's innovative, state-level MoU (Memoranda of Understanding) approach in the US.

> Deepening priority trade relationships – for example through Enhanced Trade Partnerships (ETPs) and Joint Economic and Trade Committees (JETCOs).

> Agreeing recognition arrangements with partner countries, such as Mutual Recognition Agreements and Mutual Recognition of Professional Qualifications.

- Addressing the lack of regulatory frameworks in partner countries around emerging and clean technologies, including in renewables such as offshore wind, to benefit UK Clean Growth exporters while accelerating the global transition to Net Zero.
- Using our participation in international standards-setting bodies such as Codex Alimentarius to harmonise standards globally, increasing market access for the UK.
- Expanding our public and industry outreach, to raise the profile of resolved market access barriers and ensure business readiness to exploit new openings globally.

Image: SoS Kemi Badenoch with Yulia Svyrydenko, First Deputy Prime Minister of Ukraine and Minister of Economic Development and Trade of Ukraine

PERFORMANCE MEASURES

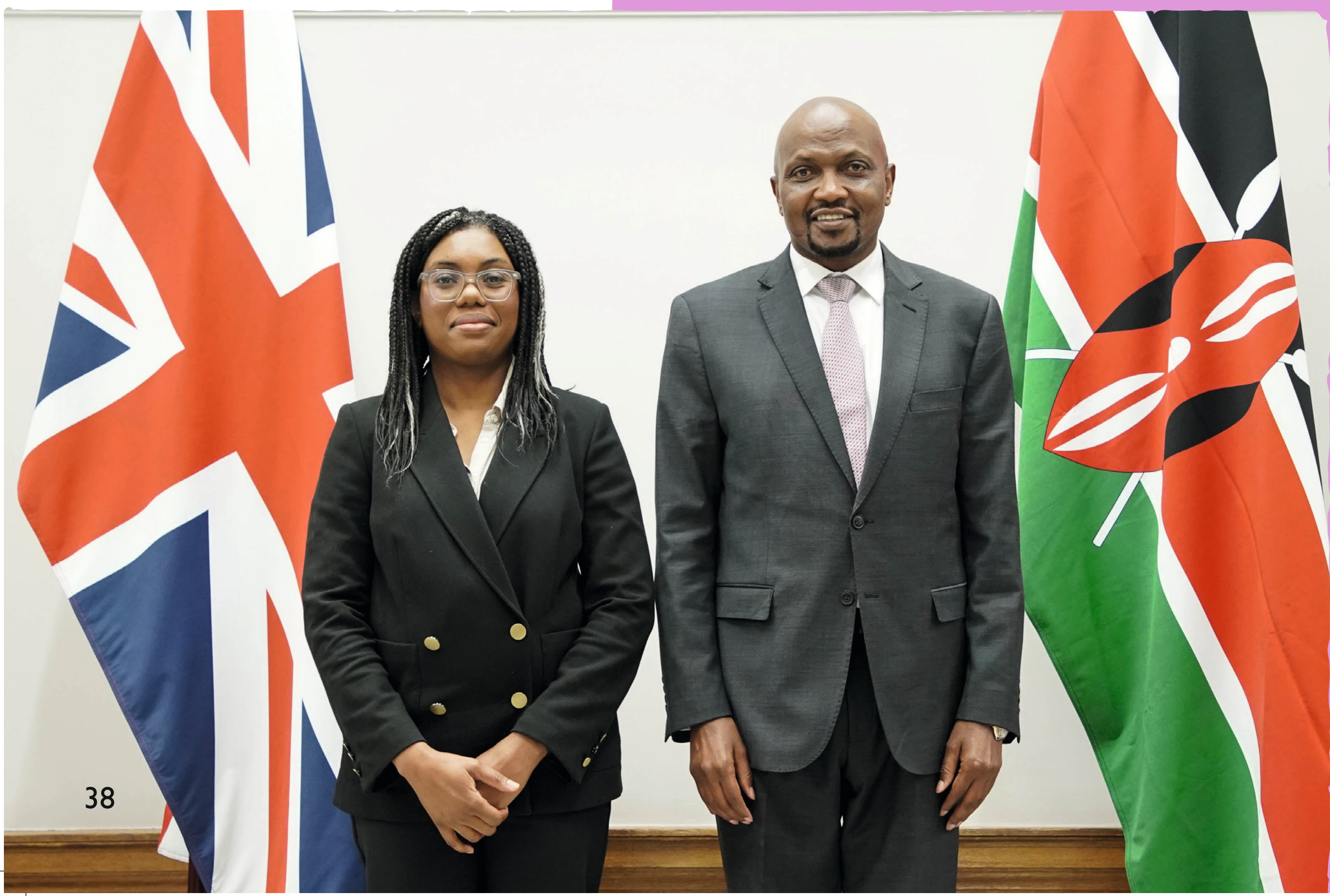
Trade agreements

- Value of total trade in 2022 with countries for which a trade agreement has been secured as at 31 March 2023: **£1.1 trillion**
- Value of total trade in 2022 with countries for which a trade agreement has been secured as at 31 March 2023, as a percentage of total UK trade: **64.4%**

These statistics indicate progress towards securing trade agreements. The statistics estimate the value of UK trade with countries who are party to trade agreements. All trade values within this note are taken from the most recent published Office for National Statistics (ONS) statistics on: UK total trade: all countries, seasonally adjusted. This publication incorporates routine data revisions each quarter.

These statistics do not estimate the value or impact of the trade agreements themselves. The figures provide for context the overall value of the UK's trade with these countries i.e., the UK's bilateral trade with partner countries covering all exports and imports of goods and services. This is the case even for agreements that cover only goods or only services.

Image: Secretary of State for Business & Trade Kemi Badenoch with Moses Kuria, the Cabinet Secretary for Investments, Trade and Industry in Kenya



MARKET ACCESS

- Number of Market Access Barriers on the Digital Market Access Service fully resolved in 2022-23: **145** (a decrease of 8.8% or 14 barriers from 2021-22).
- Number of Market Access Barriers reported on the Digital Market Access Service in 2022-23: **371** (a decrease of 49.9% or 370 barriers from 2021-22).
- Of the 178 barriers resolved (in full or in part) a subset of 46 on their own are estimated to be worth around **£6.5 billion** to UK businesses over the next five years

Methodology and production

The Digital Market Access Service (DMAS) is the central repository for all trade barriers reported to the UK government by businesses, either via trade officials in the UK and overseas, or directly through the 'Report a Market Access Barrier' service on great.gov.uk. Once barriers have been added to DMAS, they are assessed and given a high-level qualitative rating. Status indicators are attributed to specific barriers and are used to provide a broad indication of the latest position, including marking it as resolved when the issue has been addressed.

Valuation estimates presented are not intended as definitive predictions of the expected benefits to UK exports, nor an analysis of the wider impacts on the UK economy. Rather they provide an indication of the potential size of the opportunity associated with addressing a specific market access barrier. They are expressed as the potential export benefit over a five year period following resolution of the barrier.[1]

Coherence and compatibility

Statistics derived from DMAS can provide a partial picture of market access activity and issues. They do not provide a comprehensive view on underlying market access conditions faced by UK businesses in exporting around the world. The basis for counting the number of barriers resolved within a period has been changed. The revised approach counts barriers for when the resolution was reported to have occurred, rather than when the system was updated to reflect the status as resolved. Therefore, market access barrier statistics published prior to and including financial year 2020-21 are not comparable.

Accuracy and definitions

Market access activity aims to reduce individual tariff and non-tariff barriers, and outward FDI restrictions, which impede the ability of all firms to trade and invest effectively. A wide range of rules, practices and processes can infringe, restrict or prohibit a firm's ability to export to or invest in a particular country or increase the cost of doing so. Many of these 'infringements' do not have trade restriction or market protection as a primary purpose. Individual businesses also face specific issues when exporting or investing overseas.

1 https://www.gov.uk/government/publications/aggregate-valuation-estimates-for-market-access-barriers

PRIORITY OUTCOME 2.

Deliver economic growth to all the nations and regions of the UK through attracting and retaining inward investment.

£90 million
(16.2% of total expenditure)

764 FTE
(15% of total workforce)

DIT acted as the UK's investment promotion agency committed to helping attract, retain and grow international investment to strengthen the UK economy, increase productivity and innovation, and support Net-Zero, Levelling Up and Science Superpower objectives. This was achieved through:

> promoting the UK as an investment destination, directly showcasing the UK opportunities and capabilities to investors through our network of investment specialists around the world, events and digital channels;

> providing intelligence and insight to help investors build the business case for investing in the UK versus competing jurisdictions;

> supporting investors to set up or expand their business, including access to expert advice on sector-specific and business environment issues and assistance in engaging across Government to break down investment barriers;

> influencing policy development across Whitehall to ensure international and domestic policy and legislation are conducive to maintaining the UK's position as leading destination for investment;

> developing long-term partnerships with strategic investors and entrepreneurs.

Latest figures from UNCTAD[2] show the value of Greenfield Investments rebounded globally from $0.7 trillion in 2021 to $1.2 trillion in 2022. DIT continued to play a role in supporting high value investments across the whole of the UK, and particularly saw a significant increase in capital investment. During the financial year 2022-23 DIT supported 1,083 investment projects, resulting in the creation of 66,633 new jobs, and an estimated GVA of £5,769 million. DIT also secured £17,253 million of capital investment and £1,293 million in venture capital, and £13,743 million through investments aligned with the Ten Point Plan for a green industrial revolution.

In response to the ongoing war in Ukraine the Department continued to deploy strengthened screening processes to ensure that DIT's investment support services were not provided to sanctioned companies or companies with associations with sanctioned individuals. DIT adapted to the impact on investment flows and considered the role of investment in managing supply chain, energy and competition pressures in the medium-term, working closely with other government departments including the Department for Business Energy & Industrial Strategy.

2 UNCTAD, World Investment Report, 2023

DIT'S ACHIEVEMENTS AND PROGRESS

OFI

> The Office for Investment (OfI) worked collaboratively across government to land the highest value, highest impact investment opportunities aligned to the Government's most strategic priorities and was instrumental in landing projects that secured billions in investment into the UK and created and retained thousands of jobs.

> Working with teams across DIT, No10, and other departments, the OfI played a key role in securing the UK-Qatar Strategic Investment Partnership, under which Qatar aims to invest around £10 billion in the UK over the next five years; and the signing of the UK-Indonesia Memorandum of Understanding which will drive cooperation with Indonesia on investment opportunities in the life sciences, energy transition sectors, and mineral industry.

Policy

> DIT engaged in policy advocacy to ensure the UK's domestic environment is attractive and competitive to inward investors, making HMG as 'investor friendly' as possible. DIT collaborated with other government departments to address common barriers investors face when looking to establish in the UK; such as increasing the supply of in-demand skills and improving access to finance. The Department has been particularly influential in the Visa Mobility changes announced in the spring statement.

> DIT continued to work closely with the Department for Levelling Up, Housing and Communities (DLUHC) to support the full mobilisation of all Freeports in England. This included supporting Freeports to accelerate their connectivity to export and investment markets internationally, promoting UK Freeports at global events and through the Department's own promotion activity – such as the Green Trade and Investment Expo 2022. DIT also played a leading role in the process for selecting new Freeports across UK nations, leading to the announcement of two Green Freeports in Scotland and two in Wales.

Levelling Up

> In 2022-23, DIT supported the creation of 36,901 jobs outside London and the South East from single-sited investment projects. This represents a 68% proportion of the total single-sited jobs created.

> In July 2022, to coincide with the opening of the Commonwealth Games, DIT and the Commonwealth Enterprise and Investment Council hosted a Commonwealth Business Forum in Birmingham for corporate and institutional investors focusing on the strengths of the West Midlands.

> Through the Investment Champions programme, DIT worked with prominent foreign investors to showcase the strengths of UK Regions and help promote the UK as a thriving business destination. Based on the success of the programme in the Northern Powerhouse and Midlands Engine the programme was expanded to the South-West England.

Clean Growth

> DIT was committed to supporting businesses across the low carbon economy to invest, grow and export, creating jobs and opportunities across the country, and accelerating the deployment of the technologies needed for the domestic and global green transition. This year the Department has supported £13.743 billion of investment creating 20,635 new jobs in green projects aligned to the Ten Point Plan, in sectors including offshore wind, electric vehicles, and nuclear.

> DIT worked across government to support green industrial policy development maintaining the UK's position as a leading destination for green investment. This included collaboration with the Department for Business Energy & Industrial Strategy to mobilise investment through the publication of Powering Up Britain and the updated 2023 Green Finance Strategy. The Department also supported the publication of a series of roadmaps setting out plans to leverage private investment for critical green sectors including Offshore Wind, Hydrogen, Heat Pumps, and Carbon Capture, Usage and Storage.

> In November 2022, the Secretary of State for International Trade hosted the Green Trade and Investment Expo in Gateshead. The event formed the centrepiece of DIT's International Trade Week, showcasing the UK's leading green investment and export opportunities and encouraging attendees to consider two core decarbonisation challenges – Clean Energy and Green Mobility.

Science SuperPower

> This year DIT has supported £6.57 billion billion of investment and created 19,092 new jobs through investment projects that contribute to the UK's ambition to become a Science Superpower, including in the areas of AI, engineering biology, quantum technologies, semiconductors, and future telecoms.

> DIT collaborated with the Department for Business, Energy and Industrial Strategy to establish the Long-term Investment For Technology and Science (LIFTS) initiative which aims to attract institutional investors to the UK's most innovative science and technology companies, and supported the 10-year extension of the British Patient Capital (BPC) programme which will focus on R&D intensive industries and is expected to attract investments worth billions across key industries including life sciences, Net Zero and deep tech.

WHAT'S NEXT?

Formation of DBT

> The formation of the new Department for Business and Trade presents an exciting opportunity to act as a single voice of business in government, working to drive effective industrial policies, address market barriers, and to give business the long-term certainty needed to make strategic decisions on investment plans in the UK.

Transformation

> To be the world's most capable and respected investment promotion agency, best placed to deliver high-value inward investment in support of driving economic growth and prosperity for the UK. The Investment Transformation Programme will deliver changes to DBT's investment services that optimise our resources, focusing our support on high-value, high-impact investors, whilst providing proportionate, effective and efficient services to all our investors.

Global Investment Summit (GIS)

> Following the success of the GIS in 2021, the UK will again host a GIS on 27 November 2023 with the aim of attracting billions of pounds of high value investment and creating thousands of jobs across the UK. GIS will have a special focus on high tech sectors such as innovation, research and development and will strengthen the UKs reputation as an investment location by articulating UK competitive advantages and showcasing emerging UK success in key sectors such as life sciences, deep tech, nuclear and sustainable manufacturing.

High Potential Opportunities

> DBT will support investment across the whole of the UK through the development and promotion of High Potential Opportunities, the department's flagship FDI Programme. The programme will be expanded, and a new round of opportunities developed to add to the existing commercially compelling opportunities live on the Investment Atlas.

OfI

> The OfI will increase its presence across the country by appointing an OfI investment Partner in Scotland to add to the partners appointed in Cardiff and Belfast in 2022-23. This will broaden the reach of UK investment, support the levelling up agenda, and ensure cross-government and inter-government action on large scale investments.

Freeports

> DBT will continue to support the mobilisation of Freeports across UK nations, guide new Freeports in the development and implementation of robust trade and investment strategies, and promote the UK-wide Freeports offer through our international network.

Clean Growth

> DBT will build the UK's green industrial base through promoting the UK's green opportunities and capabilities to investors, including at this Autumn's Global Investment Summit.

> Within the context of increasing global competition to secure globally mobile green investment, DBT will continue to assess and mitigate the impact of international policies on the UK's competitiveness to secure investment within critical green industries.

> DBT will support the cross-government collaboration to establish a new Net Zero Business and Investment Group to work with business and finance leaders to support the mobilisation of the investment needed to support the delivery of our net zero target. The group's focus will include developing a shared view of market barriers across different sectors to deliver net zero, and the respective roles across Government, industry, and the finance sector in addressing these.

Science SuperPower

> DBT will continue to drive investment into key Science SuperPower areas, especially into the five priority technologies highlighted by NSTC. DBT will also focus on meeting its responsibilities within the recently announced Science & Technology Framework, including securing increased investment in R&D and supporting access to finance for innovative firms.

> The launch of the LIFTS competition will be key to ensuring that the UK attracts and supports the most innovative science and technology projects. Growing the Global Talent Network and promoting the Global Entrepreneur Programme which both aim to improve the talent and entrepreneurial base in the UK will support this objective.

> DBT will collaborate across its partners in Government and industry to ensure that there are adequate facilities to support cutting edge science in the UK and secure the UK's long-term strategic advantage. DBT will build upon its close partnership with DSIT to continue to help address key barriers to Science & Tech in the UK, including regulation, access to finance and access to talent.

Image: Lord Johnson speaks at OFI and Octopus Ventures 'Impossible Research through to Realised Application' stakeholder event

PERFORMANCE MEASURES

Inward Investment

- Inward Foreign Direct Investment (FDI) Stock in 2021: **£2,002 billion** (4% increase from 2020)

  Source: ONS Foreign direct investment involving UK companies, 2021

  The 2022 figures will be available in 2024.

- Number of DIT supported FDI projects in 2022-23: **1,083** (8% decrease from 2021-22 and 4% decrease from 2020-21)

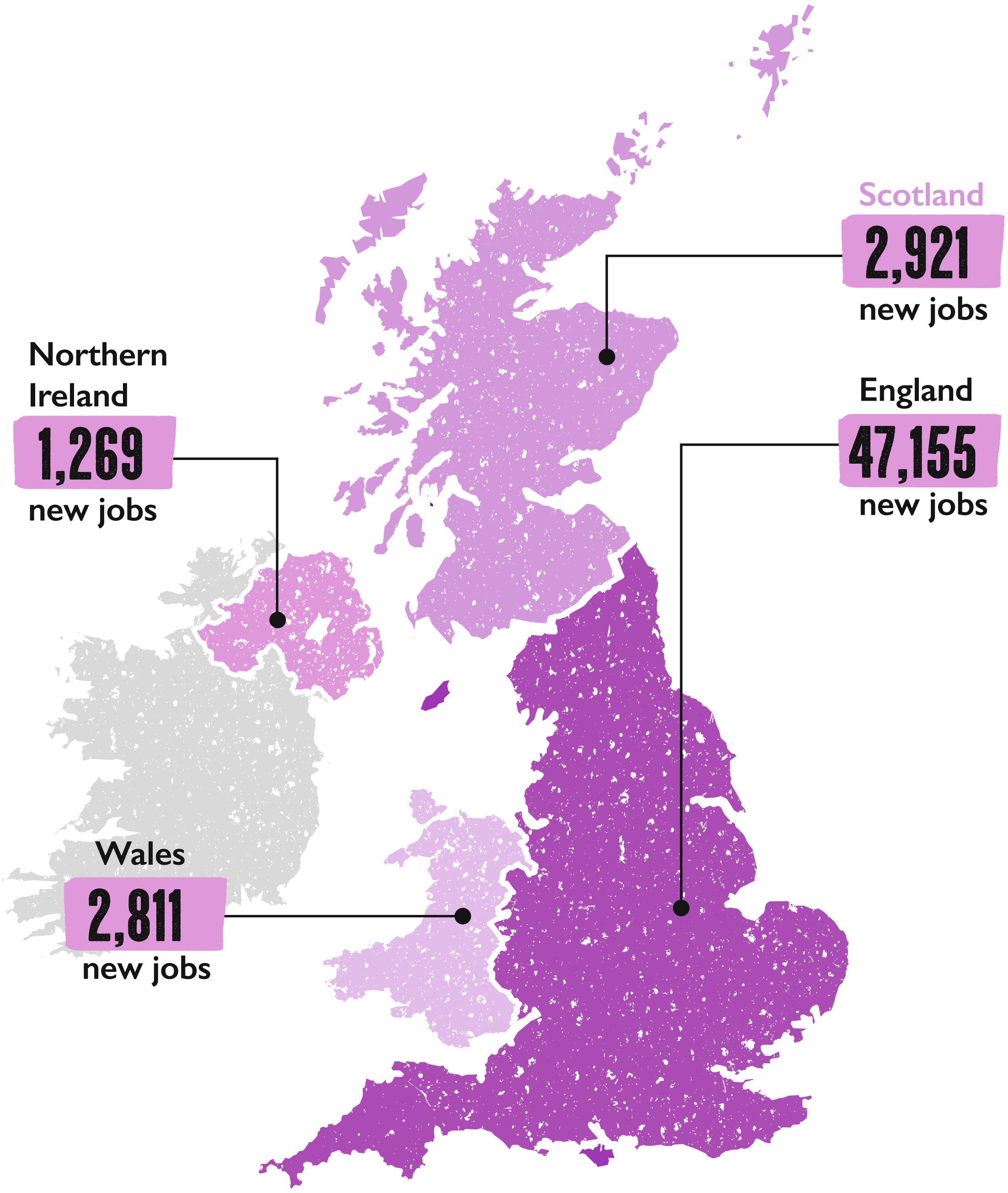
- Gross Value Added (GVA) of DIT supported FDI projects in 2022-23: **£5,769 million** (18% decrease from 2021-22 and 49% increase from 2020-21)

- Value of venture capital supported in 2022-23: **£1,239 million** (29% increase from 2021-22 and 60% increase from 2020-21)

- Value of large capital supported in 2022-23: **£17,253 million** (268% increase from 2021-22 and 352% increase from 2020-21)

- New jobs created or safeguarded from DIT supported FDI projects in 2022-23: **66,633** (16% decrease from 2021-22 and 39% increase from 2020-21)

  Source: Department for Business and Trade Inward Investment Results 2022-23



Location	New jobs	Location	New jobs
North East	2,900	East of England	7,579
North West	5,059	London	14,363
Yorkshire and The Humber	6,613	South East	2,892
East Midlands	2,536	South West	3,386
West Midlands	7,579	**Total new jobs for England**	**47,155**

Total new jobs created from FDI projects 66,633
Total new jobs for multiple location projects 12,477

Methodology and production

Data and information related to investment projects are recorded on an internal database which was accessible by teams across DIT. When revenue generating activities have begun, the record undergoes a robust verification process where an independent team reviews the information attached to each project to check for quality, accuracy and consistency of data. All projects must meet the same established standards and criteria to be classified as a success, and there must be sufficient evidence recorded showing that the investment decision has been made, the UK company is fully registered, and that the company has started activities on the UK site. DIT figures for recorded inward FDI projects include those investments which received support from DIT and/or one of its regional and local partners (involved projects), as well as projects which have landed in the UK without any involvement from DIT or partners (non-involved projects). Various external sources and FDI project and company databases have been used to identify, qualify and report eligible 'non-involved' FDI projects.

DIT measured capital investment by the capital or foreign equity value of the investment only. Values are recorded in pound sterling, applying the exchange rate at the time of the investment announcement if necessary. Whilst capital investment is all foreign investment, most does not meet the criteria for FDI.

Growth capital attracts strategic investment into high-value start-up, growth companies and funds from corporate, venture capital and individual investors outside the UK to accelerate their technology and expansion. This includes investment supported by DIT Venture Capital. Large capital involves overseas institutional investment into large capital projects in real estate, infrastructure and energy.

Coherence and compatibility

FDI is defined as a cross-border investment made by a non-UK resident entity where the direct investor acquires at least 10% of the voting power or ownership. All FDI projects reported have been subject to a strict, independent verification process and have evidence to show that the investment has taken place. Job figures included in this report are estimates, made at the start of each investment project and are provided by the investor. New jobs capture total jobs likely to be created within three years from the start of the project. Safeguarded jobs include those jobs which were retained as a result of the additional/ new inward investment.

Gross Value Added (GVA) figures are estimated, developed using DIT's analysis into the economic impact of FDI. Estimates are made by applying the sector specific multipliers detailed in DIT's research report to either the number of new jobs generated from FDI projects, or the capital expenditure invested by the FDI projects. This is determined by whether a sector is deemed as labour intensive or capital intensive. The estimated impacts published are the minimum level of GVA expected over 3 years.

Accuracy and definitions

DIT's definition of FDI projects covers a wide range of investment, including those projects which are not announced by companies. This and other differences in methodology and verification processes explains the difference in the FDI project numbers published by DIT and other organisations, such as the Financial Times and EY. Whereas these DIT statistics record the number of FDI projects and jobs created/ safeguarded, ONS statistics are the official source for the value of inward and outward FDI stocks at the UK level. See www.ons.gov.uk for further information.

Image: SoS site visit to Tata Steel in London, April 2023

PRIORITY OUTCOME 3.

Support UK business to take full advantage of trade opportunities, including those arising from delivering FTAs, facilitating UK exports.

£148 million
(26.5% of total expenditure)

1,453 FTE
(28% of total workforce)

DIT set itself a challenging ambition: to work with businesses across the UK to deliver £1 trillion of UK exports per year by 2030 – a shared ambition to ensure businesses have the skills, confidence, networks and finance to increase UK exports to £1 trillion every year. DIT progressed this through the delivery of the Export Strategy – 'Made in the UK, Sold to the World' and the 12-point plan (published in November 2021) to support UK exports. 2022-23 saw many successes for DIT's work supporting British exporters.

To deliver the Export Strategy, DIT continued to build a single, global ecosystem for exports support ensuring delivery of the right services, to the right businesses at the right stage of their exporter journey.

Central to this ecosystem was an effective digital offer for businesses of all sizes, optimised to help businesses quickly access the information and guidance they need to grow into new markets through market guides, capability-building information and tools such as CHIEG (Check How to Import or Export Goods).

The innovative Export Academy expanded its reach, building the capability and confidence of new and aspiring exporters across the UK. The Export Support Service digital enquiry offer was rolled out across the world and brought together expertise from across government to offer a one stop shop for exporter enquiries, this service was pivotal in the government's response to the Russian invasion of Ukraine and acted as a single point of contact to businesses seeking information on how their trade might be affected.

International Trade Advisers were central in supporting high potential SMEs. Following a successful in-housing process in 2022, the advisers continued to work one-to-one with exporters to develop their export plans and help them identify and access opportunities around the world. DIT also established locations in Edinburgh, Cardiff and Belfast with export teams in all four UK nations to support key exporters. The Export Champion programme expanded dedicating their time as successful business leaders and entrepreneurs to inspire and advise the next generation of British exporters. To complement this, following the rollout to all regions in 2021-22, the International Markets teams in each of our overseas regions have continued to offer advice and guidance on selecting and accessing the right markets for businesses.

Sector teams have focused on delivering support to top businesses in each sector ranging from strategic account management and organising of key events (e.g. Green Trade and Investment Expo) to enabling Government to Government partnerships. Our export teams in key global markets continued to combine sector expertise with the market intelligence needed to identify and connect UK businesses with opportunities around the world. Through Overseas Trade Missions and the Made in the UK, Sold to the World campaign DIT promoted UK exports across the world, delivering more than one thousand international and UK-wide events this financial year.

DIT also established new cross-cutting functions, such as a new FTA Utilisation function, to ensure that businesses can seize the opportunities secured through our new Free Trade Agreements and broader efforts to remove market access barriers.

DIT'S ACHIEVEMENTS AND PROGRESS

Summary

> As the world's 7th biggest exporter, the UK achieved £815 billion of exports in 2022 in current prices: as the world's 2nd biggest services exporter the UK achieved £401 billion services exports in 2022, 4% above 2018 levels even after accounting for inflation.

> UK exports are recovered to pre-pandemic levels, even accounting for inflation. In 2022 UK exports were £815 billion, an increase of 25% in current prices compared to 2021 and 21% in current prices compared to 2018. Once adjusted for inflation, exports increased 10% in 2022 compared to 2021 (up 0.5% when compared to 2018).

> The UK is well placed to achieve £1 trillion of exports by 2030. UK exports have grown an average of 4.6% in current prices over the last decade. To reach £1 trillion by 2030, UK exports will need to grow an average of 2.6% in current prices for the next 8 years.

> In 2022-23, DIT helped UK businesses to secure 4,935 export wins with a combined value in excess of £19.6 billion a 13.4% increase on 2021-22.

> DIT supported businesses to achieve 79 Outward Direct Investment wins with a total value of £5.6 billion.

Detail

> UKEF issued £6.5 billion of financial support to further UK exports, supporting investment and business growth across the UK. In April 2022, they supported a £400 million loan to enable Johnson Matthey to invest in research and development of hydrogen and reusable 'circular' technologies, helping to develop green export capabilities.

> This boosted the UK economy. Up to 55,000 jobs across the UK were supported because of UKEF support in 2021-22.

> In July, DBT in-housed the International Trade Advisor service involving the smooth transfer of 332 trade and client management specialists into DBT. The Export Academy has had 20,000 attendees from over 6,000 unique businesses attend sessions during the year.

2018 is used as a measure for 'pre-COVID' trade, as the most recent period of relatively stable UK trade. COVID-19 and EU-Exit contributed to increased volatility in UK trade across 2019, 2020, and into early 2021.

DBT celebrated its Export Strategy milestone as part of International Trade Week which saw 13,000 registrations for 116 events, from companies of all sizes and across the UK. Events were planned in all regions of the UK and covered all main sectors and regions of the world.

> DIT delivered the Commonwealth Business Forum at the Birmingham Commonwealth Games, with over 30 events and engagement with 1,518 unique businesses.

> The Atlantic Future Forum (AFF) 2022 was hosted onboard HMS Queen Elizabeth in New York Harbour on 28-29 September. In its fifth year, the annual defence, security, trade, and technology forum was convened by the UK Government in partnership with global industry partners to promote continued cooperation between the UK and US and showcase UK defence and security companies.

> In October the Green Trade and Investment Expo in Gateshead brought together over 160 businesspeople, investors, and innovators from around the world to explore opportunities in the UK's transition to net zero, showcasing the UK as a destination for Low Carbon Investment and a base for Green Exports.

> In October, DIT attended the SIAL food and drink exhibition Paris, providing a platform for more than 100 British businesses to engage with potential customers across three pavilions secured a number of business leads and contracts.

> The Export Champions in the Nations were launched, helping to provide a distinct voice for businesses in Scotland, Wales and Northern Ireland to seize new export opportunities.

> DBT Life Sciences, DBT Wales and the Board of Trade team launched the Board of Trade's Life Sciences paper in November.

> The Government Partnerships Unit (G2G) was launched. The team will bring together a holistic offer of industry expertise and UK government support to create bespoke arrangements to meet the needs of governments and citizens against specific opportunities identified.

> In the Nations, DIT Wales organised a business reception for the Wales vs. USA World Cup game to celebrate trade between the two countries. In Northern Ireland, DIT has signed an agreement with Invest NI to support local business to export through the UK Export Academy, and DIT Scotland completed their Export Roadshow where they visited five Scottish cities to promote the benefits of selling abroad.

Image: Secretary of State for Business & Trade Kemi Badenoch giving a speech at the Green Trade and Investment Expo 2022 in Gateshead

WHAT'S NEXT?

- DBT will provide up to £12 million of funding over 2023-24 for the network of 37 Growth Hubs across England. Growth Hubs bring together national and local business support from across the public and private sector to provide local businesses with a single point of contact to access relevant advice and support, using an information, diagnostic, brokerage and delivery model. The network of Growth Hubs supports over 160,000 businesses annually.
- The Department is making it easier for UK businesses to understand how they can benefit from trade deals and the removal of overseas market access barriers. New simple guidance will be produced, starting with Australia and New Zealand, that will spell out the changes that UK businesses can expect.
- The Department will provide £250 million funding to unlock more institutional investment into UK science and tech companies.
- The Department will continue to deliver an intensive national training programme to improve SME leadership and management skills and address firm level productivity challenges, through the Help to Grow: Management programme.
- The Department will work with businesses to deliver on our ambitious Net Zero target and will publish a National Battery strategy to signal HMG priorities and existing commitments, programs and regulations on batteries, signpost UK demand and areas of strategic advantage to industry and investors and enable a joined-up approach to deliver a battery ecosystem that drives economic prosperity, strategic advantage and supply chain resilience.
- The Department will bring together proposals for a Marine Manufacturing Accelerator that will place the UK at the forefront of the design and manufacture of zero emission vessels, regenerate coastal communities and support maritime decarbonisation. The aim is to grow the UK's share of the global aerospace market whilst reducing global emissions through the Aerospace Technology Initiative (ATI) programme.
- The Department will continue to support manufacturing. This includes the implementation of the £24 million Made Smarter Tech Adoption programme for manufacturing SMEs in 5 English regions, and aims to engage 2,000 SMEs over the next two years.
- The Department will also introduce The Shipbuilding Credit Guarantee Scheme (SCGS). This sector-specific finance instrument is designed to facilitate access to finance for UK vessel owners and operators, seeking to place orders at UK shipyards.
- The Department will deliver an Automotive Transformation Fund to provide support for late-stage R&D and capital investments to help create an internationally competitive electric vehicle supply chain in the UK.

