



NCA

National Crime Agency

National Crime Agency

Annual Report and Accounts

2022 - 2023

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National Crime Agency

Annual Report and Accounts 2022-2023

For the period 1 April 2022 to 31 March 2023

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Foreword by the Home Secretary



Serious and Organised Crime (SOC) is an insidious force that leaves a trail of destruction in its wake, undermining the rule of law, eroding public trust, and shattering the foundations upon which our democratic principles stand. The scale and threat that it poses to the

safety and wellbeing of the public must not be underestimated.

The NCA continues to lead the fight to cut serious and organised crime in the UK, protecting the public by disrupting and bringing to justice those serious and organised criminals who pose the highest risk to the UK. The NCA needs to constantly adapt to the ever-changing threat posed by the most harmful offending, including child sexual abuse, economic and cybercrime, fraud, trafficking of illegal drugs and firearms and organised immigration crime. To help achieve this, we have made significant progress in strengthening the NCA. The NCA's budget has increased by more than 20% in the last two years to

over £860m, which will help it continue to develop the critical capabilities it needs.

I am grateful to the NCA for its efforts over the last financial year to combat serious and organised crime. The Agency has delivered 37% more significant disruptions, highlighting real progress. Over the last year, the NCA safeguarded or protected 1,076 children from exploitative criminal activity and convicted 86 child abusers. It made it considerably more difficult for organised crime groups to use modern slavery and human trafficking as part of their modus operandi, resulting in 121 disruptions. In addition, the Agency continued to combat drug trafficking, contributing to the seizure of over 250 tonnes of illegal drugs and facilitated the seizure of 133 illegal firearms. In the year leading up to March 2023, the NCA achieved a total of 237 disruptions against the threat from organised immigration crime, leading more than 90 investigations into the highest harm people smuggling groups.

Overall, the Agency has been able to increase major cyber disruptions by 82%. Such disruptions are assessed as having high levels of impact. Furthermore, the NCA has played a pivotal role in the freezing of assets associated with Russian oligarchs, establishing a Combatting Kleptocracy Cell to help reduce this threat.

The NCA and its officers have played a vital role over the last year in efforts to reduce the threat to the public from serious and organised criminals and I am confident they will go from strength to strength as the Agency looks forward to celebrating its 10-year anniversary.

Suella Braverman

The Rt Hon Suella Braverman KC MP

Director General statement



I am proud to introduce the National Crime Agency (NCA) Annual Report and Accounts for 2022-2023. In a year when serious and organised crime in the UK returned to and in many cases exceeded pre-pandemic levels, the Agency responded. We disrupted more serious and organised

crime than ever before, with 4,707 recorded disruptions: more than a dozen a day.

In 2023 we launched an ambitious long-term strategy for the next five years which sets out how the Agency will perform its operational role more effectively. We also surpassed our target to grow our most significant disruptions against the most harmful criminals and groups in the UK and overseas by 20%, achieving 37% growth with 364 such disruptions.


Significant operational results to achieve the Home Secretary's strategic priorities for the Agency included:

- dismantling an organised crime group supplying 10% of the small boats used to smuggle migrants into the UK
- arresting major drug gangs and corrupt port employees and helping seize over 250 tonnes of drugs
- taking down dark websites hosting horrific child sexual abuse material
- supporting the first ever sanctioning of cyber criminals
- closing down a fraud ‘boiler room’ in Romania that targeted thousands of UK victims
- working with partners in Spain and Turkey to block the supply of firearms into the UK

Last year we made important decisions to establish a secure and sustainable future for our estates and capabilities, identifying a new London headquarters, making progress on the expansion of our North West hub and creating a Transformation Directorate to accelerate the benefits of our investments in technology. These decisions will drive progress and provide a solid foundation on which to build the Agency’s capabilities for the future.

I also want to recognise the officers who might not see their work directly referenced in this report. Each function, capability, team, and individual in the Agency has a crucial role to play in delivering our collective

mission. As we approach the NCA's 10th anniversary I am committed to recognising and building on the achievements of the Agency and its officers. The hard work and dedication of our officers in the past year has put the Agency in a strong position to achieve the ambition in our Strategy and, more broadly, our mission, to protect the public from serious and organised crime.



Graeme Biggar, CBE
Director General NCA

Part 1 – Performance report



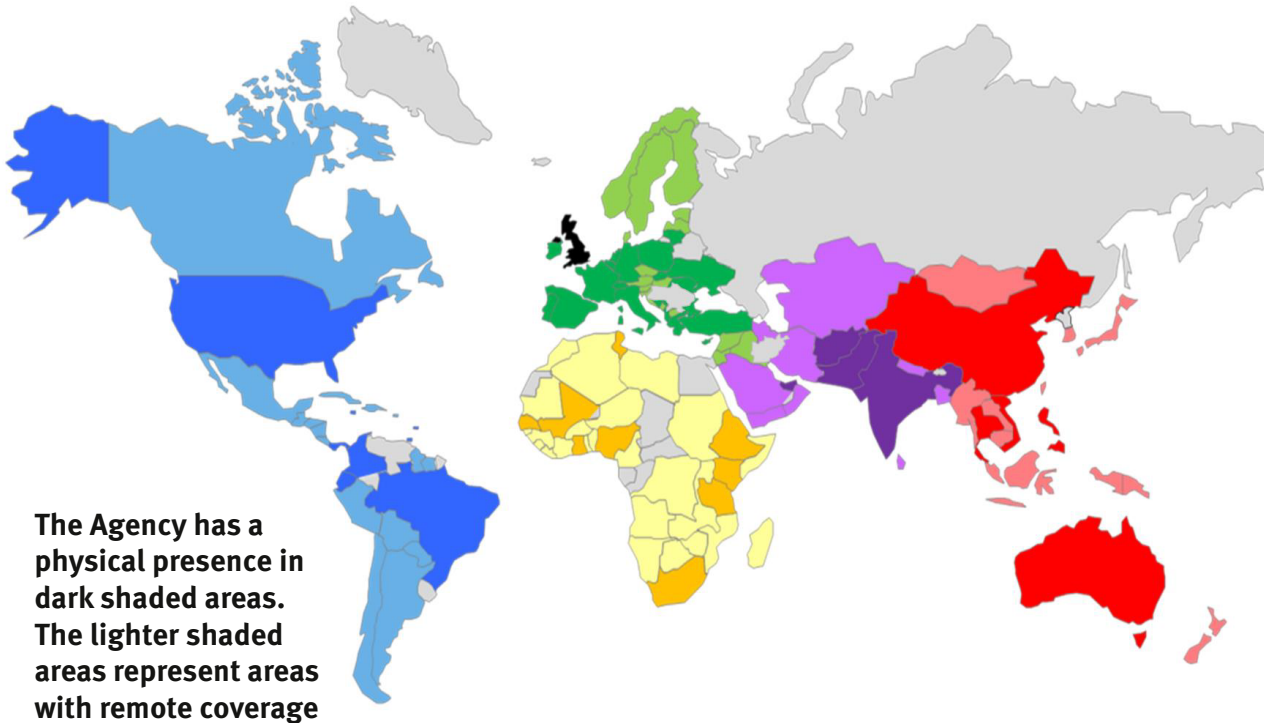
Performance overview

Who we are and what we do

The NCA's mission is to protect the public from serious and organised crime. The Agency achieves this by degrading the most harmful organised crime groups and leading the wider law enforcement system to reduce the threat.

This is done in accordance with the Crime and Courts Act 2013. The Agency has officers based in England, Wales, Scotland and Northern Ireland, as well as a network of liaison officers in strategic locations around the world. The Agency works closely with partners in government, law enforcement and the national security community to lead and coordinate a comprehensive response to serious and organised crime in the UK and overseas.

The NCA is a non-ministerial government department. The Director General is the head of the Agency and the Agency's Accounting Officer. The Director General is accountable to the Home Secretary for the Agency's performance, and through the Home Secretary to Parliament. While the Director General's principal accountability is to the Home Secretary, the Agency is also subject to inspection, review and scrutiny by parliamentary and independent bodies, including representatives from devolved administrations.



In 2022-2023, the Director General was supported by a team of senior civil servant deputies. These were: Rob Jones, temporary acting Director General for Threat Leadership and the National Economic Crime Centre (NECC), Steve Rodhouse, the Director General for Operations and Claire Smith, temporary acting Director General for Capabilities. They, in turn, were supported by a team of directors.

The serious and organised crime threat

Serious and organised crime is a threat to the UK's national security, to its economic prosperity and to the safety of its citizens. It is a wide-ranging threat, impacting UK citizens, public services, businesses and infrastructure. It is estimated to cost the UK economy tens of billions of pounds annually.

The National Strategic Assessment of Serious and Organised Crime 2023 sets out how the threat has changed over the last year. This is drawn from a wide range of intelligence sources, including law enforcement, the government, the intelligence community, public, private and third sector organisations.

Serious and organised crime continues to increase in scale in response to drivers including geopolitical instability, economic challenges and advances in technology. Organised crime groups have proven adaptable in the face of these drivers, with at least 59,000 offenders involved in serious and organised crime across the UK in 2023. The National Strategic Assessment sets out four trends that feed an environment in which serious organised crime can, and has, thrived during the past year. These trends are driving an overall increase in the serious and

organised crime threat, and are expected to fuel further growth in serious and organised crime.

Geopolitical instability and international conflict

Organised crime groups exploit vulnerabilities created by international conflict, instability and poverty. The vast majority of serious and organised crime has an international dimension, demonstrated through the increased numbers of irregular migrants entering the UK on small boats, drugs smuggling and firearms supply.

The cost of living

Criminals exploit cost of living increases, taking advantage of people's vulnerability. Challenging economic conditions created pressures on individuals, households and businesses: with organised crime groups using the cost of living as a lure for cyber crime and fraud and exploiting the vulnerable through modern slavery and human trafficking.

The exploitation of technology

Technology remains a key enabler for serious and organised crime and is increasingly accessible to offenders. Ransomware remains the greatest cyber crime threat. Criminals use technologies to target the public online, increasingly using social media in particular to identify and communicate with victims. They also use technology to facilitate criminality, including encryption to hide their activities, cryptocurrency for ransoms, and tracking to monitor illicit shipments.

Criminal resilience and adaptability

Organised crime groups are highly adaptable to the changing environment, with a disregard for legal boundaries. They demonstrated their ability to adapt operating models in response to the EU exit and COVID-19 pandemic restrictions. As restrictions lifted, organised crime groups continued to evolve criminal methods, exploiting international crises and technology, adapting their activity to frustrate law enforcement detection.

NCA priorities in 2022-2023

In order to tackle the threat, the Home Secretary set the Agency five strategic priorities for the 2022-23 financial year:

Home Secretary's strategic priorities				
1	2	3	4	5
Protect the integrity of the UK against serious and organised crime groups and networks operating internationally, at the border, and online.	Dismantle the highest harm organised crime groups and networks.	Lead and co-ordinate national law enforcement agencies in tackling serious and organised crime within the UK.	Intensify work to tackle the threat from hostile states, corrupt elites, cyber and economic crime.	Play a full role in delivering the Government's wider strategy to reduce crime and respond to national security threats.

To achieve these, the Director General set four operational priorities for the year:

Director General's Operational Priorities			
1	2	3	4
Increase our understanding of and impact on the criminals causing the most harm.	Strengthen our leadership role with partners and the public.	Build a workforce that meets the future threat.	Improve the foundations on which we deliver operations.

These were underpinned by and delivered through the Agency's FIRST values: flexibility, integrity, respect, serving the public, and transparency.

2022-2023 summary

This report details the Agency’s performance over the past financial year and relates to operational activity the Agency has undertaken or where Agency activity led to interventions overseas.

In the 2022-2023 financial year, the Agency committed to targeting the most harmful criminals and the individuals and infrastructure that enable them. It focused on high-complexity and high-impact operations within the Agency and on improved prioritisation across the operational system so that the most appropriate partner delivered other operations against serious and organised crime.

At the start of 2022-2023, the Agency set a target to increase its more significant disruptions by 20%.¹ It surpassed that target and delivered an increase of 37%, with 364 such disruptions. This increase was delivered at the same time as overall Agency disruptions increased by 14% to 4,707.²

1 Defined as medium or major NCA-led Pursue disruptions against P1 and P2 targets. Overall disruptions also include minor disruptions, P3 and P4 targets, disruptions that are Prevent, Protect and Prepare (rather than Pursue), and that are supported rather than led by the NCA.

2 A disruption is achieved when intentional activity led by the NCA or in support of NCA partners leads to an organised criminal group or individual being unable to operate at their usual levels of activity or where the risk to the public or the economy from a specific threat area is reduced.

To meet the Home Secretary's strategic priorities in 2022-2023 the Agency:



increased the volume of disruptions against the **highest harm organised immigration criminality**, dismantling and degrading networks and enablers

Safeguarded or protected

1,076



children from exploitative criminal activity



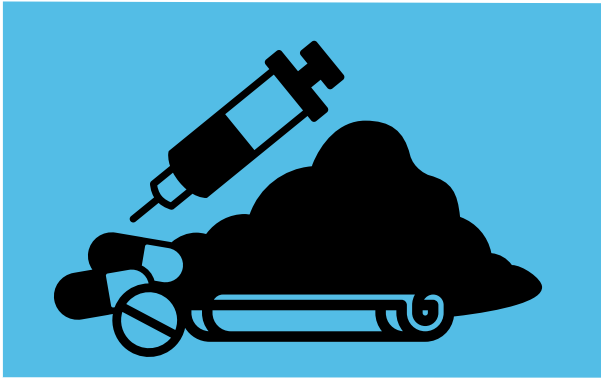
was responsible for **876 arrests** and **449 convictions** against serious and organised criminals and the enablers of serious and organised crime



made it more difficult for organised criminal groups to use modern slavery and human trafficking as part of their business model

worked effectively and **strengthened relationships with international partners** to target organised criminal groups responsible for high harm drug and firearms offences





collected intelligence that contributed to the **seizure of 278 tonnes of illegal drugs**



collected intelligence that contributed to the **seizure of**

133

firearms, preventing potential harm from these weapons in the community

produced the **National Control Strategy 2023** to lead how the serious and organised crime system will respond to and prioritise its response to serious and organised crime threats



delivered a

38%



increase in the volume of disruptions of fraud (from 341 disruptions in 2021-2022, to 472 in 2022-2023)

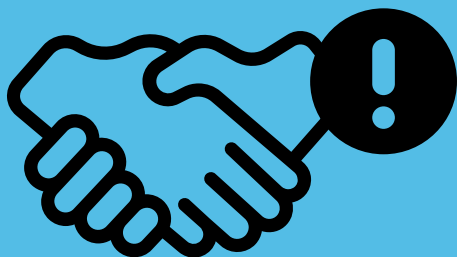
delivered

86

convictions against child sex abuse offending



denied **£271,521,677** of assets and seized **£9.2million** in cash which will be reinvested to protect the public from serious and organised crime



established a Combatting Kleptocracy Cell to reduce crime threats linked to corrupt elites and oligarchs

NCA Strategy 2023 - 2028

In 2023, the Agency set a five-year Strategy. The Strategy sets out how the Agency will degrade the most harmful organised crime groups and lead the wider law enforcement system to reduce the threat from serious and organised crime. The Agency will achieve this by focusing its activity on the four priorities below.

1. Degrading the most harmful organised crime groups by:

- going **upstream** to disrupt those at the top of the criminal chain, those who enable their activities, and those who launder the money they make
- taking action **overseas**, tackling the threat at source and en route to the UK
- increasingly focusing on **online** crime to combat a critical enabler of the organised crime business model, reflecting the fact that more crime takes place online or is enabled by technology

2. Leading the UK's operational response by:

- improving how the threat is understood and used to prioritise across the system
- strengthening system planning through improved use of evidence
- improving performance measurement across the system
- bolstering the national services and capabilities provided by the Agency to system partners
- strengthening the system response to new and emerging threats

3. Transforming the Agency's capabilities by:

- unlocking the value of data to drive direct operational effect
- delivering a new approach to capability development
- improving the Agency's situational awareness
- strengthening foundational capabilities as they relate to data technology and estates

4. Growing a highly skilled workforce by:

- better understanding the skills the Agency needs to transform workforce planning
- creating career pathways that improve officer experience
- becoming a more attractive employer through reformed pay and benefits
- improving the Agency's learning offer to meet future challenges
- establishing a more diverse workforce and inclusive culture
- embedding smarter working into the Agency's ethos

Financial summary

Financial outturn

The National Crime Agency (NCA) is funded by Parliamentary Supply and is accountable to the Home Secretary for its performance. In 2022-23, the NCA's Resource Departmental Expenditure Limit (RDEL) was £637.48 million, the Capital Departmental Expenditure Limit (CDEL) was £107.72 million, and the Annually Managed Expenditure (AME) estimate was £50.35 million. Within the budget delegation received from HM Treasury (HMT), the NCA receives funding for specific operational deliverables. This 'ring-fenced' funding cannot be used for other purposes and any underspend cannot be transferred to core operations.

In addition to Parliamentary Supply, the NCA was allocated £129.54 million from external funding streams to deliver specific projects and capabilities. As part of the 2022-25 Spending Review, 14 previous externally funded projects with total income of £56.07 million were brought into NCA's core delegations within the HMT Estimates process. This reduced the number and value of income received from other sources and allowed for less complex budget arrangements than previous years. Additionally, having a three year budget position allowed the NCA

to better plan for longer term project work across multiple years and provided certainty when planning large-scale transformational work.

External funding streams received in 2022-23 were for:

- specific projects
- enhancing the Agency's response to specific crime types, such as illicit finance
- national programmes, such as the National Cyber Security Programme.

Similarly to delegated 'ring-fenced' funding, income received from other external funding providers cannot be used for any other purposes than those agreed between the NCA and the external funding provider within the relevant Memorandum of Understanding. Details of additional funding are in Part 3 of this report.

The Director General is fully accountable for the NCA's Parliamentary voted and externally funded budget. The Agency performed within its financial limits for each budget element in 2022-23, as shown in the table below:

Departmental Expenditure Limit (DEL)	Estimate (£'million)	Outturn (£'million)	Underspend (£'million)
Resource	637.48	621.27	16.21
Capital	107.72	105.77	1.95
Annually Managed Expenditure (AME)			
Resource	50.00	18.04	31.96
Capital	0.35	0.31	0.04
Total	795.55	745.39	50.16

In quarter 3 of 2022-23, the NCA, working closely with Barclays, was successful in Operation AGADE. This secured a High Court order for Barclays to transfer £54 million believed to be linked to criminal activity to the NCA. This income was treated similarly to Asset Recovery Incentivisation Scheme (ARIS) receipts to be used to primarily fund counter-fraud associated activities across the system. £23.33 million was allocated to the NCA to spend before 31 March 2023. Any funds remaining unspent by the end of the financial year were required to be returned to HMT in line with HMT requirements. Due to the timing of the receipt of this income the NCA was not able to adjust budgets through the supplementary estimates process. During 2022-23, £8.32 million of this income was used, leaving £15.01 million to be returned to HMT as an underspend in these accounts. Despite the unavoidable underspend, this was a major success for the public purse.

Excluding the AGADE income net of associated costs, the RDEL underspend was £1.20 million (0.18% of

the NCA budget). This is within the Board tolerance level of 1%. The key drivers for the underspend are within the Pay budget, and this reflects the number of vacancies held during 2022-23. Throughout the year, the NCA consistently monitored spend against budget and forecasts, which helped to ensure funding was reallocated in line with operational priorities and utilised to within board tolerance. Despite the vacancy pressures, the NCA continued to perform and meet its operational objectives during 2022-23 as noted throughout this report.

AME relates primarily to changes in provisions as a result of changes in discount rates, over which the NCA has no control. The Agency takes a prudent approach to Estimate in AME and the underspend relates to a lower than expected impact in estimation of provisions – police pension liability, property revaluation and general provisions.

Externally funded expenditure in both resource and capital decreased in 2022-23 compared to 2021-22. This was mainly as a result of receiving £56.07 million income as part of NCA's core budget through the Estimates process. Resource expenditure during 2022-23 was £91.9 million (a decrease of £51.85 million from 2021-22). Capital expenditure was £36.45 million (a decrease of £23.40 million from 2021-22). Initial budgets are set when agreeing the Memorandum of Understanding with the funding provider at the start of the project, and are subject to

movement throughout the year in line with emerging priorities. Expenditure on this externally-funded activity is fully offset by income received from the funding provider.

The NCA does not benefit from any underspend in either the delegated budget or externally-funded non-core budgets. The NCA is required to spend its delegated budget in the year it is received and therefore returns any underspend to HMT annually.

