

National Savings and Investments Annual Report and Accounts and Product Accounts 2024–25

**National Savings and Investments
Annual Report and Accounts and Product Accounts 2024–25**

Accounts presented to the House of Commons pursuant to section 6 (4) of the Government Resources and Accounts Act 2000.

Product Accounts presented to the House of Commons pursuant to section 7 (3) (c) of the Government Resources and Accounts Act 2000.

Annual Report presented to the House of Commons by Command of His Majesty.

Ordered by the House of Commons to be printed on 3 July 2025.

This is part of a series of departmental publications which, along with the Main Estimates 2025–26 and the document Public Expenditure: Statistical Analyses 2025, present the Government’s outturn for 2024–25 and planned expenditure for 2025–26.



© Crown copyright 2025

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit

nationalarchives.gov.uk/doc/open-government-licence/version/3

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents

Any enquiries regarding this publication should be sent to us at enquiries@nsandi.com or
NS&I, Sunderland SR43 2SB

ISBN 978-1-5286-5587-3

E03328526 07/25

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty’s Stationery Office.

Who we are

National Savings and Investments (NS&I) is one of the largest savings organisations in the UK with more than 24 million customers and over £240 billion invested.

NS&I is both a government department and an Executive Agency of the Chancellor of the Exchequer. Our origins can be traced back more than 160 years to 1861.

When customers invest in NS&I products, they are lending to the Government. In return the Government pays interest or prizes for Premium Bonds. We offer 100% security on all deposits as we are backed by HM Treasury.

Must reads

- Chair’s statement, pages 8 to 9
- Chief Executive’s overview, pages 10 to 14
- Our performance in 2024–25, pages 15 to 16

This report is also available at nsandi.com

Accessibility Statement for National Savings and Investments (NS&I) Annual Report and Accounts and Product Accounts 2024–25

This is an accessibility statement from National Savings and Investments (NS&I).

Conformance status

The Web Content Accessibility Guidelines (WCAG) defines requirements for designers and developers to improve accessibility for people with disabilities. It defines three levels of conformance: Level A, Level AA, and Level AAA. The NS&I Annual Report and Accounts and Product Accounts 2024–25 is partially conformant with WCAG 2.2 level AA. Partially conformant means that some parts of the content do not fully conform to the accessibility standard.

Limitations and alternatives

Despite our best efforts to ensure accessibility of the NS&I Annual Report and Accounts and Product Accounts 2024–25, there may be some limitations. Below is a description of known limitations and potential solutions. Please contact us if you observe an issue not listed below.

Known limitations for NS&I Annual Report and Accounts and Product Accounts 2024–25:

- Body text throughout the document set at 10pt
- Footnotes throughout the document set at 7pt
- Navigation tabs at the side of the page set at 7pt
- Text in bar charts, graphs and pie charts set at 8pt
- Some graphs do not contain numerical results and are only portrayed by lines

01

Performance Report

Our strategy: Inspire & Invest	7
Chair’s statement	8
Chief Executive’s overview	10
Our performance in 2024–25	15
How we spent taxpayers’ money	17
Our strategy	20
Our people	23
Environmental, Social and Governance	25

02

Accountability Report

Corporate governance report 2024–25	38
– Directors’ report	38
– Governance statement	44
– Statement of Accounting Officer’s responsibilities	56
Remuneration and staff report 2024–25	57
Parliamentary accountability and audit report	69

03

Financial Statements

Accounts 2024–25	84
Product Accounts 2024–25	103
Annex 1: Product Accounts Direction	120

04

Other Information

Departmental report information	122
Glossary	127
Contacts and more information	130

01

Performance Report

Our strategy: Inspire & Invest	7
Chair's statement	8
Chief Executive's overview	10
Our performance in 2024–25	15
How we spent taxpayers' money	17
Our strategy	20
Our people	23
Environmental, Social and Governance	25

Our strategy: Inspire & Invest

At a glance

24 million
customers

100%
security backed by
HM Treasury

164 years
NS&I launched in 1861

Our vision

NS&I's vision is to inspire a stronger savings culture by being the most trusted UK savings provider. Giving everyone the opportunity to save confidently.

Our purpose

- Creating value through delivering cost-effective financing
- Providing services to government
- Helping government deliver policy objectives

Our values

With our customers

Secure

100% security for savings, backed by HM Treasury. Our digital security is trustworthy. We protect our business.

Inspiring

Acting decisively and confidently for customers, working with pace to create value and inspiring them to secure their financial future.

Straightforward

Clear, everyday, understandable language. Products designed simply to meet our customers' needs, and easy-to-use services.

Reassuringly human

We listen to our customers, and understand and respond to their needs. We care for our customers, our environment and the public good.

With our people

Secure

We are responsible and do the right thing. We deliver safely and take a balanced approach to innovation and risk.

Inspiring

We use fresh thinking for public good. We have a willingness to learn quickly. Diversity, innovation and curiosity are welcomed.

Straightforward

We have integrity and work together in straightforward ways. What we say matters. We are empowered by our leadership.

Reassuringly human

A small organisation with a big reach. We care for colleagues, respect one another, and invest in our people and manage their talent effectively.

We updated our values during 2024–25. At the start of 2024–25 our values were described as being secure, inspiring, straightforward and reassuringly human. Our updated description of our values is to keep our promises, build meaningful connections and be confidently curious.

Chair's statement

I am delighted to open this year's Annual Report, my first since I became Chair of NS&I in June 2024. Already, I have been inspired by the expertise and effort of our people and the scope and significance of our role. We are the nation's savings bank and a source of vital funding to help the Government deliver public services. This is what makes NS&I unique and why we must always look to the future so that we can continue to serve savers, taxpayers and the public for generations to come.



In 2024–25, we delivered £9.75 billion of Net Financing for HM Treasury; offered savers increased choice and longer-term security with new fixed-term Bonds; met our customer satisfaction target; and approached the first major milestone in our transformation programme. These are very satisfying achievements, of which all at NS&I should be proud. There have been challenges too, in the implementation phase of our transformation programme, but these are being overcome and we can look forward to the coming year with optimism and confidence.

During 2024–25, we were pleased to launch new fixed-term Bonds, offering savers the choice of longer-term security in a changing savings market. As the market adjusted to base rate reductions begun by the Bank of England in August 2024, NS&I responded with gradual interest rate reductions across our variable and fixed-term product range. We priced our products appropriately throughout the year to ensure that we maintained our operating framework to balance the interests of savers, taxpayers and broader market stability.

These steps ensured that we met our Net Financing target for 2024–25, delivering £9.75 billion of financing for the Government. Similarly, we were pleased to meet our customer satisfaction target for the year, with performance of 84.57%, against a target of at least 80%.

NS&I's major programme of business modernisation and transformation will see us switch from a single outsource provider (Atos) to a multi-provider model. It is creating a modern, resilient and sustainable business that ensures NS&I continues to play its key role as the cornerstone of the savings market and an important source of funding for vital public services.

However, the modernisation of our legacy process and systems is a complex process and some elements of that complexity have been more significant and others greater in number than we anticipated. This has meant we needed to adapt our approach and re-profile some elements, which has led to longer timescales and an increase in costs. This is explained in more detail in the Chief Executive's overview.

We have made significant progress in the delivery of the transformation programme: completing our series of procurements and, as we enter 2025–26, we have delivered our first major milestone – the transfer of UK customer-facing staff from Atos to Sopra Steria. We also secured agreement with Atos to transform our banking systems and run our core systems and processes, while we transition customer-facing services to our new providers, IBM and Sopra Steria.


Our focus for 2025–26 is firmly on the delivery of our transformation programme – enabling NS&I's journey to become the most trusted savings provider in the UK.

For the achievements of the year and the hard work to come in following years, I would like to thank my colleagues on the NS&I board, our partners at Atos and our new partners, IBM and Sopra Steria, colleagues at HM Treasury and the many people across NS&I who work so hard to serve our customers and taxpayers.

I would also like to thank my predecessor, Ed Anderson CBE, for his contribution as Chair over seven years, his dedication to NS&I and its people, and his support to me personally in ensuring a smooth handover.

I began by saying that in my short time so far as Chair of NS&I, I have been inspired by the expertise and effort of our people and the scope and significance of our role. I conclude by saying that I have no doubt that these qualities – and these responsibilities – will drive us to successfully transform for our customers, for taxpayers and to enable NS&I to continue to provide the cost-effective financing required to support vital UK public services.

Lord Lemos CMG CBE
Chair
National Savings and Investments

 **For details of the board's composition, committees and activities, please see the Governance statement on pages 44 to 55.**

Chief Executive's overview

I'm pleased to report that despite the challenges we faced, NS&I has performed strongly in 2024–25, with a year of delivery both for customers and taxpayers, and we are well positioned for further success in the coming year. We have met our financing target for the Government, met our customer satisfaction target and started to implement our new multi-supplier business model.

As our transformation programme entered the delivery and implementation phase, key issues, such as contract award delays and the greater complexity of the end-to-end solution than originally envisaged, required us to make a change to our plans.

However, we are now implementing our recovery plan. This has included re-planning elements of our business transformation timeline, re-forecasting the cost over the ten-year life of the programme and adopting a new phased release approach.

With our transformation programme now entering the delivery and implementation phase, the first major milestone was achieved in April 2025, when Atos employees providing customer-facing and support services to our retail savings customers were transferred to Sopra Steria.

Net Financing target met

In 2024–25, we delivered £9.75 billion of Net Financing for the Government, meeting our target to deliver £9 billion (+/- £4 billion). The first part of the financial year saw the Bank of England base rate held at 5.25%,

followed by three rate cuts between August 2024 and February 2025, taking the base rate down to 4.50%.

In response to the changing market environment, from September 2024, we made a series of small and incremental reductions to interest rates on some of our products, in line with our operating framework to balance the interests of savers, taxpayers and the stability of the broader financial services sector. Further interest rate reductions were made to some variable rate products at the end of 2024 and at the beginning of 2025.

Delivering cost-effective financing

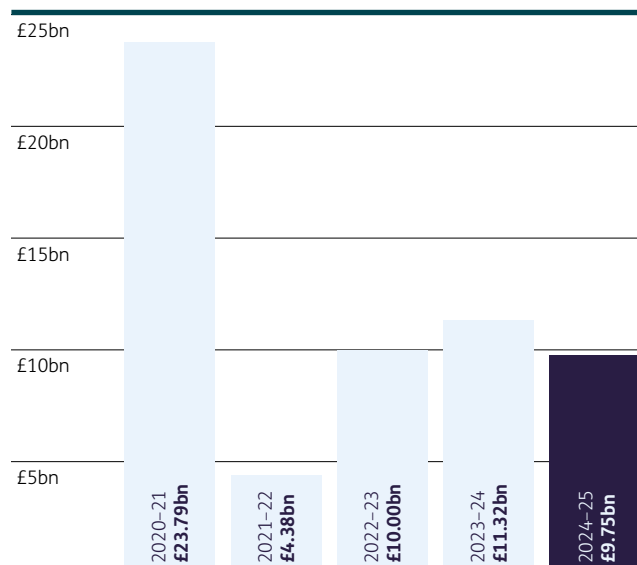
The Value Indicator measure compares how much it costs to raise funding via NS&I with raising the same amount via the sale of gilts. In 2024–25, this measure showed it was £650 million cheaper to do this via NS&I at year-end.

Our 2025–26 Net Financing target

For 2025–26, our Net Financing target has been set at £12 billion (+/- £4 billion), a 33% increase from the previous year. The target has now been doubled since 2022–23, reaffirming the vital role that NS&I plays in providing cost-effective financing for the Government.



Net Financing



Delivering efficiently

We were also pleased to continue our record of successively meeting a key measure of our cost-effectiveness – the efficiency ratio – which shows how much it costs us to manage each £100 of funds we hold. This year, the figure was 6.73p, compared with 6.62p last year. The implementation and delivery of our transformation programme will, over time, also help to drive a further improvement in efficiency.

Customer satisfaction target met

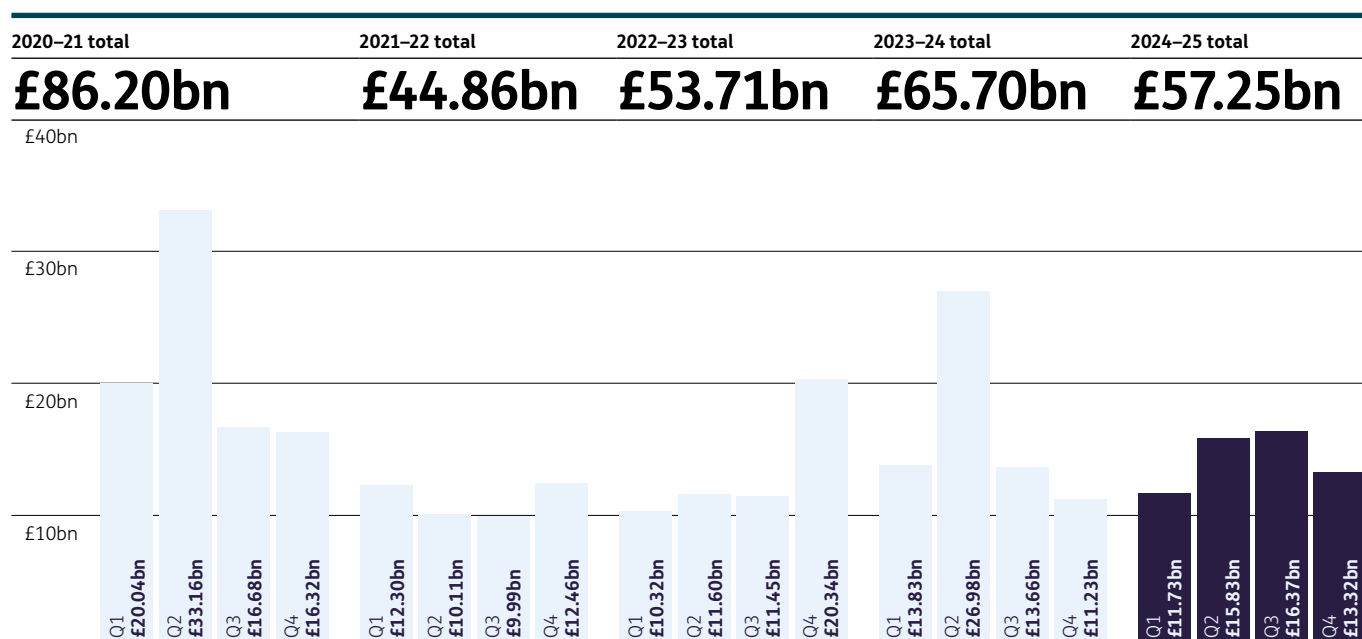
I am pleased that we met our target for customer satisfaction this year, with a performance figure of 84.57%,⁽¹⁾ against a target of at least 80%. For 2024-25, we switched to a 'relational' satisfaction measure. This provides us with a more holistic view reflective of the whole customer base, so that we are accurately reflecting best practice measures more aligned with our competitors.

Our Trustpilot score is also increasing – reflecting the great customer service we provide to the vast majority of our customers.

I would like to thank our customer service and operational teams for their hard work and dedication to achieve these results. The steps we have taken to improve customer satisfaction are working and we intend to build upon these in the coming year.

We work hard to resolve any customer complaints to their satisfaction. But when customers are unhappy with our resolution of their complaint, they have the option to take their case to the Financial Ombudsman Service (FOS) for an independent review. This year, FOS

Gross inflows to NS&I (£bn)



upheld 0.51% of complaints raised by customers against NS&I, against a target of less than 0.84% for the year. This compares with a performance figure of 0.54% last year, against a target of less than 0.84%.

Pay by bank account continues its success

In May 2023, we launched Pay by bank account – a quick, easy and secure way for customers who use online banking or a banking app to transfer funds to NS&I. It has been a great success and as at 31 March 2025, we had taken more than 3.4 million payments worth over £17 billion via the service. As we transition to the new multi-supplier business model, this provides a real saving to taxpayers, as a transaction made using Pay by bank account (or a manual bank transfer) costs a fraction of the price of a transaction made by a customer using a debit card.

Business-to-business (B2B) performance

NS&I continues to support the delivery of a range of government services, including Childcare Choices, the Court Funds Office, Help to Save and the Help to Buy Mortgage Guarantee Scheme, helping to improve the quality of service to customers and reduce costs to taxpayers.

In September 2024, in partnership with HMRC and DfE, NS&I supported the expansion of the DfE government funded childcare scheme to children

from the age of nine months old, with the scheme now having over one million open accounts for working parent childcare use. HMRC and NS&I are also now helping half a million people build up a savings pot through Help to Save.

We achieved our business-to-business service delivery measure, but more importantly, ensured the smooth delivery of key services and financial benefits to millions of people.

Implementing our transformation programme

NS&I's business transformation programme sees us switch from a single outsource provider (Atos) to a multi-provider model – partnering and transforming our business with Atos, IBM and Sopra Steria. It will ensure the future viability of our business to provide the Government with a vital source of cost-effective funding, help us respond to changing customer expectations and resolve challenges with the operational resilience of our manual processes and legacy technology.

Our core procurement packages have been awarded and suppliers are beginning to refine and develop their solutions and plan their delivery. As we entered 2025–26, we reached the first key milestone by transferring customer-facing and support staff from Atos to Sopra Steria.

However, the modernisation of our legacy process and systems is complex. We are seeking to

Highlights



£9.75 billion

Net Financing delivered.



6.7p

For every £100 held with NS&I, 6.7p was spent on administration in 2024–25.

Premium Bonds: still a national treasure

Premium Bonds remain one of the most popular savings products in the UK. In 2024–25, we paid out more than 70 million prizes worth over £5 billion. At the start of each month, we see millions of savers checking if ERNIE will be delivering them a prize by visiting our prize checker app and our website.

One Premium Bonds holder struck gold in March 2025, winning the £1 million jackpot prize from a total holding of just £100, purchased less than two years earlier – the second smallest holding ever to hit the jackpot.

modernise a 25-year single-supplier model and bring together the various components from our new partners, which all need to be connected and aligned.

Decoupling and reintegrating 25 years of complex IT infrastructure and manual processes has been more challenging than originally envisaged. This has meant we needed to adapt our approach and re-profile some elements, which has led to longer timescales and an increase in costs.

We are implementing a recovery plan, have renegotiated elements of our business transformation timeline and reforecast the cost over the ten-year life of the programme, as reflected in our Spending Review settlement for 2025–26, announced at the Autumn Budget. A new phased release approach has been adopted to deliver the new solutions across all packages, between now and autumn 2028.

We updated our resourcing strategy and conducted a review of resourcing across the programme. A number of

capacity improvements have been made, including dedicated senior leadership and an ongoing focus on our strategic workforce plans.

We also recognised the need for a Systems Integration (SI) function to reflect the additional capacity and capability required to support the transformation, and the necessity for strong delivery experience in a complex multi-supplier environment. Consequently, as part of our recovery plan, we decided to procure this as an outsourced function.

NS&I is fully engaged with its partners, stakeholders and other external bodies, including the National Audit Office (NAO), to ensure that we apply best practice and provide the necessary assurances on the delivery of the programme.

In December 2024, NS&I reached an agreement with Atos to deliver a modernised banking engine and to continue to run NS&I's core retail savings systems and processes, while NS&I complete the transition of customer-facing services to its new providers (IBM and Sopra Steria).

Highlights

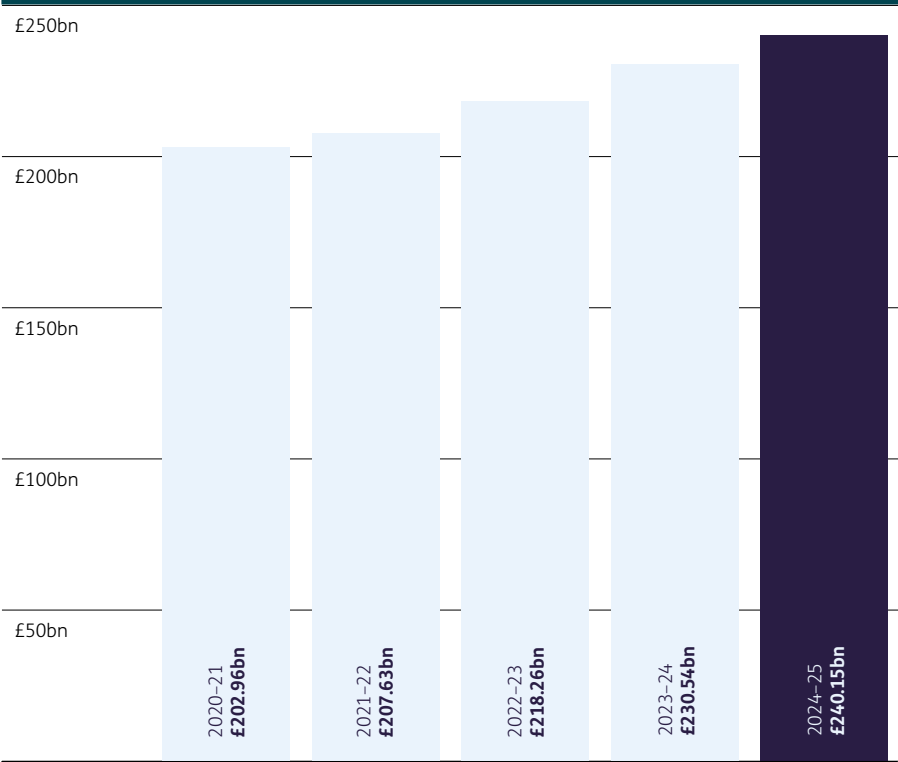


Pay by bank account has taken more than 3.4 million payments, totalling over £17 billion.



In 2024–25, we paid out more than 70 million Premium Bonds prizes worth over £5 billion.

Total amount invested by customers at the end of the year (£bn)



Prior to reaching this agreement, HM Treasury – in conjunction with the Cabinet Office and the National Infrastructure and Service Transformation Authority (NISTA) – scrutinised the impact of the plan and provided conditional approval to support stronger delivery of the programme.

This agreement will run until March 2028 and, in parallel with its completion, NS&I will run a procurement competition for a provider to run the new banking systems from the end of the Atos agreement for a multi-year period to be defined.

Sopra Steria was selected as the successful supplier for NS&I's business-to-business (B2B) services and a three-year contract was signed in June 2023 for Sopra Steria to deliver these services between April 2024 and March 2027. However, it became clear that the complexity of transitioning B2B services to Sopra Steria meant it would require a different solution to that contracted for, that would exceed the original costs and deadlines.

Given the contract's short lifespan, NS&I and Sopra Steria concluded that it was not feasible to continue with the transfer of B2B services. It was therefore mutually agreed to end the B2B service agreement with Sopra

Steria and maintain B2B services with Atos through to 31 March 2027, with extension options.

We continue to build our strong working relationship with Sopra Steria under the separate contract to provide new and improved customer services to our savings customers, and delivered the first critical step with the transfer of UK customer-facing staff.

Delivering for our people

Our employee engagement remains strong at 66%, above the Civil Service median of 64%. Although this result is set against the backdrop of delivering a challenging transformation programme, we recognise that we still have further work to do. A key part of this will be working with colleagues across the business to act on these results.

In the Our people chapter, we explore the People Survey results in more detail and report on NS&I's diversity performance.

A new era for NS&I

At board level, I would like to extend my thanks to our new Chair, Lord Lemos CMG CBE, and our two new non-executive board members, Luke Jensen and Melanie Moreland, for their enthusiasm and fresh perspective upon taking up their roles with NS&I. Melanie is also

now Chair of a dedicated board sub-committee focusing on our transformation programme. My thanks to them and the entire board for their support and service to NS&I.

I would also like to congratulate Nina Hingorani-Crain on being reappointed as a non-executive Director for a second three-year term, from 1 November 2024. Nina is also now the Chair of NS&I's Remuneration Committee. I thank all colleagues and our partners for the enthusiasm, effort and expertise they have shown this year.

Delivering our transformation programme marks the beginning of a new era for NS&I to ensure that we have modern, scalable and flexible systems that can deliver for government, customers and taxpayers for many years to come. This year has demonstrated how NS&I's people and partners can deliver success and overcome challenges by working closely together and focusing firmly on the future.

Dax Harkins

Chief Executive
National Savings and Investments
 27 June 2025

(1) Satisfaction as of March 2025: [84.57]%pts, target: 80%pts. © Ipsos 2025, Financial Research Survey (FRS), for the 12 months ended 31 March 2025. Results based on a sample of 3,475 adults (aged 16+) that hold NS&I savings products. The survey contacts around 50,000 adults (aged 16+) a year in total across Great Britain. Interviews were face-to-face, over the phone and online, taking into account (and weighted to) the overall profile of the adult population. The results reflect the percentage of NS&I savings product customers who were extremely, very or fairly satisfied with NS&I as a savings provider.

Our performance in 2024–25

The table below shows our performance against our Service Delivery Measures (SDMs). We agree these with HM Treasury as part of our corporate planning process and measure our performance in relation to our overall objectives.