PERFORMANCE MEASURES

- UK Exports of Goods and Services in 12 months to March 2023: **£845.4 billion** (24.4% current prices increase from 12 months to March 2022)

  Source: ONS Balance of payments, UK: January to March 2023

- UK Imports of Goods and Services in 12 months to March 2023: **£907.8 billion** (22.8% current prices increase from 12 months to March 2022)

  Source: ONS Balance of payments, UK: January to March 2023

- UK Exports as a % of GDP in 12 months to March 2023: **33.4%** (4.3 percentage point increase from 12 months to March 2022)

  Source: ONS Quarterly National Accounts January to March 2023

- Outward Foreign Direct Investment (ODI) Stock in 2021: **£1.8 trillion** (0.9% increase from 2020)

  Source: ONS Foreign direct investment involving UK companies 2021

- UK share of exports to the world in 2021: **3.1%** (0.4 percentage point decrease from 2020)

  Source: UNCTAD

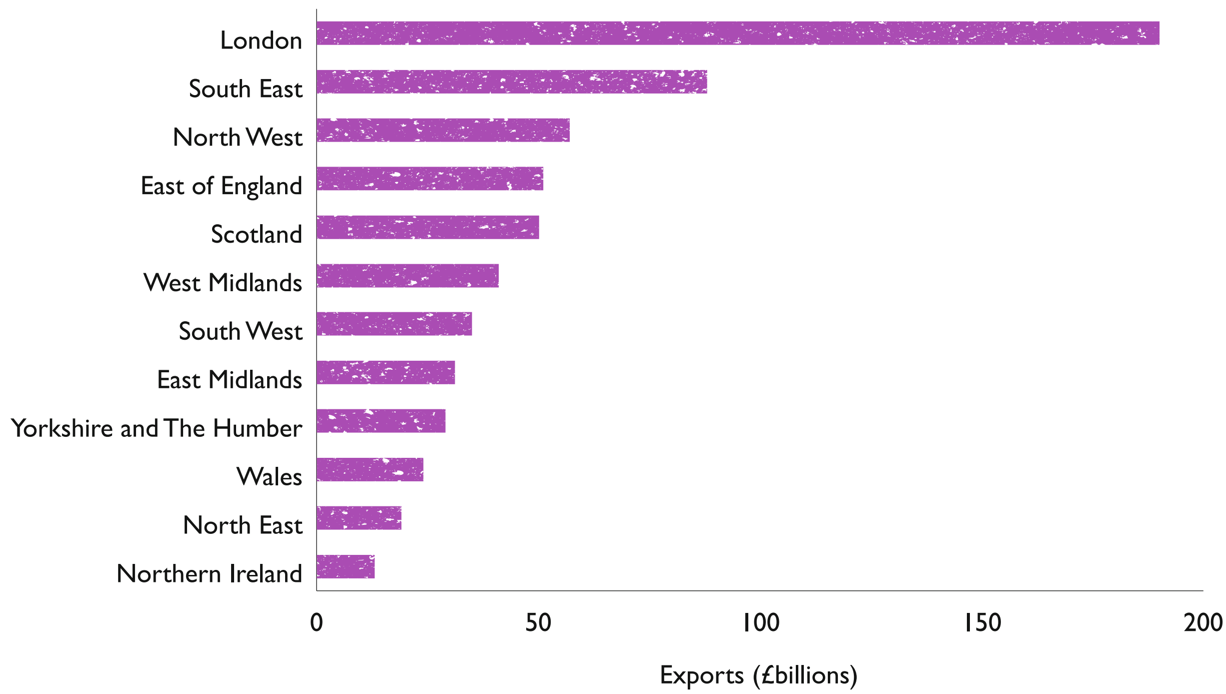
- Value of Export Wins in 2022-23: **£19.6 billion** (13.4% increase from 2021-22 and 16.3% increase from 2020-2021)

  Source: DBT Export Wins Service

- Value of ODI Wins in 2022-23: **£5.6 billion** (47.5% decrease from 2021-22 and 53.4% increase from 2020-21)

  Source: DBT Export Wins Service

The value of exports split by UK region and nation (2021)



Source: ONS International trade in UK nations, regions and cities

Utilisation rate of trade preferences for tariff reductions (%):

86.5% of goods imported into the UK in 2022 made use of trade preferences for tariff reductions where available. The Preference Utilisation Rate (PUR) for goods imported into Great Britain from the EU27 was 90.3%. The PUR for goods imported into the UK from the 67 non-EU countries where a trade agreement was in force was 76.6%. 81.1% of goods exported from Great Britain to the EU in 2022 made use of trade preferences for tariff reductions where available.

Source: HMRC (imports) and Eurostat (exports)

PURs measure the extent to which tariff preferences provided by trade agreements are being used, in goods where preferential tariff rates are available and lower than the Most Favoured Nation (MFN) rate i.e. tariffs that apply to imports from any WTO member. Imports are considered eligible for a preference if there is one or more preferential tariff available for that good from the specified partner country in the month of reporting, and that preferential rate is lower than the tariff that would otherwise apply. The PUR is presented as a percentage, reflecting the value of goods imported under trade preferences, as a share of the total value of imports eligible for preferences.

In 2021, the use of Staged Customs Controls (SSC) allowed customs declarations to be reported up to 175 days after the date of import for imports of non-controlled goods from the EU to GB. Full customs controls were introduced in January 2022. As a result, it is possible that some double counting of goods imports from the EU occurred in the first half of 2022. As such, caution is needed when interpreting these data sources. Data excludes trade between Northern Ireland and the EU.

Export client survey

Export client survey satisfaction rates and number of service deliveries in 2021-22: satisfaction rates range from 48% to 83%, total number of service deliveries is around 43,000.

The export client survey interviews approximately 6,000 businesses who have accessed DIT's export promotion services each year. The survey aims to: track client perceptions of quality of support and advice provided by DIT; provide a measure of reported impact on businesses of DIT's services; and understand what drives performance and how services can be improved over time.

A service delivery is a record of a DIT service delivered to a UK registered company. Examples of service deliveries include recorded instances of significant assistance provided to businesses, events attended by businesses that DIT officials have organised, funded or helped to organise, and uptake of DIT's digital export promotion services. The Export Client Survey uses these records to identify businesses eligible to be interviewed.

The satisfaction rates referred to above refer to questions in the survey that ask businesses how satisfied they were with their overall experience of the DIT export promotion service they accessed. Businesses are asked to provide a score from zero to ten, with ten being the most positive response. Scores of seven to ten are banded into 'satisfied', scores of four to six are banded into 'neutral' and scores of zero to three are banded into 'dissatisfied'.

The most recent data published by the Department refers to the survey of businesses supported between April 2021 and March 2022 and is available on gov.uk.

Source: DBT Export Client Survey

Export and ODI Wins - Methodology and production

An Export Win or ODI Win record is created using a digital framework which registers information entered by a lead officer from the DBT network. Lead officers are responsible for the quality and accuracy of the data they enter. Once the Win has been entered, the UK customer which received support in exporting is required to confirm the Win through a separate online form. A Win counts once it has been confirmed by the customer and this must be done within 12 months of the company winning the deal.

Export and ODI Wins - Coherence and compatibility

DBT records export deals, contracts, sales or agreements where there has been support provided by our export promotion operations as an Export Win or an ODI Win. Moreover, the metric only captures customers DBT has assisted who have realised a deal, not those DBT has worked with but have not reached a deal. The metric is a departmental performance measure and does not capture exporting or investment activity on the same basis as measured in official statistics. The Office for National Statistics (ONS) and HM Revenue & Customs both publish exporting data at the UK level. For more information, visit www.ons.gov.uk and www.uktradeinfo.com. The sources for exporting data at a UK level used in this Annual Report are from ONS UK Balance of Payments (January to March 2023) and UK GDP quarterly national accounts (January to March 2023).

Export and ODI Wins - Accuracy and definitions

An Export Win or ODI Win is a deal, contract, sale, or other specific type of agreement for an eligible UK company which has resulted from support provided by the DBT network. The Win is self-reported by the UK company and captures the expected value of the Win up to a five-year period.

The Win metric contains some inherent characteristics that will always present challenges in assuring value and data accuracy. The metric relies heavily on the relationships DBT staff have with customers, and the information customers are prepared to share. Values of Wins include specific expectations and forecast values up to a five-year period, these are subjective. Some deals are very complex, involving global supply chains and in-market requirements for local supply / presence and the ask of customers to separate UK export value from others is a distinction that is artificial for them. The information captured, therefore, represents a snapshot at a certain point in time based upon what the customer is willing or able to provide.

Image: David Tyler, Co-Founder and Commercial Director at Artemis Technologies, and cast member in DBT's brand new documentary series, Big in America.

PRIORITY OUTCOME 4.

Champion the rules-based international trading system and operate the UK's new trading system, including protecting UK businesses from unfair trade practices.

£77 million
(13.7% of total expenditure)

680 FTE
(13% of total workforce)

In 2022-23, DIT significantly progressed its enduring goals of: championing free and fair trade; working collaboratively with partners to strengthen and modernise the rules-based international system; establishing fair market competition; and ensuring our global tariff regime reflects UK economic priorities.

DIT worked to create economic growth by promoting free trade, develop an open and stable international trading system that reflects the UK's interests and defend and protect the UK's economic security and the Department sought to use its status as an independent trading nation to pursue the UK's vision for a resilient, open, fair, and inclusive multilateral trading system and uphold the principles of rules-based trade.

DIT continued our work on buttressing the UK's Economic Security, laying the foundations for sustainable long-term economic growth, and complementing wider government resilience objectives. Work continued alongside international partners to ensure our economic security. The Department's role in implementing the UK's sanctions regime and the development of the domestic and international response to market-distorting practices and economic coercion have all significantly advanced during this reporting period.

The Department continued to focus on protecting UK industry from unfair trade – both through the investigations and reviews led by the Trade Remedies Authority (TRA) and through our work to uphold and reform international dispute settlement structures in multilateral fora such as the WTO. The focus remains on issues that matter most to the UK, and which support the wider system.

DIT also continued to run the system that licenses controlled and Military End Use goods and are working towards our transformation to a more efficient, professional and customer focused export control function.

Finally, DIT continued to support the cross-government response to the war in Ukraine with a raft of sanctions packages and continued efforts to isolate Russia in multilateral fora.

DIT'S ACHIEVEMENTS AND PROGRESS

Other key achievements in 2022-23 have included:

> DBT continued attempts to isolate Russia within the WTO and via the G7. As a result, the UK denied Russia and Belarus most favoured nation status along with our allies in the G7 and increased import tariffs by 35 percentage points on a number of goods originating in Russia and Belarus. The tariffs on Belarus are in line with the evolving sanctions positions and will prevent the circumvention of Russian-origin goods.

> The Department designed and delivered unprecedented trade sanctions against Russia and played a central role in this work by developing measures, driving forward the legislation, and implementing licences. Sanctions were targeted to cut off sources of revenue for the Russian government, degrade its military-industrial complex, and starve it of advanced technologies and services expertise. In total, UK goods imports from Russia fell by 94% in the 12 months following the 2022 Russian invasion of Ukraine. Goods exports to Russia fell by 74% in the 12 months following the invasion - with the vast majority of remaining exports in the food and pharmaceutical space.[3]

> DIT published the UK's Critical Minerals Strategy in July and delivered significant Supply Chain analysis. The Critical Minerals Strategy sets out the government's plans for improving the resilience of critical minerals supply chains and increasing our security of supply.

> DIT continued to implement the new digital case management system for export control (LITE) as we work to evolve into an ever more efficient, professional, and customer-focused export control function.

> The Department secured a bespoke solution to the Section 232 tariffs on steel and aluminium that reflected the needs and interests of our steel and aluminium industries. Since 1 June, UK exports of steel and aluminium have regained tariff free access to the US and can return to levels not seen since Section 232 tariffs were imposed.

> DIT also defended the UK's first defensive dispute as an independent World Trade Organization (WTO) member. A challenge

3 Source: HMRC overseas trade statistics April 2023

by the EU on the UK Contracts for Difference scheme was brought to the World Trade Organisation (WTO) on 28 March 2022.

> The scheme supports low-carbon electricity production, helping increase renewable energy capacity and reducing the cost of renewables.

> On 1 July 2022, Trade Secretary Anne-Marie Trevelyan and Executive Vice-President Valdis Dombrovskis exchanged letters which confirmed that UK-EU consultations had paused the dispute.

> In the 2022 Autumn Statement, the Chancellor announced the outcomes of a raft of tariff suspension applications which aimed to reduce costs for businesses by cutting the cost of production and thereby increasing their overall competitiveness.

These new suspensions are expected to help businesses lower production costs across many sectors of the economy, such as chemicals, automotive, recyclable plastic, renewables and food and drink.

> DIT also extended two waves of exceptional suspensions to support the healthcare response to COVID-19 until the end of 2023 to ensure resilience against the possibility of winter pressures on the NHS and to support ongoing COVID-19 vaccination efforts. Products suspended include hand sanitisers, face masks and vaccine components.

Image: SoS at the all staff event at DBT with Andrew Bowie MP, Nigel Huddleston MP and Permanent Secretary Gareth Davies 2022

WHAT'S NEXT?

International rules-based system

The UK's vision is for a resilient, open, and fair multilateral trading system which can evolve to meet global developments and challenges. DBT will work with likeminded partners and a broader base of states to strengthen the system and use our voice to uphold the principles of rules-based trade, and also to ensure that trading rules meet the needs of the 21st century.

DBT will work at the WTO and leverage our position within the G7 and G20 fora to support UK economic interests by promoting and protecting rules integral to our economy andwill seek substantial reform of the WTO and look to agree new multilateral and plurilateral rules in the UK interest in areas such as digital and trade/climate.

The Department will protect businesses across the UK from unfair trading practices and harmful Market Distorting Practices and make the world more secure by strengthening supply chains and standing up to protectionism. This includes updating the UK's trade remedies framework through legislation in the Finance Bill 2023 to provide greater flexibility for Ministers to make evidence-based decisions on trade remedy measures, as well as creating a new role for the TRA in conducting bilateral safeguard investigations.

UK trade policy, our trading relationships, and strong international partnerships are critical to supporting and strengthening the rules-based international system. The UK is firmly committed to this goal and to the importance of free and fair competition to promote global trade and opportunities for British business.

Economic security

Economic Security is necessary for sustainable long-term economic growth. Whilst openness supports our prosperity, it also carries risks.

Working with international partners, DBT will continue to coordinate trade sanctions to target Russian economic vulnerabilities to support the Government's aim to bring an end of the war in Ukraine and will develop domestic and international policy responses to protect and deter against unfair trading and market distorting practices and economic coercion.

DBT will use expertise and engagement at home and abroad to strengthen the resilience of the UK's critical international supply chains, improving national security and laying the foundations for economic growth.

DBT will maintain a high-quality export licensing service for military and dual use equipment, while ensuring export controls keep pace with emerging threats, including emerging technologies. The Department will work with the Investment Security Unit and partners across government to provide scrutiny to potentially hostile investment, ensuring decisions are balanced and informed by commercial realities.

Overseas network interdependencies

The overseas network will continue to provide critical intelligence and insight on key diplomatic and policy issues and geopolitical risk. This will inform the UK's position on trade remedies, disputes, enable engagement across key multilateral dialogues and identify issues that could affect UK and global critical supply chains.

Missions and goals

In support of the Government's Levelling Up agenda and Net Zero missions, DBT are working to ensure the UK Global Tariff supports levelling up across the UK, defending regionally and politically sensitive sectors from damaging retaliatory tariffs, protecting companies and jobs in every nation and region of the UK. The global supply chains work will include securing the critical minerals underpinning the transition to net zero and ensuring a strong economic recovery.

DBT will work closely with partners within the WTO to support the Government's Health mission, seek to boost trade facilitation and explore ways to enhance regulatory cooperation.

The Department will continue to support UN Sustainable goals focused on economic growth and responsible production. By continuing to collaborate with like-minded partners DBT will make further progress on complex trade areas such as WTO modernisation and issues such as unfair trading and market distorting practices, and trade and health.

Image: Business and Trade Secretary Kemi Badenoch at British Steel in Scunthorpe, May 2023

PERFORMANCE MEASURES

Global Trade Alert

- In 2022, an estimated **79.6%** of UK exports were at risk due to harmful restrictive trade policies (a rise of 0.3 percentage points since 2021).
- In 2022 in was estimated that **44.5%** of UK exports are at risk due to harmful subsidies (a rise of 2.1 percentage points since 2021).

UK exports estimated to be at risk from harmful trade policies and harmful subsidies are calculated by the Global Trade Alert and are taken from the 30th Global Trade Alert Report. Subsidies to local firms and import tariffs constitute the two largest categories of harmful commercial policy interventions. The measure needs to be interpreted with caution as while policy interventions may constitute a risk to UK exports, this doesn't necessarily mean they are having an impact. Only those harmful interventions implemented after November 2008 count towards these totals therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests.

Methodology and production

The trade data used in the estimation is taken from UN Comtrade. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded $1 million for the given product.

Coherence and compatibility

The methodology for reporting Global Trade Alert Figures has remained consistent since 2009. The database began in 2009, and did not record prior actions, thus limiting comparability with earlier data.

Trade Remedies: Investigations

Trade remedy investigations are conducted by the Trade Remedies Authority (TRA) as an independent Non-Departmental Public Body. The WTO stipulates that new trade remedies investigations should be completed within 18 months. In 2022-23, the Department completed one new investigation, taking 18 months, meeting the WTO's timeframe. Additionally, seven transition investigations and five other investigations were completed in 2022-23, each taking an average of 23 months and four months, respectively. More detail on the TRA's programme of work can be found in the TRA's Annual Report and Accounts 2023.

Standard Individual Export Licences

- Standard Individual Export Licences (SIELs) processed in 2022: **13,717** (an increase of 864 from 2021)
- Proportion of SIELs processed within 20 working days in 2022: **62%** – against a target of 70% (a decrease of 7 percentage points from 2021)
- Proportion of SIELs processed within 60 working days in 2022: **89%** – against a target of 99% (a decrease of 2 percentage points from 2021)
- Median number of days to process SIEL applications in 2022: **16 days** (an increase of one day from 2021)

There were a combination of factors during 2022 that impacted upon Export Control Joint Unit's (ECJU) ability to meet processing targets. These factors included the added complexity in considering cases following the Military End Use Control refresh in May 2022, the expediting of applications to Ukraine following Russia's illegal invasion of Ukraine, transitioning from our existing digital service (SPIRE) to a new digital licensing service (LITE), resolving historic backlogs of certain applications to Turkey at the start of 2022, and the long-standing ECJU resourcing challenges.

Methodology and production

The Export Control Joint Unit sets out the government's commitments to exporters in a Service and Performance Code. The performance targets are to decide on 70% of applications for SIELs within 20 working days, and 99% within 60 working days. The targets apply as soon as the applicant has supplied the full documentation necessary to support their application.

Coherence and compatibility

The methodology for reporting SIEL processing rates has remained consistent since 2015.

Accuracy and definitions

SIELs allow shipments of specified items to a specified consignee up to a quantity specified in the licence. If the export will be permanent, SIELs are generally valid for two years or until the quantity specified has been exported, whichever occurs first. If an export is temporary, for example for the purposes of demonstration, trial or evaluation, a SIEL is generally valid for one year only and the items must be returned to the UK before the licence expires.

STRATEGIC ENABLERS

Workforce, skills and location; New ideas: Innovation, technology and data; Better outcomes: Delivery, evaluation and collaboration; Sustainability.

£123 million
(21.9% of total expenditure)

1,059 FTE
(20% of total workforce)

The delivery of the Department's priority outcomes in our ODP has been supported by the following four 'strategic enablers'. The Department identified several objectives and actions against each enabler that sought to facilitate successful delivery of our ODP as well as DIT's contribution to delivering the Declaration on Government Reform – the government's commitment to delivering better public services for all citizens.

Workforce, skills and location

The delivery of DIT's agenda was dependent on attracting and retaining great people with the right skills, experience and capability. It was important that DIT reflected the country through a diverse workforce that drew on talent both across the UK and the globe. Examples of achievements in 2022-23 under this enabler include:

> Contributing to the government's 'Levelling Up' priority by expanding the Department's presence outside of London. At of 31 March, the Department had recruited or relocated staff into 294 roles across our Places for Growth (PfG) locations, including eleven Senior Civil Service roles, based at either our second UK headquarters at the Darlington Economic Campus or at one of our newly established trade and investment hubs across the UK (Edinburgh, Cardiff and Belfast).

> The average diversity declaration rate across for domestic staff the 4 self-reporting key characteristics (disability, ethnic background, religion and belief and sexual orientation) was 71% as of 31 March 2023 (1% increase from 31 March 2022).

> As of 31 March 2023 for domestic staff, 23% of our workforce were aged 50 and above, while 34% were 29 and under. Half of the workforce were men and half were women. Amongst those employees who have self-reported their diversity characteristics, 13% mentioned they have a disability, 23% came from other ethnic groups background. 45% reported to have a religion or belief and 10% came from LGB+ community.[4] As of 31 March 2023, 17% of our workforce were outside London, compared to 6% in March 2022.

> DIT supported the Civil Service Apprenticeship Strategy to develop its workforce, with increased focus on using apprenticeships to support colleagues from underrepresented groups. The Department also continued to develop its trade capability through the International Trade Profession. Launched in May 2018, the profession built a network spanning several government departments and is committed to growing trade expertise in the UK and overseas. This year, the Department welcomed our second cohort of sixteen trainees on the International Trade Development Programme aimed at equipping those new to international trade with the skills, experience and opportunities to go on and become trade professionals.

4 Staff are also asked to report their gender identity, although these results are not included in the above due to the low response rate.

Civil Service People Survey

The People Survey is an annual Civil Service survey which looks at Civil Servants' attitudes to, and experiences of, working in government departments. DIT used the survey to monitor levels of staff engagement and identify where areas of additional focus might be needed.

The DIT response rate for the 2022 survey was 83% – a 6 percentage point decrease on the previous year's survey, but still higher than the overall response rate for the Civil Service of 65%. DIT's overall engagement theme score that assesses the extent to which our employees are committed to the Department's goals and values, and are motivated to contribute to our success, has fallen slightly in

2022 to 65%. Except for Pay and Benefits,[5] the scores across the nine other core themes of the survey remained broadly similar compared to 2021, and are set out below:

- My work theme score: **77%** (2 percentage point decrease on 2021 results)
- Organisational objectives and purpose theme score: **86%** (no change from 2021 results)
- My manager theme score: **76%** (1 percentage point decrease on 2021 results)
- My team theme score: **82%** (2 percentage point decrease on 2021 results)
- Learning and development theme score: **55%** (3 percentage point decrease on 2021 results)
- Inclusion and fair treatment theme score: **81%** (no change from 2021 results)
- Resources and workload theme score: **72%** (no change from 2021 results)
- Pay and benefits theme score: **19%** (10 percentage point decrease on 2021 results)
- Leadership and managing change theme score: **55%** (2 percentage point decrease on 2021 results)

Full results of the Civil Service People Survey are published on gov.uk. This includes a technical guide detailing the questionnaire Civil Servants are asked to complete, the data collection methodology and the framework underpinning the analysis of the results.

5 To address concerns around pay, DIT pursued a pay flexibility case in 2022-23. Following HM Treasury approval and Trade Union consultation, the pay award was implemented in December 2022 and backdated to the start of DIT's pay year (1 August).

New ideas: innovation, technology and data

Digital solutions formed a crucial part of the Department's delivery of effective and efficient services. DIT promoted the use of digital, data and technology, within a culture of innovation and experimentation, and with a focus on exploring and championing the needs of our users.

Some achievements in 2022-23 include:

> The Department continued to invest in its export, investment and trade support services for UK and international business. This included delivering and enhancing services on great.gov.uk – including a better interface for the capability-building Export Academy service and prototyping a new online offer for investors into the UK. The Department also continued to develop the new Licensing for International Trade and Enterprise (LITE) platform.

> DIT was committed to equipping staff with tools and technology to work efficiently and securely. It made improvements to audio visual capability and secure document sharing; targeted how best to support businesses across our services and digital offer; and provided an improved user experience through joining up journeys between different government platforms. The Department's data tools have also been further developed, enabling DIT's Data Science Innovation Lab and data scientists to deliver new solutions to increase productivity via the use of automation and machine learning.

> A further focus was the implementation of the Department's cyber security strategy and strengthening DIT's cyber capability, with progress being noted through the Department's most recent Departmental Security Health Check.

Better outcomes: delivery, evaluation and collaboration

The Department consistently delivered high quality corporate services that enabled DIT to deliver effectively on its agenda and offers value for money for the taxpayer. The corporate functions were aligned with agreed cross-functional standards and drove a culture of learning, compliance with legislative demands and the general good practice expected of an effective government department. Some examples of achievements in 2022-23 under this enabler are as follows:

DIT steadily built its capability on monitoring and evaluation with a greater focus on this across professions and different policy areas. This included a series of training for analysts and regular engagement with the policy profession. Monitoring and evaluation frameworks were developed for major areas across the ODP and the Department worked constructively with the Evaluation Taskforce and encouraged an organisational culture focused on learning and accountability through senior M&E champions.

The Department continually assessed its functional support services against agreed cross-government standards, including instigating a Government Internal Audit Agency review to ensure DIT was progressing the portfolio, project delivery and change functions in the best way possible – the results of which were positive and helped refine areas of focus. Over the last year DIT has been building our project delivery and change management capability in line with standards set by the Infrastructure and Projects Authority – the government's centre of expertise for Project Delivery. The Department has been particularly focused on raising capability in business cases writing and benefits management and bespoke support for senior leaders and Senior Responsible Owners, those who were responsible for major change in the Department. DIT also successfully established a flexible resource pool to help with retention of talent and developing our own capability. These activities helped put DIT on the best possible footing for the significant change delivery the Department is facing with the Machinery of Government changes.

Sustainability

DIT was committed to sustainable development and aimed to promote and drive the green trade agenda through targeted export and investment support and trade policy. The Department, worked in partnership with the Government Property Agency to deliver a sustainable estate for our people. Further information is provided in the Sustainability Report. Some examples of achievements in 2022-23 under this enabler are as follows:

Through the partnership with the Government Property Agency, DIT continued to ensure that estate operations reduced their impact on the environment. In London, DIT benefited from the GPA's investment in the Whitehall district heating system and plant and machinery upgrades in the headquarters at Old Admiralty Building. This investment will reduce carbon emissions from both our London offices and the Whitehall district heating system by an estimated 17%.

Our second headquarters building in Darlington achieved a BREEAM "Excellent" rating and 80%+ of the project spend was with SME's, 100% of waste was diverted from landfill and where possible local labour and materials were used.

DIT has either met or is on track to meet its 2025 Greening Government Commitment targets. Targets already met include reducing direct carbon emissions, reducing water consumption, reducing waste arisings, and reducing waste to landfill.

DIT has an up-to-date sustainable procurement policy, which applies to spend over £10,000 and considers the 'Government Net Zero Strategy'. DIT's sustainability policy required the use of the Prioritisation Tool in the development of category strategies and recommended the use of the Flexible Framework, and tied together all sustainability commercial policies such as carbon reduction plans and social value.

PERFORMANCE MEASURES

Transparency and Information Management

The Department has not managed to respond to all Freedom of Information (FOI) requests within statutory guidelines. On 5 September 2022, the Department received an Information Commissioner's Office (ICO) Enforcement Notice. The Department completed all the mandatory actions, including responding to all FOI backlog as referenced in the Enforcement Notice within the deadline stipulated by the ICO. The Department's performance on FOIs for 2022-23 from Q2 onwards saw an upward trajectory of improvement. DIT is committed to addressing our performance on FOIs and we continue to seek ways to improve our handling and training offering to enable statutory targets to be met.

- Total number of FOI requests received in 2022-23: **465** (9% decrease from 2021-22)
- Proportion of FOI requests answered on time in 2022-23, including those with permitted extensions: **58%** – against a target of 90% within the statutory 20 working day deadline (8 percentage point decrease from 2021-22)
- Total number of Written Parliamentary Questions (PQs) received in 2022-23: **1,160** (<1% increase from 2021-22)
- Proportion of Written PQs answered on time in 2022-23: **59%** – against a target of 90% answered within expected timeframes (23 percentage point decrease from 2021-22)
- Total number of ministerial correspondence received in 2022-23: **1,823** (10% decrease from 2021-22)
- Proportion of ministerial correspondence answered on time in 2022-23: **67%** – against a target of 90% answered within 15 working days (7 percentage point decrease from 2021-22)

SUSTAINABILITY REPORT

Introduction

DITs sustainable development aims:

Economic - to achieve high and sustainable levels of employment to support economic growth.

Social - to recognise the needs of everyone and support those with complex barriers to turn their lives around for the better.

Environmental - to make prudent use of natural resources to help protect the environment.

This report sets out the sustainability performance of parts of the Government Property Agency's estate occupied by DIT, covering key performance data on estate-based activities such as electricity, gas and water use. Commentary in respect of ICT, procurement and travel covers UK based department-wide activity.

Summary

In 2022-23 DIT saw an increase in electricity consumption and use of district heating, and a decrease in gas use and water, compared to the baseline year 2014. In 2021 DIT moved into a new London HQ, opened a second HQ in Darlington a regional hubs in Edinburgh, Cardiff and Belfast.

DIT subscribed to a number of targets including the mandatory Greening Government Commitments (GGC) for reducing energy, water, paper, reducing travel and managing waste. These targets were updated during 2022-23 with a new target period to 2025.

In 2022-23, DIT did not meet the GGC target for reduction of overall emissions of greenhouse gas (GHG) reduction. The greenhouse gas emissions target for overall emissions by 2025 is a reduction of 48% compared to a 2017-18 baseline. In 2022-23 DIT met the target for reducing direct carbon emissions, reducing water, reducing waste and reducing waste to landfill. DIT did not reach the target for the percentage of waste recycled but did improve on this element compared to 2021-22.

Scope

The data below shows the Department's position for the financial year 2022-23 against a 2017-18 baseline (unless otherwise stated). Environmental data is for a 12-month reporting period from January 2022 to December 2022. In accordance with annual reporting conventions across other UK Government departments, the Department's non-financial indicators are compiled using data from the final quarter of the previous reporting year plus the first three quarters of the current reporting year. 2021-22 non-financial indicators have been restated to include actual environmental performance for the 2021-22 financial year.

Under the Greening Government Commitments (GGCs), DIT reports on its share of the GPA's Whitehall complex and five other regional offices where it has a significant occupation. Further information on the progress DIT and other government departments are making towards the GGCs will be included as part of the Greening Government Commitments Annual Report, published by DEFRA.

Governance and data validation

The GPA was responsible for managing the Department's property portfolio in 2022-23. However, overall responsibility for sustainability remained with the DIT executive team. Internal data validation checks were carried out by Accenture.

In order to report the greenhouse gas emissions associated with activities, 'activity' data such as distance travelled, litres of fuel used or tonnes of waste disposed has been converted into carbon emissions. The Greenhouse gas conversion factors used in this report can be found in the Government environmental impact reporting requirements for business.

Updates

Mitigating climate change: working towards net zero by 2050

The DIT estate was managed and maintained by the GPA. DIT benefited from the GPA's key strategic objective to contribute to the achievement of Net Zero carbon by 2050 including contributing to meeting the Government commitment to a 50% reduction in carbon emissions across the Public Estate by 2032. To support this objective the GPA established a Net Zero Programme for the whole Government Office Portfolio.

London, OAB

During the summer of 2022 GPA commissioned a project to upgrade the heat exchangers within the district heating system. This will allow a lowering of system temperatures and result in a further carbon saving. This change is due to go live in 2023-24. Once this element has been completed the temperature decrease, along with a previous lagging project, is estimated to reduce carbon emissions across the system by 17.1 % from a 2014 baseline.

Further studies are being undertaken to assess how the district heating can achieve additional lowering of carbon emissions, potentially through the use of renewable energy sources.

Darlington, Feethams House

The project is BREEAM "Excellent" This is top 10% of UK new non-domestic buildings (or best practice). The project had a BREEAM sustainability champion from the design stage and throughout its construction and fitting out. The BREEAM assessment evaluates the procurement, design, construction and operation of a development against a range of targets based on performance benchmarks. It focuses on sustainable value across a range of categories: Energy, Land use and ecology, Water, Health and wellbeing, pollution, Transport, Materials, Waste and Management. The project will be EPC A. Notable features of the development include:

High spend 80%+ with SME's

100% waste diverted from landfill

Local use of materials and labour

Minimising waste and promoting resource efficiency and reducing our water use

Waste decreased by 37% since 2017-18, and 0% of waste is currently sent to landfill.

Water consumption was continually monitored.

Nature recovery – making space for thriving plants and wildlife

GPA are currently developing a Nature and Biodiversity annex to its Design Guide. This annex will include a range of initiatives to enhance biodiversity and nature recovery, particularly in new constructions and when refurbishing outdoor areas.

Updates continued

Sustainable Construction

The GPA published a Net Zero and Sustainability Annex to its design guide. This sets out the ambitions for both new buildings as well as major refurbishments undertaken for clients. The guide includes consideration of carbon emissions from construction and operation as well as BREEAM targets.

Adapting to climate change

The Department is awaiting the results of the Government Property Agencies work to assess climate change risks across the department's estate and we expect to receive further information from the GPA later in 2023. In addition to putting in place risk mitigations to reduce the impact and risk of climate related events occurring on our estate, such as flooding, the Department will put measures in place to ensure that climate change adaption is embedded within overall governance, decision making and assurance processes and the Department will introduce measures to embed climate change adaption in performance, project management and policy making.