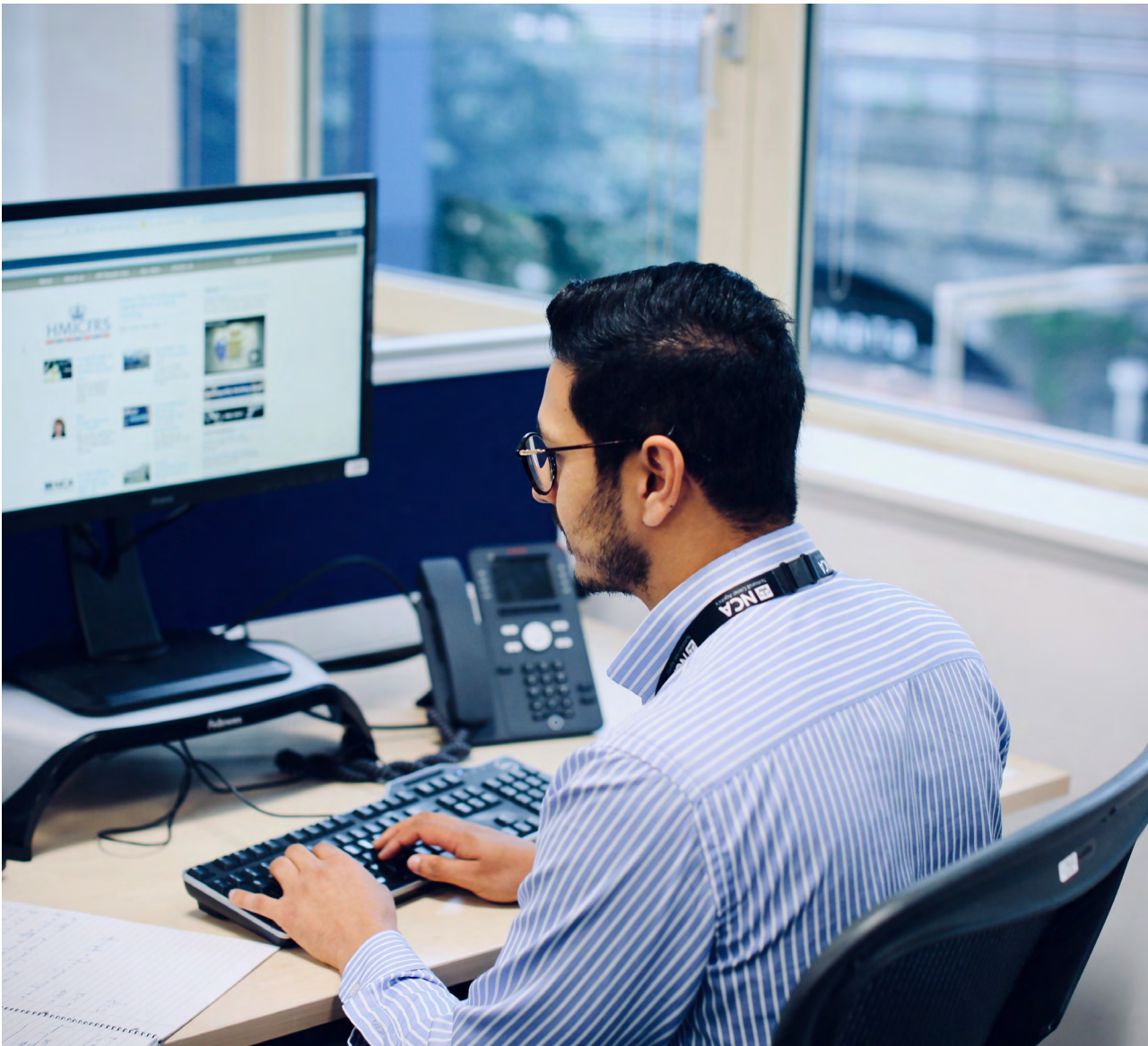
In line with Better Regulations, the NCA has continued to promote effective policy making through robust assessment of evidence based reviews, monitoring, forecasting and Accounting Officer assessments.

A further breakdown of the Agency's financial performance is provided in the Statement of Parliamentary Supply in Part 2 of this report.

Going Concern Statement

Under the going concern assumption, an entity is viewed as continuing in business for the foreseeable future. The Statement of Financial Position as at 31 March 2023 shows a net liability of £361.91 million (2021-22: net liability £779.73 million). This is largely due to a pensions liability of £719.98 million which has reduced from 2021-22 (£1,101.55 million) due to the impact of higher discount rates. This does not adversely impact the going concern status, as the liability is fully funded by Parliamentary Supply.

In common with other Government departments, the future financing of the Agency’s liability is to be met by future grants of Parliamentary Supply and the application of future income, both to be approved by Parliament. Additionally, funding has been agreed by HMT for the current Spending Review period (up to March 2025). Therefore, it is appropriate to adopt a going concern basis for the preparation of these financial statements.



Performance analysis

The performance analysis section provides a detailed description of the context and headline performance of the Agency against the serious and organised crime threat areas it responds to.

The context uses figures from the calendar year because it is drawn from analysis in the National Strategic Assessment which is produced by the National Assessments Centre on a calendar year basis. The headlines are from the serious organised crime system's reported activity for the financial year. These come from a number of sources but are collected, analysed and quality assured by the Agency's performance team.

Modern Slavery and Human Trafficking (MSHT)

Context

(1 January 2022 to 31 December 2022)

- The scale of the MSHT threat increased, exceeding pre-pandemic levels.
- The increase in MSHT was likely driven by heightened demand for MSHT because of the rising cost of living and ongoing labour shortages in sectors where MSHT is commonly experienced.
- In the year ending December 2022, the total number of National Referral Mechanism (NRM)³ referrals increased by 10.3% compared to the previous year.
- Organised criminal groups used a business model that prioritised children in their recruitment and targeted vulnerabilities such as social isolation, poor economic opportunities and engagement with social care. 52% of potential victims in the UK during 2022 were children.

Headlines

(1 April 2022 to 31 March 2023)

- Agency activity resulted in 121 disruptions against the MSHT threat.
- The Agency increased activity aimed at making it harder for organised criminal groups to carry out MSHT by identifying and removing loopholes and circumstances that enabled MSHT.

Case study: Agency intelligence uncovered the activity of an organised criminal group that was trafficking Brazilian victims of MSHT into the UK from the USA and Brazil via Europe.

As a result of Agency intelligence, the Police Service of Northern Ireland conducted safeguarding visits at 27 identified brothels. Two suspects were arrested and charged with human trafficking, controlling prostitution, brothel keeping and money laundering. The National Targeting Centre provided support to the Police Service of Northern Ireland by providing in-country intelligence support.

³ The NRM is a framework for identifying and referring potential victims of modern slavery and ensuring they receive the appropriate support

Organised immigration crime (OIC)

Context

(1 January
2022 to 31
December
2022)

- OIC activity rose with increasingly effective and sophisticated use of small boats by organised criminal groups to move greater numbers of migrants.
- There was also an increase in inadequately documented arrivals to the UK through air routes.
- Irregular migrants continued to arrive on UK shores in record numbers despite a number of arrests of small boat facilitators operating in northern Europe.
- Social media was a key component of OIC facilitators' business models, providing an effective low cost advertising tool.

Headlines

(1 April
2022 to
31 March
2023)

- The Agency undertook 237 disruptions against the organised crime behind OIC to have the most effective and impactful outcomes against the OIC threat.
- At the end of the financial year, the Agency was leading more than 90 investigations into the highest harm OIC groups.
- A single Agency led operation against OIC resulted in 39 arrests, the seizure of 135 boats and 45 engines, and over 1,200 lifejackets.
- The Agency developed an action plan with social media companies, that enabled the Agency to issue intelligence-based alerts and a more streamlined, two-way system of communication. This resulted in greater collaboration against organised criminal groups and more than 3,300 pages, posts or accounts advertising OIC services removed.

Organised immigration crime (OIC)

Case study: The Agency is part of a Europol Operational Task Force (OTF), linking operational capabilities across Europe in the fight against criminals who are intent on facilitating illegal migration across the Channel on small boats. The Agency leads its European partners in analysing the vessels and nautical equipment used in illegal crossings, to better understand the source and lifecycle of such boats and illegal migrants, whilst informing tactical responses against the most prolific and highest-harm criminal gangs.

Coordinated OTF activity targeted a criminal network that were responsible for smuggling in excess of 10,000 migrants. Forty facilitators, including 6 in the UK, were arrested and the Agency worked with its European counterparts to ensure in excess of 80 of the highest-risk vessels were removed from circulation and destroyed. Each of those vessels was capable of carrying 40 migrants, with individuals paying between £2,500 and £5,000 for the crossing.

The Agency continues to collaborate with UK policing, Home Office operational and policy partners and the OTF to relentlessly pursue the most dangerous organised immigration crime offenders and enablers, whilst leading responses to the small boat threat upstream, overseas and online.

Child sexual abuse (CSA)

Context

(1 January 2022 to 31 December 2022)

- The overall threat from CSA remained high and was consistent with trends seen in 2021. CSA remained under-reported and the availability of online content normalising harmful sexual behaviour was a growing concern.
- The use of technology to obscure offender identity and increase offender online security continued to evolve.
- There were 83,000 individuals reported to police for CSA-related offences.
- There was a 44% increase in UK industry referrals in 2022. This was due to a range of factors including reporting processes, evolving moderation and growing knowledge of offender and victim behaviour.

Child sexual abuse (CSA)

Headlines

(1 April
2022 to
31 March
2023)

- The Agency exceeded its target for disrupting high-harm CSA offending. This included a 96% increase (27 to 53) in disruptions assessed to have had a major impact against the most significant and serious CSA offending. In total the Agency delivered 675 disruptions against the CSA threat across Pursue, Prevent, Protect and Prepare activity.
- A number of social media companies announced plans to implement end to end encryption which will make the platforms more dangerous for children. The Agency continued to engage with these companies seeking reassurance around inbuilt safety by design features to maintain CSA referrals and protect children.
- 773 officers completed Risk Assessment Tool training to equip them with the skills to appropriately assess volume referrals so that the highest harm matters are prioritised. The Agency saw over 1 million visits to the Agency's Child Exploitation and Online Protection Education websites with an estimated reach of over 600,000 children. The Agency trained 781 professionals working with children and young people to better understand online CSA and better equip them with strategies for the identification and protection of young people from online CSA. They have in turn, delivered workshops to over 30,000 professionals and 13,000 parents and carers.

Child sexual abuse (CSA)

Case study: The Agency’s Child Exploitation and Online Investigations Team acted quickly when intelligence identified a man as a high-risk CSA offender, going from intelligence to arrest in just one day. He came to the team’s attention when, in online communications, he claimed to have sexually assaulted and abused children.

Further Agency enquiries established that the offender had been suspected of sexually abusing children for over two decades. However, he had never been arrested because the victims were dissuaded from engaging with law enforcement due to distrust of law enforcement within their communities.

Officers from the Agency’s Specialist Witness Team worked carefully with victims and their community to build their trust in law enforcement and break down the barriers to engaging with law enforcement. This meant the Agency obtained authority to charge the defendant with rape and other child sexual offences so he would not be allowed to return to the community while the Agency built the case against the offender. The offender was sentenced to 25 years imprisonment early in 2023.



Drugs

Context

(1 January 2022 to 31 December 2022)

- There was an increase in the drugs threat. This included a continued increase in the use and variety of synthetic drugs.
- Stable demand for heroin and increased demand for cocaine alongside falling wholesale prices give an indication that Class A drugs were readily available in the UK.
- Demand for illicit drugs is high, with an estimated 1 in 11 adults taking illicit drugs in the year ending June 2022.

Headlines

(1 April 2022 to 31 March 2023)

- The Agency exceeded its target for disruptions against higher-harm drugs threats. This resulted in a higher proportion of Agency activity against higher harm-drug offending.
- There was a 5% increase in overall disruptions from 972 to 1,024.
- Agency activity contributed to the seizure of 230,985 kg of cocaine and 1,693 kg of heroin overseas and in the UK.

Case study: Four members of an organised crime group that ran an industrial scale amphetamine lab in Scotland and trafficked heroin and cocaine, were sentenced to a total of over 23 years in prison after being convicted by a jury in December 2022.

The Agency’s investigation dismantled the organised criminal group which was based in Merseyside. The group used the encrypted communications platform EncroChat to organise their criminality.

In December 2020, Lancashire Police acting on Agency intelligence seized more than 560 kg of alpha-phenylacetamide (a chemical used in the production of amphetamine) from the group. This would have been capable of producing around £1.1m worth of amphetamine at their lab in Scotland.

The complex investigation and prosecution involved over 20 NCA units and 11 police forces and was also supported by the Scottish Organised Crime Partnership and the Scottish Organised Crime Taskforce.

Firearms

Context

(1 January 2022 to 31 December 2022)

- Firearms crime is currently lower than the long term trend. There were 5,750 firearms offences recorded in England and Wales in the year ending March 2022. This was 35 more (0.6% increase) than the year ending March 2021.
- Although discharges were lower, the threat from the criminal use of firearms has not changed as criminals continued to source firearms through a range of methods.
- Criminals continued to engage in firearms-enabled crime in a variety of ways to intimidate, threaten or for protection.
- The majority of firearms discharges were by urban street gangs with the key driver for firearms-enabled serious violence being the drugs trade and related turf wars.

Headlines

(1 April 2022 to 31 March 2023)

- Agency activity or intelligence contributed to the seizure of 133 firearms. This included the seizure of 78 firearms overseas (an increase of 76 on the previous year), protecting the public from significant potential harm.
- The Agency shifted more of its activity to achieve disruptions with a major or moderate impact against the firearms threat in the UK. This has frustrated typical routes of supply to UK criminal market, making the availability of firearms domestically more difficult.

Firearms

Case study: Agency officers arrested five men at gunpoint in a Birmingham street who were found to be in possession of an array of weapons, including a loaded firearm, knives and a sledgehammer. All five men pleaded guilty and were jailed for a combined period of 32 years.

The men were handed sentences ranging between seven years and five years 11 months. This resulted in significant community impact, protecting the public through the removal of a firearm and other weapons.

Guns and knives are used in acts of serious violence and by violent criminals to coerce and intimidate. Reducing the number of these weapons in the community remains a priority for the Agency.

Cyber crime

Context

(1 January 2022 to 31 December 2022)

- The overall threat from cyber crime remains high. There was a downward trend in the number of cyber crime incidents reported in 2022. However, this is based on very limited coverage of incidents due to low reporting. The proportion of more serious hacking and ransomware increased.
- Most of the cyber threat to the UK comes from abroad, with a small number of offenders having a disproportionately high impact on the threat.
- Russian-language groups pose the largest cyber crime threat to the UK. Some of the highest priority criminal groups have relationships with Russian authorities who tolerate their activities.

Cyber crime

Headlines

(1 April
2022 to
31 March
2023)

- There was an 82% increase in major cyber disruptions (from 11 to 20), these are assessed as having high levels of impact. Overall, the Agency's cyber crime impact in the past year rose by 10% (from 216 disruptions to 237).
- There was a 27% increase in disruptions against the ransomware threat.
- The Agency collaborated with international partners to develop intelligence and understanding of the highest-harm cyber criminals to enable coordinated prioritisation of targets.

Case study: The Agency infiltrated the online criminal marketplace by setting up a number of sites purporting to offer Distributed Denial of Service (DDoS) attacks. This was part of a sustained programme of activity to disrupt and undermine DDoS as a criminal service.

DDoS attacks are designed to overwhelm websites and force them offline, such attacks have the potential to cause significant harm to businesses and critical national infrastructure, and often prevent people from accessing essential public services.

All of the NCA-run sites, which have so far been accessed by several thousand people, look like they offer the tools and services needed to execute these attacks. However, after users register, rather than being given access to cyber crime tools, their data is collected by investigators. Users in the UK are contacted by the NCA or police and warned about engaging in cyber crime. Information relating to those based overseas is passed to international law enforcement.

This activity forms part of a coordinated international response to target criminal DDoS-for-hire infrastructures worldwide. In December last year, 48 sites were taken offline by the FBI, following close collaboration with the NCA, Netherlands Police and Europol.

Fraud

Context

(1 January 2022 to 31 December 2022)

- Fraud is the single largest crime type in the UK, with the Crime Survey of England and Wales (CSEW) estimating 40% of crimes against the individual are frauds.
- The scale of fraud against the UK is hard to estimate, however, because of underreporting to the police and a range of sometimes contradictory indicators. It is nonetheless judged that the fraud threat to the UK in 2022 increased slightly.
- Inflation and linked rise in the cost of living is likely to have increased the vulnerability of potential fraud victims.
- Criminals involved in fraud continued to exploit online platforms and market places to target individuals, obscure their identities and conceal the ultimate destination for proceeds of fraud.

Headlines

(1 April 2022 to 31 March 2023)

- Agency activity led to a 38% increase in disruptions against the fraud threat (from 341 disruptions in 2021-2022 to 472 in 2022-2023).
- The number of major and moderate fraud disruptions more than doubled in the last year, illustrating an improved ability to have a significant disruptive effect against fraud organised criminal groups.

Fraud

Case study: The Agency worked in partnership with law enforcement in Romania to take action against an organised criminal group conducting a sophisticated investment fraud. Claiming to operate as the “Financial Conduct Authority (FCA) Crypto Team” the organised criminal group targeted victims in the UK and across the globe. The group claimed they could recover previous investment fraud losses for a fee, thereby targeting repeat victims, many of whom were vulnerable. By impersonating the FCA their actions also threatened to undermine the UK regulators. The intelligence-led investigation identified the organised criminal group were operating from penthouse apartments in Bucharest.

On 7 September 2022 specialist officers from the Romanian police, supported by officers from the NCA Complex Financial Crime Team executed warrants at two identified premises in Bucharest operating as active boiler rooms making key arrests and shutting down the operation. Enquiries continue to identify and support victims while building the case file for extradition and prosecution.

Illicit finance and money laundering

Context

(1 January
2022 to 31
December
2022)

- The increase in illicit funds generated through fraud losses and illicit drugs consumption resulted in an increase in the money laundering threat.
- The continued expansion of finance, technological and cryptocurrency sectors gave criminals more opportunity to launder funds.
- Money laundering was driven by both predicate crime levels in the UK and the desire of organised crime groups and corrupt elites from overseas to launder overseas generated illicit funds through the UK as London is one of the world's leading financial centres.
- Sanctions against Russia meant Russian elites sought to move or conceal ownership of their assets.
- It is highly likely more than £10 billion is laundered via a combination of cash and non-cash based money mule activity in the UK annually.

Headlines

(1 April
2022 to
31 March
2023)

- Agency activity contributed to a 29% increase in disruptions against money laundering (from 442 disruptions in 2021-2022 to 572 in 2022-2023).
- More than 100 disruptions were delivered by the Combatting Kleptocracy Cell against corrupt elites with links to the Russian state and their networks of enablers.

Illicit finance and money laundering

Case study: The ringleader of an international money laundering network (otherwise known as an International Controller Network) which smuggled tens of millions of pounds of criminal cash out of the UK has been jailed for 9 years and 7 months.

The defendant arranged travel for a network of cash couriers who smuggled £104 million from the UK to Dubai between November 2019 and October 2020. The group had been collecting cash from organised criminal groups and taking it to counting houses in central London. The cash was then vacuum packed in suitcases containing around £500,000 each, and sprayed with coffee or air fresheners in an effort to avoid detection by Border Force dogs.

This is a highly significant result and it is the first time that the UK, acting alone, has successfully broken up a significant part of an international money laundering network.

This network moved a substantial amount of money out of the UK each year, providing a service for organised crime groups to launder the proceeds of their crime across the UK, and around the world.

National capabilities

The Agency continued to deliver against the Home Secretary's strategic priority 3, to lead the UK serious and organised crime system. This included the delivery of specialist capabilities and services where best done nationally for the benefit of all UK law enforcement.

Major Crime Investigative Support (MCIS)

MCIS provides frontline policing with information, advice and support in relation to major crimes, as well as vulnerable and intimidated witnesses. In 2022-2023, MCIS:

- supported 11,163 investigations, deploying officers to assist investigations into serious crimes on 1,564 occasions
- directly supported vulnerable victims and witnesses on more than 8,400 occasions
- supported all National Police Chiefs' Council (NPCC) police forces, Police Scotland and Police Service of Northern Ireland (PSNI), as well as the Dutch, Australian, Chilean and Royal Gibraltar Police, and the South Atlantic based St Helena Police
- received 100% customer satisfaction levels

Provision of expert evidence (drugs and firearms trafficking)

The NCA's Expert Evidence Team coordinates and delivers independent, objective, and professional drugs and firearms trafficking expert evidence in support of the Agency and partner investigations. In 2022-2023, the team:

- supported over 350 drugs and firearms trafficking investigations for both the NCA and partner agency operations, fighting serious and organised crime on an international and national basis
- identified £200 million of criminal benefit to assist in the dismantlement of many organised crime groups under the Proceeds of Crime Act
- assisted with over 500 years of imprisonment at Crown Court sentencing for many convicted criminals
- brought about many guilty pleas in the criminal justice system, negating any lengthy trials at Crown Court and saving millions of pounds of the public purse and tax-payers' money

Serious Crime Analysis Section (SCAS)

SCAS has a nationwide remit to support serious stranger sexual offence and murder investigations through the provision of behavioural analysis. In 2022-2023:

- SCAS received 5,848 case notifications, indexed 1,349 cases onto the SCAS database and generated 133 specific lines of enquiry for policing partners
- On 18 occasions, SCAS supported policing partners with the provision of enhanced products such as the production of statistical reports, familial DNA mapping and prioritisation
- 92% of cases received by SCAS were rape investigations (95% when attempted rape was included)
- Policing partners rated their level of satisfaction with SCAS support at 99%

UK Missing Persons Unit (UKMPU)

The UKMPU is the UK's point of contact nationally and internationally for all missing persons and unidentified bodies or persons. It supports law enforcement partners, providing them with expertise particularly in relation to international cases and the identification of remains.

In 2022-2023, the UKMPU:

- received 13,026 cases and provided investigative support to 5,815 cases, this includes 908 international enquiries made by the unit and 772 cases supported with open source investigation

- assisted with the identification of 39 unidentified remains cases, providing on-going support to the 35 which remain unidentified
- led on 59 International Child Abduction Contact Unit cases, resulting in 37 individuals being located and appropriately safeguarded
- provided inputs and up-skilling to 7 police forces, the Independent Office for Police Conduct and international partners

Joint International Crime Centre (JICC)

In the 2022-2023 financial year, the Agency worked closely with the National Police Chief's Council (NPCC) and the Home Office to successfully establish the JICC. This was a commitment under the Government's Beating Crime Plan and the initial phase has seen the consolidation of existing functions which were delivered by the NCA's UK International Crime Bureau and the NPCC's International Crime Coordination Centre.