Goals and objectives	2023–24	2024–25	2025–26
1. Net Financing	Target	Target	Target
Goals and objectives	£7.5 billion (+/- £3 billion)	£9 billion (+/- £4 billion)	£12 billion (+/- £4 billion)
Measure	Performance	Performance	
Absolute amount of Net Financing from NS&I products	£11.32 billion	£9.75 billion ✓	
2. Customer satisfaction⁽¹⁾	Target	Target	Target
Goals and objectives	At least 80%	At least 80%	At least 80%
To exceed a threshold level of satisfaction with customer service and overall experience received from NS&I	Performance	Performance	
Measure	74.15% ⁽²⁾	84.57% ✓	
Overall satisfaction with NS&I's service			
3. Government Payment Services (GPS) delivery performance	Target	Target	Target
Goals and objectives	95%	95%	95%
To achieve or exceed the minimum threshold level of timeliness, availability and accuracy	Performance	Performance	
Measure	97.08%	97.77% ✓	
Minimum 95% total of all key service levels achieved versus total contractual service levels, where service credits apply, across all GPS clients			
4. Digital-first⁽³⁾	Target	Target	Target
Goals and objectives	87%	87%	87%
To increase the number of transactions and customer communications made using digital channels (email, online and secure messaging) compared with the number of transactions and customer communications made using post and telephone	Performance	Performance	
Measure	87.69%	89.77% ✓	
Number of digital transactions divided by total number of transactions			
5. Efficient administration of funds	Target	Target	Target
Goals and objectives	Less than 7.20 basis points	Less than 7.20 basis points	Less than 7.20 basis points
To improve the efficiency of administering total funds	Performance	Performance	
Measure	6.62 basis points	6.73 basis points ✓	
Ratio of total NS&I administrative costs that are funded by Resource DEL to average funds invested by customers			
6. Employee engagement	Target	Target	Target
Goals and objectives	NS&I to be a high-performing department for employee engagement	NS&I to be a high-performing department for employee engagement	NS&I to be in the upper quartile for employee engagement
To fulfil our Inspire & Invest aim of being 'Inspiring and Empowering'	Performance	Performance	
Measure	Met	Not met ✗	
Level of employee engagement in the anonymous Civil Service people survey, independently run and validated by the Cabinet Office			

- (1) Customer satisfaction in 2023–24 was measured as the average level of satisfaction against the question ‘Taking everything into account, how would you rate NS&I’s customer service?’ Customers are asked this after they have completed a transaction. For 2024–25, we switched to a ‘relational’ satisfaction measure. This provides us with a more holistic view reflective of the whole customer base, so that we are accurately reflecting best practice measures more aligned with our competitors. Our new relational satisfaction measure is a long-term step, meaning that it can take time to see changes. Therefore, we will continue to monitor and measure our previous transactional metric outside of the SDM so that we do not lose the shorter term, actionable view.
- (2) Due to a technical issue, the overall customer satisfaction performance figure for 2023–24 includes 11 months’ worth of postal data, instead of 12 months’ worth of postal data.
- (3) This SDM articulates NS&I’s drive to develop digital services and reduce paper and non-digital interactions.

How we spent taxpayers' money

The amount of money available to NS&I is determined by Parliament through the Supply Estimates procedure. We use the money allocated to us to deliver the retail products and customer service discussed throughout this report. Our operating costs include our internal costs and the payments made to our operational service partners, which include Atos, under a Public Private Partnership (PPP) contract, IBM and Sopra Steria.

As in previous years, we stayed within all the spending limits set by Parliament. In 2024–25 we spent £284.7 million (2023–24: £182.8 million), which is £17.1 million (2023–24: £11.4 million) lower than the amount allocated by Parliament in the 2024–25 Supplementary Estimate.

As part of the Supplementary Estimates process, aligned with Spending Review 2025 Phase One, it was agreed that the NS&I budget would be increased in 2024–25 by £54.0 million to £302.0 million to enable continued delivery of the Business Transformation Programme.

The table on page 18 provides a more detailed comparison of what we spent this year, compared with the Estimate.

Financial position

At 31 March 2025, NS&I's total assets less total liabilities were £40.3 million, £5.7 million lower than at 31 March 2024.

Non-current assets increased by £27.6 million from £82.9 million to £110.5 million. Furthermore, more than £38.6 million was added to non-current assets supporting the development of NS&I's future operating model. Total liabilities, excluding client funds, increased by £31.1 million. Part of the increase was through the liabilities created by the Business Transformation Programme and other liabilities.

i For more details, see the full Statement of financial position on page 86.

Payment of suppliers: policy and performance

We are committed to paying our suppliers in accordance with our prompt payment policy. We endeavour to pay all suppliers within 30 days of acceptance of the relevant goods and services, or receipt of a legitimate invoice if that is later. In 2024–25, we paid 97.8% (2023–24: 97%) of bills within this standard.

Details of all expenditure over £25,000 can be found on our website, along with a list of all contracts with a value of more than £75,000, in line with government guidelines.

Spending Review

Spending Review 2021 covered the years 2022–23 through to 2024–25. Spending Review 2025 Phase One was launched in summer 2024 and set budgets for the remainder of 2024–25 and 2025–26. Phase Two of Spending Review 2025 was submitted in April 2025, covering the years 2026–27 through to 2028–29.

NS&I worked closely and transparently with HM Treasury to set out our resource and capital requirements, including for the delivery of the Business Transformation Programme aligning to the 2024 Full Business Case. The outcome was that our Resource Departmental Expenditure Limit (RDEL) and Capital Departmental Expenditure Limit (CDEL) were agreed to 2028–29, which provides us with the resource to manage our operations effectively and complete the planned strategic transformation to a self-service digital business, able to respond more nimbly

to government, customer and wider market needs, with greater efficiency.

We will continue to work closely with HM Treasury to plan the transformation and operational improvements in detail.

Public sector budgeting framework

NS&I's net spending is broken down into four spending control totals for which Parliament's approval is sought.

These are:

- Resource Departmental Expenditure Limit (RDEL): a net limit comprising day-to-day running costs, less income from the leveraging of NS&I's core infrastructure and capabilities through its business-to-business activities. Gross RDEL expenditure is therefore offset by income.
- Capital Departmental Expenditure Limit (CDEL): investment in capital equipment such as IT equipment, Plant and Machinery, Furniture and Fittings and IT software and other intangible assets, acquired outside the PPP contract in place with NS&I's service provider.
- Resource Annually Managed Expenditure (RAME): a limit to cover unforeseen or unplanned expenditure such as revaluation losses or provisions as and when required.
- Capital Annually Managed Expenditure (CAME): a limit to cover expenditure such as long-term capital provisions.

In addition to these control totals, Parliament votes on NS&I's net cash requirement, which covers most of the elements outlined above where NS&I is required to pay out cash in year.

	Reconciles to SoPS Note	Outturn £000	Estimate £000	Variance £000	Explanation
Net Resource DEL	SoPS1.1	284,730	301,846	17,116	See table below
Capital DEL	SoPS1.2	42,126	44,800	2,674	Transformation programme
Resource AME	SoPS1.1	–	60,700	60,700	No requirement for provisions
Capital AME	SoPS1.2	–	–	–	

Comparison of outturn with Estimate⁽¹⁾

	2024–25 Outturn £m	2024–25 Variance compared with Estimate £m	2023–24 Outturn £m	2023–24 Variance compared with Estimate £m
Net resource requirement	284.7	17.1	182.7	12.0
of which:				
Departmental Expenditure Limit (DEL) ⁽²⁾	284.7	17.1	182.7	11.3
Annually Managed Expenditure (AME) ⁽²⁾	0.0	60.7	0.0	0.7
Non-budget adjustments ⁽³⁾	13.3	(13.3)	19.1	(19.1)
Net operating cost (Accounts)	298.0	64.5	201.8	7.0
Capital expenditure (CDEL)	42.1	2.7	29.0	37
Non-budget adjustments ⁽³⁾	0.0	0.0	0.1	(0.1)
Total capital expenditure (Accounts)	42.1	2.7	29.1	36.9
Net cash requirement	290.7	52.68	212.0	47.8

More information on the use of our resources is contained in the Statement of Parliamentary Supply (SoPS) and the Accounts.

(1) Figures are presented here to the nearest £0.1 million. Note: SoPS1.1 on page 71 provides figures to the nearest £1,000 and provides details of the Estimate.

(2) See the Glossary on pages 128 to 130 for definitions of these terms.

(3) Non-budget adjustments reflect the different treatment of items between DELs set by Parliament and the Accounts, which are prepared in accordance with International Financial Reporting Standards.

Difference between resource outturn and Estimate⁽¹⁾

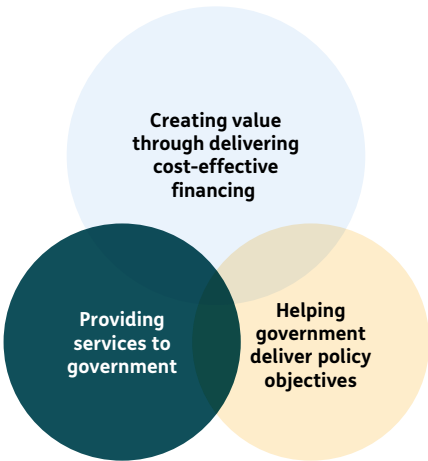
	2024–25 £m	2024–25 £m
Higher income	3.0	
Lower programme costs	7.7	
Lower depreciation costs	2.6	
Lower staff costs	2.1	
Other differences	1.7	
Total DEL underspend		17.1
Lower requirements for provisions	60.7	
Total AME underspend		60.7
Total underspend against Estimate		77.8

(1) Figures are presented here to the nearest £0.1 million. Note: SoPS1.1 on page 71 provides figures to the nearest £1,000.

Dax Harkins
Chief Executive
National Savings and Investments
27 June 2025

Our strategy

Our corporate strategy, Inspire & Invest, sets out the three inter-related elements to our purpose



Inspire & Invest

NS&I’s current Inspire & Invest strategy is due to end in March 2026. We are currently developing our next corporate strategy, which will run from April 2026 to March 2029. The strategy will be designed to maximise the benefit from our new capabilities and the flexibility delivered by our transformation programme.

Our Inspire & Invest strategy has three cross-cutting strategic objectives.

Building a self-service digital business

Our customers are at the heart of our business. We are building a self-service digital experience with support for vulnerable and excluded customers.

Increasing efficiency

We work in partnership with our suppliers and partners to deliver improved effectiveness and efficiencies in the running of our business.

Building a nimble, scalable and flexible business

We are transforming our business to move from a single outsource supplier to a multi-supplier model. This will ensure that we have a strong, resilient infrastructure and a flexible and scalable operation that can continue to serve savers and the Government for generations to come.

Looking forward, our four priorities for 2025–26 are:

Delivering business transformation

Our transformation programme will enable NS&I’s journey to become the most trusted savings provider in the UK. Transform internally and

with suppliers and partners to deliver a cost-effective, secure and resilient self-service digital business.

Delivering our core remit

In 2025–26, we will continue to deliver cost-effective finance – focusing on the achievement of our Net Financing target, which has been increased from £9 billion (+/- £4 billion) to £12 billion (+/- £4 billion).

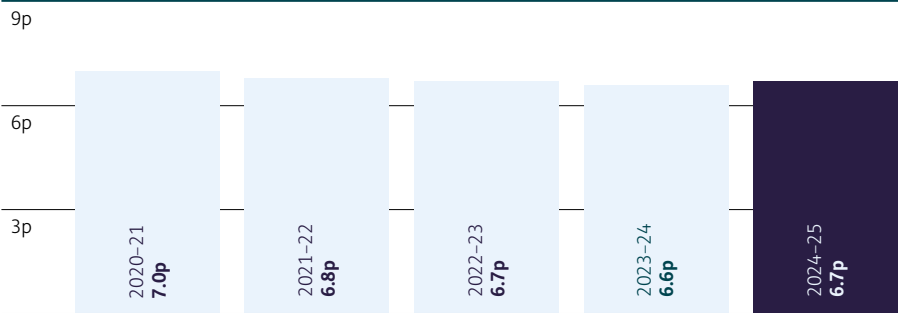
Delivering for customers

We will continue to enhance and develop our services to meet the needs of our customers and improve their experience of saving with NS&I. The coming year will see us continue to build the technical foundations of our new business, upon which we can then develop and launch the new enhanced services for our customers.

Delivering for colleagues

We will continue to focus on employee engagement via our new Employee Value Proposition, which supports colleagues’ development and improvements to reward and recognition, delivers an improved recruitment and onboarding experience, and promotes diversity and inclusion throughout all aspects of our organisation.

Efficiency ratio over five years⁽¹⁾



(1) For every £100 of stock held, the administration cost was 6.7p.

My Lost Account

For many years, we have helped our customers to track down lost savings accounts across all of our products through NS&I's own tracing service and My Lost Account. In 2024–25, we helped trace more than 54,000 accounts, with a total value of over £172 million.

Unclaimed assets

We define unclaimed assets as all holdings in closed products (which are held in the Residual Account) and holdings in open products with no customer financial transactions for a period of 15 years or more. In 2024–25, the total amount of unclaimed assets was £2,990 million, compared with £4,105 million worth of unclaimed assets in 2023–24.

Unclaimed assets

£m	Unclaimed assets 2023–24	Unclaimed assets 2024–25 ⁽⁵⁾
Accounts	781	832
Certificates ⁽¹⁾	2,600	1,441
Income Bonds ⁽²⁾	22	27
Unclaimed Premium Bonds prizes ⁽³⁾	31	32
Residual Account ⁽⁴⁾	672	658
Total	4,105	2,990

(1) Certificates (Savings Certificates) are used by many holders as long-term savings products. The majority of customers choose to renew their holdings at the end of their term and thus we would not expect customers to be in regular contact with NS&I. The criteria used for Certificates this year has changed to: those accounts with a start date of at least 11 years ago and there being no customer-instigated reinvestment into the current holding. The change in criteria was necessary due to a previous reporting system being decommissioned and a change in the amount of historic data retained.

(2) Customers of Income Bonds receive monthly interest payments. Therefore, for holdings to be classed as unclaimed assets, they must have been held for 15 years and postal communications must have been flagged as returned undelivered.

(3) Premium Bonds prizes unclaimed for 15 years.

(4) More details on the Residual Account are provided in the Product Accounts on pages 103 to 120 of this report.

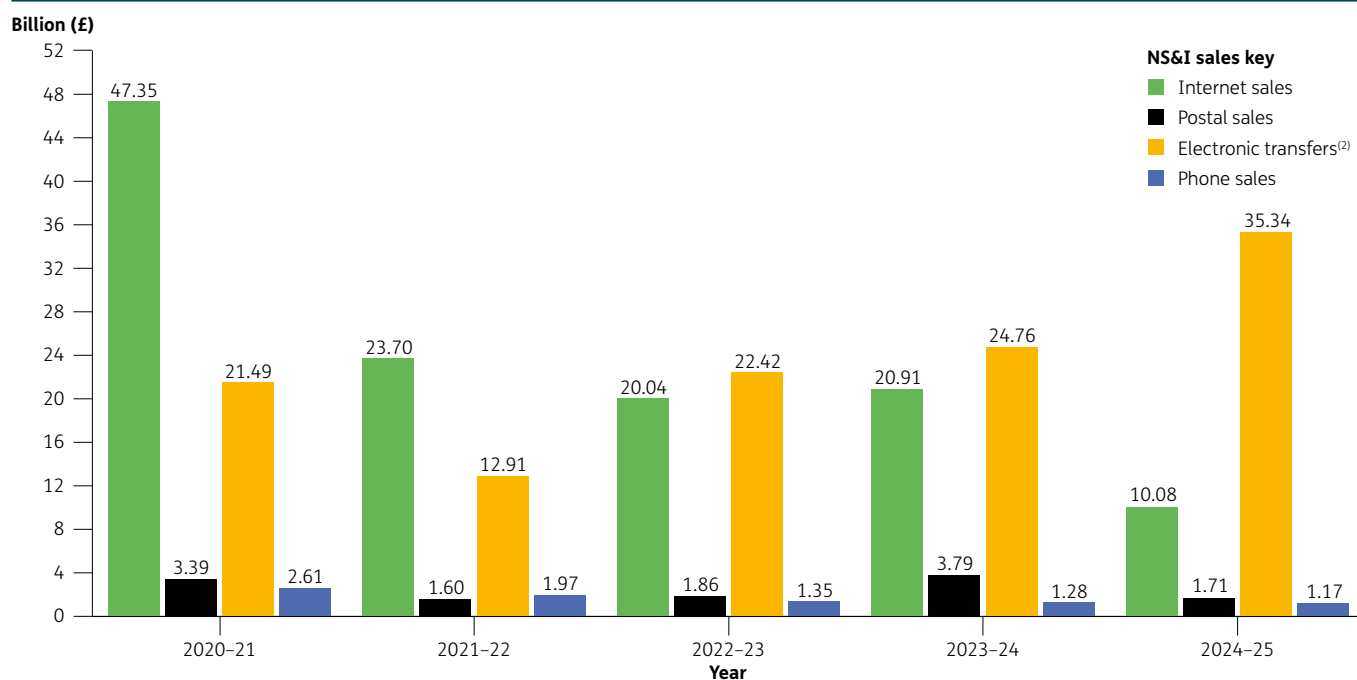
(5) Numbers do not add up due to rounding.

Our product range

	Status	Tax-free	Fixed-rate	Monthly income	Manage online and by phone	Manage by post	Annual statement
British Savings Bonds Guaranteed Growth Bonds (purchase online only)	On sale		●		●	●	●
British Savings Bonds Guaranteed Income Bonds (purchase online only)	On sale		●	●	●	●	●
Direct ISA	On sale	●			●		●
Direct Saver	On sale				●		●
Fixed Interest Savings Certificates ⁽¹⁾	Not currently on sale	●	●		●	●	●
Green Savings Bonds (purchase online only)	On sale		●		●		●
Income Bonds	On sale			●	●	●	●
Index-linked Savings Certificates ⁽¹⁾	Not currently on sale	●			●	●	●
Investment Account	On sale				Holdings can be viewed online but no transactions can be carried out	●	●
Junior ISA (purchase online only)	On sale	●			●		●
Premium Bonds	On sale	●			●	●	

(1) Renewals at maturity still permitted.

Sales performance by principal channels⁽¹⁾



(1) Based on sales.

(2) This includes BACS, CHAPS, Faster Payments and Pay by bank account.

Our people

NS&I's business and its transformation programme is driven and delivered by our most important asset – our people. Securing new capabilities and retaining talented colleagues is an essential component of our transformation and we have continued to invest in our people in 2024–25.

Employee engagement

We were disappointed that our employee engagement score fell to 66% this year, but this is above the Civil Service median of 64%. When set against the backdrop of delivering a challenging transformation programme, alongside core business delivery, this still remains a strong score.

Employee engagement is a workplace approach designed to ensure that employees are committed to their organisation's goals and values, and are motivated to contribute to organisational success. We use five questions in the People Survey to measure employee engagement (proud, recommendation, inspires, motivates and personal attachment) and combine all responses (positive, neutral and negative) into a summary index score (very disengaged, 0%, through to very engaged, 100%). Ratings across all five of these areas decreased in 2024. However, we performed significantly higher than the Civil Service benchmark for the following two measures, "I am proud when I tell others I am part of my organisation" (72%) and "I feel a strong personal attachment to my organisation" (58%).

A key part of our response is implementing our People Survey Action Plan, with the target for us to return to the upper quartile for employee engagement in 2025–26.

We will also develop our existing colleagues and onboard additional staff as we ensure we have the

capacity and capability we need to implement our new ways of working with our new strategic partners.

Transformation programme: capability and skills

NS&I's new multi-supplier operating model requires us to strengthen our ability to integrate and manage suppliers, alongside insourcing key functions such as digital, data and technology.

Diversity and inclusion

Embedding diversity and inclusion at the heart of our business remains important for NS&I and a key element of our People Strategy.

We were pleased that this year we achieved our target for ethnic diversity, where our target was no less than 15.03% ethnic minority colleagues in SCS + NS&I bands 1–3, but disappointed that we did not meet our target for gender balance (where our target was a 50:50 balance in senior leadership, in a range of 40%–60%), but we ended the year at 31%.

This is a limited proportion of our population and will rely on employee turnover and males replaced with females to improve the position. With all our recruitment campaigns, we look to advertise in a range of places to attract as diverse a pool of candidates as possible.

Wellbeing

Our Wellbeing, Diversity and Inclusion Working Group continues to challenge ways of working and policies and procedures to remove

structural issues and encourage a better culture of wellbeing, diversity and inclusion.

In the fifth year that NS&I has participated in the Mind Index, we are very proud to have again retained our Silver status in 2024–25. The detailed report from Mind identifies areas in which we are performing well and also gives recommendations about how we can improve our approach to wellbeing in the workplace. Mind have paused their Wellbeing Index for 2025–26.

Gender pay gap and pay multiples

We continue to report on gender pay differences in NS&I as part of our Remuneration and staff report on page 66. We recognise there is currently still a gender pay gap and are taking action to reduce this. Each year, where appropriate and in line with the pay remit guidance, we make adjustments to address pay disparities.

The Remuneration and staff report also includes data on pay multiples, i.e. the relationship between the total remuneration of the highest-

paid Director in the organisation and the median total remuneration of the organisation’s workforce. See page 57.

Environmental, Social and Governance

To ensure that sustainability is fully embedded within our operations and governance structure, NS&I has developed an Environmental, Social and Governance (ESG) Strategy, alongside reporting our performance in 2024–25 against the previous government’s Greening Government Commitments (GGCs) and the Task Force on Climate-related Financial Disclosures (TCFD).

Scope and context

NS&I operates an outsourced business model, with Atos as our single outsource provider up until March 2025. NS&I has embarked on a major programme of business modernisation and transformation, which includes the re-procurement of our outsourced business process service delivery and implementation of a new delivery model. This programme will see us transition from Atos as our single outsource provider to a multi-supplier model, with key transition dates over the 2025–26 financial year.

NS&I and Atos, our operational delivery partner, have committed to work in partnership to help monitor and measure the environmental aspects of our operations and drive improvements in environmental performance across the whole business, in line with the previous government’s Greening Government Commitments (GGCs).

From the 2024–25 financial year onwards, we will be reporting our Greenhouse Gas (GHG) emissions by Scopes 1, 2 and 3 in line with the GHG Protocol Corporate Standard.⁽¹⁾ Further, we will no longer be publishing a separate Corporate Social Responsibility (CSR) Report, which would typically be published around autumn. Instead, we will look to publish all available ESG data for the relevant financial year in our Annual Report and Accounts, with estimates used where necessary, in line with government guidance.

The 2024–25 financial year saw NS&I’s London-based staff remain in a temporary office location, in a multi-tenanted building managed by the Government Property Agency (GPA). We anticipate that we will hand back this office space to the GPA in Q1 2025–26 and subsequently occupy a new London office space.

As of October 2024, our occupation of a multi-tenanted building in Durham increased from 43% to 53%. As a result, the apportionment calculation made for the utility usage at this site has increased. As we move into the 2025–26 financial year, we anticipate that our occupation of the Durham building will increase further to 83%.

These changes, combined with a fluctuating headcount as a result of our transformation programme, mean that our year-on-year performance and measurement of data will be impacted.

As we move into the 2025–26 financial year, we anticipate a number of changes to our estates, headcount and supply chain as a result of our transformation programme, which may have an impact on our environmental performance and calculation of data. Further, we anticipate the publication of new GGCs for 2025 onwards. As such, we will look to set our ESG key performance indicators for 2025–26 in light of these changes and the publication of new GGCs. This may include the re-baselining of our environmental data in line with any new GGC requirements.

Environmental, Social and Governance (ESG) Strategy

NS&I’s new ESG Strategy was approved by our Executive Committee in May 2024. It is built around five strategic pillars which are each aligned to specific United Nations Sustainable Development Goals (UN SDGs):

1. Supporting Net Zero through our operations



Goals: To ensure that NS&I supports the UK government’s transition towards Net Zero by 2050, meets the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD) and aims to achieve the broader GGC goals.

In 2024–25, we launched our new ESG Strategy with a view to raise the awareness of sustainability amongst our colleagues. Through our ESG Strategy, we have put in place revised governance and reporting arrangements and are working closely with the key strategic suppliers responsible for delivering our transformed business model to embed sustainability throughout our business. As we move into the 2025–26 financial year, we will be looking to work with our suppliers to develop Net Zero

1 <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

plans. As of March 2025, 100% of NS&I's 'Gold' and 'Silver' tier suppliers have a Net Zero Strategy which meets UK government requirements.

Further, NS&I is a member of the Civil Service Climate and Environment Network and attends a cross-government Environmental Stewardship working group. We have put in place a staff intranet page with videos, which details our new ESG Strategy and signposts colleagues to relevant ESG material. We have also held sessions at our all-staff conference to raise awareness amongst colleagues.

2. Supporting Net Zero through Green Finance



Goal: Continue to deliver our Green Savings Bonds offering to support HMT's Green Finance Strategy, whilst using our research and expertise to help develop the UK's wider ESG finance market.

NS&I has supported the Government's Green Finance Strategy by raising £1.7 billion as of March 2025, via our Green Savings Bonds. For further information on Green Savings Bonds, please see our Product Accounts. We also continue to engage with the UK's Green Finance community to share knowledge and expertise.

The FCA's Sustainability Disclosure Requirements (SDR) and investment labels policy were introduced to improve trust and transparency around sustainable investment products.

Money invested in our Green Savings Bonds (GSB) contributes to HM Treasury's Green Financing Programme and helps finance government spending on projects that tackle climate change, rebuild natural ecosystems and support jobs in green sectors. In December 2024, we introduced a new sustainability label for GSB, together with supporting information to help customers understand the sustainability objectives, green investment policy and strategy and fund allocation.

3. Supporting Employee Welfare & Wellbeing



Goal: To run our business in a responsible manner which supports the welfare and wellbeing of its employees. To continue to focus on our standards of diversity and equality.

We have a staff Wellbeing, Diversity and Inclusion Group in place, which has an agreed plan of activities throughout the year against which progress is monitored. The group meets quarterly and focuses on areas including mental wellbeing, healthy lifestyles, volunteering and the marking of event days, weeks and months – such as Black History Month and South Asian Heritage Month.

The Wellbeing, Diversity and Inclusion Group also arranges regular 'tea and talks' with colleagues on a range of subjects, including men's health, women's wellbeing and understanding neurodiversity. Further, we mark key events, including Easter, Ramadan and Eid, LGBT+ Pride Month and International Women's Day. We also support the Civil Service Charities and Partners week.

In late 2024, we selected a new Health and Employee Assistance Programme (EAP) supplier, PAM Wellness, who provide colleagues with immediate, in the moment, emotional and practical support for a range of personal and professional issues, such as challenges with poor mental health, relationship problems, bereavement and financial stress.

We continued with our approach to workplace assessments under the 2002 Display Screen Equipment regulations. We make use of a self-assessment and training tool, which has proven invaluable in completing both home and office workstation assessments for all our staff and ensuring that they have appropriate arrangements in place where needed.

NS&I has a well-established whistleblowing 'speaking up' process in place. In 2024–25, this process moved to sit with our compliance team, who provided a training and awareness session for all colleagues.

NS&I consults with the relevant unions and our Employee Listening and Action Group (ELAG) whose remit includes the scrutiny of new policies and procedures. An environmental impact assessment will be completed with regards to new policies and procedures, where necessary.

4. Supporting Responsible Customer Interaction



Goal: Our customers are at the heart of our business. Everything we do is delivered in line with our Customer Principles, which set out how we want interactions with our customers to feel.

