UK Trade
& Investment

UK Trade & Investment Annual Report and Accounts 2015-16

BUSINESS
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GREAT
BRITAIN & NORTHERN IRELAND

UK Trade & Investment Annual Report and Accounts 2015-16

(for the year ended 31 March 2016)

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Chief Executive's Foreword
Dr Catherine Raines FRSA

2015-16 has been a landmark year for UKTI; one in which our team has yet again achieved record results. We have helped UK firms to win £47.1bn in business deals and we were involved in four out of five of the record number of inward investment projects that landed in 2015-16.

These results pre-date the UK's decision to leave the European Union. The UK is one of the strongest major advanced economies in the world and we are well placed to ensure we remain a great trading nation. We want the UK to be the easiest place in the world to trade with, from and to. This has not changed.

In July 2016 the new Government announced the creation of the Department for International Trade (DIT). UKTI will now form part of this new department alongside an expanded Trade Policy Group. This represents an elevation of the Trade agenda and represents an exciting opportunity to build on great successes to date. DIT will also work with the UK's export credit agency, UK Export Finance, to provide support for exporters, and facilitate inward and outward investment.

UKTI's successes this past year are down to the hard work of UKTI's people and partners, both here in the UK and throughout the world, and I would like to thank them for their dedication and commitment. In particular, I would like to thank former Chief Executive, Dominic Jermey, who led UKTI until September 2015 and Michael Boyd, UKTI's Managing Director of Investment, who left us in June 2016 after five hugely successful years.

Over the coming months and years, the UK will shape a new relationship with the European Union. We remain globally committed to making the UK the easiest place in the world to trade from and the best place in the world in which to invest.

Dr Catherine Raines FRSA
UKTI Chief Executive

Statement of Performance and Activities

UKTI

During 2015-16, UKTI was a joint, non-ministerial Government Department reporting to the Secretaries of State for BIS and the Foreign Commonwealth Office (FCO). UKTI now forms part of the new Department for International Trade (DIT) alongside an expanded Trade Policy Group. DIT will work with the UK's export credit agency, UK Export Finance, to provide financial support for exporters, and facilitate inward and outward investment.

In 2015-16 UKTI led the Government's approach to increase the number of exporters and inward investors to the UK.

It co-ordinated the Government's efforts to:

1. Support UK companies to export and connect them with opportunities abroad.
2. Support foreign investors and connect them with opportunities in the UK.
3. Work with Her Majesty's Government (HMG) and foreign Governments to make exporting and inward investment easier and more profitable.

Supporting exports

UKTI has provided services to businesses of all sizes and across all sectors.

The most recent independently verified data for the 12 months to March 2016 shows that we have assisted 53,793 businesses. In addition, UK customers tell us that this financial year, UKTI has provided significant support for over £47.1bn of contract successes, as measured through our 'Business wins' form.

47

External partner from across business and industry support Exporting is GREAT

Business wins supported by UKTI

20,000

Export opportunities hosted on Exporting is GREAT since November 2015

590k

Visits to the Exporting is GREAT website

33k

Companies reached through Export Weeks since 2012

Exporting is GREAT

UKTI launched Exporting is GREAT in November 2015. As part of the GREAT Britain campaign to promote trade, investment, tourism and study in the UK, Exporting is GREAT aims to inspire and support 100,000 additional UK exporters to sell their goods and services overseas by 2020. The programme is designed to enable UK SMEs to take advantage of the global appetite for UK products, skills and expertise in markets around the world. In partnership with major British businesses, the programme is supporting companies at every stage of their exporting journey – from identifying opportunities to winning contracts overseas.

We have created a new website www.exportingisgreat.gov.uk, which enables UK businesses to register their interest for real-time global export opportunities, and to access expert advice, trade services, training and events. The website hosts around 2,000 live export opportunities at any one time and has attracted over 500,000 visits. So far, over 20,000 export opportunities have been applied for.

Exporting is GREAT roadshow

An Exporting is GREAT roadshow has been travelling across the UK to support the campaign since its launch in November 2015. Scheduled to run for 12 months, it gives face-to-face assistance to first-time exporters and uses the latest technology from our partner Microsoft to connect these businesses with live export opportunities.

Export Week

UKTI held an Export Week in November 2015 and an Exporting is GREAT Week in April 2016. These events attracted thousands of companies who attended dozens of workshops, seminars, webinars, roadshows and market presentations across the UK.

Great British Food Unit

UKTI's food and drink team became the first specialist sector group to co-locate with another Government Department when it moved to Department for Environment, Food & Rural Affairs (DEFRA) in November 2015.

The Great British Food Unit joins together DEFRA's and UKTI's work to improve coordination and make the UK more effective at promoting exports, supporting inward investment and championing the excellence of British food and drink worldwide. The Great British Food campaign is supported by a team of food pioneers made up of some of the UK's top chefs, including Ken Hom and Raymond Blanc, together with food entrepreneurs and leaders.

e-Exporting

UKTI's e-Exporting Programme signed its biggest deal to date in September 2015 when it announced a Memorandum of Understanding (MoU) with Amazon. A further five MoUs, expected to generate significant export growth, were signed with leading Chinese e-marketplaces in October 2015. The e-Exporting Programme helps UK retailers and brands to accelerate their global growth via online channels, including through e-marketplaces.

250

Businesses who took part in UKTI's Export Jam in July 2015

10.4%

Increase in UK security sector exports in 2014[1]

62

Business leaders joined the Prime Minister David Cameron and Secretary of State Sajid Javid on a Northern Powerhouse trade mission to Singapore and Malaysia

UKTI Export Jam

How do businesses learn? By listening to their customers. UKTI did exactly that when we held our first Export Jam in July 2015, inviting businesses to come and tell us how they thought we should design our services. Some 250 businesses – both exporters and non-exporters – took part. We wanted to look at: how exporters could get advice quickly and easily; how we could provide a single interface for Government services; how our services could be designed to meet their business needs and give them access to our deep market knowledge and expertise; and how we could help them make the connections overseas that only Government can provide. As a result of that discussion, we have been prototyping four potential services for our customers, which are being tested with businesses. Look out for our recommendations in the coming months.

Northern Powerhouse

UKTI led on trade and investment activity for the Northern Powerhouse in 2015-16. UKTI in the North West, Yorkshire and the Humber, and the North East have played a key role in realising the Northern Powerhouse ambitions by helping businesses in their respective regions to reach out to new markets. A top level trade mission to Singapore and Malaysia led by UKTI's Regional Director in the North West was among last year's activities. 62 business leaders joined the Prime Minister David Cameron, Secretary of State Sajid Javid and UKTI on the visit.

UKTI Defence & Security

UKTI's Defence & Security Organisation (UKTI DSO) has helped the UK defence and security industry increase exports by building relationships with overseas governments, raising awareness of UK industry capabilities and co-ordinating UK Government support for export opportunities in established and developing markets. UKTI DSO has provided specialist export advice and practical assistance to UK companies, working closely with the Ministry of Defence, the Home Office and other Government Departments and agencies.

Events and exhibitions activity continued to be a key output for UKTI DSO in 2015-16, delivering a global programme of 28 core defence and security exhibitions.

- In September 2015, UKTI DSO supported the Defence and Security Equipment International (DSEI) event at the Excel Centre, London, one of the largest defence and security events in the world. Over 34,000 people attended the event and UKTI DSO arranged bespoke visit programmes for 100 official delegations from 53 countries.
- In partnership with the Home Office, during March 2016, UKTI DSO organised the Security & Policing 2016 event at Farnborough. UKTI DSO welcomed over 300 delegates from 61 countries, who met 350 UK security industry companies exhibiting at the event.
- UKTI DSO also supported LAAD 2015, a major defence and security exhibition held in Brazil during April 2015. Over 30 UK companies exhibited at the event and UKTI DSO hosted several high profile international delegations during the event.

1 2015/16 data will be available later in the year

China state visit

More than £30bn worth of trade and investment deals, and over 3,900 jobs were agreed between the UK and China during President Xi Jinpin's State visit to the UK in October 2015. The numerous deals spanned a range of sectors including the creative industries, retail, energy, health and technology, financial services, aerospace and education.

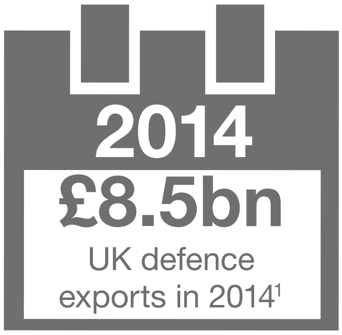
First-time exporters package launched

A new package of support was introduced for first-time exporters in April 2015. The First Time Exporters' initiative includes opportunities for businesses to take part in trade missions to nearby markets as well as offering dedicated digital trade advisers and an online tool designed to assist their export planning.

Milan Expo 2015

The UK Pavilion at the Milan World Expo 2015 closed its doors in October after six months. During this time, it was visited by over 3.3 million people, with a further 450 million people viewing it across the world's media and online. The UKTI-led "Grown in Britain and Northern Ireland" business programme, which ran in parallel, has already secured more than £650m in business wins. The UK Pavilion won numerous design awards, including the gold medal for architecture and landscape at the Expo. This year, this has been brought to Kew, for UK visitors to enjoy.

Business generated through business programme at Milan Expo 2015



Deals made during the China State Visit in October 2015

CASE STUDY

Oil and gas company looks to central Asia

Independent Power Corporation PLC (IPC) is one of Britains's leading power development companies specialising in high efficiency, low emissions gas-fired power plants. With Anglo Kazakh TransAsian Pipeline Corporation Limited, its gas pipeline affiliate, they signed an MoU in November 2015 with help from UKTI. This was to build four Clean Tech combined cycle gas turbine (CCGT) power plants of 400 MW each with a combined value of over US $1.6bn (£1.04bn) along the route of a new gas pipeline linking the Central Asian cities of Karaganda, Zhezkazgan and Temirtau with the Kazakh capital, Astana. The pipeline expansion project is valued at some US $1.5bn (£970m) and will permit natural gas for the first time to be brought to central Kazakhstan.

1 2015/16 data will be available later in the year

Attracting investment

UKTI had a target, underpinned by a manifesto commitment, for the UK, to remain the destination of choice in Europe for Foreign Direct Investment (FDI), and to become the destination of choice in Europe for FDI from emerging economies. In 2015-16, UKTI achieved both of these targets.[1]

UKTI's Investment Group has supported these targets, aiming to attract and sustain a high quality pipeline of inward investment into the UK. We work with our overseas network and delivery partners to increase the numbers of high value investments into the UK.

UKTI, with its partners, supported 1,731 out of the 2,213 recorded investment projects during 2015-16. This accounts for nearly 80% of the total number of investment projects recorded for the UK as a whole. Compared to the record breaking 2014-15 reporting period, 2015-16 FDI projects are estimated to have created a slightly lower level of new jobs (82,650 compared to 84,603).

However, when this figure is taken together with the number of safeguarded jobs (which is higher than in the last UKTI Inward Investment Report), in 2015-16 UKTI recorded the second highest overall job figure since records began (with an estimated 33,324 safeguarded jobs, taking the total combined estimated figure to 115,974).

Jobs created or safeguarded through inward investment

CASE STUDY

The UKTI Automotive Investment Organisation (UKTI AIO) announced in October 2015 that it has helped create and protect 15,000 jobs across the UK automotive supply chain – six months inside its three-year target.

Since it was established in 2013, UKTI AIO has helped secure investments throughout the UK, doubling the number of jobs created and protected over the same period prior to its founding.

Sunderland – home to the Nissan car factory, one of Europe's most efficient – saw two major investments from US automotive suppliers earlier this year. Supported by UKTI AIO, automotive technology company TRW committed to building new production and assembly facilities in the region, bringing 130 new jobs, while the Lear Corporation has been able to secure major expansion plans for a new foam plant, creating 100 new jobs.

These successes have been repeated across the UK as foreign investors increasingly look to develop, design and manufacture their automotive components in the UK.

1 EY's UK Attractiveness Survey 2016

84 Major companies of strategic importance to the UK are managed by UKTI's Strategic Relationship Management team

Strategic Management

UKTI's Strategic Relationship Management (SRM) team has worked across government with the top 84 companies of strategic importance to the UK. The SRM programme helps to join up government departments so that they fully understand the commercial agendas of the largest inward investors and exporters.
This year, it has continued to help companies navigate a wide range of investment decisions, from making introductions to universities to support their R&D, to letting them know about relevant government schemes to develop skills in their sector.

Global Accounts Programme

The Global Accounts Programme is embedded into UKTI's trade and investment sector teams and focuses on building relationships with those businesses that have the ability to yield multiple high value successes for the UK across both inward investment and exports. Over 200 global accounts have been actively managed by UKTI sector teams, providing real benefits to both the client and the economy. Several thousand other accounts are managed by UKTI's commercial and local partners.

Global Investment Conference

The UK's design industry was the focus of the Global Investment Conference in London on 17 September 2015. Organised to coincide with the Rugby World Cup, the conference brought together more than 150 government leaders, investors and entrepreneurs to discuss opportunities in the automotive, advanced engineering and creative industries. Investment deals announced at the conference included a collaboration between UK-based Codemasters and Intel Corporation to bring a suite of innovative new graphics technologies to the worldwide PC gaming market.

Global Entrepreneur Programme

UKTI's Global Entrepreneur Programme (GEP) is an accelerator focused on attracting overseas-based entrepreneurs with innovation-rich businesses to grow from a UK strategic hub. The enhanced programme involves recruiting regional-based 'dealmakers' in major UK cities – local specialists who assist the development of the regional entrepreneurial network and connect them to other emerging entrepreneurial communities across the globe.
In 2015-16, this programme delivered 98 inward investments from 40 different countries.

Northern Powerhouse

UKTI has been promoting the Northern Powerhouse as an investment destination, with a film about the region being sent out digitally by embassies in Africa, the Americas, Asia and Europe. The film has also been shown at events such as the Queen's Birthday Parties around our global network.

Midlands Engine

A Midlands Engine Pitch book bringing together 33 regeneration projects was launched in March 2016. The projects, identified by 11 Local Enterprise Partnerships (LEPS) as offering huge potential in the Midlands, were sourced by UKTI's Regeneration Investment Organisation as being ready for development and offering huge potential for international investors.

How we deliver

Approximately 2,500 people are deployed by UKTI. These include officials from BIS and the Foreign & Commonwealth Office (FCO); who work alongside private sector secondees and specialists. UKTI is able to draw on the best of private sector expertise and Whitehall contacts and knowledge.

Around 1,300 members of staff are based overseas in our network in over 100 countries. More than 1,100 work in the UK – in London, Glasgow and the English regions. This figure includes sector specialists and International Trade Advisers. They work alongside our delivery partners in every English region.

UKTI has worked closely with other Government Departments, including UK Export Finance; with the devolved administrations in Scotland, Wales and Northern Ireland; and with England's regional bodies to land the export and inward investment projects that this country needs.

Overseas Business Network Initiative

The Overseas Business Network Initiative (OBNI) involves the Government working with accredited private sector partners to deliver on-demand trade services for UK companies. This programme currently operates across 30 markets worldwide. OBNI enables UKTI staff at embassies to focus their resources where Government can add the most value.

