



Section 400 Licence Fees and Penalties Account

Year ended 31 March 2018

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SECTION 400 ACCOUNTS: REVIEW OF 2017/18

Background

Under Section 400 of the Communications Act 2003, Ofcom is required to collect fees and payments. The revenue collected is from four sources:

- Wireless Telegraphy Act licence fees;
- Additional Payments from television and radio licensees;
- Financial Penalties; and
- Geographic Numbering.

These monies were passed to the UK Consolidated Fund at HM Treasury, the Department of Finance and Personnel - Northern Ireland (DFPNI) and to the Treasuries of the Isle of Man, the Bailiwick of Jersey, and the Bailiwick of Guernsey under Statutory Instrument 1991, Numbers 998, 1710 and 1709 respectively, directly or via the Department for Digital, Culture, Media, and Sport (DCMS) as Ofcom's sponsoring body.

In total Ofcom passed £309.3m (2016/17: £376.7m) to the public purse.

Wireless Telegraphy Act licence fees – excluding Auction receipts

In 2017/18 there were 355,145 (2016/17: 339,891) Wireless Telegraphy Act (WT Act) licences in issue. WT Act licences are held by a wide variety of spectrum users, from taxi companies and amateur radio providers to mobile phone operators and television and radio broadcasters.

The Digital Economy Act 2017 introduced legislative amendments which permit Ofcom to retain sums received in connection with its functions under the WT Act. Ofcom may retain such sums in order to fund its general spectrum management functions, as well to meet the costs of undertaking its other functions for which it cannot levy fees and charges¹.

This new funding approach commenced in December 2017 and further information is provided in Note 5 to the accounts.

In 2017/18 Ofcom passed £252.3m (2016/17: £367.3m) collected from WT Act licensees and the interest earned on any cash balances held to DCMS. The reason for the lower balance in 2017/18 is twofold. In line with our new funding approach, Ofcom retained £23.9m to fund its general spectrum management functions as well as relevant expenditure for which it cannot levy fees or charges and a reduction in certain annual licence fees paid by mobile operators for the public wireless networks following a Court of Appeal judgement in November 2017.

Wireless Telegraphy Act licence fees – Spectrum Auction

Ofcom's principal statutory duties under the 2003 Communications Act are to further the interests of citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition. In doing so, Ofcom has a duty to secure the optimal use of spectrum.

A total of 190 MHz of spectrum was released to Ofcom by the Ministry of Defence as part of the Government's Public Sector Spectrum Release (PSSR) programme: 40 MHz in the 2.3 GHz band, and 150 MHz in the 3.4-3.6 GHz band. Consumer devices such as smartphones and tablets can already use 2.3 GHz spectrum, so Telefónica UK Limited, who won all the 2.3GHz spectrum in the auction,

¹ These duties include Public Interest Tests, Nuisance Calls and Ex post cases for example.

was able to increase the capacity of its 4G mobile broadband services immediately after the auction. We expect that consumer devices equipped to use the 3.4-3.6 GHz frequencies will become available from 2019-20, enabling the four operators who won frequencies in this band to increase 4G capacity further. In addition, operators winning frequencies in the 3.4-3.6 GHz band will be able to start adopting 5G technologies, which are expected to enable further increases in capacity, performance and reliability and could stimulate the development of new applications.

We awarded the spectrum by auction because we considered that this will secure the optimal use of the spectrum, in accordance with our statutory duties: we expect the operator which ascribes the highest value to a given portion of the spectrum to be most likely to use it efficiently to deliver the services consumers most want. Our initial timeline for the award was extended as a result of Hutchison's bid for O2 in 2016 (which was ultimately blocked by the European Commission) and due to litigation brought by Three and BT/EE in 2017. The High Court dismissed both judicial review claims in December 2017, and we were able to proceed immediately following the Court of Appeal decision not to grant permission for Three's attempt to appeal on in February 2018.

The auction consisted of five phases: the receipt of applications; qualification of bidders; principal stage, (in which bidders placed electronic bids for spectrum lots); the assignment stage, (in which bidders placed electronic bids for the particular frequencies in each band to which their lots would be assigned) and the license grant stage.