The JICC is hosted in the Agency and leads and coordinates lawful international cooperation through a 24/7 service that prioritises and responds to operational requirements of domestic and international partners. It delivers improvements in policing and the broader criminal justice system by equipping its staff, policing and law enforcement with the tools, skills and insights to tackle crime with an international dimension. The JICC offers a

multi-agency approach to meeting the increasing international demands of territorial policing, integrated with the Agency's specialist international capabilities. It provides a whole-system approach to tackling international crime to target organised crime across upstream, overseas and online.

Devolved administrations

The Agency maintained its successful collaboration with law enforcement partners in Scotland and Northern Ireland. In 2022-2023, it targeted organised crime with the greatest impact on local communities. This resulted in significant disruptions in Scotland and Northern Ireland. There are many more disruptions undertaken by the Agency which benefit the whole of the UK, including Scotland and Northern Ireland.

Scotland

Agency activity in Scotland led to 48 disruptions. This included 25 disruptions against high impact organised criminal groups or their enablers, in line with the agency's overall ambition to increase its performance against the highest harm crime. This included:

- An Agency investigation into an organised criminal group in Glasgow stopped the group's production of street benzodiazepines which were being

outsourced to London and Kent. The investigation led to the discovery of 28 million etizolam pills. This was a significant development as benzodiazepines were associated with two thirds of Scotland's 1,330 drug deaths in 2021. The NCA engaged international partners through their 'most wanted' campaign to locate and extradite the principal of this group from the Netherlands to Scotland, where he awaits trial.

- A joint investigation under the joint NCA Police Scotland Organised Crime Partnership in Scotland identified an organised crime group laundering large amounts of cash through Post Office accounts in Glasgow. Following the recovery of £1.3 million in cash and 27 arrests, the team were able to evidence over £30 million in transactions attributable to this group. The group had used international students for much of this activity and working with partners from academia, the NCA developed prevent messaging and reached 189,000 people and achieved 386,534 video views on social media.

Northern Ireland

The Agency achieved 10 disruptions in Northern Ireland in 2022-2023. The Agency's ambition was to move closer to a whole system approach to tackle serious and organised crime by collaborating with other law enforcement partners in targeting upstream enablers and high value targets causing the greatest

harm to communities in Northern Ireland and across the UK. The Agency continued to strengthen its partnership with the Police Service of Northern Ireland and in doing so achieved targeted interventions.

This included:

- Acting on intelligence provided by the Agency, the Police Service of Northern Ireland carried out a money laundering investigation which resulted in the convictions of 10 Chinese nationals in Northern Ireland. The defendants were sentenced over a £20 million money laundering scheme which involved exploiting a loophole in the bank's fraud detection system.
- Following a five year global investigation into the importation, manufacture and distribution of 42 tonnes of illegal anabolic steroids into the UK, five suspects were jailed following a trial. Following their convictions, the Agency instigated confiscation proceedings. Confiscation Orders have been successfully secured against 4 of the 5 defendants. Each of the 4 Confiscation Orders obtained to date has a substantial criminal benefit figure ranging from between £2.3m to £14.3m. The combined value of realisable property subject to the orders is in excess of £2m. The assets identified include equity in the defendants' properties, high value sports cars, balances in their bank accounts, investment portfolios, luxury watches, firearms and cryptocurrency.

Enabling and operational capabilities

Operational capabilities

- **Integrated Communications Intelligence (ICI):** the Agency continued to develop its ICI capabilities to ensure it can effectively collect, analyse and exploit criminals' digital communications. In 2022-2023 the ICI team brought new capabilities into operational use, including those enabled by the UK-US Data Access Agreement. New investment has been prioritised and a Communications Intelligence Programme has been mobilised to bring together agency capabilities and to ensure they continue to adapt in what is a rapidly changing environment.
- **Suspicious Activity Reports (SARs):** The Agency continues to strengthen the SARs regime to better prevent and disrupt serious and organised crime. Through the SARs Programme, the Agency has successfully delivered two new reporting channels for submitting SARs, a new SAR Portal and bulk reporting mechanism. Every submission made on these new reporting channels improves the structure of data, enhancing the exploitation of SARs to keep the public safe. To improve intelligence outcomes, the capacity and capability of the UK Financial Intelligence Unit has also

been enhanced, enabling increased analysis and engagement with external partners.

- **Covert assets:** the Agency further invested in its covert assets, including drones, to enhance the agency's national capability across a range of operational settings. These are routinely deployed to a wide variety of complex investigative scenarios, particularly within hostile environments and providing a tactical advantage against serious and organised crime activity.

Security

The Agency's most recent departmental security health check self-assessment questionnaire measured compliance with the functional and technical security standards in place for government. The self-assessment provided an overview of the NCA's compliance with the standards across cyber, personnel, physical security and incident management security.

The Agency had a greater compliance rate against Government Functional Standards, incident management and personnel security standards compared to other government departments.

In the last financial year, the Agency rebuilt its federated security function, formed a new Integrated Protective Security (IPS) command and put other

remedial measures in place after the publication of the report from the self-assessment questionnaire. The Agency's security and resilience strategy sets out the approach and objectives being undertaken by IPS, including the delivery of critical protective security services and the transformation of those capabilities to reduce security risk. The Agency has robust plans for multi-year investment in security and has a good understanding of how it will gain full compliance with the security standards.

Professional standards

In 2022-2023 the Agency's Professional Standards Unit recorded 38 public complaints and 66 conduct matters.

- the number of formally recorded public complaints increased by 15 (65%) compared to 2021-2022 and were the same as in 2020-2021. Of the complaints recorded, 50% were designated as suitable for local resolution.
- the number of conduct matters increased by 18 (37.5%) compared to 2021-2022. To ensure the Agency has the resource to respond to these matters with the seriousness and timeliness they require, the Professional Standards Unit doubled its number of investigators and nearly doubled its Assessment and Triage Team.

The NCA has a robust Counter Fraud Strategy which links directly to its Counter Corruption Control Strategy. Adopting a 4P approach (Pursue, Protect, Prevent and Prepare), the NCA focuses on managing risks and protecting assets against the risk of internal fraud through a range of activities. These include proactive and reactive intelligence collection concerning theft and fraud, corruption investigations, annual security appraisals and officer vetting, confidential reporting and whistleblowing policies, training and education, combined with a Fraud Risk Assessment to ensure risks of counter fraud are managed and controls are working effectively. Taken together this ensures the NCA remains compliant with the Government Functional Standard for Counter Fraud.

HMICFRS recently conducted an inspection of the NCA's counter corruption arrangements, which did not identify any issues with the NCA's counter fraud response.

The NCA maintain an effective whistleblowing policy and confidential reporting processes are in place. The NCA ensure all whistleblowing concerns are addressed and robustly investigated.

Digital, data and technology

The Agency prioritised its technology transformation programme and appointed a new director for transformation to ensure the Agency's IT

transformation has the senior leadership and support to deliver up to date IT for the Agency.

The Agency continued to build solid technology foundations throughout the year with significant infrastructure upgrades taking place to reduce technical debt and increase operational effectiveness. The Suspicious Activity Reporting capability is now live on secure cloud infrastructure. Service outages that impact the Agency's live IT systems have reduced by 50% over the last year and nearly £5m of efficiencies have been realised through commercial savings from suppliers.

The Agency improved how it manages and handles data, reducing its corporate risk accordingly through enhanced governance, mandated data literacy training for all staff and the identification of emerging risks at an earlier stage through the establishment of a network of information custodians.

The Agency grew its innovation capabilities working closely with the chief scientists in policing and national security to focus on common themes that impact how operations are undertaken, such as enhanced language translation and more effective behavioural and social science interventions.

Estates (Concordis)

Concordis, the Agency's Estate's programme, aims to deliver hubs which contain the full range of Agency capabilities and services across the UK. The

hubs will maximise, wherever possible partnerships across law enforcement and the UK intelligence community. Concordis supported the Agency's priority of 'improving the foundations on which we deliver operations'.

Concordis made significant progress over the 2022-2023 financial year:

- Home Office and HM Treasury approval of the Concordis business case
- identified Stratford as the future London HQ
- completion of the Royal Institute of British Architects Stage 2
- finalisation of the North West hub lease

The upcoming milestones for the Concordis programme in the 2023-2024 financial year are:

- award construction, professional services and furniture contracts for London HQ
- start phase one of the construction fit-out, ensuring all NCA capability and technology is located in the future HQ
- start phase one of capital works required to south east sites dependent on the exit of Spring Gardens
- completion of fit-out works to the expanded North West hub

People

The Agency developed a Strategic Workforce Plan to provide a comprehensive view of the future shape and size of the Agency, and the skills and capabilities it will need to deliver its mission. Recognising the challenging labour market the Agency is competing in, the Agency introduced greater flexibility to how it recruits during 2022- 2023 and advertised 1,462 posts externally, with 634 new starters joining.

To support officer capability, the Agency launched an entry-level Officer Development Programme, providing the necessary skills, knowledge and accreditation to work in its Investigations and Intelligence Commands. The Agency also continued to develop its online learning offer with 90 courses offered through this route. To improve manager skills and capability, the Agency designed a bespoke Management Development Programme, for all first line managers.

Pay and reward continues to be a concern for the Agency's workforce, and the Agency is developing a long-term pay strategy. This will address the issues the Agency faces in attracting and retaining a highly skilled workforce, with a modern employment framework and working arrangements.

Diversity, inclusion and engagement are a priority for the Agency and it is focused on creating an inclusive workforce that is representative of the communities

that it protects. The Agency introduced a range of initiatives this year including the Race Equality Action Plan and Talent Programme; increased outreach to communities through events such as Pride; and signed up to the United Nations (UN) gender equality movement and pledged the NCA to the UN's HeForShe campaign. The Agency continued its Culture Inquiry work to understand the experience of officers and launched an Allyship Programme, encouraging officers to reflect on their behaviour and the changes they can make to create an inclusive culture.

3,391 NCA officers (57%) completed the Civil Service-wide People survey in 2022. The overall engagement index was 59%, three points down from 62% last year, and a decrease from 2020 (65%).

Sustainability Report

Introduction

The NCA's sustainability team supports the strategic plans and operational objectives of the NCA, providing professional advice and practicing efficient, effective and compliant environmental/ sustainability management.

The NCA's strategy for sustainability is to improve its performance against the Greening Government Commitments (GGC); the current cycle, with a 2017-18 baseline, ends 31 March 2025. Working towards GGC targets supports the UK's Sustainable Development (SD) Goals to eradicate extreme poverty, fight inequality and injustice.

Performance relates to sites for which the NCA has overall responsibility for utilities. Sites where staff co-locate with partners are not included in this report.

Performance is measured against the baseline year for each of the minimum reporting areas (GGC for central government).

Performance commentary

Mitigating Climate Change: working towards Net Zero by 2050.

The NCA are committed to working towards Net Zero by 2050. The Agency have already seen a

40% reduction in GHG emissions since 2017-18. A sustainability strategy is currently in development which will include Agency specific targets towards Net Zero using ISO 14001 and ISO 50001 as best practice benchmarks to provide a framework for environmental and energy management. A full Sustainability Impact Assessment (SIA) of the Agency will be undertaken which will inform the sustainability strategy.

Ongoing work supporting the Agency’s ambition to work towards Net Zero by 2050 includes roll out of electric vehicles and supporting infrastructure as part of the Fleet Strategy, with the view of decarbonising our fleet and decarbonisation surveys of each site will be carried out.

		Baseline	Performance		
Greenhouse gas emissions		2017-18	2020-21	2021-22	2022-23
tonnes CO ₂ e	Scope 1 and 2 emissions	13,306	9,175	8,866	8,119
	Scope 3 emissions (indirect official business travel)	1,223	408	309	457
	International travel	2,539	797	610	1,741
	Total emissions	17,068	10,380	9,785	10,317
Related energy consumption (MWh)					
	Electricity (MWh)	20,096	18,078	18,005	17,835
	Gas and Oil (MWh)	5,148	8,083	7,678	7,332

Financial data in respect of cost of energy, utilities and travel are included in Note 4 of the Notes to the Financial Statements contained in Part 3

The NCA's target under the GGC is to reduce greenhouse gas (GHG) emissions by at least 43% overall compared to the 2017-18 baseline. This equates to a reduction of 7,339 tonnes CO₂e from total emissions. To date, the NCA has achieved a 40% reduction in total GHG emissions, contributing to SD Goals 7, 11, 13 and 15⁴.

Although total emissions remain well below the 2017-18 baseline, there has been an increase of emissions from 2021-22. This is caused by an increase in travel (both domestic and international) as the NCA continues to return to a pre-pandemic state. Despite the increase from 2021-22, international travel remains well below the 2017-18 baseline by 31%. In efforts to keep Scope 3 emissions low, the use of virtual meetings (video conferencing) and other alternatives to face-to-face meetings continue to be encouraged. The organisation is in a state of transition in regards to IT infrastructure, investing heavily in new technology to enable a sufficient hybrid working model.

4 Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all.

Goal 11 Make cities and human settlements inclusive, safe, resilient and sustainable.

Goal 13 Take urgent action to combat climate change and its impacts.

Goal 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Electricity consumption continues to fall year on year and now stands at 11% below the 2017-18 baseline. An increase in electricity consumption is expected in 2023-24 as part of the NCA's transition to electrifying its fleet. Although Gas and Oil remain higher than the baseline, overall emissions from energy continue to fall.

Hybrid working is now part of NCA policy, allowing staff who can fulfil their responsibilities from home to do so for 60% of their contracted hours. We envisage this will further reduce emissions in regards to travel and utilities.

The NCA's Estate and Fleet teams are working together to ensure proper infrastructure is in place to support the de-carbonisation of the fleet. By the end of 2023, one third of the General Purpose Vehicle (GPV) fleet will be fully electric. 12% of hire vehicles in 2022-23 comprised of Ultra Low Emission Vehicles (ULEV) or zero carbon vehicles.

		Baseline		Performance	
Scope 3 travel		2017-18	2020-21	2021-22	2022-23
Road vehicles (hire)					
km	Internal Combustion Engine (ICE)	878,738	1,489,646	813,776	247,305
	electric (hybrid/battery)	-	-	32,680	33,444
Air*					
km	UK domestic	1,878,396	760,824	388,237	928,931
Int - short haul					
	economy	8,738,145	2,257,740	1,319,616	4,097,492
	Premium economy	-	-	-	5,273
	business	318,262	81,957	55,934	48,433
Int - long haul					
	economy	17,518,822	6,399,394	4,964,859	7,585,174
	premium economy	1,297,979	233,934	248,288	885,083
	business	846,369	353,444	343,729	390,401
International+					
	economy	-	-	-	4,570,736
	premium economy	-	-	-	251,588
	business	-	-	-	213,258
Rail					
km	UK domestic	9,659,487	1,476,913	3,226,559	8,147,899
	international (Eurostar)	128,970	14,241	11,517	73,701

Scope 3 travel	Baseline		Performance	
	2017-18	2020-21	2021-22	2022-23
Total emissions	41,265,168	13,068,093	11,405,195	27,478,718

*Air travel:

UK domestic - start and end in the UK

International - short/long haul - international, start or end in the UK

International - wholly international, start and end overseas

+Category not recorded prior to 2022-23

Financial data in respect of cost of energy, utilities and travel are included in Note 4 of the Notes to the Financial Statements contained in Part 3

Waste

Waste	tonnes	Baseline	Performance		
		2017-18	2020-21	2021-22	2022-23
Non-recycled		-	-	-	-
Total reused/recycled		88	85	89	91
Energy recovery		249	120	150	132
Total waste		337	205	239	223

The GGC waste targets are to:

- reduce landfill to less than 5% of overall waste by 2025 compared to the 2017-18 baseline;
- increase the proportion of recycled waste to at least 75% of overall waste generated;
- meet the consumer single use plastic (CSUP) elimination commitment of 0% CSUP on the government estate by 2020.

Zero waste to landfill continues and 41% of all waste is reused/recycled, the remainder is sent for energy recovery.

Consumer Single Use Plastics have been removed from the NCA’s food services contract and are being phased out of its cleaning services as viable alternatives are identified.

It is the NCA’s policy and practice to recycle all redundant ICT equipment using Waste Electrical and Electronic Equipment (WEEE) approved suppliers. An internal re-use scheme is in place for otherwise redundant furniture, keeping these items from landfill.

There was a 34% reduction in total waste, contributing to SD Goals 11, 14⁵ and 15.

Paper

Finite resource consumption: Paper	Baseline	Performance		
	2017-18	2020-21	2021-22	2022-23
A4 reams	4,573	4,693	5,454	5,057

The GGC target for the NCA is to reduce paper consumption by at least 60% by 2025 from a 2017-18 baseline. We have seen a downward trend from 2021-22 of 7% and continue to move towards electronic data storage. As well as working towards reducing paper usage across the Agency, the NCA’s policy has been updated to remove all virgin paper from the general stationary catalogue, enforcing use of recycled paper only.

Water

Finite resource consumption: Water	Baseline	Performance		
	2017-18	2020-21	2021-22	2022-23
m ³	35,601	32,086	33,582	29,669

The GGC target is to reduce water consumption by at least 8% from the 2017-18 baseline.

Water consumption during 2022-23 was lower than the previous year by 12%, and has been reduced by 17% from the 2017-18 baseline.

⁵ Goal 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

AquaFund™ is a 50/50 share-save agreement built into the NCA's water contract. On average, the AquaFund™ initiative reduces an organisation's water consumption by 30%. As of March 2023, the AquaFund™ agreement has brought about savings of just over half a million pounds since it was implemented through reduced consumption and tariff adjustments. Savings continue to be realised through urinal flushing controls and enhanced management of real time leak detection.

Sustainable construction

As part of the Estate Transformation Programme, the NCA selects sites with an Energy Performance Certificate (EPC) rating of B or better, that are able to achieve net carbon zero in the next few years to meet HMG's targets.

Climate change adaptation

A climate resilience/adaptation strategy is being developed to ensure planning and mitigation is incorporated at all levels of the business. Where climate risks are identified, appropriate adaptation actions will be undertaken.

The NCA continues to work towards increasing climate resilience and maintaining the operational capacity of the estate. The organisation will continue to assess and manage climate resilience risks to meet current and future infrastructure. In addition, built

environment capability requirements will be actioned, supported by the Facilities Management contract in maintaining the operational capacity of the estate.

These actions support SD Goals 13 and 15 in addition to supporting the NCA's performance under the mandated GGC.

Nature recovery and biodiversity

Nature areas are maintained by using good agricultural management, encouraging native flora and fauna and a healthy biological balance is maintained in water areas. Risk assessments are carried out to identify any necessary action to mitigate potential erosion of the water areas.

The NCA is committed to supporting biodiversity; ensuring habitats are maintained and enhanced in order to create healthy functioning ecosystems. Bird boxes, wildlife habitats and a newt pond are monitored to ensure they are still in use which supports a healthy diverse population of species. Various other wildlife habitats are present for insects and bats so these species can continue to be encouraged and protected.

The NCA is also using the Property Government Functional Standards to track its sustainability approach to the estate it maintains and manages.

Sustainable procurement

Our procurement strategy principally includes the use of Crown Commercial Service (CCS) framework contracts, and it is subject to the Sustainability Policy which the CCS operates, including Government Buying Standards.



Graeme Biggar CBE
Director General NCA

11 July 2023

Part 2 - Accountability report



Corporate Governance Report

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the NCA to prepare a Statement of Accounts for each financial year in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the NCA and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- Observe the Accounts Direction issued by the Secretary of State with the approval of HMT, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- 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 financial statements;

- Prepare the financial statements on a going concern basis; and
- Confirm that the Annual Report and Accounts 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.

The Secretary of State for the Home Department has appointed me, the Director General, as Accounting Officer of the NCA. 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 NCA's assets, are set out in *Managing Public Money* published by the HMT.

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 the NCA'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.

I maintained effective governance arrangements during financial year 2022-23 which comply with the relevant sections of Cabinet Office Guidelines.

Details of Audit

The NCA's accounts are audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. The audit fee for 2022-2023 was £159,000, an increase of £9,000 from 2021-2022. No remuneration was paid to the NAO for non-audit work.

Complaints to the Parliamentary Ombudsman

The Ombudsman's remit for the NCA is to look into complaints of the NCA not acting fairly or where the NCA has given a poor service and not put things right. There were no complaints made in 2022-2023 to the Parliamentary Ombudsman in relation to the NCA or its staff.

Governance Statement

The Governance Statement details the NCA's governance framework and risk management process, and how both have been used to manage the risks and challenges the Agency faced in 2022-23. In the preparation of the Governance Statement, I, as Accounting Officer, have been supported with:

- insight into the organisation's performance provided by the Government Internal Audit Agency;
- feedback from directors with delegated responsibility for the use of the Agency's resources, responses to risk and management of information;

- the views of the Audit, Risk and Assurance Committee (ARAC).

As Accounting Officer, I maintained effective governance arrangements during the year.

I, along with other Board members, am responsible for sound financial management and ensuring that appropriate controls are in place. The NCA’s governance framework is in line with HMT and Cabinet Office best practice, as set out in *Corporate Governance in Central Government Departments: Code of Good Practice (The Code) 2017*.