NS&I has developed and launched a new set of Customer Values and Principles which align to our ESG Strategy, in particular the principle that “you can depend on us”, and the value that “we keep our promises”.

For our direct marketing mailings, we consciously avoid the use of unnecessary plastics and carefully select appropriate paper stock to minimise our environmental impact, using FSC (Forest Stewardship Council) certified paper from responsibly managed forests. Through leveraging data effectively and the use of targeted direct mail campaigns, we are also able to minimise waste.

5. Supporting our Community



Goal: NS&I will encourage our staff to support both local communities and national good causes.

We actively encourage employees to participate in activities to support national and local schemes and initiatives through our staff intranet. Our employees are entitled to three ‘Giving Something Back’ days each financial year, allowing them to carry out voluntary work or engage with their local or wider community. Over 2024–25, a number of our colleagues used their Giving

Something Back days to support a variety of good causes, including food banks, school events and volunteering to help teach people new skills. We also support payroll giving, also known as ‘give as you earn’. This allows colleagues to make donations to charities directly from their pay.

As of March 2025, 56 Giving Something Back days were taken and 7.2% of staff were signed up to payroll giving.

NS&I does not have a charity partner or support any one individual charity. Instead, we encourage our staff to donate to charities of their choice, with colleagues supporting each other’s fundraising activities. Over 2024–25, colleagues raised money for Macmillan Cancer Support, The Trussell Trust, the Charity for Civil Servants and Mind Mental Health Awareness, amongst others. This year, we saw colleagues raise money and awareness for good causes through bake sales and different ‘wear it’ campaigns. We also encourage colleagues to take part in events such as the Charity for Civil Servants Mega Miles challenge, as part of national walking month.

Greening Government Commitments (GGC) performance

In line with the broader GGC goals, we aim to reduce our emissions, waste and water. The following GGC reporting areas are not applicable to NS&I:

Nature recovery and biodiversity action planning: NS&I operates without branches, its estates are not positioned in rural areas and the operational policies of its estates do not affect rural affairs. As such, we do not report against this GGC.

Sustainable construction: NS&I does not carry out construction in any form as part of our operations.

Travel car fleet: NS&I does not have its own car fleet and has strict rules in place via our travel and subsistence policy around when hire cars can be used.

Policies in place to compensate for emissions: NS&I does not purchase or use carbon credits, nor does it have a policy of purchasing/using carbon credits, and as such, we do not report against this GGC.

Mitigating climate change: working towards Net Zero by 2050

Category	2024–25	2017–18 Baseline	Percentage change on baseline year	Target
Overall greenhouse gas (GHG) emissions (tCO ₂ e) ⁽¹⁾	183.891	430	57.2% reduction	Reduce overall GHG emissions from a 2017–18 baseline by 60%
Direct greenhouse gas emissions (tCO ₂ e)	133.131	154	13.55% reduction	Reduce direct GHG emissions from a 2017–18 baseline by 40%
Domestic business flights (tCO ₂ e) ⁽²⁾	11.955	62.379	80.83% reduction	Reduce the emissions from domestic business flights by at least 30% from a 2017–18 baseline

(1) Calculation includes Scope 1 emissions (direct), Scope 2 (energy indirect, London only, non-renewable) Scope 3 (official business travel, excluding radiative forcing) and Scope 3 (waste generated in operations). The way in which we calculate emissions has changed over time, and as such, the data set for prior years may not be comparable. Please see 'GHG emissions' table for more information.

(2) The baseline data commences from May 2017, and as such may not be representative when used as a measurement against other financial years, where travel took place between April and May.

(3) Since the 2017–18 baseline year, NS&I has changed operational sites, which presents challenges when accurately comparing the baseline data against the 2024–25 performance. NS&I will look to re-baseline as appropriate from 2025–26 onwards.

Work-related air travel

	2024–25
Total work-related air travel	93,401 km
Total distance travelled by domestic business flights	75,389 km
Total distance travelled by international business flights	18,012 km
Short haul international business flights	6,193 km
Long haul international business flights	11,819 km
International business flights by class	
Economy	7
Premium economy	2

Organisational travel policies

NS&I's Travel and Expenses Policy is reviewed annually and advocates for all colleagues to use rail travel over air travel where possible, given that our data suggests that this method typically has a lower carbon footprint. NS&I also mandates that all business flights must be approved at Director level. Our travel booking platform calculates the associated CO₂e produced by each journey, allowing colleagues to consider alternatives prior to booking.

Minimising waste and promoting resource efficiency

Category	2024–25	2017–18 Baseline	Change	Target
Total waste arising (tonnes) ⁽¹⁾	62.24	188	66.89% reduction on baseline year	Reduce the overall amount of waste generated by 15% from the 2017–18 baseline
Waste to landfill (tonnes)	0	N/A	0% of overall waste for 2024–25	Reduce the amount of waste going to landfill to less than 5% of overall waste
Proportion of waste recycled (tonnes)	45.109	N/A	72.47% of overall waste for 2024–25	Increase the proportion of waste that is recycled to at least 70% of overall waste

(1) The way in which we measure waste has changed over time, and as such the data set for prior years may not be comparable. Please see 'Waste minimisation and management' for more details.

Removal of consumer single-use plastics (CSUP)

Whilst NS&I does not use any consumer single-use plastics in the kitchenettes and welfare points at all of our office locations, the reporting of CSUP via the onsite coffee shop and canteen in our London office is limited, as this is managed by the Government Property Agency as landlord. In 2024–25, there were 5.248 items of CSUP disposed on site at our London office. This figure is apportioned by our occupation of the office space (1.85%) and estimated for Q4 based on the same quarter for the previous financial year. There is currently no mechanism for measuring CSUP on site in our Lytham, Glasgow and Durham offices.

As part of our move to a new London office in the coming 2025–26 financial year, we have entered into an agreement with our new landlords for no CSUP to be used in any canteen facilities on site.

Measurement and reporting of food waste

Data on waste composted/food waste for 2024–25 can be found in the ‘Waste minimisation and management’ table below. We are unable to report on this at the Glasgow and Durham sites due to the unavailability of third-party data. In the coming 2025–26 financial year, NS&I will look to work with our landlords and stakeholders to ensure that DEFRA’s simpler recycling is implemented across NS&I’s portfolio of estates.

Introduction and implementation of reuse schemes

As part of our London office move, we will be reusing approximately 80% of our existing furniture. By making use of ‘hot desking’ and monitoring desk occupancy through desk booking systems at our office locations, we are able to reduce the overall amount of furniture provided. It is not within our remit to procure, maintain, utilise or reuse assets that are held by Atos or other parties.

Paper use

Category	2024–25	2017–18 Baseline	Percentage change on baseline year	Target
Paper consumption (A4 ream equivalents)	99.96	Not available	N/A	Reduce government’s paper use by at least 50% from the 2017–18 baseline

NS&I has a ‘think before you print’ culture, and since COVID-19 the overall output on printers has decreased year-on-year. This has been supported by the increasing use of digital reports and the availability of Wi-Fi in our offices. We are unable to report on baseline purchased paper due to the unavailability of data. 2024–25’s figure relates to office paper consumption only. As part of our ESG Strategy, we will be working with suppliers to understand more around paper usage across our estates and operations.

Reducing our water use

Category	2024–25	2017–18 Baseline	Percentage change on baseline year	Target
Water consumption (m ³)	3,184.54	7,925	59.81% reduction	Reduce water consumption by at least 8% from the 2017–18 baseline

Ensuring all water consumption is measured

NS&I is currently unable to report on all water consumed, as some of our operational sites’ water usage is sub-metered and paid as part of an apportionment calculation within an overall service charge payment (Glasgow and previously Blackpool). NS&I will be reviewing its approach to the data capture of water usage across all operational sites as part of its ESG Strategy.

Qualitative assessment to show what is being done to encourage the efficient use of water

We anticipate that we will move to a new London site in Q1 of 2025–26. As part of this office move, we are working with our landlords and service providers to ensure that we efficiently use both potable water and water used for services such as drainage.

Procuring sustainable products and services

We incorporate Social Value as a key evaluation criterion in all above-threshold, and also consider the social value impacts of lower-value procurement where it is relevant and proportionate to do so. A key tool in this process is the updated government Social Value Model. Based on the Social Value Model, we have developed a Social Value Options appraisal template and process, which is used to identify the most relevant themes, outcomes and metrics for social value, depending on the particular contracts being procured. The majority of commercial staff have undertaken Social Value e-learning available via the Government Commercial College, and there are in-house briefings and refresher training events run periodically within NS&I.

We are a certified Living Wage Employer and also seek a commitment from our suppliers, wherever possible, to commit to paying their staff the Real Living Wage and, on major contracts, to work towards becoming certified themselves.

NS&I follows Government Commercial Function guidance and best practice in categorising contracts using a Gold, Silver, Bronze framework, where Gold contracts represent large, complex, and/or critical contracts with high strategic importance, Silver contracts are those of moderate value, risk and impact, and Bronze contracts are of lower value, risk, and impact.

“Certified” means the supplier pays the real living wage to all directly employed staff, and ensures that all relevant contractors in its supply chain also pay a living wage, or

have a viable plan in place to ensure they do so, and that this has been accredited by the Living Wage Foundation. More information on the Living Wage Foundation can be found here: [For the real cost of living | Living Wage Foundation](#).

As of March 2025:

NS&I supplier type	Gold Tier	Silver Tier
Number of suppliers	14	28
Suppliers who were certified Living Wage employers	8 (57.1%)	10 (35.7%)
Suppliers who were covered by a contractual commitment to pay at or above the Real Living Wage for the duration of their business with NS&I	3 (21.4%)	3 (10.7%)
Total	11 (78.5%)	13 (46.4%)

We use risk ratings to monitor the financial standing of our supply chain. We annually assess our entire supply chain, and the key sub-contractors of our suppliers, for Modern Slavery risk, and compliance with the transparency requirements of the Modern Slavery Act. Supplier compliance with the reporting requirements of the Government's Net Zero strategy is also assessed, both periodically and at the selection stage of major procurements.

100% of our in-scope suppliers are assessed as meeting their Modern Slavery Act reporting obligations.

Adapting to climate change

Climate change risk assessment

Our London office sits within the Government estate, with the GPA responsible for conducting a climate change risk assessment for this site. Atos are responsible for conducting a climate change risk assessment for our other operational sites (Lytham, Durham and Glasgow) which NS&I staff co-locate within. Although

climate has been assessed as not being a 'principal risk' for NS&I, in the coming financial year and beyond, we will be reviewing climate change risk as part of our ESG Strategy.

Climate change adaptation plans

We will work with our key strategic suppliers to assure their climate change adaptation plans. NS&I also engages with our landlord/s on any building specific threats or opportunities to ensure that our office locations remain safe and available for use. As an example, we use certified data from local councils that cover flood planning for the River Thames in London and the River Wear in Durham. Climate adaptation is not currently included in NS&I's performance and project management. Once we have conducted the planned assurance of supplier climate adaptation strategies in 2025–26, we will then review whether further climate adaptation commitments and/or performance monitoring will be required in our project management methodology.

We are also working with our superior landlords in our Durham office location to assess the options towards achieving Net Zero at this site. In the short-term, this includes adjusting the set points for heating and use of air conditioning units. Over the coming years, we will review other recommendations, seeking to balance their affordability and expected payback period, accounting for the anticipated new Greening Government Commitments.

Reducing environmental impacts from ICT and digital

In line with UK government guidance, social value was a key assessment criteria for our recent procurement of services, with all of our new suppliers committed to achieving Net Zero by 2050. We will also continue to consider the environmental impact in the procurement of any future services.

Governance and Task Force on Climate-Related Financial Disclosures (TCFD) Compliance Statement

NS&I has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. NS&I has complied with the TCFD recommendations around:

Governance

NS&I's Executive Committee (ExCo) has established an ESG Sub-Committee that has delegated authority for the oversight of the iteration and implementation of our ESG Strategy, ESG-related reporting (including compliance-related requirements, such as the Task Force on Climate-Related Financial Disclosures), assessment of risk and the embedding of sustainability across the business. NS&I's Director of Communications and Strategy is NS&I's board-level representative and Senior Responsible Officer (SRO) for sustainability.

The ESG Sub-Committee is chaired by the Head of Strategy and Sustainability, and membership includes representatives from NS&I's Human Resources, Learning and Development, Workplace, Compliance and Commercial teams. NS&I's key strategic suppliers are also represented as standing members of the ESG Sub-Committee.

Risk management

We have conducted an initial risk assessment and concluded that climate is not a principal risk for NS&I. In 2025–26, we will be expanding on this initial risk assessment, including the consideration of differing climate scenarios. Further, we will be working with our key strategic suppliers responsible for delivering our transformed business model to align our climate mitigation plans towards achieving Net Zero by 2050 (or before).

Strategy

Our ESG Strategy is now in place, which we will look to iterate in the 2025–26 financial year. As part of this, we will be working with our suppliers to develop a more detailed joint climate mitigation roadmap set against agreed climate scenarios, a more detailed assessment of the longer-term risks and opportunities and to assure our suppliers’ climate adaptation plans.

Metrics and targets

We currently report in line with HMT’s annual Sustainability Reporting Guidance and Greening Government Commitments for the 2021–25 period (where data is available). We are working with our suppliers to address currently known gaps in our reporting as soon as practicable. Further, we have not yet set

environmental targets for 2025–26 onwards, as we await new Greening Government Commitments to be published for 2025 onwards; and anticipate a number of significant changes to both our estates and operations as the result of our transformation programme, which will likely impact the measurement of our sustainability performance.

Rural Proofing

NS&I is an arms-length body of HM Treasury and is not responsible for developing Government Policy. As such, we do not develop policies that affect rural proofing. NS&I’s influence in this regard is limited to our Green Savings Bonds, where our parent department (HM Treasury) uses the funds raised through this product to support green infrastructure projects.

2024–25 Sustainability performance and targets

GHG emissions (tCO₂e)

	2017–18	2021–22	2022–23	2023–24	2024–25
Scope 1 (Direct)	154	122.4	186	169	133.131
Scope 2 (Energy indirect) All operational sites	N/A	N/A	N/A	N/A	214.47
Scope 2 (Energy indirect) London site only, non-renewable	N/A	N/A	N/A	N/A	13.95
Scope 3 (Official business travel)	88	7	32	42	36.1
Scope 3 (Waste generated in operations)	N/A	N/A	N/A	N/A	0.71

GHG emissions (tCO₂e) historical

	2017–18	2021–22	2022–23	2023–24	2024–25
Indirect emissions (Historical measurement)	276	25.2	49	59.5	N/A
Waste emissions (Historical measurement)	8	9	1	1.5	N/A

GHG emissions financial indicators (£k)

	2017–18	2021–22	2022–23	2023–24	2024–25
Gross expenditure on the purchase of energy	270	Not available	Not available	Not available	238.965
Total expenditure on official business travel	393.585	Not available	135.887	226.395	165.463
Expenditure on accredited offset purchases	N/A	N/A	N/A	N/A	N/A

GHG emissions – footnotes

(1) Figures expressed as CO₂e (carbon dioxide equivalent). CO₂e represents CO₂ emissions in metric tonnes with the same global warming potential as one metric tonne of another greenhouse gas. It allows bundles of greenhouse gases to be expressed as a single number. We apply the relevant UK government conversion factors in our reporting of emissions, as appropriate. The 2024 conversion factors can be found here: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>.

(2) The way in which we calculate our emissions has changed over time, as we seek to align with the GHG Protocol Corporate Standard Framework and HMT annual sustainability reporting guidance. Previously reported categories, including 'Indirect emissions' and 'Waste emissions' have been set out in the tables above. Indirect emissions previously included electricity usage from non-renewable sources, official business travel and waste. These have now been categorised by scope. Waste emissions are now categorised under Scope 3. With regards to an accounting boundary, we assume a financial control approach over our emissions (as set out in this Annual Report and Accounts).

(3) As part of our ESG Strategy, we will look to work with our key strategic suppliers to measure further emissions categories and increase the quality of our sustainability data.

(4) Scope 2 (Energy indirect, all operational sites) includes the associated emissions of the electricity usage across all operational sites (London, Lytham, Durham and Glasgow) using location-based grid average emissions factors. It should be noted that the Lytham, Durham and Glasgow sites are on a renewable energy tariff, supported by certificates. As such, this data has been published for comparative purposes against Scope 2 (Energy indirect) London site only, non-renewable.

(5) Scope 3 (Official business travel) data excludes radiative forcing as a result of air travel. Including radiative forcing, this figure is 44.8 tCO₂e.

(6) Baseline data has been taken from the 2023–24 CSR Report, with prior years' data taken from the 2023–24 Annual Report and 2023–24 data revised from the 2023–24 Annual Report as part of a validation exercise. Due to changes in operational sites over the years, the data sets are not comparable.

(7) For an analysis of related gas and electricity consumption in kWh, please see the 'Energy consumption' table.

Waste minimisation and management Non-financial indicators (tonnes)

	2017-18	2021-22	2022-23	2023-24	2024-25
Total waste arising	N/A	N/A	N/A	N/A	62.24
Total waste recycled	145	31	28.4	65.368	45.109
Total ICT waste recycled, reused and recovered (externally)	N/A	N/A	N/A	N/A	0.1364
Total waste composted/food waste	N/A	N/A	N/A	N/A	2.0364
Total waste incinerated with energy recovery	N/A	N/A	N/A	0.597	16.964
Total waste incinerated without energy recovery	N/A	N/A	N/A	N/A	N/A
Total waste to landfill	42	17.8	15.16	3.2188	0

Waste minimisation and management Financial indicators (£k)

	2017-18	2021-22	2022-23	2023-24	2024-25
London	N/A	N/A	N/A	N/A	Not available
Other operational sites (Lytham, Glasgow, Durham)	N/A	N/A	N/A	N/A	Not available
Total spend	N/A	N/A	N/A	N/A	Not available

Waste minimisation and management footnotes

- (1) Due to the availability of data, CSUP figures are for the London office only. This is measured in number of items disposed on site rather than tonnes and as such has been excluded from the total waste figure.
- (2) This financial year, 72.48% of our total waste was either reused or recycled. This includes the total non-hazardous waste reused/recycled, total ICT waste recycled, reused and recovered (externally) and the total composted/food waste for all sites (where available).
- (3) We are unable to report on the total ICT waste recycled, reused and recovered externally at the London, Durham and Lytham sites as there is no weighing of waste on-site.
- (4) Due to the availability of data, hazardous waste has been estimated at the Lytham, Durham and Glasgow sites for the full financial year, based on the weights of fem hygiene consoles.
- (5) All waste incinerated at the London, Lytham and Durham sites is with energy recovery.
- (6) The waste consumption at the operational sites has been apportioned as appropriate, based on NS&I's occupation of the relevant office spaces (1.85% for London, 39% for Lytham, 53.4% for Durham and 31% for Glasgow).
- (7) We are unable to report on the associated cost of waste at all operational sites as these costs form part of an overall service charge payment.
- (8) We are unable to report on reused cooking oil and food waste at both the Durham and Glasgow sites as these sites do not have a canteen.
- (9) Due to the availability of data, the Q4 waste figures for the London site have been estimated based on the Q4 data for the previous financial year (2023-24).
- (10) Due to the availability of data, March 2025's waste data at the Lytham and Durham sites have been estimated using figures from January 2025.
- (11) The way in which we report waste has changed to better align to HMT sustainability reporting guidance. Further, there have been changes to our office locations over time which mean that the data set is not comparable

Water consumption Non-financial indicators (m³)

	2017–18	2021–22	2022–23	2023–24	2024–25
Total water consumption	7,925	4,144	17,555	3,338.73	3,184.54

Waste minimisation and management Financial indicators (£k)

	2017–18	2021–22	2022–23	2023–24	2024–25
London	3.3	Unable to report	Unable to report	Unable to report	Unable to report
Other operational sites (Lytham, Durham and Glasgow)	74	Unable to report	Unable to report	Unable to report	11.88
Total spend	77.3	Unable to report	Unable to report	Unable to report	11.88

Water consumption footnotes

- (1) We are currently unable to report on the cost of water consumption at our London site as the cost forms part of an overall service charge.
- (2) We are currently unable to report on both water consumption and the cost of water consumption at our Glasgow site as usage forms part of an overall service charge.
- (3) The cost of water consumption at the Lytham site is calculated using the cost of consumption and the cost of drainage.
- (4) Consumption data at the Lytham, Durham and Glasgow sites is based on a 'best of' hierarchy of data. If one data source is not available, the next available source will be used to calculate the consumption for the month. This hierarchy is as follows (top to bottom): HH/AMR Interval Data, Meter Readings, Invoices, Accrual based on same period for the previous year, Accrual based on same period for the previous month.
- (5) Water consumption at the operational sites has been apportioned as appropriate, based on NS&I's occupation of the relevant office spaces (1.85% for London, 39% for Lytham, 53.4% for Durham and 31% for Glasgow).
- (6) The cost of water consumption at the other operational sites is for Lytham and Durham only. The Q4 cost at these sites has been estimated using the most recently available/complete data for both cost and usage. This unit cost was then multiplied by the estimated water usage figure. As such, this data set is not entirely representative.
- (7) Water consumption at the London site has been estimated for Q4 due to the availability of data. This has been calculated on Q4 data for the previous quarter in the previous financial year (2023–24).
- (8) Water consumption at the Durham site has been estimated for December 2024 – March 2025, based on the 'best of' hierarchy of data, due to the availability of data.

Energy consumption Non-financial indicators (kWh)

	2017-18	2021-22	2022-23	2023-24	2024-25
Electricity (non-renewable)	509,532	45,442	80,358	70,384	67,367
Electricity (renewable)	2,174,140	2,518,171	1,106,457	1,059,285	968,471.85
Total electricity	2,683,672	2,563,613	1,186,815	1,129,669	1,035,839
Gas	696,841	669,111	1,015,798	829,670	727,893.61

Energy consumption Financial indicators (£k)

	2017-18	2021-22	2022-23	2023-24	2024-25
London	77	Not available	Not available	Not available	Not available
Other operational sites (Lytham, Durham and Glasgow)	193	Not available	295.1	398.05	238.96
Total spend	270	Not available	Not available	Not available	Not available

Energy consumption footnotes

(1) Consumption data at the Lytham, Durham and Glasgow sites is based on a 'best of' hierarchy of data. If one data source is not available, the next available source will be used to calculate the consumption for the month. This hierarchy is as follows (top to bottom): HH/AMR Interval Data, Meter Readings, Invoices, Accrual based on same period for the previous year, Accrual based on same period for the previous month.

(2) The costs at the Lytham and Durham sites are based on the monthly apportioned cost of actual invoices received and validated. No accrual is completed for cost.

(3) The cost of electricity and gas at the London site is not available as this forms part of an overall service charge.

(4) Due to the availability of data, the Q4 Electricity and Gas data for the London site has been estimated based on the Q4 data for the 2023-24 financial year.

(5) The electricity and gas data for the operational sites has been apportioned based on NS&I's occupation of the relevant office spaces (1.85% for London, 39% for Lytham, 53.4% for Durham and 31% for Glasgow).

(6) Due to the availability of data, the electricity and gas data for the Glasgow site has been estimated for the period December 2024 to March 2025, based on a monthly average for 2024-25.

(7) Due to the availability of data, estimates have been made for the electricity and gas consumption for March 2025 at the Lytham and Durham sites. This has been calculated based on the same period in the previous financial year (2023-24).

(8) Due to the availability of data, the cost of electricity and gas for the Lytham and Durham operational sites have been estimated for March 2025, based on the cost per unit of gas and electricity in February 2025 and multiplied by the estimated gas and electricity usage for March 2025.

CSR policy

Our latest Corporate Social Responsibility (CSR) Policy can be found here: <https://nsandi-corporate.com/governance/corporate-and-social-responsibility>

Health and Safety

A clean and safe workplace can not only reduce the risk of accidents and health-related issues, but can also enhance employee satisfaction and productivity. In the 2024–25 financial year, NS&I has remained compliant with all health and safety and environmental legislation, which it also expects of all service providers. We conduct horizon scanning to monitor any changes in legislation that are approved by Parliament.

NS&I does not use or report on hazardous waste or COSHH (Control of Substances Hazardous to Health) in our London office. We only report on the buildings within the portfolio where COSHH is used and managed.

Dax Harkins

Chief Executive
National Savings and Investments
27 June 2025

02

Accountability Report

Corporate governance report 2024–25	38
– Directors’ report	38
– Governance statement	44
– Statement of Accounting Officer’s responsibilities	56
Remuneration and staff report 2024–25	57
Parliamentary accountability and audit report	69

Corporate governance report 2024–25

Directors’ report

National Savings and Investments (NS&I) is a non-ministerial government department and an Executive Agency of the Chancellor of the Exchequer.

Ed Anderson CBE served as NS&I’s independent non-executive Chair at the start of 2024–25 and until 30 June 2024. Lord Lemos CMG CBE succeeded Ed Anderson CBE as Chair of the NS&I board on 1 July 2024.

Dax Harkins served as NS&I Chief Executive and Accounting Officer of NS&I throughout 2024–25. In his capacity as the Director of Savings, he contracts with third parties in respect of NS&I.

NS&I has an advisory board. On 31 March 2025 this comprised five independent non-executive members, including the Chair, seven executive members, including the Chief Executive, and one representative of HM Treasury. The Chief Executive and non-executive board members, including the Chair, are appointed by HM Treasury ministers following an open recruitment process. The register of NS&I board members’ interests is published on the NS&I website: <https://nsandi-corporate.com/governance/who-we-are>

All executive and non-executive appointments to NS&I’s board are made on merit; political activity plays no part in the selection process. All executive board members, including the Chief Executive, were appointed in accordance with the Civil Service Commissioners’ Recruitment Code. Each member of the board has a personal contract that stipulates the procedures for termination.

The independent non-executive NS&I board members who served during the year to 31 March 2025 were:

- Lord Lemos CMG CBE
- Nina Hingorani-Crain

- Luke Jensen
- Melanie Moreland
- David Woodward

Ed Anderson CBE and Jill Lucas served as independent non-executive NS&I board members until 30 June 2024. Azin Roussos represented HM Treasury on the NS&I board, and on each of the board’s committees, throughout 2024–25.