Sustainable Procurement

The majority of DIT's procurement was for services, which by their nature, had short supply chains with limited sustainability impacts. Those sectors where there was a potential for significant impact, such as information technology (except for laptops), catering, and other facilities, were procured on DITs behalf by BEIS and the GPA.

DIT had an up-to-date sustainable procurement policy, which applied to spend over £10,000 and considers the 'Government Net Zero Strategy'. DIT's sustainability policy required the use of the Prioritisation Tool in the development of category strategies and recommended the use of the Flexible Framework, and tied together all sustainability commercial policies such as carbon reduction plans and social value.

DIT championed sustainable procurement through a Sustainability Champion in the Commercial team who acted as a point of contact for the Department. The Sustainability Champion also participated in the Cabinet Office's Green Network. The DIT Green Network has active connections with environmental teams in other government departments, including the Civil Service Environment Network, and represents DIT at cross-Whitehall events to learn and share best practice.

The DIT Capability team, within the Commercial function, were responsible for the capability plan which covered training needs arising from DIT commercial policies and from needs identified across the Department through commercial business partners and through engagement with contract managers. The UK government approved CIPS ethical procurement training, which included content on sustainable procurement. DIT chose to make this a mandatory learning requirement, linked to personal objectives, for all DIT commercial staff undertaking procurement activity.

Information and Communications Technology (ICT)

DIT's main information communications technology (ICT) provision was managed through a master services agreement with BEIS. DIT's commercial function provided oversight of this agreement to ensure BEIS followed all government procurement policies including, but not limited to, the delivery of Social Value and GGCs. DIT also specified that for all hardware procurements, suppliers met the EU Green Public Procurement Criteria, ISO 14000 environmental standards criteria and obligations under the government's 'Greening government: ICT and digital services strategy 2020 to 2025'.

The vast majority of DIT's cloud (hosted) spend was via Amazon Web Services (AWS). Amazon have published goal to power all AWS data centers with renewable energy by 2025. Amazon recently reported that 95% renewable energy is now used to power AWS data centers within 13 of their major regions including London, this puts them on a path to achieving their 100% target by 2025. The remainder of the cloud spend was via the Google cloud platform, which is 100% renewable, and Microsoft Azure, who have committed to being 100% renewable by 2025. Office 365 is managed on DIT's behalf by BEIS.

Travel

DIT travel policies required lower carbon options to be considered first as an alternative to each planned flight. There were no offset schemes.

Summary of performance

Below is a summary of performance against the GGC quantitative targets which largely relate to estate-based activities (the first target also includes scope 3 business travel emissions).

The years between 2017-18 and 2022-23 are not part of the current target. Performance indicators for these years relate to the previous GGC targets, further details on which can be found at: https://www.gov.uk/government/publications/greening-government-commitments-2016-to-2020.

Greenhouse gases and financial costs

Greenhouse gas (GHG) emissions		**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22 (restated)**	**2022-23**
Non-financial indicators (tCO2e)	Total Gross Scope 1 (Direct) GHG emissions	89	145	198	173	2	2
	Total Gross Scope 2 (Energy indirect) emissions	621	713	671	445	716	938
	Total Gross Scope 3 (Domestic official business travel) emissions	324	312	292	119	152	227
	Total emissions - Scope 1, 2 & 3	**1,034**	**1,170**	**1,161**	**737**	**859**	**1,167**
Non-financial indicators (MWh)	Electricity: non-renewable	0	0	0	0	1,178	2,705
	Electricity: renewable	1,766	2,307	2,457	1,796	0	0
	Gas	483	788	1,074	940	9	11
	Steam	144	227	162	98	1,754	1,561
	Total Energy	**2,393**	**3,322**	**3,693**	**2,834**	**2,941**	**4,278**
Financial indicators (£000)	Expenditure on energy	793	892	918	428	308	837
	Expenditure on official business travel excluding domestic air travel	9,214	8,383	8,313	718	3,583	6,686
	Expenditure on domestic air travel	197	181	186	8	71	98
	Expenditure on international air travel	n/a	n/a	2,640	140	1,439	4,210

Energy use on our estate has increased as a result of the expansion of the regional estate and the addition of the Darlington Economic Campus. In addition the extremely hot weather last summer increased energy usage in our buildings with the need for air conditioning.

Travel: flights

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Total number of domestic flights (where both departure and arrival were in the UK)	1,167	1,014	920	8	393	570
Scope 3 emissions for domestic flights (tCO2e)	n/a	n/a	n/a	0.35	26.81	48.74
Total number of international flights	n/a	n/a	2,469	101	1,027	3,703
Scope 3 emissions for international flights (tCO2e)	n/a	n/a	n/a	n/a	579.25	3,384

International Air Travel

Flight Type	Distance (km)
Short Haul International Unknown	5,669
Short Haul International Economy	2,474,178
Short Haul International Business	418,612
Long Haul International Economy	6,516,194
Long Haul International Premium Economy	3,057,357
Long Haul International Business	5,798,700
International (non-UK) Economy	1,969,913
International (non-UK) Premium Economy	119,289
International (non-UK) Business	3,562,958

Total distance travelled by domestic air travel	**374,867**
Total distance travelled by international air travel	**23,922,869**

The business travel information in the above tables relates to flights and business travel booked by core department UK based staff and through the department's contracted travel management provider only. It excludes any flights or business travel that has been arranged by overseas posts, booked through other third parties, purchased using a Government Procurement Card or reimbursed through personal expenses. It also excludes vehicle hire and other motor services that have been procured outside of the contracted travel management company. Reliable data on international flights prior to 2019-20 is not available. Data on emissions for domestic flights prior to 2020-21 and for international flights prior to 2021-22 is also not available.

Waste production

Waste has increased in 2022-23 for two reasons. Firstly, in 2022 the department disposed various items (including paperwork and furniture) that were transferred to OAB as part of the London estate consolidation programme and were no longer required. The waste was either recycled or combusted with the energy generated being recovered. Secondly, The departments reporting includes c40% of the waste generated at the Darlington Economic Campus, the building was not included prior to 2022-23.

Waste			**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22 Re-stated**	**2022-23**
Non-financial indicators (tonnes)	Hazardous waste							
	Non-hazardous waste	Landfill	1	1	5	1	0	0
		Reused/ recycled	65	71	207	27	12	42
		Composted	6	4	2	3	0	1
	Incinerated with energy from waste		27	34	13	3	9	27
	Incinerated without energy recovery							
	Total waste		**99**	**110**	**227**	**34**	**21**	**70**

Consumer Single Use Plastics (SCUPs)	**Number of items**
	4,160 plastic bottles (estimate)

Food waste	**Tonnes**
	4.3

Paper waste/purchased	**A4 Reams Equivalent**
	1,430

Water consumption and financial costs

Water		**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22 Re-stated**	**2022-23**
Non-financial indicators	Total consumption (m^3)	14,158	17,200	17,610	4,882	2,514	2,989
Financial indicators	Total supply costs (£000)	37	53	53	15	8	7

FINANCIAL REVIEW

This Financial Review records information on the use of resources voted by Parliament to DIT via the Supply Estimate process. Prior year comparatives are provided in brackets.

The information below refers to the Group. This comprises the Core Department (the Department for International Trade) and the Trade Remedies Authority which was established on 1 June 2021. The Group's Financial Statements for the year to 31 March 2023 are detailed from page 178, and the Statement of Outturn against Parliamentary Supply with associated schedules from page 153.

Note the Department and Group are used interchangeably.

Budgeting System

As with other ministerial government departments, operations are almost entirely funded by an Exchequer grant, voted by Parliament by means of the Group's submission of expenditure 'Estimates' which have been agreed by HM Treasury.

The Group's budget is separated into:

> Resource Departmental Expenditure Limit (RDEL) for current expenditure such as staff pay, purchases of goods and services and depreciation. This budget is split between the programme budget which captures expenditure on front line services and the administration budget to cover all other expenditure.

> Capital Departmental Expenditure Limit (CDEL) for new investment in assets including digital assets.

> Resource Annually Managed Expenditure (RAME) for costs that may be unpredictable such as provisions.

> Capital Annually Managed Expenditure (CAME) for unpredictable costs which also give rise to an asset in the Group's financial statements.

Budget and outturn for 2022-23

The budget for the Department agreed at the 2022-23 Supplementary Estimate was £600.5 million consisting of £570.2 million Resource DEL, £22.3 million Capital DEL, £3.0 million Resource AME and £4.9 million Capital AME.

Total DEL and AME actual outturns against budget are set out below.

Budget	Budget £000	Actual £000	Variance £000
Administration	207,393	201,999	5,394
Programme	362,854	365,540	(2,686)
Total Resource DEL	**570,247**	**567,539**	**2,708**
Total Capital DEL	**22,319**	**13,665**	**8,654**
Total DEL (voted)	**592,566**	**581,204**	**11,362**
Resource AME	3,000	(1,158)	4,158
Capital AME	4,945	-	4,945
Total AME	**7,945**	**(1,158)**	**9,103**
Total Managed Budget	**600,511**	**580,046**	**20,465**

All three main categories of spend were within the control totals – Resource DEL by £2.7 million, Capital DEL by £8.7 million, Resource AME by £4.2 million and Capital AME by £4.9 million. This is also confirmed in the tables of the Statement of Outturn against Parliamentary Supply and associated notes from page 158. The sections below provide further analysis for each budget category. While some business groups reported overspend against their allocated budget, this spend was incurred with prior agreement, taking into account value for money and overall affordability.

Resource DEL expenditure

The Group's Resource DEL expenditure was £567.5 million (2021-22: £532.4 million) against a budget of £570.2 million resulting in an overall RDEL underspend of £2.7 million. The underspend is largely attributable to slower than anticipated recruitment across the Department and unallocated contingency funding.

The table below shows the Group's Resource DEL actual expenditure against budget for the year, also by business group:

Business Group	Budget £000	Actual £000	Variance £000
Strategy and Investment	75,992	76,373	(381)
Overseas	92,882	93,791	(910)
Exports and UK Trade	96,034	95,081	953
Platform Charge	62,629	62,256	373
Trading Systems	53,675	52,987	687
Trade Negotiations	39,839	38,770	1,068
Trade Remedies Authority	15,658	15,245	412
Digital, Data and Technology	46,827	49,716	(2,889)
Estates	19,724	19,512	212
Communication and Marketing	23,000	23,708	(708)
Other corporate services	39,625	39,384	241
Centrally Managed Resources	4,362	716	3,646
Total RDEL Expenditure	**570,247**	**567,539**	**2,708**

The above includes the OneHMG platform charge, relating to the business support services provided to DIT's overseas network by the FCDO. DIT is recharged by the FCDO for its share of use. Aside from staff costs, DIT's contribution to this overseas platform is the single largest component of Resource DEL expenditure. The charge for 2022-23 was £62.3 million - broadly in line with the expenditure last year.

Capital DEL expenditure

The Group's Capital DEL expenditure was £13.7 million (2021-22: £18.2 million) against a budget of £22.3 million resulting in an overall CDEL underspend of £8.7 million. The below table shows Capital DEL expenditure against budget for year by business group:

Business Group	Budget £000	Actual £000	Variance £000
Strategy and Investment	1,976	905	1,071
Overseas	60	133	-73
Exports and UK Trade	201	173	28
Trading Systems	408	511	-103
Trade Negotiations	150	319	-169
Trade Remedies Authority	1,376	1,135	241
Digital, Data and Technology	13,389	8,336	5,053
Estates	3,006	1,558	1,448
Communication and Marketing	700	591	109
Finance, Business Services and Security	10	4	6
Centrally Managed Resources	1,043	-	1,043
Total CDEL Expenditure	**22,319**	**13,665**	**8,654**

Capital budget is broadly in line with the last financial year but expenditure has reduced. The majority of capital expenditure relates to the creation and maintenance of intangible assets, which are internally developed by the Digital, Data and Technology Directorate. The underspend of £8.7m is largely due to reduced resource required on the development of assets with more of a focus on maintenance and business as usual which classifies as Resource DEL expenditure.

Resource AME expenditure

The Group's Resource AME expenditure was negative £1.2 million (2021-22: £1.5 million) against a budget of £3 million resulting in an overall AME underspend of £4.2 million.

The Resource AME underspend is largely due to unallocated contingency funding (£2.4m) and the reversal of the provisions made in 2021-22 for potential Enhanced International Trade Advisors (EITA) TUPE and exit costs (£1.0m). This provision related to expected redundancy and exit costs while in-housing EITA staff, however costs were less than initially expected.

Capital AME expenditure

The Group's Capital AME expenditure was nil (2021-22: nil) against a budget of £4.9 million resulting in an overall underspend of £4.9 million.

Capital AME budget was received at Supplementary Estimate to cover an expected dilapidations provision for the Old Admiralty Building in London (£3.8m) which subsequently was not required.

Spending on priority outcomes

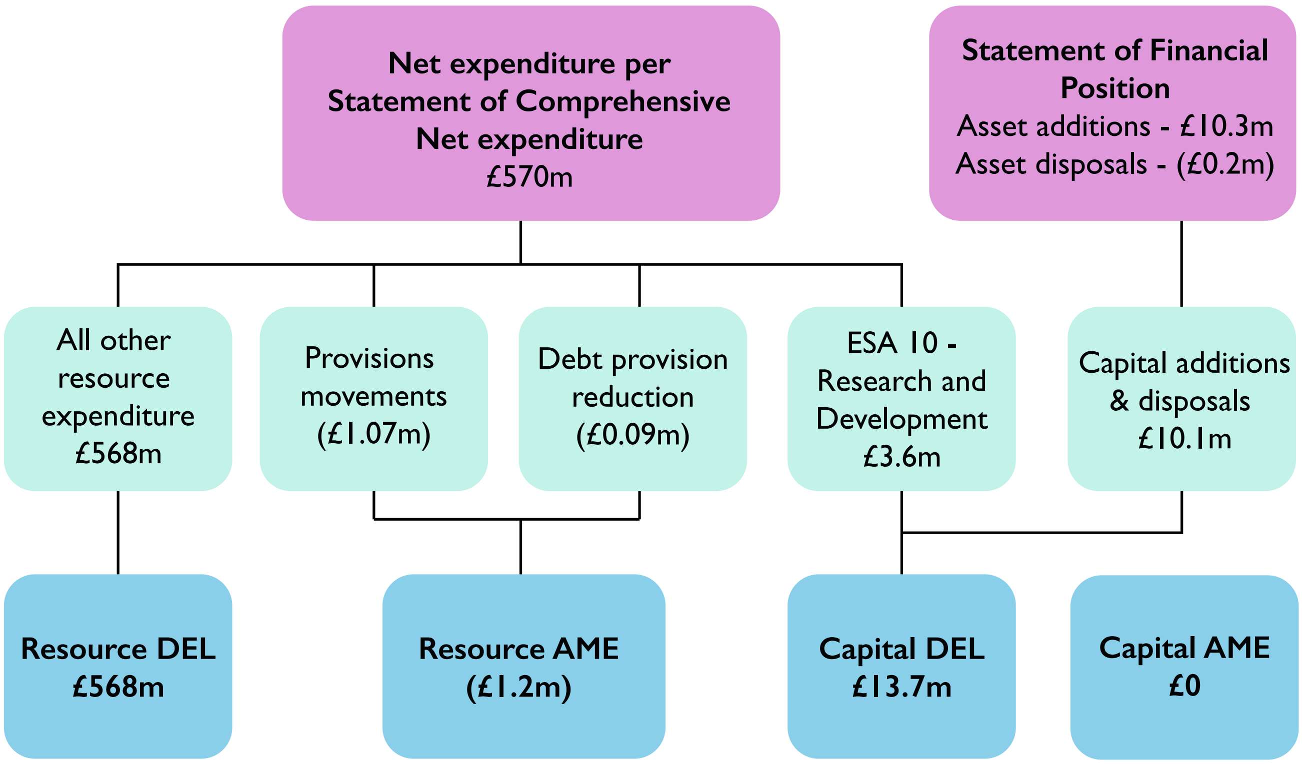
As described on page 18, DIT's Outcome Delivery Plan for 2022-23 focused on achieving four priority outcomes, supported by four strategic enablers. The following table provides information about the Department's actual expenditure against budget for each of its priority outcomes and the strategic enablers. Note that the figures below exclude non-cash expenditure such as depreciation and amortisation and so differ from the Departmental Resource totals reported above.

The percentage of spend presented below (and estimated Full Time Equivalents FTEs used elsewhere in this report) that are apportioned to each priority outcome are estimated by budget holders based on their judgement and should be considered approximate. The allocation percentages were reviewed during the year and have been applied to DIT's outturn for 2022-23.

Priority outcome	Budget £000	Actual £000	Variance £000
Priority outcome 1 (including DIT's work on negotiating FTAs and market access)	123,811	121,798	2,014
Priority outcome 2 (including DIT's work on attracting and retaining inward investment)	93,321	90,459	2,862
Priority outcome 3 (including DIT's work on supporting UK business and facilitating UK exports)	151,947	148,445	3,502
Priority outcome 4 (including DIT's work championing the rules-based international trading system)	77,579	76,518	1,061
Strategic enablers (including the corporate support services required for the delivery of DIT's priority outcomes)	129,671	122,552	7,119
Total Expenditure	**576,329**	**559,772**	**16,558**

Budget reconciliation to the Financial Statements

The Estimates and Statement of Outturn against Parliamentary Supply, from which the outturn figures above are derived, are compiled against the budgeting framework. This is similar but different to the International Financial Reporting Standards (IFRS) under which the Financial Statements are prepared. The diagram below shows how expenditure and capital additions reported in the Financial Statements translate to budget outturn.



The Department has reported net expenditure of £570 million within its Statement of Comprehensive Net Expenditure (SoCNE) on page 179. This expenditure is reflected within the Resource DEL outturn with some exceptions:

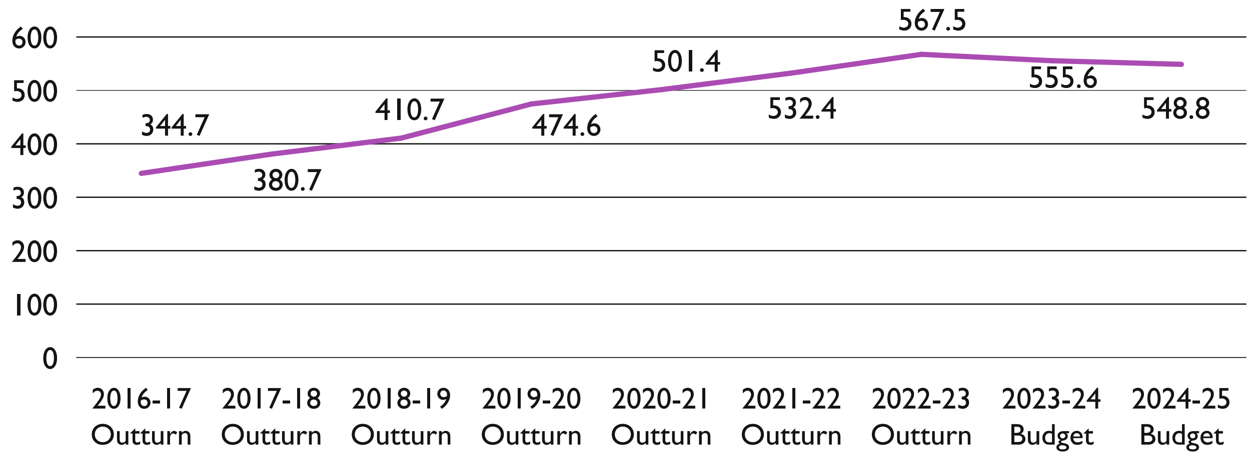
> Under the budgeting framework, movements in provisions are reflected within the Department's Resource AME outturn. £1.07m of provision movements are therefore recorded against Resource AME.

> Research and development expenditure, which is not capital spend under IFRS, but which meets certain criteria under the European System of Accounts 10 (ESA10) framework, is reflected within Capital DEL. This represents £3.6 million of expenditure currently recorded in the SoCNE.

Net expenditure trend analysis

The below graph shows the **Resource DEL net expenditure** for the Group over the last six years. Future years are based on the former Department's Spending Review settlement which now forms part of the Department of Business and Trade's settlement.

Trend analysis - Resource DEL net expenditure (£m)

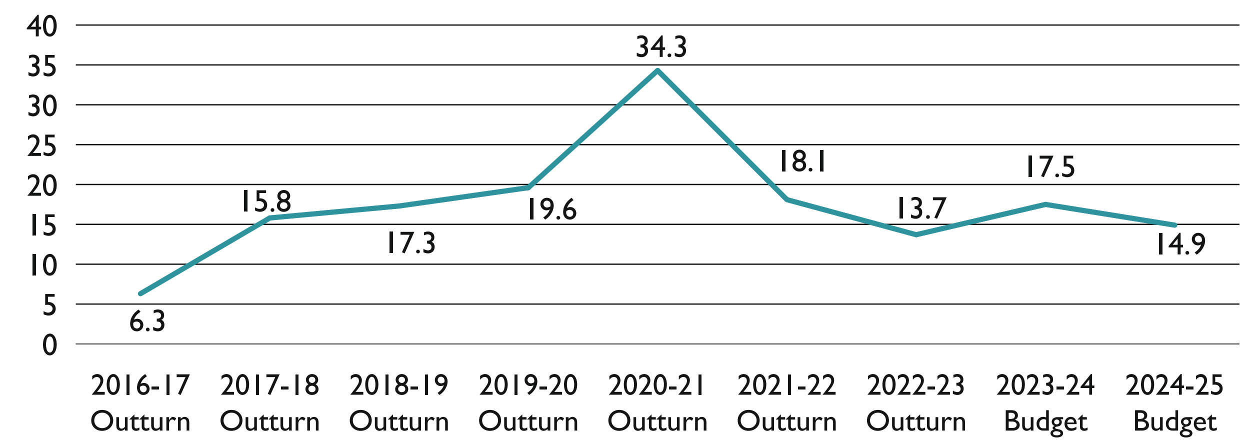


The Department was formed in July 2016 and brought together the former non-ministerial Department UK Trade and Investment (UKTI), which had joint reporting links to the former Department for Business, Innovation and Skills (BIS) and the Foreign and Commonwealth Office (FCO).

The chart above shows how the Department's RDEL's spending and budgets increased year on year between 2016-17 and 2022-23 to deliver the Government's ambitious trade agenda.

The below graph shows the **Capital DEL net expenditure** for the Group over the last five years. Future years are based on the former Department's Spending Review settlement which now forms part of the Department of Business and Trade's settlement.

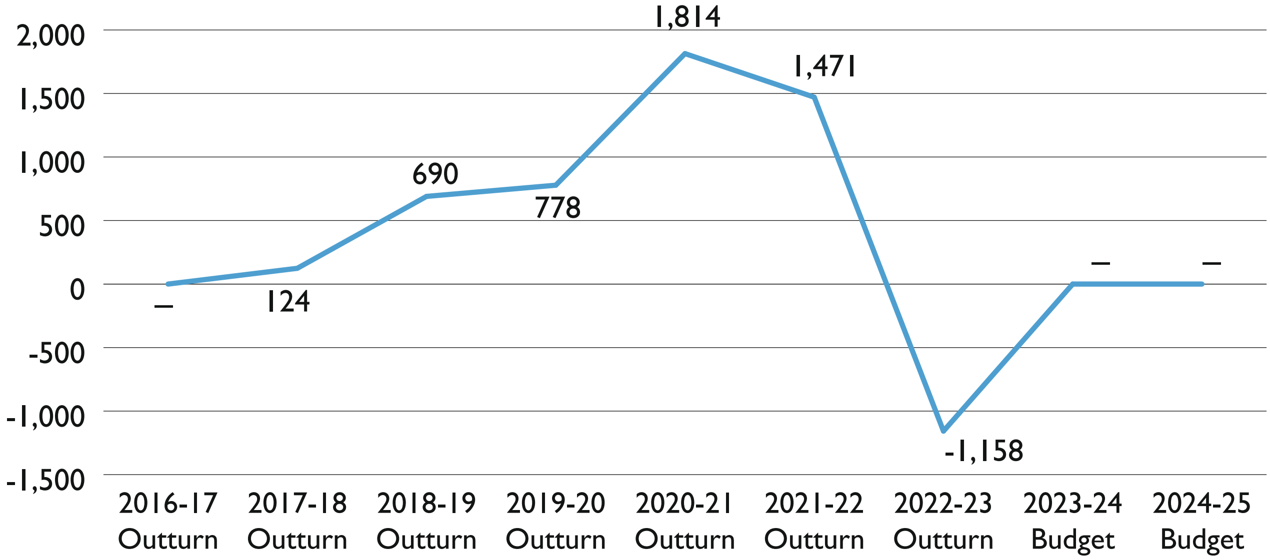
Trend analysis - Capital DEL net expenditure (£m)



The Department develops bespoke software platforms in-house to facilitate the delivery of our objectives. 2021-21 outturn is an outlier attributable to construction costs incurred on the Pavilion at Expo 2020 Dubai, and 2021-22 outturn fell below expectations as development work was constrained by resourcing difficulties. Capital expenditure has fallen this year as focus shifted to maintenance and enhancement of existing systems as opposed to the creation of new ones.

The below graph shows the **AME net expenditure** for the Group over the last five years.

Trend analysis - Resource AME net expenditure (£'000)



The Department's Resource AME expenditure is low relative to DEL spending. Increases in 2020-21 and 2021-22 are attributable to retention provisions held on the construction of the Pavilion at Expo 2020 Dubai. The fall in 2022-23 is largely due to the reversal of the provisions made in 2021-22 for potential EITA TUPE and exit costs (£1.0m).

EU Exit expenditure

All Government departments are required to provide an analysis of EU Exit related expenditure and to summarise the impact of EU Exit on departmental goals, strategic objectives and priority outcomes. The Department was created specifically in response to EU Exit and as such all expenditure and priority outcomes are directly related to EU Exit.

Statement of Financial Position

The Group has a net liability position of £55.5 million at 31 March 2023 which is an increase of £2.9 million from the £52.6 million net liability position at 31 March 2022. The main offsetting changes in the Statement of Financial Position were:

> £96.7 million increase in the value of Property, Plant and Equipment due to adoption of new accounting standard- IFRS 16 from 1 April 2022. £94m of the increase relates to the lease of the Group's headquarters at Old Admiralty Building, London.

> Total liabilities have increased by £121.3m in total. £98.8m of this increase relates to the adoption of IFRS 16. The liabilities represent the total net present value of lease payments due under lease arrangements the Group currently holds. Please see notes to the accounts from page 185 for further details of IFRS 16 adoption and the impact on the Group's financial statements.

> Accruals and Trade payables have decreased by approximately £18m due to the adoption of IFRS 16. This is because IFRS 16 has replaced accrued rent with the IFRS 16 lease liability discussed above.

> The cash held by the Group as at 31 March 2023 is £29m, this is an increase of £27m from the prior year. The increase is due to a lower volume of payments made under the European Structural Investment Fund than forecasted. The remainder of the grant payments will be paid out in 2023-24.

Going concern

In common with other government departments, the financing of the Department's future service provision and liabilities is to be met by future grants of supply and the application of future income approved annually by Parliament. On 7 February 2023 a Machinery of Government change was announced creating the new Department for Business and Trade (DBT). This is therefore the last Annual Report and Accounts prepared as the Department for International Trade (DIT). The going concern basis is considered an appropriate basis for the preparation for the final Annual Report and Accounts as the services and function of the former Department will continue seamlessly under the newly formed DBT. Approval for amounts required for 2023-24 was given by Parliament on 18 May 2023 and there is no reason to believe that future approvals will not be made.

Gareth Davies
Accounting Officer
11 July 2023

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

Interim Chair
Audit and Risk Assurance Committee

The Accountability Report sets out how the Department meets the key accountability requirements to Parliament. It is broken down into three areas:

> this Corporate Governance Report disclosing information about members of the Departmental Board, the Statement of Accounting Officer's Responsibilities and the Governance Statement, which explains about the Department's governance structures and reviews our risk management and system of internal controls;

> the Remuneration and Staff Report providing information on staff numbers and costs, and the remuneration of members of the Departmental Board; and

> the Parliamentary Accountability and Audit Report that presents the Department's expenditure against the budgets set by Parliament and the audit opinion on the financial statements prepared by the National Audit Office.

Report from the Interim Chair of the Audit and Risk Assurance Committee, The Rt Hon Sir Stephen O'Brien KBE

DIT made progress over the period on its priorities in support of economic growth: delivering high quality trade deals, defending free trade and removing trade barriers, supporting companies to grow UK exports and attracting investment to the UK. In the absence of a Lead Non-Executive Director for DIT, I would like to note the Departmental Board's thanks to our teams for the work they delivered. The whole organisation, led by the Rt Hon Kemi Badenoch MP and previously the Rt Hon Anne-Marie Trevelyan MP, has remained committed to its objectives in support of the UK's vitally important economic growth agenda.

I would like to thank Non-Executive Board Members, Lord Johnson (in his previous capacity as ARAC chair), Douglas Carswell and Noël Harwerth, and equally the Independent Members who have served on the ARAC in supporting the Secretary of State and her Ministerial team in delivering the Department's ambitions. They bring a range of expertise to the table and devote considerable amounts of time in fulfilling their roles: I am grateful to them all for their efforts in supporting the Department's objectives and performance.

Over the period, the ARAC, reporting into the full Board, has considered the breadth of the Department's business. A standing item at the Board focused on Non-Executive priorities which included updates from Departmental Board subcommittees as well as individual updates from Non-Executives on their priorities and special projects including Reviews on the Market Access & Barriers strategy and operational plan, a Review and Action Plan for the Export Controls Joint Unit, the DIT's Crisis Response Review, participating in all the Trade Advisory Groups and shadowing the respective Directors General.

The ARAC, which I have chaired on an interim basis since Lord Johnson stepped down from the role in October 2022, is supported by a strong team of Independent Members: Hanif Barma, Robert Milburn and Jim Watson. Following the Machinery of Government change that took place on 7 February 2023, which brought together the business-focused functions of the former Department for Business, Energy and Industrial Strategy and the Department for International Trade to form the Department for Business and Trade, the DIT ARAC continued in its role in order to support the assurances required for production of the DIT's 2022-23 Annual Report and Accounts. Matters pertaining to the former BEIS functions continue to be scrutinised by the former BEIS ARAC until such time as the BEIS Annual Report and Accounts are laid before Parliament.

The Non-Executives have engaged regularly with senior members of the executive through informal briefings, discussions and formal meetings. In this task we are supported by a team of hardworking officials who ensure the Board and various Committees function smoothly.

I would also like to thank both Permanent Secretaries with whom we have worked: James Bowler and Gareth Davies have been keen to ensure the involvement of the Non-Executives. I am also grateful to the Secretary of State and the effective team of Ministers whose ambitions for UK growth driven, not least by the activities of DIT and its policies, we are here to help deliver.

DEPARTMENTAL BOARD: MINISTERS

The following ministers were members of the Departmental Board on 7 February 2023.

The Rt Hon. Kemi Badenoch MP

Secretary of State for International Trade and President of the Board of Trade, Minister for Women and Equalities

Kemi Badenoch was appointed Secretary of State for International Trade and President of the Board of Trade on 06 September 2022. The Secretary of State's principal responsibility was delivering the Department's priority outcomes, as set out in DIT's Outcome Delivery Plan.

The Rt Hon. Greg Hands MP

Minister of State for Trade Policy

Greg Hands was appointed Minister of State for Trade Policy on 9 October 2022. His principal responsibilities included free trade agreements, trade remedies, market access strategy, and union policy. He was also responsible for external engagement via the Strategic Trade Advisory Group, sectoral trade advisory groups, trade union advisory groups, civil society and think tank roundtables.

Dominic Johnson, Baron Johnson of Lainston CBE

Minister of State for Investment

Lord Johnson was reappointed Minister of State for Investment on 25 November 2022. His responsibilities included investment promotion across all sectors, the Office for Investment, delivering an investment strategy to drive further inward investment to the UK, investor relationship management, Sovereign Investment Partnerships, and delivering key investment events.

Nigel Huddleston MP

Parliamentary Under Secretary of State, Minister for International Trade

Nigel Huddleston was appointed Minister for International Trade on 30 October 2022. His responsibilities included support the Secretary of State with trade remedies, tariffs, disputes, parliamentary and legislative activity, sanctions and trade defence, securing global supply chains, the Export Control Joint Unit (ECJU), and the Department for International Trade's corporate activity.

Andrew Bowie MP

Parliamentary Under Secretary of State, Minister for Exports

Andrew Bowie MP was appointed Minister for Exports on 28 October 2022. His responsibilities included support the Secretary of State with export promotion across all sectors, UK Export Finance (UKEF), trade missions and trade shows, supporting small and medium sized businesses to export, the Trade Envoy programme, and the Department's contribution to the GREAT campaign – the government's flagship international communications programme designed to drive national economic growth by encouraging an international audience to visit, study, trade, invest, live and work in the UK.

DEPARTMENTAL BOARD: EXECUTIVES

The following officials were the executive members of the Departmental Board as at 7 February 2023.

Gareth Davies

Permanent Secretary

The Permanent Secretary is responsible for leading the Department and is the Secretary of State's principal policy adviser. Gareth Davies was appointed on 14 December 2022 and formally started on 9 January 2023 following the resignation of James Bowler.