Directors’ report

NCA Board	Date appointed	Contract end date
Director General – Graeme Biggar	5 October 2021	
Director General (Operations) – Steve Rodhouse	25 June 2018	
Director General (Capabilities) – Nina Cope	3 April 2017	5 June 2022
Temporary acting Director General (Capabilities) – Claire Smith	13 June 2022	31 August 2023
Temporary acting Director General (Threat Leadership and National Economic Crime Centre) – Robert Jones	1 November 2021	
Chief Financial Officer – Jacqui Smillie	1 June 2021	
Non-executive Director – Mary-Jane Calam	4 July 2019	27 July 2024
Non- executive Director – David Horncastle (Lead)	4 July 2019	3 July 2025
Non- executive Director – Andrew Tivey	29 July 2019	27 July 2024
Non- executive Director – Sir Jonathan Stephens	21 February 2022	3 July 2025

Additional board information

- Director Legal attends NCA Board meetings as Legal Advisor
- Director Strategy and Change attends the NCA Board meetings as Secretary
- A Home Office representative attends NCA Board meetings as an observer
- A NCA trade union representative attends the NCA Board meetings as an observer

Register of interests

The NCA Board members declared private interests as part of the January 2023 Board Effectiveness Review, and were given an opportunity to review their entry at the February 2023 board meeting. No interests were deemed relevant (in terms of actually conflicting, or being perceived to conflict with, their public duties). The register of declared interests may be subject to internal and external audit.

The Professional Standards Unit has effective controls around the application, evaluation, approval and recording of outside interests (business interests, secondary employment and political activity), which are supported through clearly documented policies and procedures. This is reinforced through prevention communications and induction training for all new officers. The assurance process is applicable to all officers, including those at Senior Civil Service (SCS)

grades. SCS applications are considered by the Deputy Director of IPS to ensure that outside interests do not present conflicts of interest. The NCA are required to report all SCS secondary employment. Report can be found [here](#). In line with the Civil Service Code, failure to abide by the NCA policies and procedures can lead to formal disciplinary action. This is up to and including a final written warning for misconduct cases, and up to and including summary dismissal for cases of gross misconduct.

Application of Business Appointment Rules

The NCA ensure compliance with Business Appointment rules (BAR) by regularly reviewing and updating the NCA's internal policy in line with Advisory Committee on Business Appointment updates. All policy changes are published internally to ensure all staff involved in business appointments are aware of the requirements of BAR. To further enhance compliance, BAR are issued to any new SCS joining the Agency.

During 2022-23 all SCS applications (six) were assessed. One submission was made, but this related to an exit in 2021-22.

In compliance with Business Appointment rules, the NCA is transparent in the advice given to individual applications for senior staff, including special advisors.

Governance framework

In summer 2022, the Agency undertook a detailed external review of its governance arrangements. Changes are still in the process of being implemented and embedded, but significant amendments include the establishment of an Executive Committee (ExCo). ExCo is the NCA's most senior forum for decision-making, with the NCA Board – as per the NCA Framework Document – now focusing on advisory and supervisory roles. This includes formal approval of the Strategy.

Under the ExCo, the structure of executive sub-committees has also transformed. This includes the establishment of the People Committee to provide strategic support to the Agency as it builds and maintains an inclusive culture and a skilled and diverse workforce, capable of meeting the future serious and organised crime threat.

The Agency's governance approach provides an auditable, managed system for executive decision-making, via a committee and sub-committee structure, and by having clear lines of responsibility via individual senior management and leadership teams. The governance of the Agency, including the ExCo and the NCA Board, complements the NCA Code of Ethics and the Civil Service Code. The work of sub-committees is a formal part of the Agency's governance structure and therefore

adheres to the same standards and processes. Sub-committees are expected to report to their parent committee on a regular basis and to escalate matters as necessary.

NCA Board

- The NCA Board is chaired by the Director General (DG) NCA and usually holds a minimum of six meetings per year plus at least one away day to consider long-term strategy or complex issues and to further develop the relationship between executives and non-executives
- At 31 March 2023, the Board had a gender composition of 33% women and 66% men
- The Board supports DG NCA to ensure the long-term health and success of the Agency. In line with the NCA's Framework Document, the Board has five main areas of focus: strategic clarity, commercial sense, talent management, results focus and management information
- The Board has three sub-committees:
 - Audit and Risk Assurance Committee
 - Independent Advisory Group on Ethics
 - Senior Talent and Appointments Panel
- In January 2023, the NCA Board additionally carried out its annual Board Effectiveness Review

- In addition to standing agenda items reviewing the Agency's performance, assurance and risk, HR and finance, the board engaged in detailed discussion and final approval of a new five-year strategy for the Agency, including a new mission statement.

Audit Risk and Assurance Committee (ARAC)

- ARAC is chaired by the Non-executive Director, Andrew Tivey and usually holds a minimum of four meetings per year
- At 31 March 2023, ARAC had a gender composition of 25% women and 75% men
- ARAC supports DG NCA (as Accounting Officer) and the NCA Board to ensure that the Agency has effective arrangements for governance, risk management and internal control
- ARAC takes care to maintain its independence and objectivity, to act as the conscience of the NCA and to provide insight and strong constructive challenge to the Agency where needed
- As well as regular scrutiny of the Agency's position and arrangements for finance, assurance, audit and risk, the ARAC has engaged in deep dives of key corporate risks on penetration of criminal communications, enterprise technical debt, cyber defences and information management, as well as a thorough and detailed consideration of the

Agency's risk appetite and the 2021 to 2022 Annual report and accounts.

Independent Advisory Group on Ethics (IAGE)

- IAGE is chaired by Lord Toby Harris and usually holds a minimum of six meetings per year
- At 31 March 2023 the advisory group had a gender composition of 56% women and 44% men
- The advisory group provides advice to the NCA Board on novel or contentious issues which might present ethical, moral or reputational concerns that could affect trust and public confidence in the Agency
- In 2022-2023 IAGE held discussions about the Agency Strategy and the Agency's communications capabilities and partnership collaborations.

Senior Talent and Appointments Panel (STAP)

- STAP is chaired by the DG NCA and holds a minimum of six meetings per year
- At 31 March 2023, STAP had a gender composition of 20% women and 80% men
- STAP is responsible for overseeing the management and development of the Agency's senior leadership talent and appointments
- In the 2022-2023 financial year, STAP gave approval for temporary and permanent senior civil servant roles to deliver on crucial projects

and improve the effectiveness of the Agency's threat mitigation.

ExCo

The Agency's most senior executive governance body is the ExCo, which was established in October 2022 and preceded by the Director General Committee. Governance arrangements under the ExCo are still being worked through and implemented, but includes Finance, Investment and Change Committee and People Committee.

- ExCo is chaired by the DG NCA and usually meets fortnightly
- At 31 March 2023, ExCo had a gender composition of 29% women and 71% men
- ExCo is the Agency's principal decision-making body, it supports the DG NCA (as Accounting Officer) to deliver their ambition for the Agency
- ExCo considers matters relating to culture and inclusivity, ensuring public funds are safeguarded and handled appropriately, and the effective day-to-day management of the Agency
- ExCo has:
 - regularly conducted deep dives into delivery against Home Secretary strategic priorities and DG priorities
 - considered what form the Agency's performance framework should take

- examined performance on the Agency’s key change initiative: the Digital Transformation Programme
- reviewed the Agency’s risk appetite and specific corporate risks
- In 2022-2023 ExCo made major cross-cutting Agency decisions on business planning, improving the Agency’s attractiveness as an employer, hybrid working, principles for addressing the Agency’s workforce planning needs and pay, Theory of Change work, and the Agency’s role in state threats.

Finance Investment and Change Committee (FICC)

- FICC is chaired by the DG Capabilities and usually meets monthly
- At 31 March 2023, FICC had a gender composition of 44% women and 56% men
- FICC ensures the Agency’s financial resources are aligned to and delivering the strategic goals of the Agency, it supports ExCo in ensuring the Agency’s safeguarding and appropriate handling of public funds, including value for money
- FICC has a particular focus on transformation activity and the portfolio - and within that, the NCA projects in the Government Major Projects Portfolio

- As well as engaging with regular updates on the Agency's resources and the performance on portfolio and key transformational projects, the FICC has endorsed or approved multiple business cases and sourcing strategies and discussed a draft portfolio strategy and plan, the handling of a large asset recovery order and possible delegation of pay budgets to commands.

People Committee

- The committee is chaired by DG Capabilities and usually meets monthly
- At 31 March 2023, the committee had a gender composition of 43% women and 57% men
- The committee supports the Agency to build and maintain an inclusive culture and a skilled and diverse workforce that is capable of meeting the future threat from serious and organised crime
- In 2022-2023, the committee engaged in detailed consideration of:
 - findings and recommendations around the People Survey 2022
 - the Strategic Workforce Plan
 - an internal recruitment review
 - various policies including grievance, and, discipline and misconduct

- approved proposals for officers to have key worker status
- a new cadre of in-house NCA mediators
- mandatory performance development system objectives
- a new three-day onboarding programme
- managed and escalated a risk around Psychological Services resourcing issues to the ExCo.

Board Effectiveness Review

In addition to the wide governance review conducted in summer 2022, the Agency also undertook an annual Board Effectiveness Review (BER) in January 2023, and a conflict of interest declaration form.

BER findings and recommendations were discussed at the February Board meeting. Positive aspects included the continued impact of the summer 2022 governance review, a perception that the NCA Board was a valuable forum and that its members felt able to effectively perform their roles and contribute.

Recommendations for improvement focused on:

- the skills, knowledge and diversity of the Board
- Board visibility of the work of its sub-committees STAP and IAGE
- visibility of the Agency's operational activity and the Portfolio pipeline

- the link between strategy and resources
- meeting logistics.

Enterprise risk management

The Agency uses an Enterprise Risk Management Framework to ensure risks to delivery are managed at a level appropriate to their significance. ExCo maintains an enterprise view of Agency risk to ensure consistency of approach and timely mitigation activity. Other governance forums review risks relevant to their area of responsibility including the DGs for operations and enabling capabilities. Risks are also managed across business areas, addressing specific categories of risks.

During the 2022-2023 financial year five corporate risks have been de-escalated from the corporate risk register – system leadership, portfolio funding, technical deficit and both in-year and medium-term financial risks. The de-escalation has come as a result of improved governance scrutiny and, in areas such as finance and commercial, improved management processes and practices which have negated the need for a corporate risk.

ARAC reviews the assurance and risk process, and corporate risks at every meeting. To satisfy itself key risks are being mitigated effectively, ARAC commissions deep-dive reviews into key risks including acute risks such as cyber defences and

enterprise technical debt and longer term chronic risks such as penetration of criminal communications, information management and workforce.

2022-2023 NCA key risks

- **Enterprise technical debt** - the risk posed by aging and unsupported systems and applications.
- **Cyber defences** - the risk the Agency is subject to a major cyber-attack.
- **Penetrating criminal communications** - the challenges presented by the evolving communications landscape and the Agency's ability to keep pace.
- **Information management** - the risk the Agency fails to adhere to statutory requirements for the management of its information.
- **Workforce** - the risk the Agency is unable to recruit sufficiently and fails to develop and retain an effective workforce.
- **Data utilisation** - the risk the Agency fails to maximise the use of its information / data holdings to exploit operational opportunities and improve organisational performance.
- **Intelligence failure** - the risk that elements of the Agency's intelligence process fail; jeopardising operational effectiveness.

The response to the Agency's key risks is brought together through a series of interdependent

programmes (the Transformation portfolio). This includes the updating and improvement of our technology capabilities and ways of working through the Digital Transformation Programme, as well as new capabilities to respond to the threat from serious and organised crime through programmes including SARs and the Agency's Communications Intelligence Programme. In order to improve how these programmes can be most effectively and efficiently delivered on an integrated basis, the Agency has changed its approach to programme delivery through the creation of a Transformation Directorate which will oversee programmes in the portfolio and create clearer and more consistent leadership and accountability.

There are recurring challenges in recruitment at the scale needed to address the causes of these corporate risks, particularly in areas requiring specialist skills. Mitigations include progress on pay reform implementation, improved support services, and defined career pathways. The corporate risks will also be managed through the development and improvement of policies and processes.

Overall, risk reduction forecasts predict incremental decreases in each of the Agency's highest scoring risks (including against enterprise technical debt, cyber defences, information management and workforce) during the next financial year, with overall risk exposure reducing.

Government Internal Audit Agency (GIAA)

The GIAA carried out nine audits in 2022-2023 covering a wide range of risks affecting the Agency. These audits included performance management, fire safety, technical debt, the Agency transformation portfolio, workforce planning, commercial strategy, SARs, Government functional standards and a review of specialist support provided by the investigations team. Director-led action plans are in place to respond to the findings of each of these audits.

The GIAA provided a moderate annual assurance opinion in 2022-23 on the overall adequacy and effectiveness of the Agency's framework of governance, risk management and control, taking account of the results of previous assurance and the work of other providers.

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)

HMICFRS conducted one inspection (in two parts) of the Agency in 2022-2023 examining effectiveness and efficiency at tackling corruption, applying vetting

processes and dealing with issues of improper behaviour. The Agency also participated in three thematic inspections, two concerning the sexual exploitation of children (group based and online) and a periodic review of the Home Office Special Grant for Operation Stovewood which was conducted in conjunction with South Yorkshire police.

Information Commissioner’s Office (ICO)

An ‘Information Management’ audit relating to ‘records management’ and ‘training and awareness’ was undertaken by ICO in November 2022. The Agency was issued with 37 recommendations, across both work streams, 21 and 16 respectively. The Executive summary of the audit is published on the ICO website. Interim and final follow-ups are due to take place in July and January 2024.

In September 2022, the Agency was issued with a reprimand from Information Commissioner’s Office (ICO). The incident related to a robotic process failing to update a record and cancel a Data Subject’s extradition order resulting in an individual being incorrectly arrested. A number of recommendations were issued and these were completed by the Agency. The full notice is published on the ICO website.

Infrastructure and Projects Authority (IPA)

In April 2022 the IPA awarded the Transformation Portfolio a red rating in relation to organisational challenges of workforce planning and management of delivery and funding risk. At the follow-up Assurance Action Plan Review in June 2022, the IPA were satisfied with progress made against their recommendations and reduced their rating to amber. The most recent IPA review concluded that the amber rating is still applicable. The SARs Reform Programme Review conducted in May 2022 received a green rating with next scheduled review due in May 2023.

The Illicit finance programme has been successfully concluded following an IPA end stage review. In response to the IPA review (and from thematic challenges raised both by GIAA and ARAC) the NCA has formed the Transformation Directorate which is part of the ongoing control and mitigation relating to the risk of managing and delivering change.

Investigatory Powers Commissioner's Office (IPCO)

IPCO carried out 5 annual inspections in 2022-2023 covering specialist areas of compliance with legislation and guidance. These inspections covered Agency compliance with the principles relating to the detention and interviewing of overseas detainees and passing or receiving intelligence on detainees, and

the Agency's continued compliance with legislation covering the acquisition of communications data, the use and management of covert surveillance, the use of covert human intelligence sources and property interference, targeted intercept and targeted equipment interference. Each of these IPCO inspections now includes a data assurance aspect regardless of the subject area under review. Through these reviews, the IPCO found the NCA to be acting lawfully and for the correct statutory purposes.

Recommendations and observations from the annual IPCO inspections are being addressed in order to maintain compliance with data handling and safeguarding requirements, with areas of notable good practice recorded by inspectors. This will support current controls acting to reduce several corporate risks, including information management and intelligence failure.

UK Accreditation System (Forensics)

The NCA maintained accreditation for the conduct of crime-scene and laboratory-based forensic operations as a result of an inspection in June 2022 under International Laboratory Accreditation Co-operation (ILAC) G19, ISO 17025 and ISO 17020 as mandated by the Forensic Science Regulator, alongside additional scope extensions.

Remuneration and staff report

Certain disclosures within this remuneration and staff report are subject to audit. Audited sections are noted individually.



Remuneration policy

Senior management salaries were based on recommendations of the Senior Salaries Review Body, an independent body providing advice to the Prime Minister and others on senior civil servants' salaries.

Further information about the Review Body can be found at www.ome.uk.com.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the board members.

National Crime Agency 1 April 2022 – 31 March 2023

Remuneration (salary, non-cash benefits and pension) (audited)

Where an individual has only served for part of the year, the full-year equivalent salary is reported in brackets. These figures represent the values for the full year.

Single total figure of remuneration (audited)

Date appointed – appointment end	Salary and allowances £'000		Bonuses £'000		Pension benefits £'000 *		Total £'000
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
Director General							
Dame Lynne Owens DCB CBE QPM ⁱ 4 January 2016 – 4 October 2021	-	110-115 (220-225)	-	-	-	-	110-115
Graeme Biggar ⁱⁱ 5 October 2021	160-165	150-155 (155-160)	-	-	40	48	200-205 195-200
Director General (Operations)							
Steve Rodhouse 25 June 2018	180-185	175-180	-	-	(46)	24	- 200-205
Director General (Threat Leadership and NECC)							
Robert Jones ⁱⁱⁱ 1 November 2021	150-155	60-65 (145-150)	-	-	36	53	185-190 115
Director General (Capabilities)							
Nina Cope ^{iv} 3 April 2017 - 5 June 2022	20-25 (175-180)	175-180	-	-	18	63	40-45 240-245
Claire Smith ^v 13 June 2022	155-160	-	-	-	-	-	155-160 -

Date appointed – appointment end	Salary and allowances £'000		Bonuses £'000		Pension benefits £'000 *		Total £'000
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
Chief Financial Officer							
Jacqui Smillie 1 June 2021	130-135 (125-130)	105-110	-	-	(27)	16	105-110 (145-150)
Philip Lloyd ^{vi} 6 July 2020 – 23 July 2021	-	75-80	-	-	-	-	- 75-80
Non-Executive Directors							
Andrew Tivey 29 July 2019 – 27 July 2024	10-15	10-15	-	-	-	-	10-15 10-15
Reshard Auladin 1 April 2020 – 30 November 2021	-	5-10 (10-15)	-	-	-	-	- 5-10
David Horncastle 4 July 2019 – 3 July 2025	10-15	10-15	-	-	-	-	10-15 10-15
Mary Calam 4 July 2019 – 27 July 2024	10-15	10-15	-	-	-	-	10-15 10-15
Sir Jonathan Stephens 21 February 2022 – 3 July 2025	10-15	0-5 (10-15)	-	-	-	-	10-15 0-5

Notes to Remuneration table:

* The value of pension benefits accrued during the year is calculated as: (the real increase in pension multiplied by 20) + (the real increase in any lump sum) - (the contribution made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

Details of changes to the composition of the NCA Board are given on [page 40](#).

i Dame Lynne Owens retired from the NCA on 4 October 2021.

ii On 5 October 2021, Graeme Biggar was appointed as Interim Director General NCA until his permanent appointment on 15 August 2022. Prior to 5 October 2021, Graeme Biggar held the position of DG NECC and his 2021-22 salary reflects this.

iii Robert Jones was appointed as Interim Director General NECC on 1 November 2021.

iv Nina Cope left the NCA on 5 June 2022.

v Claire Smith was seconded from the Ministry of Defence as Temporary Director General Capabilities on 13 June 2022 and her remuneration is disclosed as the cost to the NCA.

vi Costs for Philip Lloyd are shown as the gross costs to the contractor agency.

Salary and allowances

Salary and allowances 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 Agency and are recorded in these financial statements.

Performance pay or bonuses

Performance pay or bonuses are based on performance levels attained and are made as part of the appraisal process. No performance related pay or bonuses were paid to Board members during 2022-23.

Performance related bonuses are paid in arrears. The bonuses reported in 2022-23 relate to performance in the 2021-22 financial year and the comparative bonuses reported for 2021-22 relate to performance in the 2020-21 financial year.

Notice periods for senior officers

Notice periods for the Director General, Directors General (Operations and NECC), the Chief Financial Officer and Non-Executive Directors are three months. The notice period for the seconded Temporary Director General Capabilities is one month.

Benefits and pension contributions

The pension entitlements of the current senior management team are disclosed below. These are in addition to salaries paid and taxable benefits in kind for travel and the associated taxes paid by the NCA.

Pension entitlements 2022-23 (audited)

All figures in the table below are provided by MyCSP or analogous arrangement for those board members (employees and seconded) with Civil Service pension arrangements.

	Accrued pension age as at 31/3/2023	Total pension age as at 31/3/2023	Lump sum at pension age	Real increase in pension at age	Real increase in lump sum at pension age	Real increase in CETV at 31/3/2023	Real increase in CETV at 31/3/2022	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Nina Cope	35-40	-	-	0 - 2.5	-	489	471	13
Graeme Biggar	55-60	105 - 110	105 - 110	2.5 - 5	-	941	828	13
Robert Jones	70-75	155 - 160	155 - 160	2.5 - 5	-	1,379	1,219	12
Jacqui Smillie*	60-65	130 - 135	130 - 135	-	-	1,286	1,185	(45)

As Claire Smith is seconded to the Board, her pension is managed by her home department and therefore is not included in the table above.

* Taking account of inflation, the CETV funded by the employer has decreased in real terms

The figures in the table below are provided by the Agency’s Police Pensions Administrator for those board members with Police Pension Scheme arrangements.

	Accrued pension at age as at 31/3/2023 £'000	Total lump sum at pension age as at 31/3/2023 £'000	Real increase in pension at age 31/3/2023 £'000	Real increase in lump sum at pension age 31/3/2023 £'000	Real increase in CETV at 31/3/2022 £'000	Real increase in CETV £'000
Steve Rodhouse	117	-	-	-	2,638	152
					2,282	

The non-executive directors are non-pensionable appointments.

Police Pension Scheme

Directors with a police pension are members of the Police Pension Scheme 1987.