Bidders were required to pay deposits on application and before the start of the principal stage which commenced on the 20th March 2018, and to top up their deposits during the bidding stages as their financial exposures increased. As a result of this at the 31st March 2018 Ofcom held deposits from the bidders, as set out in the Statement of Cash Balances and Note 8 to the accounts. At the end of the principal stage, we calculated and announced the quantities of spectrum won by each bidder, and the base prices they had to pay. At the end of the assignment stage some bidders were then required to pay additional amounts. After granting the spectrum licences on the 13th April 2018, Ofcom transferred to Government on the 16th April 2018 the amounts bidders paid for the spectrum they had won in the principal stage and for the particular frequencies they bid for in the assignment stage, together with one forfeited application deposit from a qualified applicant who chose not to participate in the bidding stages of the auction and interest which had accrued on deposits during the auction. Any excess deposits held were also returned to the bidders at this time. The receipts and payments relating to this spectrum auction will be disclosed within the 2018/19 Section 400 Accounts.

The winning bidders and the prices they paid for licences are summarised below:

Winning bidders to whom licence granted	Frequencies	Total base price¹	Additional prices²	Licence fees paid³
EE Limited	3540 – 3580 MHz	£302,592,000	£1,002,000	£303,594,000
Hutchison 3G UK Limited	3460 – 3480 MHz	£151,296,000	£13,133,000	£164,429,000
Telefónica UK Limited	2350 – 2390 MHz	£205,896,000	N/A	£205,896,000
	3500 – 3540 MHz	£317,720,000	0	£317,720,000
Vodafone Limited	3410 – 3460 MHz	£378,240,000	0	£378,240,000

Full details including the licences granted and the licence fees paid can be found [here](#) along with the [2.3 and 3.4 GHz band plans based on final auction results](#)

Physical and cyber security was paramount during the auction and enforced through operational readiness and security audits, robust testing, training and daily checks. A process document detailing practical aspects of the auction not covered by the regulations, provided guidance to applicants and bidders. Authorisation levels and personnel required for sign off on auction decisions were clearly documented, these included members of the Auction team; Auction Director(s); Auction Director(s) plus Legal Team; and the Senior Management Team. Internal Governance procedures were followed for approval to proceed to each stage of the award.

Additional Payments

Holders of the Channel 3 and Channel 5 television licences and the national radio and additional services licences are required to make additional payments to Ofcom. These payments are made up of two components: an annual fixed payment (known as cash bids); and a fee based on a percentage of the broadcasters' advertising and sponsorship revenue associated with broadcasting on analogue spectrum (known as percentage of qualifying revenue, PQR).

In 2017/18 Ofcom received £0.9m (2016/17: £1.1m) in additional payments from broadcasters. The cash bid element totalled £0.7m (2016/17: £0.7m) and payments generated from the percentage of qualifying revenue were £0.2m (2016/17: £0.4m).

In February 2014 Ofcom announced that it had renewed the Channel 3 and Channel 5 licences for a further ten years from 1 January 2015. This renewal followed the acceptance of licence terms by the Channel 3 and Channel 5 licensees. Ofcom determined that the financial terms for each licence in the renewed period would be set an annual cash bid of £10,000 and a 0% PQR. The cash bid amount will increase by RPI each year. Details of the financial terms can be found on the Ofcom website at:

<http://stakeholders.ofcom.org.uk/broadcasting/tv/c3-c5-financial-terms>

The Legislative Reform Order 2015 (Further Renewal of Radio Licences) came into force on 15 December 2015. There are three national radio licences (held by Classic FM, Absolute Radio and Talksport) and this legislation enables their further renewal for a period of five years. Ofcom is required to determine new financial terms to facilitate this renewal. On 3 February 2017 Ofcom announced that it had determined financial terms for the national radio licences held by Classic FM and Absolute Radio for their five-year renewal period. The financial terms were a cash bid of £10,000 and a 0% PQR. The review of the financial terms for the national radio licence held by Talksport before was concluded in December 2017. Details of the financial terms can be found on the Ofcom website at:

https://www.ofcom.org.uk/_data/assets/pdf_file/0022/97240/Classic-and-Absolute-Determinations-2017.pdf

https://www.ofcom.org.uk/_data/assets/pdf_file/0020/108614/Talk-Sport-renewal-statement.pdf

The additional service licence expired in February 2018. On 27 February 2017 Ofcom published an advertisement inviting applications for an additional service licence for the period to February 2022. The licence was awarded by auction to INRIX UK Ltd. Details of the financial terms can be found on the Ofcom website at:

https://www.ofcom.org.uk/_data/assets/pdf_file/0034/97756/Additional-Services-Licence-Statement.pdf

Financial penalties

Under the Communications Act 2003 and the Broadcasting Act 1990 and 1996, Ofcom has the power to fine individuals and organisations for breaches of a code or licence terms. During 2017/18, Ofcom issued fines totalling £11.5m (2016/17: £50.6m).