The executive NS&I board members during the year to 31 March 2025 were:

- Dax Harkins, Chief Executive, Accounting Officer and Director of Savings
- Patrick Briscoe, Enterprise Service Management Director
- Ruth Curry, People and Finance Director
- Andrew Gudgeon OBE, Risk Director
- Gareth Headon, Communications and Strategy Director
- Matthew Smith, Chief Operating Officer and Senior Responsible Owner for the business transformation programme
- Andrew Westhead, Retail Director

Further information regarding the membership of the board and its committees is provided on pages 49 and 50.

Board members during 2024–25

Non-executive board members



Lord Lemos CMG CBE
Independent non-executive Chair
[from 1 July 2024]

Lord Lemos was appointed as a non-executive board member on 1 April 2024 and was appointed Chair on 1 July 2024.

He has had a broad non-executive and board level career across the private and public sectors spanning over 30 years. He currently chairs the Walbrook Institute London Limited [formerly the London Institute of Banking and Finance] and English Heritage.



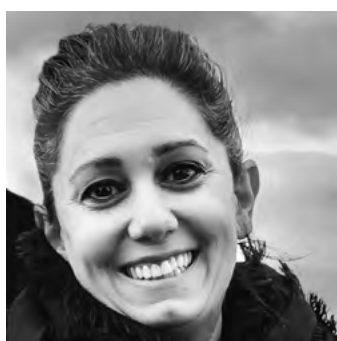
Ed Anderson CBE
Independent non-executive Chair
[to 30 June 2024]

Ed was appointed as a non-executive board member on 1 February 2016 and was appointed Chair on 1 January 2017. He retired from the board on 30 June 2024.

Ed is Lord-Lieutenant of West Yorkshire. He was Chairman of the Yorkshire Building Society from 2007 to 2015. He was Managing Director of Leeds Bradford Airport for 10 years and, until August 2019, was Chairman of the Airport Operators Association (AOA).

He is also a former President, and Chairman, of Leeds Chamber of Commerce and has served on the boards of a number of other public and voluntary sector organisations in Yorkshire.

Ed is an economics graduate and a qualified accountant.



Nina Hingorani-Crain
Independent non-executive board member

Nina was appointed as a non-executive board member in November 2021.

Nina's executive career was largely in financial services, including 10 years advising UK and global financial services organisations, followed by 10 years in senior roles at the UK's financial regulator.

Since 2015, Nina has focused on a non-executive career. She is a member of the boards of the National Employment Savings Trust Corporation (Nest), Institute of Chartered Accountants of England and Wales (ICAEW) and of a London mental and community health NHS Foundation Trust. Previous board roles include the Charity Commission for England & Wales.



Luke Jensen

Independent non-executive board member

Luke was appointed as a non-executive board member on 1 April 2024.

Luke is an established senior executive, particularly within retail environments and most recently as CEO of Ocado Solutions. Luke is currently Executive Chair at Hana Group SAS and, since January 2024, an independent non-executive director for The Co-operative Group.



Jill Lucas

Independent non-executive board member [to 30 June 2024]

Jill was appointed non-executive board member for a three-year term from February 2019 and reappointed on 1 February 2022. She left the board on 30 June 2024.

Jill has spent her career in technology, currently as a consultant at US healthcare giant, Mass General Brigham, and prior to that at Unilever. She has served as Chief Information Officer at both Towergate Insurance and Belron International. In her early career, she undertook many technology leadership roles at Reuters (now Thomson Reuters), Barclays and Sainsbury's. Jill has also been a non-executive director of Curtis Banks plc and Chair of Dunstan Thomas Ltd.



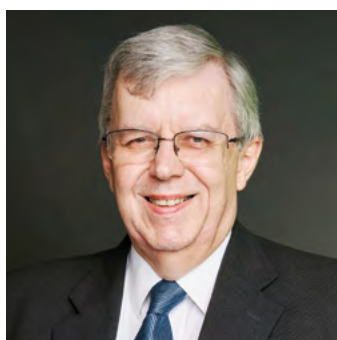
Melanie Moreland

Independent non-executive board member

Melanie was appointed as a non-executive board member on 1 April 2024.

She is an experienced executive with an extensive career in financial services. From June 2021 to July 2024 Melanie was the Head of Commercial Banking Customer Engagement, and Customer Journey Execution at NatWest.

She was previously a non-executive director for Queen Margaret University for six years until December 2023.



David Woodward

Independent non-executive board member

David was appointed as a non-executive board member in January 2023.

David commenced his non-executive career in 2008. He has over 10 years of financial services experience and over five years working with community and hospital NHS Trusts. He is an experienced audit committee chair and a former non-executive director of the Hinckley and Rugby Building Society.

David is also a non-executive director of Aspire Housing Limited, a trustee of the charity the Consumers' Association (the parent charity of Which? Limited) and a governor and trustee of Trent College.

Executive board members



Dax Harkins
Chief Executive

Dax was appointed NS&I Chief Executive on 12 April 2023.

Prior to this, Dax was responsible for the development and delivery of NS&I’s business-to-business strategy, as well as overseeing and assuring NS&I’s operational performance. Dax has worked in financial services for over 30 years. Starting his career in sales, Dax progressed into marketing roles, with a focus on product development, customer management and customer experience.

He joined NS&I in 2003 and, in 2011, became Programme Director for the re-tender of the NS&I outsourcing contract. Dax was appointed to the board in January 2014 as Business-to-Business Director.



Patrick Briscoe
Enterprise Service Management Director

Patrick joined NS&I in December 2023 as Service Integration & Management (SIAM) and Business-to-Business (B2B) Director. The directorate was renamed Enterprise Service Management during 2024. Patrick has over 20 years’ experience delivering critical services and operations. Patrick was most recently at the Home Office, where he led various service delivery functions with scope across all the Department’s business areas, working with and integrating multiple suppliers in an extremely complex and challenging environment. Prior to joining the Civil Service, the majority of Patrick’s career was spent working in similar roles in retail and commercial banking organisations, including NatWest Group, Lloyds Banking Group and Bank of America, as well as a short period with a major B2B travel management company.



Ruth Curry
People and Finance Director

Ruth joined NS&I’s board in July 2019. Previously she had been Acting Director of Finance and Business Services at HM Land Registry. She started her Civil Service career in Cabinet Office policy roles. After qualifying as an accountant in 2006, Ruth held senior finance roles in a number of departments, including the Department for Education, the Serious Fraud Office and the Department for Business, Energy and Industrial Strategy. Prior to joining the Civil Service, Ruth was a solicitor working on company and commercial issues in the City of London. Ruth sits on the board of trustees of Richard Watts Charities CIO.



Andrew Gudgeon OBE
Risk Director

Andrew joined NS&I in December 2023 as the Risk Director. Andrew had a 29-year career in the Royal Air Force, during which he held senior leadership positions in the Ministry of Defence, the Cabinet Office and the US Pentagon. Following retirement from the Royal Air Force he was honoured with an OBE for services to cyber warfare. Andrew entered the financial sector in 2016, first as Head of Operational Risk at Nationwide Building Society and then Head of Enterprise Risk Management and Operational Risk at Zurich Insurance (UK). Andrew recently stood down as a director of Swindon and Wiltshire Local Enterprise Partnership, where he led on the delivery of the UK's first Business Cyber Centre, which opened in 2022.



Gareth Headon
Communications and Strategy Director

Gareth Headon joined NS&I's board in February 2021 as Acting People and Strategy Director. In December 2022 he was appointed Communications and Strategy Director. Before joining NS&I in 2008, Gareth spent six years with Eurostar, where he worked across corporate and consumer PR and government relations. He also worked for two years in Which? magazine's press office and began his career at a PR agency working with clients in the technology sector. Gareth sits on the board of trustees of the London Welsh Centre.



Matthew Smith
Chief Operating Officer

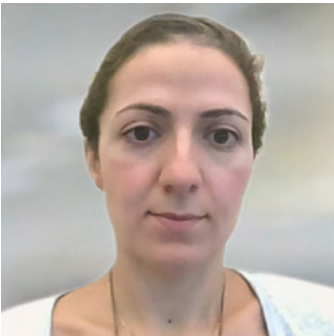
Matthew joined NS&I's board in August 2018. His roles prior to joining NS&I included Director of EMEA Supply Chain for DXC Technology and Global Vice-President and Chief Procurement Officer for Dun & Bradstreet Corporation. He is a certified practitioner of Managing Successful Programmes and in 2022 graduated from the Cabinet Office Major Projects Leadership Academy delivered by Saïd Business School, University of Oxford.



Andrew Westhead
Retail Director

Andrew joined NS&I's board in September 2023. He is responsible for a broad remit, focusing on our customers, Net Financing, products, services, digital experience and brand. He has 19 years of financial services experience within the private sector, most recently working for Nationwide Building Society for 13 years as a Regional Director. Andrew completed his Executive MBA in 2021.

HM Treasury representative board member



Azin Roussos
HM Treasury representative

Azin is Deputy Director at HM Treasury, leading the Debt Management and Reserves team. She rejoined the NS&I board in September 2023 having previously been a member of the board from December 2020 to April 2022. She has responsibility for the Government’s debt financing strategy, via the Debt Management Office (DMO) and NS&I. Her team is also responsible for managing the UK’s foreign currency reserves, cash and coinage policy and the shareholder relationship with the Bank of England.

Governance statement

This governance statement explains NS&I's governance, risk management and internal control arrangements, including its governance structures, during the period 1 April 2024 to 31 March 2025.

Vision, purpose and values

NS&I's vision is to inspire a stronger savings culture by being the most trusted UK savings provider, giving everyone the opportunity to save confidently. NS&I's purpose is:

- Creating value through delivering cost-effective debt financing
- Providing services to government
- Helping government deliver policy objectives

Our values, which were reviewed and updated during 2024–25, are to keep our promises, build meaningful connections and be confidently curious.

Governance framework

NS&I's governance framework is prescribed by the Framework Document with HM Treasury, initially published in January 2023 and updated in March 2024, which is available on the NS&I website. It sets out requirements for how NS&I is directed and managed, and includes provisions regarding:

- the role, powers and rights of HM Treasury and its Ministers and the role of the Accounting Officer (who is the Chief Executive of NS&I)
- the role of the NS&I board and its Chair
- how strategy is determined
- corporate planning, budgets, setting targets and monitoring
- requirements for risk management and its oversight

The Framework Document will be reviewed at least every three years.

NS&I maintains a corporate governance manual, which provides further detail on governance policies and terms of reference for the board and committees.

The delegated authorities manual sets out how decision making is carried out across NS&I. It is reviewed and updated annually.

Role of HM Treasury and its Ministers

The Chancellor of the Exchequer is responsible for determining the policy and financial framework within which NS&I operates. Day-to-day responsibility for NS&I may be delegated to another Minister. During 2024–25, this was to the Economic Secretary to the Treasury. HM Treasury provides high-level oversight of NS&I. Some decisions are reserved for Ministerial approval, such as

the approval of the corporate plan and Service Delivery Measures (SDMs), as well as changes to the pricing of NS&I products. The thresholds above which NS&I must make disclosures to, or seek approval from, HM Treasury are set out in an annual delegated authority letter.

The Debt and Reserves Management (DRM) team within HM Treasury acts as NS&I's sponsor team, providing advice, monitoring performance and advising HM Treasury Ministers.

The Chief Executive, Accounting Officer and Director of Savings

NS&I's Chief Executive also holds the roles of NS&I Accounting Officer and Director of Savings.

The Chief Executive has responsibility for maintaining sound internal governance arrangements that support the achievement of NS&I's policies, aims and objectives. The Chief Executive is supported by the NS&I board and the Executive Committee.

The Chief Executive's responsibilities include:

- the day-to-day operations and management of NS&I
- establishing, in agreement with HM Treasury, NS&I's corporate and business plans in light of wider strategic aims and agreed priorities
- safeguarding the public funds for which he has charge and ensuring propriety, regularity, value for money and feasibility in the handling of those public funds
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Treasury; that the Treasury is notified promptly if overspends or underspends are likely and that corrective action is taken; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to HM Treasury in a timely fashion
- advising the NS&I board on the discharge of its responsibilities and on NS&I's performance compared with its aims and objectives
- ensuring that effective procedures are in place for handling complaints about NS&I

The Statement of Accounting Officer's responsibilities is on page 56.

Role of the NS&I board

NS&I has an advisory board, with no statutory functions. It works with the Chief Executive to develop corporate policy, ensure good governance and monitor performance.

The board does not decide policy nor exercise the powers reserved to Ministers or to the Director of Savings. The board assists in developing NS&I's strategy and advises on the operational implications and effectiveness of policy proposals, as well as scrutinising performance and challenging the Executive Committee on how well NS&I is achieving its objectives.

The Chief Executive is expected to follow the advice of the board, except if doing so would conflict with their obligations as the Accounting Officer.

NS&I's board advises on five main areas:

- strategic clarity: the NS&I vision
- commercial sense: scrutinising the allocation of financial and human resources
- talented people: ensuring NS&I has sufficient capability and capacity to meet current and future needs
- results focus: advising on the proposed corporate plan and monitoring the delivery of the agreed plan
- management information: ensuring that clear, consistent, comparable performance information is used to drive improvements.

Its terms of reference are reviewed annually and published on the NS&I website. They provide for collegiate decision-making so that no individuals or group of individuals may dominate the board's decision-making.

The performance of each of the executive and non-executive board members is appraised annually.

The board delegates specific responsibilities to its committees: the Audit and Risk Committee, the Remuneration Committee and the Business Transformation Programme (BTP) Committee. These operate within clearly defined terms of reference, which were reviewed and updated during 2024–25 and are published on the NS&I website.

Conflicts of interest

NS&I has policies and procedures in place to ensure that its board members make decisions independent of their personal interests. Board members are required to notify the board of any relevant positions held or other interests as they occur. These are recorded in the register of board members' interests, which is published on our website:

<https://nsandi-corporate.com/governance/who-we-are>

Board members are also prompted to declare any potential conflicts of interest at the beginning of each board meeting in respect of the business of that meeting.

If a conflict is identified, the member concerned may be asked to withdraw from the board's discussions and/or decision-making as appropriate. NS&I's policy on holdings of NS&I products restricts the ability of board members to transact in NS&I products when they have access to unpublished information.

The independent non-executive board members

The board has decided not to follow the Financial Reporting Council's Corporate Governance Code in relation to the appointment of a lead non-executive board member other than the Chair.

The Chair meets the non-executive board members individually and collectively and, if necessary, feeds views back to HM Treasury.

The board has identified HM Treasury as NS&I's main stakeholder and considers that HM Treasury representation on the board, together with agreement that the independent non-executive board members, if they choose, can meet the responsible Minister annually, means that there is no need for a lead non-executive board member other than the Chair.

Company Secretary and independent advice

The Company Secretary is responsible for advising the board on all corporate governance matters and ensuring that all board procedures are followed. All board members have access to the advice and services of the Company Secretary. The board and its committees may take independent professional advice, if necessary, at NS&I's expense.

The work of the NS&I board during 2024–25

During the period of this report, the board undertook various activities to fulfil its role, including:

- high-level monitoring of the operations, performance, people and other key issues relating to the organisation
- receiving reports from the Chief Executive and other executive board members at each meeting
- providing challenge, scrutiny and advice in respect of strategic matters
- monitoring the progress of NS&I's business transformation programme, which is part of the Government Major Projects Portfolio
- reviewing the annual corporate plan and Service Delivery Measures
- receiving reports from its committees
- endorsing the 2023–24 Annual Report and Accounts on the recommendation of the Audit and Risk Committee
- informal interaction with NS&I employees, including through attendance at staff conferences.

Board induction

On joining the board, new members are given background information describing NS&I and its activities. They receive an induction pack that includes information on the governance processes of NS&I, the roles and responsibilities of the board, committees and officers and a range of other information about NS&I, its activities and relationship with HM Treasury. Meetings

are arranged with NS&I and HM Treasury management to assist with induction. Non-executive board members complete compliance-related online learning modules at the beginning of their three-year term and once again if reappointed for a second term. The Remuneration Committee considers the development needs of the executive board members and assistant directors. Board members are encouraged to attend relevant training courses at NS&I's expense.

Board evaluation

NS&I's board effectiveness is reviewed annually with external input at least once every three years.

An external review of the board's effectiveness, and that of its committees, was carried out by NS&I's internal auditors during 2022–23 and reported to the board at the April 2023 meeting. The reviewers concluded that the board was operating effectively and in line with applicable governance codes. Internal reviews of the board's effectiveness have been conducted in 2024, reporting to the April 2024 board meeting, and in March 2025, with findings reported to the board's April 2025 meeting.

Quality of data used by the board

The board considers the quality of the management information it receives, including the underlying data, on an ongoing basis, and actions are taken to improve this where necessary. At the beginning of each financial year, the board reviews the proposed scorecard and the related Service Delivery Measures for the year. Updated performance data is presented at each board meeting.

Board committees

The board has delegated responsibilities to its three advisory committees (Audit and Risk Committee, Remuneration Committee and Business Transformation Programme Committee) to deal with specific matters in accordance with the committees' written terms of reference. The board and committees' terms of reference were reviewed during 2024–25 and are available on NS&I's website. Details of the committees' membership during 2024–25 are provided on page 49.

The Executive Committee is chaired by the Chief Executive and formed of the executive board members. The board reviewed and approved updated terms of reference for the Executive Committee during the year.

The board receives a Chief Executive's overview and reports from each directorate of NS&I at each formal board meeting.

Audit and Risk Committee

The Audit and Risk Committee, chaired by David Woodward, comprises non-executive board members and the HM Treasury representative on the board.

The Chief Executive, People and Finance Director, Risk Director and Chief Operating Officer, as well as representatives of the internal and external auditors, routinely attend but are not members of the committee.

The committee's responsibilities include advising the board and Accounting Officer on:

- NS&I's accounting policies, accounting judgements and accounting estimates
- the preparation of the annual accounts
- the planned activity and results of both internal and external audit and the adequacy of management's response to issues identified by audit activity
- NS&I's strategic processes for risk, control and governance and its whistleblowing (speaking up) processes

The Audit and Risk Committee met five times during the year. It received regular updates on internal and external audit plans and findings, on risks and their management and on the production of the accounts and response to audit actions. Other matters reported to the committee during the year included risk management relating to the business transformation programme, cyber security, whistleblowing (speaking up), compliance and financial crime.

Remuneration Committee

The Remuneration Committee, chaired by Nina Hingorani-Crain, comprises both executive and non-executive board members, due to the nature of NS&I and the role of the Accounting Officer.

The Remuneration Committee scrutinises the Chief Executive's recommendations on pay and performance-related awards to confirm that they are consistent with government policy, Civil Service pay guidance and the needs of the business. The executive members of the committee are recused from discussions regarding their own pay and performance. The committee also reviews succession planning arrangements for board members and other senior staff within NS&I.

As NS&I is a government department, the functions and responsibilities of the committee are discharged subject to the Civil Service rules on pay and appointments. Details of board members' remuneration and emoluments are set out in the Remuneration and staff report on pages 57 to 68.

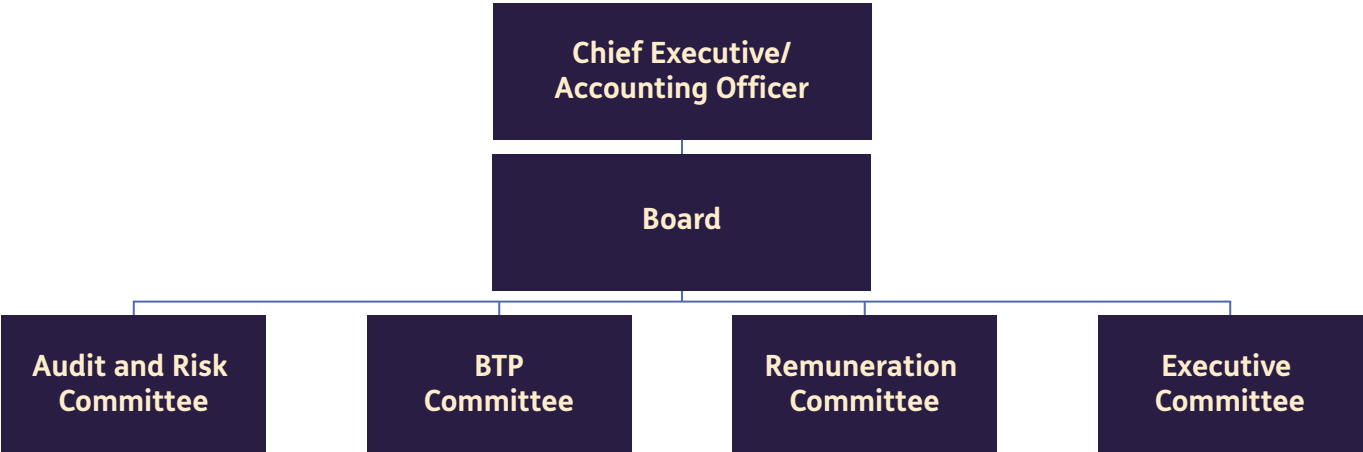
Business Transformation Programme (BTP) Committee

The Business Transformation Programme (BTP) Committee, chaired by Melanie Moreland, was created during 2024–25 to support the board and the Accounting Officer in their responsibilities for oversight of NS&I's business transformation programme. It comprises both Executive and Non-executive board members.

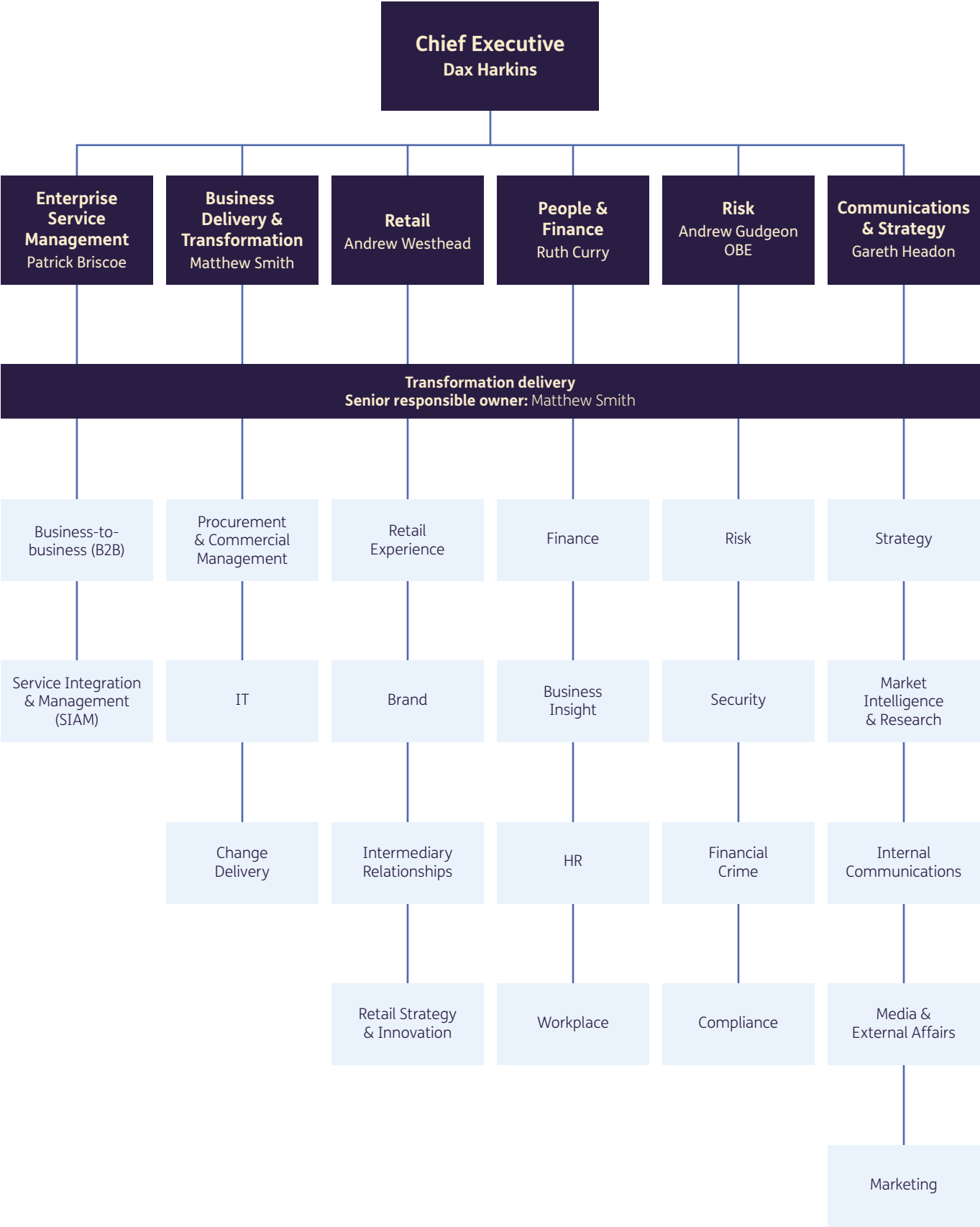
The BTP Committee scrutinises the programme’s plans, business cases and delivery progress to support assurances to be provided to HM Treasury.

Executive Committee
The Executive Committee consists of all the executive board members and is chaired by the Chief Executive. It meets formally at least monthly, and informally on a weekly basis.

Governance structure



Management structure as at 31 March 2025



Membership of the NS&I board's committees during 2024–25

Membership of the board's committees was revised during 2024–25, in light of changes to the board's independent non-executive members, and a new committee established on 29 October 2024. The table below summarises the membership of the board's three committees during the year.

Board members	Audit and Risk Committee	Business Transformation Programme Committee	Remuneration Committee
Lord Lemos CMG CBE (from 1 April 2024)	Not a member	Not a member	Member from 1/9/2024
Nina Hingorani-Crain	Member until 31/8/2024	Not a member	Member and Chair of the committee throughout 2024–25
Luke Jensen (from 1 April 2024)	Not a member	Member and Deputy Chair of the committee from 29/10/2024	Member from 17/4/2024 to 31/8/2024
Melanie Moreland (from 1 April 2024)	Member from 17/4/24	Member and Chair of the committee from 29/10/2024	Member from 17/4/2024 to 31/8/2024
David Woodward	Member and Chair of the committee throughout 2024–25	Not a member	Member until 31/8/2024
Azin Roussos	Member throughout 2024–25	Member from 29/10/2024	Member throughout 2024–25
Dax Harkins	Not a member	Member from 29/10/2024	Member throughout 2024–25
Patrick Briscoe	Not a member	Not a member	Not a member
Ruth Curry	Not a member	Member from 29/10/2024	Member throughout 2024–25
Andrew Gudgeon OBE	Not a member	Member from 29/10/2024	Not a member
Gareth Headon	Not a member	Not a member	Not a member
Matthew Smith	Not a member	Member from 29/10/2024	Not a member
Andrew Westhead	Not a member	Not a member	Not a member
Ed Anderson CBE (until 30 June 2024)	Not a member	Not a member	Member until 30/6/2024
Jill Lucas (until 30 June 2024)	Member until 30/6/2024	Not a member	Member until 30/6/2024

Attendance

The attendance of members of the board and its committees at meetings during 2024–25 is shown in the table below. This does not include details of those who attended committee meetings but were not members.