The Police Pension Scheme 1987 is a 'final salary' scheme. The pension is calculated as a proportion of final average pensionable pay, generally pay in the last year of service as a member of the scheme. The pension received depends on pensionable service, which for most officers will be the length of service in the police force for which they have paid pension contributions, with appropriate adjustments for part-time service. 30 years' service is required to qualify for the maximum pension.

The scheme provides the following benefits:

- a maximum pension is two-thirds of average pensionable pay
- there is an option to exchange ('commute') part of the pension for a lump sum
- average pensionable pay is in effect the highest pensionable pay for the 3 years before retirement
- each year of pensionable service for the first 20 years gives entitlement to a pension of 1/60 of final pay and each year for the final 10 years gives 2/60, up to a limit of 40/60.

Seconded directors who are police officers are members of pension schemes managed by their respective police forces.

As part of this scheme, the NCA accepts liability for payment of the pension benefits in respect of the officer's past service with a police force, although no transfer values are payable from a former employer in respect of this liability, as well as their pensionable service while employed by the Agency. Pension benefits are paid as they fall due from the NCA resources. Pensions paid in the year are charged against the Pension Provision (see Part three and Notes to the accounts). In order to comply with HM Treasury's Financial Reporting Manual (FReM) and Accounts guidance, the NCA is required to provide in these accounts for the full value of the expected future pensions liabilities of the officers. The NCA has commissioned the Government Actuary's Department (GAD) to value the scheme liabilities as at 31 March 2023 as part of its quadrennial review.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or *alpha*. This scheme 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*.

Prior to April 2015, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has 4 sections: 3 provide benefits on a final salary basis (*classic*, *premium* or *classic plus*) with a normal pension age of 60. One provides 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.

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. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switched into *alpha* sometime between 1 June 2015 and 1 February 2022. All members who switch to *alpha* have their PCSPS benefits ‘banked’. Those with earlier benefits in one of the final salary sections of the PCSPS have those benefits based on their final salary when they leave *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 2 schemes. To note, part of that pension may be payable from different ages.

Since October 2002, members may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (*partnership* pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of *classic*, *premium*, *classic plus*, *nuvos* and *alpha*. Benefits in *classic* accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to 3 years initial pension is payable on retirement.

For *premium*, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike *classic*, there is no automatic lump sum.

Classic plus is essentially a hybrid, with benefits for service before 1 October 2002 calculated broadly as per *classic* and benefits for service from 1 October 2002 worked out as in *premium*.

In *nuvos* 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 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation.

Benefits in *alpha* build up in a similar way to *nuvos*, except that the accrual rate is 2.32%. 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 a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product provided by Legal and General. 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*, and 65 for members of *nuvos*. For members of *alpha* the pension age is the higher of 65 or state pension age. Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash equivalent transfer values (CETVs) (audited)

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 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 the individual has accrued as a consequence of their total NCA and related precursor agency service, not just their current appointment. CETVs are calculated in accordance with the Occupational Pension Schemes Transfer Values (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when the pension benefits are taken. CETVs are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that existed at 31 March 2023. HM Treasury published updated guidance on 27 April 2023 which will be used in the calculation of 2023-24 CETVs.

Real increase in CETVs

This reflects the increase in CETVs that is funded by the employer. It does not include the increase in accrued pension due to inflation or 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.

McCloud/Sargeant judgment

In December 2018, the Court of Appeal ruled that the ‘transitional protection’ offered to some members of the judicial and fire fighters’ schemes as part of the 2015 Pension reforms amounted to unlawful discrimination.

The National Police Chiefs’ Council (NPCC) liaises regularly with HM Treasury and the Home Office in relation to remedy arrangements. The NPCC has set up a Pension Remedy Working Group which meets on a monthly basis. Representatives from the NCA contribute to NPCC work to understand and mitigate the impact of the remedy across relevant Home Office agencies and departments and help develop common arrangements and policies.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next police pension valuation is due to

be reported in 2023-24, although this timetable is subject to change.

The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year, the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant. A provision is included in the Police Pension Scheme liability shown in Note 3 of these accounts ([page 91](#)). Whilst this ruling will also have a future impact on civil service pensions, no other contingent liability is required in these accounts.

Compensation on early retirement or for loss of office (audited)

No officers left under Voluntary Exit terms during 2022-23.

Payments to past directors (audited)

No payments were made to past directors in 2022-23.

Fair pay disclosure (audited)

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

Year	25th percentile pay and benefits ratio	Median pay and benefits ratio	75th percentile pay and benefits ratio
2022-23	5.2:1	4.7:1	4.0:1
	£35,016	£38,642	£45,605
2021-22	5.2:1	4.6:1	3.9:1
	£33,841	£38,512	£45,480

Total pay and benefits figures in the table above are the same as total salary.

The banded remuneration of the highest-paid director in the NCA in the financial year 2022-23 was £180-185k, a 2.8% increase from 2021-22 (2021-22: £175-£180k). This was 4.7 times (2021-22: 4.6 times) the median remuneration of the workforce, which was £38,642 (2021-22: £38,512). The NCA’s calculation of the median earnings of the workforce (excluding the highest-paid director) and the ratio between this and the highest-paid director was based on full-time equivalent officers as at 31 March 2023, on an annualised basis.

The average percentage change from 2021-22 in respect of the employees of the NCA taken as a whole was a 0.26% increase.

In 2022-23, no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15k to £182k (2021-22: £15k to £178k).

No contingent labour costs are included in the median pay calculation. The impact of excluding contingent labour and seconded officers does not have a material impact on the calculation.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions or the cash equivalent transfer value of pensions. The NCA's median pay included allowances but not overtime.

Trade unions

The NCA has in place an employee relations policy that outlines a consultative framework for engaging trade union representatives. There are 3 recognised trade unions and facility time is provided to allow union representatives to take part in industrial relations duties.

In October 2013, the NCA introduced new union facility time arrangements limiting the proportion of the pay bill allocated to paid union facility time to 0.1%, in line with the Cabinet Office Facility Time Framework.

Facility time publication requirements

Effective from 1 April 2020

Table 1 – Trade union representatives

Number of employees who were relevant union officials during the reporting period	Full Time Equivalent (FTE) employee number
	71

Table 2 - Percentage of time spent on facility time

Percentage of time	Number of employees
0%	6
1%-50%	65
51%-99%	-
100%	-

Table 3 - Percentage of pay bill spent on facility time

Total cost of facility time	£225,156
Total pay bill	£338,959,447
Percentage of the total pay bill spent on facility time	0.07%

Table 4 - Paid trade union activities (TUA)

Time spent on paid TUA	No paid TUA. TUA is unpaid except in exceptional circumstances. Only Trade Union duties are paid.
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Staff report

Staff costs (audited)

For year to 31 March 2023

	Permanently employed	Others	Total	Total
	2022-23	2022-23	2022-23	2021- 22
	£'000	£'000	£'000	£'000
Wages and salaries	246,256	22,836	269,092	264,977
Social security costs	28,402	-	28,402	24,872
Pension costs	60,199	-	60,199	57,487
Sub total	334,857	22,836	357,693	347,336
Less recoveries in respect of outward secondments	(933)	-	(933)	(1,125)
Sub total	333,924	22,836	356,760	346,211
Total service cost net of employee contributions	2,980	-	2,980	4,280
Total net costs	336,904	22,836	359,740	350,491

Pension benefits

Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme in which the NCA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2020. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2022-23, employers' contributions of £57.04m were payable to the PCSPS (2021-22: £54.3m) at one of 4 rates in the range 26.6% to 30.3% (2021-22: 26.6% to 30.3%) of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every 4 years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Partnership and stakeholder schemes

Employees can opt to open a partnership pension account - a stakeholder pension with an employer contribution. Employers' contributions of £1.64m (2021-22: £1.5m) were paid to one or more of a panel of 3 appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2021-22: 8% to 14.75%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

In addition, employers' contributions of £50.8k (2021-22: £47k) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death-in-service and ill-health retirement of these employees. Contributions due to the partnership pension providers at 31 March 2023 were £2.32m. Contributions prepaid at the date were £nil.

In the reporting period, 6 staff (2021-22: 3) retired early on ill-health grounds.

Numbers of Senior Civil Servants (SCS)

NCA’s senior staff grades are analogous to SCS equivalents. Numbers of Senior Civil Servants (or equivalent) by pay band as at 31 March 2023:

SCS grade	NCA equivalent	2022-23 number	2021-22 number
SCS 4	Director General NCA	1	1
SCS 3	Director General (Capabilities)	1	1
	Director General (Operations)	1	1
	Director General (Threat Leadership and NECC)	1	1
SCS 2	Directors	10	9
SCS 1	Deputy Directors	26	25
Total		40	38

Disclosure also includes secondees where occupying a permanent position.

Staff numbers (audited)

The NCA’s total headcount as at 31 March 2023 was 5,781 officers made up of directly employed officers, seconded officers, loaned officers and contingent labour, including employment agency officers and specialist contractors.

At 31 March 2023, the breakdown of officer headcount by gender was as follows:

Staff composition by headcount	Male	Female	Total Headcount
Directors General and Directors	10	4	14
Other Senior Civil Servants	14	12	26
Other Employees	3,163	2,578	5,741
Total*	3,187	2,594	5,781

* This total represents the NCA headcount as at 31 March 2023, including employment agency officers, commercial contractors, seconded officers and officers on career break.

The average number of full-time equivalent (FTE) officers employed during the year was: (audited)

	2022-23 FTE	2021-22 FTE
Permanently Employed (UK employment contract)	5,377	5,373
Other	243	290
Total average number of officers	5,620	5,663

As at 31 March 2023, the NCA had 58 attached from other organisations (2021-22: 65). They are excluded from the above figures as they do not form part of the NCA establishment. The NCA is not charged for the attached officers, who are considered to be working for the benefit of their employers.

Officer turnover

Officer turnover during 2022-23 was 9.7% (2021-22: 9.5%).

Officer sickness reporting

NCA officers were absent on sick leave for an average of 7.3 days per employee during the year to 31 March 2023 which is a return to the pre-pandemic level (2021-22: restated 5.6 days).

Staff policies applied during the year

Inclusion, diversity and equality

The NCA is committed to treating everyone with dignity and respect, valuing diversity, working in partnership, and sharing knowledge and best practice.

It seeks to create and maintain an environment which values all officers and respects the contribution they make, and where fairness and equality of opportunity are assured. Inclusion, diversity and equality issues are embedded in strategic planning, policy development and organisational processes.

The NCA aims to provide a positive environment in which everyone feels valued, and where the organisation is open to the experience, insights and skills of people of different age, disability, sex, gender reassignment, race, religion, belief, sexual orientation, marital or civil partnership, pregnancy or maternity status, and political opinion.

The NCA supports a range of work styles for individual officers, while meeting organisational need. Respect is an integral part of the NCA values and behaviours, and is part of the Agency's

recruitment processes and annual individual performance reviews.

The NCA is committed to the employment and career development of disabled officers and takes part in the Disability Confident Scheme. The NCA is recognised as a Disability Confident Leader. This is given to employers who demonstrate that they are serious about achieving equality of opportunity for disabled people.

The NCA actively ensures that disability is not regarded as a barrier to recruitment or promotion. The NCA has a policy of inviting people who have a disability, and who meet the minimum behavioural and technical entry criteria, to interview or assessment. Once in post, disabled officers are provided with any reasonable support or adjustments they might need to carry out their duties.

Within the NCA, the Disability Network Advisory Group (DNAG) provides information and advice on a range of disability issues to all officers. DNAG works with the occupational health and welfare department, Business Disability Forum and MIND, the mental health charity.

Monitoring expenditure on consultancy and temporary staff

The NCA is required to report expenditure during the year on consultancy and the use of contingent

labour (temporary staff). This expenditure includes, as separate line items, total consultancy expenditure and contingent labour expenditure incurred.

Temporary (non-payroll) staff

The table below gives the cost of providing contingent labour to cover business as usual or service delivery activities in the Agency.

Temporary staff are employed either through an employment agency or recruitment consultant, and are engaged on an ad hoc or temporary basis to fulfil requirements within established posts or provide cover (for example, for a vacancy, holiday, sickness or additional resource). They can undertake operational or professional roles.

Temporary workers are interim staff at the NCA junior grades. Interim managers include staff at the NCA middle management grades and senior interim staff at director level, where applicable.

Staff seconded to the NCA from other government departments and related arm's length bodies are excluded from the disclosure as they are not considered 'non-payroll'.

The use of specialist contractors in 2022-23 was driven by support for the NCA's transformational programme and contractors engaged to work on externally-funded projects. Externally-funded projects operate on a cost recovery basis. The totals

below are shown gross (i.e. not net of any related externally-funded income).

	2022-23 £'000	2021-22 £'000
Temporary workers – admin and clerical*	4,354	7,457
Admin and clerical agency staff are normally lower-grade contingent labour who are filling in for a role within the organisational structure		
Interim managers^{†\$}	9,670	11,181
Middle- to senior-grade staff, concerned with the fulfilment of particular professional functional or senior management positions within the organisational structure		
Specialist contractors/services (consultants)[^]\$	52,560	40,639
Specialists are normally middle to senior grades, used to provide expertise that is not available in-house, fulfilling functional or senior positions within the organisational structure		
	66,584	59,277

* This total includes £2.82m (2021-22: £5.09m) expenditure on temporary workers within cost recovered externally-funded special operations.

† This total includes £1.19m (2021-22: £3.35m) expenditure on interim managers within cost recovered externally-funded special operations.

^ This total includes £23.15m (2021-22: £16.37m) expenditure on specialist contractors within cost recovered externally-funded special operations.

\$ Included in the above is £8.33m (2021-22 £5.01m) contingent labour expenditure which has been capitalised.

Consultancy

Consultancy expenditure covers the provision to management of objective advice relating to the strategy, transformation, structure, management or operations of the NCA, in pursuit of its purposes and objectives. Such advice will be provided outside the

business-as-usual environment, when in-house skills are not available, and will be time-limited.

Resource employed for the purpose of supporting the business-as-usual environment, when in-house skills are not available, but are not expressly contingent labour, are used exclusively for the delivery of services, providing further flexibility to fill unavoidable short-term operating gaps.

For the purposes of disclosure, the NCA classifies such expenditure as Specialist contractors – middle-to-senior grades used to provide expertise that is not available in-house, fulfilling functional or senior positions within the organisational structure, engaged on a short-term basis, although not always provided through an employment agency.

Reporting of high paid off-payroll appointments

The review of tax arrangements of public sector appointees requires the NCA to publish information on the Agency's highly paid and/or senior off-payroll engagements. In accordance with FReM, this includes staff who are paid more than £245 per day and contracted through an agency relationship.

Table 1 – All off-payroll engagements as at 31 March 2023 for more than £245 per day:

	2022-23	2021-22 Restated
Number of existing engagements as at 31 March 2023	78	63
Of which at time of reporting:		
Number that have existed for less than one year at time of reporting	37	20
Number that have existed for between one and two years at time of reporting	18	32
Number that have existed for between two and three years at time of reporting	15	6
Number that have existed for between three and four years at time of reporting	3	4
Number that have existed for four or more years at time of reporting	5	1

All existing off-payroll engagements outlined above have been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax.

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

	2022-23	2021-22 Restated
Number of temporary off-payroll workers engaged during the year ended 31 March 2023	112	111
Number assessed as within scope of IR35	107	108
Number assessed as outside scope of IR35	5	3
Number engaged directly (via PSC contracted to department) and are on departmental payroll	-	-
Number of engagements reassessed for consistency / assurance purpose during the year	-	-
Number of engagements that saw a change to IR35 status following the consistency review	-	-

Following the risk-based assessment, no assurance was required from the employment agencies.

The NCA had no off-payroll engagements for board members or senior officials with financial responsibility between 1 April 2022 and 31 March 2023.

Parliamentary accountability and audit report

Statement of Outturn against Parliamentary Supply

This section is subject to audit.

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FReM) requires the NCA 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 use. 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 contains 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 include:

- outturn by estimate line, providing a more detailed breakdown (Note 1)
- a reconciliation of outturn to net operating expenditure in the Statement Of Comprehensive Net Expenditure (SOCNE), to tie the SoPS to the financial statements (Note 2)
- and a reconciliation of outturn to net cash requirement (Note 3)

The SoPS and Estimates are compiled against the budgeting framework, which is different to International Financial Reporting Standards (IFRS). Further information on the Public Spending Framework and the reasons why budgeting rules are

different to IFRS can be found in Chapter 1 of the Consolidated Budgeting Guidance, available on www.gov.uk.

The SoPS provides a detailed view of financial performance, in a form that is voted on and recognised by parliament. The financial review in the Performance report provides a summarised discussion of outturn against estimate and functions as an introduction to the SoPS disclosures.

Summary tables

Summary table, 2022-23

All figures presented in £'000

Departmental Expenditure Limit	SoPS Note	Outturn		Estimate		Outturn Vs Estimate, savings/(excess)		Prior year outturn total 2021-22		
		Voted	Non-voted	Total	Voted	Non-Voted	Total		Voted	Total
- Resource (RDEL)	1.1	621,270	-	621,270	637,477	-	637,477	16,207	16,207	503,420
- Capital (CDEL)	1.2	105,767	-	105,767	107,719	-	107,719	1,952	1,952	45,403

SoPS Note	Outturn		Estimate		Outturn Vs Estimate, savings/(excess)		Prior year outturn total 2021-22
	Voted	Non-voted	Total	Voted	Non-Voted	Total	
Annually Managed Expenditure (AME)							
- Resource 1.1	18,036	- 18,036	50,000	- 50,000	31,964	31,964	13,850
- Capital 1.2	309	- 309	350	- 350	41	41	-
Total Budget	745,382	- 745,382	795,546	- 795,546	50,164	50,164	562,673
Non-Budget							
- Resource 1.1	-	- -	-	- -	-	-	-
Total	745,382	- 745,382	795,546	- 795,546	50,164	50,164	562,673
Total Resource	639,306	- 639,306	687,477	- 687,477	48,171	48,171	517,270
Total Capital	106,076	- 106,076	108,069	- 108,069	1,993	1,993	45,403
Total	745,382	- 745,382	795,546	- 795,546	50,164	50,164	562,673

Figures in the areas outlined in a thick line cover the voted control limits voted by parliament. Refer to the Supply Estimates guidance manual, available on www.gov.uk, for detail on the control limits voted by parliament.

Net cash requirement 2022-23

All figures presented in £'000

	SoPS Note	Outturn	Estimate	Outturn vs Estimate, Savings/ (excess)	Prior year outturn total 2021-22
Net cash requirement	3	650,921	815,933	165,012	532,930

Administration costs 2022-23

All figures presented in £'000

	SoPS Note	Outturn	Estimate	Outturn vs Estimate, Savings/ (excess)	Prior year outturn total 2021-22
Administration Costs	1.1	35,747	38,700	2,953	35,212

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

Explanations of variances between estimates and outturn are given under SoPS 3 below.

Notes to the statement of outturn against parliamentary supply 2022-23

SoPS 1 Outturn detail, by estimate line

SoPS 1.1 Analysis of resource outturn by estimate line

Type of spend (Resource)	Resource Outturn				Estimate			Prior year outturn total 2021-22 £'000		
	Administration	Net Gross Income	Net Gross Income	Programme Total	Virements £'000	Total including virements £'000	Outturn vs Estimate savings/ (excess) £'000			
Spending in Departmental Expenditure limit (DEL)										
Voted:										
A – National Crime Agency	35,888	(141)	35,747	720,561	(135,038)	585,523	621,270	637,477	16,207	503,420
Spending in Annually Managed Expenditure (AME)										
Voted:										
B – National Crime Agency	-	-	-	18,036	-	18,036	18,036	50,000	31,964	13,850
Total	35,888	(141)	35,747	738,597	(135,038)	603,559	639,306	687,477	48,171	517,270

SoPS 1.2 Analysis of capital outturn by estimate line

Type of spend (Capital)	Outturn		Estimate		Total Including Virements £'000	Outturn vs Estimate savings/ (excess) £'000	Prior year outturn total 2021-22
	Gross £'000	Income £'000	Net £'000	Net Total £'000			
Spending in Departmental Expenditure limit (CDEL)							
Voted:							
A – National Crime Agency	142,686	(36,919)	105,767	107,719	-	1,952	45,403
Annually Managed Expenditure							
Voted:							
B – National Crime Agency	309	-	309	350	-	41	-
Total	142,995	(36,919)	106,076	108,069	-	1,993	45,403

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 this level of detail and delegates this to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on www.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 link the estimate back to the estimates laid before parliament.

SoPS 2. Reconciliation of outturn to net operating expenditure

Item	Reference	Outturn total £'000	Prior year outturn total 2021-22 £'000
Total resource outturn in Statement of Parliamentary Supply	SoPS 1.1	639,306	517,270
Less:			
Capital grants		(36,485)	(56,834)
Other – research and development (R&D) expenditure		6,130	6,822
Other – capital expenditure		6,146	6,343
Net Operating Expenditure in Statement of Comprehensive Net Expenditure		615,097	473,601

As noted in the introduction to the SoPS above, outturn and the estimates are compiled against the budgeting framework, which is different to IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SoPS to the financial statements.

Capital grants, research and development, and capital expenditure are budgeted for as CDEL, but do not classify as an asset under International Accounting Standard (IAS) 16 and are accounted for as spend or income on the face of the Statement of Comprehensive Net Expenditure (SOCNE), and therefore function as a reconciling item between Resource and Net Operating Expenditure. Corresponding adjustments are made in SoPS 1.2 and SoPS 2.