Global Commercial Partners

The Global Commercial Partners initiative (GCP) was set up by UKTI to build strong, long-term partnerships with the UK's major banks (Barclays, HSBC, Lloyds, RBS, Santander and Standard Chartered) and the 'Big 4' professional services organisations (Deloitte, EY, KPMG and PwC).

These partnerships combine the networks, client base and expertise of those organisations, bringing together the best of public and private sector expertise to provide a stronger range of support and advice to a much greater number of exporters and investors. The first three agreements with Lloyds Commercial Bank, Santander UK and KPMG were announced in March 2015. In January 2016, Barclays Bank joined forces with UKTI as a lead partner to broaden, deepen and sharpen efforts to help further develop international trade and inward investment for UK businesses, including a pledge to support 15,000 businesses exporting for the first time.

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Trade Envoys covering 50 high-growth and emerging markets

Exporting is GREAT

The Exporting is GREAT campaign is supported by almost 50 external partners drawn from across business and industry. They have worked with UKTI to increase the supply of available export opportunities, providing offers and discounted services to SMEs, and reinforcing the information, guidance and services available to help UK businesses strengthen their capabilities to export successfully.

Trade Envoys Programme

The Prime Minister announced a number of new Trade Envoys in January 2016. The Trade Envoy programme supports the Government's overall strategy to drive economic growth. The Trade Envoys were appointed by the former Prime Minister to act on behalf of Government and to carry his personal mandate. Envoys are carefully selected for their experience, skills and knowledge of particular sectors or markets, or their knowledge of business. There are now 24 Trade Envoys covering 50 high-growth and emerging markets.

Department for International Trade (DIT)

In July 2016 the new Government announced the creation of the Department for International Trade (DIT) and the appointment of Rt. Hon Dr Liam Fox MP as Secretary of State for International Trade. UKTI will now form part of this new department alongside an expanded Trade Policy Group. DIT incorporate UK's export credit agency, UK Export Finance, to provide support for exporters, and facilitate inward and outward investment.

DIT is responsible for:

- developing, coordinating and delivering a new trade and investment policy to promote UK business across the globe
- developing and negotiating free trade agreements and market access deals with non-EU countries
- negotiating plurilateral trade deals (focused on specific sectors or products)
- providing operational support for exports and facilitating inward and outward investment

The key issues and risks that affected UKTI during 2015-16

There were two significant risks identified by UKTI that could affect its ability to deliver its objectives.

Improving export performance

UKTI had a central role in hitting the previous Government's two stretching exports targets by 2020:

100,000 additional exporters and £1tr in export value.

Many factors affecting the achievement of these targets are beyond our control, and the risk is that these targets may not be met.

A new Government exports strategy was developed to address these targets through an increasingly digital offer and a focus on the biggest sector and market opportunities. UKTI's mandate has been focused on achieving these targets, with new metrics to capture progress against them. UKTI now forms part of the new Department for International Trade which is charged with developing trade and investment policy and promoting exports and investment around the globe.

UKTI Transformation Programme

In 2015-16 UKTI began a transformation programme which will see significant change to all aspects of its operating model.

The risk is that these changes could affect our ability to continue to support UK companies to export and attract inward investment into the country during the period of transformation; therefore, the overall Government targets for exports and investment may not be met.

To mitigate this, a Transformation Team was formed, led by a Transformation Managing Director, incorporating key functions and personnel across UKTI, such as the digital transformation team. Strengthened project management tools and a communications plan for staff have been developed, and resources have been made available to teams to straddle the gap between business-as-usual and transformation. The on-going transformation programme will assist in the wider integration of UKTI into the new Department for International Trade.

Performance Report – Analysis

Departmental Performance

Key Performance Indicators

We measure the impact of our work by the business performance of the exporters and investors we serve. Annex A includes a technical note that outlines how UKTI monitors and evaluates performance and impact.

UKTI's key performance measurement tool is the Performance and Impact Monitoring Survey (PIMS). It is an independent survey of our performance carried out by a leading market research organisation. Annex B contains further details of the key sources of UKTI performance measurement data.

We launched a new Performance and Impact Monitoring Survey (PIMS) early last financial year. The new survey is split in two: (i) a monthly survey to validate the number of companies supported by UKTI that assesses quality and satisfaction; and (ii) an annual impact survey. Unlike previous PIMS surveys, the new PIMS results are reported cumulatively for the financial year to date, so the interview base and robustness of the data will build through the year. Breakdowns that are more granular will be available over time.

The tables below show the latest verified results UKTI has achieved against its key performance indicators for trade development and inward investment promotion.

	Target	Outcome
Trade		
Number of businesses assisted	52,500	53,793
Business wins	£25bn	£47.1bn
Investment		
Number of involved inward investment successes.	1,450	1,731 (40% of which higher value)[1]
Value of regeneration and infrastructure commitments	£5bn	£13bn
Our Customers		
Quality and Customer Satisfaction[2]	80% Quality 80% Satisfaction	77% 75%

1. High Value in this context is based on a set of quantitative indicators (total value of investment and new job numbers) and qualitative indicators (quality of jobs quality of investor; R&D, Global/European Headquarters, and export potential) to establish the relative value of each project.
2. Results for this metric relate to the performance during the previous year 2014-15. Full data for financial year 2015-16 is not available until September 2016.

Trade

UKTI's staff in the UK and overseas deliver a range of services to help companies export. The most recent independently verified PIMS data for the 12 months to March 2016 shows 53,793 businesses assisted and £47.1 billion of total additional sales by UK businesses.

Inward investment

The investment results for 2015-16 show an improvement in performance from the previous year, with UKTI and its partners helping deliver 1,731 inward investment projects in 2015-16, an 8% increase on 2014-15.

Our customers

Customer focus has been a driving force behind UKTI's strategic development. Our transformation programme is focused on maximising the Government's impact and delivering for our customers.

Over 77% of UKTI customers report positively on the quality of services received, with 75% reporting positively on satisfaction, falling short of our targets of 80%.

92% of all supported businesses were SMEs (i.e. had less than 250 employees); 8% were MSBs (i.e. had a turnover of between £25m and £250m); 21% were either not yet exporting (15%) or exporting for less than a year (6%).

Changes to export performance measurement

During the year, a review of the way in which we measure export performance has been undertaken to ensure that we are as aligned as possible to HMG's ambition being for £1 trillion exports and 100,000 additional exporters by 2020. We have concluded that from 2016-17 we will focus our performance measurement to maximise export value. This means we will move away from recording 'business wins', which included the measurement and quantification of benefits to UK companies that sometimes fell outside of the Office of National Statistics (ONS) definition of exports. We will adjust the methodology so that we target and measure performance only on the additional contribution UKTI support makes to increasing export value in accordance with ONS definitions.

We will also focus our export volume matrix on the number of companies we help to export for the first time or more sustainably.

Financial Review

Introduction

This financial review records information on the use of resources voted by Parliament directly to UKTI via the Supply Estimates process. Prior year comparatives are provided in brackets. The total resources deployed by UKTI are detailed in Fig. 1 with prior year comparatives.

UKTI's financial performance over the 2015-16 financial year was within the control totals determined by Parliament whilst supporting UKTI to deliver its key objectives. The reason for the underspend was in part due to significant events occurring late in the financial year, such as foreign exchange movements and resolution of outstanding contractual issues after the year end. Adjusting for these events, the underspend against programme would have been 1.4% against programme, and 1.8% overall. This is an acceptable performance given the constraints on the organisation's capacity during a period of transformation and the need to get on the right trajectory for the Spending Review.

UKTI's total resource DEL budget for 2015-16 was £336.5m (£265.2m). The main factors contributing to the increase to our budgets compared with prior years are:

- The transfer of an additional £37.8m from FCO budgets as part of the move to a complete single budget for UKTI. This additional funding in 2015-16 relates to the indirect costs of the overseas network, previously incurred by the FCO and now recharged to UKTI.
- Transfer of an additional £1.2m from BIS to complete the transfer of BIS budgets into the UKTI single budget. This funding relates to overheads for estates.

In addition to this, UKTI received additional resources from HMT to deliver a number of programmes in 2015-16:

- £20.0m to support first-time exporters through supporting a Global Events Programme and expanding UKTI's e-commerce programme.
- £7.5m to unlock access to markets in China to focus on maximising the UK's opportunities in the manufacturing, transport, financial services, healthcare and life sciences sectors in China.
- £3.5m to deliver a series of overseas trade and investment missions with a focus on the north as part of the Northern Powerhouse.
- £1.5m to provide trade missions focussed on regional strengths in support of the International Festival of Business in Liverpool.

Resource Departmental Expenditure Limit (DEL)

In 2015-16, UKTI's net resource spend was £323.5m (£264.1m) resulting in an underspend of £13.0m (3.9%) against a net resource DEL budget of £336.5m (£265.2m). The main drivers of this underspend are set out below.

At the 2015 Supplementary Estimate, UKTI agreed arrangements for foreign exchange protection from HMT. These arrangements protect UKTI against a reduction in buying power due to movements in foreign exchange rates, however, they also include clawback arrangements for any gains arising from these movements. £3.7m was transferred to HMT as part of the Supplementary estimate to cover gains realised between April and November. The underspend of £13m includes further unexpected foreign exchange gains of £2.9m. Due to the persistent fluctuation of global exchange rates towards the end of the year UKTI felt it prudent not to utilise the funding on other activities in case of an adverse exchange rate swing.

UKTI has realised a number of contractual efficiencies in 2015-16 with the re-negotiation of FDI and specialist contracts realising a full year saving of £2.4m. Further negotiated discounts with outsourced suppliers created an additional reduction in expenditure of £3.1m close to year end. The transition away from contracts under the specialist framework in Trade Group has created a number of further savings and the settlement of a contractual dispute with a supplier has contributed a further £0.8m to the underspend of £13.0m. The remainder of the £13m underspend has also been driven by a lower than anticipated take up of our demand led services throughout 2015-16.

Fig 1: Table of UKTI Major Resource Programme Expenditure (2013-14 to 2015-16)

	2013-14 £m	2014-15 £m	2015-16 £m
Trade Development which includes:	110.2	199.7	260.9
Regional Trade Support	39.7	44.2	38.6
High Value Opportunities & Sector Campaigns	26.0	27.8	16.0
Trade Events & Missions	11.2	5.9	13.4
Tradeshow Access Programme	16.2	11.0	9.1
Marketing and Publicity	3.7	1.5	2.3
GREAT Campaign	11.7	19.9	18.0
Defence and Security Export Services	2.0	1.5	3.7
Overseas Business Network	4.7	16.0	12.0
Milan Expo 2015	–	6.9	4.4
UKTI Delivery Overseas	–	46.1	112.7
Programme Related Staff Costs	–	27.2	30.8
Other Programme Costs	11.3	6.4	6.2
Income	(16.3)	(4.7)	(6.1)
Inward Investment which includes:	45.7	50.6	44.6
Delivery of Foreign Direct Investment	18.1	17.8	18.3
Investment Organisations	11.9	14.4	12.3
High Potential Markets	5.7	3.7	1.1
Other Foreign Direct Investment Expenditure	10.0	8.7	5.3
Programme Related Staff Costs	–	6.0	7.5

Fig 2: Breakdown of UKTI Major Resource Programme Expenditure against Budget

	Budget 2015-16 £m	Actual 2015-16 £m	Variance 2015-16 £m
Regional Trade Support	41.7	38.6	3.1
High Value Opportunities & Sector Campaigns	22.7	16.0	6.7
Trade Events & Missions	13.9	13.4	0.5
Tradeshow Access Programme	10.0	9.1	0.9
Marketing and Publicity	2.9	2.3	0.6
GREAT Campaign	18.2	18.0	0.2
Defence and Security Export Services	4.2	3.7	0.5
Overseas Business Network	13.0	12.0	1.0
Milan Expo 2015	4.4	4.4	0.0
UKTI Delivery Overseas	114.0	112.7	1.3
Programme Related Staff Costs	33.3	38.3	-5.0
Other Programme Costs	7.8	6.2	1.6
Delivery of Foreign Direct Investment	18.8	18.3	0.5
Investment Organisations	12.4	12.3	0.1
High Potential Markets	4.2	1.1	3.1
Other Foreign Direct Investment Expenditure	6.2	5.3	0.9
Gross Programme Expenditure	327.7	311.7	16.0
Income	(11.0)	(6.1)	(4.9)
Net Programme Expenditure	316.7	305.6	11.1

Income Received

£6.1m (£15m) of income was received against a budget of £11m. The income for 2015-16 largely consists of fees and charges for events, sponsorship and OMIS income. This reduction in comparison with 2014-15 is largely due to income from other Departments being received through the Estimates process as opposed to income. The variance of £4.9m against budget is a result of OMIS income being less than forecast.

Resource DEL Administration

In 2015-16, UKTI's administration budget increased to £19.9m (£14.1m) as a result of the final agreement and transfers relating to the transition to the UKTI Single Budget from BIS. It also reflects the re-classification of support functions within UKTI, where these were previously classed as programme. As set out by HMT, UKTI classifies all expenditure relating to individually identified operating units within the Chief Operating Office Group as administration expenditure. All expenditure by other business groups is classified as frontline and therefore programme expenditure.

The outturn for the year was £18.1m resulted in an underspend of £1.8m, due to the cost of exit packages being lower than initially planned.

Capital Spend

Outturn was £0.8m (£1.6m), compared to a budget of £1.5m. The reduction in capital spend reflects reduced activity on our IT system development whilst the UKTI e-digital transformation programme was being developed.

Annually Managed Expenditure

UKTI has an annual managed expenditure (AME) budget of £5m to cover potential provisions relating to incentivised contract payments.

The outturn for the year was -£0.4m, which represents the movements in provisions recognised in 2014-15 due to the payment of incentivisation payments relating to FDI contracts as disclosed in note 12.

CRaines.

Dr Catherine Raines FRSA
Accounting Officer

5 September 2016

Accountability Report

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HMT has directed UKTI to prepare for each financial year resource accounts detailing the resources acquired, used, held or disposed of by the Department during the year and the use of resource by the Department during the year. The accounts are prepared on an accruals basis, and must give a true and fair view of the state of affairs of UKTI, and of its net resource outturn, application of resources, changes in taxpayers' equity, and cash flows for the financial year.

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

- observe the Accounts Direction issued by 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 Accounts; and
- prepare the Accounts on a going concern basis.

HMT has appointed the Chief Executive as Accounting Officer of UKTI. 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 UKTI's assets, are set out in *Managing Public Money* published by HMT.

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

The annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Dr Catherine Raines FRSA
Accounting Officer

5 September 2016

Governance Statement

1. Purpose of the Governance Statement

The aim of the Corporate Governance Statement is to explain how we have followed the principles of the Corporate Governance Code for Central Government Departments. UKTI, as a Non-Ministerial Public Department, was not bound by the code, but we strove to follow the principles as best practice.