Crawford Falconer

Chief Trade Negotiation Adviser and Second Permanent Secretary

The Chief Trade Negotiation Adviser and Second Permanent Secretary oversees the trade policy and negotiation agenda for the Department. He supports the Permanent Secretary in running the Department and also heads the trade negotiation profession within the Civil Service. Crawford Falconer also served as Interim Permanent Secretary from 17 October 2022 until 8 January 2023.

Amanda Brooks CBE

Director General, Trade Negotiations

The Director General of Trade Negotiations is responsible for leading the Department's work to secure world class Free Trade Agreements for the UK.

Ceri Smith

Director General, Strategy and Investment

The Director General of Strategy and Investment is responsible for delivering the Investment Transformation Programme for DIT and providing oversight of the investment services function, including the Office for Investment. The role also leads DIT's strategy, analysis, world events and advocacy teams, and oversees the work of the Chief Scientific Advisor.

Andrew Mitchell CMG

Director General, Exports and UK Trade

The Director General of Exports and UK Trade is responsible for the Department's work on exports, sectors, and work in the UK nations and English regions.

Joanna Crellin CMG

Director General, Trading Systems

The Director General of Trading Systems is responsible for bilateral trade relations, global trade and delivery, the Department's Export Control Joint Unit, global supply chains and trade defence.

Bidesh Sarkar

Interim Director General, Chief Operating Officer

The Director General of Corporate Services and the Department's Chief Operating Officer is responsible for DIT's Change and Project Delivery; Finance; Digital, Data and Technology (DDaT); Human Resources; Commercial; and Communications and Marketing functions. Bidesh Sarkar served from 31 October 2022.

Tim Reid

Chief Executive, UK Export Finance

The Chief Executive of UK Export Finance (UKEF), the UK's export credit agency, is the principal Accounting Officer for UKEF. The Chief Executive is also a member of the Executive Committee and Departmental Board. Tim Reid served from 1 January 2023.

James Bowler CB served on the Departmental Board until 16 October 2022 as Permanent Secretary. Catherine Vaughan, served on the Departmental Board until 31 October 2022 as Director General, Corporate Services and Chief Operating Officer. Louis Taylor, served on the Departmental Board until 30 September 2022 as Chief Executive, UK Export Finance. Samir Parkash, served on the Departmental Board from 1 October 2022 until 31 December 2022 as Interim Chief Executive, UK Export Finance.

DEPARTMENTAL BOARD: NON-EXECUTIVES

The following non-executives were members of the Department for International Trade Departmental Board as at 7 February 2023.

The Rt Hon Sir Stephen O'Brien KBE

Stephen O'Brien was appointed as Non-Executive Board Member of DIT in June 2019 for a tenure of three years to June 2022. His tenure was extended for a further three years to June 2025. He also sits on the Audit and Risk Assurance Committee, and has served as Interim Chair since 11 October 2022. Stephen maintains a focus on the work of the Trading Systems group.

Baroness Moyo

Baroness Moyo was appointed as Non-Executive Board Member of DIT in November 2020 for a tenure of three years*. Dambisa maintains a focus on the work of the Strategy and Investment group.

Douglas Carswell

Douglas Carswell was appointed as Non-Executive Board Member of DIT in November 2020 for a tenure of three years**. Douglas maintains a focus on the work of the Trade Negotiations group.

Noël Harwerth OBE

Noël Harwerth OBE has been an ex-officio Non-Executive Board Member of DIT since January 2017. Noël is also a Non-Executive Director for UKEF and chair of its Board. Her tenure was extended for a further three years to December 2023.

Dominic Johnson CBE (Lord Dominic Johnson of Lainston CBE as of 24 October 2022) served on the Departmental Board until 3 October 2022 as Interim Lead Non-Executive Board Member and Chair of the Audit and Risk Assurance Committee.

*Baroness Moyo stood down from the Departmental Board on 13 March 2023.

**Douglas Carswell stood down from the Departmental Board on 31 March 2023.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury directed the Department for International Trade to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the Department inclusive of its sponsored non-departmental public body (The Trade Remedies Authority) designated by order made under the GRAA by Statutory Instrument 2021 No. 1441 (together known as the 'departmental group', consisting of the Department and sponsored body listed at note 1.3 to the accounts). The accounts are prepared on an accruals basis unless appropriate to do so and must give a true and fair view of the state of affairs of the Department and the departmental group and of the income and expenditure, Statement of Financial Position and cash flows of the departmental group for the financial year.

In preparing the accounts, the Accounting Officer of the Department is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

> observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

> ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;

> make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by the non-departmental public body (The Trade Remedies Authority);

> state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;

> prepare the accounts on a going concern basis unless not appropriate to do so; and

> confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and

Accounts and the judgements required for determining that it is fair, balanced and understandable.

HM Treasury appointed the Permanent Head of the Department as Accounting Officer of the Department for International Trade. In addition, HM Treasury has appointed an additional Accounting Officer to be accountable for the part of the Department's accounts relating to a specified Estimate section and the associated assets, liabilities and cash flows. This appointment does not detract from the Head of Department's overall responsibility as Accounting Officer for the Department's accounts.

The allocation of Accounting Officer responsibilities in the Department is as follows:

> Estimate section A: Gareth Davies, Permanent Secretary and Accounting Officer, DIT

> Estimate section B: Oliver Griffiths, Chief Executive and Accounting Officer, Trade Remedies Authority

The Accounting Officer of the Department also appointed the Chief Executive of the Trade Remedies Authority as Accounting Officer of this non-departmental public body. The Accounting Officer of the Department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the Department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officer of the sponsored body are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored body.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Department or non-departmental public body for which the Accounting Officer is responsible, are set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that DIT's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

GOVERNANCE STATEMENT

Scope of responsibility

As Permanent Secretary and Principal Accounting Officer for the Department for International Trade, I was accountable for maintaining a sound system of internal control that supported the realisation of the Department's mission and strategic objectives and safeguards public funds in accordance with Managing Public Money.

The purpose of this Governance Statement is to give an explanation of DIT's governance framework, including how it has supported the discharge of these duties in financial year 2022-23 and up to the date of approval of the Annual Report and Accounts, and how it enables DIT to comply with cross-government frameworks, such as the Cabinet Office's Corporate Governance in Central Government Departments: Code of Good Practice (the Corporate Governance Code).

A Machinery of Government change took place on the 7 February 2023, which brought together the business focused functions of the former Department for Business, Energy and Industrial Strategy (BEIS) and the Department for International Trade (DIT) to form the Department for Business and Trade (DBT).

The Government Resources and Accounts Act (2000) requires departments to produce Annual Report and Accounts which follow the structures set out to Parliament at the relevant Supplementary Estimate. The 2022-23 Supplementary Estimates for DIT was presented before the Machinery of Government change took place, and as a result, this Annual Report and Accounts focuses only on the activity of DIT for the year to 31 March 2023. This document refers to the work of DBT where it is relevant, as all future activity of the former DIT will be conducted by the DBT.

Context for the Governance Statement

The Department's ministerial team and Executive Committee led an international economic Department that works collaboratively to deliver its strategic objectives. Over the period, the Department continued to deliver to the Outcome Delivery Plan, focusing on the priority outcomes, with governance mechanisms to support oversight of delivery.

DIT governance structures

The central elements of DIT's governance framework are:

> the Departmental Board, Executive Committee and their sub-committees;

> the scheme of financial delegations which flows from HM Treasury through the Accounting Officer and into the organisation;

> the portfolio management function, portfolio reporting pack and keyholder system for investment decision making; and

> the risk management framework and strategic risk register.

The Departmental Board

The operation of the Departmental Board is set out in a Terms of Reference and in a Board Operating Framework.

The Board met three times over the period in April 2022, November 2022 and January 2023. A Departmental Board scheduled for March 2023 was cancelled following the Machinery of Government changes.

The ODP Delivery Board, a subset of the Departmental Board, providing scrutiny and challenge on the Department's performance against each of its priority outcomes, met and reviewed performance in April 2022 and thereafter by correspondence via the Departmental Board.

Board activities for this period included reviewing strategy and ODP delivery; monitoring performance, finance and risk; and implementation of the Spending Review.

The Departmental Board and its sub-committees were provided with a range of management information in order to review the Department's performance and capability. This includes performance reports, risk registers and corporate data.

The Board secretariat provided a secretariat service, oversaw the information provided to the Board and sub-committees, and ensured its quality complies with the Departmental guidance on writing board papers to facilitate informed discussion.

Board performance and effectiveness

As a result of a Machinery of Government change and the creation of a new Department for Business and Trade it was not appropriate or practical to carry out a Board Effectiveness Evaluation (BEE). Nonetheless learnings from previous BEEs and continuous improvements will be used to inform the creation of the new DBT Board and its operations.

Engagement and transparency

The secretariat ensured the views of the Board were captured, minutes kept on record, and actions distributed to the Department as appropriate. A Governance Operating Framework was available on the intranet for staff to access, providing an overview of governance at DIT and aims to improve awareness amongst staff of governance structures and how to engage with them.

Non-Executive Board Members

From April to October 2022, Lord Johnson continued to serve as Lead Non-Executive Board Member (NEBM) on an interim basis. In January 2022, an open competition was launched for a permanent Lead NEBM. This process concluded but did not result in an appointment. In December 2022 an open competition was launched for permanent Lead NEBM and Chair of the Audit and Risk Assurance Committee. The Machinery of Government changes were announced whilst the appointment process was ongoing. The outcomes of the recruitment process resulted in appointments to the Department for Business and Trade Board.

Non-Executive Board Members support and challenge the Department and provide independent perspectives inside and outside of Departmental Board meetings. Over the period, the Non-Executive Board Members continued their engagement across the Department and contributed to a range of DIT's Trade Advisory Groups.

In line with Cabinet Office guidance, non-executives took on specific responsibilities and championed these across the Department. Lord Johnson was the NEBM leading on the union and levelling up and Baroness Moyo the NEBM leading on net zero.

Sub-committees of the Departmental Board

The Departmental Board had two sub-committees. Both were chaired by Non-Executive Board Members who reported to the Board.

The Audit and Risk Assurance Committee (ARAC) carried out its role in line with HM Treasury's ARAC Handbook, including reviewing DIT's Annual Report and Accounts, internal and external audit activities, and the development of the risk management framework. Over the period, the ARAC, reporting into the Board, has considered the breadth of the Department's business, including Departmental priorities and delivery against the Outcome Delivery Plan (ODP), Cyber Security, DIT's role in supporting the Union, Trade Statistics and the DIT People Survey. In addition, finance, risk and project delivery were reviewed at each ARAC and Board meeting respectively. Furthermore to ARAC's extensive work on Performance against the ODP, the Annual Report & Accounts, Risk Assurance and Internal Audit (GIAA) and the National Audit Office, ARAC focused on Cyber Security, Joiners Movers and Leavers, Shared Services (the Matrix programme) and Mandatory Training Completion. ARAC also considered Trade Remedies Authority governance. There were a range of standing items at ARAC meetings to support the comprehensiveness of assurances provided to the Permanent Secretary.

Following the Machinery of Government changes on 7 February DIT ARAC continued in its role in order to support the assurances required for production of the DIT's 2022 23 Annual Report and Accounts.

As a result of a Machinery of Government change and the creation of a new Department for Business and Trade it was not appropriate or practical to carry out an annual review of ARAC's effectiveness. Nonetheless learnings from previous reviews and continuous improvements will be used to inform the creation of the new DBT ARAC and its operations.

Lord Johnson served as Chair of ARAC until 3 October 2022. Sir Stephen O'Brien has served as Interim Chair of ARAC since 11 October 2022. Hanif Barma and Robert Milburn served as Independent Members of ARAC throughout the year and Jim Watson was appointed as an Independent Member in April 2022.

Lord Johnson served as Chair of the Nominations and Governance Committee until 3 October 2022. The Nominations and Governance Committee met once over the period. The Nominations and Governance Committee's role is to support the Board in scrutinising the governance arrangements, senior succession planning and reviewing senior remuneration.

The Executive Committee and its sub-committees

The Executive Committee (ExCo) regularly scrutinised and advised on the delivery of the Department's priorities and normally met once per week.

Key areas of focus included: continued focus on DIT's response to the situation in Ukraine; the Spending Review and business planning: Places for Growth; reviewing the Department's portfolio of projects and business case approval. ExCo also focused on staff pay and actions following the annual People Survey, while also continuing to scrutinise departmental performance, finance and risk.

Members of ExCo participated in an awayday in May, which focused on culture and leadership.

The three sub-committees of ExCo - the Performance, Finance and Risk Committee (PFRC); the People Committee (supported by the Shadow People Committee); and the Projects and Change Committee (PCC) - continued to provide support to the executive leadership of the Department, by ensuring ExCo's key priorities were effectively delivered and monitored across the Department.

An effectiveness review for PFRC took place during summer 2022, and a refresh of the People Committee was completed in summer 2022, both of which resulted in a renewed focus for and improved organisation of these committees. A recent refresh of PCC's terms of reference, membership and administration meant that a formal review was not required in summer 2022. These approaches, tailored to each sub-committee, assured ExCo of the role the sub-committees were continuing to play in DIT's governance.

Following the announcement of the Machinery of Government change and the creation of the Department of Business and Trade (DBT) a new DBT ExCo was created and first met on 8 February 2023 and then a further 5 times until end March. A main focus was DBTs transition project to create the new Department. Other areas of focus included: stakeholder engagement with business and other government departments; DBT's leadership model and strategy; governance structures; strategic risks and business planning.

A subset of Executive Committee members, along with a non-executive, also met during the year as the Remuneration Committee to discuss and confirm annual pay increases, end-of-year performance bonuses, and in-year reward for members of the SCS, in line with the parameters set by Cabinet Office and HM Treasury in the Senior Civil Service Pay Award 2022-23 practitioner guidance.

The following represents the principal governance structures of the Department as at 7 February 2023, both at Board-level (oversight) and Executive-level (management).

Audit and Risk Assurance Committee

Chair - a Non-Executive Board Member

Members - Non-Executive Board Members, Independent Members

Attendees - Permanent Secretary, Chief Operating Officer, Director of Finance and Business Services, NAO, GIAA

Meets 5-7 times a year

The Audit and Risk Assurance Committee provides independent advice to the Board and the Accounting Officer in their responsibilities for issues of risk, control and governance. The Committee reviews the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs.

Nominations and Governance Committee

Chair - the Lead Non-Executive Board Member

Members - Lead Non-Executive Board Member, Permanent Secretary, Director General, Strategy and Investment, HR & Organisational Development Director

Meets 1-2 times a year

The Nominations and Governance Committee ensures that senior appointments and pay arrangements are transparent, fair, and support departmental objectives. The Committee also ensures there are effective corporate governance arrangements in place at DIT.

Departmental Board

Chair - The Secretary of State

Members - The Secretary of State, Ministers, Non-Executives, Permanent Secretaries, Directors General (including UKEF Chief Executive)

Meets Quarterly

The Departmental Board supports Ministers, the Accounting Officer and other senior officials in the strategic and operational leadership of the Department, by advising on strategy, capability, performance, risk, resource and change. The Board is supported in its work by both the Audit and Risk Assurance Committee and the Nominations and Governance Committee.

People Committee

Chair - a Director General

Members - A Director General (as vice Chair) and Directors from across the DIT Network, including those with specialist skills who advise the Committee.

Meets 10 times a year

The People Committee oversees all aspects of the workplace environment, including DIT's strategic, policy, and operational approach to: HR, internal communications, diversity and inclusion, staff and workplace security, and resource delivery. The Committee is responsible for: developing and steering DIT from a people perspective, leading the horizon scanning and review of strategic people risks, and the evolution of the People Plan, defined by the results of the People Survey. The People Committee is supported by a Shadow People Committee which is made up of representatives from across the DIT network at all grades.

Performance, Finance and Risk Committee

Chair - a Director General

Members - A Director General (as Vice Chair) and Directors from across the DIT network, including those with specialist skills who advise the Committee.

Meets 10 times a year

The Performance, Finance and Risk Committee ensures that departmental activity is on budget, on target and on time. It achieves this by ensuring that the Department has robust planning, performance, finance, and risk frameworks and by effectively monitoring and challenging the Department's performance, financial control and risk picture.

Projects and Change Committee

Chair - a Director General

Members - A Director General (as Vice Chair) and Directors from across the DIT network, including those with specialist skills who advise the Committee.

Meets 10 times a year

The Projects and Change Committee (PCC) supports and scrutinises the Department's project and change portfolio. The Committee ensure that interactions and interdependencies between projects and initiatives are well understood, benefits are well defined and realised, plans are deliverable, and change is communicated effectively.

Executive Committee

Chair - Permanent Secretary

Members - Permanent Secretary, Second Permanent Secretary, Directors General (including UKEF Chief Executive), Directors; Finance & Business Services, HR & Organisational Development, Communications, Chief Economist, HMTC Representation

Meets weekly

The Executive Committee drives the Department's overall performance and delivery against DIT's mission, vision and objectives, and ensures the effective management of the Department. It develops and implements operational strategy, leading 'One DIT' as an effective international economic Department where our people are expert, enterprising, engaged and inclusive. Executive Committee also plays a decision-making role on issues escalated from its sub-committees.

Board and Committee attendance

This reflects DIT governance structures to end March with the exception of the Executive Committee, where a Department for Business and Trade Executive Committee was created on 7 February 2023.

Board or Committee Member	Departmental Board	DIT Executive Committee	DBT Executive Committee	Audit & Risk Assurance Committee	Nominations & Governance Committee
Rt Hon Anne-Marie Trevelyan MP	1 of 1	-	-	-	-
Rt Hon Kemi Badenoch MP	1 of 2	-	-	-	-
Rt Hon Penny Mordaunt MP	1 of 1	-	-	-	-
Ranil Jayawardena MP	0 of 1	-	-	-	-
Mike Freer	1 of 1	-	-	-	-
Rt Hon Greg Hands MP	1 of 2	-	-	-	-
Andrew Bowie MP	1 of 2	-	-	-	-
Nigel Huddleston MP	2 of 2	-	-	-	-
Lord Grimstone	0 of 1	-	-	-	-
Lord Johnson*	2 of 2	-	-	2 of 2	1 of 1
Rt Hon Sir Stephen O'Brien KBE	3 of 3	-	-	4 of 4	-
Baroness Moyo	3 of 3	-	-	-	-
Douglas Carswell	3 of 3	-	-	2 of 2	-
Noël Harwerth	3 of 3	-	-	-	-
Hanif Barma	-	-	-	4 of 4	-
Robert Milburn	-	-	-	4 of 4	-
Jim Watson	-	-	-	4 of 4	-
James Bowler	1 of 1	16 of 16	-	-	1 of 1
Gareth Davies	1 of 1	3 of 4	6 of 6	-	-
Crawford Falconer	3 of 3	20 of 26	5 of 6	-	-
Catherine Vaughan	1 of 1	17 of 18	-	-	-
Andrew Mitchell	2 of 2	23 of 26	4 of 6	-	-
Ceri Smith	3 of 3	21 of 26	4 of 6	-	1 of 1
Amanda Brooks	3 of 3	17 of 26	5 of 6	-	-
Joanna Crellin	2 of 3	20 of 26	5 of 6	-	-
David Bickerton	-	-	4 of 6	-	-
Caleb Deeks (job share with Gavin Lambert)	-	-	5 of 6	-	-
Gavin Lambert (job share with Caleb Deeks)	-	-	5 of 6	-	-
Bea Kilroy Nolan	-	-	5 of 6	-	-
Anthony Green **	3 of 3	26 of 26	6 of 6	-	-

Board or Committee Member	Departmental Board	DIT Executive Committee	DBT Executive Committee	Audit & Risk Assurance Committee	Nominations & Governance Committee
Louis Taylor	1 of 1	6 of 12	-	-	-
Samir Parkash	1 of 1	9 of 11	-	-	-
Tim Reid	1 of 1	4 of 4	4 of 6	-	-
Bidesh Sarkar ** / ***	3 of 3	25 of 26	6 of 6	-	-
Richard Price (resigned after 27/04/22 meeting)	-	2 of 3	-	-	-
Michael Williams (tenure as interim member ended after 31/08/22 meeting)	-	6 of 8	-	-	-
Ben Cropper***	-	14 of 15	4/6	-	-
Jon Tunney** / ***	2 of 3	21 of 26	5/6	-	-
Rebecca Woodward***	-	19 of 20	6/6	-	1 of 1
Kenan Poleo (tenure as member ended 31/12/22)***	-	11 of 12	-	-	-
John Edwards***	-	14 of 15	3 of 3	-	-
Natalie Black***	-	2 of 3	3 of 3	-	-

* Lord Johnson was a Non-Executive until 3 October 2022, he was a Minister from 2 October 2022 and then reappointed a Minister from 24 November 2022.

** Indicates a Standing Attendee for meetings of the Departmental Board. Bidesh Sarkar was Standing Attendee until 31 October 2022 when he became a 'member'.

*** DIT Executive Committee 'associate member' until either a) the date of leaving the committee; or b) for those on the committee after 14 September 2022 when all remaining associate members were categorised as 'members'.

Note: from the meeting of 09 November 2022, both DIT and DBT Executive Committee have taken a 'named designated deputies' approach for those DGs where a Director from their area is not an existing member of the Committee. This applies to Amanda Brooks, Andrew Mitchell, Bea Kilroy-Nolan, Caleb Deeks and Gavin Lambert (job share), David Bickerton and Joanna Crellin.

Trade Remedies Authority

The Trade Remedies Authority (TRA) is a Non-Departmental Public Body of the Department for International Trade, which currently employs around 150 staff. The TRA was established on 1 June 2021 following Royal Assent of the Trade Act 2021, with the mission of protecting UK industries from unfair trading practices.

The TRA's Board is responsible for setting and overseeing the strategic direction of the organisation in line with Ministerial priorities and the relevant legislation. The Board holds the Chief Executive to account and supports them in the discharge of their role as Accounting Officer for the TRA. As Accounting Officer, the Chief Executive answers personally on matters such as compliance with Managing Public Money and Functional Standards.

The Secretary of State accounts for the TRA's business in Parliament and provides strategic direction for the organisation, with the Department's Permanent Secretary acting as Principal Accounting Officer. A Framework Agreement between the TRA and the Department was signed in June 2022, setting out all governance, oversight, reporting and funding arrangements. These arrangements are supported by a dedicated Senior Sponsor and supporting sponsorship team within the Department.

Following a Secretary of State review concluding in 2023, legislative updates to the Trade Remedies Framework are being undertaken through the Finance Bill 2023 to provide greater flexibility for Ministers to make evidence-based decisions on trade remedy measures, as well as creating a new role for the TRA in conducting bilateral safeguard investigations.

Governance arrangements with UK Export Finance (UKEF)

UKEF's mission is to advance prosperity by ensuring no viable UK export fails for lack of finance or insurance, doing that sustainably and at no net cost to the taxpayer. It is strategically aligned with DIT but is a separate Government Department in its own right, which publishes its own Annual Report and Accounts and has its own independent Board and sub-committees, reflecting the specialist nature of its work. Both departments report to the Secretary of State, with delegated authority to the Minister for Exports where appropriate. The Principal Accounting Officer for UKEF is the Chief Executive Officer. The Minister for Exports writes to the UKEF CEO on an annual basis to outline their priorities for UKEF for the coming year. This includes UKEF's vital role and contribution in meeting the Government's ambition to reach a £trillion of exports annually by 2030, set out as part of the Government's 2021 Export Strategy.

UKEF's Chief Executive reports to the Chair of the UKEF Board and sits on the Departmental Board and Executive Committee. UKEF colleagues are represented in the department's governance framework and there is extensive engagement at working level. The Chair of UKEF's Board is also one of the department's Non-Executive Board Members.

A memorandum of understanding (MoU), first signed in March 2021 and re-signed this year to reflect the creation of DBT, has been used to further develop and strengthen relationships across the two departments. This has enabled DBT and UKEF to deliver shared objectives for trade, exports and investment, leveraging opportunities across the two departments through increased engagement, overseen by the MoU's senior sponsors – the Director General for Exports and UK Trade and the CEO of UKEF, who sit on both Departmental Boards.

Compliance with the Corporate Governance Code

The Permanent Secretary reviewed the Department's compliance with the Cabinet Office's Corporate Governance in Central Government Departments: Code of Good Practice and concluded that the Department's approach to governance was in line with the Code. It was noted that the Departmental Board had met formally three times prior to the announcement of the Machinery of Government change in February 2023 when DIT was abolished.

As set out in the Code, the ARAC has continued to benefit from independent, non-executive membership, including from sources other than the Board, in order to ensure an appropriate level of skills and experience. The Chair also had a standing update to raise issues to the Board.

Register of Interest and Business Appointment Rules

The Department has a clear conduct policy in place that applies to all staff and incorporates the principles of the Civil Service Code and Civil Service Management Code. Staff in the Department are reminded of their obligations under these codes as well as the need to comply with the Cabinet Office's Business Appointment Rules when leaving the Civil Service. Information on applications made under the Business Appointment Rules are reported to the ARAC, including any rule breaches and any applications that have been referred to the Advisory Committee on Business Appointments (ACOBA). All advice given on applications from SCS (Senior Civil Service) members of staff was published on gov.uk.

In line with Cabinet Office guidance, DIT also maintains a central record of any personal or financial interests held by SCS staff that may be of relevance to their role.

The Department has updated its published internal procedures. These are used to report relevant outside interests, including any outside employment, work or appointment that is paid or otherwise remunerated. Each year SCS are asked to review their own compliance with the Department's policy and procedures. The review of compliance identified no cases of outside employment conflicting with staff responsibilities as civil servants. Details of SCS who have declared outside employment, work or appointments (paid or otherwise remunerated) are published on gov.uk, in accordance with Cabinet Office transparency rules.

Application of Business Appointments Rules (BARs)

These rules apply to Civil Servants at SCS1/2 or equivalent grades, including Special Advisers of equivalent standing.

> number of exits from the Civil Service (SCS): 10

> number of BARs applications assessed by the department over the year (by grade): 1 SEO, 1 SPAD, 2 G7s, 3 SCS1s, 1 SCS2, 3 Ministers

> number of BARs applications where conditions were set (by grade): all roles mentioned above had conditions except SEO

> No applications were found to be unsuitable for the applicant to take up (by grade).

> No breaches of the rules took place from 1 April 2022 – 31 March 2023 and no breaches from 1 April 2021 – 31 March 2022

Registered interests

The Department maintained a register of Departmental Board members' interests. A list of declared interests for all executive and non-executive members who served on the Board in 2022-23 is published on https://www.gov.uk/government/publications/dit-register-of-board-members-interests.

Departmental Board members were required to declare any personal, business or related party interests that may, or may be perceived by a reasonable member of the public to, influence their judgement in performing their obligations to the Department. In January 2022, the Accounting Officer approved a new policy and updated processes for Departmental Board members. Since then, Board members were prompted to refresh their declarations on a regular basis and were required to update the Department on relevant changes to their circumstances that may have resulted in an actual, or perceived, conflict of interest. At the start of Departmental Board meetings, members were also asked to declare potential conflicts of interest. Appropriate arrangements were in place to manage any conflicts identified, in line with Departmental and Cabinet Office policy. This could, for example, include recusal from Board discussions relating to those interests.

In addition, in line with the Declaration of Interests policy for special advisers, all special advisers declared relevant interests or, confirmed they do not consider they have any relevant interests. The Permanent Secretary also considered these returns and the following relevant interests are set out in public:

Name	Interest
Sonia Zvedeniuk	Local councillor for the Chelsea Riverside Ward in the Royal Borough of Kensington and Chelsea

Risk management

The risk management policy and framework for DIT set out the process for identifying, managing, and mitigating key risks across the Department, both in business groups and in major projects and programmes. The Accounting Officer had overall responsibility for the Department's risk policy and framework, while Executive Committee members owned and managed each of the strategic risks to the delivery of departmental objectives. The Department's risk appetite was reviewed annually by the Executive Committee and the Departmental Board.

The strategic risk register was reported at each meeting of the Performance, Finance and Risk Committee (PFRC), who recommend changes to the strategic risk register to the Executive Committee. Both the PFRC and the Executive Committee verified, reviewed, and challenged the way that DIT managed the Department's critical strategic risks. Deep-dive reviews of strategic risks were regularly conducted at the PFRC to ensure that each risk was managed and mitigated effectively. The consideration of strategic level risks was also supplemented by a review of emerging risks in business groups and in projects and programmes.

The ARAC reviewed the DIT strategic risk register, and the process which supports its development, and provided independent challenge to DIT's management to assure the Accounting Officer, and the Board, that risks were appropriately managed. The strategic risk position was reported at each meeting of the Departmental Board.

An annual risk session was held with the Executive Committee to refresh the strategic risk register. This ensured the strategic risk register continued to reflect both the operating landscape and the priorities set out in the Outcome Delivery Plan. This year the session was held in March 2023, following the creation of the Department of Business and Trade.

This created a new risk register for the Department of Business and Trade that will be reported in the DBT 2023-24 Annual Report and Accounts.

Head of Risk Management annual review

The Head of Risk Management led a review of DIT's risk management arrangements using HM Treasury's *Risk Management Assessment Framework* which includes reviewing the work on embedding risk management and identifying areas to target future risk work.

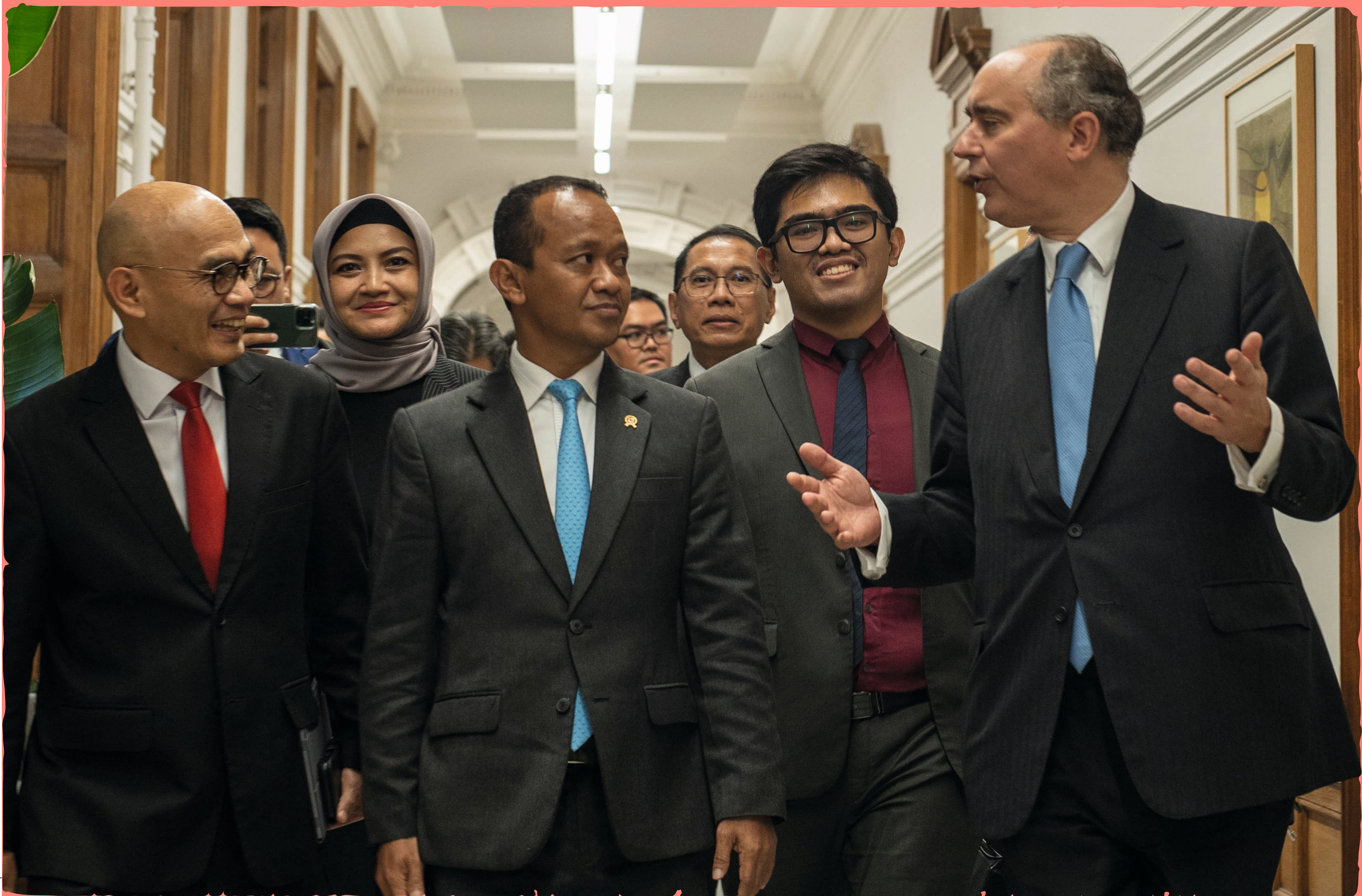
> DIT's senior leadership set expectations and clear accountability for the management of risk. The risk management policy and processes are well embedded in the Department, in particular on strategic risk reporting, and reflect the HMT guidance on risk management (The Orange Book, and supplementary annexes).

> DIT was an active participant in the cross-government risk network, including input to the Civil Service Board risk reports, and the Risk Control Framework guidance.