SoPS 3. Reconciliation of net resource outturn to net cash requirement

Item	Reference	Outturn total £'000	Estimates total £'000	Outturn vs estimate, savings/ (excess) £'000
Resource outturn	SoPS 1.1	639,306	687,477	48,171
Capital outturn	SoPS 1.2	106,076	108,069	1,993
<i>Adjustments to non-cash items:</i>				
Depreciation and impairment		(86,047)	(84,545)	1,502
New provisions and adjustments to previous provisions		(1,439)	(52,944)	(51,505)
Leased asset additions		(5,279)	-	5,279
Other non-cash items		6,832	(130)	(6,962)
<i>Adjustments to reflect movements in working balances:</i>				
Increase in receivables		4,287	-	(4,287)

Item	Reference	Outturn total £'000	Estimates total £'000	Outturn vs estimate, savings/ (excess) £'000
Increase in payables		(13,895)	158,006	171,901
Use of provisions		1,080	-	(1,080)
		650,921	815,933	165,012
Removal of non-voted budget items				
Consolidated Fund Standing Services		-	-	-
Other adjustments		-	-	-
Net cash requirement		650,921	815,933	165,012

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.

Explanation of key variances between estimates and outturn

Resource departmental expenditure limit (RDEL)

RDEL underspend includes both cash and non-cash items.

The Agency's outturn position of £16.21m underspend (2.5%), net of AGADE underspend of £15.01m, was within board tolerance at less than 1%. Due to the timing of AGADE income the NCA was not able to adjust budgets through the Supplementary Estimates

process. During 2022-23, £8.32m of this income was utilised leaving £15.01m to be returned to HMT as an underspend in these accounts.

Non-cash depreciation overspend of £1.4m reflects a large volume of assets going live during the year, and a full and thorough review of the non-current asset register during the year resulting in adjustments to depreciation terms and dates to reflect a more accurate asset profile.

Capital departmental expenditure limit (CDEL)

CDEL underspend of £1.95m is 1.8% of the estimated budget. The CDEL 'core' underspend was less than 1%, with the remaining underspend in 'ring-fenced' projects that could not be transferred to the NCA's core budget. The CDEL underspend was due to delays in delivering the NCA's portfolio projects as a result of higher than forecast vacancies within the NCA and supply chain issues.

Resource annually managed expenditure (AME)

The reported outturn represents a £32m (64%) underspend. AME by its nature is demand led and volatile. The NCA maintains a budget with comfort to react to the volatile nature of expenditure in this category. AME expenditure is affected by changes in discount rates, with the majority of the expenditure the result of movements in provisions and the police pension liability. The NCA has no control over this

expenditure and the underspend represents a smaller movement in provisions than forecast.

Net cash requirement

Cash is drawn down when required and not in advance of need. The cash held at the end of the financial year is returned to HM Treasury during financial year 2023-24.

Losses and special payments

This section is subject to audit.

Losses and special payments

There were no reportable losses during the year.

In accordance with Managing Public Money, the NCA is required to disclose the total value of special payments made during the year. Separate disclosure is also required for any special payments greater than £0.30m.

Three special payments totalling £0.54m were made during 2022-23 for which HM Treasury approval was received. One payment for £0.35m was made in relation to settlement of a legal case. In all cases, HM Treasury approval was received and the expenditure was met through NCA Estimate delegation.

Remote contingent liabilities

The NCA has no remote contingent liabilities to be disclosed under the Parliamentary reporting requirements.

Fees and charges

There has been no material fees and charges income for the year requiring disclosure in accordance with Managing Public Money.



Graeme Biggar CBE
Director General
11 July 2023

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the National Crime Agency for the year ended 31 March 2023 under the Government Resources and Accounts Act 2000. The financial statements comprise: the National Crime Agency'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 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 National Crime Agency's affairs as at 31 March 2023 and its 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies*

in the United Kingdom (2022). 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 National Crime Agency 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.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the National Crime Agency'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 National Crime Agency'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 National Crime Agency 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 anticipated that the services which they provide will continue into the future.

Other information

The other information comprises 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 National Crime Agency and its 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 National Crime Agency 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 National Crime Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

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 following:

- the nature of the sector, control environment and operational performance including the design of the National Crime Agency's accounting policies.
- Inquiring of management, National Crime Agency's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Crime Agency's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Crime Agency’s controls relating to the National Crime Agency’s compliance with the Government Resources and Accounts Act 2000, Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2022;
- inquired of management, the National Crime Agency’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,
- discussing among the engagement team and involving relevant external specialists, including Pensions experts, 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 National Crime Agency 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 also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the National Crime Agency's framework of authority as well as other legal and regulatory frameworks in which the National Crime Agency operates, focusing 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 National Crime Agency. 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, Crime and Courts Act 2013, Serious Crime Act 2015, Employment Law, Tax Legislation, and relevant Pensions 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, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

I also communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists 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

14 July 2023

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

Part three - Financial statements



Statement of comprehensive net expenditure

for the period ended 31 March 2023

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2022-23 £'000	2021-22 £'000
Revenue from contracts with customers	5	(165,050)	(215,767)
Other operating income	5	(6,615)	(7,163)
Total operating income		(171,665)	(222,930)
Staff costs	3	359,740	350,491
Other operating expenditure	4	323,252	278,272
Interest on lease liabilities	4	843	-
Depreciation right-of-use assets	4	16,042	-
Depreciation and impairment charges	4	70,005	55,468
Total operating expenditure		769,882	684,231
Net operating expenditure		598,217	461,301
Interest on pension liabilities	3a	16,880	12,300
Net expenditure for the year		615,097	473,601

Other comprehensive net expenditure

		2022-23	2021-22
	Note	£'000	£'000
Items which will not be reclassified to net operating expenditure:			
Net gain on revaluation of property, plant and equipment	4, 6	(2,941)	(1,338)
Actuarial (gain)/loss on pension reserve	3a	(378,900)	117,420
Comprehensive net expenditure for the period ended 31 March 2023		233,256	589,683

The notes on pages [80 to 107](#) form part of these accounts.

Statement of financial position

as at 31 March 2023

This statement presents the financial position of the NCA. It comprises 3 main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	2022-23 £'000	2021-22 £'000
Non-current assets			
Property, plant and equipment	6	163,317	135,873
Intangible non-current assets	7	166,524	136,304
Right-of-use assets	8	77,757	-
Total non-current assets		407,598	272,177
Current assets			
Trade and other receivables	11	148,529	144,242
Cash and cash equivalents	10	20,436	44,357
Total current assets		168,965	188,599
Total assets		576,563	460,776
Current liabilities			
Trade and other payables	12	(150,717)	(123,304)
Provisions	13	(3,392)	(2,956)
Total current liabilities		(154,109)	(126,260)
Total assets less current liabilities		422,454	334,516
Non-current liabilities			
IAS 19 pension liability	3	(713,981)	(1,101,551)
Provisions	13	(11,188)	(11,265)
Other payables	12	(59,191)	(1,430)

	2022-23	2021-22
	£'000	£'000
Total non-current liabilities	(784,360)	(1,114,246)
Total assets less total liabilities	(361,906)	(779,730)
Taxpayers' equity and other reserves:		
General Fund	167,380	123,881
Pension Reserve	(545,550)	(924,450)
Revaluation Reserve	16,264	20,839
	(361,906)	(779,730)

The notes on pages **80 to 107** form part of these accounts.



Graeme Biggar CBE
Director General and Accounting Officer,
National Crime Agency
11 July 2023

Statement of cash flows

for the period ended 31 March 2023

The Statement of Cash Flows shows the changes in cash and cash equivalents of the NCA during the reporting period. The statement shows how the NCA generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the NCA. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the NCA's future public service delivery.

	Note	2022-23 £'000	2021-22 £'000
Cash flows from operating activities			
Net expenditure for the year		(615,097)	(473,601)
<i>Adjustments for non-cash transactions:</i>			
Depreciation and audit fee	4	86,206	55,619
Loss on asset revaluation	4	209	6
IFRS 16 initial non-cash recognition*		1,401	-
Loss/(gain) on disposal of non-current assets	4	69	(158)
Impairment of assets	7	-	(1)
Pension costs	3a	19,860	16,580
Employee contribution	3a	770	838

	Note	2022-23 £'000	2021-22 £'000
Police Pension payment made	3a	(29,300)	(28,660)
Increase in receivables	11	(4,287)	(11,299)
Increase/(decrease) in trade and other payables	12	33,851	(2,521)
Increase/(decrease) in use of provisions	13	359	(663)
<i>Net cash outflow from operating activities</i>		(505,959)	(443,860)
Cash flows from investing activities			
Purchase of property, plant and equipment - cash	6	(60,349)	(37,557)
Purchase of intangible assets	7	(65,091)	(52,010)
Proceeds from disposal of property, plant and equipment		434	497
<i>Net cash outflow from investing activities</i>		(125,006)	(89,070)
Cash flows from financing activities			
Payments of Lease Liabilities	8	(19,956)	-
From the Consolidated Fund		627,000	564,000
<i>Net financing</i>		607,044	564,000
<i>Net (decrease)/increase in cash and cash equivalents in the period</i>		(23,921)	31,070
Cash and cash equivalents at the beginning of the period		44,357	13,287
Cash and cash equivalents at the end of the period		20,436	44,357

*IFRS16 non-cash items on transition include rent deductions and dilapidations

The notes on pages **80 to 107** form part of these accounts.

Statement of changes in taxpayers' equity

for the period ended 31 March 2023

This statement shows the movement in the year on the different reserves held by the NCA, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the changes in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of the NCA, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £'000	Pension Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2021		63,473	(807,030)	20,431	(723,126)
Net gain on revaluation of property, plant and equipment	6	-	-	1,338	1,338
Actuarial loss on pension reserve	3a	-	(117,420)	-	(117,420)
Comprehensive net expenditure for the year		(473,601)	-	-	(473,601)

	Note	General Fund £'000	Pension Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
Non-cash charges – auditor's remuneration	4	150	-	-	150
Transfer between reserves		930	-	(930)	-
Supply payable		(44,357)	-	-	(44,357)
Net parliamentary funding		577,286	-	-	577,286
Balance at 31 March 2022		123,881	(924,450)	20,839	(779,730)
Net gain on revaluation of property, plant and equipment	6	-	-	2,941	2,941
Actuarial loss on pension reserve	3a	-	378,900	-	378,900
Comprehensive net expenditure for the year		(615,097)	-	-	(615,097)
Non-cash charges – auditor's remuneration	4	159	-	-	159
Transfer between reserves		7,516	-	(7,516)	-
Supply payable	10	(20,436)	-	-	(20,436)
Net parliamentary funding		671,357	-	-	671,357
Balance at 31 March 2023		167,380	(545,550)	16,264	(361,906)

The notes on pages **80 to 107** form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

Basis of preparation

The financial statements for the NCA have been prepared in accordance with the 2022-23 Government Financial Reporting Manual (FReM) issued by HM Treasury. 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 particular circumstances of the NCA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NCA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The NCA is a non-ministerial department which is accountable to the Home Secretary for its performance. Accordingly, it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

The presenting currency is in pounds sterling, rounded to the nearest thousand.

a) Accounting convention

The accounts have been prepared on an accruals basis under the historical cost convention, modified to account for the revaluation of property, plant and equipment. Intangible assets and inventories are not revalued.

b) Income

Income is recognised in accordance with IFRS 15 Revenue from Contracts with Customers as adapted by FReM.

Revenue is recognised when a performance obligation is met at a point in time at the transaction price allocated to the performance obligation. If the cash has not been received by year end, the income is accrued and recognised in the SOCNE.

The NCA does not include income from sales of non-current assets within the scope of IFRS 15 as such gains would not be classed as revenue. Proceeds from the sale of non-current assets are offset against the net book value to determine the profit or loss on disposal as set out in Note 4.

All income is recognised in the year to which it relates. If cash has been received in advance of its associated expenditure, it is deferred to the following year and included as a contract liability in Note 12.

The table below show the income streams recognised under IFRS 15 during the financial year 2022-23:

Income stream	Description of income stream	Performance obligation	Determination of transaction price	Payment terms
Asset Recovery Incentivisation Scheme	Recovery of proceeds of crime	The NCA has powers set out in legislation to recover this income	Value of penalty collected	Payment by court order
Civil recoveries applied to receivers' fees	Recovery of costs in relation to civil recovery case work	Receivers' investigations work undertaken by the NCA	Value of costs awarded	Payment by court order
Overhead Recharge	Recovery of administration costs	Supply of service delivery in line with agreed project work	Agreed within Memorandum of Understanding	Payment at time service is consumed
Proceeds of Crime Centre (PoCC) accreditation, registration and training	PoCC accreditation, registration and training provided by the NCA	On accreditation, registration or delivery of training	Standard price per level of accreditation and per training course	Payment in advance
Recovery of costs	Legal and other non-routine work carried out by the NCA	Completion of work against agreed deliverables	In agreement between the NCA and funding provider	Payment at time work completed on an accruals basis
Rental income	Licence fee arrangement for provision of accommodation within the NCA estate	Provision of accommodation	Agreed within Licence Agreement	Payment at the time service is consumed

Specific operational funding	External funding for specific operational projects	Work carried out by the NCA	Agreed within Memorandum of Understanding	Payment at the time work is completed on an accruals basis
Training and conference fees	Supply of training and conference services	Supply of services	Set out in order confirmation	Payment at time or in advance of event

Asset Recovery Incentivisation Scheme (ARIS) income is required to be spent in the year in which it was awarded.

Specific operational funding and recovery of costs relate to income received from stakeholders to cover the costs of specific operational initiatives. Consequently, certain costs are recovered when the performance obligation is met at a transaction price agreed within a memorandum of understanding or other agreement.

Significant judgements

The total consideration from contracts is included in the transaction price for each income stream. None of the income streams contains variable consideration.

The performance obligation is satisfied when the goods or services are supplied. The income is recognised at the same point in time. The customer obtains control of goods or service at the point of delivery.

Income streams not recognised under IFRS 15

Income is received in the form of government grants from Devolved Administrations to allow a collaborative working relationship between the NCA and the Police Service of Northern Ireland, and the NCA and the Police Service of Scotland. Funding is recognised during the year it is received, accounted for under IAS 20 Accounting for Government Grants and taken through the SOCNE.

Donation of goods and services is a notional income stream offset by notional expenditure recognised in Note 4. The notional funding element is recognised in accordance with IAS 20.

c) Foreign currency

Transactions denominated in foreign currency are converted into sterling at the rate of exchange ruling on the date of each transaction, except where rates have not fluctuated significantly, in which case an average rate for the month is used. All end of year balances are translated at the prevailing spot rate on 31 March 2023.

Monetary assets and liabilities denominated in foreign currency at the Statement of Financial Position date are translated at the rates ruling at that date. Any translation differences arising are taken to the SOCNE.

d) Leases

From 1 April 2022 the NCA has adopted IFRS 16, as interpreted and adapted in the FReM. In accordance with FReM, intra-UK government agreements, including memorandum of terms of occupation (MOTO) agreements, are treated as an enforceable contract and therefore within scope of IFRS 16 where they convey the right to use an asset.

Where a lease has been identified, NCA recognises a right-of-use asset and corresponding liability, except for short term leases and leases for which the underlying asset is of low value, set to the NCA's capitalisation threshold of £5,000. For such leases the lease payments are recognised as expenses on a straight line basis over the lease term.

e) Pensions reserve

In accordance with government accounting guidance, actuarial gains or losses on pension scheme liabilities are recognised in the Statement of Changes in Taxpayers' Equity. The movement in gain or loss is shown in the Pensions reserve.

f) Pension costs

Employer contributions to the Principal Civil Service Pension Scheme are charged to the SOCNE as incurred at the relevant percentage of employees' pensionable pay as specified by the pension scheme administrators. The annual charge is designed

to reflect the cost of pension benefits over the employees' service life.

The cost of providing unfunded pension benefits for former police officers is charged to the Net Expenditure account over the qualifying service life of the officer. The qualifying service for these pension benefits includes prior service with a police force in addition to service with the NCA, although no funding is received from the officer's previous employer in relation to this past service. The annual charge to the SOCNE is calculated so that the Statement of Financial Position provision reflects the proportion of the future pension liability relevant to accumulated qualifying service at the Statement of Financial Position date. The police pension liability includes a provision for future injury awards. A payment to cover the net pension deficit is included in the NCA budget annually. The deficit is caused by expenditure on pensions exceeding contributions.

The Government Actuary's Department (GAD) has, in accordance with IAS 19, advised that any obligation that arises from other long-term employee benefits that depend on length of service needs to be recognised when service is rendered. As injury awards under the police scheme are dependent on service, GAD values the liability expected to arise due to injury awards in respect of service prior to the valuation date. GAD uses historic data from police

authorities to determine the expected incidence and size of future injury awards.

In accordance with government accounting guidance, actuarial gains or losses on pension scheme liabilities are recognised in the Statement of Changes in Taxpayers' Equity. The movement in gain or loss is shown in the Pensions reserve.

g) Value added tax (VAT)

Most of the activities of the NCA are outside the scope of VAT and, in general, output tax does not apply and input tax is not recoverable. Input tax is recovered in accordance with services listed in HM Treasury's Contracting-Out of Services Direction, which is provided for in Section 41(3) of the VAT Act 1994. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

h) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make appropriate judgements and assumptions that affect the amounts reported for assets and liabilities for the year ending 31 March 2023, and for amounts reported for income and expenses during the relevant period.

Key accounting judgements and sources of estimation uncertainty relate to:

i. Provisions

A provision is recognised when the Agency has a present legal or constructive obligation that has arisen as a result of a past event, when payment is probable and the amount can be estimated reliably. In determining the value to recognise as a provision in the accounts we use estimates provided by suitably qualified professionals.

ii. Police pension scheme and related schemes

The GAD estimates the present value of the defined benefit liabilities. These are determined using the Projected Unit Credit Method (PUCM). Under the PUCM, the actuarial liability represents the present value of future benefit payments arising in respect of service prior to the valuation date.

i) Non-current assets

Expenditure incurred by the NCA on the acquisition of capital assets or expenditure that adds to the value of existing assets is capitalised, provided that the assets give benefit to the NCA for a period of more than one year. Where appropriate, the NCA capitalises the cost of salaries directly attributed to developing the non-current assets as permitted within IAS 16.

Capital assets, both tangible and intangible, are assets that cost or are valued at or above a

capitalisation threshold of £5,000, which is set by the NCA Board and with an expected working life of more than one year. Individual assets that cost less than £5,000 but are required to be grouped together to form one capital asset with a total value greater than £25,000 are capitalised. Technical equipment assets, the individual components of which cost less than £5,000 but which are non-consumable in nature, are also treated as capital assets.

Expenditure on the fit-out and works to buildings financed by operating leases is capitalised as a tangible non-current asset if the works add to the value of the building. Fit-out costs of all new buildings could include the costs of new furniture and equipment that individually cost less than £5,000, but collectively cost more than £25,000, where it is more appropriate to capitalise the initial costs. Tangible non-current assets are carried at fair value for existing use.

The NCA proactively reviews the content of its Non-Current Asset Register (NCAR). All assets held on NCAR are subject to an annual verification exercise to include an impairment review. The NCA operates an Impairment Review Policy. An impairment review is carried out when there is an indication of impairment for any asset, or group of assets. Impairment costs are recognised in the SOCNE.

Capital investment development programme business case reviews and approvals enabled the NCA to validate the existence, utilisation and value of assets recorded in the NCAR.

j) Depreciation and amortisation

A full month’s depreciation or amortisation is provided in the month following first use or availability for use and apportioned to the date of disposal. No depreciation is provided on assets under construction until they are brought into use or are available for use.

Depreciation or amortisation is provided on all non-current assets either in use or available for use on a straight-line basis to write-off the cost or valuation evenly over the asset’s anticipated useful life, as follows:

Asset type	Useful economic life
Land and buildings	Land is not depreciated. Buildings are depreciated to their useful estimated residual value over the remainder of the buildings’ estimated useful economic lives. The range of freehold buildings’ lives at 31 March 2023 to 2050 was 1 to 30 years.
Improvements to leasehold buildings	The shorter of the duration of lease or anticipated useful economic life of improvements, subject to maximum period of 10 years.
Motor vehicles	3–9 years
Plant and equipment	5 years
Furniture and fittings	10 years
IT equipment and software	3–10 years

Asset type	Useful economic life
Intangible non-current assets – IT licences and software	5 years (or the duration of the licence)
Right-of-use asset	Duration of the lease or anticipated useful economic life of the right-of-use asset, where this is shorter.

Tangible assets are revalued annually and are reported at current cost.

k) Revaluation

The NCA has a policy of revaluing its non-current assets (excluding freehold properties) annually by applying government-approved indices per asset type.

Freehold properties are subject to two-yearly professional revaluations. A full professional valuation was carried out by RICS Chartered Surveyors Avison Young, as at 31 March 2023. Property values have been updated to reflect this valuation. All freehold building assets are aligned to standard depreciation terms per building as determined by its remaining useful economic life.

Right-of-use assets are depreciated on a straight line basis over the associated lease term or estimated useful life where this is shorter. Impairment losses are charged in the same way as those arising on property, plant and equipment.

As permitted by FReM, right-of-use assets are subsequently measured using the cost model. This

is because lease terms require the right-of-use asset to be updated for market conditions, for example, rent reviews. Moreover, right-of-use assets (the lease agreement) generally have shorter useful lives than their respective underlying assets, and FReM allows cost to be used as a proxy for assets with shorter economic lives or lower values.

Intangible assets are not revalued.

I) Provisions

The legal provision assesses the likelihood, potential risk and value of legal actions against the NCA. The provision incorporates estimates for both legal costs and compensation.