Name	Board (seven ⁽¹⁾ meetings)		Business Transformation Programme Committee (three meetings)		Audit and Risk Committee (five meetings)		Remuneration Committee (six meetings)	
	Possible	Actual	Possible	Actual	Possible	Actual	Possible	Actual
Board members who served throughout 2024–25								
Lord Lemos CMG CBE ⁽²⁾	7	7	n/a	n/a	n/a	n/a	3	3
Nina Hingorani-Crain	7	6	n/a	n/a	2	2	6	6
Luke Jensen ⁽²⁾	7	7	3	3	n/a	n/a	2	2
Melanie Moreland ⁽²⁾	7	7	3	3	5	5	2	1
David Woodward	7	7	n/a	n/a	5	5	3	3
Azin Roussos	7	7	3	3	5	5	6	6
Dax Harkins	7	7	3	3	n/a	n/a	6	6
Patrick Briscoe	7	6	n/a	n/a	n/a	n/a	n/a	n/a
Ruth Curry	7	7	3	3	n/a	n/a	6	6
Andrew Gudgeon OBE	7	7	3	1	n/a	n/a	n/a	n/a
Gareth Headon	7	6	n/a	n/a	n/a	n/a	n/a	n/a
Matthew Smith	7	7	n/a	n/a	n/a	n/a	n/a	n/a
Andrew Westhead	7	6	3	3	n/a	n/a	n/a	n/a
Board members until 30 June 2024								
Ed Anderson CBE	2	2	n/a	n/a	n/a	n/a	2	2
Jill Lucas	2	2	n/a	n/a	2	2	2	1

(1) Included within the seven board meetings is an exceptional meeting, held via teleconference and arranged at short notice, in October 2024, which not all board members were able to attend.

(2) Lord Lemos CMG CBE, Luke Jensen and Melanie Moreland were appointed to the board with effect from 1 April 2024.

Corporate strategy

Our Inspire & Invest strategy, which continues to March 2026, sets out our three strategic objectives for 2024–25 as:

- Building a self-service digital business;
- Increasing efficiency; and
- Building a nimble, scalable and flexible business

Our strategic priorities for 2024–25 were to:

- Deliver our core remit; meet our Service Delivery Measures and seek opportunities for continuous improvement;
- Make NS&I a great place to work, together aspiring to do more
- Deliver a compelling and inclusive customer offer, to improve overall customer experience and inspire trust; and
- Enable NS&I's journey to becoming the most trusted savings provider in the UK. Transform internally and with suppliers and partners to deliver a cost-effective, secure and resilient self-service digital business

Governance codes

NS&I is committed to achieving the highest standards of corporate governance, integrity and business ethics.

Throughout 2024–25, NS&I complied with the principles in Corporate Governance in Central Government Departments: Code of Good Practice (2017) where applicable. NS&I also looked to adopt and adhere to principles of the 2018 and 2024 (applicable from 1 January 2025) Financial Reporting Council (FRC) Corporate Governance Codes. Because of the constitutional nature of NS&I (a non-ministerial government department and an Executive Agency of the Chancellor of the Exchequer, rather than an incorporated company), it is not relevant for it to meet all the requirements in the Code.

The Financial Conduct Authority (FCA) does not regulate NS&I. However, NS&I seeks to incorporate best-practice principles relating to FCA-regulated financial institutions into its processes where it is appropriate and proportionate to do so, such as in relation to the treatment of customers.

Culture and stakeholders

NS&I's governance framework and procedures provide for consideration of its stakeholders. These include its customers, employees and operational partners and suppliers. Oversight by the board and its committees includes:

- monitoring and reporting on levels of customer satisfaction against an annual target

- receiving reports on the results of staff surveys and action plans to respond to findings from the surveys
- monitoring the relationship with, and performance of, NS&I's outsourced delivery partners

Ministerial Directions

There were no Ministerial Directions during 2024–25.

Major project

NS&I is undertaking a transformation programme, the only HM Treasury major project in the UK Government Major Projects Portfolio (GMPP). Matthew Smith, Chief Operating Officer, is the Senior Responsible Owner for the business transformation programme.

Diversity and equal opportunity

NS&I is committed to equality of opportunity in all its employment practices, policies and procedures. It is NS&I's policy that there should be no discrimination against any employee, contractor, agency worker, job applicant, customer, supplier or any third party with whom we come into contact. Performance against related measures is reported at each board meeting.

Government Functional Standards

The application of Government Functional Standards is mandated for all government departments and arm's-length bodies. As required by Government Functional Standard GovS 001: Government Functions, the Accounting Officer has appointed four members of the Executive Committee as the senior officers accountable for managing each of the government functions applicable to NS&I. Those directors have reported on NS&I's compliance with the standards in their 2024–25 assurance statements to the Accounting Officer.

Quality assurance

In accordance with guidance contained in The Aqua Book: guidance on producing quality analysis for government, NS&I operates business-critical models to calculate its Net Financing metrics and on the financial modelling for its business transformation programme. Robust quality assurance processes are in place around these models.

Non-financial information

During the 2024–25 financial year, NS&I:

- had no reportable data incidents and made no reports to the Information Commissioner's Office, and
- had no reportable incidents relating to anti-corruption and anti-bribery matters

Auditors

The Government Internal Audit Agency (GIAA) provides NS&I's internal audit service, undertaking audits in accordance with Public Sector Internal Audit Standards (PSIAS) and the standards of the Chartered Institute of Internal Auditors.

The GIAA's annual opinion for the year ended 31 March 2025 was "Limited".

Three components of the opinion were the impact of the Business Transformation Programme on the ability to implement control improvements, the number of internal control issues identified by internal audit, and the reduction in the number of actions taken forward in response to internal audit recommendations. However, GIAA also noted a positive direction of travel, including an improved understanding of the risk and control environment. The report stated: "A continued positive trajectory is possible, with continued close working and efforts to improve momentum on taking corrective actions, further embedding of risk management improvements, map sources of assurance, and enhanced oversight of supplier activities, particularly in relation to assurance coordination."

NS&I management recognises the need to maintain focus on embedding risk management improvements and ensuring we have effective supplier assurance mechanisms as we deliver the Business Transformation Programme.

NS&I's Resource Accounts and Product Accounts are externally audited by the Comptroller and Auditor General (who leads the National Audit Office) in accordance with section 7 of the Government Resources and Accounts Act 2000. The auditor provides the Audit and Risk Committee and Accounting Officer with an audit completion report and management letter, including the auditor's observations and recommendations on internal control.

The total notional external audit fee for the audits of the 2024–25 Product Accounts and Resource Accounts is £578,500 (2023–24: £559,000).

Risk management

Approach

NS&I's approach to risk management is guided by Management of Risk – Principles and Concepts (the Orange Book) issued by HM Treasury and aligned with the provisions set out in the FCA Handbook.

NS&I operates a comprehensive risk management framework that integrates risk management in NS&I's strategic planning and daily business activities. The objectives of NS&I's risk management framework are to:

- increase the likelihood that strategic objectives are achieved, and value is preserved and enhanced

- provide a framework, procedures and guidance to enable everyone to manage risk in the best way
- assign responsibilities and accountabilities and underpin corporate governance
- assure the board that significant business risks are systematically identified, assessed, monitored and reduced to acceptable levels

The Executive Committee, via its Executive Risk Committee (which includes all members of the Executive Committee), has responsibility for the management of NS&I's risk management framework. Updates on the operation of the risk management framework are provided to each meeting of the Executive Risk Committee. The Executive Risk Committee in turn provides a report to the Audit and Risk Committee.

NS&I's risk management framework is complemented by a set of key risk policies that include definitions of the risk appetite, control objectives and key metrics for monitoring the management of risk.

NS&I's risk universe sets out the key risks that NS&I is exposed to across three risk domains: operational risks, strategic risks and transformation risks. Each risk has been subject to regular monitoring by a risk owner and oversight from the second-line risk function. Key risks have been assessed and analysed through the utilisation of risk and control data, and additional mitigating actions are agreed where required to manage exposure. The Executive Risk Committee received quarterly reports on the risk profile across the risk universe and detailed reports on all risks assessed as red or principal. Additional deep-dive risk analysis of principal risks has been conducted throughout the year.

Central to the integrity of NS&I's risk management is a 'three lines of defence' arrangement, ensuring that risks are managed at the most appropriate place and that robust assurance is achieved:

- The first line of defence is represented by line management, which is responsible for complying with and managing compliance around policies and procedures.
- The second line of defence incorporates responsibility for control and assurance, and includes risk policy owners and managers, NS&I's risk management function, and oversight and governance committees.
- The third line of defence comprises the internal audit function, which is a team independent of day-to-day business that reports to the Audit and Risk Committee on the effectiveness of the overall risk framework.

To gain assurance that risk management is effective and to identify when further action is necessary, the risk management framework is subject to regular review.

We have worked alongside our outsourced partners to identify emerging risks to our business. This has included horizon scanning to identify legislative and regulatory changes that apply to NS&I and those in the wider environment in which we operate, as well as potential operational impacts, such as inflation, and changes in the employment and resourcing market. We keep our risks under review through monthly updates.

Managing and mitigating risk

Some of our key management controls are set out below:

- NS&I's delegated authority manual and committee governance structure reflect the principles of clear delegation of authority and segregation of duties.
- Our governance committees ensure that we have a regular, systematic review of risks and controls across NS&I's operations, including areas of significant expenditure, and that these risks are reviewed, understood and actioned at an appropriate level.
- A key corporate priority is the management of cyber and information risk based on a set of related IT and information management policies and procedures, covering corporate and personal data. Controls are in place to reduce the risks of incorrect disclosure, loss or misuse of or lack of access to customer data, as well as destruction of data, in line with our obligations under the Data Protection Act 2018, General Data Protection Regulation (GDPR) and Cabinet Office guidance.
- Fair and open recruitment, succession planning and other human resource policies and practices ensure that staff skills are aligned with NS&I's current and future needs.
- Project management and change implementation disciplines are applied to all major projects, including new technology applications, change programmes and other major initiatives.
- The Procurement Act 2023 sets out detailed procedures for the award of contracts above a specific threshold. Details of NS&I tender opportunities and contracts awarded with a value of £10,000 or more (excluding VAT) are published on the Find a Tender Service.

- Staff are actively encouraged to report perceived illegal, dishonest or unethical activities to senior management using internal arrangements, or to a confidential reporting service via the Protect whistleblowing charity.
- We employ a range of internal controls to mitigate our fraud risk, and these are reviewed and updated regularly.
- Business continuity and disaster recovery plans are in place to manage incidents or crisis events, and these are reviewed regularly.
- Root cause analysis and lessons learned reviews are undertaken following significant incidents to ensure we improve our control environment to prevent incidents from recurring.

Risk appetite

NS&I's board reviews annual risk appetite statements and strategic risks at the first board meeting of each financial year, following review of the draft statements and risks by the Audit and Risk Committee.

The Audit and Risk Committee also receives quarterly updates on performance in relation to risk appetite and management of principal risks.

NS&I uses the following definitions of risk appetite levels:

- **Averse:** Avoidance of risk and uncertainty is a key organisational objective.
- **Minimalist:** Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
- **Cautious:** Preference for safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
- **Open:** Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.).
- **Hungry:** Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

Risk appetite statements

The risk appetite statements applied during 2024–25 are shown in the table below.

Area	Appetite	Statement
Customer impact	Cautious	NS&I values its customers and is cautious when considering the risk of any detrimental impact on customers as a result of new propositions, interactions, engagement activities, changes or process failures.
Strategic impact	Open	NS&I is open to strategic risk relating to: <ul style="list-style-type: none"> i. delivering our overarching Inspire & Invest strategy, ii. agreeing and delivering our annual corporate plan (including delivery priorities and Service Delivery Measures), and iii. delivering our ‘Supporting Government Policy’ strategic purpose.
Reputational impact	Cautious	NS&I’s reputation for 100% security and good customer service is a unique selling point and we are cautious when we act to protect our reputation with our customers, stakeholders and B2B partners.
People: NS&I staff	Cautious	NS&I is cautious when considering the impact on employee engagement levels and staff retention caused by any business/policy changes relating to pay, reward and terms of employment.
Business interruption	Cautious	NS&I is cautious when it comes to the risk of business interruption and will apply stringent controls to manage its exposure.
Financial impact	Cautious	NS&I’s appetite for financial risk is cautious. Our financial decisions are heavily scrutinised, with value for money being a key factor in decision making. We will accept risks that may result in some small-scale financial loss or exposure on the basis that they can be expected to balance out, but will not accept financial risk that could result in significant reprioritisation of budgets. Our appetite for risks associated with business-as-usual activity is naturally lower than with our transformation activity; however, we will look to identify and quantify potential benefits from our change activities and manage them with the objective of realising these benefits.
Regulatory impact	Averse	NS&I is averse to any risk exposure for breach of regulations, either statutory or where adopted on a voluntary basis, and will apply controls to manage risk accordingly. We accept that, in a business of our size, things can go wrong and these will be remediated within agreed timescales, which may be dependent on the delivery of our business transformation.

Principal risks and uncertainties

The section below shows the principal risks and uncertainties that could cause NS&I’s financial results or operational delivery to materially differ from expected results, and how we managed or mitigated those risks during 2024–25.

NS&I’s risk universe captures details of all key risks that could cause NS&I’s financial results or operational delivery to materially differ from expected results. When a key risk is assessed as red, it becomes a principal risk and is subject to additional monitoring and scrutiny including reporting to the Executive Risk Committee. This section of our report describes some of the principal risk exposures that NS&I has faced during 2024–25 and how we managed or mitigated them.

Operational risk

Cyber security and technology risks are key risks for NS&I, requiring continual monitoring to ensure our control environment remains effective. Robust controls in relation to vulnerability monitoring and the management of our IT estate help ensure we have strength in depth across our security framework. Our technology environment is managed by Atos, who

made improvements in 2024–25 to their vulnerability management controls to improve the level of insight on risk exposures.

Financial management risk is managed through business-wide budget monitoring by the finance team, which meets with budget holders to review and challenge actual and planned expenditure to ensure that we remain within our departmental spending limits set by HM Treasury.

Customer risk is managed through alignment to Consumer Duty Regulations and Good Customer Outcomes frameworks. In 2024–25, we appointed a new Senior Customer Outcome Champion to lead on further embedding these frameworks into our business, including the creation of an enhanced Consumer Duty dashboard, which enables clearer monitoring of customer outcomes.

Regulatory and legislative risk is managed in partnership with Atos. We oversee Atos to make sure they operate in compliance with regulatory and legislative requirements; this oversight is undertaken on a daily basis and formally through monthly governance meetings. We undertake horizon scanning to identify changes in the regulatory

landscape and how these will impact on the services we provide. Where areas of non-compliance are identified, we work with Atos to develop solutions to bring us back in line with our obligations.

Transformation risk

Our transformation programme has been a key source of risk for our business in 2024–25 due to the scale and complexity of the programme. Programme risks are initially managed by individual projects; when a risk is more wide-ranging or requires broader input, it is escalated to the programme risk management team for inclusion in the Principal Risks Register. Some of the key risks managed within the programme include:

Resourcing risk: our ability to recruit and retain the internal resource needed to deliver the programme whilst maintaining delivery of the core business has been a persistent risk. We've procured additional specialist resource where required, either within the programme, or to backfill roles where subject matter experts have been drawn into programme delivery.

Delivery risk: delays in agreeing an integrated delivery plan with our suppliers resulted in programme milestones not being met. An updated Full Business Case was shared with and approved by HM Treasury and the Cabinet Office in December 2024. A recovery plan is being developed, focused on transition states across suppliers and the customer journeys through these transition phases.

Strategic risk

Net Financing risk is influenced through the highly competitive market in which we operate, where consumer uncertainty and external geo-political and economic factors persist. We scrutinise delivery performance of our Net Financing target throughout the year, and in conjunction with DRM colleagues, we make pricing decisions to give us the best chance of operating within our mandate. In 2024–25, we enhanced our forecasting model. This allows us to react faster to further reduce the risk to Net Financing.

Supplier risk is a key strategic risk for NS&I, due to our outsourced operating model. Our move from a single to a multi-supplier model will over time reduce our reliance on a single core supplier. During 2024–25, Atos completed a financial restructuring which reduced the risk of their financial failure and enabled NS&I to sign a contract for them to deliver banking and payments technology.

Significant incidents

Each Executive Committee member provides an annual assurance statement to the Accounting Officer in relation to their responsibilities for supporting the effectiveness of, and highlighting exceptions in, the internal control and governance environment. While there have been control failures and incidents in the period, which have

required management attention to remediate, none of these events are considered significant enough to merit disclosure in this section of our report.

Sources of assurance

NS&I's systems of governance, management and risk control have been assessed by the Government Internal Audit Agency (GIAA) in its capacity as NS&I's internal auditor. GIAA reports to each meeting of the Audit and Risk Committee. This forms part of the annual audit programme, which enables the Audit and Risk Committee and the Accounting Officer to gain assurance that NS&I's risk profile is being monitored, and provides independent verification on the appropriateness of the risk management and assurance processes in place.

In addition, the Audit and Risk Committee, and the Accounting Officer as an attendee at the committee's meetings, receive an independent evaluation of NS&I's governance, risk management and internal control through:

- internal audit's annual assurance opinion based on the risk-based internal audit plan agreed by the Audit and Risk Committee and delivered during 2024–25 by the GIAA; from this programme, internal audit reports (including management responses to the recommendations) were generated, summarised and submitted for consideration by the Audit and Risk Committee; a comprehensive tracker system is used to monitor delivery of the control improvements
- discussion, where appropriate, with the responsible NS&I and operational partners' executives on any key control issues
- the external auditor's annual audit with recommendations for improvements to the internal control environment identified during the audit process

Dax Harkins

Chief Executive and Accounting Officer National Savings and Investments

27 June 2025

Statement of Accounting Officer’s responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed NS&I to prepare, for each financial year:

- Resource Accounts detailing the resources acquired, held or disposed of during the year and the use of resources by NS&I during the year. The Resource Accounts are prepared on an accruals basis and must give a true and fair view of the state of the affairs of NS&I and of its income and expenditure, Statement of financial position and cash flows for the financial year.
- Product Accounts covering all NS&I’s products for each financial year. The Product Accounts are prepared on an accruals basis and must give a true and fair view of the state of the products’ balances at the year end and of the income, expenditure and cash flows for the financial year.

In preparing the Resource Accounts and Product 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 HM Treasury, 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

- prepare the accounts on a going-concern basis
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

HM Treasury’s Principal Accounting Officer has appointed NS&I’s Chief Executive as NS&I’s Accounting Officer. 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 NS&I’s assets, are set out in *Managing Public Money*, published by HM Treasury.

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

Dax Harkins
Chief Executive and Accounting Officer
National Savings and Investments
27 June 2025

Remuneration and staff report 2024–25

Remuneration Committee

The Remuneration Committee, chaired by Nina Hingorani-Crain, comprises both executive and non-executive board members. Details of the committee's membership during 2024–25 are provided on page 49.

Remuneration policy

The remuneration arrangements for senior staff are set out in their contracts and are subject to annual review in line with awards recommended by the Chief Executive. The notice period for the majority of senior staff at NS&I is three months, with the exception of the Chief Executive and the Risk Director, for whom it is six months.

The arrangements for early termination of senior staff contracts are made in accordance with the service contract of the relevant individual. Compensation for early termination is determined by the Civil Service Compensation Scheme.

With the exception of the Chief Executive, whose remuneration is determined by HM Treasury, executive board members' pay awards and performance-related pay are reviewed by the NS&I Remuneration Committee, based on performance against targets of both NS&I and the individual Director. The People and Finance Director is recused from all discussions and decisions made by the Remuneration Committee in respect of their pay and performance.

Under the Chief Executive's contract, provided performance is satisfactory, their salary is adjusted by HM Treasury, with reference to the annual increase in salary bands for the Senior Civil Service laid down by the Cabinet Office in accordance with the Senior Salaries Review Body report. The position of Chief Executive could qualify for a performance award, depending on the achievement of targets set by HM Treasury.

Non-executive board members have fixed-term appointments not exceeding three years. Normally, they can serve for two terms of office. Their remuneration is accounted for in 'other costs'. The details of their payments are shown in Table B on page 59.

Salary and pension entitlements

The salary and pension entitlements of the executive board members are shown in Tables A and C on pages 58–59 and page 60 respectively.

Salary and performance-related pay

'Salary' includes gross salary and any other allowance to the extent that it is subject to UK taxation. Performance-related payments are made as part of NS&I's performance management system. The payments reported in 2024–25 relate to performance in 2023–24 and the comparative payments reported for 2023–24 relate to performance in 2022–23.

Pay multiples (Audited)

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid Director in their organisation and the median total remuneration of the organisation's workforce. 'Total remuneration' includes salary and non-consolidated performance-related pay. It does not include employer pension contributions and the cash equivalent transfer value (CETV) of pensions. 'Workforce' includes agency/temporary workers covering staff vacancies and non-executive Directors.

The total remuneration of the highest-paid Director in NS&I in the financial year 2024–25 was £210,000–£215,000.

No employee received remuneration in excess of the highest-paid Director in 2024–25. Remuneration bands ranged from £15,000–£20,000 to £210,000–£215,000 in 2024–25. In 2023–24, remuneration bands ranged from £15,000–£20,000 to £190,000–£195,000.

The ratio of the highest-paid Director (2024–25) was 3.9 times (2023–24: 3.6 times) the median remuneration of the workforce, which was £54,500 (2023–24: £53,739).

TABLE A: Salary and performance-related pay entitlements of the executive board members of NS&I (Audited)

	2024–25	2024–25	2024–25	2024–25	2024–25	2023–24	2023–24	2023–24	2023–24	2023–24
	Salary ⁽¹⁾	Performance-related pay ⁽²⁾	Benefits in kind ⁽⁴⁾	Pension benefits	Total	Salary ⁽¹⁾	Performance-related pay ⁽²⁾	Benefits in kind ⁽⁴⁾	Pension benefits	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Dax Harkins⁽⁶⁾ Chief Executive	185–190	20–25	0.7	110	320–325	175–180	10–15	0.7	355	545–550
Ian Ackerley⁽⁵⁾ Chief Executive (to 12 March 2023)	n/a	n/a	n/a	n/a	n/a	n/a	20–25	n/a	–	20–25
Patrick Briscoe⁽⁷⁾ B2B and SIAM Director	125–130	0–5	n/a	49	175–180	35–40 (120–125 annualised equivalent)	n/a	n/a	2	35–40
Ruth Curry People and Finance Director	135–140	10–15	n/a	85	230–235	125–130	10–15	n/a	28	170–175
Andrew Gudgeon OBE⁽⁸⁾ Risk Director	135–140	0–5	n/a	53	190–195	30–35 (130–135 annualised equivalent)	n/a	n/a	13	45–50
Gareth Headon Communications and Strategy Director	130–135	10–15	n/a	51	195–200	125–130	10–15	n/a	48	185–190
Paul Henry⁽⁹⁾ Risk Director	n/a	n/a	n/a	n/a	n/a	65–70 (125–130 annualised equivalent)	10–15	n/a	–	80–85
David Mason⁽¹⁰⁾ Acting Risk Director	n/a	n/a	n/a	n/a	n/a	20–25 (110–115 annualised equivalent)	n/a	n/a	–	20–25
Matthew Smith Chief Operating Officer	150–155	15–20	0.3	60	230–235	145–150	20–25	0.3	57	225–230
Jill Waters⁽¹¹⁾ Retail Director	n/a	n/a	n/a	n/a	n/a	50–55 (120–125 annualised equivalent)	10–15	n/a	–	60–65
Andrew Westhead⁽¹²⁾ Retail Director	130–135	5–10	0.6	51	190–195	70–75 (125–130 annualised equivalent)	n/a	n/a	28	100–105
Band of highest-paid Director	185–190	20–25	0.7	110	320–325	175–180	20–25	0.7	355	545–550
Remuneration median for workforce⁽³⁾	£54,500					£53,739				
Ratio of highest-paid Director to median salary of workforce⁽³⁾	3.9					3.6				

(1) Salary includes payments for unused annual leave.

(2) Performance-related payments are based on performance levels attained and are made as part of the appraisal process. Given the timing of the appraisal process, performance-related payments relating to 2024–25 are yet to be finalised. As a result, disclosure is based on the period in which payments are made rather than the performance year to which they relate. Performance-related payments in this report for 2024–25 are performance-related payments for the 2023–24 performance year, which were paid in October 2024. Performance-related payments for 2023–24 are performance-related payments for the 2022–23 performance year.

(3) Calculations for remuneration median for workforce and ratio of highest-paid Director to median salary of the workforce are based on salary and performance-related pay.

(4) The monetary value of benefits in kind covers any benefits provided by NS&I and treated as taxable, such as gym membership subsidy. Benefits in kind are disclosed to the nearest £100.

(5) Ian Ackerley retired on 12 March 2023.

(6) Dax Harkins was appointed Acting Chief Executive on 10 March 2023 (previously B2B and Operations Director) and then appointed Chief Executive on 1 April 2023.

(7) Patrick Briscoe was appointed SIAM and B2B Director on 11 December 2023.

(8) Andrew Gudgeon OBE was appointed Risk Director on 28 December 2023.

(9) Paul Henry retired on 9 October 2023.

(10) David Mason was Acting Risk Director from 10 October 2023 to 27 December 2023.

(11) Jill Waters retired on 31 August 2023.

(12) Andrew Westhead was appointed Retail Director on 1 September 2023.