> Support activity on risk management was increased across key workstreams such as the response to the Russia/Ukraine conflict, and the Export Control Joint Unit transformation project. This has included facilitated workshops and training sessions, alongside deep-dive reviews.

> The annual assurance process reviewed Directorate and HMTC risk registers to highlight improvement work in the coming year. This included further training and support on the articulation of risks to improve the focus of mitigation on the primary causes or consequences of risks and improving compliance with the standard departmental risk register format through the roll out of an online risk reporting system.

Image: Lord Dominic Johnson at Indonesia MOU



Significant thematic risks and key mitigating factors

The principal risks in 2022-23 that could affect DIT in delivering its objectives were as follows:

Key				
Risk assessment (as at 31 March 2023)	● Very High	● High	● Medium	● Low
Direction of risk trend (from date identified)	↑ Risk Increase	↓ Risk Decrease	↔ No risk movement	✓ At target score

	Risk description	Examples of mitigating actions
↓ ●	**Free Trade Agenda:** Competing cross Whitehall priorities and the passing of Free Trade Agreements through parliament, impacts on the DIT Free Trade agenda and future negotiations plans or timetables. (NB: Combined Trade Policy Dependency & Parliamentary Challenge risks).	> Official and ministerial level governance mechanisms were utilised to proactively engage across Whitehall on wider cross-cutting trade policy issues and to agree and resolve issues within mandates.
		> DIT's plans and prioritisation on FTAs were shared with other Government Departments to allow effective planning and sequencing of resources.
		> Engagement with the devolved administrations was made through the Ministerial Forum for Trade, Senior Officials group and at working-level on FTAs and export targets. Trade and Investment Offices in Edinburgh, Cardiff and Belfast worked to increase our presence and strengthening relationships.
		> Significant targeted engagement undertaken with MPs and Peers during passage of Trade (Australia & New Zealand) Bill and the statutory scrutiny period for the FTAs and completing Parliamentary processes required to ratify the deals.
↔ ●	**Free Trade Agreement Utilisation:** Failure to see increase in trade from our FTAs and Market Access Barrier work and demonstrate contribution to the UK's prosperity.	> Creation of an FTA Utilisation team to ensure a coordinated approach across the Department and launched behavioural change project and FTA Utilisation Campaign.
		> Active engagement with other government departments through our Cross Whitehall Export Strategy Board to support on new utilisation plans.
● ✓	**Russia-Ukraine Capability and Enforcement:** DIT does not have the capability to deliver on sanctions, policy, and supply chain or able to effectively enforce measures taken.	> Established a Ukraine Strategy and Coordination team with staff deployed to oversee DIT's response, and manage cross-Whitehall coordination on priority areas for the Department.
		> With the necessary pace of DIT's response to the conflict, the risk was quickly mitigated to a sufficient level to remove from the strategic register.

Risk description	Examples of mitigating actions
Delivery of transformed operating model: DIT fails to deliver the intended benefits of its new operating model with transformation not leading to a more efficient, joined up service for DIT.	**Export Support Services** > Export Support Service teams worked closely with the Investments Transformation Team, DDaT, and the Implementation Unit on options for procuring an enabling technology platform. > The Exports Design Authority took a modular approach to design and delivery, working with impacted teams to co-create the new design, and delivering outcomes in phases. **Investment** > A programme blueprint was developed to inform the final Target Operating Model, digital requirements, and customer journey of the Investment Transformation programme. > An integrated Change and Communications strategy was developed to ensure key stakeholders were informed of changes throughout the programme. > A monitoring and evaluation workstream was established to track key metrics and identify potential problems and suggest improvements.
Capacity, Skills, and Staff Engagement: DIT does not maintain the capacity and skills to deliver on priorities and struggles to maintain staff engagement and wellbeing.	> Further development of the DIT Career Framework, undertaking a strategic review of the learning, development, and talent operating model to ensure resources are allocated to priority areas. > Delivered a successful Pay Business Case to HM Treasury for UK staff, re-aligning pay ranges to those of peer departments and overall Civil Service median to reduce recruitment and retention challenges. Further enhancements included: the expansion of in-year cash and voucher awards; employee benefits, including financial wellbeing and retail savings. > Continued work on a pay business case for additional pay flexibility for overseas staff with the FCDO and rolling-out a Pay Tool to assist Corporate Boards on pay decisions. > Steps to support the wellbeing of staff, included: a revised wellbeing vision and commitment to ensuring DIT is a great place to work; identifying, assessing, and responding promptly to team-level acute health and wellbeing issues to maintain resilience.

Risk description	Examples of mitigating actions
Cyber Security, Insider Threat, and Incident Management: DIT is targeted by a cyber-attack resulting in an information breach which it needs to prevent, detect, and respond.	> The scope of available actions in mitigating the department's security landscape aimed to contain and maintain the current level of risk.
	> DIT's Insider Threat Operations Group (ITOG) continued to mature and is recognised as an exemplar across government. DIT joined a Cabinet Office led network of investigators aiming to upskill and share best practise across government.
	> Effective processes and policies were established for reporting, investigating, and responding to security incidents, particularly those which are serious or involving personnel security.
	> DIT's management of unauthorised disclosures and complex incidents benefited from a dedicated security investigations resource and cross-departmental expertise and collaboration.
	> The Security function continued work to develop the right security culture and to ensure that a consistent message is provided to all staff, particularly in the most sensitive work areas.
	> With Cyber Security, there is a risk faced across government with the difficulty in resourcing specialist roles. To mitigate this, DIT delivered incremental improvements to the departments approach to IT systems supported by an IT Architect.

ACCOUNTING OFFICER'S REVIEW OF EFFECTIVENESS

As Accounting Officer, I am required to conduct an annual review of the effectiveness of the Department's governance structures, risk management and internal control framework. This review is informed by my senior officials, the Government Internal Audit Agency (GIAA) that provides the Department's internal audit function, and other governance reports from which I have received assurance. I have also received assurances from my predecessor, James Bowler, who was the Department's Accounting Officer from the start of the 2022-23 reporting year until 16 October 2022 and from Crawford Falconer who served as Interim Permanent Secretary from 17 October 2022 until 8 January 2023.

Internal audit: GIAA

A key source of independent assurance for DIT is its internal audit function, which is designed to add value to DIT's operations and support with the delivery of our priority outcomes. The purpose, authority and responsibility of internal audit activity is formally defined in an internal audit charter that is periodically reviewed and agreed by the ARAC and the Accounting Officer.

The annual internal audit programme is closely linked to the key risks of the Department and is recommended by the ARAC to the Accounting Officer at the start of each year. The internal audit plan was kept under review throughout the year to ensure it remained relevant and risk focused, and any revisions were approved at each meeting of the ARAC. During the year, the Department also continued to work with the GIAA on reviewing progress with the implementation of actions from prior internal audits.

Image: Lord Dominic Johnson speaking at OFI stakeholder event

An overall Moderate assurance opinion has been provided for 2022-23. This is the same level of assurance on the adequacy and effectiveness of governance, risk management and internal control that was issued to the Accounting Officer in 2021-22.

The annual internal audit opinion is a key element of the assurance framework, which the Accounting Officer needs to inform his annual Governance Statement. It does not detract from the Accounting Officer's personal responsibility for the framework of governance, risk management and control, on the effectiveness of which he takes assurance from his senior management and format controls, as well as from internal audit.

I have seen evidence that the Department has continued throughout the year to maintain an adequate system of governance, risk management and internal control and continues to make improvements. The machinery of government changes to become the Department for Business and Trade represents an opportunity to align expectations and deliver further improvements to internal controls.

The opinion is based on 45 internal audit outputs relating to DIT and seven relating to the Trade Remedies Authority, which covers both UK-based activity and overseas activity. The audit plan was resourced by a combination of GIAA staff – both from the GIAA's DIT team, the GIAA's specialist DDaT and Project Portfolio Management teams, as well as contractors from an external firm.

The broad areas for improvement remained largely consistent with those raised in prior years and will lead to strengthening of the first and second lines of defence as well as in the delivery of programmes and projects.

Gwen Williams
Group Chief Internal Auditor, Department for International Trade
Government Internal Audit Agency

External audit: National Audit Office and the Public Accounts Committee

The National Audit Office (NAO) undertook a value for money study examining whether DIT is well-positioned to secure an impact from its support for inward investment. The NAO published its report on 27 January 2023, concluding that the UK is an attractive destination for inward investment but that the department must work in a joined-up way across government and with local bodies to present a coherent UK offer to investors and that the department's approach to measuring performance should be refined. The NAO provided seven recommendations following its report into the Department's role in Supporting Investment into the UK.

All of the recommendations have been accepted and are being progressed through an Implementation Plan. The Implementation Plan will be reviewed and updated on a bi-annual basis, with the first updated Implementation Plan being submitted to the NAO in July 2023.

Following the publication of the NAO's report, the Public Accounts Committee conducted its own inquiry into inward investment, including a public evidence session with DIT's Permanent Secretary, the Director General for Strategy and Investment, the Director General for Trade Negotiations and the Chief Executive Officer of the Office for Investment. The PAC published its report on 9 June 2023, including seven recommendations, to which government responses are due to be published later this year.

Functional standards

The structure of DIT's corporate functions follows the functional model of government adopted in 2015. This includes 13 recognised government functions each with a set of functional standards developed over recent years. Since the end of September 2021, the Cabinet Office has required all government departments to implement mandatory elements of each functional standard.

Finance and Managing Public Money

In 2022-23, the Department undertook reviews of compliance with HM Treasury and Cabinet Office controls. No evidence of non-compliance was found, including the changes to the Cabinet Office Spending Control framework implemented in quarter 4. The GIAA also reviewed compliance with specific spending controls and similarly found no evidence of any compliance issues.

Fraud and bribery

DIT continued to comply with the counter fraud functional standards and focus for the year was on further building the counter-fraud, bribery and corruption awareness and culture across the organisation. This helped to identify and encourage reporting of potential instances of fraud or error and non-compliance with departmental policies. As a result, there continued to be a small rise in DIT fraud and error casework both with internal cases and external cases which do not impact upon DIT funds.

While losses to fraud and error remained relatively low, the Department begun to successfully recover funds, working on recovery and enforcement activity with the shared service provider. There was a similar small increase in the value of prevented fraud, identified through the grants programme administration.

The ongoing assessment of fraud, bribery and corruption risks supported DIT in identifying relevant risks and controls and reflect the fraud landscape. Proactive fraud risk management continued, including working collaboratively with internal stakeholders, GIAA, and other Government departments to introduce robust preventative and detective controls. The Department also continued to develop its anti-bribery and corruption capability, reviewing the due diligence arrangements in respect of third-party risks.

Following the recent Machinery of Government changes and creation of the Department for Business and Trade, a Counter Fraud shared service function supporting all Departments involved in the machinery of government changes is being established.

Project delivery

The Department continued to oversee a portfolio of major projects and programmes. In 2022-23, DIT's change portfolio grew substantially reflecting the focus on delivery. This included the export and investment support services transformation programmes, which were the first two DIT programmes to join the Government Major Projects Portfolio (GMPP). Resourcing projects and programmes with staff that hold the required skills and experience to successfully deliver complex change projects continued to be a challenge for the Department. DIT focused on raising Departmental capability and capacity through bespoke training targeting key areas and cohorts. DIT continued to build on the success of the first year of the Flexible Resource Pool and further embed our functional standards across our Project Delivery and Change function, in line with Infrastructure and Projects Authority best practice. A key priority for next year for DBT, will be instigating a proportionate governance framework that provides the right level of assurance, challenge and support to successfully implement the new, larger and more complex DBT change portfolio.

Information management and governance

In 2022-23, there were a total of 72 data breaches– an increase of 16% on 2021-22. Of these breaches, none met the threshold to be reported to the Information Commissioner's Office (ICO). The rise in breaches can in part be attributed to the continuing improvements in awareness-raising activity, and where trends were identified, mitigations were applied.

In 2022-23, the Department handled 17 ICO Complaint cases regarding the handling of FOI requests. The Department has responded to 15 of the ICO complaints, ten of which resulted in the Department's position being upheld by the ICO. 1 response resulted in the Department's position being overturned by the ICO and 4 responses are currently awaiting decision notice. Of the remaining 2 cases, the Department is disclosing further information as either the sensitivity is no longer valid, or the information does not meet the threshold for full exemption. Of these, 1 has been concluded and 1 is preparing to conclude. For one of the ten complaints upheld by the ICO the complainant has appealed to the first-tier tribunal. The Department has joined this appeal alongside the ICO and Cabinet Office and the case is due to be heard later this year.

In a case from a previous year DIT gained permission to appeal an Upper Tribunal ruling at the Court of Appeal. The hearing is listed for 14 July 2023.

Further information about the Department's performance in responding to FOI requests is included within the Performance Report.

A focus of the Knowledge and Information Management team this year was making improvements to processes governing data protection and information management risks, enabling more effective management of identified compliance risks. This included extending coverage of awareness-raising activity across the Department and delivering information migration projects. The Department's Information Risk Assessment Process (IRAP) was a vital assurance tool in assessing cyber, data protection and information security risks feeding the Information Assurance (IA) Hub to make best use of data to target preventative action and provide oversight to our Senior Information Risk Owner (SIRO).

Management information and economic statistics

Management information and economic statistics, performance dashboards, financial dashboards and risk registers were regularly reported to meetings of the Departmental Board, Executive Committee and PFRC. The delivery performance framework measures activity and outcomes across all Departmental objectives over the short, medium, and long term.

The Department's Chief Statistician was responsible for the presentation, content and timing of all statistical releases and is directly accountable to the UK Statistics Authority for statistics regulation in the Department, quality assurance and promotion of best practice. In 2022-23, DIT published for the first time official statistics related to the Department's activities to record and address market access barriers.

Business critical models

The Department maintained a list of business critical models and analyses, as recommended by the Macpherson Review. The Department annually reviewed its modelling landscape, collecting detail on all analytical models and assessing for risk and scale. Those that were assessed as high in risk (financial, reputational, frequency of decision, legal and operational) and large in scale were defined as business critical. Each business critical model has a Senior Responsible Owner accountable for quality assurance as it is constructed and used and there are central frameworks to continuously monitor and ensure appropriate quality assurance is applied.

Business critical models maintained by the Department:

> **CGE Model (GTAP) –** the CGE Model is a multi-country Computable General Equilibrium (CGE) macroeconomic model of international trade that captures trade linkages with countries around the world. It provides a coherent macroeconomic framework to estimate the long-run economic impact of trade policy. CGE GTAP is used to deliver ex ante assessment of the economic impacts of trade agreements.

> **CGE Environmental Model (GTAP-E) –** this is a CGE model which allows for the estimation of the long-run impact of trade policy on energy use and the environment (GHG emissions and air pollutants). It can be used in complement to the results of the main CGE GTAP Model to capture the environmental impacts of trade policies or to assess the economic implications of environmental policies.

> **Gravity Model –** the Gravity Model is an econometric model which provides input scenarios for the CGE Model.

> **PE Model –** the Partial Equilibrium (PE) model provides a means of simulating the direct impact of trade shocks on output and trade at a detailed (generally four digit) product level. It complements the CGE model which simulates the overall impact (including indirect effects) of trade shocks but only at a more aggregated product level.

> **Export Promotion Support Value for Money (VfM) Calculator –** the VfM calculator determines the anticipated value for money of different export promotion support activities by estimating the expected economic impacts of providing different services.

> **Trade and Investment Factsheets –** code used to produce the Trade and Investment factsheets published on GOV.UK and DIT's intranet. These include a compendium of 220+ documents, outlining key trade and investment statistics for each country/territory.

Methodological developments of CGE models, the Gravity Model and the PE Model are considered and agreed with relevant government departments, including HM Treasury, DEFRA and BEIS.

Whistleblowing

All whistleblowing concerns formally raised were investigated according to the Department's policy and procedure, which is aligned with Civil Service policy and best practice. The code of conduct policy is in place for all staff to abide by and the annual People Survey includes regular questions on whether staff know where to find this information, use it and raise concerns where needed. Wider departmental communication on the importance of reporting matters of concern and any perceived conflicts with the Civil Service Code continued to take place across the year to remind staff of key information.

Information on whistleblowing cases was reported to ARAC on a quarterly basis. However, no new whistleblowing cases were reported in 2022-23.

Following the 2021-22 Cabinet Office whistleblowing health check, new Nominated Officers (staff trained to advise and support individuals who raise concerns) were appointed and trained during 2022-23, with activity undertaken to build confidence in 'speaking up' and raise awareness of the safe routes available to staff. This was part of continued efforts to ensure DIT remained in line with best practice guidance. The effectiveness of internal processes was continually monitored by the Department.

Complaints

The Department had a stated aim to provide a full response to any complaint within 20 working days and resolve 90% of complaints at the first attempt. In 2022-2023, the Department received 3 complaints of which 2 were responded to within 20 working days and all concluded complaints were resolved at the first attempt.

The Parliamentary and Health Service Ombudsman has a role in investigating complaints that central government departments and/or agencies have acted improperly, unfairly or have provided a poor service. In 2022-23, no complaints were investigated by the Ombudsman concerning the Department.

Conclusion

I am satisfied that the Department's overall governance arrangements were adequate. The Department continued to operate well in a challenging environment. Having noted the GIAA's Moderate audit opinion and considered all the evidence, I am content with the Department's system of internal controls.

Image: The Department for Business and Trade headquarters at Old Admiralty Building

REMUNERATION AND STAFF REPORT

REMUNERATION REPORT

Remuneration policy

The remuneration of Senior Civil Servants (SCS) is set by the Prime Minister, following independent advice from the Senior Salaries Review Body.

The Review Body also periodically advises the Prime Minister on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body was required to have regard to the following considerations:

> the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;

> regional/local variations in labour markets and their effects on the recruitment and retention of staff;

> government policies for improving public services, including the requirement on departments to meet the output targets for the delivery of departmental services;

> the funds available to departments as set out in the Government's Departmental Expenditure Limits; and

> the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at www.gov.uk/government/organisations/review-body-on-senior-salaries

Senior official appointments

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit, on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

The officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation, as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at: (www.civilservicecommission.org.uk).

Remuneration (salary, benefits in kind and pension benefits)

The following sections provide details of the remuneration and pension interests of Ministers and Senior Officials as part of the staffing position of the Department for International Trade (DIT). Please refer to the separate reports of Department for Business, Energy, and Industrial Strategy (BEIS) and Cabinet Office (CO) for salary information relating to the former BEIS and former CO Ministers and Senior Officials who are part of the transition to Department for Business and Trade (DBT) following the Machinery of Government announcements made on 7 February 2023.

Ministerial salaries and pension benefits in 2022-23 and 2021-22 were as follows. Figures in brackets represent full year equivalents. This table has been subject to audit.

Single total figure of remuneration

	2022-23			2021-22		
Ministers	**Salary** (£)	**Pension Benefits** (to nearest £000)[1]	**Total** (to nearest £000)	**Salary** (£)	**Pension Benefits** (to nearest £000)[1]	**Total** (to nearest £000)
Rt Hon Kemi Badenoch MP[2] *(from 6 September 2022)* Secretary of State for International Trade, President of the Board of Trade and Minister for Women and Equalities	38,440 (67,505)	4,000	43,000	-	-	-
Lord Dominic Johnson of Lainston CBE[3] *(from 25 November 2022)* Minister of State	-	-	-	-	-	-
Nigel Huddleston MP[4] *(from 7 February 2023)* Minister of State	4,714 (31,680)	1,000	6,000	-	-	-
Nusrat Ghani MP[5] *(from 7 February 2023)* Minister of State	2,640 (31,680)	1,000	6,000	-	-	-
Kevin Hollinrake MP[6] *(from 7 February 2023)* Parliamentary Under Secretary of State	1,865 (22,375)	1,000	3,000	-	-	-
Earl of Minto[7] *(from 27 March 2023)* Minister of State	-	-	-	-	-	-
Maria Caulfield MP[8] *(from 27 October 2022)* Parliamentary Under Secretary of State (Minister for Women)	-	-	-	-	-	-
The Rt Hon Stuart Andrew MP[14] *(from 27 October 2022)* Parliamentary Under Secretary of State (Minister for Equalities)	-	-	-	-	-	-

Ministers	2022-23 Salary (£)	2022-23 Pension Benefits (to nearest £000)[1]	2022-23 Total (to nearest £000)	2021-22 Salary (£)	2021-22 Pension Benefits (to nearest £000)[1]	2021-22 Total (to nearest £000)
Mike Freer MP[9] *(until 6 July 2022)* Minister for Exports	11,548 (22,375)	1,000	13,000	11,373 (22,375)	3,000	14,000
Lord Grimstone of Boscobel Kt[10] *(until 8 July 2022)* Minister for Investment	-	-	-	-	-	-
The Rt Hon Anne-Marie Trevelyan MP *(until 5 September 2022)* Secretary of State for International Trade and President of the Board of Trade	33,753 (67,505)	7,000	41,000	35,345 (67,505)	10,000	45,000
The Rt Hon Penny Mordaunt MP *(until 5 September 2022)* Minister of State for Trade Policy	15,840 (31,680)	3,000	19,000	15,840 (31,680)	4,000	20,000
Ranil Jayawardena MP *(until 5 September 2022)* Minister for International Trade	11,187 (22,375)	2,000	14,000	22,375	6,000	28,000
Andrew Griffith MP *(from 8 July 2022 to 7 September 2022)* Minister of State for Trade Policy	3,743 (22,375)	-	4,000	-	-	-
The Rt Hon Conor Burns MP[11] *(from 7 September 2022 to 7 October 2022)* Minister of State for Trade Policy	10,628 (31,680)	1,000	11,000	-	-	-
James Duddridge MP[12] *(from 7 September 2022 to 25 October 2022)* Minister for International Trade	12,161 (31,680)	1,000	14,000	-	-	-
Marcus Fysh MP[13] *(from 20 September 2022 to 26 October 2022)* Minister of State for Trade Policy	7,841 (22,375)	0	8,000	-	-	-
The Rt Hon Greg Hands MP *(from 9 October 2022 to 6 February 2023)* Minister for Trade Policy	10,444 (31,680)	3,000	13,000	15,840 (31,680)	3,000	19,000
Andrew Bowie MP[15] *(from 28 October 2022 to 6 February 2023)* Minister for Exports	9,563 (22,375)	3,000	12,000	-	-	-

1 The value of pension benefits accrued during the year is calculated as: (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.
2 The Rt Hon Kemi Badenoch MP was appointed Secretary of State for the Department for Business and Trade on 7 February 2023. She remains Secretary of State for International Trade and President of the Board of Trade, which she was appointed to on 6 September 2022, and Minister for Women and Equalities for the Equality Hub, which she was appointed to on 25 October 2022.
3 Lord Dominic Johnson of Lainston CBE did not draw a ministerial salary or pension benefits. He was appointed as Minister of State (unpaid) at the Department for Business and Trade on 7 February 2023, and was previously Minister of State (Minister for Investment) in the Department for International Trade between 25 November 2022 and 7 February 2023. He was Minister of State (unpaid) between 2 October 2022 and 27 October 2022.
4 Nigel Huddleston MP was appointed Minister of State at the Department for Business and Trade on 7 February 2023. He was previously Parliamentary Under Secretary of State between 30 October 2022 and 7 February 2023 where he was paid by HM Treasury in his role as Government Whip.
5 Nusrat Ghani MP was appointed Minister of State at the Department for Business and Trade, and as the Minister of State responsible for the Investment Security Unit at the Cabinet Office, on 7 February 2023. She was paid by the Department for Business, Energy and Industrial Strategy until 28 February 2023. Please refer to BEIS accounts for full details.
6 Kevin Hollinrake MP was appointed Parliamentary Under Secretary of State at the Department for Business and Trade on 7 February 2023. He was paid by the Department for Business, Energy and Industrial Strategy until 28 February 2023. Please refer to BEIS accounts for full details.
7 The Earl of Minto was appointed a Minister of State in the Department for Business and Trade on 27 March 2023. The Earl of Minto did not draw a ministerial salary or pension benefits.
8 Maria Caulfield MP is paid by Department of Health and Social Care. Please refer to DHSC accounts for full details.
9 Mike Freer MP left under severance terms on 6 July 2022. He received a compensation payment of £5,593.00. This payment is included in the remuneration disclosed in this table.
10 Lord Grimstone of Boscobel did not draw a ministerial salary or pension benefits.
11 The Rt Hon Conor Burns MP left under severance terms on 7 October 2022. He received a compensation payment of £7,920. This payment is included in the remuneration disclosed in this table.
12 James Duddridge MP left under severance terms on 25 October 2022. He received a compensation payment of £7,920. This payment is included in the remuneration disclosed in this table.
13 Marcus Fysh MP left under severance terms on 26 October 2022. He received a compensation payment of £5,593. This payment is included in the remuneration disclosed in this table.
14 The Rt Hon Stuart Andrew MP is paid by Department for Culture, Media and Sport. Please refer to DCMS accounts for full details.
15 Andrew Bowie MP transferred to the Department for Business, Energy and Industrial Strategy on 7 February 2023. The remuneration disclosed in this table covers the full period to 31 March 2023.

Where Ministers have moved to or from another Department during the year, details of any remuneration relating to their subsequent or prior roles will be in that Department's remuneration report unless stated otherwise.

Senior Officials are defined as members of the DIT Departmental Board. Senior Official salaries and pension benefits in 2022-23 and 2021-22 were as follows. Figures in brackets represent full year equivalents. This table has been subject to audit.

	2022-23					2021-22				
Senior Officials	**Salary £000**	**Bonus Payments £000**	**Pension Benefits** (to nearest £000)[1]	**Benefits in Kind** (to nearest £100)	**Total £000**	**Salary £000**	**Bonus Payments £000**	**Pension Benefits** (to nearest £000)[1]	**Benefits in Kind** (to nearest £100)	**Total £000**
Gareth Davies *(from 9 January 2023)* Permanent Secretary and Accounting Officer	35-40 (160-165)	-	11	-	45-50	-	-	-	-	-
Crawford Falconer[2] Chief Trade Negotiation Adviser and Second Permanent Secretary *(Interim Permanent Secretary from 17 October 2022 until 8 January 2023)*	270-275	15-20	-	-	290-295	265-270	15-20	-	-	285-290
Amanda Brooks Director General, Trade Negotiations	125-130	15-20	35	-	175-180	100-105 (120-125)	10-15	91	-	205-210
Ceri Smith Director General, Strategy and Investment	150-155	-	-6	-	140-145	140-145 (145-150)	-	201	-	340-345
Andrew Mitchell Director General, Exports and UK Trade	135-140	5-10	-20	-	120-125	130-135	0-5	115	-	250-255
Joanna Crellin Director General, Trading Systems	125-130	0-5	23	-	150-155	120-125	-	89	14,00	225-230

	2022-23					2021-22				
Senior Officials	**Salary £000**	**Bonus Payments £000**	**Pension Benefits** (to nearest £000)[1]	**Benefits in Kind** (to nearest £100)	**Total £000**	**Salary £000**	**Bonus Payments £000**	**Pension Benefits** (to nearest £000)[1]	**Benefits in Kind** (to nearest £100)	**Total £000**
Bidesh Sarkar[3] *(from 31 October 2022)* Interim Chief Operating Officer and Director, Finance and Business Services	55-60 (135-140)	0-5	22	-	80-85	-	-	-	-	-
James Bowler *(until 16 October 2022)* Permanent Secretary and Accounting Officer	90-95 (160-165)	-	-6	-	85-90	100-105 (160-165)	-	56	-	155-160
Catherine Vaughan *(until 31 October 2022)* Director General, Chief Operating Officer	80-85 (145-150)	10-15	32	-	120-125	140-145	5-10	56	-	205-210
Tim Reid[4] *(from 1 January 2023)* UKEF Chief Executive	-	-	-	-	-	-	-	-	-	-
Samir Parkash[5] *(from October 2022 to December 2022)* Interim UKEF Chief Executive	-	-	-	-	-	-	-	-	-	-
Louis Taylor[6] *(until October 2022)* UKEF Chief Executive	-	-	-	-	-	-	-	-	-	-

1 The value of pension benefits accrued during the year is calculated as: (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights. Final salary members (classic/classic plus/ premium) have transitioned to alpha. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase – that is, in real terms, the pension value can reduce, hence the negative values.
2 Crawford Falconer did not receive additional remuneration during the period when he was Interim Permanent Secretary. He is a member of the Partnership pension scheme. The employer contributions to his Partnership pension in 2022-23 were £40,500 (to the nearest £100).
3 Bidesh Sarkar served as Director of Finance and Business Services until his appointment as Interim Chief Operating Officer from 31 October 2022, for which the remuneration in the table above relates.
4 Tim Reid is paid by UKEF. Please refer to UKEF accounts for full details.
5 Samir Parkash was paid by UKEF. Please refer to UKEF accounts for full details.
6 Louis Taylor was paid by UKEF. Please refer to UKEF accounts for full details.

Salary

'Salary' includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts. In respect of Ministers in the House of Commons, departments bear only the cost of the additional ministerial remuneration; the salary for their services as a Member of Parliament (£84,144 from 1 April 2022) and various allowances to which they are entitled are borne centrally. However, the arrangement for Ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the Department and is therefore shown in full in the Ministers' salaries and pension benefits table.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HMRC as a taxable emolument. There are no benefits in kind to be disclosed in relation to DIT Ministers or Senior Officials for 2022-23.

Bonuses

Performance-related pay and bonuses for staff below SCS (known as 'delegated grades') were decoupled from the performance management process during 2022-23 financial year and no longer determine end of year non-consolidated performance bonuses. DIT moved to a fully in-year reward and recognition system to reinforce exceptional performance and contributions to the organisation in a timely manner using a range of options and available budget, including cash and non-cash awards.

Performance management for SCS employees across the Civil Service, including DBT, follows the Cabinet Office SCS performance management policy (https://www.gov.uk/government/publications/senior-civil-service-performance-management). As in previous years, non-consolidated payments were made to eligible staff who were top performers in the 2021-22 performance year.

End of year bonuses reported in 2022-23 relate to performance in 2021-22, based on performance levels attained and were made as part of the appraisal process.

Fair pay disclosures (Pay Multiples)[6]

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid Director in their organisation and the lower quartile, median and upper quartile remuneration of the Core Department's workforce.

The banded remuneration of the highest-paid Director (SCS4) in DIT in the financial year 2022-23 was £290,000 - £295,000 (2021-22, £285,000 - £290,000). This was 6.2 times (2021-22 restated, 5.6 times) the median remuneration of the workforce, which was £47,271 (2021-22 restated, £51,764).

The median has decreased due to changes in the composition of the workforce. The ratio between the highest-paid Director and lowest paid has decreased. This can be attributed to the implementation of DIT's pay award in 2022, which included targeting increases for the lowest paid in the workforce.

In 2022-23, no employees (2021-22, zero) received remuneration more than the highest-paid Director. Remuneration ranged from £15,000 - £20,000 to £290,000 - £295,000 (2021-22, £15,000 - £20,000 to £285,000 - £290,000).

	Total pay and benefits		Salary	
	2022-23	2021-22	2022-23	2021-22
25th percentile pay ratio	7.7	8.0	7.7	8.0
Median pay ratio	6.2	5.6	6.4	5.2
75th percentile pay ratio	4.8	4.7	4.9	4.6
25th percentile remuneration	£38,252	£35,837	£35,515	£33,318
Median remuneration	£47,271	£51,764	£42,293	£51,714
75th percentile remuneration	£60,524	£61,710	£56,221	£58,121

Total remuneration in this section includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

DIT's highest-paid Director's total renumeration in 2022-23 increased by 1.7% compared to 2021-22. The percentage change from 2021-22 to 2022-23 for DIT's highest-paid Director's salary and allowances was 1.9%, and 0% for performance pay and bonuses payable.

DIT's average remuneration of employees (excluding highest-paid Director) in 2022-23 increased by 1.2% from 2021-22. The average percentage change from 2021-22 to 2022-23 for DIT employees (excluding highest-paid Director) was 0.37% for salaries and allowances, and 75% for performance pay and bonuses payable. This increase is due to DIT moving to a fully in-year reward and recognition system in 2022-23 for delegated grades.

The ratios are calculated by taking the mid-point of the banded remuneration of the highest paid Director and calculating the ratio between this and the lower quartile, median and upper quartile remuneration of the Department's staff. This ratio is based on the Full-Time Equivalent of staff in post within the Department on 31 March 2023, on an annualised basis.

6 2021-22 figures have been restated following a recalculation of allowances on an FTE basis for UK based Civil Servants.

Country Based Staff (CBS) are employed locally by British Diplomatic Missions overseas. CBS salaries are excluded from the pay multiple calculation. Data on local staff salaries is not held centrally, and salary payments are paid in local currency which are based upon local market conditions. CBS salaries are subject to individual countries' taxation and social security arrangements and adhere to local law of the country. The variation of arrangements plus differences in rates of pay and local purchasing power would distort the pay multiple calculation and would hinder meaningful comparisons with other organisations.

The pay multiple disclosures have been subject to audit.

Pension Benefits: ministerial pensions

Ministers' pension and benefits entitlements in 2022-23 were as follows. This table has been subject to audit.