The retirement provision was created to provide for expected future pension obligations arising from the HM Treasury-approved exit scheme, which the NCA adopted in October 2010. The valuation, as advised by HM Treasury, includes a post-employment benefits real discount rate of 1.70%, which is applied to future years' cash flows with effect from 31 March 2023 (-1.30% from 31 March 2022).

The dilapidation provision assesses and values expected dilapidation costs due when the NCA vacates a leased building. The provision is based on an estimated charge for the specific sites involved and allows for the reversal of any changes to the buildings made by the NCA and the costs of redecoration.

The onerous lease provision is for offices vacated by 31 March 2023 for which there is a lease obligation beyond this date. The provision takes into account known future lease breaks and lease end dates.

Dilapidation and onerous lease general provisions are measured at their present value using the discount rate provided by HM Treasury as per the table below:

Nominal rates	Short-term (1-5 years)	3.27%
	Medium-term (5-10 years)	3.20%
	Long-term (10+ years)	3.51%
Inflation	Year 1	7.4%
	Year 2	0.6%
	Into Perpetuity	2.0%

m) Contingent liabilities

Contingent liabilities are disclosed in accordance with IAS 37 as applied or adapted for the public sector under the FReM. Additionally, the NCA complies with HM Treasury’s ‘Managing Public Money’ guidance, and ensures that HM Treasury and Parliamentary approval are sought where appropriate.

n) Recovered assets

The criminal confiscation, civil recovery and taxation provisions under the Proceeds of Crime Act 2002 (PoCA) are utilised by the NCA to deprive criminals of their illicit profits and assets. Consequently, proceeds

from recovered assets are received and paid over to the Home Office. The NCA continues to participate in the incentivisation scheme whereby the NCA and referring law enforcement agencies receive a portion of the remittances, treated as income, as an incentive to build their asset recovery capacity.

Sale proceeds from recovered assets less allowable costs, including receivers' fees deducted, are paid to the Home Office.

The NCA manages bank accounts where recovered cash is deposited. Each year-end, the excess of civil recoveries over receivers' fees applied, net of any direct disposal costs, is paid over to the Home Office. For assets recovered through criminal and tax cases, the amounts are paid over quarterly.

Section 280 Subsection 3, of the Crime and Courts Act 2013 enables the Director General to meet the costs of an appointed interim receiver from sums received from civil recovery proceedings in a way that directly mirrors the provisions in criminal confiscation cases in Parts 2 and 4 of PoCA. The commencement date of the provision was 1 July 2005 and, thereafter, the costs of interim receivers and trustees were permitted to be offset against eventual case proceeds. Assets and cash held by the NCA on behalf of third parties in relation to these activities are not included in the NCA's accounts but are separately reported in Note 17.

o) Financial instruments

The majority of the NCA's financial instruments are trade receivables and payables.

As the majority of the NCA's receivables are held with central government departments they are considered to be held at low credit risk.

The NCA operates a 30 day payment policy for all payables which are monitored on a monthly basis for compliance. The NCA do not hold any long-term trade payables and all balances are shown at cost.

The NCA does not operate hedge accounting. Therefore the specific requirements of IFRS 9 for hedging instruments do not apply.

p) IFRS and other accounting changes that have been issued but are not yet effective

IFRS 17 sets out requirement for the recognition and measurement of contracts and associated revenue where an entity accepts insurance risk from another party. The NCA has not entered into insurance contracts and does not currently expect to be affected by this new standard.

IFRS 17 Insurance Contracts is currently applicable for reporting periods beginning from 1 January 2023. The standard is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2025 (with limited options for early adoptions).

q) Initial application of IFRS 16 Leases

IFRS 16 Leases was issued in January 2016 and effective from 1 January 2019. The NCA has implemented the new standard as prescribed by HM Treasury guidance. The guidance requires IFRS 16, as adapted by FReM, to be implemented on 1 April 2022 by UK Government bodies.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases, introducing a single lease accounting model for right-of-use assets. This results in a more faithful representation of leased assets, removing the distinction between finance and operating leases under IAS 17. The new standard requires a lease liability and corresponding asset to be recognised for leases with a term of more than 12 months, unless the underlying asset is of low value, as detailed below.

HM Treasury has withdrawn the accounting policy choice to apply IFRS 16 retrospectively to each prior reporting period presented in accordance with IAS 8. At the date of initial application, therefore, the NCA has recognised the cumulative effects of initially applying IFRS 16 as an adjustment to the opening balance of taxpayers' equity.

As allowed by IFRS 16, the NCA adopted a practical expedient approach, 'grandfathering' leases currently recognised under IAS 17.

The following exemptions have been applied:

- i) Low value leases - defined as a lease with a whole-life cost less than £5,000 at the date of entering into the agreement
- ii) Short-term leases - defined as a lease with a term less than 12 months.

All leases were assessed under the IFRS 16 recognition criteria to determine whether they were in or out of scope. When not explicitly stated in the lease, judgements were made on the following:

- i) Discount rate used to value the whole-life cost of the asset. In these cases, the HM Treasury discount rate was used.
- ii) To determine the existence and recognition of a right-of-use asset, the NCA has assessed two aspects as determined in the standard:
 - a. Whether a contract involves the use of an identified asset, for a consideration
 - b. Whether the NCA has the right to control the use of that identified asset for a period of time
- iii) Term of the lease - on initial measurement of right-of-use assets and lease liabilities, the lease term is determined by the non-cancellable period for which the NCA has the right to use the underlying asset, together with periods covered by an option to extend the lease, if the NCA is reasonably certain to exercise the option. The NCA will use hindsight

in determining the lease term if the contract contains options to extend or terminate the lease in accordance with IFRS 16 paragraph C10(e).

- iv) Motor vehicles with separate lease and non-lease components (service rental charges), have been accounted for as a single lease component, in accordance with IFRS 16 paragraph 15.
- v) For dilapidations provisions there will be no adjustment to the right-of-use values on transition. Dilapidations provisions will only be capitalised as part of the right-of-use asset for new leases, in accordance with IFRS 16 paragraph 25.
- vi) Software licenses are outside the scope of IFRS 16 and continue to be recognised under IAS 38.
- vii) Income from leases will continue to be recognised under IFRS 15 Revenue from Contracts with Customers.

On initial application of IFRS 16, the NCA has recognised right-of-use assets at an amount equal to the initial lease liability, adjusted by the amount of any prepaid or accrued lease payments recognised immediately before the date of initial application, and/or any initial direct costs. The initial lease liability has been calculated based on the present value of future cash flows for each lease over the applicable lease term.

r) Reconciliation from IAS 17 operating lease commitments on 31 March 2022 to the IFRS 16 opening lease liability on 1 April 2022

This table reconciles the NCA’s operating lease commitments as at 31 March 2022 (shown in Note 14 of the 2021-22 Annual Report and Accounts) to the lease liability as at 1 April 2022, immediately following adoption of IFRS 16. Material reconciling items are an adjustment for the impact of discounting, differing assessments of the lease term and the change in VAT treatment between IAS 17 and IFRS 16.

	£'000	£'000
IAS 17 Operating lease obligations as at 31 March 2022 – Buildings		103,460
Low value and short term lease commitments	(53)	
Assessment of lease extension periods and break clauses	7,567	
Adjustment for irrecoverable VAT reported under IAS 17	(15,957)	
Impact of discounting	(3,976)	
IFRS 16 lease liability as at 1 April 2022		91,041

2. Statement of Operating Expenditure by Operating Segment

2022-23 description of segment	Gross expenditure £'000	Income £'000	2022-23 Net expenditure £'000
Corporate Business Services*	47,076	(1,244)	45,832
Corporate Finance*	98,854	(16,209)	82,645
Digital, Data and Technology	132,230	(13,020)	119,210
Human Resources	19,151	-	19,151
Intelligence	192,531	(20,697)	171,834
Investigations	123,704	(19,086)	104,618
Integrated Protective Security	10,664	(609)	10,055
Legal	6,179	(24)	6,155
National Economic Crime Centre	46,735	(63,318)	(16,583)
Strategy and Change	14,876	-	14,876
Threat Leadership	94,762	(37,458)	57,304
2022-23 Total	786,762	(171,665)	615,097

As a result of in-year reporting line changes, 2021-22 totals have been restated in line with the 2022-23 structure. The 2021-22 restated comparatives are shown in the table below:

2021-22 description of segment	Gross expenditure (Restated) £'000	Income (Restated) £'000	2021-22 Net expenditure (Restated) £'000
Corporate Business Services	61,825	(3,085)	58,740
Corporate Finance	62,523	(19,674)	42,849
Digital, Data and Technology	99,256	(39,543)	59,713
Human Resources	15,607	(1,520)	14,087
Intelligence	187,719	(59,903)	127,816
Investigations	120,601	(24,677)	95,924
Integrated Protective Security	8,184	(1,057)	7,127
Legal	6,335	(671)	5,664
National Economic Crime Centre	28,983	(29,776)	(793)
Strategy and Change	22,058	(603)	21,455
Threat Leadership	83,440	(42,421)	41,019
2021-22 Total	696,531	(222,930)	473,601

*Due to the adoption of IFRS 16 on 1 April 2022, estates costs previously under Corporate Business Services are now classified as ring-fenced depreciation and fall under the Corporate Finance operating segment.

Description of segments

The underlying factors in identifying the reportable segments are driven by budget allocations, departmental priorities and financial risks. This provides the Board with decision-making information based upon sound financial reporting. It enables the determination of resource spend by entity, departmental priority and operational activity.

No segmental data is shown for assets or liabilities, as many of these costs, such as depreciation, are posted to a central cost centre within Corporate Finance. Any analysis of assets and liabilities by cost centre would not provide meaningful data and so has not been included in these accounts.

Corporate Business Services

Corporate Business Services comprise finance, commercial, estates and business services (Fleet, Sustainability, Organisational Services and Business Management Team). Corporate Business Services supports the NCA's operational activity by providing sound financial advice, and overseeing service management, maintenance of the NCA estate and the management of the NCA's fleet and also provides a range of support services at our two core sites in London and Warrington.

The Commercial Department is responsible for ensuring that goods and services are purchased

in a legal and compliant manner, taking into consideration sustainability and environmental issues. The Business Management Team manages the delivery of performance reporting across enabling capabilities, maintains establishment data, supports recruiting activity, and ensures the NCA captures and reports progress against Government mandated sustainability targets.

Corporate Finance

Corporate Finance plan and prioritise our resource and capital expenditure, support our investment and capability strategy, provide analysis on value for money and evaluation of options for any investment opportunity, and ensure compliance with our statutory, regulatory and corporate governance duties.

Corporate Finance includes the NCA spend that is not command-specific (such as non-cash expenditure).

Digital, Data and Technology (DDaT)

DDaT is responsible for creating a cutting-edge technology and information environment that connects, empowers and enhances our officers' crime-fighting capabilities.

The Command is continuing the transformation of the NCA's technology estate and technology organisation. This will underpin the NCA's wider transformation agenda while supporting day-to-day service and continuing to deliver the IT Investment Portfolio.

Human Resources (HR)

The NCA HR Function delivers HR services including learning, development and talent, HR strategy and insights, workforce planning, recruitment and candidate engagement, pay and reward, HR Policy, health and safety, occupational health and psychological services, complex casework, and diversity and inclusion.

Intelligence

NCA Intelligence aims to use the enhanced intelligence picture of serious and organised crime (SOC) threats to the UK and to flex the NCA, law enforcement and wider government collective resources to disrupt the threat.

It aims to achieve this by putting intelligence at the heart of the NCA and looking for new opportunities in intelligence collection. It works to develop new and enhance traditional capabilities to increase the quantity and quality of intelligence available to exploit, both in the UK and abroad.

Investigations

NCA Investigations Command's aim is to protect the public from the most serious threats by disrupting and bringing to justice those SOC offenders who present the highest risk to the UK.

Integrated Protective Security (IPS)

The IPS Command's aim is to strengthen the ability to prevent, detect and investigate security incidents in order to secure the NCA, and to protect the public.

The Vetting Team deliver National Security Vetting (NSV) clearances for both directly employed new recruits and non-directly employed staff. The team also uplift security clearances where necessary and review clearances of existing staff. The team is responsible for the vetting aftercare for all officers with NCA Enhanced clearance.

Legal

NCA Legal supports the Agency in protecting the public from serious and organised crime. The command is dedicated to supporting and enabling the work of the entire NCA and providing advice to the NCA Board. It has 5 separate teams comprised of data and operational advisory, civil litigation, commercial and employment, financial disruptions and alternative disruptions, and a business support team.

National Economic Crime Centre (NECC)

The NECC is a collaborative, multi-agency centre that was established to deliver a step change in the response to tackling economic crime. The NECC sets threat priorities that inform operational coordination between partners, and facilitates the exchange

of data and intelligence between the public and private sectors.

The NECC aims to enhance the UK response to illicit finance, including economic crime and wealth linked to corrupt elites by leading - across the whole SOC system - an uplift in investigative capability.

Suspicious Activity Reports (SARs) fall under this command and oversee the Reform Programme. The programme is jointly delivered by the Home Office and the NCA and is designed to transform the current system used to report SARs, and to analyse and act on these reports. The programme aims to increase the number of disruptions against criminals by improving the quality of SARs reporting and increasing the utilisation of this data.

Strategy and Change

The Strategy Command has merged with the Change Command and manages and supports the governance functions and structures of the NCA on behalf of the NCA Board and Command Team. It has responsibility for developing and disseminating the NCA's strategic positioning, in particular with government, and key domestic and international partners.

The command delivers the Transformation Portfolio and the Strategic Change Roadmap, which describes what the Agency must deliver to achieve its strategy, as well as delivering structured and prioritised change

to enable the NCA to maximise its crime-fighting capabilities in alignment with its objectives.

Threat Leadership

The Threat Leadership command drives the national response to the SOC threat, through one NCA voice. The command works with partners inside the NCA and externally to set the strategic direction, facilitate effective delivery of the response and ensure that we understand the impact of our activity.

Threat Leadership includes child sexual abuse (CSA), modern slavery and human trafficking (MSHT), organised immigration crime (OIC), borders, firearms and drugs threats, and the National Cyber Crime Unit (NCCU).

3. Staff Costs

	2022-23 £'000	2021-22 £'000
Wages and salaries	269,092	264,977
Pension costs	60,199	57,487
Social security costs	28,402	24,872
Current service cost net of employee contributions	2,980	4,280
Less recoveries in respect of outward secondments	(933)	(1,125)
Total Staff Costs	359,740	350,491

Further analysis of staff costs can be found in the Staff Report on [page 56](#)

3 a) Police Pension Scheme

The NCA operates a defined benefit Police Pension Scheme for former police officers.

The Police Pension Fund was established under the Police Pension Fund Regulations 2007 (SI 2007/1932).

As part of the scheme, the NCA accepted liability for payment of the pension benefits in respect of the officers' past service with a police force, although no transfer values were payable from a former employer in respect of this liability, as well as their pensionable service whilst employed by the NCA.

Pension benefits were paid from the NCA resources as they fell due. In the year ending 31 March 2023, £29.30m was paid to pensioners (2021-22: £28.66m).

Officers in the 1987 pension scheme make contributions of 14.25% to 15.05% of salary (according to salary threshold), those joining the 2006 scheme pay 11.00% to 12.75% and those in the 2015 scheme pay 12.44% to 13.78%. The schemes have different accrual rates and retirement ages.

Pensions paid in the reporting period were charged against the pension liability. The NCA incurred the cost of employer contributions in the reporting period totalling £1.76m (2021-22: £1.90m). The employee's contribution is set nationally by the Home Office and is subject to revaluation by GAD during 2022-23.

In order to comply with the Government Financial Reporting Manual and Accounts Guidance, the NCA was required to provide in these accounts for the full value of the expected future pensions liabilities of the officers. Since 2010–11 GAD has valued contingent injury awards in accordance with IAS 19. The NCA commissioned GAD to value the scheme liabilities as at 31 March 2023. The full provision for pension liabilities at 31 March 2023 of £713.98m (2021-22: £1,101.55m) is based on the assumptions and information set out below.

Pension liabilities	2022-23	2021-22
	£'000	£'000
Present value of liabilities	713,981	1,101,551
Net pension liabilities	713,981	1,101,551

The main assumptions used by the GAD were as follows:	2022-23	2021-22
	% pa	% pa
Discount rate	4.15	1.55
Inflation assumption*	2.40	2.90
Rate of increase in salaries	3.65	4.15
Rate of increase in pensions	2.40	2.90
Rate of CARE revaluation	3.65	4.15

* As a result of potential increases in the rate of inflation (RPI) in future years it is likely to result in a larger than normal increase in liability and corresponding increase in members' pension benefits from 2022-23 onwards. The value of the impact is not known at this stage.

The net scheme assets at 31 March 2023 are as follows:

Re-measurements of net defined liability/(asset) for the year	2022-23	2021-22
Direct Recruits Scheme	£'000	£'000
Experience (losses)/gains	(87,120)	(49,620)
Effect of changes in demographic and financial assumptions	466,020	(67,800)
Re-measurements of net defined liability	378,900	(117,420)

The re-measurement of net defined (liability)/asset calculated by the GAD has been reflected in the Statement of Financial Position (pension reserve).

The results of any actuarial valuation are inherently uncertain because of the assumptions that must be made. In recognition of this uncertainty, the approximate effects on the actuarial liability as at 31 March 2023 of changes to the main actuarial assumptions are set out below:

Change in assumptions	Approximate effect on total liability	
	%	£'000
Rate of Return		
i. Rate of discounting scheme liabilities: +0.5% a year	(7)	(51,000)
ii. Rate of increase in salaries: +0.5% a year	0.0	1,000
iii. Rate of increase in pensions/deferred revaluation: +0.5% a year	7.5	55,000
Pensioner mortality		
iv. Life expectancy: Pensioners living (on average) one year longer	2	16,000

It is not yet known the impact COVID-19 will have on mortality assumptions going forward. Assumptions used to value the provisions were not adjusted due to COVID-19 impact. However, future year's provision liability may be affected by potential changes in mortality rate as a result of the COVID-19 impact.

The change in the pension liabilities resulting from operating and finance costs have been charged to the SOCNE. This charge is reduced by the contributions receivable in the year from the active members.

Changes in pension assets and liabilities for the year by scheme:

	2022-23 Total £'000	2021-22 Total £'000
Operating cost:		
Current service cost net of employee contributions	2,980	4,280
Past service cost	-	-
Finance cost:		
Interest on pension liabilities	16,880	12,300
Expected return on employer assets	-	-
Net Return	19,860	16,580
Actuarial gain/(loss)		
Experience loss on pension liabilities	(87,120)	(49,620)
Changes in demographic & financial assumptions	466,020	(67,800)
Total Actuarial Loss charged to Pension Reserve	378,900	(117,420)

Movement in pension liabilities during the year

	2022-23 Total £'000	2021-22 Total £'000
Net liabilities at start of year	1,101,551	995,373
Current and past service cost	3,750	5,118
Pensions paid in the year	(29,300)	(28,660)
Pension transfers-in	-	-
Net finance charge	16,880	12,300
Re-measurement of the net defined benefit liability	(378,900)	117,420
Net liabilities at end of year	713,981	1,101,551

Service cost

	2022-23 Total £'000	2021-22 Total £'000
Current service cost (net of employee contributions)	2,980	4,280
Costs covered by employee contributions	770	838
Past service cost	-	-
Total Service Costs	3,750	5,118

4. Expenditure

	2022-23 Total £'000	2021-22 Total £'000
IT and communications	110,313	92,985
Other operational costs	70,237	51,211
Supplies and services	57,853	45,658
Estate	30,199	41,787
Travel and subsistence	16,939	10,100
Training and recruitment	9,139	8,288
Transport	8,135	6,754
Capital grant expenditure	6,146	6,343
Research and development expenditure	6,130	6,822
Legal costs	4,646	2,457
Conferences and hospitality	1,724	1,160
Interest on lease liabilities	843	-
Grants	105	5,175
Loss/(gain) on disposal of non-current assets	69	(158)
Non-current assets write off	-	(3)
	322,478	278,579
Non-cash items:		
Non-Pay provision expenses	1,249	(830)
Revaluation loss on non-current assets	209	6
Auditor's remuneration and expenses	159	150
Notional expenditure covered by donations	-	367
	324,095	278,272
Other operating expenditure	324,095	278,272
Depreciation and amortisation	70,005	55,469
Depreciation right-of-use assets	16,042	-
Impairment	-	(1)
Total expenditure	410,142	333,740

5. Income

	2022-23 £'000	2021-22 £'000
Revenue from contracts with customers:		
Specific operational funding*	110,021	180,612
Assets Recovery Incentivisation Scheme (ARIS)**	33,268	12,435
Recovery costs from public bodies	13,746	13,993
Overhead recharge	4,106	5,611
Other revenue from contracts with customers	2,674	1,852
Rental income	1,235	1,264
	165,050	215,767
Other operating income:		
Police Service of Scotland	5,211	5,212
Police Service of Northern Ireland	1,391	1,391
Donations and other operating income	13	560
	6,615	7,163
Total Income	171,665	222,930

* In 2022-23, 14 external funding streams previously received in 2021-22 were baselined and are now part of the NCA's Parliamentary supply.

** In 2022-23 an amount of £23.33m was received as income in relation to Operation AGADE. Further detail on this can be found on [page 17](#).