Fair pay disclosure (Audited)

The table below shows the ratio of the highest-paid Director (pay and benefits, excluding pension) compared with the workforce (pay and benefits, excluding pension) for the 25th, 50th and 75th percentile.

This year's pay ratios have increased for the 25th, 50th and 75th percentiles. The increase can be attributed to the increase in the workforce included in the calculation and the increase of the highest-paid Director. The median pay ratio is consistent with the pay and reward policies in place.

Year	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024–25	4.6:1	3.9:1	3.0:1
2023–24	4.3:1	3.6:1	2.8:1

The median remuneration has increased by 1.4% during 2024–25 when compared with 2023–24 (£54,500 in 2024–25 and £53,739 in 2023–24). The increase is due to an increase in headcount in our workforce at our managerial level. The banded remuneration of the highest-paid Director increased in 2024–25 when compared with 2023–24 (£210,000–£215,000 in 2024–25 and £190,000–£195,000 in 2023–24), mainly due to an increase in base pay and bonus received.

Percentage change in total salary and bonuses for the highest-paid Director and the staff average

2024–25		
	Total salary and allowances	Bonus payments
Staff average	0%	-30.5%
Highest-paid Director	5.6%	80%

The table above shows the percentage changes in the average salary and bonuses paid to NS&I employees. This is not the pay increase received by NS&I employees. In 2024–25, NS&I eligible employees received a 5% pay increase. The bonus payment shows a large % increase to the comparison to 2023–24 for the highest paid Director. This is because the comparator that was paid was that from their role as an NS&I Director and now they are the CEO.

2023–24		
	Total salary and allowances	Bonus payments
Staff average	7.4%	20.7%
Highest-paid Director	-10.1%	-54.5%

	25th percentile 2024–25	Median 2024–25	75th percentile 2024–25
Salary	£44,470	£53,025	£66,769
Total pay and benefits	£46,413	£54,500	£70,242

	25th percentile 2023–24	Median 2023–24	75th percentile 2023–24
Salary	43,533	50,500	69,075
Total pay and benefits	44,979	53,739	69,075

TABLE B: The remuneration of non-executive board members (Audited)

	2024–25	2023–24
	£000	£000
Lord Lemos CMG CBE ⁽¹⁾	25–30	n/a
Ed Anderson CBE (Chair) ⁽²⁾	5–10	20–25
Luke Jensen ⁽³⁾	15–20	n/a
Nina Hingorani-Crain	15–20	15–20
Jill Lucas ⁽⁴⁾	0–5	15–20
Melanie Moreland ⁽⁵⁾	15–20	n/a
David Woodward	15–20	15–20

(1) Lord Lemos was appointed as a non-executive board member on 1 April 2024 and was appointed Chair on 1 July 2024.

(2) Ed Anderson CBE served as NS&I's independent non-executive Chair until 30 June 2024.

(3) Luke Jensen was appointed as a non-executive board member on 1 April 2024.

(4) Jill Lucas served as a non-executive board member until 30 June 2024.

(5) Melanie Moreland was appointed as a non-executive board member on 1 April 2024.

TABLE C: Pension benefits of the executive board members of NS&I (Audited)⁽¹⁾

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

	Accrued pension at pension age as at 31 March 2025 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2025	CETV at 31 March 2024 ⁽²⁾	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
Dax Harkins Chief Executive	65–70	5–7.5	1346	1201	87	n/a
Patrick Briscoe SIAM and B2B Director	15–20	2.5–5	265	208	31	n/a
Ruth Curry People and Finance Director	55–60 plus a lump sum of 135–140	2.5–5 plus a lump sum of 2.5–5	1282	1154	74	n/a
Andrew Gudgeon OBE Risk Director	0–5	2.5–5	64	12	41	n/a
Gareth Headon Communications and Strategy Director	40–45	2.5–5	640	554	32	n/a
Matthew Smith Chief Operating Officer	25–30	2.5–5	379	299	43	n/a
Andrew Westhead Retail Director	0–5	2.5–5	56	19	25	n/a

(1) The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

(2) Accrued pension benefits for Directors were not included in this table in the Annual Report and Accounts 2023–24, due to an exceptional delay in the calculation of these figures, following the application of the public service pensions remedy. This data is now available and has been inserted into the table this year.

Civil Service pensions

From 1 April 2022, all remaining active members, including partially retired members in active service, moved to the reformed Civil Service scheme Alpha, a career average pension arrangement. Civil servants will accrue reckonable service in the Alpha pension scheme. The legacy scheme (the Principal Civil Service Pension Scheme or PCSPS) was closed to future service accrual from 31 March 2022. These schemes are Classic, Premium or Classic Plus; or a whole career average scheme (Nuvos). 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. 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 4.6% and 8.05% for Premium, Classic Plus, Nuvos and Alpha. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to 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 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. In Alpha, a member builds up a pension based on pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member’s earned pension account is credited with 2.32% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with pensions increase legislation. Alpha benefits will be effective from normal state pension age without any early payment reduction. 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 which is administered by Legal and General. The employer makes a basic contribution of between 8.0% and 14.75% (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute, but, where they do make contributions, the employer will match these, up to a limit of 3.0% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of Classic, Premium and Classic Plus and 65 for members of Nuvos. Alpha will be effective from normal state pension age.

Further details of the Civil Service pension arrangements are available at www.civilservicepensionscheme.org.uk

Cash equivalent transfer values (CETV)

Table C on page 60 shows the executive board members CETV at 31 March 2025.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued 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 and Personal 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 or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff report

In total, we made 55 external permanent and fixed-term appointments in the year. These are summarised in the table on page 63. Full details of staff numbers can be found in Table 5 of the Departmental report information on page 127.

New permanent and fixed-term appointments made in 2024–25

	Non-executive board members	Senior Civil Servants	Pay band 1	Pay band 2	Pay band 3	Pay band 4	Pay band 5	Pay band 6	Pay band 7
Male	2	–	1	–	6	18	7	3	–
Female	1	–	–	–	1	7	3	4	1
Non-declared	–	–	–	–	–	1	–	–	–
White	2	–	1	–	4	19	6	5	1
Non-white	1	–	–	–	3	6	4	2	–
Non-declared	–	–	–	–	–	1	–	–	–
Disabled	–	–	–	–	1	6	1	1	–

NS&I executive directors, senior managers and all employees at 31 March 2025

	Male	Female	Identify in some other way	Prefer not to say
Number of persons of each sex who were executive directors of NS&I at year end	6	1	–	–
The number of persons of each sex who were senior managers at year end ⁽¹⁾	38	19	–	–
The total number of persons who were employed at year end	146	104	–	–

(1) NS&I pay bands 2 and 3 combined with 1 pay band 1 who is not an executive director.

As at 31 March 2025, NS&I employed seven employees in roles equivalent to Senior Civil Servant (SCS) 2 and nine employees equivalent to SCS 1.

Staff and related costs

Staff costs comprise (Audited):

	2024–25 Permanently employed UK staff	2024–25 Others	2024–25 Ministers	2024–25 Special advisers	2024–25 Total	2023–24 Total
	£000	£000	£000	£000	£000	£000
Wages and salaries	14,620	1,575	–	–	16,195	14,415
Social security costs	1,741	–	–	–	1,741	1,502
Other pension costs	3,838	–	–	–	3,838	3,224
Sub-total	20,199	1,575	–	–	21,774	19,141
Less recoveries in respect of outward secondments	–	–	–	–	–	–
Total net costs	20,199	1,575	–	–	21,774	19,141

Average number of persons employed (Audited)

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

Activity	2024–25 Permanently employed UK staff	2024–25 Others	2024–25 Ministers	2024–25 Special advisers	2024–25 Total	2023–24 Total
	£000	£000	£000	£000	£000	£000
Staff engaged on capital projects	–	–	–	–	–	–
Core staff	242	12	–	–	254	227
Total	242	12	–	–	254	227

All NS&I staff costs are charged to administration costs as defined under the *Government Financial Reporting Manual*. There are no staff costs charged to programme costs.

Employee turnover

A key people metric for NS&I to measure is employee turnover. NS&I reviews the impact of turnover in two ways: unplanned employee turnover (unplanned departures, e.g. resignations) and gross turnover (unplanned and planned departures, e.g. end of fixed-term contracts).

NS&I reviews its employee turnover data against relevant industry benchmarks. NS&I has set a tolerance of 14% for unplanned employee turnover and, for the past two years, has been below this target. This remains a key people metric for NS&I to review and monitor on a regular basis.

	2024–25	2023–24
Average unplanned employee turnover	6.47%	10.07%
Average gross employee turnover	9.61%	12.60%

Reporting of Civil Service and other compensation schemes – exit packages (Audited)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	2024–25	2024–25	2024–25	2023–24	2023–24	2023–24
<£10,000	–	1	1	–	–	–
£10,000–£25,000	–	–	–	–	–	–
£25,000–£50,000	–	–	–	–	–	–
£50,000–£100,000	–	–	–	–	–	–
£100,000–£150,000	–	–	–	–	–	–
£150,000–£200,000	–	–	–	–	–	–
Total number of exit packages by type	–	1	1	–	–	–
Total cost	–	£5,000–£10,000	£5,000–£10,000	–	–	–

Pension costs

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servants and Others Pension Scheme (CSOPS) – known as ‘Alpha’ – are unfunded multi-employer defined benefit schemes, but NS&I is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020. Further details are available in the Resource Accounts of the Cabinet Office: Civil Superannuation at www.civilservice.gov.uk/pensions

For 2024–25, employer contributions of £3,703,979 were payable to the PCSPS (2023–24: £3,122,990) at a rate of 28.97% (2023–24: 26.6% to 30.3%) of pensionable earnings, based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024–25 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a Partnership Pension Account, a stakeholder pension with an employer contribution. Employer contributions of £134,434 (2023–24: £100,544) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2023–24: 8.0% to 14.75%) of pensionable earnings. Employers also match employee contributions, up to 3.0% of pensionable earnings.

In addition, employer contributions of £4,334, 0.5% of pensionable earnings, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill-health retirement of these employees (2023–24: £3,624, 0.5% of pensionable earnings). Contributions due to the partnership pension providers at the Statement of financial position date were Nil (2023–24: Nil). Contributions prepaid at that date were Nil.

Recruitment monitoring

We operate fair and open competition for all recruitment, in line with the Civil Service Commissioners’ guidelines. Appointments are made against robust criteria, which are applied throughout the recruitment and assessment process. Of the 52 new employees who commenced employment during 2024–25, 21 were fixed-term appointments to meet short-term business needs (maternity cover or roles to cover a short-term resource requirement) and were recruited through the recruitment principle of fair and open competition.

We review applications against the selection criteria and anonymise personal details and educational dates and establishments. We review diversity breakdowns to ensure that the criteria are fair and robustly applied. We submit an annual audit return to the Office of the Civil Service Commissioners, which summarises campaigns, policy and processes. All activities may then be subject to

a further audit review by the Civil Service Commissioners, and campaign files are kept for two years to comply with these requirements.

Pay and reward

Upon the release of the Civil Service pay guidance 2025–26, we will agree a salary budget from HM Treasury, called our delegated pay remit, which we allocate in line with our reward principles (available on request) and within Civil Service guidelines. This includes performance-related pay. In line with the Civil Service pay guidance 2024–25, our pay remit increased by 5% during the year.

Details of executive pay and performance-related pay can be found on pages 58 and 59. Details of our board members’ expenses can also be found online at <https://nsandi-corporate.com/performance/transparency>

Reward for individual senior staff members is approved by our Remuneration Committee.

Business Appointment Rules

Any employee leaving NS&I for a competitor or a supplier/partner business is required to complete an application under the Business Appointment Rules to enable NS&I to assess the risk of any conflict and to ensure that any necessary mitigants are implemented. Employees leaving through retirement are also briefed on the Business Appointment Rules.

Pension liabilities

During 2024–25, the majority of our current and previous employees were covered by the provisions of the PCSPS. The rate of employer’s contribution to this is determined by the Government Actuary and advised by HM Treasury. For 2024–25, the rate was 28.97% (2023–24: 26.6% and 30.3%) of pensionable pay, depending on salary. From 1 April 2015, a new pension scheme known as Alpha was introduced across the Civil Service. Of our current staff, the majority moved to this scheme. However, most of those who were within 10 years of retirement stayed with the PCSPS. See above and page 61 for further details.

Diversity and equal opportunity

NS&I actively promotes a culture that values difference and recognises that diversity enriches the economy and society and is an essential ingredient of change and progress.

NS&I seeks to be open and inclusive in its management policies and processes, and seeks to recruit and develop a diverse and talented workforce that is representative of the society it serves. Due to NS&I’s size, we do not have specific policies for the development and training of persons with a disability. Our refreshed Equality and Diversity Information Statement provides full details of the diversity of NS&I’s employees. It is available here: <https://nsandi-corporate.com/careers/how-we-recruit>

NS&I is one of more than 450 signatories to the Women in Finance Charter, led by HM Treasury.

Employee engagement

For highlights of NS&I's scores in the Civil Service People Survey 2024, please see the Our people section of the Performance Report (pages 23 and 24).

Gender pay gap

In 2017, the Government introduced legislation that made it statutory for organisations with 250 or more employees to report annually on their gender pay gap; the first reporting deadline was 4 April 2018. Civil Service departments and arm's-length bodies with 250 or more employees on 31 March 2020 are covered by these regulations for reporting in 2024–25. NS&I's gender pay gap data is published in our Equality and Diversity Information Statement: <https://nsandi-corporate.com/careers/how-we-recruit>

Based on the 'snapshot' date of 31 March 2024, NS&I's gender pay gap data is as follows:

	%	
Mean gender pay gap – Ordinary pay	10.3%	
Median gender pay gap – Ordinary pay	9.5%	
Mean gender pay gap – Bonus paid in the 12 months ending 31 March	11.6%	
Median gender pay gap – Bonus paid in the 12 months ending 31 March	5.5%	
Proportion of male and female employees paid a bonus in the 12 months ending 31 March		
Male	80.9%	
Female	87%	
Proportion of male and female employees in each quartile		
Quartile	Female %	Male %
Lower quartile	48.3%	51.7%
Lower middle quartile	50.9%	49.1%
Upper middle quartile	41.4%	41.4%
Upper quartile	31.6%	68.4%

NS&I's gender pay gap data is calculated using salary at year end (i.e. 31 March 2024) and bonus figures paid out to the employee in the same financial year (so, 2023–24). This is consistent with how we report this data elsewhere. NS&I's mean and median gender pay gap has reduced. NS&I's mean and median bonus gender pay gap have both decreased.

NS&I is committed to fairness and transparency in our pay and we need to continue to analyse and understand the reason for the pay gap and continue to take action to reduce the gap in future years.

Sick absence data

The average number of sick days per person in the 12 months ending 31 March 2025 was 3.63 days (2023–24: 2.54). This figure covers all absences, including long-term absence. Short-term absences were 1.68 days (2023–24: 2.01). Overall, sickness absence levels at NS&I are below the Civil Service benchmark (based on figures to September 2024).

Trade Union Facility Time

The Department is required, by the Trade Union (Facility Time Publication Requirements) Regulations 2017, which came into force on 1 April 2017, to disclose the number of hours spent on facility time by employees who are relevant union officials during the reporting period, which are paid by the Department.

Facility time is recognised as the time an employee has spent on paid trade union activities where the employee has received wages from the Department.

Table 1: Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	0.0192

Table 2: Percentage of time spent on facility time

The number of employees who were relevant union officials employed during 2024–25, who spent a) 0%, b) 1%–50%, c) 51%–99% or d) 100% of their working hours on facility time.

Percentage of time	Number of employees
0%	0
1–50%	3
51–99%	0
100%	0

Table 3: Percentage of pay bill spent on facility time

The percentage of the total pay bill spent on paying employees who were relevant union officials for facility time during 2024–25.

Total cost of facility time (£000)	£2.16
Total pay bill (£000)	£21,771
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.0099%

Table 4: Paid trade union activities

As a percentage of total paid facility time hours, the number of hours spent by employees who were relevant union officials during 2024–25 on paid trade union activities.

Time spent on paid trade union activities as a percentage of total paid facility time hours, calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
---	----

Off-payroll engagements

Table 1: Highly paid off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater

Number (No.) of existing engagements as of 31 March 2025	10
<i>Of which, no. that existed:</i>	
less than 1 year	6
for between 1 and 2 years	2
for between 2 and 3 years	2
for between 3 and 4 years	0
for 4 or more years	0

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater

No. of temporary off-payroll workers engaged during the year ended 31 March 2025	17
<i>Of which:</i>	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	17
Subject to off-payroll legislation and determined as out-of-scope of IR35x	0
No. of engagements reassessed for compliance or assurance purposes during the year	0
Of which: No. of engagements that saw a change to IR35 status following review	0

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Total no. of individuals on payroll and off-payroll that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both on payroll and off-payroll engagements. ⁽¹⁾	14

(1) This includes executive and non-executive board members as detailed on pages 58 and 59 in Tables A and B relating to 2024–25.

Dax Harkins

Chief Executive

National Savings and Investments

27 June 2025

Parliamentary accountability and audit report

Statement of Outturn against Parliamentary Supply (SoPS)

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the *Government Financial Reporting Manual* (FReM) requires National Savings and Investments to prepare a Statement of Outturn against Parliamentary Supply (SoPS) and supporting notes. The SoPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor to the House of Commons.

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

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion. The format of the SoPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

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

Summary of Resource and Capital Outturn

		2024–25			2023–24		
		£000			£000		
	SoPS note	Estimate			Outturn		
		Voted	Non-Voted	Total	Voted	Non-Voted	Total
Departmental Expenditure Limit (DEL)							
– Resource	1.1	301,846	–	301,846	284,730	–	284,730
– Capital	1.2	44,800	–	44,800	42,126	–	42,126
Annually Managed Expenditure (AME)							
– Resource	1.1	60,700	–	60,700	–	–	–
– Capital		–	–	–	–	–	–
Total budget		407,346	–	407,346	326,856	–	326,856
Total		407,346	–	407,346	326,856	–	326,856
Total resource	1.1	362,546	–	362,546	284,730	–	284,730
Total capital	1.2	44,800	–	44,800	42,126	–	42,126
Total		407,346	–	407,346	326,856	–	326,856

Net cash requirement

2024–25		2024–25		2023–24
SoPS note	Estimate	Outturn	Net total outturn compared with Estimate: saving	Outturn
	£000	£000	£000	£000
3	343,350	290,673	52,677	212,049

Administration costs

2024–25		2024–25	2023–24
Estimate		Outturn	Outturn
£000		£000	£000
301,846		284,730	182,740

Figures in the areas outlined in **bold** are voted totals or other 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.

Explanations of variances between Estimate and outturn are given in SoPS Note 1 and in the Management Commentary.

The notes on pages 71 to 74 form part of these accounts.

Notes to the Statement of Outturn against Parliamentary Supply (SoPS)

SoPS1 Net outturn

SoPS1.1 Analysis of net resource outturn by section

	2024–25									2023–24
	Outturn							Estimate		Outturn
	Administration			Programme			Total	Net total compared with Estimate		
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000				
							£000	£000	£000	
Spending in Departmental Expenditure Limits (DEL)										
Voted Administration	346,330	(61,600)	284,730	–	–	–	284,730	301,846	17,116	182,740
Spending in Annually Managed Expenditure (AME)										
Voted Administration	–	–	–	–	–	–	–	60,700	60,700	–
Total	346,330	(61,600)	284,730	–	–	–	284,730	362,546	77,816	182,740

		2024–25
Difference between resource outturn and Estimate		£000
Higher income		2,997
Lower programme costs		7,727
Lower depreciation costs		2,559
Lower staff costs		2,143
Lower accommodation costs		527
Other difference		1,163
Total DEL underspend		17,116
Lower requirement for provisions		60,700
Lower revaluation charge for NS&I properties		–
Total AME underspend		60,700
Total underspend against Estimate		77,816

SoPS1.2 Analysis of net capital outturn by section

	2024–25					2023–24
	Outturn			Estimate		Outturn
				Net total compared with Estimate		
	Gross £000	Income £000	Net £000	Net £000	£000	Net £000
Spending in Departmental Expenditure Limits (DEL)						
Voted						
Administration	42,126	–	42,126	44,800	2,674	29,030
Spending in Annually Managed Expenditure (AME)						
Voted						
Administration	–	–	–	–	–	–
Total	42,126	–	42,126	44,800	2,674	29,030

The capital outturn disclosed above excludes capitalised Public Private Partnership (PPP) provider assets that are brought onto NS&I's Statement of financial position through the application of International Financial Reporting Interpretations Committee (IFRIC) 12.

SoPS2 Reconciliation of outturn to net operating expenditure

		2024–25	2023–24
	SoPs note	£000	£000
Total resource outturn in Statement of Parliamentary Supply		284,730	182,740
	SoPS1.1	284,730	182,740
Add:			
Income transferred from deferred income to operating income		(1,009)	(1,009)
PPP asset depreciation		488	698
PPP asset amortisation		13,797	17,371
PPP asset revaluation (gain)/ loss		–	–
PPP asset impairment		–	927
PPP asset loss on disposal		–	1,075
		13,276	19,062
Less:			
Transfer of PPP costs to capital		–	(21)
Profit on disposal taken through CDEL		–	–
		–	(21)
Net operating cost in Statement of comprehensive net expenditure		284,730	201,781

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

SoPS3 Reconciliation of net resource outturn to net cash requirement

		2024–25		2023–24	
		Estimate	Outturn	Net total outturn compared with Estimate: saving/ (excess)	Outturn
	Note	£000	£000	£000	£000
Resource outturn	SoPS1.1	362,546	284,730	77,816	182,740
Capital outturn:					
– Addition of property, plant and equipment	SoPS1.2		3,493	(3,493)	409
– Addition of intangible assets	SoPS1.2	44,800	38,633	6,167	28,620
Accruals to cash adjustments					
Adjustments to remove non-cash items					
– Depreciation		(3,846)	(1,287)	(2,559)	(1,350)
– New provisions and adjustments to previous provisions		(60,700)	–	(60,700)	–
– Other non-cash items		(450)	(579)	129	(559)
Adjustments to reflect movements in working balances:					
– Increase/(decrease) in receivables		4,000	(766)	4,766	(949)
– Decrease/(increase) in payables		(3,000)	(33,551)	30,551	3,138
– Use of provisions	13	–	–	–	–
Net cash requirement		343,350	290,673	52,677	212,049

SoPS4 Income payable to the Consolidated Fund

SoPS4.1 Analysis of income payable to the Consolidated Fund

In addition to income retained by the department, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in *italics*).

	2024–25 Outturn		2023–24 Outturn	
	Income £000	Receipts £000	Income £000	Receipts £000
Operating income outside the ambit of the Estimate	975	975	774	774
Excess cash surrenderable to the Consolidated Fund	–	–	–	–
Total income payable to the Consolidated Fund	975	975	774	774

Parliamentary Accountability Disclosures

1 Losses and special payments

1.1 Losses statement

as at 31 March

	Accounts Note	2024–25		2023–24	
		Number of cases	£000	Number of cases	£000
Compensation payments		–	–	–	–
Fraud loss		–	–	–	–
Losses		1	2,000	–	–
Bad debts	3	–	–	–	–
Fruitless payments		–	–	–	–
Special payments		–	–	–	–
Total		1	2,000	–	–

Net fraud losses are shown in the table below:

	2024–25 £000	2023–24 £000
Fraud (recoveries)	–	–
Reversal of fraud losses in provisions	–	–
Increase in provisions for fraud losses	–	–
Contracted fraud loss recovery	–	–
Total net fraud credited to Statement of financial net expenditure	–	–

1.1 Losses statement

NS&I made a payment of £2,000,000 during 2024–25 (2023–24: Nil). The payment relates to a settlement agreement in respect of a contract previously signed in June 2023. The payment was agreed with HM Treasury and is deemed to be a loss; as such it is disclosed within the losses statement.

Following the commencement of the new contract on 1 April 2014, Atos, NS&I's operational services provider, is liable for any fraud losses that are incurred under the new contract. Previously, the liability was shared equally once the amount of the fraud exceeded £300,000.

1.2 Special payments

NS&I made no special payments during 2024–25 which were agreed with HM Treasury (2023–24: Nil).

2 Fees and charges

NS&I is required in accordance with HM Treasury's *Managing Public Money* to disclose results for the areas of its activities where fees and charges are levied. The analysis provided below is for fees and charges purposes and is not intended to meet the requirements of IFRS 8 Operating Segments. Business-to-business activities are not managed as a separate division but as a series of independent projects.

	2024–25			2023–24		
	Gross income £000	Full cost £000	Surplus £000	Gross income £000	Full cost £000	Surplus £000
Business-to-business	62,609	52,875	9,734	64,905	54,042	10,863

The financial objective of business-to-business is to recover the costs of providing payment services and make a contribution towards financing other costs. Investments that have been made in NS&I's capabilities have enabled NS&I to offset some of its costs by offering government and third parties payment processing services within agreed spending limits. From 2010–11, NS&I started developing its business-to-business activities. Currently NS&I is administering business-to-business activities for Ministry of Justice (Office of Accountant General (OAG) with regard to Court of Funds, Tax-Free Childcare, the 30 hours free childcare scheme and Help to Save for HM Revenue & Customs (HMRC) and Help to Buy for HM Treasury, for which we took on service delivery in April 2019.

3 Reconciliation of contingent liabilities included in the Supply Estimate to the Accounts (not subject to audit)

Description of contingent liability	Supply Estimate £000	Amount disclosed in ARA £000	Variance estimate amount disclosed in ARA £000
Legal	9,400	9,400	–

4 Regularity of Expenditure (subject to audit)

NS&I ensures that the concept of regularity is understood and complied with in all its operational activities. It ensures compliance with HM Treasury's *Managing Public Money*. There are no regularity issues to report.