In July 2016 the new Government announced the creation of the Department for International Trade (DIT). UKTI now forms part of this new department alongside an expanded Trade Policy Group. DIT will work with the UK's export credit agency, UK Export Finance, to provide support for exporters, and facilitate inward and outward investment.

This statement supplements the accounts by setting out the governance structure, internal controls and risk management processes that have been operating within UKTI. It also reviews the effectiveness of these arrangements in supporting UKTI to achieve its aims and objectives.

2. Ministers

During 2015-16, joint ministerial responsibilities for UKTI were as follows:

Secretary of State for Foreign and Commonwealth Affairs
The Rt Hon Philip Hammond MP

Secretary of State for Business, Innovation and Skills
The Rt Hon Sajid Javid MP
(from 11 May 2015)

The Rt Hon Dr Vince Cable MP
(to 7 May 2015)

Portfolio Responsibility

Minister of State for Trade and Investment
Lord Price CVO
(from 4 April 2016)

The Rt Hon Baroness Anelay of St Johns DBE
(to 3 April 2016)

The Rt Hon Lord Maude of Horsham
(to 11 March 2016)

Lord Livingston of Parkhead
(to 10 May 2015)

Accounting Officer

Dr Catherine Raines FRSA
(from 7 September 2015)

Dominic Jermey CVO OBE
(to 6 September 2015)

Department for International Trade

Ministerial Responsibilities for the new department are as follows:

Secretary of State for International Trade and President of the Board of Trade
The Rt Hon Dr Liam Fox MP
(from 13 July 2016)

Minister of State for Trade and Investment
The Rt Hon Greg Hands MP
(from 15 July 2016)

Minister of State for Trade Policy
Lord Price CVO
(from 16 July 2016)

Parliamentary Under Secretary of State
Mark Garnier MP
(from 17 July 2016)

3. Governance Structure

Trade and Investment Board Members

The board was chaired by the Minister of State for Trade and Investment and comprised four Executive Board Members, four Non-Executive Board Members and two Representative Board Members from BIS and the FCO respectively. The board ceased to exist from September 2015.

Chair

Lord Maude of Horsham
Minister of State for Trade and Investment (from 11 May 2015 to 11 March 2016)

Lord Livingston of Parkhead
Minister of State for Trade and Investment
(to 10 May 2015)

Executive Members

Dr. Catherine Raines FRSA
UKTI Chief Executive and Accounting Officer
(from 7 September 2015)

Dominic Jermey
UKTI Chief Executive and Accounting Officer
(to 6 September 2015)

David Godfrey
UKEF Chief Executive and Accounting Officer
(to 16 October 2015)

Michael Boyd
UKTI Managing Director, Investment
(to 30 June 2016)

Iain Banfield
UKTI Director of Finance

Non-Executive Board Member

Amin Mawji OBE (to 20 May 2016)

Guy Beringer CBE

Dale Murray (to 30 September 2015)

Alan Jenkins (to 30 September 2015)

BIS representative

Bernadette Kelly, Director General, Business and Local Growth.
(to 13 September 2015)

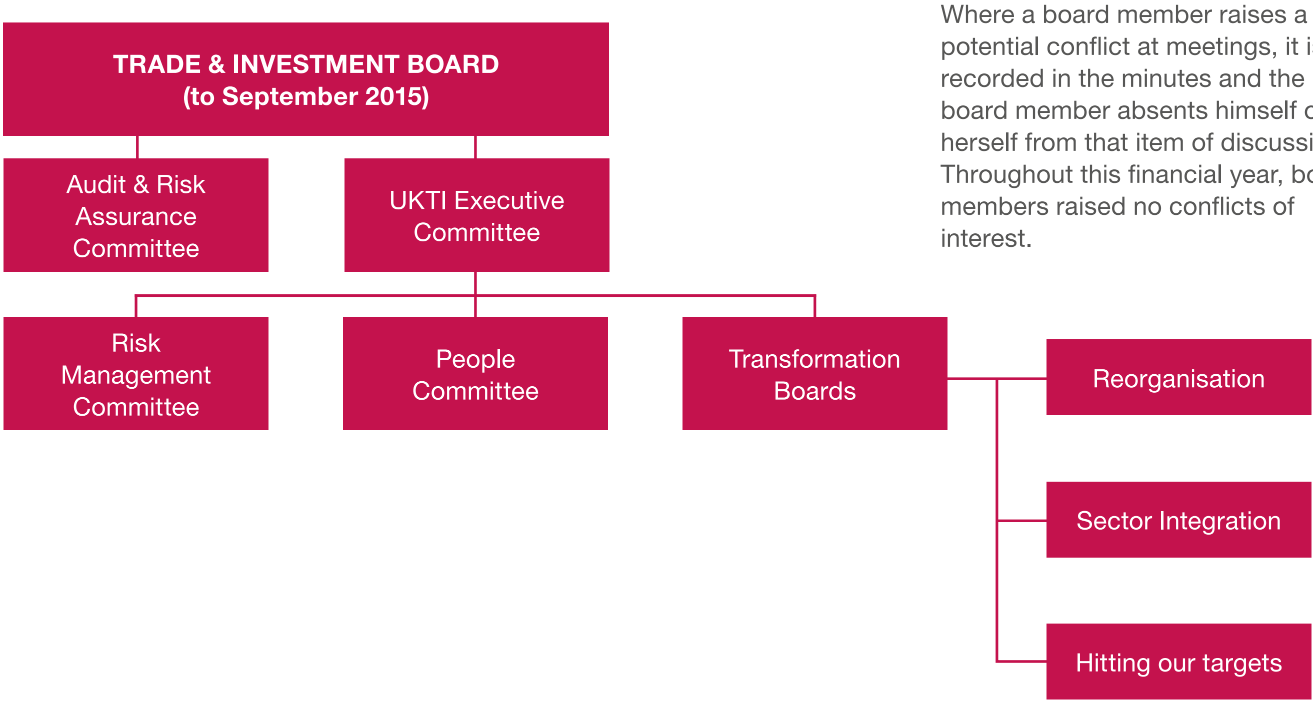
FCO representative

Sir Julian King KCVO CMG, Director General Economic and Consular.

Details on the members of the Trade and Investment Board are available at www.gov.uk/government/organisations/uk-trade-investment/about/our-governance

Upon appointment, each board member was required to declare any conflicts of interest. These are recorded in the Register of Interests. Where a board member raises a potential conflict at meetings, it is recorded in the minutes and the board member absents himself or herself from that item of discussion. Throughout this financial year, board members raised no conflicts of interest.

UKTI's Corporate Governance Structure



The Trade & Investment Board was chaired by the Minister for Trade and Investment with membership drawn from UKEF and UKTI, Non-Executive Directors, representatives from the Department for Business Innovation and Skills, the Foreign and Commonwealth Office and a business organisation. Its remit was to provide strategic support to the Minister of State for Trade and Investment by providing advice on the effectiveness of the Government's Trade and Investment Strategy; aligning and prioritising UKEF's and UKTI's strategic objectives and projects; and reviewing UKEF's and UKTI's business plans to ensure they are coordinated and in line with strategy and priorities.

During 2015-16 the Minister, Lord Maude, wanted to revise the structure of the board and consider its remit to ensure it best supported the revised whole-of-government approach to exports. During this period the board was dissolved. The revised governance arrangements were not finalised before Lord Maude left his role. In July 2016 the new Department for International Trade (DIT) was announced, work is currently on-going to transition UKTI governance into the wider DIT framework.

During 2015-16, Alan Jenkins and Dale Murray came to the end of their time as Non-Executive Board Members (NEBMs), so replacements were needed. Formulating and agreeing the new whole-of-government approach to exports with the Exports Implementation Task Force (XITF), identifying suitable NEBMs to fit with the future needs of UKTI and a change of Minister has delayed the recruitment process and establishment of the replacement board. Amin Mawji OBE acted as the Chair of the Audit and Risk Assurance Committee (ARAC) to provide continuity of governance. During this period, UKTI also strengthened its internal governance by establishing full day monthly executive team meetings (half a day on business as usual and half a day on transformation) and by appointing a new Transformation Managing Director. A new Risk Management committee was established, chaired by the Finance Director and which meets on a monthly basis for a more detailed discussion of risk and performance.

This period has also seen strengthening of the cross Whitehall governance for export and inward investment. In 2015, the XITF was formed to provide supervisory oversight and strategic direction of the Government's work on exports and inward investment. It was chaired by the Secretary of State for Business, Innovation and Skills and its core members were Secretaries of State and Ministers from the Foreign & Commonwealth Office, the Department for International Development, HM Treasury, the Ministry of Defence and the Cabinet Office.

4. Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) is a sub-committee of the board. Its role is to support the board and Accounting Officer in monitoring the corporate governance, risk management and control systems in UKTI and to advise on their effectiveness. This task is performed through the review of the work of Internal Audit and also of the National Audit Office (NAO).

The ARAC is comprised entirely of independent members. Two of the members were Non-Executive Members of the Trade and Investment Board before its dissolution in September 2015, which provided independent scrutiny. Alan Jenkins retired from his role as Non-Executive Board Member in September 2015, and recruitment to fill his role is ongoing. His role as Non-Executive Board Member was not filled temporarily in his absence, but his role as Chair of the ARAC was filled on an interim basis by Amin Mawji until Chris Jenkins took over as Interim Chair in June 2016.

The committee operates under terms of reference (ToR) which follow best practice as defined in the revised HMT Audit & Risk Assurance Committee Handbook. The Committee's ToR was reviewed in November 2015.

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During 2015-16, the composition of the UKTI ARAC was as follows:

Amin Mawji OBE (Interim Chair from September 2015 to May 2016)
Non-Executive Board Member

Chris Jenkins (Interim Chair from June 2016) Independent Member

Alan Jenkins (Chair to September 2015) Non-Executive Board Member

Robert Hull
Independent Member

Richard Vincent
Independent Member

The following are also invited to meetings:

UKTI Chief Executive

UKTI Chief Operating Officer

UKTI Director of Finance

Representatives from Internal Audit (GIAA and the FCO)

Representatives from the NAO

5. Executive Committee

The Executive Committee (ExCo) is chaired by the Chief Executive Officer. The committee operates within the terms of reference which define its role, as detailed below. It is responsible for supporting the Accounting Officer to deliver UKTI's strategy and to take principal decisions. With its delegated subcommittees, it ensures the effective management of UKTI through:

- approving the annual business plan and monitoring performance against these plans;
- agreeing the reallocation of resource at fixed points during the year, and approving UKTI advice to Ministers for each Autumn Statement, Budget and Spending Review;
- business planning and reporting – providing challenge and advice ahead of formal approval by executive committee;
- financial management;
- overseeing UKTI's capability and skills to deliver its objectives; and
- overseeing and approving operation strategies including Estates and ICT.

6. Sub-Committees

In the last year there were several sub-committees of the Executive Committee. These were the Risk Management Committee, People Committee, and Transformation Boards.

Due to Digital Transformation, which includes the transformation of tools and services for staff eg computers and CDMS, Information Communications Technology (ICT) now falls within the remit of the Global Transformation programme, and is answerable to the 'Hitting Our Targets' Transformation Board.

The ICT Board therefore had no reason to remain as a standalone governance vehicle, and the group no longer needs to meet. The standing members are the Managing Directors, all of whom are aware of the new arrangements.

7. Risk Management Committee

The Risk Management Committee meets each month to discuss the key risks facing the organisation, providing a review and challenge function of Group level risk registers, and a forum to surface new, critical risks and ensure all risks are fully mitigated and tracked. The Committee is chaired by the Finance Director, and is made up of all UKTI's Managing Directors. The discussion is used to update the UKTI risk register in advance of a subsequent and more focused discussion each month at the UKTI Executive Committee. Key functions of the Risk Management Committee therefore include:

- Critical challenge of group-level risk registers;
- Discussion and identification of cross-cutting risks;
- Monitoring and tracking of risks and mitigations.

8. People Committee

The People Committee reports to the Executive Committee of UKTI and is responsible for providing a review and challenge function in relation to the development of staff capabilities and skills, and effective people management. Its role is to:

- develop leadership and management;
- drive effective performance, embedding high quality appraisal and support;
- focus on talent management and development, monitoring impact and embedding a culture of continuous improvement;
- engage staff below the executive team more actively into wider policy development and decision-making; and
- promote excellent people management throughout UKTI and escalate areas of concern to Executive Committee as appropriate.

9. Transformation Boards

To support UKTI in delivering its challenging change agenda, Transformation Boards for each key workstream, chaired by the Transformation Managing Director, provide leadership to UKTI through a strong and recognised overarching governance structure. Each Board is supported by enabling workstreams: digital, commercial, communications and engagement, finance and people and skills/HR. Each Board also has 'customer' and 'independent' voice representation as appropriate. The Transformation Boards enable appropriate escalation to make decisions critical to our 'business programme' and 'transformation programme'.

10. Attendance at Board, Audit and Risk Assurance Committee and Executive Committee meetings

There were two Board Meetings, five ARAC meetings and nine Executive Committee meetings held during the year. Attendance by members was as follows: Trade and Investment Board – 90%; Audit and Risk Assurance Committee – 94%; and Executive Committee – 90%.

11. Internal Audit

During the year, the ARAC were presented with and considered summaries of 24 internal audit reports; of which 17 were from overseas and seven were UK-based. There were an additional three UK-based advisory assignments undertaken in the year. These reports covered a range of risk areas, including risk management and governance.

The overall annual audit assurance opinion given for the year on the adequacy and effectiveness of UKTI's framework of governance, risk management and control was 'moderate'[1]. FCO Internal Audit, who undertake UKTI's overseas Internal Audit function, consider that the systems of internal control, governance and risk management that operated in UKTI during 2015-16 were generally effective and supported the achievement of the organisation's objectives.

1 Under the new classification introduced by the Government Internal Audit Service in 2014-15, the 'moderate' rating is the standard rating applied to organisations considered to be well-run.

12. Evaluation of transition to a single UKTI Budget

In 2015-16, UKTI successfully transitioned to a consolidated single budget, building on the transitional year 2014-15. The general principles applied were that UKTI should be wholly accountable for all its resources in the UK and overseas, independently from its parent departments, FCO and BIS. In previous years, UKTI drew funds from three different sources:

- funds voted directly to UKTI for programme activities;
- BIS funding for BIS employees working for UKTI and the overheads of UKTI headquarters; and
- Funding for FCO employees working for UKTI and the overheads of the UKTI network overseas.

In the 2013 Autumn Statement, HM Treasury announced that UKTI, BIS and the FCO should work towards combining this funding into a single budget for UKTI, under the direct control of the UKTI Accounting Officer. This was designed to improve transparency, accountability and operational efficiency.

Since April 2015, UKTI has had a single budget voted by Parliament directly to UKTI's Chief Executive. This has brought a number of benefits including:

- clear accountability to Parliament for all UKTI expenditure through the UKTI Chief Executive;
- the ability to mobilise resources quickly and respond to commercial opportunities; and

- much clearer public transparency around the costs and performance of the organisation.