	2022-23					2021-22				
Ministers	Accrued pension at pension age as at 31-03-23 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31-03-2023 £000	CETV at 31-03-2022 £000	Real increase in CETV £000	Accrued pension at pension age as at 31-03-22 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31-03-2022 £000	CETV at 31-03-2021 £000	Real increase in CETV £000
The Rt Hon Kemi Badenoch MP	0-5	0-2.5	18	14	1	-	-	-	-	-
Lord Dominic Johnson of Lainston CBE[1]	-	-	-	-	-	-	-	-	-	-
Nigel Huddleston MP	0-5	0-2.5	19	18	1	-	-	-	-	-
Nusrat Ghani MP	0-5	0-2.5	15	14	1	-	-	-	-	-
Kevin Hollinrake MP	0-5	0-2.5	3	2	1	-	-	-	-	-
Earl of Minto[2]	-	-	-	-	-	-	-	-	-	-
Maria Caulfield MP[3]	-	-	-	-	-	-	-	-	-	-
The Rt Hon Stuart Andrew MP[4]	-	-	-	-	-	-	-	-	-	-
Mike Freer MP	0-5	0-2.5	32	29	1	0-5	0-2.5	29	25	2
Lord Grimstone of Boscobel Kt[5]	-	-	-	-	-	-	-	-	-	-

Ministers	2022-23					2021-22				
	Accrued pension at pension age as at 31-03-23 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31-03-2023 £000	CETV at 31-03-2022 £000	Real increase in CETV £000	Accrued pension at pension age as at 31-03-22 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31-03-2022 £000	CETV at 31-03-2021 £000	Real increase in CETV £000
The Rt Hon Anne-Marie Trevelyan MP	0-5	0-2.5	36	27	4	0-5	0-2.5	27	17	6
The Rt Hon Penny Mordaunt MP	5-10	0-2.5	78	72	2	5-10	0-2.5	72	66	2
Ranil Jayawardena MP	0-5	0-2.5	9	7	0	0-5	0-2.5	7	3	1
Andrew Griffith MP[6]	-	-	-	-	-	-	-	-	-	-
The Rt Hon Conor Burns MP	0-5	0-2.5	14	13	0	-	-	-	-	-
James Duddridge MP	0-5	0-2.5	19	18	1	-	-	-	-	-
Marcus Fysh MP	0-5	0-2.5	0	0	0	-	-	-	-	-
The Rt Hon Greg Hands MP	5-10	0-2.5	110	101	2	5-10	0-2.5	85	80	2
Andrew Bowie MP[7]	0-5	0-2.5	2	0	0	-	-	-	-	-

1 Lord Dominic Johnson of Lainston CBE did not draw a ministerial salary or pension benefits.
2 The Earl of Minto did not draw a ministerial salary or pension benefits.
3 Maria Caulfield MP is paid by Department of Health and Social Care. Please refer to DHSC accounts for full details.
4 The Rt Hon Stuart Andrew MP is paid by Department for Culture, Media and Sport. Please refer to DCMS accounts for full details.
5 Lord Grimstone of Boscobel did not draw a ministerial salary or pension benefits.
6 Andrew Griffith opted-out of the Parliamentary Contributory Pension Fund (PCPF) arrangements.
7 Andrew Bowie MP transferred to the Department for Business, Energy and Industrial Strategy on 7 February 2023. The pension benefits disclosed in this table covers the full period to 31 March 2023.

Pension benefits for Ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute and the rules are set out in the Ministers' etc. Pension Scheme 2015, available at: http://qna.files.parliament.uk/ws-attachments/170890/original/PCPF%20MINISTERIAL%20SCHEME%20FINAL%20RULES.doc

Those Ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report). A new MP's pension scheme was introduced from May 2015, although members who were MPs and aged 55 or older on 1 April 2013 have transitional protection to remain in the previous MP's final salary pension scheme.

Benefits for Ministers are payable from State Pension age under the 2015 scheme. Pensions are re-valued annually in line with Pensions Increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1 per cent and the accrual rate is 1.775 per cent of pensionable earnings.

The figure shown for pension value includes the total pension payable to the member under both the pre- and post-2015 ministerial pension schemes.

The Cash Equivalent Transfer Value (CETV)

This 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 to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits, they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued because of their total Ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

The real increase in the value of the CETV

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Minister. It is worked out using common market valuation factors for the start and end of the period.

Civil Service Pensions

Senior Officials' pension and benefits entitlements in 2022-23 and 2021-22 were as follows. This table has been subject to audit.

	2022-23					2021-22				
Senior Officials	Accrued pension at pension age as at 31-03-23 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31-03-2023 £000	CETV at 31-03-2022 £000	Real increase in CETV £000[1]	Accrued pension at pension age as at 31-03-22 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31-03-2022 £000	CETV at 31-03-2021 £000	Real increase in CETV £000
Gareth Davies	60-65	0-2.5	925	904	5	-	-	-	-	-
Crawford Falconer[2]	-	-	-	-	-	-	-	-	-	-
Amanda Brooks	60-65 plus a lump sum of 45-50	0-2.5 plus a lump sum of 0	999	879	14	50-55 plus a lump sum of 40-45	2.5-5 plus a lump sum of 2.5-5	879	792	64
Ceri Smith	70-75	0-2.5	1,122	1,022	-24	65-70	10-12.5	1,022	826	145
Andrew Mitchell	60-65 plus a lump sum of 55-60	0 plus a lump sum of 0	1,175	1,078	-38	55-60 plus a lump sum of 55-60	5-7.5 plus a lump sum of 2.5-5	1,078	928	91
Joanna Crellin	50-55	0-2.5	690	614	3	45-50	2.5-5	614	528	53
Bidesh Sarkar	35-40	0-2.5	540	523	12	-	-	-	-	-
James Bowler	65-70 plus a lump sum of 120-125	0-2.5 plus a lump sum of 0	1,085	1,020	-16	60-65 plus a lump sum of 120-125	2.5-5 plus a lump sum of 0-2.5	1,020	966	33
Catherine Vaughan	25-30	0-2.5	294	270	15	20-25	2.5-5	270	226	27
Tim Reid[3]	-	-	-	-	-	-	-	-	-	-
Samir Parkash[4]	-	-	-	-	-	-	-	-	-	-
Louis Taylor[5]	-	-	-	-	-	-	-	-	-	-

1 Taking into account inflation, negative values indicate where the CETV funded by the employer has decreased in real terms.
2 Crawford Falconer is a member of the Partnership pension scheme. The employer contributions to his Partnership pension in 2022-23 were £40,500 (to the nearest £100).
3 Tim Reid is paid by UKEF. Please refer to UKEF accounts for full details.
4 Samir Parkash was paid by UKEF. Please refer to UKEF accounts for full details.
5 Louis Taylor was paid by UKEF. Please refer to UKEF accounts for full details.

Pension benefits are provided through the Civil Service pension arrangements.

Pension schemes:

The alpha Pension Scheme

> From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**.

Previous Principal Civil Service Pension Arrangements

> Prior to this date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic, premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost 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.

alpha Transition

> When alpha was introduced, existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015 until retirement*. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022.

*This changed under the remedy programme and all active members regardless of age moved into alpha as of 1 April 2022

Remedy

> In 2018, the Court of Appeal judged that the difference in treatment during the 2015 pension reforms (alpha transition) between those closer to retirement and everyone else, was unlawful age discrimination. Because of this, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). These members will be given a deferred choice upon retirement around the treatment of their benefits within the impacted period.

> All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**.

> Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (**partnership** pension account).

> From 1 April 2022 the defined benefit arrangement is alpha for all active members. All active member in PCSPS were moved into alpha on this date.

Pension Contributions and benefits:

Employee contributions are salary-related and range between 4.6% and 8.05% for members of alpha. Employer contributions are also salary-related and range between 26.6% and 30.3%.

> In **alpha** a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.32% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

> The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

> 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 pension age.

> Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for 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.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values (CETV)

A 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 to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued because of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member because of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including 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.

Fees paid by DIT to Non-Executive Board members

Below are the annual fees plus expenses paid to the Non-Executive Board Members of DIT. The total amounts due for the year to each person were in the following ranges (full time equivalent figures for non-executives who served part of the year can be found in brackets):

Name	2022-23	2021-22	
	£000	£000	Notes
Sir Stephen O'Brien[1]	10-15	15-20	
Baroness Moyo of Knightsbridge *Until 13 March 2023*	10-15 (15-20)	15-20	
Douglas Carswell *Until 31 March 2023*	15-20	15-20	
Lord Dominic Johnson *Until 1 October 2022*	10-15 (20-25)	20-25	Lord Dominic Johnson of Lainston CBE was appointed as Minister of State between 2 October 2022 and 27 October 2022, and Minister for Investment from 25 November 2022. Please refer to the Remuneration Report for full details.
Noël Harwerth	-	-	Paid by UKEF. Please refer to UKEF accounts for full details.

1 Sir Stephen O'Brien was underpaid in 2022-23. The band would have been 15-20 should the underpayment not have occurred. This was corrected in 2023-24.

STAFF REPORT

Numbers and costs of workforce engaged in delivering DIT's objectives

Staff numbers and costs

The average number of Full-Time Equivalent (FTE) persons employed during the year (from 1 April 2022 to 31 March 2023) was as follows.

This table has been subject to audit.

	Permanent employed[2] staff	Other staff[3]	Ministers	Special advisers[4]	Overseas – UK based staff	Overseas – locally engaged staff	2022-23 Total	2021-22 Total
Core Department	3,163	456	4	3	179	1,442	5,247	4,693
Trade Remedies Authority	134	6					140	126
Total	**3,297**	**462**	**4**	**3**	**179**	**1,442**	**5,387**	**4,819**

1 The average number of staff is calculated by summing the FTE at the end of each month within the period and dividing this by the number of months in the period. The overseas average is based on April 2022 and March 2023 values only.
2 'Permanently Employed' includes permanent Civil Servants (including those on fixed term contracts) working in the UK.
3 'Other Staff' includes agency staff, specialist contractors, Cabinet Office Fast Streamers working on DIT objectives, inward secondees and MOD staff working on DIT objectives.
4 Average FTE figures include Special Advisors who continue to be employed by the appointing Minister, however administration responsibilities were transferred to the Cabinet Office during July 2019.

Number of senior civil servants by pay band (FTE)

This table has been subject to audit.

Range	2022-23	2021-22
SCS1	140	129
SCS2	43	39
SCS3	5	5
SCS4	2	2
Total	**190**	**176**

Costs of workforce engaged in delivering DIT's Objectives

The cost of people engaged in delivering DIT's objectives is disclosed in the following tables. DIT is recharged the full costs of all FCDO staff overseas and at DIT headquarters who spend more than 50 per cent of their role on DIT objectives. These tables have been subject to audit.

	Core Department							
	Civil servants	Other staff[1]	Ministers	Special advisers[2]	UK based civil servants working overseas	Local staff	Total 31 March 2023	Total 31 March 2022
	£000	£000	£000	£000	£000	£000	£000	£000
Wages and Salaries	153,839	7,886	147	-	14,717	54,647	231,236	196,030
Social Security Costs	19,276	707	16	-	409	-	20,408	15,066
Other Pension Costs	40,022	988	-	-	2,697	6,790	50,497	42,524
Agency and Temporary Staff	-	18,260	-	-	-	-	18,260	21,503
Voluntary Exit Scheme	126	-	-	-	-	-	126	93
Compulsory Redundancies	547	-	-	-	-	-	547	294
Other Departures	-	-	27		-	-	27	6
Recoveries from outward secondments	(1,771)	-	-	-	-	-	(1,771)	(317)
Total Staff Costs	**212,039**	**27,841**	**190**	**-**	**17,823**	**61,437**	**319,330**	**275,200**

* for details of restatement, please see Note 8

1 Other staff total includes Fast Streamers, Agency Staff, MOD staff working on DIT objectives, inward secondees and specialist contractors.

2 There are no costs relating to Special Advisors because from from July 2019 the administration responsibilities transferred to the Cabinet Office.

	Departmental Group							
	Civil servants	Other staff[1]	Ministers	Special advisers[2]	UK based civil servants working overseas	Local staff	Total 31 March 2023	Total 31 March 2022
	£000	£000	£000	£000	£000	£000	£000	£000
Wages and Salaries	160,521	7,893	147	-	14,717	54,647	237,925	201,131
Social Security Costs	20,107	707	16	-	409	-	22,149	15,663
Other Pension Costs	41,798	988	-	-	2,697	6,790	52,273	43,850
Agency and Temporary Staff	-	19,115	-	-	-	-	19,115	22,075
Voluntary Exit Scheme	126	-	-	-	-	-	126	93
Compulsory Redundancies	547	-	-	-	-	-	547	294
Other Departures	-	-	27	-	-	-	27	7
Recoveries from outward secondments	(1,773)	-	-	-	-	-	(1,773)	(333)
Total Staff Costs	**221,326**	**28,703**	**190**	**-**	**17,823**	**61,437**	**329,479**	**282,780**

* for details of restatement, please see N8

1 Other staff total includes Fast Streamers, Agency Staff, MOD staff working on DIT objectives, inward secondees and specialist contractors.

2 There are no costs relating to Special Advisors because from from July 2019 the administration responsibilities transferred to the Cabinet Office.

The Department is unable to identify its share of the underlying assets and liabilities relating to PCSPS or alpha, as unfunded multi-employer defined benefit schemes. The scheme actuary valued the PCSPS as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2022-23, employers' contributions of £45,022,749 were payable to the PCSPS (2021-22: £36,758,813) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £562,438 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings.

In 2022-23, 1 individual (2021-22: 0 individuals) across the Department retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2021-22: £0).

Staff redeployments

The number of staff redeployed (on loan) into DIT from other government departments (OGDs) and the number of staff redeployed (on loan) out of DIT into OGDs as of 31 March 2023 is shown below.

The number of redeployments does not include staff from the Government Legal Department (GLD). This is because DIT pays an agreed annual set fee to GLD for legal services provided to DIT by their staff and this annual fee does not directly equate to wages and salaries.

The average duration of staff redeployments into DIT from OGDs is **1 year**. The average duration of staff redeployments out of DIT into OGDs is **1.4 years**.

Grade	Redeployments into DIT		Redeployments out of DIT	
	Short term (less than 6 months)	Long term (6 months or longer)	Short term (less than 6 months)	Long term (6 months or longer)
AO		1	1	
EO	1	8	8	1
Fast Stream	44	93	1	3
HEO	2	42	15	11
SEO	4	10	13	15
G7	8	8	18	24
G6	9	6	6	7
SCS1	6	10	5	7
SCS2	1	2		
Special Advisor	4			
Unspecified	5	1	1	1
Grand Total	**84**	**181**	**68**	**69**

The following table shows the Programme and Administration classification of the cost of staff on short-term loan for DIT both as a home and host Department with reference to the work performed.

Grade	Redeployments into DIT		Redeployments out of DIT	
	Short term (less than 6 months)	Long term (6 months or longer)	Short term (less than 6 months)	Long term (6 months or longer)
	Administration £000	Programme £000	Administration £000	Programme £000
AO	0	0	4	3
EO	4	3	34	27
Faststream	197	154	5	4
HEO	7	5	64	50
SEO	18	14	62	48
G7	49	38	146	114
G6	79	61	44	34
SCS1	51	40	50	39
SCS2	15	12	0	0
Special Advisor	0	0	0	0
Unspecified	0	0	0	0
Total	**420**	**327**	**409**	**319**

Staff composition

The following table reports workforce gender diversity for DIT as of 31 March 2023.

Workforce diversity DIT staff[9]	Number	%
Female	1635	49%
Male	1700	51%
Senior Civil Servants[10]		
Female	86	46%
Male	102	54%
Senior Officials[11]		
Female	2	29%
Male	5	71%

9 This table includes diversity data for all Civil Servants (including SCS) on DIT payroll and UK based civil servants (including SCS) working overseas for DIT that have given this information in their records. This excludes Special Advisors, Ministers, Local Staff overseas and staff employed by other government departments such as those from MOD and those on some Civil Service Fast Stream programmes who are employed by the Cabinet Office.
10 Senior Civil Servants includes Directors and Deputy Directors.
11 Senior Officials refers to members of the Departmental Board (including Permanent Secretary and Directors General) who are Executives of the Department as at 31 March 2023 – this does not include Ministers or Non-Executive Directors.

Sickness absence

The average working days lost through recorded sickness absence, per staff year is disclosed below. This relates to DIT Civil Servants working in the UK and all UK Based staff and Local Staff working overseas (excludes MoD, agency staff, specialist contractors and inward secondees). There is a change in methodology with non-pay staff now excluded from the data and therefore the figures for 2021-22 have been restated, using the new methodology, for consistency.

Sickness absence	Average working days lost
2022-23	3.6
2021-22	4.0 (Restated to same methodology as 2022-23)

The table below shows the top 3 reasons for recorded sickness absence in the period 1 April 2022 to 31 March 2023:

Absence category	Total (%)
Mental Health Conditions	22%
Respiratory System (incl. colds)	17%
Pandemic (incl. COVID19)	12%

Staff turnover

The Departmental Staff Turnover at DIT in **2022-23** was **15.4%**. Turnover has decreased from the restated 2021-22 figure when the Departmental Staff Turnover was 16.7%.

The turnover figure is calculated as the number of leavers over a 12-month period divided by the average number of staff in post over the period. The definition of leavers includes all UK Civil Service exits from DIT including retirements, resignations, death in service, end of contracts, dismissals, transfers to other government departments, end of loans and secondments, outward loans and secondments or other exit in accordance with the published Departmental Turnover guidance.

Health and safety

The Permanent Secretary and Executive Committee remain committed to providing a positive safety culture through the provision of working environments and activities that are safe for staff, visitors and those directly affected by departmental business activities. The Department operates a Health, Safety and Wellbeing Committee that meets quarterly to discuss and consult with representatives from our Trades Unions and business units. This year has seen the continual expansion of the Department's Health and Safety Network with a greater focus on the Department's health and safety arrangements in place to support regional colleagues.

Some key achievements and successes this year include:

- The continual expansion of the department's Health and Safety Network with a greater focus on supporting our regional colleagues.
- A full health and safety review of our regional workplaces, which has strengthened our arrangements and increased engagement with colleagues on key health and safety issues.
- The development and rollout of a new virtual events safety training course aimed at helping colleagues responsible for delivering events manage the health and safety arrangements.
- Continuing to work closely with colleagues at the Foreign, Commonwealth & Development Office to align our reporting processes and improve the health and safety provision to colleagues whilst overseas.

The Department has developed a two-year H&S Improvement Plan, focusing on four key themes; competence and awareness, engagement and inclusion, ownership, and proactivity, that collectively will help to further strengthen the health and safety culture within DBT.

Wellbeing

Ensuring that there is a comprehensive health and wellbeing offer that suits the needs of employees and offers relevant and appropriate support to staff is extremely important. Health and wellbeing is delivered at individual and team levels, and systemically through understanding longer-term health and wellbeing trends and addressing the most prevalent and/or impactful issues. Support for colleagues includes access to mental health first aiders, an employee assistance programme, tailored webinars, and online resources on an A-Z range of wellbeing topics. Line managers are also supported to develop confidence in supporting colleague wellbeing through workshops and online resources such as stress risk assessments, conversation starters and mental health action plans. Prompting open dialogue with colleagues throughout the year helps to inform underlying wellbeing issues and action plans to address them, and this will be taken forward in DBT.

Resourcing and capability

DIT has sought to attract and retain people of talent and experience from a range of sectors and broaden the diversity in our workforce. The Department has also expanded its talent management work to conduct succession planning and critical roles analysis for all our senior posts. The Department also led a pilot leadership programme for G6 participants across the Darlington Economic Campus (DEC).

DIT has continued to prioritise capability building to deliver the UK's trading ambitions focussing on strengthening professional capability and expertise alongside core skills and leadership and management development.

We are an attractive employer and are hiring people in the UK and abroad to work across policy, negotiation, market access, trade promotion and investment. The range of hires and the associated specialisms continue to grow and across the Department we are consistently exploring opportunities to innovatively attract the diverse range of skills we need.

Diversity and inclusion

DIT's commitment to being a diverse and inclusive Department with the capability of delivering the priorities and outcomes of our ambitious trade and prosperity agenda will be carried forward into DBT. Through focusing on designing better, more inclusive systems and processes that empower our people to take charge of their career progression, we plan to give our people the opportunities to choose the development and support that best suits their needs. We want to ensure decision making is fair and based on the merit and talent of our diverse workforce, reducing potential opportunities for biases within our processes.

DIT held Disability Confident Level 3 accreditation, and this certification has been transferred to DBT. This allows disabled candidates to use the guaranteed interview scheme when applying for roles at DIT in addition to accessing reasonable adjustments to ensure full and fair consideration of applications for employment. For disabled staff working at DBT support is available through "DisNET", the staff network run by and for disabled staff, which includes a number of subnetworks to support colleagues with, for example, mental health issues or neurodiverse conditions. Disabled staff are supported to develop their careers through talent programmes such as Beyond Boundaries, which includes ringfenced places for staff with a disability. Additionally, disability confident training has been delivered to staff and plans are in place to offer this training again at DBT.

Engaging with DIT staff

DIT's priorities were supported – and its people informed and engaged – through a range of channels, campaigns and events, aimed at ensuring staff are closely updated on DBT's and the Government's agenda. DIT's overall engagement theme score that assesses the extent to which our employees are committed to the Department's goals and values, and are motivated to contribute to our success, was 65% in the annual Civil Service People Survey for 2022.

There is significant focus on ensuring a smooth and timely drumbeat of relevant information, including all-staff, all-group and all-directorate meetings and events, weekly Permanent Secretary meetings with all directors and monthly meetings with all SCS, weekly all-staff newsletters and regular updates on the Department's intranet. The drumbeat of staff engagement events includes regular virtual and non-virtual events. Senior leaders are also actively encouraged to cascade and share information locally, including from the weekly Executive Committee meetings, ministers' meetings with senior officials, and the weekly Department cascade pack. Engagement and motivation of all staff is a high priority, and a strong focus in our communications on our people and our priorities will continue in DBT: celebrating successes, championing the Department's purpose and importance, and fostering our global collaborative culture.

Image: Darlington town centre - home to the Darlington Economic Campus

Trade Union facility time

The Trade Union Act 2016 introduced a number of reforms to Britain's industrial relations framework, which are set out in the Trade Union and Labour Relations (Consolidation) Act 1992 ("the 1992 Act"). The aim of the Trade Union Act 2016 is to modernise the UK industrial relations framework to better support an effective and collaborative approach to industrial relations, balancing the interests of Trade Unions with interests of the wider public sector.

These facility time regulations help fulfil these objectives by ensuring that relevant employers publish facility time data to promote transparency and public scrutiny of this information. The regulations provide a framework for open and transparent monitoring. In DIT, there are three trade unions that are officially recognised and represented: PCS, Prospect and FDA.

Table 1: Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
11	11

Table 2: Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	2
1-50%	9

Table 3: Percentage of pay bill spent on facility time

Total cost of facility time	46,662
The total pay bill	217,274,903
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.02

Table 4: Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	-

Other employee matters

Spending on consultancy and temporary staff

Consultancy spend as at 31 March 2023 was Group: £865,000, (TRA - £Nil) and 2021-22 Group £380,000. Increase in 2022-23 was due to Ukraine reconstruction industry advisor costs. For temporary staff (contingent labour) this was £19.1 million (2021-22: £22.1 million). This relates to the provision of objective advice to DIT relating to strategy, structure, management, or operations in pursuit of its purposes and objectives.

Off-payroll engagements

HMT requires all departments to publish details of off-payroll engagements and the assurances sought that the correct tax is being paid.

Table 1: Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater.

	Core Department	Trade Remedies Authority	Total
Number of existing engagements as of 31 March 2023	**169**	**6**	**175**
Of which, number that existed:			
Less than 1 year	102	5	107
For between 1 and 2 years	40	1	41
For between 2 and 3 years	11	0	11
For between 3 and 4 years	1	0	1
For 4 or more years	15	0	15

Table 2: All highly paid off-payroll workers engaged at any point during the year between 1 April 2022 and 31 March 2023, earning £245 per day or greater

	Core Department	Trade Remedies Authority	Total
Number of temporary off-payroll workers engaged during the year ending 31 March 2023	**249**	**11**	**260**
Of which:			
Not subject to off-payroll legislation	14	0	14
Subject to off-payroll legislation and determined as in-scope of IR35	207	11	218
Subject to off-payroll legislation and determined as out-of-scope of IR35	28	0	28
Number of engagements reassessed for compliance or assurance purposes during the year	8	0	8
Number of engagements that saw a change to IR35 status following a review	2	0	2

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

	Core Department	Trade Remedies Authority	Departmental Group
Number of off-payroll engagements of board members and/or, senior officials with significant financial responsibility, during the financial year.	-	-	-
Total number of individuals on payroll and off payroll that have been deemed "board members and/or senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements.	9	-	9

Reporting of Civil Service and other compensation schemes – exit packages

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme. This table has been subject to audit.

Exits disclosed in 2022-23 and 2021-22 include exits of locally employed staff (non-Civil Servants) overseas. Overseas redundancy payments are determined in line with local employment law and the terms of the specific local contract of employment. Other departures relating to Ministers are not disclosed as this table from page 126.

	2021-22			2020-21		
Exit package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
<£10,000	2	1	3	3	-	3
£10,000 - £24,999	10	-	10	4	1	5
£25,000 - £49,999	9	1	10	4	-	4
£50,000 - £99,999	1	1	2	1	1	2
£100,000 - £149,999	-	-	-	-	-	-
Total number of exit packages	22	3	25	12	2	14
Total cost /£000	**547**	**126**	**673**	**294**	**93**	**388**

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

STATEMENT OF OUTTURN AGAINST PARLIAMENTARY SUPPLY

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Group to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note 2); a reconciliation of outturn to net cash requirement (note 3); and, an analysis of income payable to the Consolidated Fund (note 4).

Summary of resource and capital outturn 2022-23

									31 March 2022
								31 March 2023	£000
				Estimate			Outturn	£000	Outturn
	SoPS note	Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted outturn compared with Estimate saving/ (excess)	Total
Departmental Expenditure Limit									
– Resource	1.1	570,247	-	570,247	567,539	-	567,539	2,708	532,386
– Capital	1.2	22,319	-	22,319	13,665	-	13,665	8,654	18,167
Total		**592,566**	**-**	**592,566**	**581,204**	**-**	**581,204**	**11,362**	**550,553**
Annually Managed Expenditure									
– Resource	1.1	3,000	-	3,000	(1,158)	-	(1,158)	4,158	1,471
– Capital	1.2	4,945	-	4,945	-	-	-	4,945	-
Total		**7,945**	**-**	**7,945**	**(1,158)**	**-**	**(1,158)**	**9,103**	**1,471**
Total Resource	1.1	573,247	-	573,247	566,381	-	566,381	6,866	533,857
Total Capital	1.2	27,264	-	27,264	13,665	-	13,665	13,599	18,167
Total Budget Expenditure		**600,511**	**-**	**600,511**	**580,046**	**-**	**580,046**	**20,465**	**552,024**
Non-Budget	1.1	-	-	-	-	-	-	-	-
Total Budget and Non-budget Expenditure		**600,511**	**-**	**600,511**	**580,046**	**-**	**580,046**	**20,465**	**552,024**

Net cash requirement 2022-23

				31 March 2023	31 March 2022
	SoPS Note	Estimate	Outturn	Outturn compared with Estimate saving / (excess)	Outturn
		£000	£000	£000	£000
Net cash requirement	3	**610,063**	565,022	45,041	519,517

Administration costs 2022-23

				2022-23 £000	2021-22 £000
	SoPS Note	Estimate	Outturn	Outturn compared with Estimate saving / (excess)	Outturn
Administration costs	1.1	**207,393**	**201,999**	**5,394**	165,342

Figures in the areas outlined in bold are voted totals subject to Parliamentary control. In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

The notes on pages 156 to 161 support the SoPS.

Variances between Estimate and outturn

Explanations of variances between Estimate and outturn are given in the Financial Review on pages 82 to 91.

NOTES TO THE STATEMENT OF OUTTURN AGAINST PARLIAMENTARY SUPPLY

SoPS 1 Net outturn

SoPS 1.1 Analysis of net resource outturn by section

	31 March 2023 £'000											31 March 2022 £000
	Outturn							Estimate				Outturn
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total inc. Virements	Outturn vs Estimate, saving/ (excess)	Total
Spending in Departmental Expenditure Limit												
Voted: A. Trade development and promotion, inward investment, trade policy and the GREAT campaign	187,829	-	187,829	383,558	(19,094)	364,464	552,293	554,822	(233)	554,589	2,296	522,238
Voted: B. Trade Remedies Authority; Developing trade relationships, launching and defending UK trade disputes and UK's present and future relationship with the World Trade Organization.	14,170	-	14,170	1,076	-	1,076	15,246	15,425	233	15,658	412	10,148
Total voted DEL	201,999	-	201,999	384,634	(19,094)	365,540	567,539	570,247	-	570,247	2,708	532,386
Non voted DEL	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in DEL	201,999	-	201,999	384,634	(19,094)	365,540	567,539	570,247	-	570,247	2,708	532,386

	31 March 2023 £'000											31 March 2022 £000
	Outturn							Estimate				Outturn
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total inc. Virements	Outturn vs Estimate, saving/ (excess)	Total
Annually Managed Expenditure												
Voted: C. Trade development and promotion, inward investment, trade policy and the GREAT campaign	-	-	-	(1,158)	-	(1,158)	(1,158)	3,000	-	3,000	4,158	1,471
Voted: C. Trade Remedies Authority; Developing trade relationships, launching and defending UK trade disputes and UK's present and future relationship with the World Trade Organization.	-	-	-	-	-	-	-	-	-	-	-	-
Total voted AME	-	-	-	(1,158)	-	(1,158)	(1,158)	3,000	-	3,000	4,158	1,471
Non voted AME	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	(1,158)	-	(1,158)	(1,158)	3,000	-	3,000	4,158	1,471
Total	**201,999**	**-**	**201,999**	**383,476**	**(19,094)**	**364,382**	**566,381**	**573,247**	**-**	**573,247**	**6,866**	**533,857**

SoPS 1.2 Analysis of net capital outturn by section

				31 March 2023 £000				31 March 2022 £000
	Outturn			Estimate				Outturn
	Gross	Income	Net	Total	Virements	Total inc virements	Outturn vs Estimate, saving/ (excess)	Net
Spending in Departmental Expenditure Limit								
Voted: A. Trade development and promotion, inward investment, trade policy and the GREAT campaign	12,530	-	12,530	20,943	-	20,943	8,413	17,934
Voted: B. Trade Remedies Authority; Developing trade relationships, launching and defending UK trade disputes and UK's present and future relationship with the World Trade Organization.	1,135	-	1,135	1,376	-	1,376	241	233
Total spending in DEL	**13,665**	**-**	**13,665**	**22,319**	**-**	**22,319**	**8,654**	**18,167**
Annually Managed Expenditure								
Voted: C. Trade development and promotion, inward investment, trade policy and the GREAT campaign	-	-	-	4,945	-	4,945	4,945	-
Voted: C. Trade Remedies Authority; Developing trade relationships, launching and defending UK trade disputes and UK's present and future relationship with the World Trade Organization.	-	-	-	-	-	-	-	-
Total spending in AME	**-**	**-**	**-**	**4,945**	**-**	**4,945**	**4,945**	**-**
Total	**13,665**	**-**	**13,665**	**27,264**	**-**	**27,264**	**13,599**	**18,167**

The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on gov.uk.

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.

Explanations of variances between Estimate and outturn are given in the Financial Review on pages 82 to 91.

SoPS 2 Reconciliation of outturn to net operating expenditure

Outturn and the Estimates are compiled against the budgeting framework – which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SoPS to the financial statements.

Total resource Outturn in Statement of Comprehensive Net Expenditure against Parliamentary Supply

			31 March 2023 £000	31 March 2022 £000
		Note	**Outturn**	**Outturn**
Total resource outturn in SoPS		SoPS 1.1	566,381	533,858
Add:	Research and development *	Note 4	3,623	4,054
Less:	Finance Cost	Note 13	(962)	-
Net Operating Expenditure in SoCNE			**569,042**	**537,912**

* Research and Development expenditure relates to work on mainly digital products, EU Exit, Overseas and Communication and Marketing projects classified as capital expenditure in budgeting terms under the European System of Accounts 2010 (ESA10) requirements.

SoPS 3 Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with estimate: savings (excess) £000
Resource outturn	SoPS 1.1	573,247	566,381	6,866
Capital outturn	SoPS 1.2	27,264	13,665	13,599
		600,511	**580,046**	**20,465**
Accruals to cash adjustments				
Adjustment for ALBs:				
Remove voted resource and Capital		(16,802)	-	(16,802)
Add cash grant-in aid		16,802	-	16,802
Adjustments to remove non-cash items:				
Depreciation and amortisation	4	(19,215)	(19,532)	317
Other non-cash items:	4			-
National Audit Office - Auditors' remuneration	4		(230)	230
New provisions and adjustment to previous provisions	4	(7,945)	(193)	(7,752)
Movement in impairment of trade and other receivables	4		100	(100)
Other Non Cash Expenditure	4		(990)	990
Right of Use Assets - Additions	13		(1,492)	1,492
Adjustments to reflect movements in working balances:				-
(Decrease) / Increase in receivables	11	21,027	(4,559)	25,586
Decrease / (Increase) in payables	12	15,685	3,450	12,235
Repayment of lease liabilities	13		7,163	(7,163)
Use of provisions	14		1,259	(1,259)
Net cash requirement		**610,063**	**565,022**	**45,041**

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

Explanations of variances between Estimate and outturn are given in the Financial Review on pages 82 to 91.