Fines totalling £54.3m (2016/17: £7.4m) were collected in 2017/18 of which £42.3m relates to a BT fine issued at the end of March 2017. BT paid this in April 2017 and Ofcom subsequently transferred it to the consolidated funds in May 2017.

A list of penalties imposed during 2017/18 is published on Ofcom's website and can be found at:

https://www.ofcom.org.uk/_data/assets/pdf_file/0009/103131/financial-penalties-imposed-for-the-period-01042017-to-31032018.pdf

Section 400 Licence Fees and Penalties do not form part of Ofcom's reported revenue, and all receipts on the face of these accounts were excluded from revenue in Ofcom's Financial Statements. All monies were passed to UK Consolidated Fund at HM Treasury and, where appropriate, to the DFPNI, and the Treasuries of the Isle of Man, Jersey and Guernsey.

Geographic Telephone Numbers

Ofcom has a duty under section 63(1) of the Communications Act 2003 to secure that the best use is made of numbers and to encourage efficiency and innovation for that purpose. Ofcom's power to charge for the allocation of geographic numbers is based principally on section 58(1)(g) of the Act and is implemented by way of requirements in the General Condition relating to the allocation, adoption and use of telephone numbers (General Condition 17).

On 1 April 2013 Ofcom launched a pilot scheme to charge communications providers ('CPs') for geographic numbers allocated to them by Ofcom in 30 specified area codes experiencing the greatest number scarcity. The charges were introduced to incentivise CPs to use numbers more efficiently.

The pilot scheme is currently under review and Ofcom published a consultation on proposals for geographic number charging in October 2016. We aim to publish the outcome of the review shortly. Charging for geographic numbers under the current scheme will continue until any changes are made because of our review."

The annual charging year runs from 1 April to 31 March and invoices are generated one year in arrears. In 2017/18 Ofcom collected £1.4m (2016/17: £1.4m).

Auditors

These financial statements are audited by the Comptroller and Auditor General. The Accounting Officer has made the National Audit Office aware of all relevant audit information. The auditor's remuneration of £0.01m for Section 400 audit is reported in the main Ofcom corporation accounts.

Sharon White
Chief Executive

Office of Communications
Riverside House,
2A Southwark Bridge Road
London SE1 9HA

Date: 19th June 2018

STATEMENT ON OFCOM'S RESPONSIBILITIES WITH RESPECT TO THE FINANCIAL STATEMENTS

Under Section 400(4) of the Communications Act 2003 Ofcom is required to prepare a statement of accounts for each financial year in respect of the Licence Fees and Penalties listed in Section 400(1), and the payment of such receipts to the Consolidated Funds of the United Kingdom and Northern Ireland respectively. The accounts also show payments to the Treasury of the Bailiwick of Jersey, the Treasury of the Bailiwick of Guernsey, and the Treasury of the Isle of Man.

The accounts are prepared on a cash basis and must properly present the receipts and payments for the financial year, and the cash balances held at the beginning and end of the year.

As the senior full time official of Ofcom, the Chief Executive is the Accounting Officer for these accounts. Her relevant responsibilities as Accounting Officer include responsibility for the propriety and regularity of the public finances for which she is responsible and for the keeping of proper records. The Chief Executive has specific responsibilities for ensuring that the terms of the Framework Document issued by the Secretaries of State are complied with.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Office of Communications Section 400 Fees and Penalties Account for the year ended 31 March 2018 under the Communications Act 2003. The financial statements comprise: the Receipts and Payments Account, Statement of Cash Balances and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

In my opinion:

- the financial statements properly present the receipts and payments of the Office of Communications Section 400 Fees and Penalties Account for the year ended 31 March 2018; and
- the financial statements have been properly prepared in accordance with the Communications Act 2003 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Office of Communications in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Ofcom'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.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Communications Act 2003.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of Communications' internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of Communications' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I am required to obtain evidence sufficient to give reasonable assurance that the receipts and payments 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.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the Review of 2017/18, other than other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the

financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- in the light of the knowledge and understanding of the Office of Communications and its environment obtained in the course of the audit, I have not identified any material misstatements in the Review of 2017/18; and
- the information given in the Review of 2017/18 for the financial year for which the financial statements are prepared is consistent with the financial statements and have been prepared in accordance with the applicable legal requirements.