6. Property, plant and equipment

	Buildings	Land	Improvements to leasehold buildings	Motor vehicles	IT hardware	Plant and machinery	Furniture and fittings	Payments on account and assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2022	43,258	6,782	146,741	49,059	194,169	55,825	11,889	3,398	511,121
Additions	2,081	-	3,009	17,356	24,979	7,286	265	5,373	60,349
Disposals	-	-	(96,737)	(5,611)	(44,381)	(34,280)	(6,299)	-	(187,308)
Impairments and write offs	-	-	-	-	-	-	-	-	-
* Transfers (internal) and Reclassifications	108	(117)	172	1,049	759	(184)	110	(1,598)	299
Revaluations	(12,220)	1,685	5,019	1,210	2,705	1,780	508	-	687
At 31 March 2023	33,227	8,350	58,204	63,063	178,231	30,427	6,473	7,173	385,148
Depreciation									
At 1 April 2022	(31,093)	-	(122,971)	(32,767)	(137,881)	(41,600)	(8,844)	-	(375,156)
Charge in year	(784)	-	(6,056)	(3,614)	(20,370)	(4,202)	(573)	-	(35,599)
Disposals	-	-	96,737	5,229	44,355	34,280	6,278	-	186,879
Impairments and write-offs	-	-	-	-	-	-	-	-	-

	Buildings £'000	Land £'000	Improvements to leasehold buildings £'000	Motor vehicles £'000	IT hardware £'000	Plant and machinery £'000	Furniture and fittings £'000	Payments on account and assets under construction £'000	Total £'000
*Transfers and Reclassifications	26	-	(58)	44	57	27	(4)	-	92
Revaluation	8,150	-	(3,195)	(512)	(1,443)	(699)	(256)	-	2,045
At 31 March 2023	(23,727)	-	(35,485)	(31,664)	(115,339)	(12,221)	(3,395)	-	(221,831)
Carrying amount at 31 March 2022	12,139	6,782	23,828	16,248	56,231	14,198	3,049	3,398	135,873
Net book value at 31 March 2023	9,500	8,350	22,719	31,399	62,892	18,206	3,078	7,173	163,317

All assets were owned by the NCA

* Internal transfer adjustments net to zero over notes 6 and 7

Cost or valuation	Buildings	Land	Improvements to leasehold buildings	Motor vehicles	IT hardware	Plant and machinery	Furniture and fittings	Payments on account and assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2021	42,349	6,782	141,922	41,382	173,973	45,725	11,243	8,591	471,967
Additions	909	-	2,329	5,626	17,016	8,993	144	2,540	37,557
Disposals	-	-	-	(2,480)	-	-	-	-	(2,480)
Impairments and write-offs	-	-	-	-	-	-	-	-	-
Transfers (internal)	-	-	550	4,202	2,742	170	69	(7,733)	-
Revaluations	-	-	1,940	329	438	937	433	-	4,077
At 31 March 2022	43,258	6,782	146,741	49,059	194,169	55,825	11,889	3,398	511,121
Depreciation									
At 1 April 2021	(30,443)	-	(115,241)	(31,801)	(120,850)	(38,602)	(8,097)	-	(345,034)
Charged in year	(676)	-	(6,017)	(2,992)	(16,876)	(2,512)	(538)	-	(29,611)
Disposals	-	-	-	2,142	-	-	-	-	2,142
Impairments and write-offs	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluations	-	-	(1,655)	(160)	(212)	(513)	(205)	-	(2,745)
At 31 March 2022	(31,119)	-	(122,913)	(32,811)	(137,938)	(41,627)	(8,840)	-	(375,248)

Carrying amount at 31 March 2021	11,905	6,782	26,681	9,582	53,123	7,123	3,146	8,591	126,933
Net book value at 31 March 2022	12,139	6,782	23,828	16,248	56,231	14,198	3,049	3,398	135,873

All assets were owned by the NCA

7. Intangible assets

	Purchased software £'000	Payments on account and assets under construction £'000	Total £'000
<i>Cost or valuation</i>			
At 1 April 2022	244,289	25,645	269,934
Additions	38,105	26,986	65,091
Disposals	(73,410)	-	(73,410)
Impairments	-	-	-
* Transfers	23,492	(25,172)	(1,680)
At 31 March 2023	232,476	27,459	259,935
<i>Amortisation</i>			
At 1 April 2022	(133,630)	-	(133,630)
Charged in year	(34,406)	-	(34,406)
Disposals	73,336	-	73,336
* Transfer (internal) and reclassification	1,289	-	1,289
At 31 March 2023	(93,411)	-	(93,411)
Carrying amount at 31 March 2022	110,659	25,645	136,304
Carrying amount at 31 March 2023	139,065	27,459	166,524

All intangible assets were owned by the NCA

* Internal transfer adjustments net to zero over notes 6 and 7

	Purchased software £'000	Payments on account and assets under construction £'000	Total £'000
<i>Cost or valuation</i>			
At 1 April 2021	188,724	29,200	217,924
Additions	35,814	16,196	52,010
Disposals	-	-	-
Transfers	19,751	(19,751)	-
At 31 March 2022	244,289	25,645	269,934
<i>Amortisation</i>			
At 1 April 2021	(107,771)	-	(107,771)
Charge in year	(25,858)	-	(25,858)
Disposals	-	-	-
Impairments	(1)	-	(1)
At 31 March 2022	(133,630)	-	(133,630)
Carrying amount at 31 March 2021	80,953	29,200	110,153
Carrying amount at 31 March 2022	110,659	25,645	136,304

8.1 Right-of-use assets

	Buildings £'000	Motor vehicles £'000	Total £'000
<i>Cost or valuation</i>			
At 1 April 2022	-	-	-
Initial adoption of IFRS 16 as at 1 April 2022	88,520	-	88,520
Additions	3,575	1,704	5,279
Disposals	-	-	-
Transfers	-	-	-
At 31 March 2023	92,095	1,704	93,799
<i>Depreciation</i>			
At 1 April 2022	-	-	-
Charge in year	(15,993)	(49)	(16,042)
Disposals	-	-	-
Transfers	-	-	-
At 31 March 2023	(15,993)	(49)	(16,042)
Carrying amount at 31 March 2022	-	-	-
Carrying amount at 31 March 2023	76,102	1,655	77,757

8.2 Lease liabilities

	Buildings £'000	Motor Vehicles £'000
<i>Obligations under right of use leases comprise:</i>		
Not later than one year	16,256	556
Later than one year and not later than 5 years	36,736	928
Later than 5 years	24,075	-
	77,067	1,484
Less interest element	(3,162)	(145)
Present value of obligation	73,905	1,339
	Buildings £'000	Motor Vehicles £'000
Interest expense	(836)	(7)
Repayment of principal on leases	20,427	372
Total cash payments in respect of leases	19,591	365

Expenditure relating to short-term leases is disclosed within Estates expenditure in Note 4. This amounted to £337k for the year ended 31 March 2023.

9. Financial instruments

As the cash requirements of the NCA are met through the estimates process, financial instruments play a more limited role in creating and managing risk than they 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 NCA's expected purchase and usage requirements and the NCA is therefore usually exposed to little credit, liquidity or market risk.

10. Cash and cash equivalents

	2022-23 £'000	2021-22 £'000
Balance at 1 April 2022	44,357	13,287
Net change in cash and cash equivalents balances	(23,921)	31,070
Balance at 31 March 2023	20,436	44,357
The following balances at 31 March were held at:		
Commercial banks and cash in hand	5,429	4,735
Balance held with Government Banking Service	15,007	39,622
Balance at 31 March 2023	20,436	44,357

The NCA operated a number of bank accounts and cash imprest accounts during the year. The Agency does not draw down funds from HM Treasury in advance of need.

The UK accounts operated some commercial accounts under a pooling arrangement that allowed some accounts to be overdrawn, as long as the main NCA account was in credit to cover the overdrawn balances. Cash and cash equivalent balances held at 31 March 2023 were converted to sterling at the prevailing spot rate.

Bank interest of less than £1,000 was received during the year on bank balances (2021-22: less than £1,000).

11. Trade receivables, financial and other assets

	2022-23 £'000	2021-22 £'000
Amounts falling due within one year:		
Contract assets*	114,045	117,554
Prepayments	26,992	21,766
Trade receivables	4,268	2,306
Other receivables	3,224	2,616
	148,529	144,242

* Accrued income is shown within Contract Assets in accordance with IFRS 15 Revenue from Contracts with Customers.

12. Trade payables and other current liabilities

	2022-23 £'000	2021-22 £'000
Amounts falling due within one year:		
Accruals	77,799	65,913
Amounts issued from the Consolidated Fund for supply but not spent at year end	20,436	44,357
Trade payables	18,747	8,620
IFRS 16 lease liability	16,053	-
Other tax and social security	14,994	850
Other payables*	1,851	1,922
Contract liabilities	837	1,642
Amounts falling due after more than one year	150,717	123,304
IFRS 16 lease liability	59,191	-
Other payables*	-	1,430
	59,191	1,430

* On transition to IFRS 16 rent discounts have been deducted from right-of-use asset opening balances.

13. Provisions for liabilities and charges

	Legal provision £'000	Retirement provision £'000	Dilapidation provision £'000	Onerous lease provision £'000	2022-23 Total provision £'000	2021-22 Total provision £'000
Balance at 1 April 2022	1,699	4,042	8,448	32	14,221	14,884
Provided in the year	1,453	-	309	-	1,762	575
Provisions not required written back*	(534)	-	(63)	(32)	(629)	(359)
Provisions utilised in the year**	(860)	(164)	(56)	-	(1,080)	(686)
Borrowing costs (unwinding of discounts)	-	(1,035)	1,341	-	306	(193)
Balance at 31 March 2023	1,758	2,843	9,979	-	14,580	14,221

* Provisions not required written back is a credit to AME. This occurs when the provision is reviewed and confirmed to be overstated.

** Provisions utilised in the year are a charge to DEL and reflect expenditure incurred that offset in part or in total the original provision.

13.1 Analysis of expected timing of discounted flows

The provisions are anticipated to crystallise as follows:

	Legal provision £'000	Retirement provision £'000	Dilapidation provision £'000	Onerous lease provision £'000	2022-23 Total provision £'000	2021-22 Total provision £'000
Not later than one year	1,758	156	1,478	-	3,392	2,956
Later than one year and not later than 5 years	-	598	4,435	-	5,033	5,596
Later than 5 years	-	2,089	4,066	-	6,155	5,669
Balance at 31 March 2023	1,758	2,843	9,979	-	14,580	14,221

14. Contingent liabilities and indemnities

Litigation

The NCA had a small number of claims from employees, members of the public and suppliers that could result in compensation payments being made upon tribunal or court judgment or settlement. The probability of the claims being successful is considered less than 50%.

Indemnities

During 2022-23, the NCA notified the Public Accounts Committee (PAC) regarding a change in approach to the authorisation requirements of indemnities.

The NCA previously had in place a Departmental Minute dated March 2015 providing the NCA with authorisation to enter into indemnities of specific types and values. In 2022-23, the Accounting Officer was delegated authority from HMT to enter into indemnities up to £3m with no more than £50m in total at any one time. In previous years, no delegated authority was provided and the Departmental Minute was used as authority to enter into indemnities.

With the increase in indemnities delegation authority, and potentially conflicting thresholds with the Departmental Minute, the NCA agreed with HMT to operate within the authority granted to the Accounting Officer within the Delegated Authority Letter from HMT and not the Departmental Minute.

Controls are in place to ensure indemnities do not exceed the £50m limit.

All indemnities in place are considered as within the NCA’s business as usual activity.

Indemnities in place as at 31 March 2023:

Firearms Indemnities	2022-23	2021-22
Agreements entered into with suppliers during the year	28	43
Maximum value at any one time	£35.00m	£26.00m

There were 4 indemnities in place with firearms training establishments on 31 March 2023 (2021-22: 1).

Other indemnities:	2022-23		2021-22	
	Number	Value	Number	Value
Indemnities with clearing banks	6	£2.02m	6	£1.90m
Operational Indemnities	7	£5.12m	8	£6.00m
PF78 indemnities*	5	£0.13m	5	£0.13m

*A PF78 (solicitor’s undertaking as to expenses) occurred in circumstances where a person, by dint of their age or capacity, was unable to defend their own interests. In these cases, the court would direct that their interests were independently represented by the office of the Official Solicitor. In such circumstances, the NCA was requested by the court to provide an undertaking to indemnify the Official Solicitor’s reasonable costs.

With exception of new indemnities with firearms training facilities shown in the table above, no new indemnities were entered into during 2022-23, and no indemnities were called upon.

15. Leases

Commitments under leases

The NCA was committed to pay for the following operating lease rentals in future financial years:

	2022-23*	2021-22
	£'000	£'000
<i>Obligations under operating leases comprise:</i>		
Buildings:		
Not later than one year	80	17,852
Later than one year and not later than 5 years	319	49,379
Later than 5 years	7,503	36,229
Total	7,902	103,460

* Due to the adoption of IFRS 16 on 1 April 2022, leases within scope of IFRS 16 are disclosed separately in Note 8 and are therefore no longer disclosed in the table above for 2022-23.

16. Capital and other commitments

Other financial commitments

The NCA has entered into non-cancellable contracts for the provision of information technology, communication services and facilities management. The payments to which the NCA is committed are as follows:

	2022-23 £'000	2021-22 £'000
<i>Other financial commitments:</i>		
Not later than one year	23,806	14,843
Later than one year and not later than five years	20,789	9,777
Later than five years	-	-
Total	44,595	24,620

17. Related-party transactions

The NCA undertook a number of transactions with government departments and other government bodies during the year, including the Home Office and the Cabinet Office, with whom the Agency works closely with.

The Remuneration report provides information on key management compensation. No minister, board member, key manager or other related party has undertaken any material transactions with the NCA during the year.

18. Third-party assets

Seized property is property appropriated by the NCA and other law enforcement bodies but which may still be liable to be returned. Seized property held by the NCA as at 31 March 2023 consisted of £52.77m (2021-22: £59.79m) in cash, motor vehicles, cryptocurrency and other valuables suspected of being derived from criminal activity.

These are not the NCA’s assets and are not included in the financial statements of the NCA:

	2022-23 £'000	2021-22 £'000
Third party assets:		
Monies	33,684	25,876
Physical assets	2,666	7,021
Cryptocurrency*	16,417	26,894
Total	52,767	59,791

*Cryptocurrency is valued using a Coinbase rate of exchange available on 31 March 2023. By its nature, the value of cryptocurrency is highly volatile and subject to unpredictable valuation movements.

19. Recovered assets

The NCA currently manages bank accounts where recovered assets are deposited. Each financial year-end, the excess of civil recoveries over receivers’ fees applied net of any direct disposal costs is paid over to the Home Office. For assets recovered through Criminal and Tax cases the amounts are paid over quarterly. The figures presented below are net of direct costs.

	2022-23 £'000	2021-22 £'000
Recovered assets receipts		
- Civil	57,295	8,571
- Criminal	-	140
- Tax	578	382
	57,873	9,093
Recovered assets receipts		
Asset recoveries applied against receivers' fees (see below)	-	-
Net recovered receipts	57,873	9,093
Receipts paid to the Home Office during the year	(57,378)	(6,720)
Recovered asset proceeds held at 31 March 2023	495	2,373
Recovered asset Held by NCA in Civil bank Accounts as at 31 March 2023	232,761	-

The NCA pays to the Home office, quarterly in arrears, recovered asset receipts net of estimated receivership and enforcement costs. A final payment for £0.50m is due from the monies held in the separately identified third party bank accounts and will be paid to the Home Office by June 2023. The remaining civil receipts of £233m held in the civil third party bank accounts is related to two operations, Operation AGADE and Operation LOBULOSE.

Operation AGADE is a civil recovery investigation into funds held by Barclays Bank. Following information received from Barclays Bank in relation to funds held in various suspense/sundry accounts suspected to be the proceeds of crime, mainly fraud, Barclays have worked in cooperation with

the NCA to allow for the recovery of the funds in the related suspense accounts. On 25 November 2022, following an uncontested hearing at the High Court, the NCA obtained a Recovery Order in relation to the £53.90m held in the suspense accounts at Barclays Bank. It was agreed for £4m to be held to pay any victim claims.

Operation LOBULOSE is a civil recovery investigation acting under a request from the US Department of Justice (DOJ). The US DOJ is pursuing assets which are suspected to be or represent the proceeds of the multi-billion Malaysian Development Board (1MDB) fraud against the Malaysian Government. As part of the US request, a Prohibition Order was applied for in respect to the £200m plus funds held by the High Court in London. The application for the Prohibition Order was heard in February 2022 and the Order granted by the High Court in April 2022. However, there was delay in transferring these funds to the NCA because of an application by the defence for permission to appeal and various applications to vary the Prohibition Order. The defence application for permission to appeal was refused and only limited legal exclusions for the defendants were granted by the High Court. On 8 February 2023 the NCA received a transfer from the High Court Funds Office of £228.56m into a segregated funds account, to be managed by the NCA Trustee, pending a result in the civil forfeiture proceedings in the US.

The civil and tax figures quoted above differ from the NCA's reported performance against the Home Office civil and tax recovery target in the annual report as a result of the deduction of allowable costs and cases under appeal in the above figures.

The criminal receipts figure quoted above relates to the NCA's ongoing responsibility to enforce payment against criminal confiscation orders obtained in previous years by the Asset Recovery Agency (ARA) or where the NCA has obtained a confiscation order in connection with an investigation commenced by the ARA. It is by its nature a small and diminishing amount. All other existing confiscation orders obtained by the NCA and new confiscation order unconnected with the ARA obtained since the merger continue to be enforced by the courts. This figure has no relationship to the value of the new confiscation orders obtained by the NCA for the year ended 31 March 2023, nor to the value of receipts banked by the courts in fulfilment of confiscation orders obtained by the NCA for the year ended 31 March 2023 and previous years.

20. Forfeiture and confiscation orders

Receipts paid to the Home Office during the year in fulfilment of cash forfeiture orders obtained in the year ended 31 March 2023 and previous years are set out below. It should be noted that the time-lag created by the 30-day appeal period which follows all cash

forfeiture orders and the normal business delays in processing forfeited cash through to the Home Office means that the amount paid to the Home Office in any given financial year will not correspond precisely to the stated value of new cash forfeiture orders obtained over the same period.

	2022-23 £'000	2021-22 £'000
Forfeiture and confiscation monies paid over	11,280	18,247

21. Events after the reporting period

In accordance with the requirements of *IAS 10 Events After the Reporting Period*, post-Statement of Financial Position events are considered up to the date on which the accounts are authorised for issue by Graeme Biggar (Accounting Officer). This is interpreted as the same date as the Certificate and Report of the Comptroller and Auditor General.



ANNEX A - Regulatory reporting

Core tables

The following tables have been produced to support the NCA Annual Report and Accounts. They are designed to allow users to review financial performance over previous periods. These tables are consistent in their presentation across Government Departments and allow users to make comparisons.

Table 1: Total departmental spending

	2018-19	2019-20	2020-21	2021-22	2022-23
	Outturn	Outturn	Outturn	Outturn	Outturn
	£'000	£'000	£'000	£'000	£'000
Resource DEL					
NCA	462,242	485,008	498,230	503,420	621,270
Total Resource DEL	462,242	485,008	498,230	503,420	621,270
<i>of which:</i>					
Pay	257,196	290,769	333,782	350,491	359,740
Depreciation	57,066	56,674	64,195	55,468	86,047
Resource AME					
NCA	26,139	40,538	21,571	13,850	18,036
Total Resource AME	26,139	40,538	21,571	13,850	18,036
Total Resource Outturn	488,381	525,546	519,801	517,270	639,306
<i>of which:</i>					
Depreciation	57,066	56,674	64,195	55,468	86,047
Capital DEL					
NCA	51,932	63,625	46,929	45,403	105,767
Capital AME	-	-	-	-	309
Total Capital DEL	51,932	63,625	46,929	45,403	106,076
<i>of which:</i>					
Capital expenditure of fixed assets net of sales	60,027	86,034	108,656	102,732	142,686
Dilapidations provision	-	-	-	-	309
–					
Right-of-use additions					
Income from sales of assets and other grants	(8,095)	(22,409)	(61,727)	(57,329)	(36,919)
Total Capital Outturn	51,932	63,625	46,929	45,403	106,076

	2018-19	2019-20	2020-21	2021-22	2022-23
	Outturn	Outturn	Outturn	Outturn	Outturn
	£'000	£'000	£'000	£'000	£'000
Total Departmental Spending	488,381	525,546	519,801	517,270	639,306
Of which:					
Total DEL	462,242	485,008	498,230	503,420	621,270
Total AME	26,139	40,538	21,571	13,850	18,036

Total Resource DEL increased in 2022-23 to reflect growing in-year pressures on the NCA's operations.

Total Resource AME increased in 2022-23 due to a higher than expected impact from a change in discount rates applied to the valuation of the Police Pension liability.

Capital DEL net expenditure increased by £60.36m in 2022-23 due to external funding for capital projects previously received in 2021-22, which was baselined in 2022-23. This is reflected by the increase in Net parliamentary funding shown on the Statement of Taxpayers' Equity.

For explanations on the variances between 2022-23 and 2021-22, please refer back to the sections on the Statement of Parliamentary Supply, and the underlying variances in the financial statements in Part 3 of this report.

Table 2: Administration costs for the NCA

	2018-19	2019-20	2020-21	2021-22	2022-23
	Outturn	Outturn	Outturn	Outturn	Outturn
	£'000	£'000	£'000	£'000	£'000
Resource DEL					
NCA	30,361	36,408	36,513	35,212	35,747
Total admin outturn	30,361	36,408	36,513	35,212	35,747
<i>Of which:</i>					
Expenditure	30,361	36,408	36,513	35,343	35,888
Income	-	-	-	(131)	(141)
Total admin outturn	30,361	36,408	36,513	35,212	35,747

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