SoPS 4 Income payable to the Consolidated Fund

SoPS 4.1. Analysis of income payable to the Consolidated Fund

The type of income allowed to be retained by the Department is set out in the ambit of the Supply Estimate. Income of a type not included in the Estimate, or in excess of amounts agreed with HM Treasury, is required to be surrendered to the Consolidated Fund. The Department received no such income during 2022-23.

		Outturn 2022-23		Outturn 2021-22
	Income £000	Receipts £000	Income £000	Receipts £000
Income outside the ambit of the Estimate	-	-	-	-
Excess cash surrenderable to Consolidated Fund	-	-	-	-
Total income payable to the Consolidated Fund	**-**	**-**	**-**	**-**

PARLIAMENTARY ACCOUNTABILITY DISCLOSURES

Regularity of expenditure

Losses and special payments

(This section has been subject to audit)

	Core Dept	Group	Core Dept	Group
	2022-23	2022-23	2021-22	2021-22
Number of Losses	52	79	87	89
Total value of losses (£000)	**966**	**977**	**3,514**	**3,520**

During 2022-23 the Department also made three special payments totalling £185k (2021-22: four payments were made totalling £91k).

Details of individual, reportable losses greater than £300,000 during the year	
	£000
These costs relate to the cancelled UK Israel Investment and Innovation Summit in May 2022. The Summit was cancelled owing to urgent Israeli parliamentary business. Due to the last-minute nature of the cancellation, the supplier costs were unrecoverable.	670

Reconciliation of contingent liabilities included in the supply estimate to the accounts

*There are insignificant variances between contingent liabilities disclosed in the supply estimate to those that have been disclosed in Note 15 of the financial statements of the annual report and accounts.

Remote contingent liabilities

(This section has been subject to audit)

There were no material remote contingent liabilities at the reporting date.

Fees and charges

The Department's financial statements do not include any fees or charges within the scope of the 2022-2023 Government Financial Reporting Manual (FReM) disclosure requirements.

Regularity

(This section has been subject to audit).

I can confirm that, for the financial year ended 31 March 2023, neither I, nor my staff, authorised a course of action, the financial impact of which is that transactions infringe the requirements of regularity as set out in Managing Public Money, and that Treasury approval has been obtained for all novel, contentious or repercussive transactions relating to 2022-23.

Gareth Davies
Accounting Officer
11 July 2023

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

Opinion on financial statements

I certify that I have audited the financial statements of the Department for International Trade and of its Departmental Group for the year ended 31 March 2023 under the Government Resources and Accounts Act 2000. The Department comprises the core Department. The Departmental Group consists of the Department, and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2022. The financial statements comprise: the Department's and the Departmental Group's:

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' 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 Group 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 the Department and Departmental Group's affairs as at 31 March 2023 and their net expenditure for the year then ended; and

> have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

> the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2023 and shows that those totals have not been exceeded; and

> 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 of 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)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Department and its Group 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 opinion.

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

Framework of authorities:	
Authorising legislation	Government Resources and Accounts Act 2000
Parliamentary authorities	Supply and Appropriation Act
HM Treasury and related authorities	Managing Public Money

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Department and its Group'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 the Department or its Group'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 Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Department and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Overview of my audit approach

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

I consider the key audit matters below to be those matters that had the greatest effect on my overall audit strategy, the allocation of resources in my audit and directing the efforts of the audit team in the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort.

The key audit matters were discussed with the Audit and Risk Committee; its report on matters that it considered to be significant to the financial statements is set out in the Governance Statement.

Key audit matter 1: Risk of Management Override of Controls

Description of risk

This is a presumed risk for all audited bodies under International Standards on Auditing (ISA 240). Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by using its position to override controls that otherwise appear to be operating effectively.

This risk occurs principally in the following areas: Manual journal entry; Bias in significant estimates; Significant or unusual transactions; Control outturn against estimate in the Statement of Outturn against Parliamentary Supply; and reconciling items between the Performance Statement and Statement of Outturn against Parliamentary Supply.

How the scope of my audit responded to the risk	I have: > reviewed the Department's controls over the raising, authorising, and processing of manual journals, and the Department's controls over the preparation of the financial statements; > reviewed significant accounting estimates for indications of bias, which include accrued and deferred income, accruals, provisions, and non-current asset valuation and useful economic lives; > used data analytics to appraise the impact of manual journals on the financial statements and the Statement of Outturn against Parliamentary Supply to identify higher risk journal transactions which may indicate management override of control, including all material transactions; > considered the completeness and classification of outturn reported against control totals; and > examined significant or unusual transactions and those that appear to be outside the normal course of business.
Key observations	All manual journal entries reviewed were supported by adequate business rationale and evidence and did not represent attempts by management to circumvent control or perpetrate fraud. All estimates were stated fairly and were in line with the underlying circumstances they represented. I did not identify any transactions that were outside the normal course of the Department's activities. Reported outturn against control totals is materially complete and has been accurately reported and classified.

Key audit matter 2: IFRS 16 Leases: Transition

Description of risk

IFRS 16 provides a single lessee accounting model, requiring recognition of assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset is of low value. The assets, described as "right of use" assets, are presented under Property, Plant and Equipment, with the recognition of a corresponding lease liability.

DIT adopted IFRS 16 from 1 April 2022. The impact of IFRS 16 is material in respect of the Department's financial reporting, budgeting, planning and fiscal implications. As disclosed in the financial statements, the impact of IFRS 16 has been to increase assets and liabilities by £103.5 million. The Department holds several leased properties, with the Old Admiralty Building leased from the Government Property Agency being the single material item.

How the scope of my audit responded to the risk	I have: > documented the design and implementation of the Department's con-trols in relation to leases and the transition to IFRS 16; > considered the processes, judgements and assumptions adopted by the Department in calculating the valuation of lease liabilities and right of use assets; > conducted a review of the lease population used for the IFRS 16 transition to ensure that the listing is complete; > audited the Department's transitional disclosures for accuracy and compliance with the reporting framework; and > performed a sample test of new and transitioned leases, together with the assumptions and supporting calculations, to ensure that these have been recognised in compliance with IFRS 16.
Key observations	Based upon these procedures, I have concluded that DIT has appropriately adopted IFRS16 and that all assets, liabilities and related disclosures are materially accurate and complete.

Application of materiality

Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for the Department and its group's financial statements as a whole as follows:

	Departmental group	Department
Materiality	£8,250,001	£8,250,000
Basis for determining materiality	1.5% of gross expenditure (Group) *2021-22: 1% of gross expenditure*	1.5% of gross expenditure (Department) *2021-22: 1% of gross expenditure*
Rationale for the benchmark applied	Gross expenditure remains the dominant balance in the accounts. The Group promotes British exports, inward investment and develops Britain's trading framework in the wake of EU exit. Achieving these objectives requires significant expenditure, and the users of the accounts, primarily Members of Parliament, are focused on the Group's spend in relation to its activities and its adherence to Parliamentary control totals. The materiality percentage has increased 0.5% from 2021-22, from 1% to 1.5%. We have reflected on the materiality percentage in the light of ISA 315 and consider it appropriate to uplift the basis percentage based upon our assessment of the sensitivity of the resultant value to the users of the accounts.	The core Department is the only significant component of the Group, and as such gross expenditure remains the appropriate benchmark for setting materiality. The users of the Group accounts are the same as the Department and therefore, the use of a similar materiality is appropriate, its value being driven by the similar expenditure level.

Performance Materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Following the implementation of ISA 315, more flexibility and judgement is required at the performance materiality level. This figure should be used to reflect the inherent risk within the organisation, and dictate the response required to obtain the level of assurance for the audit area. I have considered the control environment found in the prior year, and in response, I have reduced our performance materiality percentage for the Departmental and Group audit from 75% (2021-22) to 70%.

Other Materiality Considerations

Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the Related Parties note in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing my audit work to support my opinion on regularity and in evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

Error Reporting Threshold

I agreed with the Audit and Risk Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £165,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit and Risk Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences reported to the Audit and Risk Committee would have decreased net expenditure assets by £2.06m.

Audit scope

The scope of my Group audit was determined by obtaining an understanding of the Department and its Group's environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

Gross expenditure is the dominant balance in the accounts. The Group promotes British exports, inward investment and the development of Britain's trading framework in the wake of EU exit. Achieving these objectives requires significant expenditure, and the users of the accounts, primarily Members of Parliament, are focused on the Group's spend in relation to its activities and its adherence to Parliamentary control totals.

I have audited the full financial information of the Core Department, as well as the Group consolidation. As Group auditor, I have gained assurance from the auditor of the Group component and engaged regularly on the group significant risks. The component represents only 1% of the Group's gross expenditure and the Group's gross assets.

Other Information

The other information comprises the information included in the Annual Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is 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 certificate, 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

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

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

> the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

> the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Department and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

> Adequate accounting records have not been kept by the Department and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or

> I have not received all of the information and explanations I require for my audit; or

> the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or

> certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or

> the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is 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 the Department and its Group 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 statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- assessing the Department and its Group'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 Accounting Officer anticipates that the services provided by the Department and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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 certificate 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 the Department and its Group's accounting policies, key performance indicators and performance incentives.

> inquired of management, the Department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Department and its Group'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 the Department and its Group's controls relating to the Department's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money;

> inquired of management, the Department's head of internal audit and those charged with governance whether:
  – they were aware of any instances of non-compliance with laws and regulations;
  – they had knowledge of any actual, suspected, or alleged fraud,

> discussed with the engagement team and the relevant specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Department and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. 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 the Department and Group's framework of authority and other legal and regulatory frameworks in which the Department and Group 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 the Department and its Group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2022, Cabinet Office controls, the DIT Statutory Instrument (2016), 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 enquired of management and the Audit and Risk Committee concerning actual and potential litigation and claims;

> I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and

> in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business

rationale of any significant transactions that are unusual or outside the normal course of business.

I also 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 certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

I am required to obtain evidence sufficient 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.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
13 July 2023

National Audit Office
157 – 197 Buckingham Palace Road
London SW1W 9SP


CITY ART CENTRE

FINANCIAL REPORT

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Net Expenditure

For the year ended 31 March 2023

		31 March 2023		31 March 2022	
	Note	Core Dept £000	Group £000	Core Dept £000	Group £000
Income from operating activities	5	(20,326)	(19,094)	(14,130)	(13,388)
Total operating income		**(20,326)**	**(19,094)**	**(14,130)**	**(13,388)**
Staff costs	3	319,330	329,479	275,200	282,778
Trade and investment activities	4.1	20,280	20,332	40,860	40,889
Provision expense	4.2	193	193	1,805	1,805
Depreciation and impairment charges	4.3	18,076	19,532	34,109	34,896
Grant-in-aid	4.4	14,776	-	9,921	-
Other operating expenditure	4.5	214,943	218,600	189,119	190,930
Total operating expenditure		**587,598**	**588,136**	**551,014**	**551,300**
Net operating expenditure		**567,272**	**569,042**	**536,884**	**537,912**
Finance expense	13	956	962	-	
(Gain)/ loss on net assets transferred	4.5	-	-	1,842	-
Net expenditure		**568,228**	**570,004**	**538,726**	**537,912**
Other comprehensive net expenditure					
Items which will not be reclassified to net operating expenditure:					
Net gain on revaluation of intangible assets	8	(1,170)	(1,269)	(943)	(943)
Comprehensive net expenditure for the year		**567,058**	**568,735**	**537,783**	**536,969**

Group comprises the Core Department and the Trade Remedies Authority (TRA). The TRA was established on the 1 June 2021. All income and expenditure is derived from continuing operations.

The notes on pages 184 to 208 form part of these Accounts.

Consolidated Statement of Financial Position

As at 31 March 2023

		31 March 2023		31 March 2022	
	Note	Core Dept £000	Group £000	Core Dept £000	Group £000
Non-current assets					
Property, plant and equipment	6	5,604	5,844	7,384	7,707
Right of use assets	7	96,365	96,672	-	-
Intangible assets	8	30,270	32,368	29,911	31,394
Total non-current assets		**132,239**	**134,884**	**37,295**	**39,101**
Current assets					
Cash and cash equivalents	10	29,004	29,004	1,975	1,975
Trade and other receivables	11	28,777	28,964	33,360	33,449
Total current assets		**57,781**	**57,968**	**35,335**	**35,424**
Total assets		**190,020**	**192,852**	**72,630**	**74,525**
Current liabilities					
Trade and other payables	12	(145,026)	(147,479)	(122,916)	(123,900)
Lease liabilities	13	(8,201)	(8,777)	-	-
Provisions	14	(2,135)	(2,135)	(3,201)	(3,201)
Total current liabilities		**(155,362)**	**(158,391)**	**(126,117)**	**(127,101)**
Total assets less current liabilities		**34,658**	**34,461**	**(53,487)**	**(52,576)**
Non current liabilities					
Lease liabilities	13	(89,952)	(89,974)	-	-
Total Non-current liabilities		**(89,952)**	**(89,974)**	**-**	**-**
Total assets less liabilities		**(55,294)**	**(55,513)**	**(53,487)**	**(52,576)**
Taxpayers' equity and other reserves					
Revaluation reserve		995	1,069	504	570
General fund		(56,289)	(56,582)	(53,991)	(53,146)
Total equity		**(55,294)**	**(55,513)**	**(53,487)**	**(52,576)**

The notes on pages 184 to 208 form part of these Accounts.

Gareth Davies
Accounting Officer
11 July 2023

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

		31 March 2023		31 March 2022	
	Note	Core Dept £000	Group £000	Core Dept £000	Group £000
Cash flows from operating activities					
Net operating expenditure	SoCNE	(567,272)	(569,042)	(536,884)	(537,912)
Adjustments for non-cash transactions:					
Movement in provisions	4.2	193	193	2,291	2,291
Movement in bad debt provisions	4.5	(100)	(100)	(67)	(67)
Depreciation and impairment charges	4.3	18,076	19,532	34,657	34,947
Auditor's remuneration	4.5	230	230	215	233
Losses on disposals	4.5	221	222	513	513
Losses and compensation	4.5	28	28	39	39
(Increase)/decrease in trade and other receivables	11	4,655	4,559	(12,626)	(12,715)
Increase/(decrease) in trade and other payables	12	22,110	23,579	(1,962)	(978)
Use of provisions	14	(1,259)	(1,259)	(1,246)	(1,246)
Movements in payables relating to items not passing through SoCNE	12	(27,029)	(27,029)	10,004	10,004
Net cash outflows from operating activities		**(550,147)**	**(549,087)**	**(505,066)**	**(504,891)**
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(396)	(466)	(5,929)	(6,104)
Purchase of intangible assets	8	(7,315)	(8,305)	(8,522)	(8,522)
Net cash outflows from investing activities		**(7,711)**	**(8,771)**	**(14,451)**	**(14,626)**
Cash flows from financing activities					
Financing from the consolidated fund (supply)	SoCTE	592,050	592,050	509,600	509,600
Repayment of lease liabilities	13	(7,163)	(7,163)	-	-
Net financing		**584,887**	**584,887**	**509,600**	**509,600**
Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		27,029	27,029	(9,917)	(9,917)
Net increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**27,029**	**27,029**	**(9,917)**	**(9,917)**
Cash and cash equivalents at the beginning of the period	**10**	**1,975**	**1,975**	**11,892**	**11,892**
Cash and cash equivalents at the end of the period	**10**	**29,004**	**29,004**	**1,975**	**1,975**

The notes on pages 184 to 208 form part of these Accounts.

Consolidated Statement of Changes in Taxpayers' Equity (Group)

As at the year ended 31 March 2023

	Note	General Fund £000	Revaluation Reserve £000	Total £000
Balance at 31 March 2021		**(35,427)**	**-**	**(35,427)**
Net parlimentary funding – drawn down	SoCF	509,600	-	509,600
Net parlimentary funding – deemed	SoCF	11,892	-	11,892
Supply payable adjustment	12	(1,975)	-	(1,975)
Net expenditure	SoCNE	(537,912)	-	(537,912)
Other comprehensive expenditure				
Revaluation gains and losses		-	943	943
Non-cash items				
Auditors' remuneration	4.5	215	-	215
Movement in reserves				
Transfers from revaluation reserve		373	(373)	-
Other movements		88	-	88
Balance at 31 March 2022		**(53,146)**	**570**	**(52,576)**
Net parlimentary funding – drawn down	SoCF	592,050	-	592,050
Net parlimentary funding – deemed	SoCF	1,975	-	1,975
Supply payable adjustment	12	(29,004)	-	(29,004)
Net expenditure	SoCNE	(570,004)	-	(570,004)
Other comprehensive expenditure				
Revaluation gains and losses	8	-	1,269	1,269
Non-cash items				
Auditors' remuneration	4.5	230	-	230
Movement in reserves				
Transfers from revaluation reserve		770	(770)	-
Other movements		547	-	547
Balance at 31 March 2023		**(56,582)**	**1,069**	**(55,513)**

The notes on pages 184 to 208 form part of these Accounts.

Consolidated Statement of Changes in Taxpayers' Equity (Core Dept)

As at the year ended 31 March 2023

	Note	General Fund £000	Revaluation Reserve £000	Total £000
Balance at 31 March 2021		**(35,427)**	**-**	**(35,427)**
Net parlimentary funding – drawn down	SoCF	509,600	-	509,600
Net parlimentary funding – deemed	SoCF	11,892	-	11,892
Supply payable adjustment	12	(1,975)	-	(1,975)
Net expenditure	SoCNE	(538,726)	-	(538,726)
Other comprehensive expenditure				
Revaluation gains and losses		-	943	943
Non-cash items				
Auditors' remuneration	4.5	215	-	215
Movement in reserves				
Transfers from revaluation reserve		342	(342)	-
Other movements		88	(97)	(9)
Balance at 31 March 2022		**(53,991)**	**504**	**(53,487)**
Net parlimentary funding – drawn down	SoCF	592,050	-	592,050
Net parlimentary funding – deemed	SoCF	1,975	-	1,975
Supply payable adjustment	12	(29,004)	-	(29,004)
Net expenditure	SoCNE	(568,228)	-	(568,228)
Other comprehensive expenditure				
Revaluation gains and losses	SoCNE	-	1,170	1,170
Non-cash items				
Auditors' remuneration	4.5	230	-	230
Movement in reserves				
Transfers from revaluation reserve		679	(679)	-
Other movements		-	-	-
Balance at 31 March 2023		**(56,289)**	**995**	**(55,294)**

NOTES TO THE 2022-23 RESOURCE ACCOUNTS

1. Statement of accounting policies

The Department of International Trade ceased to exist on 7 February 2023, however, has been directed by HMT to prepare its accounts to 31 March 2023.

1.1 Basis of accounting

These financial statements have been prepared in accordance with the *2022-2023 Government Financial Reporting Manual* (FReM) and the Government Resources and Accounts Act 2000. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted, or interpreted, for the public-sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of the Department for International Trade (Core Department) and its consolidated Non-Departmental Public Body (Group) for the purpose of giving a true and fair view has been selected. The accounting policies adopted by the Group are described below. They have been applied consistently in dealing with items that are considered material to the financial statements.

In addition to the primary statements prepared under IFRS, the FReM also requires the Group to prepare a Statement of Outturn against Parliamentary Supply (SoPS) and supporting notes which show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The SoPS and supporting notes can be found in the Parliamentary Accountability and Audit Report.

Going concern

In common with other government departments, the financing of the Group's future service provision and liabilities are to be met by future grants of Supply and the application of future income, approved annually by Parliament. Parliament has authorised spending for 2022-23 in the Central Government Main Supply Estimates and Spending Review 2021 set budgets for the Group up to 2024-25. On 7 February 2023 a Machinery of Government change was announced creating the new Department of Business and Trade (DBT). These financial statements are therefore the final set for the former Department for International Trade. The FReM 2022-23 interprets IAS 1's going concern for the public sector context and as noted in section (3) - where an entity ceases to exist it should consider whether its services will continue to be provided in determining whether to use the concept of going concern for the final set of financial statements. The activities of the former Department for International Trade will continue under the newly formed DBT. It has therefore been considered appropriate to adopt a going concern basis for the preparation of the financial statements.

1.2 Accounting convention

These financial statements have been prepared on an accruals basis under the historical cost convention, modified to account for the revaluation of intangible assets where material as described in paragraph 1.7. The accounting policies adopted are consistent with those of the previous years with the exception of the adoption of IFRS 16 - see note 1.21.

1.3 Basis of consolidation

The Group's financial statements consolidate the balances of the Core Department and the Trade Remedies Authority (TRA). The TRA was created as a Non-Departmental Public Body on 1 June 2021 and is included within DIT's Departmental boundary as defined by Statutory Instrument 2021 No. 1441 made under the Government Resources and Accounts Act 2021. Prior to 1 June 2021, the Trade Remedies function existed within the Core Department.

Accounting policies are harmonised across the Group. Intra group transactions and balances are eliminated on consolidation.

1.4 Transfer by absorption

Transfers of function between public sector bodies within a departmental group are accounted for as Transfers by Absorption.

On 1 June 2021, the Trade Remedies Directorate within the Core Department was moved to a newly created Non-Departmental Public Body – The Trade Remedies Authority (TRA). All assets and liabilities held within the Core Department which related to the Trade Remedies function were transferred to the TRA at their carrying value. The net value of assets transferred is recorded as a non-operating loss through net expenditure within the Core Department's financial statements and as a non-operating gain within the TRA. The transfer adjustments are eliminated within the Group. Revaluation reserves and accumulated depreciation were also transferred from DIT to the TRA's Statement of Financial Position.

In accordance with the FReM, the carrying value of the assets and liabilities transferred were not adjusted to fair value beforehand. There has been no recognition of goodwill and no restatement of comparatives in the primary financial statements as a result of the transfer of function.

1.5 Operating Income

The Group has recognised operating income in accordance with *IFRS 15 Revenue from Contracts with Customers* as adapted in the *FReM*. The income streams for the Group are as laid out in note 5: income from world expos such as Dubai and Lima, income from other government departments including grant income and other income. Other income includes trade show events, sponsorship income and other delivery of service activities (including Overseas Market Introduction Services).

Revenue from contracts with customers

The Group recognises income in accordance with *IFRS 15*.

Income is measured at the fair value of the consideration received or receivable and is recognised in the Statement of Comprehensive Net Expenditure following performance of contractual obligations, where amounts can be reliably measured and it is probable that economic benefits will flow to the Group. This includes amounts collected on behalf of third parties where the Core Department or TRA is considered principal to the arrangement under *IFRS 15*.

The Group's income is primarily derived from providing services, with income recognised at a point in time when services transfer to our customers. Where consideration is received prior to the transfer of goods and services, the amounts are recorded as contract liabilities. Where goods and services are transferred to a customer before the customer pays consideration or before payment is due, the amounts are recorded as contract assets.

Revenue from contracts with customers includes sponsorship income, income from trade shows or events. On discharging of performance obligations such as delivery of sponsorship rights or stand space at a trade events the Group will recognise income. Standard payment terms apply to the majority of contracts with non variable payments due in 30-60 days. In line with IFRS 15 a fair value is calculated for any non cash considerations.

Grant Income

Grant Income is recognised in line with IAS 20. The Group acts as the principal in awarding funding from the European Structural Investment Fund (ESIF). The Group bears the risks and rewards associated with awarding this grant funding onto grant applicants. Therefore, in line with IAS 20 the funding has been recognised in income.

The Group does not have any material obligations for returns, refunds or warranties, but may refund charges for Overseas Market Introduction Services in the event of disputes about service delivery should they materialise.

1.6 Operating expenditure

Operating expenditure comprises mainly staff and corporate services costs and programme spending to further the delivery of the Group's objectives.

Staff costs are recognised as expenses when the Group becomes obliged to pay them.

In accordance with *IAS 19 Employee Benefits*, all short-term staff costs, such as leave entitlement accrued at the year end, are recognised in the Statement of Comprehensive Net Expenditure (SoCNE).

Platform charges are paid to the Foreign, Commonwealth and Development Office (FCDO) for the provision of accommodation, maintenance, and corporate services support to the Group's overseas activities. The charge for each financial year is agreed in advance and invoiced by FCDO on a quarterly basis.

The FCDO also processes some income and expenditure for the Core Department. This includes costs incurred by the FCDO on behalf of the Core Department (such as wages, travel and accommodation expenses for overseas staff) which are invoiced on a quarterly basis and paid in arrears. Incremental monthly costs are accrued relating to the liability.

1.7 Pensions

Pension benefits to Ministers are provided by the Parliamentary Contributory Pension Fund. Further details are provided in the Remuneration and Staff Report.

The Group is recharged the total cost of pension contributions payable for FCDO Civil Servants engaged in delivering DIT's objectives.

From 1 April 2015 a new pension scheme for Civil Servants was introduced known as the Alpha Pension Scheme. From that date all newly appointed Civil Servants and the majority of those already in service have joined Alpha. Prior to that date UK-based employees were covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS).

Both Alpha and PCSPS are unfunded defined benefit schemes. The participating employers in these schemes are unable to identify their share of the underlying net liability. As such, the FReM interpretation of IAS 19 requires that these schemes are accounted for as defined contribution pension schemes.

The expected cost of these elements are recognised on a systematic over the period durin g which it benefits from employees' services by payment to the scheme of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

Some employees are members of defined contribution plans (partnership pension account).

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the SoCNE in the periods during which services are rendered by employees.

1.8 Value Added Tax (VAT)

The net amount due from His Majesty's Revenue and Customs in respect of VAT is included within receivables in the Statement of Financial Position.

Income and expenditure are shown net of VAT where output tax is charged, or input tax is recoverable.

Irrecoverable VAT is charged to the SoCNE and included under the relevant expenditure category. Irrecoverable VAT on the purchase of an asset is included in additions.

1.9 Property, plant and equipment

Property, plant and equipment assets are initially recognised at cost, including all costs directly attributable to bringing them into working condition. The threshold for capitalising non-current assets is £3,000 subject to grouping conventions where appropriate.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Departmental Group and the cost of the item can be measured reliably.

Property

During 2021-22 the Department finished the construction of a Pavilion for use at Expo 2020 Dubai. The Pavilion was operational throughout the Expo, which ran from 1 October 2021 to 31 March 2022. The Department was obligated to dismantle the Pavilion following closure of the Expo, and as such it was fully depreciated during the prior period of account (2021-22).

Non-property

In accordance with the FReM, the Group values non-property assets on a depreciated historical cost basis, as a proxy for fair value where assets have short useful lives or are of low value, or both.

Depreciation

Property, plant and equipment assets are depreciated to write down the cost or valuation to their estimated residual values on a straight-line basis over their estimated useful lives which are as follows:

Leasehold buildings	Up to 99 years or remaining life of lease
Leasehold improvements	10-25 years or shorter of estimated remaining useful life or outstanding term of lease
Assets under construction	Not depreciated until assets are in use
Information technology	Three to five years
Furniture, fixtures, and fittings	Three to five years

Assets under construction

Assets under construction are valued at historical cost. The assets' carrying value are transferred to the appropriate category and depreciated when they are available for use as intended by management.

During 2021-22 the pavilion constructed for Expo 2020 Dubai became operational and transferred from AUC to leasehold buildings.

1.10 Intangible assets

Intangible non-current assets are capitalised if they are intended for use on a continuing basis and their original carrying value, on an individual or asset pool basis, exceeds the capitalisation threshold of £3,000.

There are no active markets for the majority of the Group's intangible non-current assets, which are valued at the lower of depreciated replacement cost or value in use. Intangible non-current assets are revalued annually at the beginning of each financial year with reference to appropriate indices, in accordance with the FReM.

Revaluation gains are recognised through Other Comprehensive Expenditure and credited to the Revaluation Reserve. A portion of the Revaluation Reserve balance is transferred annually to the General Fund to cover additional amortisation recognised within the SoCNE due to revaluation.

Amortisation of intangible assets is charged to the SoCNE on a straight-line basis when the assets are available for use. This allocates the carrying amounts of the intangible assets over their estimated useful economic lives.

Intangible assets are normally amortised over the following periods:

Website	Four to five years
Information technology	Three to five years
Assets under construction	Not amortised until assets are in use

Development costs directly attributable to the design and testing of identifiable and unique software products are recognised as assets under construction when they meet the recognition criteria under *IAS 38 Intangibles*.

Assets under construction are valued at historical cost. The assets' carrying value are transferred to the respective asset category and amortised when they are available for use as intended by management.

The Department regularly reviews progress on projects and the products delivered to assess whether they have been brought into service in accordance with *IAS 38*.

1.11 Impairments

The Department reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of fair value, less costs to sell and value in use.

Residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

1.12 Trade and other receivables

The only financial assets held by the Group are cash and cash equivalents along with short-term trade and other receivables. Cash and cash equivalents are detailed further in note 1.16. The receivables are held to collect contractual cash flows and do not contain significant financing components. They are held at amortised cost less expected credit losses.

The loss allowance is determined by applying a simplified approach equalling the lifetime expected credit losses. An allowance is made for potentially irrecoverable receivables based on regular reviews of all outstanding amounts.

1.13 Trade and other payables

Trade and other payables are recognised at fair value, which represent liabilities for goods and services provided to DIT prior to the financial year end that are unpaid. Trade and other payables are non-interest bearing and the carrying value approximates their fair value.

1.14 Grants

Grants payable are recorded as expenditure in the period in which the underlying event or activity that gives entitlement to the grant occurs.

1.15 Grant-in-aid and intra-group transactions

The Core Department processes cash expenditure payments and receipts on behalf of the Trade Remedies Authority (TRA). Consequently, notional grant-in-aid is recorded in the Core Department's SoCNE at an amount equal to the expenditure and liabilities incurred on the TRA's behalf. This transaction is eliminated within the Group.

The Core Department also supplies services to the TRA under several Memoranda of Understanding (MoU). The intra-group revenues and costs arising from the service provision under these MoUs are eliminated on consolidation.

1.16 Cash

Cash and cash equivalents recorded in the Statement of Financial Position and Statement of Cash Flows comprise bank balances held with the Government Banking Service.

1.17 Provisions and contingent liabilities

In accordance with *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*, the Group provides for legal and constructive obligations that relate to past events, where the obligations are of uncertain timing or value at the reporting date. Provisions are based on the best estimate of the expenditure required to settle the obligation.

Contingent liabilities are disclosed where the likelihood of payment is greater than remote but is less than probable or the obligation cannot be measured reliably.

1.18 Foreign exchange

The presentational currency of the Group's financial statements is the British pound sterling (£).

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of the transaction. HM Treasury provides budget protection against foreign exchange losses.

1.19 IAS 17 Leases

At the reporting date all leases are regarded as operating leases because the Departmental Group does not bear the risks and rewards incidental to ownership of the associated assets. Lease costs are charged to the Statement of Comprehensive Net Expenditure over the term of the lease.

IAS 17 was replaced by IFRS 16 on 1 April 2022, see note 1.21.

1.20 Accounting judgements, estimates and assumptions

The Accounting Officer, in preparing the financial statements, is required to select suitable accounting policies, apply them consistently and make estimates and assumptions that are reasonable and prudent. These judgements and estimates are based on historical experience and other factors considered relevant. Actual results may differ from these estimates and assumptions and could require an adjustment to the carrying value of assets or liabilities.

The following is considered an area of significant judgement or estimation uncertainty.

> IFRS 16: determining whether the contract contains a lease.

The Group exercises judgement in determining whether a contract is or contains a lease. In making this judgement the Group assesses whether in substance a contract conveys the right to control the use of an identified asset for a period in exchange for a consideration. The right to control is present under IFRS 16 if the customer has the right to obtain substantially all the economic benefits from use of the identified asset and if the customer has the right to direct the use of an asset. An asset is typically identified by being explicitly specified in a contract. The Group has made the judgment that the Terms of Agreements it holds with the Government Property Agency (where not low value of short term as defined in section 1.21) for regional estates contain leases as defined by IFRS 16.

> IFRS 16: determining the lease term.

The lease term under IFRS 16 is defined as the non-cancellable period of a lease. Periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated. When determining the lease term, the Group has considered break clauses where there is no current intention and plans to continue past the break clause.

1.21 New and amended standards adopted

The Department adopted IFRS 16 Leases on 1 April 2022 in line with HM Treasury's FReM 21-22. IFRS 16 introduces a single lease accounting model removing the distinction between operating and finance leases as defined in the previous lease standard IAS 17. The adoption of the standard results in the recognition of a right of use asset and lease liability equal to the net present value of rental payments due across the life of the contract.

Exemptions are available to the application of IFRS 16 for short term and low value leases. Short term leases are where the lease term is 12 months or less. The de-minimis limit of low value leases applied is £3,000, in line with the department's capitalisation policy.

Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period. The FReM expands the definition of a lease contract under IFRS 16 to include intra-UK government agreements where non-performance may not be enforceable by law. The Group is currently engaged in several operating lease arrangements with the Government Property Agency (GPA) which are deemed to be in scope of IFRS 16, the most significant of which relates to the lease of Old Admiralty Building. For further details see note 1.20.