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
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse

Date 3 July 2018

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

RECEIPTS AND PAYMENTS ACCOUNTS
for the year ended 31 March 2018

	Notes	Year Ended 31 March 2018 £'000	Year Ended 31 March 2017 £'000
Payments under the Wireless Telegraphy Act 1998 (c.6)	2A	188,746	260,258
Fees received from Government Departments (GD)	3	81,373	111,187
Interest Received on WT Act and GD receipts		16	16
WT Act Auction Receipts	2B	-	-
Interest Received on Auction Receipts	2B	-	-
TOTAL SPECTRUM FEE PAYMENTS RECEIVED		270,135	371,461
Additional Payments by licensees	4	897	1,072
NET ADDITIONAL PAYMENTS BY LICENSEES		897	1,072
Financial Penalties	6	54,294	7,385
Geographic Numbering Receipts	7	1,359	1,398
TOTAL RECEIPTS FOR THE YEAR		326,685	381,316
WT Act Payments to DCMS	2A	(252,253)	(367,329)
WT Act Auction Payments to DCMS	2B	-	-
WTA Act Receipts Retention (s.401)	5A	(19,081)	-
Payments to the United Kingdom Consolidated Fund		(55,218)	(9,112)
Payments to the Northern Ireland Consolidated Fund		(1,597)	(217)
Payments to the Treasury of the Isle of Man		(71)	(11)
Payments to the Treasury of the Bailiwick of Jersey		(88)	(18)
Payments to the Treasury of the Bailiwick of Guernsey		(58)	(12)
NET PAYMENTS TO CONSOLIDATED FUNDS AND TREASURIES		(57,032)	(9,370)
TOTAL PAYMENTS FOR THE YEAR		(328,366)	(376,699)
(DEFICIT)/EXCESS OF RECEIPTS OVER PAYMENTS FOR THE YEAR		(1,681)	4,617

STATEMENT OF CASH BALANCES
as at 31 March 2018

	Notes	31 March 2018 £000	31 March 2017 £000
Balance at beginning of the year		8,444	3,827
Excess/(Deficit) of receipts over payments for the year		(1,681)	4,617
Balance at end of year (exc. Spectrum auction deposits)		6,763	8,444
Spectrum Auction Deposits	2B	1,490,240	-
TOTAL CASH BALANCE		1,497,003	8,444
CASH BALANCE OWED TO			
UK Department of Culture, Media and Sports		1,970	7,958
Consolidated Funds and Treasuries		4	486
Amount to be retained by Ofcom (April 18)		4,789	
	8	6,763	8,444

The Notes on pages 12 to 15 form part of these accounts.

Sharon White
Chief Executive
Office of Communications

Date: 19th June 2018

NOTES TO THE ACCOUNTS
For the year ended 31 March 2018

1. Basis of Accounting

These accounts are prepared on a receipts and payments basis in accordance with the provisions of Section 400(4) of the Communications Act 2003. They also show the amounts paid to the Treasury of the Isle of Man, the Treasury of the Bailiwick of Jersey, and the Treasury of the Bailiwick of Guernsey under Statutory Instrument 1991, Nos. 998, 1710, and 1709 respectively.

2. Payments under the Wireless Telegraphy Act 1998

Section 400(2) of the Communications Act requires that, subject to any refunds and the retention of funds to cover costs as described in Note 5, all amounts from the list in Section 400(1) paid to Ofcom, including payments under the Wireless Telegraphy Act 1998 (c.6), should be passed to the appropriate Consolidated Fund. The exception to this is Wireless Telegraphy Act receipts, which are paid to DCMS, as directed by the Treasury in accordance with its powers under the Government Resources and Accounts Act 2000 and the annual Appropriation Act.

2A. WT Act licence fees

In the period of these accounts, £170.9m (2016/17: £256.1m) was paid to DCMS in respect of spectrum fees received including interest earned on cash balances held. This is significantly less than the prior year as following the enactment of the Digital Economy Bill, Ofcom now retains some Wireless Telegraphy Act receipts to fund its spectrum management functions as well as those duties for which it cannot levy fees or charges. In addition, we received lower Annual Licence fees for the Public Wireless Networks due to a reduction in fees paid following the Court of Appeal's judgement in November 2017.

2B. Wireless Telegraphy Act - Licence Fees received from the Auction of spectrum

No spectrum auctions were completed in 2017/18 (2016/17: nil). Please refer to: Wireless Telegraphy Act licence fees – Spectrum Auction, on pages 2 and 3 for further information regarding the spectrum auction that commenced in March 2018 and concluded on the 13th April 2018. Funds held on deposit at 31st March 2018, as set out in the Statement of Cash Balances, were transferred to Government on the 16th April once WTA licences were issued, any excess deposits were returned to bidders. Both the receipts from the auction and payments to Government will be disclosed within the 2018/19 Section 400 Accounts.