Dax Harkins

Chief Executive

National Savings and Investments

27 June 2025

The Certificate and Report of the Comptroller and Auditor General to the House of Commons (Resource Accounts)

Opinion on financial statements

I certify that I have audited the financial statements of National Savings and Investments for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise National Savings and Investments':

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of National Savings and Investments' affairs as at 31 March 2025 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2025 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

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

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

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that National Savings and Investments' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on National Savings and Investments' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

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

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

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

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by National Savings and Investments or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within National Savings and Investments from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing National Savings and Investments' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by National Savings and Investments will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of National Savings and Investments' accounting policies.
- inquired of management, National Savings and Investments' head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to National Savings and Investments' policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including National Savings and Investments' controls relating to National Savings and Investments' compliance with the Government Resources and Accounts Act 2000 and Managing Public Money;
- inquired of management, National Savings and Investments' head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of National Savings and Investments' framework of authority and other legal and regulatory frameworks in which National Savings and Investments operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of National Savings and Investments. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money and Supply and Appropriation (Main Estimates) Act 2023.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;

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

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

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

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

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

Gareth Davies
Comptroller and Auditor General

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

Date 2 July 2025

The Certificate and Report of the Comptroller and Auditor General to the House of Commons (Product Accounts)

Opinion on financial statements

I certify that I have audited the financial statements of the Product Accounts of National Savings and Investments for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise the National Savings and Investment's Product Accounts:

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Income, Statement of Cash Flows; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Product Accounts of National Savings and Investments' affairs as at 31 March 2025 and its income less cost for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

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

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that National Savings and Investments' Product Accounts use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the National Savings and Investments Product Accounts' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

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

Other information

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

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

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

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

I have nothing to report in this regard

Opinion on other matters

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of National Savings and Investments and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by National Savings and Investments or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within National Savings and Investments from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;

- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing National Savings and Investments Product Accounts' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by National Savings and Investments will not continue to be provided in the future .

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the National Savings and Investments Product Accounts' accounting policies,
- inquired of management, National Savings and Investments' head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Savings and Investments Product Accounts' policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including National Savings and Investment' controls relating to National Savings and Investments Product Accounts' compliance with the Government Resources and Accounts Act 2000, Managing Public Money
- inquired of management, of National Savings and Investments' head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of National Savings and Investments' framework of authority and other legal and regulatory frameworks in which National Savings and Investments operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a

fundamental effect on the operations of National Savings and Investments. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, the National Savings (Amendment) Regulations 2019, The National Savings (No 2) Regulations 2015 and The National Savings Regulations 2015.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;

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

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

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

Date 2 July 2025

03

Financial Statements

Accounts 2024–25	84
Product Accounts 2024–25	103
Annex 1: Product Accounts Direction	120

Statement of comprehensive net expenditure for the period ending 31 March 2025

This account summarises the income generated and expenditure consumed on an accruals basis. It also includes other comprehensive income and expenditure,

which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2024–25 £000	2023–24 £000
Income from sale of goods and services	4	(62,609)	(64,905)
Other operating income	4	–	–
Total operating income		(62,609)	(64,905)
Staff costs	2	21,774	19,141
Purchase of goods and services	3	322,495	225,514
Depreciation and impairment charges	3	15,572	21,422
Other operating expenditure	3	579	559
Total operating expenditure		360,420	266,636
Interest charges		195	50
Net operating expenditure		298,006	201,781
Other comprehensive net expenditure			
Items that will not be reclassified to net operating costs.			
– Net (gain) on revaluation of non-current assets	12	(1,046)	(1,381)
Comprehensive net expenditure for the year		296,960	200,400

All income and expenditure are derived from continuing operations.

The notes on pages 88 to 92 form part of these accounts.

Statement of financial position as at 31 March

This statement presents the financial position of the department. It comprises three main components:

assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	2025 £000	2025 £000	2024 £000	2024 £000
Non-current assets					
Property, plant and equipment	5	7,788		5,986	
Intangible assets	6	102,668		76,870	
Total non-current assets			110,456		82,856
Current assets					
Trade and other receivables	8	2,864		3,631	
Cash and cash equivalents	9	3,387		4,860	
Client funds	10	111,695		124,134	
Total current assets			117,946		132,625
Total assets			228,402		215,481
Current liabilities					
Trade and other payables	11	(69,823)		(39,682)	
Client funds: Liability to HM Treasury, HMRC	10	(111,695)		(124,134)	
Total current liabilities			(181,518)		(163,816)
Total current assets less current liabilities			46,884		51,665
Non-current liabilities					
Trade and other payables	11	(6,551)		(5,624)	
Total non-current liabilities			(6,551)		(5,624)
Total assets less total liabilities			40,333		46,041
Taxpayers' equity					
General Fund			36,952		42,082
Revaluation reserve	12		3,381		3,959
Total equity			40,333		46,041

The notes on pages 88 to 92 form part of these accounts.

Dax Harkins

Chief Executive
National Savings and Investments
27 June 2025

Statement of cash flows as at 31 March 2025

The Statement of cash flows shows the changes in cash and cash equivalents of the department during the reporting period. The statement shows how the department generates and uses cash, and cash equivalents, by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of

service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources that are intended to contribute to the department's future public service delivery.

	Note	2024–25 £000	2023–24 £000
Cash flows from operating activities			
Net operating expenditure		(298,006)	(201,781)
Adjustment for non-cash transactions	3	16,151	21,981
Decrease in trade and other receivables	8	766	949
Increase/(Decrease) in trade and other payables	11	15,786	(2,936)
Use of provisions	13	–	–
Net cash outflow from operating activities		(265,303)	(181,787)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(30)	(37)
Purchase of intangible assets	6	(38,633)	(28,628)
Increase/(Decrease) in capital payables	11	13,878	(777)
Net cash flows from investing activities		(24,785)	(29,442)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		294,060	216,910
To the Consolidated Fund (Supply) – prior year		(4,860)	(7,710)
Capital element of payments in respect of leases		(585)	(821)
Net cash flows from financing activities		288,615	208,379
Net (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(1,473)	(2,850)
Receipts due to the Consolidated Fund which are outside the scope of the department's activities		975	774
Payments of amounts due to the Consolidated Fund		(975)	(774)
Net (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	9	(1,473)	(2,850)
Cash and cash equivalents at the beginning of the period	9	4,860	7,710
Cash and cash equivalents at the end of the period	9	3,387	4,860

Cash flows regarding client funds are not included, as those monies are not accounted through the Consolidated Fund. The notes on pages 88 to 92 form part of these accounts.

Statement of changes in taxpayers' equity as at 31 March

This statement shows the movement in the year on the different reserves held by National Savings and Investments, analysed into 'General Fund and the revaluation reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The

revaluation reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation reserve £000	Taxpayers' equity £000
Balance at 31 March 2023		29,607	4,225	33,832
Adjustments for implementation of IFRS 16		–	–	–
Balance at 1 April 2023		29,607	4,225	33,832
Changes in taxpayers' equity 2023–24				
Net Parliamentary Funding – drawn down		209,200	–	209,200
Net Parliamentary Funding – deemed		7,710	–	7,710
Supply payable adjustment		(4,860)	–	(4,860)
		212,050	–	212,050
Net operating costs for the year		(201,781)	–	(201,781)
Non-cash adjustments				
Auditor's remuneration	3	559	–	559
Net gain on revaluation of non-current assets	12	–	1,381	1,381
		(201,222)	1,381	(199,841)
Movements in reserves				
Transfer between reserves	12	1,647	(1,647)	–
Balance at 31 March 2024		42,082	3,959	46,041
Changes in taxpayers' equity 2024–25				
Net Parliamentary Funding – drawn down		289,200	–	289,200
Net Parliamentary Funding – deemed		4,860	–	4,860
Supply payable adjustment		(3,387)	–	(3,387)
		290,673	–	290,673
Net operating costs for the year		(298,006)	–	(298,006)
Non-cash adjustments				
Auditor's remuneration	3	579	–	579
Net gain on revaluation of non-current assets	12	–	1,046	1,046
		(297,427)	1,046	(296,381)
Movements in reserves				
Transfer between reserves	12	1,624	(1,624)	–
Balance at 31 March 2025		36,952	3,381	40,333

The notes on pages 88 to 92 form part of these accounts.

Notes to the Departmental Resource Accounts

1 Statement of accounting policies

These Financial Statements have been prepared in accordance with the 2024–25 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NS&I for the purpose of giving a true and fair view has been selected. The particular policies adopted by NS&I for the accounts 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 the Department to prepare one additional primary statement. The Statement of Parliamentary Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. These are included in the Accountability Report.

Accounts direction for these departmental accounts is given by HM Treasury in accordance with section 5(2) of the Government Resources and Accounts Act 2000. NS&I also prepares the Product Accounts, covering transactions and balances on all NS&I products, which are prepared under a separate direction issued by HM Treasury (disclosed in Annex 1 to the Product Accounts).

1.1 Standards in issue but not in force

Certain standards, amendments and interpretations to existing standards have been published that may be mandatory for NS&I's accounting periods beginning on or after 1 April 2025 or later periods. NS&I has not early adopted the standards, amendments or interpretations described below.

1.1.1 IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts will supersede IFRS 4 Insurance Contracts in periods beginning on or after 1 January 2023. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard.

The objective of IFRS 17 is to ensure that an entity provides relevant information that represents those contracts so that users of financial statements can assess the effect that insurance contracts have on an entity's financial position. However, implementation of this standard has not yet been included in the 2024–25 FReM.

The standard as adapted and interpreted by the FReM will become effective from 1 April 2025, with comparatives

for 1 April 2024. NS&I is currently assessing the impact of the adoption of IFRS 17. The financial statement impact of implementing IFRS 17 is not yet known or reasonably estimable. Based on preliminary assessments, the adoption of the Standard is not expected to have a material impact on NS&I's financial performance, position or disclosures.

1.1.2 Other amendments to the FReM

Other amendments to the FReM due to come into effect on or after 1 April 2025 are considered to have no impact on NS&I.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment and intangible assets.

1.3 Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based on amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The accounting policies set out areas involving a higher degree of judgement, complexity, assumptions and estimation techniques, such as note 1.4 (Service concession arrangements), note 1.6 (Depreciation and amortisation), note 1.7 (Impairments) and note 1.13 (Provisions). In the application of NS&I's accounting policies, management has made a number of judgements that have a significant effect on the amounts recognised in the Financial Statements. The most significant of these are:

- Intangible assets – substantial amounts of software development costs have been capitalised since International Financial Reporting Interpretations Committee (IFRIC) 12 was implemented. Capitalisation of these costs requires considerable judgement. Development work is being carried out to modernise NS&I's infrastructure, simplify its products and develop its business-to-business capability. NS&I capitalises the implementation costs of developments where future benefits will accrue. Management judgement has been applied in quantifying the benefit expected to accrue

to NS&I over the useful life of the relevant assets. The benefits relate to the fact that such software allows NS&I to carry out its functions more efficiently and to leverage its capability. Where the software does not produce the expected benefits in terms of NS&I achieving its objectives or is no longer being used for the purpose it was developed for, then the carrying value would require adjustment.

- Impairments – NS&I carries out a comprehensive review of the value of all asset categories, with particular focus on those whose initial cost was over £50,000. The review is carried out at year end. Asset values are assessed as to whether the carrying value on the Statement of financial position is overstated in comparison with fair value, usually market value. Also, an assessment is carried out to ensure that the assets are performing to the levels determined in business cases and also on the organisation as a whole. This includes an assessment of assets under construction. NS&I management ensures as far as possible that asset carrying values reflect current values.
- Intangible asset impairments – for software development assets under construction, where there are significant changes to the proposed project solution, management judgement is applied in assessing the ongoing carrying value of the capitalised assets. Detailed assessments are carried out by technical experts with extensive experience within NS&I's outsourced provider, Atos, to identify work of ongoing benefit. These assessment are reviewed and considered by NS&I in forming its view on the value of its assets. Where carrying values are higher than the assessed current value, an impairment is recognised in the Statement of comprehensive net expenditure.
- During 2024–25, NS&I's Digital Integration and Service Operations and Digital Experience and Enablement packages continued to be developed by IBM. Sopra Steria also continued development work on the Customer Contact and Operations package in 2024–25. These assets are not ready for use and are included at cost as assets under construction at 31 March 2025.

The most significant estimates are:

- Depreciation and amortisation – under IFRIC 12, depreciation costs have risen substantially since NS&I has included these assets on its Statement of financial position. Depreciation is dependent on the carrying values and useful economic lives that NS&I uses for its assets. NS&I management ensures as far as is possible that the values used reasonably reflect NS&I's position.

1.4 Service concession arrangements (Public Private Partnership)

NS&I follows the principles provided in IFRIC 12: Service Concession Arrangements, as interpreted and adapted by HM Treasury.

Service concession arrangements fall within the scope of IFRIC 12 where the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and the price; and the grantor controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the service arrangement.

Following a review of IFRIC 12, it was determined that NS&I's Public Private Partnership (PPP) contract with Atos falls within the scope of the FReM interpretation of this standard. Accordingly, the assets created or acquired under the contract are treated as assets of NS&I and recorded as non-current assets in the accounts.

NS&I capitalises all assets that are used by Atos for carrying out NS&I work. The main source of asset information is provided by Atos through their asset register. NS&I reviews all additions and disposals on a monthly basis and also ensures that carrying values of the assets brought onto the Statement of financial position are not in excess of their recoverable value. NS&I also brings onto its Statement of financial position project implementation work that is carried out by Atos which provides future economic benefits to NS&I.

Assets are recognised at an amount equal to the value of work performed by Atos where:

- it is probable that future economic benefits associated with the asset will flow to NS&I; and
- the cost of the asset can be measured reliably.

Further information regarding NS&I's service concession arrangements with Atos is provided in note 16.

NS&I entered into contracts with IBM for the development of NS&I's Procurement Package A (Digital integration and service operations) and Procurement Package B (Digital experience and enablement). A further contract has been entered into with Sopra Steria for Procurement Package C (Customer contact and operations). The procurement packages include design, build and implementation work. The development work from these packages does not fall within the scope of the IFRIC 12 Service Concession arrangement NS&I has with Atos. It is part of transforming NS&I's business model from a single model to a multi-supplier one.

1.5 Non-current assets

Property, plant and equipment and intangible assets are initially recognised at cost. The threshold for capitalising non-current assets is £2,000. Where a significant purchase of individual assets which are individually below the prescribed capitalisation limit arises then the assets are grouped together for capitalisation purposes.

Assets under construction are valued at historical cost within non-current assets and are not depreciated or amortised. An asset ceases to be classified as an asset

under construction when it is ready for use. Its carrying value is then removed from assets under construction and transferred to the respective asset category. Depreciation or amortisation is then charged on the asset in accordance with the stated accounting policy.

Information technology software assets and the website are subsequently measured at fair value. As no active market exists for this asset category, information technology software is revalued at each reporting date using the Computer Service Producer Price Index produced by the Office for National Statistics.

Other non-current assets are carried at historical cost less accumulated depreciation. This is a suitable proxy for fair value and is allowable as per the FReM for those assets with short useful economic lives or low values. This includes assets held as fixtures and fittings, plant and machinery, IT equipment and intangible assets other than information technology software.

Any surplus arising on revaluation is credited to the revaluation reserve and any loss arising is debited to the revaluation reserve to the extent of the gains that have been recorded previously, with any balance being charged to the Statement of comprehensive net expenditure, within other comprehensive net expenditure. Components of an asset are separated where their value is significant in relation to the total value of the asset and where those components have different useful lives to the remainder of the asset.

1.6 Depreciation and amortisation

The charge for depreciation or amortisation is calculated to write down the cost or valuation of property, plant and equipment and intangible assets to their estimated residual values by equal instalments over their estimated useful lives. The useful lives of buildings are reviewed annually. Where a change in asset life is determined, the asset is depreciated on a straight-line basis over its remaining assessed life.

Property, plant and equipment

Freehold buildings	20 to 50 years
Information technology	3 to 10 years
Plant and machinery	5 to 15 years
Furniture and fittings	Shorter of remaining lease term or 5 to 20 years

Right of use assets	Length of lease term
---------------------	----------------------

Intangible assets

Information technology software	3 to 10 years
Software licences	3 to 10 years
Website	3 to 5 years
Assets under construction	Not depreciated
Right of use assets	Length of lease term

Other

Assets available for sale	Not depreciated
---------------------------	-----------------

1.7 Impairment of non-current assets

Impairments are permanent diminutions in the service potential of non-current assets. All assets are assessed annually for indications of impairment. If an indication of impairment exists, the assets in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts. Where the recoverable amount of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable amount.

The recoverable amount of an asset is the higher of its 'fair value less costs to sell' and 'value in use'. Within the public sector, the FReM defines 'value in use' of a non-cash generating asset as the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential.

An impairment loss is recognised in the Statement of comprehensive net expenditure to the extent that it cannot be offset against the revaluation reserve. Any reversal of an impairment charge is recognised in the Statement of comprehensive net expenditure to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised in the Statement of comprehensive net expenditure. The remaining amount is recognised in the revaluation reserve.

1.8 Non-current assets held for sale

Non-current assets are classified as 'held for sale' when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Assets held for sale are stated at the lower of their carrying amount prior to classification as 'held for sale' or their fair value less the costs of selling the asset. Any subsequent impairment or reversal is recognised in the Statement of comprehensive net expenditure. Assets classified as held for sale are not depreciated.

1.9 Leases

NS&I implemented IFRS 16 Leases from 1 April 2022.

Under IFRS 16 NS&I brings all material leases with a term of more than 12 months onto the Statement of financial position as right-of-use assets with a corresponding lease liability. At 31 March 2025 leases obligations include Wearside House in Durham, the current London office at Sanctuary Buildings and the new London office at Riverside House.

NS&I values right-of-use assets and their corresponding liability at the present value of lease payments using the HM Treasury discount rate as provided in the relevant Public Expenditure System (PES) paper for the appropriate time period when bringing them onto its Statement of Financial Position under IFRS 16.

Right-of-use assets are depreciated in line with NS&I's existing depreciation policies. Lease liabilities are

measured at amortised cost and a finance charge is charged to the Statement of comprehensive net expenditure each year over the life of the lease.

Value Added Tax (VAT) on rentals is charged to the Statement of comprehensive net expenditure and does not form part of the right of use asset.

1.10 Employee benefits

Short-term employee benefits (those payable within 12 months after service is rendered in a period, such as wages, bonuses, paid vacation and sick leave) are recognised in the period service is rendered. In the case of accumulating absences, such as paid annual leave, any days not taken are accrued into the relevant period.

1.11 Early departure costs

NS&I is required to meet the additional cost of benefits beyond the normal Civil Service pension benefits in respect of employees who retire early, unless the retirement is on approved medical grounds. NS&I provides for this cost when it has entered into contractual arrangements with the early retirees and creates a corresponding provision for its future payments in the Statement of financial position. In accordance with the requirements of IAS 37, this provision has been discounted. NS&I may, in certain circumstances, settle some or all of its liability in advance by making a payment for the credit of the Civil Superannuation Vote.

1.12 Pensions

Pension benefits are provided through Civil Service pension arrangements. Civil servants may be in one of five defined benefit schemes, either a final salary scheme (Classic, Premium or Classic Plus); or a whole career average scheme (Nuvos and Alpha). A defined contribution scheme (Partnership) is also available. The defined benefit schemes are unfunded. NS&I recognises the expected cost of these elements on a systematic basis over the period during which it benefits from employees' 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 scheme. In respect of the defined contribution scheme, NS&I recognises the contributions payable for the year.

1.13 Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is likely that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Statement of financial position date taking into consideration the risks and uncertainties surrounding the obligation. Where a provision is measured using cash flows over a number of accounting

periods to settle the present obligation, its carrying amount is the present value of those cash flows, where the effect of the time value of money is material.

1.14 Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless they are remote.

In addition to contingent liabilities disclosed in accordance with IAS 37, NS&I discloses for Parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of *Managing Public Money*.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.15 Financial instruments

All financial instruments are recognised at fair value. Fair value of financial instruments is determined by using the discounted future cash flow method. Financial assets and financial liabilities, including derivative financial instruments if any, are recognised in the Statement of financial position when NS&I becomes a party to the contractual provisions of the instrument. Gains and losses are dealt with through the Statement of comprehensive net expenditure. The impact of IFRS 9 has not had any impact on NS&I's financial instruments.

1.16 Operating income

NS&I has a number of contracts with business-to-business customers. It meets the core principle of IFRS 15 Contracts with customers in that it recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which NS&I expects to be entitled in exchange for those goods and services. It follows the five-step framework in the standard. All income received is assessed on receipt to determine whether it is appropriate to recognise as operating income or whether it is recognised as deferred income. Income that is deferred represents payments for implementation costs from business-to-business clients. This is accumulated over the period an asset is being developed. When the asset is ready to be used, deferred income is transferred to operating income over the useful economic life of the asset.

1.17 Value Added Tax

NS&I's financial services (retail) activities are exempted under the terms of the Value Added Tax (VAT) legislation, and therefore input VAT is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase of non-current assets. Most of NS&I's business-to-business activities are also exempted from VAT under the same terms of VAT legislation. However, one business-to-business contract that NS&I operates is not exempt from VAT, and in this case VAT is recovered on the costs of the activity and paid on income received. In this case, the net cost and income are charged to the relevant expenditure categories and VAT to the Statement of financial position.

1.18 Operating segments

Within the definitions of IFRS 8 Segmental Reporting, NS&I is an entity with a single reportable segment, since NS&I's financial planning and reporting is based on NS&I being one single entity. The chief operating decision-maker as defined by IFRS 8 is NS&I's Executive Committee, and financial information that is required regularly by the Executive Committee to make decisions about planning and resource allocation and performance assessment is reported on an NS&I entity basis. Accordingly, NS&I does not report separately for the costs

of its business-to-business activities and as such does not segment business-to-business from its overall activities in these Accounts.

NS&I's Product Accounts are reported separately in this Annual Report but are deemed not to be a separate operating segment as they relate to NS&I's core activity, with all head office functions being incidental to delivering this.

1.19 Client funds

NS&I is holding client funds on behalf of HMRC for payments under the Tax-Free Childcare scheme and the Help to Save scheme. NS&I is also holding funds on behalf of HM Treasury for the Help to Buy scheme. These amounts are held in separate bank accounts and segregated from NS&I's voted monies. Client funds are recognised as current assets in the Statement of financial position, with corresponding liability in current liabilities.

As part of HMRC's Tax-Free Childcare scheme, NS&I holds monies on behalf of parents. It also holds funds on behalf of savers as part of the Help to Save scheme. In both cases, these funds are classed as third-party assets and are not recognised in NS&I's Statement of financial position.

2 Staff and related costs

Staff costs comprise:

	2024–25 £000	2023–24 £000
Wages and salaries	16,195	14,415
Social security costs	1,741	1,502
Other pension costs	3,838	3,224
Total net costs	21,774	19,141

Full details of staff costs, staff numbers and superannuation are included in the Remuneration and Staff Report.

3 Expenditure

	Notes	2024–25 £000	2024–25 £000	2024–25 £000	2023–24 £000	2023–24 £000	2023–24 £000
Public Private Partnership costs ⁽¹⁾		245,802			188,736		
Transfer of PPP provider costs to capital		–			(21)		
Net PPP costs			245,802			188,715	
Goods and services			74,593			36,756	
Rentals under operating leases			100			43	
Losses and special payments			2,000			–	
Total goods and services				322,495			225,514
Interest charges			195	195		50	50
Non cash items							
Depreciation	5		1,691			1,967	
Amortisation	6		13,881			17,451	
Loss on disposal of property, plant and equipment, intangible assets	5,6		–			1,077	
Impairment loss on asset under construction			–			927	
Revaluation of non-current assets	5,6,12		–			–	
Depreciation and impairment			15,572			21,422	
Auditors' remuneration and expenses ⁽²⁾			579			559	
				16,151			21,981
Total non-cash items							
				338,841			247,545

(1) Public Private Partnership (PPP) gross costs were £245,802,000 (2023–24 £188,736,000). PPP costs are reduced by infrastructure and development work which are transferred to capital under IFRIC 12. The impact of the transfer is to reduce NS&I's operating costs but increase NS&I's assets on its Statement of financial position. The transfer during the year was Nil (2023–24: £21,000). The treatment is outlined in accounting policy note 1.4.

(2) The Audit remuneration costs include fees for the Product Accounts statutory audit of £405,000 (£448,000 in 2023–24) and for the Resource Accounts statutory audit fees of £174,000 (£111,000 in 2023–24).

4 Income

4.1 Operating income

	2024–25 £000	2024–25 £000	2023–24 £000	2023–24 £000
Operating income comprises:				
Business-to-business	62,609		64,905	
Income from sale of goods and services		62,609		64,905
Other receipts	–		–	
Other operating income		–		–
Total operating income		62,609		64,905

5 Property, plant and equipment

5(a) Current year

	Land £000	Buildings ⁽¹⁾ £000	Information technology £000	Plant & machinery £000	Furniture & fittings £000	Assets under construction £000	Total £000
Cost or valuation							
At 1 April 2024	–	11,621	15,531	836	2,861	–	30,849
Additions	–	3,463	30	–	–	–	3,493
Transfer from ‘assets under construction’	–	–	–	–	–	–	–
Disposals	–	(82)	–	–	–	–	(82)
Reclassification	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–
At 31 March 2025	–	15,002	15,561	836	2,861	–	34,260
Depreciation							
At 1 April 2024	–	(7,193)	(14,987)	(565)	(2,118)	–	(24,863)
Charged in year	–	(1,078)	(362)	(43)	(208)	–	(1,691)
Disposals	–	82	–	–	–	–	82
Reclassification	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–
At 31 March 2025	–	(8,189)	(15,349)	(608)	(2,326)	–	(26,472)
Carrying amount							
At 31 March 2025	–	6,813	212	228	535	–	7,788
Owned assets	–	–	42	228	297	–	567
Leased assets	–	6,813	–	–	–	–	6,813
IFRIC 12 assets	–	–	170	–	238	–	408
Total	–	6,813	212	228	535	–	7,788

(1) NS&I capitalised the lease for its new London office at Riverside House as a Right of Use asset (ROU). The lease commenced in December 2024. Disposals relate to a capitalised lease for office space in Windsor House upon expiry of the lease.