> Practical Expedients on Transition

The FReM has mandated the following transition options which the Group has implemented in its transition workings:

Under the Grandfathering rules all leases classified as operating leases under IAS 17 are assumed to be in scope of IFRS 16 as at 1 April 2022 with the exception of those qualifying as low value or short term. Contracts were therefore not reassessed as to whether they were or contained a lease at the date of initial application.

The Group has applied IFRS 16 under the cumulative catch-up approach as mandated in the FReM. This involves recognising the cumulative effect of initially applying the Standard at the date of initial application as an adjustment to the opening balance of taxpayers' equity. Therefore, prior year data is not comparable as it is reported under the previous lease standard- IAS 17.

> Group as a lessee

For all leases, except for short-term leases and leases of low-value assets, previously classified as operating leases:

– as at 1 April 2022 the Group has recognised a lease liability measured at the present value of the remaining lease payments, discounted using the discount rate issued by HM Treasury in the Public Expenditure System (PES) paper dated December 2022;
– for all leases the Group has elected to recognise a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments relating to those leases recognised

in the statement of financial position immediately before the date of initial application.

As required by the standard, this election has been consistently applied to all leases in which the Group is a lessee.

The explanation of the difference between operating leases commitments disclosed as at 31 March 2022 when applying IAS 17 to lease liabilities recognised as at 1 April 2022 is presented in the table below:

Impact of applying IFRS 16 at reporting date	Leasehold Buildings (Core Dept)	Leasehold Buildings (Group) £'000
Commitments under IAS 17 operating leases	109,995	110,593
Impact of discounting cashflows under *IFRS 16*	(7,126)	(7,133)
Adjustments for payments due on leases outside scope of IFRS 16	(65)	(65)
Adjustments due to lease term assumptions between IFRS 16 and IAS 17	64	65
IFRS 16 - opening balance	**102,868**	**103,460**

1.22 IFRS 16 leases

> Recognition and measurement

For contracts entered on or after 1 April 2022 the Group assesses whether the contract is or contains a lease. IFRS 16 defines a lease as a contract that conveys the right to control the use of an identified asset for a period in exchange for consideration. The FReM expands this definition to include intra-UK government agreements that are not legally enforceable and peppercorn leases. Peppercorn leases are those where the consideration is low value or nil. Leases are recognised as a right of use asset and corresponding liabilities at the date the leases assets are available for use by the Group.

> Measurement of right of use assets

Right of use assets are measured initially at cost compromising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any leases incentives received.
- Any initial direct costs
- Restoration costs

> Subsequent measurement

Right of use assets are measured in line with the class of asset to which the leased assets belong to. The cost measurement model for IFRS 16 can be used as a proxy for valuation except where:

- A long-term lease exists that does not include updates for market conditions (rent reviews) or has a long period of time between those updates.
- The fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market price.

These two exceptions are not believed to apply to any of the Group's right of use assets and therefore the cost measurement model is applied.

> Depreciation

Right of use assets are depreciated on a straight-line basis from commencement date to the end of the lease term.

The Group applies IAS 36 Impairment of Assets to determine whether a right of use asset is impaired and to account for any impairment loss identified.

> Measurement of lease liabilities

Initial recognition

Lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right of use assets during the lease term:

- Fixed payments less any incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of purchase option if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, or the Group's incremental borrowing rate. The FReM mandates the use of the PES paper rate for government organisations where this is considered to be appropriate.

> Subsequent measurement

Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of liability is remeasured to reflect any reassessment, lease modification or revised in-substance fixed payments.

> Lease term

This has been discussed as a significant judgement for the Group at section 1.20.

1.23 Impending application of newly issued accounting standards not yet effective

IFRS 17 Insurance Contracts

IFRS 17 will be implemented in the public sector from 1 April 2023. The Department anticipates no material impact from this standard.

2. Statement of net operating expenditure by segment (Group)

	31 March 2023			31 March 2022		
	Gross Expenditure £000	Income £000	Net £000	Gross Expenditure £000	Income £000	Net £000
Exports and UK Trade	111,183	(16,890)	**94,293**	92,207	(7,473)	**84,734**
Strategy and Investment	78,123	(1,245)	**76,878**	102,165	(5,358)	**96,807**
Overseas	94,681	(728)	**93,953**	86,389	(497)	**85,892**
Overseas Platform	62,256	-	**62,256**	61,989	-	**61,989**
Trade Negotiations	38,477	(5)	**38,472**	30,555	-	**30,555**
Trading Systems	54,407	(216)	**54,191**	48,848	(57)	**48,791**
Trade Remedies Authority	**15,315**	**-**	**15,315**	8,365	-	**8,365**
Total	**454,442**	**(19,084)**	**435,358**	**430,518**	**(13,385)**	**417,133**
Corporate Functions						
- Digital, Data and Technology	36,800	-	**36,800**	45,766	-	45,766
- Estates	18,723	-	**18,723**	13,849	-	13,849
- Communication and Marketing	24,306	(7)	**24,299**	24,145	-	24,145
- Other Corporate Functions	53,147	-	**53,147**	35,950	(6)	35,944
Total	**132,976**	**(7)**	**132,969**	**119,710**	**(6)**	**119,704**
Centrally Managed Resources	718	(3)	715	1,072	3	1,075
Net operating expenditure	**588,136**	**(19,094)**	**569,042**	**551,300**	**(13,388)**	**537,912**

Operating Segments are determined in accordance with IFRS 8 Operating Segments based on what information is presented for decision making purposes to the Chief Operating Decision Maker (CODM) who is the Accounting Officer. Over 10% of DIT's revenue during the reporting period was derived from other government departments (2022-23: £14,534k, 2021-22: £6,810k). This revenue is included within the following segments: Strategy and Investment, Exports and UK Trade, Overseas.

The Accounting Officer receives financial information at aggregate level as well as information on outcomes relating to each group. These are measured on the same basis as for financial reporting purposes in the Statement of Comprehensive Net Expenditure. The structure of the Departmental Group means that materially all of the assets included in the Statement of Financial Position are used for the general administration and benefit of DIT as a whole. Consequently, they are not apportioned to operating segments in the table above. A description for each segment is given below:

- **Exports and UK Trade:** supporting UK business to take full advantage of trade opportunities. This includes four pillars: export strategy and delivery; sector specific support for exporters and investors; support for exporters from teams across the UK; and support to exporters in teams in around 130 locations overseas.
- **Strategy and Investment:** working across government to enhance the UK's investment environment, attracting high-value, high-impact investment through the Office for Investment (a joint DIT and Number 10 unit), while delivering cross-government priorities through attraction and retention of internationally mobile investment. Supporting the Department's work for national security and other world events. Trade Envoys and delivery of analysis and support for Ministers in setting and delivering the Department's strategy
- **Overseas:** a network of over 1,400 staff in more than 100 countries providing expert advice in support of UK exports and investment and the implementation of free trade agreements. The network is divided into nine regions, each led by an HMTC responsible for delivering a Regional Trade Plan.
- **Overseas Platform:** contribution to the Foreign, Commonwealth and Development Office (FCDO) for their delivery on behalf of HMG of the overseas infrastructure which DIT uses to deliver its objectives.
- **Trade Negotiations:** delivering an ambitious programme of free trade agreements, securing greater market access for exporters and bringing greater opportunities and supporting economic growth across the UK.
- **Trading Systems:** responsible for leading on creating a fair rules-based trading environment, managing the UK's trade disputes and remedies interests, implementing agreements, supporting businesses to access markets, supporting supply chain management and resilience and the licensing of military and dual-use exports.
- **Trade Remedies Authority:** undertaking investigations into the economic impact of unfair trade practices and making recommendations on appropriate measures to the Secretary of State for International Trade.
- **Digital, Data and Technology:** provides the digital services to support exporters and investors as well as the infrastructure required for the achievement of DIT objectivesves.
- **Estates:** including the buildings and facilities management in the UK for the DIT workforce.
- **Communications and Marketing:** responsible for press and media relations, strategic communications, internal communications and marketing, support for inward and outward trade missions and major trade-related events
- **Other Corporate Functions:** including Analysis, Business Services, Commercial, Finance and HR, which provide the support structures and resources required for the achievement of DIT objectives.
- **Centrally Managed Resources:** charges which accounted for centrally and are not apportioned out including the Apprenticeship levy and annual leave accrual.

3. Staff costs

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Wages and salaries	231,236	237,925	196,030	201,131
Social security costs	20,408	21,239	15,066	15,663
Other pension costs	50,497	52,273	42,524	43,850
Agency and temporary staff	18,260	19,115	21,503	22,075
Voluntary exit scheme	126	126	93	93
Compulsory redundancies	547	547	294	294
Other departures	27	27	7	7
Recoveries from outwards secondments	(1,771)	(1,773)	(317)	(333)
Total	**319,330**	**329,479**	**275,200**	**282,780**

For further information on staff costs, numbers, pensions and compensation schemes, please see the Remuneration and Staff Report from page 124.

4. Operating Expenditure

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
4.1 Trade and investment activities				
International trade advisors	5,508	5,508	25,328	25,328
Investment support services	10,182	10,182	9,751	9,751
Other trade and investment activities	4,590	4,642	5,781	5,810
Total Trade and Investment Activities	**20,280**	**20,332**	**40,860**	**40,889**
4.2 Provisions Expense				
Increase/(decrease) in provisions	193	193	2,291	2,291
Provisions utilised in respect to capital	-	-	(485)	(485)
Total provisions expense	**193**	**193**	**1,806**	**1,806**
4.3 Depreciation and impairment charges				
Depreciation on tangible assets	1,953	2,105	25,974	26,111
Depreciation on right-of-use assets	7,997	8,280	-	-
Amortisation	8,126	9,147	8,136	8,785
Total depreciation and impairment	**18,076**	**19,532**	**34,110**	**34,896**
4.4 Other non-cash items				
Notional grant-in-aid to TRA*	14,776	-	9,921	-
Total Grant in Aid	**14,776**	**-**	**9,921**	**-**

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
4.5 Other expenditure				
FCDO platform charge	62,256	62,256	61,989	61,989
Promotion activities	20,135	20,195	20,199	20,225
Events	16,457	16,478	19,566	19,574
Grants	16,840	16,840	9,715	9,715
Pan American Games 2019, Lima	-	-	516	516
Official development assistance	-	-	165	165
Subscriptions	7,516	7,540	6,666	6,679
Travel and subsistence	17,950	18,165	5,233	5,340
IT expenditure	23,870	26,080	17,292	18,023
Training and other staff costs	10,207	10,752	8,654	8,894
Market research and evaluation	3,082	3,143	1,820	1,820
Rentals and accommodation	7,731	7,750	12,607	12,880
Legal and other professional services	20,165	20,227	15,824	15,846
Consultancy	865	865	380	380
Research and development	3,548	3,623	3,997	4,054
Business rates	2,427	2,428	1,623	1,623
Other costs	1,515	1,878	2,037	2,356
Auditor's remuneration	230	230	215	233
Increase/(decrease) in bad debt provisions	(100)	(100)	67	67
Loss on disposal of assets	221	222	513	513
Transfer of net assets to TRA**	-	-	1,842	-
Losses and compensation	28	28	39	39
Total other expenditure	**214,943**	**218,600**	**190,960**	**190,930**

*As a Non-Departmental Public Body within the Group, the TRA is funded by the Core Department. During the reporting period all TRA expenditure was processed and paid by the Core Department on the TRA's behalf. The amount of expenditure paid on TRA's behalf is reflected as notional grant-in-aid within the Core Department's Financial Statement.

**On the establishment of the Trade Remedies Authority (TRA) on 1 June 2021, all assets and liabilities held within the Core Department relating to the Trade remedies function was transferred to the TRA. The Core Department therefore recognises a cost equal to the value of net assets transferred.

Both TRA-related adjustments described above are eliminated on consolidation within the Group financial statements.

5. Income

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Income arising from contracts with customers				
Expo 2020 Dubai	428	428	4,198	4,198
Pan American Games 2019, Lima Income	-	-	612	612
Income from other government departments	14,535	14,534	6,810	6,810
Other income	5,363	4,132	2,510	1,768
Total income	**20,326**	**19,094**	**14,130**	**13,388**

Within Income from other government departments there is £12.7m of grants (2021-22- £4.7m)

6. Property, plant and equipment

	2022-23					
	Leasehold buildings	Leasehold improvements	Information technology	Furniture, fixtures and fittings	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2022	-	474	13,757	429	-	14,660
Additions	-	96	216	154	-	466
Disposals	-	-	(596)	(135)	-	(731)
At 31 March 2023	**-**	**570**	**13,377**	**448**	**-**	**14,395**
Depreciation						
At 1 April 2022	-	(47)	(6,756)	(150)	-	(6,953)
Charge in year	-	(48)	(1,932)	(125)	-	(2,105)
Disposals	-	-	425	82	-	507
At 31 March 2023	**-**	**(95)**	**(8,263)**	**(193)**	**-**	**(8,551)**
Carrying amount at 31 March 2023	**-**	**475**	**5,114**	**255**	**-**	**5,844**
Of the Total:						
Core Department	-	475	4,914	215	-	5,604
Trade Remedies Authority	-	-	200	40	-	240
Carrying amount at 31 March 2023	**-**	**475**	**5,114**	**255**	**-**	**5,844**

	2021-22					
	Leasehold buildings	Leasehold improvements	Information technology	Furniture, fixtures and fittings	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2021	-	666	10,689	460	21,801	33,616
Additions	238	-	3,736	94	2,036	6,104
Disposals	(23,601)	(666)	(668)	(125)	-	(25,060)
Reclassifications	23,363	474	-	-	(23,837)	-
At 31 March 2022	**-**	**474**	**13,757**	**429**	**-**	**14,660**
Depreciation						
At 1 April 2021	-	(267)	(4,979)	(143)	-	(5,389)
Charge in year	(23,601)	(129)	(2,271)	(110)	-	(26,111)
Disposals	23,601	349	494	103	-	24,547
At 31 March 2022	**-**	**(47)**	**(6,756)**	**(150)**	**-**	**(6,953)**
Carrying amount at 31 March 2022	**-**	**427**	**7,001**	**279**	**-**	**7,707**
Of the Total:						
Core Department	-	427	6,710	247	-	7,384
Non Departmental Public Bodies (NDBPS)	-	-	291	32	-	323
Carrying amount at 31 March 2022	**-**	**427**	**7,001**	**279**	**-**	**7,707**

7. Right of Use Asset

	2022-23	
	Core Dept £000	Group £000
Cost or valuation		
At 31 March 2022	-	-
IFRS 16 - adjustment on adoption	102,868	103,460
At 1 April 2022	102,868	103,460
Additions	1,492	1,492
At 31 March 2023	**104,360**	**104,952**
Depreciation		
At 31 March 2022	-	-
IFRS 16 - adjustment on adoption	-	-
At 1 April 2022	-	-
Charged in year	(7,995)	(8,280)
At 31 March 2023	**(7,995)**	**(8,280)**
Carrying amount at 31 March 2023	**96,365**	**96,672**
Of the Total:		
Core Department	96,365	96,365
Trade Remedies Authority	-	307
Carrying amount at 31 March 2023	**96,365**	**96,672**

8. Intangible assets

	2022-23				
	Software licence	Website	Information technology	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2022	437	14,350	33,838	9,973	58,598
Additions	-	-	349	8,503	8,852
Disposals	(437)	-	-	-	(437)
Revaluations	-	838	1,994	-	2,832
Reclassifications	-	529	5,871	(6,400)	-
At 31 March 2023	**-**	**15,717**	**42,052**	**12,076**	**69,845**
Amortisation					
At 1 April 2022	(437)	(9,878)	(16,889)	-	(27,204)
Charge in year	-	(1,630)	(7,517)	-	(9,147)
Disposals	437	-	-	-	437
Revaluations	-	(577)	(986)	-	(1,563)
Reclassification	-	(100)	100		-
At 31 March 2023	**-**	**(12,185)**	**(25,292)**	**-**	**(37,477)**
Carrying amount at 31 March 2023	**-**	**3,532**	**16,760**	**12,076**	**32,368**
Of the Total:					
Core Department	-	3,532	14,662	12,076	30,270
Trade Remedies Authority	-	-	2,098	-	2,098
Carrying amount at 31 March 2023	**-**	**3,532**	**16,760**	**12,076**	**32,368**

	2021-22				
	Software licence	Website	Information technology	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2021	437	9,943	26,193	11,854	48,427
Additions	-	-	56	8,466	8,522
Disposals	-	-	(158)	-	(158)
Revaluations	-	498	1,309	-	1,807
Reclassifications	-	3,909	6,438	(10,347)	-
At 31 March 2022	**437**	**14,350**	**33,838**	**9,973**	**58,598**
Amortisation					
At 1 April 2021	(437)	(7,417)	(9,859)	-	(17,713)
Charge in year	-	(1,614)	(7,171)	-	(8,785)
Disposals	-	-	158	-	158
Revaluations	-	(371)	(493)	-	(864)
At 31 March 2022	**(437)**	**(9,402)**	**(17,365)**	**-**	**(27,204)**
Carrying amount at 31 March 2022	**-**	**4,948**	**16,473**	**9,973**	**31,394**
Of the Total:					
Core Department	-	4,948	14,990	9,973	29,911
Non Departmental Public Bodies (NDBPS)	-	-	1,483	-	1,483
Carrying amount at 31 March 2022	**-**	**4,948**	**16,473**	**9,973**	**31,394**

9. Financial instruments

As the cash requirements of the Department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to minimal credit, liquidity or market risk.

Due to the largely non-trading nature of DIT's activities and the way in which government departments are financed, DIT is not exposed to the degree of financial risk faced by business entities. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing DIT in undertaking its activities.

10. Cash and cash equivalents

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Balance at 1 April	1,975	1,975	11,892	11,892
Net change in cash and cash equivalents	27,029	27,029	(9,917)	(9,917)
Balance at 31 March	**29,004**	**29,004**	**1,975**	**1,975**

All cash was held with the Government Banking Service.

11. Trade and other receivables

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Amounts falling due within one year				
Trade receivables	3,277	3,277	1,488	1,488
VAT	7,438	7,438	11,103	11,103
Other receivables	1,977	2,000	8,865	8,872
Prepayments	5,158	5,322	5,983	6,065
Contract assets	10,927	10,927	5,921	5,921
Total trade and other receivables	**28,777**	**28,964**	**33,360**	**33,449**

12. Trade and other payables

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Amounts falling due within one year				
Trade payables	14,301	14,341	23,290	23,352
Other payables	48	48	-	-
Amounts owed to BEIS	40,194	40,194	30,528	30,528
Amounts owed to FCDO	34,691	34,691	29,734	29,734
Accruals	26,616	29,029	37,038	37,960
Contract liabilities	172	172	351	351
Amounts issued from the Consolidated Fund for Supply but not spent at year end	29,004	29,004	1,975	1,975
Total Trade and other payables	**145,026**	**147,479**	**122,916**	**123,900**

Movement in contract liabilities

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Contract liabilities balance at the beginning of the period	351	351	3,406	3,406
Decrease due to income recognised for contracts with customers during the year	(428)	(428)	(4,810)	(4,810)
Increase due to cash received	249	249	1,755	1,755
Contract liabilities balance at the end of the period	**172**	**172**	**351**	**351**

13. Lease liabilities

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Buildings				
Current	8,201	8,777	-	-
Non current	89,952	89,974	-	-
Lease liabilities	**98,153**	**98,751**	**-**	**-**
Obligations for the following periods comprise				
Buildings				
Not later than one year	8,201	8,777	-	-
Later than one year and not later than five years	38,041	38,064	-	-
Later than five years	58,109	58,109	-	-
Total lease payments	**104,351**	**104,950**	**-**	**-**
Less interest element	(6,198)	(6,199)	-	-
Lease liabilities	**98,153**	**98,751**	**-**	**-**
Lease liability additional analysis				
Interest expense on lease liabilities (included in finance expense)	956	962	-	-
Expense relating to short-term leases	110	110	-	-
Total expenses related to leases	**1,066**	**1,072**	**-**	**-**

Movement in lease liabilities

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Balance at 1 April	102,868	103,460	-	-
Additions	1,492	1,492	-	-
Repayments	(7,163)	(7,163)	-	-
Finance Costs	956	962	-	-
Lease liabilities balance at the end of the period	**98,153**	**98,751**	**-**	**-**

Total future minimum lease payments under IAS 17 in 2021-22 are detailed within this note. Building operating lease commitments for less than one year for the Group as at 31 March 2022 were £7.4m (Core- £7.1m). Later than one year and less than 5 years Group operating lease commitment as at 31 March 2022 totalled £29.6m (Core-£29.3m). Greater than 5 years Group operating lease commitment as at 31 March 2022 totalled £73.3m (Core- £73.3m). The charge for the year in respect of operating leases as recognised within the 2021-22 Statement of Comprehensive Net Expenditure was £7.4m.

14. Provisions

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
Balance at 1 April	3,201	3,201	2,157	2,157
Provided in the year	529	529	2,536	2,536
Provisions not required written back	(336)	(336)	(246)	(246)
Provisions utilised in the year	(1,259)	(1,259)	(1,246)	(1,246)
Balance at 31 March	**2,135**	**2,135**	**3,201**	**3,201**

Analysis of expected timing of cash flows:

	31 March 2023		31 March 2022	
	Core Dept £000	Group £000	Core Dept £000	Group £000
No later than one year	2,135	2,135	3,201	3,201
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Balance at 31 March	**2,135**	**2,135**	**3,201**	**3,201**

At the reporting date, the largest provisions held by the Group relate to the Pavilion at Expo 2020 Dubai, covering both retention payments in the construction contract and the expected decommissioning costs (£1,499k). The remaining provisions include dilapidation costs (£273k) for the Group's estates. The provisions are expected to be settled in 2023-24.

15. Contingent liabilities

The Department Group has the following contingent liabilities for which the risk of crystallisation is considered greater than remote but is not thought probable. Amounts disclosed reflect the best estimate of the possible liability. These are summarised by the nature and purpose of the contingent liability:

	31 March 2023	31 March 2022
Basis of Recognition and Description	£000	£000
Quantifiable contingent liabilities disclosed under *IAS 37*		
Dilapidation liability for leased property The Department is obligated to reimburse the Government Property Agency (GPA) for any dilapidations incurred during DIT's tenure on property leased through the GPA when the underlying lease agreements between GPA and its landlords expire. The Department also has a possible obligation to pay for any dilapidations which arose before DIT's lease agreements with GPA came into effect. The amount disclosed is the reasonable worst-case estimate.	3,800	3,829
***Paid in capital subscription for the Common Fund for Commodities (CFC)* -** Government is committed to the payment of a subscription of £2.24m, in the form of Promissory Notes to be redeemed on request by the fund.	2,240	2,240
***Callable capital subscription for the Common Fund for Commodities (CFC)* -** Government is committed to the payment of a subscription of £1.96m to the fund.	1,960	1,960
Possible obligations arising from legal challenge The Department is intermittently subject to legal challenge from third parties on maters relating to International Trade or the discharge of its statutory obligations. The amount disclosed reflects the Department's best estimate of compensation payable, including reimbursement of legal costss, for challenges that were ongoing at the reporting date.	40	372
Other quantifiable contingent liabilities Other quantifiable contingent liabilities include ongoing employment tribuals, incentive awards that may be payable to suppliers subject to performance, and other costs for which a present obligation has not yet been confirmed.	220	210
Total	**8,260**	**8,611**
Contingent liabilities relating to		
Core Department	8,200	8,491
Trade Remedies Authority	60	120
Total	**8,260**	**8,611**

16. Capital and Financial Commitments

The Departmental Group holds contracts with a number of delivery partners both in the UK and overseas. Upon notice of termination by either party, delivery partners may, where permitted under contract, submit an exit plan including costs for termination. The financial commitment in respect of all such delivery partners cannot be quantified. However, notices of termination which have already been served, by either the Department or delivery partners, are recognised in accordance with IAS 37 under provisions or contingent liabilities as appropriate.

17. Related party transactions

No minister, member of the DIT Board, key manager or other related party have undertaken any material transactions with DIT during the year. Details about the Board Members' remuneration are included on page 139.

DIT has entered into transactions with other government departments and central government bodies. The material transactions have been with HM Treasury (HMT), Department for Business, Energy and Industrial Strategy (BEIS), Foreign, Commonwealth and Development Office (FCDO), Government Property Agency (GPA), Cabinet Office, Government Legal Department (GLD), UKSBS Ltd, HM Revenue and Customs (HMRC), Ministry of Defence (MOD), The Department for Levelling Up, Housing and Communities (DLUHC), and Trade Remedies Authority (TRA – ALB).

18. Entities within the departmental boundary

The entities within the departmental boundary during 2022-23, as stipulated in the Designation and Amendment Orders presented to Parliament, comprise the Core Department and the Trade Remedies Authority (TRA). The TRA is a Non-Departmental Public Body which was established 1 June 2021.

Under the requirements of the Trade Act 2021, the TRA will prepare its first Annual Report and Accounts for the 22 months to 31 March 2023.

19. Events after the reporting period

The financial statements were authorised for issue by the Accounting Officer on the date they were certified by the Comptroller and Auditor General.

ANNEX A: SECTOR SPONSORSHIP

The Department continues to follow strictly the recommendations of the Committee on Standards in Public Life and Cabinet Office guidelines on handling sponsorship arrangements with the private sector. During 2022-23, DIT agreed the following private sector sponsorship (only sponsorship exceeding £5,000 for a single event is shown here).

Sponsor	Amount (£)	Event note
Aggreko	5,000	Energy Showcase
Airbus SE	8,600	Avalon 2023
Amazon	75,000	Green Trade and Investment Expo
Atkins	75,000	Green Trade and Investment Expo
BAE Systems	5,700	Avalon 2023
BAE Systems	8,600	Red Arrows reception
Barclays PLC	75,000	Green Trade and Investment Expo
BP Plc	150,000	Green Trade and Investment Expo
Cambridge University Press	6,000	UK Pavilion at BETT 2023
Grant Thornton-Ethiopia	6,400	Private equity event
Innovera Limited	31,100	EdTech event
JCB Excavators Ltd	5,700	Grand Prix 2023
Martin Baker Australia	8,600	Avalon 2023
MBDA Missile Systems	8,600	Avalon 2023
Micro Focus International Plc	5,800	Grand Prix 2023
Octopus Investments Limited	20,000	Future Green Builders of Tomorrow Competition
Qinetiq Group Plc	8,600	Avalon 2023
Schroders Plc	20,300	Pension Funds mission
SSE plc	150,000	Green Trade and Investment Expo
Vodafone Group	17,300	EdTech event

ANNEX B: CORE TABLES

Administration budgets

	2018-19 Outturn £000	2019-20 Outturn £000	2020-21 Outturn £000	2021-22 Outturn £000	2022-23 Outturn £000	2023-24 Plan £000	2024-25 Plan £000
Spending in Administration budgets							
Voted:							
A. Department for International Trade (DEL)	118,201	148,523	159,225	156,035	187,829	196,011	195,837
B. TRA - Trade Remedies Authority (ALB) (Net) (DEL)	-	-	-	9,308	14,170	13,789	13,063
Total Administration expenditure	**118,201**	**148,523**	**159,225**	**165,343**	**201,999**	**209,800**	**208,900**

Resource

Past, current and future departmental resource spending

	2018-19 Outturn	2019-20 Outturn	2020-21 Outturn	2021-22 Outturn	2022-23 Outturn	2023-24 Plan	2024-25 Plan
	£000	£000	£000	£000	£000	£000	£000
Spending in Department Expenditure Limit (DEL)							
Voted:							
A. Department for International Trade (DEL)	410,722	474,582	501,377	522,238	552,293	540,767	534,693
B. TRA - Trade Remedies Authority (ALB) (Net) (DEL)	-	-	-	10,148	15,246	14,833	14,107
Total Resource DEL	**410,722**	**474,582**	**501,377**	**532,386**	**567,539**	**555,600**	**548,800**
Spending in Annually Managed Expenditure (AME)							
Voted:							
C. DIT - Department for International Trade (DEL)	690	778	1,814	1,471	(1,158)	-	-
Total Resource AME	**690**	**778**	**1,814**	**1,471**	**(1,158)**	**-**	**-**
Total Resource	**411,412**	**475,360**	**503,191**	**533,857**	**566,381**	**555,600**	**548,800**

Capital

Past, current and future departmental resource spending

	2018-19 Outturn £000	2019-20 Outturn £000	2020-21 Outturn £000	2021-22 Outturn £000	2022-23 Outturn £000	2023-24 Plan £000	2024-25 Plan £000
Spending in Department Expenditure Limit (DEL)							
Voted:							
A. Department for International Trade (DEL)	17,329	19,550	34,347	17,934	12,530	16,448	14,136
B. TRA - Trade Remedies Authority (ALB) (Net) (DEL)	-	-	-	233	1,135	1,052	764
Total Capital DEL	**17,329**	**19,550**	**34,347**	**18,167**	**13,665**	**17,500**	**14,900**
Spending in Annually Managed Expenditure (AME)							
Voted:							
C. DIT - Department for International Trade (DEL)	-	-	-	-	-	-	-
Total Capital AME	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Capital	**17,329**	**19,550**	**34,347**	**18,167**	**13,665**	**17,500**	**14,900**

Supporting narrative to the Core Table is contained in the Financial Review on pages 82 to 91.

ANNEX C DISAGGREGATED INFORMATION ON ARMS LENGTH BODIES

The table below shows the total operating income, total operating expenditure, net expenditure for the year, and staff numbers and costs for our ALB.

The figures disclosed below will not tie directly to the published ALB accounts due to group level elimination.

Financial Information by ALB

	Total operating income	Total operating expenditure	Net expenditure for the year (including financing)	Number of employees	Staff costs	Number of employees	Staff cost
	£m	£m	£m		£m		£m
Core department	(20,236)	587,598	568,228	5,074	291,299	486	27,841
Trade Remedies Authority	-	15,315	15,321	134	9,294	6	854
Total	(20,236)	602,913	583,549	5,208	300,593	492	28,695

GLOSSARY

AME: Annually Managed Expenditure

ARAC: Audit and Risk Assurance Committee

BEIS: Department for Business, Energy & Industrial Strategy

CETV: Cash Equivalent Transfer Value

COP26: United Nations Climate Change Conference 2021

CPTPP: Comprehensive and Progressive Agreement for Trans-Pacific Partnership

DDaT: Digital, Data and Technology

DEFRA: Department for Environment, Food & Rural Affairs

DBT: Department for Business and Trade

DESNZ: Department for Energy Security & Net Zero

DSIT: Department for Science, Innovation & Technology

DEL: Departmental Expenditure Limit

D&I: Diversity and Inclusion

DIT: Department for International Trade

DLUHC: Department for Levelling Up, Housing and Communities

DMAS: Digital Market Access Service

ECJU: Export Control Joint Unit

EEA: European Economic Ara

EFTA: European Free Trade Association

ETP: Enhanced Trade Partnership

ExCo: Executive Committee

EU: European Union

FCDO: Foreign, Commonwealth & Development Office

FDI: Foreign Direct Investment

FESSP: Future Enterprise Resource Planning (ERP) and Shared Services Programme

FOI: Freedom of Information

FReM: Government Financial Reporting Manual

FTA: Free Trade Agreement

FTE: Full Time Equivalent

GDP: Gross Domestic Product

GDPR: General Data Protection Regulation

GGC: Greening Government Commitments

GIAA: Government Internal Audit Agency

GPA: Government Property Agency

GPG: Gender Pay Gap

GVA: Gross Value Added

HMRC: His Majesty's Revenue and Customs

HMT: His Majesty's Treasury

HMTC: His Majesty's Trade Commissioner

IAS: International Accounting Standard

ICO: Information Commissioner's Office

IFRS: International Financial Reporting Standards

IR35: Inland Revenue off-payroll tax

IRAP: Information Risk Assessment Process

ITA: International Trade Adviser

JETCO: Joint Economic and Trade Committee

JTR: Joint Trade Review

KPIs: Key Performance Indicators

LITE: Licensing for International Trade and Enterprise

MC12: 12th WTO Ministerial Conference

MCCO: Maritime Capability Campaign Office

MFN: Most Favoured Nation tariff schedule

MoU: Memorandum of Understanding

MPM: Managing Public Money

NAO: National Audit Office

NEBM: Non-Executive Board Member

NTM: Non-Tariff Measure

OAB: Old Admiralty Building

ODI: Outward Foreign Direct Investment

ODP: Outcome Delivery Plan

OECD: Organisation for Economic Co-operation and Development

ONS: Office for National Statistics

PAC: Committee of Public Accounts

PCC: Projects and Change Committee

PCPF: Parliamentary Contributory Pension Fund

PCSPS: Principal Civil Service Pension Scheme

PFRC: Performance, Finance and Risk Committee

PQ: Parliamentary Question

RTPs: Regional Trade Plans

SCS: Senior Civil Servant

SIELS: Standard Individual Export Licenses

SIP: Sovereign Investment Partnership

SMEs: Small and Medium-Sized Enterprises

SR: Spending Review

TAC: Trade & Agriculture Commission

TRA: Trade Remedies Authority

UKEF: UK Export Finance

UKGT: UK Global Tariff

UK SBS: UK Shared Business Services Ltd

UNCTAD: United Nations Conference on Trade and Development

UNGGSD: United Nations Global Goals for Sustainable Development

WTO: World Trade Organization