2015-16 was the final year of transition towards a consolidated single budget which saw:

- A further £37.8m transferred from the FCO budget to UKTI. This budget largely relates to additional direct operating costs of staff and associated activities at 108 overseas Posts previously ring-fenced within the FCO budget. This was in addition to a core budget element of £51.7m that had been transferred in the previous financial year. This related to the direct staff costs of UKTI people overseas and a small element of additional costs such as travel and subsistence.
- In previous years the remaining overheads of the UKTI overseas network remained within the FCO budget. These costs were reported in the FCO Annual Report and Accounts and are shown in the memorandum notes to these accounts. The full costs of UKTI's activity in the UK and overseas are now incorporated and consolidated wholly into this Annual Report and Accounts and therefore this additional reporting is no longer required.
- The UKTI ARAC have reviewed the progress and completion of the Single Budget Transition project. The UKTI single budget is now an integrated core component of UKTI's day-to-day financial processes.

13. Risk Management

UKTI is committed to high standards of governance, ensuring that a robust system of risk management is implemented throughout the organisation. UKTI's Risk Management Framework, published in 2012, sets out the means by which risks are identified, managed and mitigated, including how the appetite for risk is assessed.

UKTI changed its approach to performance and risk management in 2015-16, building on the Risk Management Framework. The intention is to further improve the quality of information on the risks collected and discussed.

Risks continue to be identified and managed at the operational level in the first instance and a traffic light system is used to assess the status of each risk based upon its probability and impact and the risk appetite.

The chart below sets out the process by which UKTI assesses and manages risk. Groups regularly review their own risk registers and performance dashboards. The UKTI Commercial Unit advises on contract risks and has created contract management guidance to ensure consistent management of contracts so that risk is further reduced.

The UKTI Risk Register and Performance Dashboard are reviewed monthly by two senior bodies: the Risk Management Committee, and the UKTI Executive Committee. Both bodies help to verify that UKTI is managing the critical, strategic risks that could have the greatest impact on performance.

The UKTI ARAC reviews the Risk Register regularly and provides challenge to UKTI's management in order to advise the UKTI Accounting Officer and Board on whether risks are being correctly identified and mitigated.

14. UKTI's Significant Risks and Key Mitigating Factors

During 2015-2016, the highest risks to UKTI were:

Improving export performance

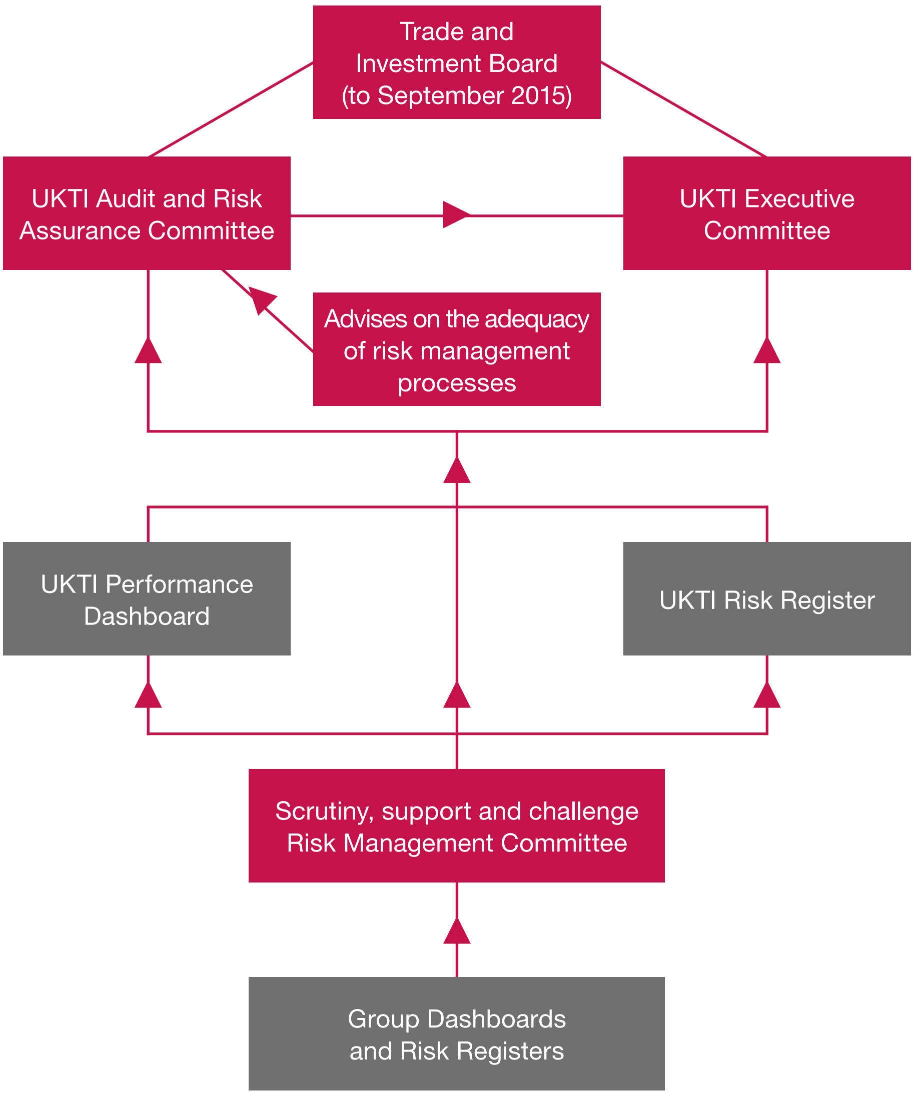
UKTI has had a central role in hitting the previous Government's two stretching exports targets by 2020: 100,000 additional exporters and £1tr in export value.

In 2015-16 UKTI was at the heart of a new approach to exports, overseeing and co-ordinating performance on behalf of the XITF. We have to achieve these targets against a challenging economic backdrop – UK exports have been rising, but our global market share has declined and performance against our main competitors has stagnated.

Many factors affecting this are beyond our control, and the risk is that these targets may not be met.

A new Government exports strategy was developed to address these targets through an increasingly digital offer and a focus on the biggest sector and market opportunities. UKTI's mandate has been focused on achieving these targets, with new metrics to capture progress against them. UKTI now forms part of the new Department for International Trade which is charged with developing trade and investment policy and promoting exports and investment around the globe.

Application of UKTI's Risk Management Policy



UKTI Executive Committee review and discuss management of top risks and performance issues

The Risk Management Committee meets monthly, in advance of ExCo, to confirm key risks that should be escalated to ExCo.

Risk Owners identify, assess, address and record risks and risk appetite on an on-going basis via Group Risk Registers. They also monitor progress against the objectives of business plans

UKTI Transformation Programme

In 2015-16 UKTI began a transformation programme which will see significant changes to all aspects of its operating model. A new business planning process to refocus resource has been introduced.

It was an identified risk that these changes – which will take a prolonged period of time to complete – could affect business-as-usual, and capacity and capability; and that poor staff morale and a lack of skills in the right areas may potentially impact performance.

The risk, therefore, was that the overall Government targets for exports and investment may not be met during the period of transformation.

To mitigate this, a transformation team was formed, led by a Transformation Managing Director. Incorporating key functions and personnel across UKTI, such as the Digital Transformation Team, strengthened project management tools and a communications plan for staff was developed. Resources have been made available to teams to straddle the gap between business-as-usual and transformation. The on-going transformation programme will assist in the wider integration of UKTI into the new Department for International Trade.

15. Commercial Strategy

UKTI works with a variety of suppliers and partners to deliver key parts of our service. To extract the most value from these, there needs to be robust commercial management which ensures key performance indicators, compliance and value for money are all met. The risk is that poor commercial management of any of these contracts and relationships can lead to inadequate service provision and/or disputes with commercial partners, which in turn impact upon UKTI's reputation. This is currently being mitigated through an increasing commercial capability with a focus on commercial management. Commercial functions have been consolidated under a new Commercial Managing Director, who is being supported by a new commercial team that is conducting a review of all the commercial functions.

During the year we have reviewed our approach to the way we deliver our services. We have strengthened commercial expertise by adding a new Commercial Managing Director, with proven expertise within Government, to the UKTI Executive Team to upskill and lead our newly formed Commercial Group. This change has already began to bring rewards with the decision to bring some of these previously outsourced activities back within UKTI to ensure that we achieve the most efficient outcomes for the tax payer.

16. Contractual disputes during 2015-16

Investigations into a regional Delivery Partner began following the identification of financial irregularities and the mis-reporting of performance data, following routine audit activity. The investigations concluded that the loss to UKTI was largely as a result of the actions of a 'rogue' individual who had manipulated both the Delivery Partner and UKTI's systems. However, the internal controls operated by the Delivery Partner and UKTI had been insufficient to identify the overstating and falsification of performance data and there were inherent risks in the assurances and controls applied by the UKTI Regional Teams and HQ.

The Delivery Partner accepted the findings of the reviews and following negotiation agreed to make payments to UKTI totalling the mispayment of £0.8m.

As part of the review the Government Internal Audit Agency observed a number of control weaknesses, these weaknesses have been addressed by the introduction of a new standard operating procedure for assessing contractor performance at year-end and on a recurrent basis throughout the year. A full management response and actions will be developed in response to all of the GIAA recommendations.

UKTI had a dispute with PA Consulting over the charges levied on a contract between the parties for the deployment of sector specialists. The procurement for this took place during 2013. UKTI and PA Consulting agreed a settlement in May 2016. In parallel the NAO carried out an investigation of the contract. They published their report on 10 June 2016. The NAO report is critical of UKTI's procurement and PA Consulting's transparency during the agreement of the contract. The commercial strategy set out above is addressing UKTI's capability going forward. The full report can be found at https://www.nao.org.uk/report/investigation-into-the-ukti-specialist-services-contract-with-pa-consulting.

17. Review of Effectiveness

Each year, the effectiveness of the systems of governance, risk management and internal control are reviewed, informed by work undertaken by the Executive Management team, Internal Audit and the management letter received from the External Auditors. The ARAC reviews the evidence that supports the Governance Statement and advises the UKTI Accounting Officer and the Executive Board on their adequacy.

An Annual Governance Return is completed by Managing Directors to review and gain assurance over those parts of the governance structures, risk management and internal control framework for which they have responsibility. A group discussion with Managing Directors is facilitated by Internal Audit to review and challenge the returns. Internal Audit prepares a summary paper and this is used to support the drafting of the governance statement. FCO Internal Audit have reviewed the overall governance and controls of the FCO relevant to UKTI and concluded that they were effective.

The Trade and Investment Board was reviewed in year and the decision was made to replace it with a new UKTI Board to aid the effectiveness of UKTI as a cross-Government convening authority within the new whole-of-government approach to exports. As part of the review terms of reference, structures and roles were looked at to ensure compliance with Civil Service best practice. As the new board was not in place by the end of 2015-16, a review of the Governance framework against the Corporate Governance code was not undertaken.

The effectiveness of the ARAC was last assessed in January 2015 through a workshop facilitated by the NAO. The overall conclusion of the review was that the UKTI ARAC is effective and operating in line with current requirements and good practice. Participants at the workshop identified some areas that will further improve the overall effectiveness of the Committee. Action has been taken to implement enhancement.

The Executive Committee are presented with Monthly Financial Management reports, together with the corporate dashboard which provides an overview of finance, performance and the top risks within UKTI. These are scrutinised and questioned to ensure that the information being received is adequate and timely.

UK Shared Business Services (UK SBS) is the shared service provider for payroll, transactional finance and procurement. In line with the BIS 2020 shared services strategy, the current services provided by UK SBS will be transferring to departments within the BIS Group, other parts of Government or to the private sector over the next three years, after which, UK SBS is likely to cease operation.

A quarterly assurance letter was provided by the Chief Executive of UK SBS to the Accounting Officer and Finance Director. This included giving assurance that the level of services provided will be unaffected during the period of change. The Head of Internal Audit for UK SBS provided two opinions, one on UK SBS customer facing operations and the other for internal operations. Both received a Moderate assurance opinion, in which a number of control issues were identified relating to robustness of the business continuity management and supporting IT systems for services provided to some of its customers. These control and systems issues do not apply to the services utilised by UKTI.

18. Data Handling

There were no known data security breaches during 2015-16.

19. Ministerial Directions

During 2015-16, no ministerial directions were given to UKTI.

20. Losses and Special Payments

During 2015-16 UKTI made no special payments and had no reportable losses (2014-15 Nil).

This disclosure on Losses and Special Payments has been subject to audit.

I have considered the evidence provided which formed the basis of the Annual Governance Statement along with the independent advice received from the ARAC and can conclude that UKTI has adequate governance and risk management systems, which include an appetite to ensure these remain compliant with best practice. Due to the absence of a regularly sitting board for part of the year, UKTI has not fully complied with the Corporate Governance Code for Central Government Departments. However, UKTI has enhanced its underpinning governance during this period through restructuring the UKTI Executive Committee meetings, the creation of the Exports and Investment Board and the Exports Implementation Task force as well as embedding an improved approach to risk management. The Chief Executive has also remained a full member of BIS and FCO Boards reporting on UKTI matters.

Dr Catherine Raines FRSA
Accounting Officer

5 September 2016

Public Interest

Basis of accounts and resources deployed

The accounts on pages 42 to 46 and 49 to 67 show UKTI's voted resource only. They have been prepared in accordance with directions given by HMT in pursuance of Section 5(2) of the Government Resources and Accounts Act 2000.

Going Concern

In common with other government departments, the future financing of UKTI's liabilities is to be met by future grants of supply and the application of future income, both of which are approved by Parliament on an annual basis. There is no reason to believe that future approvals will not be forthcoming and therefore it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Please also refer to Note 16, page 67 (Events after the Reporting Period).

Transparency Reporting

In accordance with Government policy, UKTI publishes all payment transactions on the Government website: www.gov.uk

Payment of Suppliers

UKTI's policy is to comply with the Better Payment Practice Code, which includes the Late Payments of Commercial Debts (Interest) Act 1988.

In accordance with Government policy, UKTI endeavours to pay all invoices within five days of receipt of invoice. The five days allows for three days to process the invoice and a further two days for the payment to be received by the supplier. During 2015-16, 81% (79%, 2014-15) of invoices were paid within five days.

Charging Policy

UKTI provides services for which it charges fees such as Overseas Market Introduction Service (OMIS) and costs related to events. Any such fees are set to comply with the cost allocation and charging requirements set out in HMT guidance.

Whistleblowing Policy

The Civil Service Code (CSC) requires government departments to set out arrangements for staff to be able to raise any concern where they believe they, or others, are being asked to do something that contravenes the CSC or is inappropriate in some way. Please see the Civil Service website for further details of the code. https://www.gov.uk/government/publications/civil-service-code/the-civil-service-code

UKTI has a clear whistleblowing policy which is regularly reviewed and updated as and when required, to maintain compliance with best practice. The policy supports the need to operate in an environment of openness to enable our people to speak freely and raise legitimate and serious concerns without fear of reprisal or victimisation, provided that they do so lawfully, without malice and in the public interest. The policy is reviewed regularly by the ARAC and the policy has been placed on UKTI's intranet. The UKTI Whistleblowing policy is incremental to that of its parent Departments (BIS and FCO) and reflects the fact that UKTI is not an employer in its own right staff are drawn from both Departments.