3. Fees Received from Government Departments

Under Section 163 of the Communications Act, Ofcom receives fees for spectrum use from certain Government departments. These are not Wireless Telegraphy Act payments, but are in all respects treated in the same manner as described in these notes for cash received from commercial licensees. During the period under review, invoices totalling £111.2m were issued and £81.4m paid (2016/17: £111.2m) by Government departments. The balance of £29.8m was received in April 2018 and subsequently transferred to DCMS. The total fees received have been included in these accounts, although this is not specifically required by Section 400 of the Communications Act.

4. Additional Payments

Additional payments made by television licensees are stated after the deduction of digital terrestrial and multi-channel penetration percentage rates to the qualifying revenue. This is set out in the Qualifying Revenue and Multiplex Revenue statement which can be found on Ofcom's website at

http://stakeholders.ofcom.org.uk/binaries/broadcast/other-codes/qualifying_revenue.pdf

5. Sums Retained from Wireless Telegraphy Act Payments

Under Section 401 of the Communications Act, Ofcom has the power, subject to Treasury approval, to make a statement of principles under which any or all of the amounts collected under the Wireless Telegraphy Act can be retained to offset the costs of carrying out the spectrum functions detailed in subsection 401(4) of the Act.

5A. WT Act Licence Fees Retention

The Digital Economy Act 2017 introduced legislative amendments which permit Ofcom to retain sums received in connection with its functions under the Wireless Telegraphy Act. A total of £23.9m was retained for this purpose. For the period of December 2017 – March 2018, £19.1m was retained and a further £4.8m retained from March 2018 Wireless Telegraphy Act receipts for the period of April 2018.

	31 March 2018 £'000	31 March 2017 £'000
Spectrum Management	23,187	-
Orphan expenditure (inc. Nuisance Calls)	683	-
Total Wireless Telegraphy Act receipts retained	23,870	-

The Statement of principles underpinning this new funding model can be found at:
https://www.ofcom.org.uk/_data/assets/pdf_file/0017/107702/statement-principles-wta.pdf

5B) Grant in Aid Received:

During the year under review, grants totalling £118.5m (2016/17: £70.8m) were received from DCMS under the legislative powers referred to in Note 2, to cover the costs of spectrum management and orphan expenditure (from April 2017 – Nov 2017) and Spectrum Clearance and Awards Programme. A full disclosure of the Grant in Aid figures can be found in the Ofcom main accounts.

At the end of 2017/18 there was unused grant of £3.3m (2016/17: £0.3m) to be carried forward into 2018/19. This unused grant relates to Spectrum Clearance and Awards Programme.

A statement of the net spectrum fees payable by DCMS to the Consolidated Fund is given below.

	31 March 2018 £'000	31 March 2017 £'000
Spectrum Fees Transferred		
Wireless Telegraphy Act Cash Transferred to DCMS	170,880	256,142
WT Act Auction Receipts transferred to DCMS	-	-
Fees received from Government Departments	81,373	111,187
Total spectrum fees transferred by Ofcom for surrender to the Consolidated Fund	252,253	367,329
Grant in Aid in respect of related Costs		
Spectrum Clearance and Awards	(84,546)	(23,140)
Spectrum Management & Orphan Expenditure	(33,916)	(47,709)
Total Spectrum Grants received by Ofcom from DCMS	(118,462)	(70,849)

6. Financial Penalties

Penalties received in the year were as follows:

	31 March 2018 £'000	31 March 2017 £'000
Sector		
Broadcasting TV	245	60
Radio	9	-
Networks & Services	54,040	7,325
Online Broadcasting	-	
	54,294	7,385

During 2017/18, Ofcom issued fines totalling £11.5m (2016/17: £50.6m), and collected fines totalling £54.3m (2016/17: £7.4m). Details of all the penalties issued in 2017/18 can be found on the Ofcom website at:

https://www.ofcom.org.uk/data/assets/pdf_file/0009/103131/financial-penalties-imposed-for-the-period-01042017-to-31032018.pdf

7. Geographical Numbering Income

In the period of these accounts, £1.4m (2016/17: £1.4m) was received and paid to the UK Consolidated Fund at HM Treasury. A balance of £3.8k was paid in April 2018.

8. Balance at End of the Financial Year

The cash balance of £6.76m (2016/17: £8.4m) at the end of the year excluding spectrum auction deposits from bidders relates to:

- Wireless Telegraphy Act fees £1.97m (transferred to DCMS April & May 2018);
- Ofcom's retention amount to fund relevant expenditure in April 2018 £4.79m;
- Geographical Numbering £3.8k (transferred to the Consolidated Funds in April 2018);
- Fines & Penalties £0.5k

Spectrum auction deposits held on behalf of bidders was £1,490m as at the 31st March 2018.