Fraud Policy

Due to its unique nature, UKTI complies with fraud policies of its parent Departments (BIS and FCO). UKTI takes assurances from these two frameworks. In addition, UKTI has its own fraud policy and risk register, which are regularly reviewed and updated. UKTI also relies on controls operated by our shared services providers to detect and identify fraud. Fraud is a key factor when determining UKTI's internal audit programme, for both UK and overseas audits.

Auditors

These financial statements have been audited, under the Government Resources and Accounts Act 2000, by the Comptroller & Auditor General (C&AG), who is appointed under statute and reports to Parliament. The audit opinion is on pages 47 to 48. The notional cost to UKTI of the external audit of its resource account by the NAO for the C&AG was £85k (£115k).

Health and Safety

UKTI follows the Health and Safety policies of its parent Departments, BIS and the FCO. Further details can be found in their respective annual reports. UKTI is committed to working with our parent Departments to ensure a safe working environment.

Disclosure of Audit Information

As far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware. The Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

Complaints to the Departments and Parliamentary Ombudsman

During the year, UKTI received no complaints that went to the Parliamentary Ombudsman. UKTI is committed to providing a high quality, accessible and responsive service to businesses and the community, and takes all of its complaints seriously. UKTI gives all staff advice on how to deal with complaints, in line with Cabinet Office guidance and the Freedom of Information Act. Complaints are handled by our parent Departments, BIS and the FCO. For further details, please contact the:

- BIS Enquiry Unit on +44 (0)20 7215 5000 or email enquiries@bis.gsi.gov.uk
- The FCO at King Charles Street, London SW1A 2AH

Communications to Staff

UKTI has a range of channels for communicating with staff, including a regular email bulletin, extranet, magazine and team briefings. These are regularly reviewed to ensure that they meet staff and management needs. Regular all-staff events provide an opportunity for staff to hear from and question the Executive Team, encouraging two-way communications across the UKTI network.

Sustainability

UKTI does not have its own sustainability strategy, but rather follows those of its parent Departments. Further details can be found in their respective reports.

Dr Catherine Raines FRSA
Accounting Officer

5 September 2016

Departmental Remuneration Report

Introduction

UKTI is not an employer in its own right therefore we do not have a Remuneration Committee. Staff working for UKTI are drawn from UKTI's parent Departments, BIS and the FCO who have their own Remuneration Committees. Staff costs are reported under Note 3 on page 57.

Remuneration Policy

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

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

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

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving public services, including the requirement on Departments to meet the output targets for the delivery of departmental services;
- the funds available to Departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at www.ome.uk.com

Senior Official Appointments

The Chief Executive of UKTI is appointed by the Prime Minister on the recommendation of the Head of the Home Civil Service and with the agreement of the Ministerial Heads of the two parent Departments.

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

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

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

- Michael Boyd was appointed on a three-year contract commencing 1 July 2012. The contract was extended for a further year in July 2015. The notice period for the employee is three months. For the employer, the notice period is six months or a period, if less, equal to the unexpired part of the fixed-term contract.

The following Senior Officials have been loaned from other government departments to UKTI:

- Dr Matt James – Managing Director, Commercial from the Crown Commercial Services until 30 November 2017.
- Michelle Thorp – Managing Director, Global Transformation from the Department of Work and Pensions until 3 January 2018.

The following Senior Official is seconded from other government departments to UKTI:

- Paul McComb – Managing Director, Strategy from the Department of Work and Pensions until 19 July 2016.
- Conrad Bird was the UKTI Interim Managing Director for Marketing and Communications from 13 July 2015 to 13 May 2016. He was employed and paid by the Cabinet Office as the Director of the GREAT Britain Campaign and Head of the Implementation Unit.

Remuneration Report

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management of the Department.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts. In respect of Ministers in the House of Commons, Departments bear only the cost of the additional Ministerial remuneration; the salary for their services as an MP (£67,060 from 1 April 2014, £74,000 from 8 May 2015) and various allowances to which they are entitled are borne centrally. However, the arrangement for Ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their Ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the Department and is therefore shown in full in the figures below.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HM Revenue and Customs as a taxable emolument. There are no benefits in kind paid to our Senior Management team.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2015-16 relate to performance in 2014-15, and the comparative bonuses reported for 2014-15 relate to the performance in 2013-14.

Pay multiples

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

The banded annualised remuneration of the highest-paid director in UKTI in the financial year 2015-16 was £150,000-£155,000 (2014-15 £180,000-£185,000). This was 3.94 times (2014-15 4.81 times restated in-line with best estimate of figures) the median remuneration of the FCO and BIS civil servants recharged to UKTI. The median remuneration was £38,106 (2014-15 £37,936 restated in-line with best estimate of figures). In 2015-16, no employee received remuneration in excess of the highest-paid director.

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

Ministerial Salary and Pension Benefit

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

Ministers' salaries, allowance and taxable benefits in kind in 2015-16 were as follows:

	2015-16		2014-15	
Ministers	Salary £000	Benefits in kind (to nearest £100)	Salary £000	Benefits in kind (to nearest £100)
Lord Livingston of Parkhead[1] (to 10 May 2015)	–	–	–	–
Lord Maude of Horsham (from 11 May 2015 to 11 March 2016)	Paid by FCO. Please refer to FCO's accounts for full details.			
Baroness Anelay of St Johns DBE (from 12 Mar 2016 to 3 April 2016)	Paid by FCO. Please refer to FCO's accounts for full details.			

1 The Minister elected not to draw a Ministerial salary or receive any pension benefits.

Ministers' pension and benefits entitlements in 2015-16 were as follows:

Ministers	Accrued pension at age 65 as at 31.03.16 £000	Real increase in pension at age 65 £000	CETV at 31.03.16 £000	CETV at 31.03.15 £000	Real increase in CETV £000
Lord Livingston of Parkhead[1] (to 10 May 2015)	–	–	–	–	–
Lord Maude of Horsham (from 11 May 2015 to 11 March 2016)	Paid by FCO. Please refer to FCO's accounts for full details.				
Baroness Anelay of St Johns DBE (from 12 March 2015 to 3 April 2016)	Paid by FCO. Please refer to FCO's accounts for full details.				

1 The Minister elected not to draw a Ministerial salary or receive any pension benefits.

The above tables have been subject to audit.

Remuneration Report – Senior Officials

Senior Officials' (the Executive Team) salaries, allowances and taxable benefits in kind in 2015-16 were as follows (for those officials who only worked for part of the year, full time equivalent figures can be found in brackets):

	2015-16				2014-15			
	Salary £000	Bonus Payments £000	Pension Benefits £000	Total Remuneration £000	Salary £000	Bonus Payments £000	Pension Benefits £000	Total Remuneration £000
Dr Catherine Raines (from 7 Sept 2015)	85-90 (150-155)		16	100-105 (165-170)	–	–	–	
Jane Owen	90-95	–	74	165-170	50-55 (85-90)	–	78	130-135
Michael Boyd	135-140	–	–	135-140	135-140	–	–	135-140
Nick Archer	90-95	12	37	135-140	85-90	–	95	180-185
Iain Banfield	70-75	10	31	110-115	60-65 (65-70)	–	26	85-90
Nicola Bolton	100-105	–	39	140-145	50-55 (95-100)	–	18	70-75
Stephen Phipson	120-125	–	47	165-170	5-10 (120-125)	–	3	10-15
Dr Matt James (from 1 Dec 2015)	35-40 (110-115)	–	17	55-60 (130-135)	–	–	–	–
Michelle Thorp (from 4 Jan 2016)	20-25 (85-90)	–	12	30-35 (95-100)	–	–	–	–
Paul McComb (from 20 Jan 2016)	15-20 (95-100)	–	16	30-35 (110-115)	–	–	–	–
Conrad Bird[1] (from 13 Jul 2015)	60-65 (80-85)		26	85-90 (110-115)	–	–	–	–
Dominic Jermey CVO OBE (to 6 Sept 2015)	45-50 (110-115)	–	37	85-90 (145-150)	85-90 (105-110)	–	82	170-175
Sir Richard Paniguian (to 31 Jan 2015)	–	–	–	–	140-145 (170-175)	10-15	67	220-225
Crispin Simon[2] (to 2 Oct 2014)	–	–	–	–	65-70 (135-140)	10-15	–	80-85
Jon Harding (to 1 Sept 2014)	–	–	–	–	55-60 (140-145)	–	44	100-105
Sandra Rogers (to 30 Nov 2014)	–	–	–	–	100-105 (135-140)	–	26	125-130
Charu Gorasia (to 25 April 2014)	–	–	–	–	5-10 (70-75)	–	9	15-20
David Godfrey	Paid by UKEF. Please refer to UKEF's accounts for full details.							
Louis Taylor	Paid by UKEF. Please refer to UKEF's accounts for full details.							

1 Salary is paid by the Cabinet Office.

2 Acting Chief Executive from 16 December 2013 to 8 January 2014

This table has been subject to audit.

Senior Officials' pension and benefits entitlements in 2015-16 were as follows:

	Accrued pension at pension age as at 31.03.16 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31.03.16 £000	CETV at 31.03.15 £000	Real increase in CETV £000	Employer contribution to partnership pension account[3] Nearest £000
Dr Catherine Raines (from 7 Sept 2015)	5-10 No lump sum	0-2.5 No lump sum	98	112	36	–
Jane Owen	30-35 plus lump sum of 90-95	2.5-5 plus lump sum of 10-12.5	590	487	60	–
Michael Boyd[1]	N/A	N/A	N/A	N/A	N/A	N/A
Nick Archer	35-40 plus lump sum of 110-115	2.5-5 plus lump sum of 5-7.5	773	679	32	–
Iain Banfield	10-15 plus lump sum of 35-40	0-2.5 plus lump sum of 0-2.5	164	134	9	–
Nicola Bolton	10-15 No lump sum	0-2.5 No lump sum	203	132	17	–
Stephen Phipson	5-10 No lump sum	2.5-5 No lump sum	106	63	28	–
Dr Matt James (from 1 Dec 2015)	35-40 No lump sum	0-2.5 No lump sum	508	462	8	–
Michelle Thorp (from 4 Jan 2016)	15-20 No lump sum	0-2.5 No lump sum	210	193	5	–
Paul McComb (from 18 Jan 2016)	30-35 plus lump sum of 95-100	0-2.5 plus lump sum of 0-2.5	598	559	13	–
Conrad Bird[2] (from 13 Jul 2015)	15-20 plus lump sum of 45-50	0-2.5 plus lump sum of 2.5-5	345	294	23	–
Dominic Jermey CVO OBE (to 6 Sept 2015)	25-30 plus lump sum of 80-85	2.5-5 plus lump sum of 2.5-5	473	428	21	–
David Godfrey	Paid by UKEF. Please refer to UKEF's accounts for full details.					
Louis Taylor	Paid by UKEF. Please refer to UKEF's accounts for full details.					

1 Not a member of PCSPS.
2 Pension benefit is paid by Cabinet Office.
3 Opted for a partnership pension account.

This table has been subject to audit.

Fees Paid by UKTI to Non-Executive Board Members

Below are the annual fees plus expenses paid to the Non-Executive Board Members of UKTI. The total payments for the year to each person were in the following ranges:

Name	2015-16 £000	2014-15 £000	Note
Alan Jenkins (to 30 Sept 2015)	0-5	0-5	Expenses of £0-5k (£0-5k) are included.
Dale Murray (to 30 Sept 2015)	0-5	0-5	Expenses of £0-5k (£0-5k) are included.
Guy Beringer			Fees are paid by UKEF. Amounts paid can be found in the accounts of UKEF.
Amin Mawji OBE			Fees are paid by UKEF. Amounts paid can be found in the accounts of UKEF.

This table has been subject to audit.

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, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within ten years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between ten years and 13 years and five months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate).

Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes. Members joining from October 2002 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 3% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of 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 three 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 October 2002 worked out as in premium. In nuvos a member builds up a pension based on his/her 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 in 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 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. 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 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

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

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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Numbers and Costs of People Engaged in Delivering UKTI's Objectives

UKTI is not a direct employer, personnel engaged on UKTI business are employees of either of UKTI's two parent Departments, BIS or the FCO.

UKTI is recharged the full costs of all FCO staff overseas and at UKTI HQ who spend more than 50% of their role on UKTI objectives.

Staff cost relating to operational support from the Chief Operating Officer Group are charged to the Administration budget. Staff providing front-line services and activities are paid from the programme budget. Staff costs comprise:

	BIS Staff £000	FCO UK based £000	FCO Locally Engaged £000	2015-16 £000	2014-15 £000
Wages and Salaries	26,971	15,357	38,367	80,695	59,963
Social Security Costs	2,382	364	–	2,746	2,340
Other Pension Costs	6,190	1,900	–	8,090	6,017
Exit package cost	3,791	–	–	3,791	–
Total	39,334	17,621	38,367	95,322	68,320

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

Number of staff	2015-16	Restated[1] 2014-15
BIS	618	575
FCO UK Based	186	183
FCO Locally Engaged	1,140	1,187
Total	1,944	1,945

1 Restated in line with best estimated figures.

The tables above have been subject to audit.

Reporting of Civil Service and other compensation schemes – exit *packages*

Exit package cost band	Total number of voluntary exit packages by cost band 2015-16	2014-15
Less than £10,000	–	–
£10,000 - £25,000	11	–
£25,000 - £50,000	22	–
£50,000 - £100,000	36	–
Total number of exit packages	69	–
Total cost (£)	3,790,922	–

This table has been subject to audit.

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

Consultancy Costs

UKTI spent £384k (2014-15 nil) on consultancy expenditure in 2015-16. These costs related to business transformation of UKTI to the new strategy.

Off-Payroll Engagements (not subject to audit)

HM Treasury required all departments to publish details of off-payroll engagements, as the use of off-payroll arrangements for permanent employees generates suspicions of tax avoidance, places value for money at risk, and fails to meet the standards expected of public officials.

A summary of the UKTI tax assurance data is available at: www.gov.uk/government/publications/uk-trade-and-investment-tax-arrangements-for-off-payroll-appointees-april-2015-to-march-2016

People Strategy

UKTI People Plan

In 2015-16, UKTI introduced an organisation wide People Plan intended to support the organisation through effective transformation. The People Plan comprises the following three core strands of activity

- Talent management and workforce planning
- Skills and capability development
- Employer values, behaviour and reputation.

Learning and Development

The learning and development of its people is a priority for UKTI and continues to be the vehicle to ensure all our people have access to opportunities which equip them with the skills, knowledge and expertise needed for their role.

The Capability Programme developed in 2014-15 was implemented to develop core skills and competencies for staff working on trade and investment. Equally, the Learning Passport has continued to gain traction both in the UK and overseas, and an online survey conducted with Heads of Trade and Investment is now informing further improvements for 2016-17.

In anticipation of the new operating model, work has been undertaken in quarter four with key internal stakeholders to understand what skills, knowledge and expertise will be required. This has begun to shape how the skills and capability gaps might be addressed for UKTI's new operating model: Volume, Value, Strategy, Finance and Corporate Services, Marketing Communications and Tactical Operations over 2016-17. Early work is underway to design and deliver the core learning opportunities for sector teams to embed more integrated working.

Recruitment

All of the permanent vacancies in UKTI are filled following the Civil Service principles of fair and open recruitment.

Engaging and Communicating with Staff

UKTI undertakes the annual Civil Service People Survey. The survey provides an overall staff engagement index score, based on an assessment of different areas which impact on employee's experience at work.

These areas include learning and development, organisations objectives, purpose and leadership and managing change. UKTI's engagement score for 2015 was 57%, a decrease of 4% from the previous year, in part attributable to the period of major organisation restructure that UKTI has experienced. During 2015-16, we have continued our focus on ensuring UKTI is a great place to work and introduced initiatives to support staff through transformation. Support for effective transformation has included the establishment of a group of staff 'Change Agents' trained to embed and facilitate change management throughout the organisation. In addition, each area of UKTI has reflected on their People Survey results and implemented an action plan to ensure any issues are identified and addressed.

We have a variety of communication channels to enable all individuals within UKTI to have access to and share a range of information relevant not only to their role but also to the wider performance of UKTI. These channels include: all staff meetings (Communications Wednesday), UKTI electronic bulletins, magazine and Connect, (UKTI's intranet site).

Diversity

We support arrangements for flexible working patterns and are committed to creating a culture of inclusivity where individual differences are valued and respected. We do not tolerate any form of discrimination, harassment or victimisation. UKTI's status means that we can call on the expertise of diversity and equality units of both BIS and FCO. While the two Departments develop and promote diversity and equal opportunities policies affecting UKTI, we supplement these where necessary with our own strategy. In 2016-17, UKTI intends to undertake the Stonewall Workplace Equality Assessment Index.

During 2015-16, UKTI continued to have a network of senior-level Diversity and Inclusion Champions to promote and support diversity and inclusion initiatives in UKTI, including an organisation wide Diversity Day. UKTI seek to ensure that its policies, practices and procedures in relation to staff and customers are compliant with current legislation, and reflect best practice; UKTI also offers diversity training opportunities, such as unconscious bias awareness and building resilience training available through BIS and the FCO.

The following table reports workforce gender diversity for BIS civil servants working for UKTI.

Workforce diversity %	2016
Female	58%
Male	42%
Workforce diversity – Senior Civil Servants %	**2016**
Female	54%
Male	46%

Dr Catherine Raines FRSA
Accounting Officer

5 September 2016

Parliamentary Accountability and Audit Report

Statement of Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires UKTI to prepare a Statement of Parliamentary Supply (SoPS) and supporting notes to show resource outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit. The SoPS and related notes are subject to audit.

Summary of Resource and Capital Outturn 2015-16

								2015-16 £000	2014-15 £000
			Estimate				Outturn		Outturn
	Note	Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted Outturn compared with Estimate saving/ (excess)	Total
Departmental Expenditure Limit									
– Resource	SOPS 2.1	336,512	–	336,512	323,530	–	323,530	12,982	264,151
– Capital	SOPS 2.2	1,500	–	1,500	846	–	846	654	1,619
Annually Managed Expenditure									
– Resource	SOPS 2.1	5,000	–	5,000	(351)	–	(351)	5,351	(4)
– Capital	SOPS 2.2	–	–	–	–	–	–	–	–
Total Budget		343,012	–	343,012	324,025	–	324,025	18,987	265,766
Non-Budget									
– Resource		–	–	–	–	–	–	–	–
Total Non-Budget		–	–	–	–	–	–	–	–
Total Resource	SOPS 2.1	341,512	–	341,512	323,179	–	323,179	18,333	264,147
Total Capital	SOPS 2.2	1,500	–	1,500	846	–	846	654	1,619
Total		343,012	–	343,012	324,025	–	324,025	18,987	265,766

Net Cash Requirement 2015-16

				2015-16 £000	2014-15 £000
		Estimate	Outturn		Outturn
	Note			Outturn compared with Estimate saving/ (excess)	Total
Net Cash Requirement	SOPS 3	338,981	310,251	28,730	242,991

Administration Costs 2015-16

				2015-16 £000	2014-15 £000
		Estimate	Outturn		Outturn
	Note			Outturn compared with Estimate saving/ (excess)	Total
Administration Costs	SOPS 2.1	19,861	18,072	1,789	13,867

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

Notes to the Statement of Parliamentary Supply

SOPS1. Statement of Accounting Policies

The Statement of Parliamentary Supply and supporting notes have been prepared in accordance with the 2015-16 Government Financial Reporting Manual (FReM) issued by HM Treasury. The Statement of Parliamentary Supply accounting policies contained in the FReM are consistent with the requirements set out in the 2015-16 Consolidated Budgeting Guidance and Supply Estimates Guidance Manual.

SOPS 1.1 Comparison with IFRS-based accounts

There are no differences between the programme and administration income and expenditure in the Statement of Parliamentary Supply and the IFRS-based accounts.

However, provisions recognised in IFRS-based accounts are not recognised as expenditure for national accounts purposes until the actual payment of cash (or accrual liability) is recognised. These additional data entries are made in the Statement of Parliamentary Supply across AME and DEL control totals, which do not affect the Statement of Comprehensive Net Expenditure.

SOPS1.2 Variances between Estimate and Outturn

Explanations of variances between Estimate and Outturn are given in the Financial Review on page 15.

SOPS2 Net Outturn

SOPS2.1 Analysis of Net Resource Outturn by Section

									2015-16 £000	2014-15 £000
							Outturn		Estimate	Outturn
	Administration			Programme						
	Gross	Income	Net	Gross	Income	Net	Total	Net Total	Net total compared to Estimate	Total
Spending in Departmental Expenditure Limit										
Voted: A Trade development and promotion and inward investment	18,137	(65)	18,072	311,523	(6,065)	305,458	323,530	336,512	12,982	264,151
Annually Managed Expenditure										
Voted: B Trade development and promotion and inward investment	-	-	-	(351)	-	(351)	(351)	5,000	5,351	(4)
Total	18,137	(65)	18,072	311,172	(6,065)	305,107	323,179	341,512	18,333	264,147

SOPS2.2 Analysis of Net Capital Outturn by Section

					2015-16 £000	2014-15 £000
			Outturn	Estimate		Outturn
	Gross	Income	Net total	Net	Net total compared to Estimate	Total
Spending in Departmental Expenditure Limit						
Voted:						
A. Trade development and promotion and inward investment:	846	–	846	1,500	654	1,619
Total	846	–	846	1,500	654	1,619

SOPS3 Reconciliation of Net Resource Outturn to Net Cash Requirement

	Note	Estimate £000	Outturn £000	Net total Outturn compared with Estimate: savings (excess) £000
Resource Outturn	SOPS 2.1	341,512	323,179	18,333
Capital Outturn	SOPS 2.2	1,500	846	654
Accruals to cash adjustments				
Adjustments to remove non-cash items:				
Depreciation and amortisation	7,8	(2,031)	(1,915)	(116)
National Audit Office – Auditor's remuneration	4	–	(85)	85
Adjustments to reflect movements in working balances:				
Increase/(decrease) in receivables	CF, 9	–	(2,351)	2,351
(Increase)/decrease in payables	CF, 11	–	(9,774)	9,774
Use of Provisions	13	(2,000)	351	(2,351)
Net cash requirements		338,981	310,251	28,730

Dr Catherine Raines FRSA
Accounting Officer

5 September 2016

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the UK Trade & Investment for the year ended 31 March 2016 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. I have also audited the Statement of Parliamentary Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against 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 also 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.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2016 and shows that those totals have not been exceeded; and
- 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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2016 and of its net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in section entitled Departmental Performance for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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 or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse

Comptroller and Auditor General

8 September 2016

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

Financial Statements

Statement of Comprehensive Net Expenditure

For the Year Ended 31 March 2016

Administration Costs:	Note	2015-16 £000	2014-15 £000
Staff costs	3	95,322	68,320
Other costs	4	233,987	210,820
Income	5	(6,130)	(14,993)
Net Operating Cost		323,179	264,147
Net gain / (loss) on revaluation		–	–
Total Comprehensive Net Expenditure		323,179	264,147

Statement of Financial Position

As at 31 March 2016

	Note		2016 £000		2015 £000
Non-current Assets					
Property, plant and equipment	6	601		762	
Intangible assets	7	2,333		3,241	
Total non-current assets			2,934		4,003
Current assets					
Trade and other receivables	9	6,703		9,054	
Cash and cash equivalents	10	5,849		21,550	
Total current assets			12,552		30,604
Total assets			15,486		34,607
Current liabilities					
Provision	12	–		(351)	
Trade and other payables	11	(68,232)		(74,159)	
Total current liabilities			(68,232)		(74,510)
Total assets less current liabilities			(52,746)		(39,903)
Taxpayers Equity and Other Reserves					
General fund			(52,746)		(39,903)
Total equity			(52,746)		(39,903)

Dr Catherine Raines FRSA
Accounting Officer

5 September 2016

Statement of Cash Flows

For the Year Ended 31 March 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net operating cost		(323,179)	(264,147)
Adjustments for non-cash transactions	4	2,000	2,680
Decrease in trade and other receivables	9	2,351	672
Decrease in trade payables	11	(5,927)	28,266
Use of provisions	12	(351)	(4)
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		15,701	(8,839)
Net cash outflows from operating activities		(309,405)	(241,372)
Cash flows from investing activities			
Purchases of property, plant and equipment	6	(88)	(255)
Purchases of intangible assets	7	(758)	(1,364)
Net cash outflows from investing activities		(846)	(1,619)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – Current year		294,550	251,832
Net financing		294,550	251,832
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(15,701)	8,841
Cash and cash equivalents at the beginning of the period	10	21,550	12,709
Cash and cash equivalents at the end of the period	10	5,849	21,550

Statement of Changes in Taxpayers’ Equity

For the Year Ended 31 March 2016

	Note	General Fund £000
Balance at 31 March 2014		(18,862)
Net Parliamentary Funding – drawn down	CF	251,832
Net Parliamentary Funding – deemed	10	12,709
Supply payable/(receivable) adjustment	10, 11	(21,550)
Comprehensive Net Expenditure for Year		(264,147)
Non-cash items		
National Audit Office – Auditor's remuneration	4	115
Balance at 31 March 2015		(39,903)
Net Parliamentary Funding – drawn down	CF	294,550
Net Parliamentary Funding – deemed	10	21,550
Supply (payable)/receivable adjustment	10, 11	(5,849)
Comprehensive Net Expenditure for Year		(323,179)
Non-cash items		
National Audit Office – Auditor's remuneration	4	85
Balance at 31 March 2016		(52,746)

Notes to the 2015-16 Resource Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2015-16 Government Financial Reporting Manual (FReM), issued by HMT. 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 UKTI, for the purpose of giving a true and fair view has been selected. The particular policies adopted by UKTI are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires UKTI to prepare additional primary statements, the Statement of Parliamentary Supply and supporting notes which show Outturn against Estimate in terms of the Net Resource Requirement and the Net Cash Requirement.

1.1 Accounting Convention

These accounts have been prepared on a going concern basis under the historical cost convention modified to account for the fair value revaluation of property, plant and equipment, and intangible assets as described in paragraphs 1.9 to 1.11.

Please refer to Note 16, page 67 (Events after the Reporting Period), which provides details of the changes that took place after the reporting period. This does not impact on the going concern basis that these accounts were prepared under.

1.2 Basis of Accounting

These accounts cover all activities for which the Chief Executive of UKTI has principal Accounting Officer responsibility. In 2015-16 this includes the direct staff costs and indirect costs of UKTI's two parent departments, the FCO and BIS.

1.3 Estimates and Judgements

The preparation of UKTI's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The results of these form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying value of the asset or liability. Where applicable, these uncertainties are disclosed in the Notes to the Accounts.

Significant judgement areas include Incentive Payments. These estimates are based on historical trends and year-end provisional CDMS data available. This data is later verified once actual data is available. Historically, these estimates and judgements have been materially accurate.

Where performance levels were already above the thresholds and UKTI is confident that performance targets have been met, it has accrued the incentivised payment as at 31 March 2016.

Where it is not certain that the target will be achieved, but it is considered probable, a provision is made for the estimated incentive amount.

In cases where the thresholds have not been met and UKTI considers the achievement of the target as being only possible, it will disclose these as a contingent liability because they represent a possible obligation that will be determined by the future performance of the contractor.

There were no material estimates or judgements made at 31 March 2016 that could result in outcomes that require a material adjustment to the carrying value of assets, liabilities, income or expenditure.

1.4 Operating Income

Operating income is income which relates directly to the operating activities of UKTI and is measured at the fair value of consideration received or receivable. Income is only recognised once the work or service has been provided and principally comprises fees and charges for services provided to external customers.

1.5 Research and Development

Expenditure on research and development is treated as an operating cost in the year in which it is incurred, unless it meets the criteria set out in IAS 38 Intangible Assets in which case it is capitalised.

1.6 Pensions

Staff working for UKTI are employees of either BIS or the FCO. Past and present employees are covered by the provisions of the Civil Service Pension Schemes. The defined benefit schemes are unfunded. BIS and the FCO recognise the expected costs of these elements on a systematic and rational basis over the period during which they benefit from an employee's services by payment to the Civil Service Pension Scheme of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Civil Service Pension Scheme. In respect of defined contribution schemes, BIS and the FCO recognise the contributions payable for the year.

These pension costs are recharged from BIS and the FCO and are shown in page 57 in staff costs note.

1.7 Value Added Tax (VAT)

VAT is accounted for in the Accounts. Amounts are shown net of VAT except:

- Irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure, and included under the relevant expenditure category.
- Irrecoverable VAT on the purchase of an asset is included in additions.

The net amount due to, or from HM Revenue and Customs in respect of VAT is included within payables or receivables on the Statement of Financial Position.

1.8 Property, Plant and Equipment

In accordance with the FReM, UKTI has opted to value property, plant and equipment on a depreciated historical cost basis, as a proxy for their current value in existing use. This method of valuation has been chosen because UKTI has a large number of relatively small-value items, with short useful lives.

UKTI's capitalisation threshold for property, plant and equipment is £1,000, except for furniture assets, where all expenditure in one financial year is pooled and capitalised, and IT hardware, where a pack of equipment purchased under the Flexible Computing Programme (FCP), with a cost in excess of £1,000, is capitalised as one asset.

Much of the business of UKTI is conducted through the offices of BIS and the FCO. The use of BIS assets is recharged directly to UKTI and is included in Disclosure Note 4.

Control and beneficial interest in this property, plant and equipment are vested in BIS and the FCO. Their total asset values are reflected in their respective Statements of Financial Positions.

1.9 Depreciation

Property, plant and equipment are depreciated at rates calculated to write them down to their estimated residual value on a straight-line basis over their estimated useful lives. Tangible assets are normally depreciated over the following periods:

Assets under construction	Not depreciated until assets are in use
IT assets	Three to five years
Plant and machinery	Five years

1.10 Intangible Assets

Intangible assets are stated at the amortised historic cost as a proxy for fair value and are reviewed annually for impairment. The minimum level of capitalisation of an intangible asset is £1,000. This method of valuation has been chosen because the assets have no value in use.

Software licences are amortised on a straight-line basis over the shorter of the term of the licence and the useful economic life (three to five years). Intangible assets are normally depreciated over the following periods:

Development costs	Not depreciated until assets are in use
Software licences	Three to five years
Website	Four to five years
IT assets	Three to five years

1.11 Impairments

The carrying value of UKTI's assets is reviewed each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated in accordance with IAS 36.

An impairment loss is recognised whenever the recoverable amount of an asset or its cash-generating unit is less than the carrying amount. Impairment losses are recognised in the Statement of Comprehensive Net Expenditure.

1.12 Trade and Other Receivables

Trade and other receivables are recognised initially at fair value, less any provision for impairment. A provision for impairment of trade receivables is established when there is evidence that UKTI will not be able to recover all amounts due in accordance with contracts.

1.13 Trade and Other Payables

Trade and other payables are recognised at fair value, which represent liabilities for goods and services provided to UKTI prior to the financial year end that are unpaid. Trade and other payables are non-interest bearing and are usually paid within ten working days, thus their carrying value approximates their fair value.

1.14 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand. The carrying amount of these assets approximates their fair value.

1.15 Foreign Exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of the transaction. Current assets and liabilities denominated in foreign currency are translated into sterling at the date on which they are recorded in the accounts, on average no more than 30 days prior to the Statement of Financial Position date. UKTI does not have the authority to undertake exchange rate risk management (hedging) and as a consequence all gains or losses on exchange differences are recognised directly in the Statement of Comprehensive Net Expenditure. However, UKTI have in place an agreement with HMT which provides additional funding in instances where exchange rate volatility results in additional costs to UKTI.

1.16 Impending Application of Newly Issued Accounting Standard Not Yet Effective

UKTI provides disclosure that it has not yet applied a new accounting standard, and known or reasonably estimable information relevant to assessing the possible impact that the initial application of the new standard will have on the resource accounts. UKTI has also not early adopted any accounting standards. Also, there were no new standards issued for 2015-16 and not applied which would materially affect the resource accounts.

2 Statement of Operating Cost by Business Group

			2015-16 £000			Restated 2014-15 £000
	Gross	Income	Net	Gross	Income	Net
Trade	93,075	(4,090)	88,985	99,231	(10,709)	88,522
Investment	45,258	(6)	45,252	54,747	(5)	54,742
Overseas Network	70,521	(279)	70,242	46,137	(2)	46,135
Policy and Network Development	20,788	(235)	20,553	28,418	(168)	28,250
Chief Operating Office	90,483	(219)	90,264	39,557	(3,345)	36,212
Defence & Security Organisation	12,028	(1,301)	10,727	11,050	(764)	10,286
Total Comprehensive Net Expenditure	332,153	(6,130)	326,023	279,140	(14,993)	264,147

Departments are required to apply IFRS 8 Operating Segments. This requires Departments to identify their operating segments based on their main areas of activity reported to the Chief Operating Decision Maker (CODM).

UKTI's CODM is the Accounting Officer. She receives financial information at aggregate level as well as information on outcomes relating to six business groups, Trade, Investment, Overseas Network, Policy and Network Development, Chief Operating Office and Defence & Security Organisation.

In 2015-16, Marketing activities were incorporated into the Chief Operating Office Group, and the 2014-15 segmental analysis has been restated to reflect the current reporting structure.

3 Staff Costs of People Engaged in Delivering UKTI's Objectives

The commentary on this section has been moved to pages 33 to 41 and forms part of the Remuneration and Staff Report. Staff costs comprise:

	BIS Staff £000	FCO UK based £000	FCO Locally Engaged £000	2015-16 £000	2014-15 £000
Wages and Salaries	26,971	15,357	38,367	80,695	59,963
Social Security Costs	2,382	364	–	2,746	2,340
Other Pension Costs	6,190	1,900	–	8,090	6,017
Voluntary Exit Scheme[1]	3,791	–	–	3,791	–
Total	39,334	17,621	38,367	95,322	68,320

1 Refer to page 40 for further detail on Voluntary Exit Scheme.

4 Other Costs

			2015-16 £000			Represented 2014-15 £000
Outsourced Activity		547			1,080	
Other Outsourced Programme Activity		5,092			9,615	
Outsourced FDI Services		32,839			43,534	
Outsourced Trade Services		48,436			55,714	
BIS Overhead Recharge		3,766			2,354	
Other costs		4,600			1,284	
FCO Platform Charge[1]		48,165			–	
Agency and Temporary Staff		3,807			5,379	
Events[2]		25,752			40,034	
Grants		21,344			23,773	
IT expenditure		5,816			3,816	
Promotion and publications		15,328			8,933	
Training and other staff costs		2,377			2,594	
Market research and evaluation		993			393	
Travel and subsistence		13,125			9,637	
Non-cash items						
Depreciation	248			225		
Amortisation	1,667			2,127		
Impairment	–			–		
Loss on disposal of assets	–			213		
National Audit Office – Auditor's remuneration	85			115		
	2,000			2,680		
		231,987			208,140	
Non-staff expenditure			233,987			210,820

1 In 2015-16, UKTI was charged FCO platform charges directly rather than previous arrangements of being charged via overheads.
2 This includes Milan Expo 2015.

5 Income

	2015-16 Total £000	2014-15 Total £000
Fees and charges to external customers for Overseas Market Introduction Services (OMIS)	3,254	3,507
Income from Other Government Departments	–	6,036
Other charges	2,876	5,450
	6,130	14,993

6 Property, Plant and Equipment

2015-16

	Information Technology £000	Office Machinery £000	Furniture, Fixtures and Fittings £000	Assets under Construction £000	Total £000
Cost or valuation					
At 1 April 2015	300	46	819	–	1,165
Additions	17	–	71	–	88
Disposals	(19)	(3)	–	–	(22)
Impairment	–	–	–	–	–
Transfers	–	–	–	–	–
At 31 March 2016	298	43	890	–	1,231
Depreciation					
At 1 April 2015	(169)	(8)	(226)	–	(403)
Charge in year	(69)	(1)	(178)	–	(248)
Disposals	18	3	–	–	21
Impairment	–	–	–	–	–
Transfers	–	(36)	36	–	–
At 31 March 2016	(220)	(42)	(368)	–	(630)
Carrying amount at 31 March 2016	78	1	522	–	601
Asset financing					
Owned	78	1	522	–	601
Carrying amount at 31 March 2016	78	1	522	–	601

2014-15

	Information Technology £000	Office Machinery £000	Furniture, Fixtures and Fittings £000	Assets under Construction £000	Total £000
Cost or valuation					
At 1 April 2014	747	51	753	–	1,551
Additions	189	–	66	–	255
Disposals	(636)	(5)	–	–	(641)
Impairment	–	–	–	–	–
Transfers	–	–	–	–	–
At 31 March 2015	300	46	819	–	1,165
Depreciation					
At 1 April 2014	(734)	(49)	(36)	–	(819)
Charge in year	(71)	(38)	(116)	–	(225)
Disposals	636	5	–	–	641
Impairment	–	–	–	–	–
Transfer	–	74	(74)	–	–
At 31 March 2015	(169)	(8)	(226)	–	(403)
Carrying amount at 31 March 2015	131	38	593	–	762
Asset financing					
Owned	131	38	593	–	762
Carrying amount at 31 March 2015	131	38	593	–	762

7 Intangible Assets

2015-16

	Development costs £000	Software licence £000	Website £000	Information technology £000	Total £000
Cost or valuation					
At 1 April 2015	(2)	1,212	2,169	4,842	8,221
Additions	742	–	–	16	758
Disposals	–	(18)	–	(20)	(38)
Reclassifications	–	–	–	–	–
At 31 March 2016	740	1,194	2,169	4,838	8,941
Amortisation					
At 1 April 2015	–	(940)	(2,135)	(1,905)	(4,980)
Charge in year	–	(271)	(21)	(1,375)	(1,667)
Disposals	–	19	–	20	39
At 31 March 2016	–	(1,192)	(2,156)	(3,260)	(6,608)
Carrying amount at 31 March 2016	740	2	13	1,578	2,333
Asset financing					
Owned	740	2	13	1,578	2,333
Carrying amount at 31 March 2016	740	2	13	1,578	2,333

2014-15

	Development costs £000	Software licence £000	Website £000	Information technology £000	Total £000
Cost or valuation					
At 1 April 2014	337	3,598	4,379	6,266	14,580
Additions	–	–	–	1,364	1,364
Disposals	–	(2,386)	(2,210)	(3,127)	(7,723)
Reclassifications	(339)	–	–	339	–
At 31 March 2015	(2)	1,212	2,169	4,842	8,221
Amortisation					
At 1 April 2014	–	(3,030)	(3,843)	(3,488)	(10,361)
Charge in year	–	(296)	(502)	(1,329)	(2,127)
Disposals	–	2,386	2,210	2,912	7,508
At 31 March 2015	–	(940)	(2,135)	(1,905)	(4,980)
Carrying amount at 31 March 2015	(2)	272	34	2,937	3,241
Asset financing					
Owned	(2)	272	34	2,937	3,241
Carrying amount at 31 March 2015	(2)	272	34	2,937	3,241

8 Financial Instruments

As the cash requirements of the Department are met through the estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

Due to the largely non-trading nature of UKTI's activities and the way in which government departments are financed, UKTI is not exposed to the degree of financial risk faced by business entities. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing UKTI in undertaking its activities.

9 Trade Receivables and Other Current Assets

9.1 Analysis by type

	31 March 2016 £000	31 March 2015 £000
Amounts falling due within one year		
Trade receivables	1,238	2,757
VAT	4,211	5,256
Other receivables	445	303
Prepayments and accrued income	809	738
	6,703	9,054

9.2 Intra-Government balances

	Amounts falling due within one year	
	£000	£000
	31 March 2016	31 March 2015
Balances with other central Government bodies	5,639	6,179
Balances with bodies external to Government	1,064	2,875
	6,703	9,054

10 Cash and Cash Equivalents

	31 March 2016 £000	31 March 2015 £000
Balance at 1 April	21,550	12,709
Net change in cash and cash equivalents	(15,701)	8,841
Balance	5,849	21,550
The following balances were held at:		
Government banking service	5,849	21,550
Balance	5,849	21,550

11 Trade Payables and Other Current Liabilities

11.1 Analysis by type

	31 March 2016 £000	31 March 2015 £000
Amounts falling due within one year		
Trade payables	4,138	1,196
Other payables	60	1,121
FCO Accrual	21,294	19,483
Accruals	36,661	30,347
Deferred income	230	462
Amounts issued from the Consolidated Fund for Supply but not spent at year end	5,849	21,550
	68,232	74,159

11.2 Intra-Government balances

	Amounts falling due within one year	
	£000	£000
	31 March 2016	31 March 2015
Balances with other Government bodies	43,388	50,298
Balances with NHS Bodies	28	5
Balances with local authorities	0	3
Balances with bodies external to Government	24,816	23,853
	68,232	74,159

12 Provisions

	31 March 2016 £000	31 March 2015 £000
Balance as at 1 April	351	355
Provided in the year	–	351
Provisions utilised in the year	(351)	(355)
Total	–	351

In 2015-16, there was no provision needed to account for contract incentive payments. The prior year's provision was utilised in 2015-16 when the related contract incentive was paid to the outsourced service provider.

13 Capital and other Commitments

As at 31 March 2016 UKTI did not have any non-cancellable capital or other commitments (31 March 2015 Nil).

14 Contingent Liabilities

As at 31 March 2016 UKTI did not have any contingent liabilities (31 March 2015 £0.87m).

15 Related Party Transactions

UKTI is a joint operation between BIS and the FCO. These bodies are regarded as related parties with which UKTI has had various material transactions during the year.

No Minister, members of the joint Trade and Investment Board, key managers or other related party has undertaken any material transactions with UKTI during the year.

In addition, UKTI has had a small number of transactions with other Government Departments, central Government bodies or trading funds. Most of these have been with the Home Office, HMRC, the Ministry of Defence, Visit Britain, NHS England, the Department of Health, the Cabinet Office, DEFRA, UK SBS, BBC Worldwide, UKEF, the Government Legal Department and Scottish Enterprise.

16 Events after the Reporting Period

On 23 June, the EU referendum took place and the people of the United Kingdom voted to leave the European Union. Until exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will continue to negotiate, implement and apply EU legislation. It will be for the Government, under the new Prime Minister to begin negotiations to exit the EU. The outcome of these negotiations will determine what arrangements apply in relation to EU legislation and funding in future once the UK has left the EU.

On 13 and 14 July 2016, the new Prime Minister announced a series of machinery of Government changes. This included the integration of the UK Trade and Investment function into a newly created Department for International Trade. The new department is now responsible for promoting British trade across the world and ensuring the UK takes advantage of the huge opportunities.

No other adjustments are required to these financial statements.

The date the accounts were authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

Annex A Technical Note on Measurement of Financial Benefits Generated by UKTI Trade Services

Introduction

The Performance and Impact Monitoring Services (PIMS) is used to assess both quality and impact of UKTI trade services. As of 2015-2016, PIMS consists of two separate surveys:

i. A **monthly Quality Survey** with 500 companies who received UKTI support in the previous 4-6 weeks.

ii. A yearly **Impact Survey** with ~3,000 companies who previously took part in the monthly survey.

PIMS is carried out by an independent market research company specialising in business surveys. In addition to the evidence collected through PIMS, estimates of the impact of UKTI trade services are obtained through a rolling programme of independent evaluations of particular trade services. These evaluations use a range of alternative techniques, in order to derive estimates of the magnitude of the impact of trade services on business sales and other measures of performance.

The PIMS estimates reflect businesses' own judgments about the value of additional revenues and profits which they expect to achieve, as a direct result of the help provided. Figures for additional profits and revenues are obtained from UKTI trade clients interviewed for PIMS, using a sequence of questions which has been rigorously tested to ensure that it elicits well informed and carefully considered judgments about these values, taking account of the specific ways in which UKTI support had benefited a business. These judgments are then used by OMB Research to calculate a figure for estimated mean and total additional sales. Clients who said they would have achieved similar results without UKTI support are counted as having received zero additional sales.

The values of financial benefit given by the firms themselves, in the context of PIMS interviews, are then adjusted downwards through application of discounting and a number of robustness checks. These adjustments cover the following:

- Discounting: Expected future profits are discounted at 8% and counted over a limited period, normally up to five years, exceptionally up to a maximum of ten years. After this period, the discount rate is, in effect, increased to 100%.
- Additionality: Two separate additionality tests are applied. Benefits which are not explicitly attributed by the client directly to the support are excluded. Clients who state that they could have achieved similar results without support are classified as having achieved zero additional sales.
- Consistency: Additional profits attributed to UKTI by the client are not counted, unless the client has also reported significant impact on one or more qualitative indicators, showing how the service had enabled the additional profits to be made.

The very high financial benefits reported by UKTI clients have been a consistent finding over the nine years covered by the PIMS research, and are also consistent with evidence from evaluations using other methodologies. Further qualitative insight into how the services achieve such high impact can be gleaned from case studies carried out as part of PIMS follow up qualitative research

Alternative estimates of the additional sales resulting from UKTI trade support are available from quantitative evaluations of specific trade services, which are carried out by independent contractors as part of UKTI's rolling programme of depth evaluations. These studies use econometric techniques to compare the performance of supported firms with that of a matched comparison group of non-supported firms.

Two quantitative impact evaluations were published during 2015:

- Evaluating the impact of UKTI trade services on the performance of supported firms (NIESR 2015): this study builds on methodologies and results of earlier evaluation studies to assess the impact of UKTI services on the performance of supported firms using a robust range of econometric techniques. The authors estimate mean additional sales after one year at £502k, controlling for selection effects. Over a 5 year period, discounted at the same rate as used for PIMS (8%) the NIESR results suggest that UKTI support results in £2.1m additional sales.
- The Impact of UKTI trade services on value of goods exported by supported firms (Mion, Muuls, 2015): the study uses HMRC data on goods exports and a robust range of econometric techniques to assess the impact of UKTI Trade services on the value of goods exported by supported firms. The report suggests that exports are 8.8% higher for existing exporters and 46.4% higher for new exporters as a result of UKTI support. This translates into additional annual exports for the average (mean) existing exporter by £1.056m (£152,490 for the median firm), and £580,155 more for a new exporter (£7,090 for the median new exporter).

These estimates are of a similar order of magnitude to those obtained from PIMS. Full reports on these and other evaluation research are available at: www.gov.uk/government/collections/uk-trade-investment-ukti-research

Calculation of Total Benefit

The method for calculating total additional revenues generated by UKTI trade services is summarised below, in three parts:

- estimation of mean benefit per business supported;
- de-duplication to count the number of businesses that received support during the year: de-duplication is necessary because some businesses will have used more than one service in the course of a year; and
- grossing up from the mean, The total de-duplicated number of businesses is multiplied by the mean.

Calculation of the mean benefit, in terms of additional profit and sales attributed specifically to the help provided by UKTI, uses the following steps:

- Firms asked to estimate the expected benefit in terms of bottom-line profit £, or in terms of additional sales, if easier for the client to estimate.
- Future expectations allowed for (using annual discounting rate of 8%); number of years in the future is normally capped at five years, for example when the respondent says the revenues will continue “indefinitely”. Exceptionally, up to ten years are counted, where the respondent is specific about the number of years.
- Allowance made for actions not taken as a result of support. This adjustment takes account of the client’s assessment of the costs and benefit which might have been achieved through these foregone actions.
- Adjustment for non-additionality Total profit is weighted by proportion “would have realised anyway”, based on the client’s own judgment.
- Consistency check and further additionality check: Adjusted to zero if no impact has been recorded against at least one of two qualitative impact measures, namely, “change in behaviour (PIMS measure A83)” or “barriers to market access overcome” (PIMS measure A92). Impact is classified as zero in these qualitative measures if the firm has said it would have achieved similar results in any case.

All outliers are checked by a qualitative call back to the respondent by one of the OMB Research directors. (If the respondent is not able to provide a credible or consistent explanation, the observation is reduced to zero).

Annex B Key Sources of UKTI Data

The key source of data for measuring how UKTI is performing against our targets is UKTI's **Customer Data Management System (CDMS)**, a customer relationship management (CRM) system, which provides the foundation information used within PIMS.

CDMS provides UKTI staff worldwide with a single view into customer history transactions, allowing us to share relevant customer information across the organisation, and avoid duplication of effort. In doing this, it enhances the quality and professionalism of the service we provide to customers.

PIMS our key performance measurement tool. It is an independent survey of UKTI performance, carried out on our behalf by a leading market research organisation. The contract for this tool was re-tendered in 2015.

Economic and Evaluation Research
Evidence from PIMS is complemented by evidence from a rolling annual programme of in-depth evaluation, carried out by independent research teams, with technical advice and scrutiny also provided by senior academics that are not part of the lead research team. Reports on PIMS and on economic evaluation and research projects, commissioned by UKTI, are published in full on the UKTI website at:
www.gov.uk/government/collections/uk-trade-investment-performance-and-impact-monitoring-survey

It is vital for measuring our progress, as well as for the delivery of high-quality, professional services to our customers, that all customer interactions, service deliveries, and active and successful inward investment projects are recorded fully and accurately on the CDMS system throughout the year. To underline the importance of this to UKTI, all CDMS users are required to meet a 100% accuracy target for entering customer data onto the CDMS system within 48 hours.

Annex C Private – Sector Sponsorship

UKTI continues to follow strictly the recommendations of the Committee on Standards in Public Life and Cabinet Office guidelines on handling sponsorship arrangements with the private sector. It uses detailed guidelines and central advice from its parent Departments.

During 2015–16, UKTI received the following private-sector sponsorship (only sponsorship exceeding £5,000 for a single event is shown here).

Sponsorship table of amounts received during 2015–16

Sponsor	Amount (£)	Event Note
BYD Company Limited	50,000	Creative Showcase, China State Visit
Zhejiang Geely Holding Group Co	50,000	Creative Showcase, China State Visit
Shanghai Sports	10,460	Manchester Football Event, China State Visit
Manchester City Football Club	Non-monetary estimated value 7,500	Manchester Football Event, China State Visit
Motorsport Industry Association (MIA)	12,500	MIA Business Development Visit to Charlotte
Motorsport Industry Association (MIA)	12,500	MIA Business Development Visit to Indianapolis
Motorsport Industry Association (MIA)	12,500	USA West Coast Business Development Mission and Off-Road Expo
Microsoft	30,000	Innovate UK Event
Research Councils UK	60,000	Innovate UK Event
The British Standards Institution	15,000	Innovate UK Event
Cathay Pacific	14,400	China Bites Seminar and NW China Awards
Clarion Events Ltd	Non-monetary estimated value 274,000	Defence & Security Equipment International Exhibition 2015
ADS Group Ltd (Trade Association for Aerospace, Defence & Security)	Non-monetary estimated value 30,000	Security & Policing exhibition
TeaKettle	Non-monetary estimated value 6,085	Alice Themes in Tea Houses – Brazil
Sofá Café	Non-monetary estimated value 10,142	Alice Themes in Tea Houses – Brazil
Brigadeiro	Non-monetary estimated value 6,085	Alice Themes in Tea Houses – Brazil
Parque Lage	Non-monetary estimated value 9,127	Networking reception – One Year to Go – Brazil
Santander	Non-monetary estimated value 5,500	GREAT Tech Season – Brazil
Editora Record	Non-monetary estimated value 6,077	Book Bienal – Brazil
Kenwood	Non-monetary estimated value 6,172	São Paulo Design Weekend – Brazil
Design Forum – Siq Mkt	Non-monetary estimated value 5,222	São Paulo Design Weekend – Brazil
Band News	Non-monetary estimated value 14,410	São Paulo Design Weekend – Brazil
IED (Istituto Europeo Design)	Non-monetary estimated value 5,575	São Paulo Design Weekend – Brazil
British Airways	Non-monetary estimated value 16,800	F&D Brands and PR Road trips – China

Sponsor	Amount (£)	Event Note
CMS (Cameron McKenna Greszta i Sawicki sp.k.)	Non-monetary estimated value 14,090	Technology is GREAT; Low Carbon & UK-CEE Technology Partnership
Bloodhound SSC	Non-monetary estimated value 58,500	Innovation Showcase – Emerging Europe
Team Turquoise	Non-monetary estimated value 58,500	Innovation Showcase – Emerging Europe
University of Manchester	Non-monetary estimated value 53,625	Innovation Showcase – Emerging Europe
Raspberry Pi Foundation	Non-monetary estimated value 58,500	Innovation Showcase – Emerging Europe
OC Robotics	Non-monetary estimated value 58,500	Innovation Showcase – Emerging Europe
Renishaw	Non-monetary estimated value 58,500	Innovation Showcase – Emerging Europe
Satellite Applications Catapult	Non-monetary estimated value 58,500	Innovation Showcase – Emerging Europe
Blatchford	Non-monetary estimated value 14,625	Innovation Showcase – Emerging Europe
Touch Bionics	Non-monetary estimated value 14,625	Innovation Showcase – Emerging Europe
Jelly Products	Non-monetary estimated value 14,625	Innovation Showcase – Emerging Europe
P2i	Non-monetary estimated value 14,625	Innovation Showcase – Emerging Europe
Renfrew Group International	Non-monetary estimated value 14,625	Innovation Showcase – Emerging Europe
mOm	Non-monetary estimated value 14,625	Innovation Showcase – Emerging Europe
University College London's Institute of Ophthalmology and Moorfields Eye Hospital	Non-monetary estimated value 14,625	Innovation Showcase – Emerging Europe
Royal Free Hospital / University College London	Non-monetary estimated value 14,625	Innovation Showcase – Emerging Europe
The Universities of Bath and Bristol	Non-monetary estimated value 14,625	Innovation Showcase – Emerging Europe
Liverpool John Moores University	Non-monetary estimated value 14,625	Innovation Showcase – Emerging Europe
Reaction Engines	Non-monetary estimated value 39,000	Innovation Showcase – Emerging Europe
Versarien	Non-monetary estimated value 6,500	Innovation Showcase – GREAT Energy Summit
VTOL Technologies	Non-monetary estimated value 6,500	Innovation Showcase – GREAT Energy Summit
Highview Power Storage	Non-monetary estimated value 6,500	Innovation Showcase – GREAT Energy Summit
Cathay Pacific	Non-monetary estimated value 19,167	Fintech Competition – Hong Kong
Brunswick	Non-monetary estimated value 22,500	Bond is GREAT – Hong Kong
Aston Martin	Non-monetary estimated value 29,000	Bond is GREAT – Hong Kong
DMU	Non-monetary estimated value 5,000	Bond is GREAT – Hong Kong
MGM Macau	Non-monetary estimated value 42,000	Bond is GREAT – Hong Kong
Pernod Ricard	Non-monetary estimated value 6,000	To support Grown In Britain – GREAT
Central Park	Non-monetary estimated value 13,207	Food & Drink Exhibition in Jakarta – Indonesia
Tokyu Coporation	Non-monetary estimated value 71,082	Innovation Event – Japan

Sponsor	Amount (£)	Event Note
Nikkan Kogyo Shimbun	Non-monetary estimated value 13,228	Robotics Event – Japan
ProMexico	Non-monetary estimated value 10,000	IT mission to the UK – Mexico
Society of Motor Manufacturers and Traders Ltd (SMMT)	Non-monetary estimated value 17,700	Outward mission to Electric Vehicle Symposium – South Korea
Korean government funded Korean delegation participating LTW	Non-monetary estimated value 17,700	UK-Korea Tech Week – South Korea
Corinthia Hotel	Non-monetary estimated value 20,755	GREAT Tech Awards – USA
British Airways	Non-monetary estimated value 10,554	GREAT Tech Awards – USA
BDO	Non-monetary estimated value 18,808	GREAT Tech Awards – USA
Feildfisher	Non-monetary estimated value 22,370	GREAT Tech Awards – USA
Propel	Non-monetary estimated value 9,900	GREAT Tech Awards – USA
Device Access	Non-monetary estimated value 6,473	GREAT Tech Awards – USA
Advice Cloud	Non-monetary estimated value 29,012	GREAT Tech Awards – USA
Gateway Europe	Non-monetary estimated value 7,768	GREAT Tech Awards – USA
Durham Lane	Non-monetary estimated value 5,502	GREAT Tech Awards – USA
NFL International	Non-monetary estimated value 24,000	Super Bowl – USA
SAGE	10,000	Exporting is GREAT
Banco Bradesco	5,492	CEO Event São Paulo
Scotch Whisky Association	5,160	To support Grown In Britain – GREAT
BDO	6,492	GREAT Tech Awards – USA
Bentley	10,820	GREAT Tech Awards – USA
Invest Northern Ireland	5,771	GREAT Tech Awards – USA
Knight Frank	6,642	GREAT Tech Awards – USA
London and Partners	5,771	GREAT Tech Awards – USA
Merck	19,512	GREAT Tech Awards – USA
NESTA	10,398	GREAT Tech Awards – USA
Propel	5,992	GREAT Tech Awards – USA
Tech City	20,038	SXSW – SXSW Event (Music Festival)
Tech North	12,912	SXSW – SXSW Event (Music Festival)
Diageo Italia S.p.A.	100,000	Milan Expo
Jaguar Land Rover Italia S.p.A	75,000	Milan Expo
Value Retail Management (Fidenze Village)	14,663	Milan Expo
Mosimann's	19,062	Milan Expo
HSBC Bank	120,000	Great Global Investment Conference

Where necessary, conversion is at the average exchange rate for the year.

Annex D Acronyms

AME	Annually Managed Expenditure
AO	Accounting Officer
ARAC	Audit and Risk Assurance Committee
BIS	Department for Business, Innovation & Skills
C&AG	Comptroller and Auditor General
CBE	Commander of the British Empire
CBI	Confederation of British Industry
CETV	Cash Equivalent Transfer Value
CEO	Chief Executive Officer
CFER	Consolidated Funds Extra Receipts
CPD	Continued Professional Development
CSC	Civil Service Code
CMG	Companion of the Order of St Michael and St George
CODM	Chief Operating Decision Maker
CRM	Customer Relationship Management
DEL	Departmental Expenditure Limit
DGP	Defence Growth Partnership
EAR	Expenditure Allocation report
EU	European Union
ExCo	Executive Committee
FCO	Foreign & Commonwealth Office
FDI	Foreign Direct Investment
FReM	Financial Reporting Manual
FY	Financial Year
GCP	Global Commercial Partners
GEP	Global Entrepreneur Programme
HM	Her Majesty's
HMG	Her Majesty's Government
HMRC	Her Majesty's Revenue and Customs
HMT	Her Majesty's Treasury
HQ	Headquarters
HVO	High Value Opportunities
IAS	International Accounting Standards
ICT	Information and Communications Technologies
IFRS	International Financial Reporting Standards
IiP	Investors in People
ITA	International Trade Adviser
MP	Member of Parliament
MSBs	Medium-sized Businesses
MSEU	Material & Strategic Engagement Unit
NAO	National Audit Office
NCR	Net Cash Requirement
OBE	Order of the British Empire
OBNI	Overseas Business Network Initiative
OBR	Office of Budget Responsibility
OMIS	Overseas Market Introduction Service
PCPSP	Parliamentary Contributory Pension Fund
PIMS	Performance and Impact Monitoring Survey
SoPS	Statement of Parliamentary Supply
SRM	Strategic Relationship Management
SSRB	Senior Salaries Review Body
TCP	Trade Challenge Partners
ToR	Terms of Reference
UK	United Kingdom
UKEF	UK Export Finance
UK SBS	UK Shared Business Services
UKTI	UK Trade & Investment
UKTI DSO	UKTI Defence & Security Organisation
VAT	Value Added Tax

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