5(b) Prior year

	Land £000	Buildings ⁽¹⁾ £000	Information technology £000	Plant & machinery £000	Furniture & fittings £000	Assets under construction £000	Total £000
Cost or valuation							
At 1 April 2023	–	11,236	15,865	836	2,890	–	30,827
Additions	–	385	32	–	5	–	422
Transfer from ‘assets under construction’	–	–	–	–	–	–	–
Disposals	–	–	(366)	–	(34)	–	(400)
Reclassification	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–
At 31 March 2024	–	11,621	15,531	836	2,861	–	30,849
Depreciation							
At 1 April 2023	–	(6,051)	(14,871)	(522)	(1,850)	–	(23,294)
Charged in year	–	(1,142)	(482)	(43)	(300)	–	(1,967)
Disposals	–	–	366	–	32	–	398
Reclassification	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–
At 31 March 2024	–	(7,193)	(14,987)	(565)	(2,118)	–	(24,863)
Carrying amount							
At 31 March 2024	–	4,428	544	271	743	–	5,986
Owned assets	–	–	37	271	352	–	660
Leased assets	–	4,428	–	–	–	–	4,428
IFRIC 12 assets	–	–	507	–	391	–	898
Total	–	4,428	544	271	743	–	5,986

(1) Following the implementation of IFRS 16 Leases, NS&I capitalised its lease in Durham as a Right of Use asset (ROU). The lease commenced in January 2015. Lease extensions on two short-term leases for longer than twelve months, capitalised as ROU assets in 2022–23, are included as additions.

6 Intangible assets

6(a) Current year

	Information technology software £000	Software licences £000	Website £000	Assets under construction ⁽¹⁾ £000	Total £000
Cost or valuation					
At 1 April 2024	152,566	18,400	21,526	39,761	232,253
Additions	–	–	–	38,633	38,633
Transfer from 'Assets under construction'	–	–	–	–	–
Revaluation ⁽²⁾	6,474	–	1,014	–	7,488
Impairment	–	–	–	–	–
Disposals	–	–	–	–	–
At 31 March 2025	159,040	18,400	22,540	78,394	278,374
Amortisation					
At 1 April 2024	(117,135)	(17,115)	(21,133)	–	(155,383)
Charged in year	(13,071)	(593)	(217)	–	(13,881)
Revaluation ⁽²⁾	(5,436)	–	(1,006)	–	(6,442)
Disposals	–	–	–	–	–
At 31 March 2025	(135,642)	(17,708)	(22,356)	–	(175,706)
Carrying amount					
At 31 March 2025	23,398	692	184	78,394	102,668
Owned assets	–	–	–	78,394	78,394
Leased	–	–	–	–	–
IFRIC 12 assets	23,398	692	184	–	24,274
Total	23,398	692	184	78,394	102,668

(1) Assets under construction totalled £78.39 million at 31 March 2025. Developments continued to cover a number of transformation projects that are essential in preparing for the development of NS&I's future operating model as well as carrying out further developments to customer experience.

(2) Information technology software was revalued during the year using an appropriate Change to Office for National Statistics (ONS) index. This was the Computer Services Producer Price Index. The net increase in value of the assets was £1.046 million.

6(b) Prior year

	Information technology software £000	Software licences £000	Website £000	Assets under construction ⁽¹⁾ £000	Total £000
Cost or valuation					
At 1 April 2023	146,301	19,545	20,684	15,239	201,769
Additions	–	8	–	28,620	28,628
Transfer from ‘Assets under construction’	3,171	–	–	(3,171)	–
Revaluation ⁽²⁾	5,816	–	842	–	6,658
Impairment	–	–	–	(927)	(927)
Disposals	(2,722)	(1,153)	–	–	(3,875)
At 31 March 2024	152,566	18,400	21,526	39,761	232,253
Amortisation					
At 1 April 2023	(98,100)	(17,258)	(20,097)	–	(135,455)
Charged in year	(16,232)	(1,010)	(209)	–	(17,451)
Revaluation ⁽²⁾	(4,450)	–	(827)	–	(5,277)
Disposals	1,647	1,153	–	–	2,800
At 31 March 2024	(117,135)	(17,115)	(21,133)	–	(155,383)
Carrying amount					
At 31 March 2024	35,431	1,285	393	39,761	76,870
Owned assets	85	–	–	39,761	39,846
Leased assets	–	–	–	–	–
IFRIC 12 assets	35,346	1,285	393	–	37,024
Total	35,431	1,285	393	39,761	76,870

(1) Assets under construction totalled £39.76 million at 31 March 2024. Developments continued to cover a number of transformation projects that are essential in preparing for the development of NS&I’s future operating model as well as carrying out further developments to customer experience.

(2) Information technology software was revalued during the year using an appropriate Change to Office for National Statistics (ONS) index. This was the Computer Services Producer Price Index. The net increase in value of the assets was £1.381 million.

7 Financial instruments

As the cash requirements of NS&I 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 financial instruments that NS&I has are cash, trade receivables and trade payables. They are in line with NS&I expectations in terms of purchase and usage requirements. NS&I is therefore exposed to little credit, liquidity or market risk.

NS&I's net revenue resource requirements, including capital expenditure, are financed by resources voted

annually by Parliament, which includes income and expenditure on its business-to-business activities. NS&I's Resource Accounts are not, therefore, exposed to significant liquidity risks.

There are no differences between the book value of receivables, payables or cash held and their fair value.

NS&I is not exposed to any credit or liquidity risk in its performance of business-to-business services. Customers are central government departments.

8 Trade and other receivables

at 31 March

	2025 £000	2024 £000
Amounts falling due within one year:		
Deposits and advances	225	28
Prepayments	699	440
Accrued income	1,940	3,163
Other receivables	–	–
Consolidated Fund-debtor due to be paid from Consolidated Fund	–	–
Total trade and other receivables	2,864	3,631

9 Cash and cash equivalents

	2025 £000	2024 £000
Balance at 1 April	4,860	7,710
Net change in cash and cash equivalent balances	(1,473)	(2,850)
Closing cash and cash equivalents balance	3,387	4,860
The following balances are held at:		
Government Banking Service	3,387	4,860
Balance at 31 March	3,387	4,860

10 Client funds

	2025 £000	2024 £000
Balance at 1 April	124,134	98,383
Net change in Client funds balances	(12,439)	25,751
Closing Client funds balance	111,695	124,134
The following balances are held at:		
Government Banking Service	111,695	124,134
Balance at 31 March	111,695	124,134
Corresponding liability for payments to be made on behalf of HMRC, HM Treasury	(111,695)	(124,134)

Client funds are being held on behalf of HM Revenue and Customs (HMRC) for the operation of the Tax-Free Childcare scheme, which was launched in 2017. The balance held in the account for HMRC was £94,785,000 (2024: £104,434,000). NS&I is also holding £200,481,000 (2024: £179,170,000) of contributions from parents. These parent monies are excluded from NS&I's Statement of financial position as third party assets.

NS&I is holding £8,850,000 on behalf of HM Treasury (2024: £8,551,000) in the operation of the Help to Buy Scheme, which was launched in 2019.

NS&I is also holding £8,060,000 (2024: £11,149,000) on behalf of HMRC for the operation of the Help to Save scheme, which was launched in 2018. It is also holding £168,633,000 (2024: £212,534,000) of customers' funds. These funds are also excluded from NS&I's Statement of financial position as third party assets.

11 Trade payables and other liabilities

at 31 March

	2025 £000	2024 £000
Amounts falling due within one year:		
VAT	87	89
Taxation and social security	418	373
Advances and deposits	510	56
Trade payables	13,225	2,993
Other payables	392	356
Accruals	48,500	28,592
Deferred income	1,009	1,009
Lease liabilities	2,295	1,354
Amounts issued from the Consolidated Fund for supply but not spent at year end	3,387	4,860
Total trade and other payables	69,823	39,682
Amounts falling due after more than one year:		
Deferred income ⁽¹⁾	502	1,512
Lease liabilities payable in more than one year ⁽²⁾	6,049	4,112
Non-current liabilities	6,551	5,624
Total trade payables and other liabilities	76,374	45,306

(1) Amounts falling due after more than one year refer to deferred income that will be brought into operating income over the life of business-to-business services that NS&I operates for its clients.

(2) NS&I has IFRS 16 lease liabilities for its Wearside House lease to January 2030 and its Riverside House lease to June 2030.

12 Movement in revaluation reserve

at 31 March

	Note	2025 £000	2024 £000
Revaluation reserve changes:			
Balance in revaluation reserve 1 April		(3,959)	(4,225)
Total downward revaluation	6	–	–
Upward revaluation	5,6	(1,046)	(1,381)
Revaluation movement		(1,046)	(1,381)
Depreciation adjustment		1,624	1,647
Subtotal		1,624	1,647
Balance at 31 March		(3,381)	(3,959)

13 Leases

13(a) Current year

	Land £000	Buildings £000	Information technology £000	Plant & machinery £000	Furniture & fittings £000	Total £000
Right-of-use assets	–	–	–	–	–	–
As at 1 April 2024	–	4,428	–	–	–	4,428
Additions	–	3,463	–	–	–	3,463
Disposals	–	(82)	–	–	–	(82)
Depreciation disposals	–	82	–	–	–	82
Depreciation expense	–	(1,078)	–	–	–	(1,078)
As at 31 March 2025	–	6,813	–	–	–	6,813

NS&I brought on £10.889 million right of use asset at 1 April 2022 for the lease at Wearside House in Durham. The net value of the asset at that date was £5.687 million. The net book value of the asset at 31 March 2025 was £3.508 million (2024: £4.235 million). Additions include the right of use asset for the lease at Riverside House, the net book value of the asset at 31 March 2025 is £3.305 million. The disposal relates to a short-term lease relating to office space at Windsor House.

13(b) Prior year

	Land £000	Buildings £000	Information technology £000	Plant & machinery £000	Furniture & fittings £000	Total £000
Right of use assets	–	–	–	–	–	–
As at 1 April 2023	–	5,185	–	–	–	5,185
Additions	–	385	–	–	–	385
Depreciation expense	–	(1,142)	–	–	–	(1,142)
As at 31 March 2024	–	4,428	–	–	–	4,428

Lease liabilities

A maturity analysis of contractual undiscounted cash flows is provided below. The cashflows are balances presented net of VAT.

	2025 £000	2024 £000
Buildings		
Not later than one year	2,368	1,395
Later than one year and not later than five years	6,403	3,465
Later than 5 years	–	722
Total	8,771	5,582
Less interest element	(427)	(116)
Present value of obligations	8,344	5,466

NS&I's lease liabilities relate to the leases that it has for the right of use assets at Wearside House in Durham, the current London headquarters at Sanctuary Buildings and its new London headquarters at Riverside House.

14 Commitments under the Public Private Partnership (PPP) contract

In May 2013, following a tender, NS&I entered into a seven-year PPP contract with Atos for the provision of operational services, which came into effect on 1 April 2014. The contract is to design, develop, procure, finance and operate (including maintaining) certain assets over the period of the contract to enable the provision of a back-office function and Customer Interaction Centre. The contract value is over £600 million for the seven-year operational term in nominal terms; however, this will vary depending on the level of stock and business-to-business activity.

The contract with Atos was extended for a further three years from March 2021. The contract was scheduled to complete in March 2024. The value of the contract extension was estimated to be over £300 million for the three additional years. Following approval from

HM Treasury and the Cabinet Office, a Termination Assistance Notice was signed in January 2023, ensuring continuity of services with Atos until 31 March 2025, prior to a move to a multi-supplier model.

In December 2024, the Cabinet Office and HM Treasury granted approval for NS&I to continue services with Atos to March 2028. A contract was signed in respect of the continuation of services within the same month, which will also see Atos deliver NS&I's Core Banking Payments and Reporting procurement package as part of the transformation programme.

The total amount payable to Atos will vary depending on the levels of stock and business-to-business activity. These amounts cannot be predicted with any certainty.

If Atos meets performance standards in the contract, the service charge payable under the contract at constant price levels would be:

at 31 March

	2025 £000	2024 £000
Amounts falling due within one year	75,671	106,706
Net present value of amounts falling due within two to five years	35,302	–
Total	110,973	106,706

15 Other commitments

Other commitments comprise future contract payments at 31 March 2025 from transformation programme contracts in respect of IBM (procurement packages A and B) and Sopra Steria (procurement package C). They also include procurement package D (Core Banking Payments and Reporting).

The following shows the future contract payments that NS&I is committed to at 31 March 2025:

	2025 £000
Amounts falling due within one year	99,000
Value of amounts falling due within two to five years	266,910
Value of amounts falling due over 5 years	–
As at 31 March	365,910

Comparable figures at March 2024 were:

	2024 £000
Amounts falling due within one year	104,913
Value of amounts falling due within two to five years	181,740
Value of amounts falling due over 5 years	–
As at 31 March	286,653

16 Contingent liabilities disclosed under IAS 37

NS&I's contingent liabilities are possible obligations that arise from past events and for which existence will be confirmed only by the occurrence of one or more future events not wholly within NS&I's control.

There is a possible obligation estimated at £9.4 million that may arise from a legal aspect, were this to crystallise. NS&I is disclosing this as a contingent liability.

NS&I did not have any provisions at 31 March 2025 (31 March 2024: Nil)

17 Related party transactions

NS&I is an Executive Agency of the Chancellor of the Exchequer and a government department. The Chancellor of the Exchequer is regarded as a related party. NS&I has not undertaken any material transactions with the Chancellor of the Exchequer during the year.

The following table relates to deposits (excluding Premium Bond holdings) held by key management personnel and persons connected to them in NS&I.

In relation to holdings in Premium Bonds, the Premium Bond Regulations 1972 (Statutory Instrument (SI) 1972 No. 765) prohibit the disclosure of the number of bonds purchased or held by any person. During 2024–25 the Accounting Officer was prohibited under NS&I's policies from holding Premium Bonds.

	2025 £000	2024 £000
Balance at 31 March		
Executive and non-executive board members	148	190

18 Events after the reporting period date

There are no reportable events between the Statement of financial position date and the date of authorisation of these accounts by the Comptroller and Auditor General. The financial statements do not reflect events after that date.

NS&I carried out a number of significant transactions with the Government Banking Service, Ministry of Justice Office of Accountant General, the Office for National Statistics, Home Office and HM Treasury, HM Revenue & Customs and a small number of immaterial transactions with other government departments: Government Legal Department, the Cabinet Office, Department for Work and Pensions, FCO Services and the Financial Ombudsman Service. All related party transactions undertaken were at arm's length.

Neither the Economic Secretary to HM Treasury nor any board member, nor any key manager or other related party, has undertaken any material transactions with NS&I during the year. Investments in NS&I products are not considered to be related party transactions and are therefore excluded from this declaration. Ministers, board members and key managers are judged to be related parties as they have authority and responsibility for planning, directing and controlling the activities of the entity.

19 Date authorised for issue

The financial statements were authorised for issue on the date of the Comptroller and Auditor General's signature.

Product Accounts background

Accounts

These accounts have been prepared under a direction issued by HM Treasury in accordance with section 7(2) of the Government Resources and Accounts Act 2000. This direction is at Annex 1 to these accounts on page 120.

Scope of the Product Accounts

These accounts record transactions for the year ended 31 March 2025 on retail savings and investment products administered by NS&I and balances in respect of these products as at that date. They do not include:

- *The investment or use of funds.* Customer funds are not directly invested by NS&I. They are passed to the National Loans Fund (NLF) to fund public sector activity.
- *NS&I's administration costs.* These are funded by Parliamentary Vote. They are accounted for separately in the Accountability Report section of the Annual Report and in the Resource Accounts. However, the interest and prizes costs on NS&I products are included in the total cost of servicing the national debt, and these costs are therefore reflected as a charge on both the NLF account and these accounts.
- *Business-to-business activities.* NS&I holds funds on behalf of other government departments as part of its business-to-business activities. These monies are included in NS&I's Resource Accounts, where relevant, and do not form part of the Product Accounts.

Products governed by the National Debt Act 1972

Children's Bonds (previously known as Children's Bonus Bonds)	The National Savings (No. 2) Regulations 2015
65+ Guaranteed Growth Bonds	The National Savings (No. 2) Regulations 2015
Green Savings Bonds	The National Savings (No. 2) Regulations 2015
Guaranteed Income Bonds and Guaranteed Growth Bonds (previously known as Fixed Rate Savings Bonds)	The National Savings (No. 2) Regulations 2015
Investment Guaranteed Growth Bonds	The National Savings (No. 2) Regulations 2015
Income Bonds	The National Savings (No. 2) Regulations 2015
Premium Bonds	The National Savings (No. 2) Regulations 2015
Savings Certificates	The National Savings (No. 2) Regulations 2015

Products governed by the National Savings Bank Act 1971

Direct Saver Account	The National Savings Regulations 2015
Individual Savings Account	The National Savings Regulations 2015
Investment Account	The National Savings Regulations 2015
Junior Individual Savings Account	The National Savings Regulations 2015
Residual Account	The National Savings Regulations 2015

As part of NS&I's dormancy strategy, matured fixed-term holdings, which cannot be renewed for a further term and remain unclaimed after 30 days, are transferred to

The National Loans Fund

The NLF is central government's main borrowing and lending account. The NLF undertakes borrowing and uses the proceeds to meet any deficits on the Consolidated Fund. Most of the NLF's borrowing needs are met indirectly through borrowing on its behalf by NS&I and the Debt Management Office. The NLF ends each day with a nil balance on its bank account because any cash surpluses or deficits are offset by transfers to or from the Debt Management Account. HM Treasury is responsible for the operation of the NLF and guarantees to honour NS&I's products' terms and conditions. In legal terms, section 120 of the Finance Act 1980 (in respect of investment deposits) and section 12 of the National Loans Act 1968 (for other NS&I payments) both make provision for such repayments to be issued from the NLF with recourse to the Consolidated Fund. Should the NLF prove insufficient, payment (customer liability) will be a charge on the Consolidated Fund and against the tax revenue being raised.

NS&I's products and regulation

NS&I's Product Accounts cover transactions and balances on all NS&I's products.

The products covered by these accounts and their governing legislation and regulations are as follows:

the Residual Account in order to continue earning interest for customers.

Savings Certificates, Children's Bonds, Guaranteed Income Bonds and Guaranteed Growth Bonds have had unclaimed matured funds transferred to the Residual Account in order to continue earning interest for customers.

Notable events during the year ended 31 March 2025

Our retail product performance for customer investments saw continued growth in the financial year 2024–25, increasing to £240.1 billion from £230.5 billion in the previous financial year 2023–24. We received £57.3 billion (2023–24: £65.7 billion) from investors, whilst payments to investors were £57.0 billion (2023–24: £62.1 billion). Interest and prizes earned by investors totalled £9.3 billion (2023–24: £8.7 billion). The overall increase in investor funds for the financial year was £9.6 billion (2023–24: £12.3 billion). Our Net Financing for the financial year, which excludes Green Savings Bonds as these are a policy product, was £9.8 billion (2023–24: £11.3 billion).

At the start of the financial year 2024–25, we launched British Savings Bonds, following an announcement in the March 2024 Budget. The British Savings Bonds are a new issue of 3-year fixed rate Guaranteed Growth Bonds and Guaranteed Income Bonds. They offer customers a guaranteed return over three years, for investments between £500 and £1 million. From the new issue in April 2024, the 3-year Guaranteed Growth Bonds and Guaranteed Income Bonds increased their interest rates from the previous 3.45% and 3.40% (January 2024) to 4.15% and 4.07%. There were a further three interest rate changes during the year with the final rate being 3.50% for GGB and 3.44% for GIB in December 2024.

On 6 April 2024, the Individual Savings Account (ISA) rules changed, allowing residents in the UK to open and pay into more than one ISA of the same type in a tax year. We responded with the Direct ISA having its first-interest rate change since August 2023 (3.00%) to 3.50% in February 2025.

Throughout the year, in addition to the ISA rate increase, we also raised the interest rates on some of our other variable rate products, those being Direct Saver (3.65% August 2023) and Income Bonds (3.59% August 2023), which increased to 4.00% and 3.93% in May 2024. In March 2025, the Direct Saver and Income Bonds interest rates decreased to 3.30% and 3.26% respectively. In setting the interest rates for these new issues of our products, we sought to reflect market conditions at the time of the issue.

There were also changes made to the interest rates on some of our fixed rate products. Customers renewing their investments in Guaranteed Growth Bonds and Guaranteed Income Bonds saw interest rates continue to rise. There were interest rate increases on our 1-year GGB and GIB, with the rates moving from 4.15% and 4.07%

(January 2024) to 4.50% and 4.41% in April 2024. Both our 1-year Guaranteed Growth Bonds and Guaranteed Income Bonds went on general sale between May 2024 and July 2024, giving an opportunity for new customers to purchase. Interest rates remained the same as the April 2024 issue throughout the entirety of the general sale. Following the products being taken off sale in July 2024, interest rates moved to 5.15% for Guaranteed Growth Bonds and 5.03% for Guaranteed Income Bonds for customers renewing their existing investment. There were a further three interest rate changes during the year, with the final rate being 3.95% for Guaranteed Growth Bonds and 3.88% for Guaranteed Income Bonds in December 2024.

Continuing through the year, we saw interest rate changes being made for existing customers reinvesting into our 2-year and 5-year Guaranteed Growth Bonds and Guaranteed Income Bonds. Our 2-year Guaranteed Growth Bond and Guaranteed Income Bond products were brought back on general sale in August 2024, increasing interest rates from 4.25% and 4.17% (April 2024) to 4.60% and 4.50% respectively. Over the course of the financial year there have been five interest rate changes in total, with the final being 3.60% and 3.54% in December 2024. 5-year Guaranteed Growth Bonds and Guaranteed Income Bonds were brought back on general sale in August 2024 at 4.10% for Guaranteed Growth Bonds and 4.02% for Guaranteed Income Bonds. There were four interest rate changes throughout the year, with the final rate of 3.40% for Guaranteed Growth Bonds and 3.34% for Guaranteed Income Bonds in December 2024, when both were taken off sale. From that point, only existing customers were able to reinvest their funds.

Our Fixed Interest Savings Certificates also underwent a series of interest rate adjustments, reflecting shifts in the broader economic landscape. All issues throughout the year were only available to customers renewing maturing Fixed Interest Savings Certificates. For our 2-Year Fixed Interest Savings Certificates, there were four interest rate changes throughout the year, the first change being an increase in August 2024 to 4.25% from the previous 4.00% (July 2023), with a final interest rate change of 3.50% in December 2024. 5-Year Fixed Interest Savings Certificates saw three interest rate changes throughout the year, from 3.90% in April 2024 to 3.35% in December 2024.

Our 3-year fixed rate Green Savings Bonds have had no interest rate changes throughout the financial year 2024–25. They have continued to be available on general sale with an interest rate of 2.95%, having been introduced in the financial year 2023–24 (January 2024), thus allowing our customers to continue funding green projects across the UK as part of the Government's Green Financing Framework.

Our biggest product, Premium Bonds, saw two changes to the prize fund rate. The first change was in December 2024, with the rate changing to 4.15% from the previous 4.40% (March 2024), decreasing to 4.00% in January 2025. Within the year, there was an increase in the odds of each £1 Premium Bond winning a prize, moving from 21,000 to 1 at the start of the financial year to 22,000 to 1 by the end of the year.

Throughout the 2024–25 financial year, we continued to encourage a stronger savings culture through our retail product changes whilst balancing the interests of savers, taxpayers and the broader financial services sector. Striving to achieve our Inspire & Invest strategy and to reach our goal of being the most trusted savings provider in the UK.

Audit

These accounts have been audited by the Comptroller and Auditor General, whose Certificate and Report appears on pages 79 to 82.

Statement of comprehensive income for the year ended 31 March

	Note	2024–25 £000	2023–24 £000
Income			
Interest and prizes financed by the National Loans Fund (NLF)	4	9,315,736	8,694,483
Interest and prizes financed by the NLF		9,315,736	8,694,483
Cost			
Interest and prizes earned by investors		(9,315,736)	(8,694,483)
Interest and prizes earned by investors	2	(9,315,736)	(8,694,483)
Income less cost		–	–

The notes on pages 109 to 119 form part of these accounts.

An analysis of interest and prizes by product is disclosed in note 2.

Statement of financial position at 31 March

	Note	2025 £000	2024 £000
Current assets			
Held by the National Loans Fund (NLF)	4	237,575,107	228,226,939
Other receivables	5	193,012	256,363
Cash and cash equivalents	9	2,380,483	2,065,946
Total current assets	10	240,148,602	230,549,248
Current liabilities			
Liability to investors	6	(224,220,704)	(221,177,131)
Other payables	7	(2,464)	(5,890)
Total current liabilities	10	(224,223,168)	(221,183,021)
Net current assets		15,925,434	9,366,227
Non-current liabilities			
Liability to investors	6	(15,925,434)	(9,366,227)
Total non-current liabilities	10	(15,925,434)	(9,366,227)
Assets less liabilities		–	–

The notes on pages 109 to 119 form part of these accounts.

Dax Harkins

Chief Executive
National Savings and Investments
27 June 2025

Statement of cash flows for the year ended 31 March

	Note	2024–25 £000	2023–24 £000
Cash flows from operating activities			
Income less cost		–	–
Increase in net funds held by the National Loans Fund (NLF)	8	(9,348,168)	(12,813,537)
Decrease in other receivables	5	63,351	84,183
Increase in total funds invested	2	9,602,780	12,288,306
Decrease in other payables	7	(3,426)	(10,656)
Net cash flow from operating activities		314,537	(451,704)
Net Increase/(Decrease) in cash and cash equivalents in the period	9	314,537	(451,704)
Cash and cash equivalents at the beginning of the period	9	2,065,946	2,517,650
Cash and cash equivalents at the end of the period	9	2,380,483	2,065,946

The notes on pages 109 to 119 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

These accounts are prepared in accordance with the 2024–25 *Government Financial Reporting Manual (FReM)* issued by HM Treasury, subject to exemptions outlined in clause 3 of the Product Accounts Direction issued by HM Treasury, which is disclosed at Annex 1. 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 NS&I for the purpose of giving a true and fair view has been selected. The particular policies adopted by NS&I for the Product Accounts are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention.

1.2 Standards in issue but not in force

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for NS&I's accounting periods beginning on or after 1 April 2025. NS&I has not early adopted the standards, amendments and interpretations described below.

1.2.1 IFRS 17 Insurance Contracts (effective from annual periods beginning on or after 1 January 2023)

IFRS 17 Insurance Contracts will supersede IFRS 4 Insurance Contracts in periods beginning on or after 1 January 2023. However, implementation of this standard has not yet been included in the FReM. The standard as adapted and interpreted by the FReM, will be effective from 1 April 2025, with 1 April 2024 comparatives. IFRS 17 will have no impact on the Product Accounts, as they do not contain any contracts that have been assessed to be insurance arrangements.

1.2.2 Other amendments to the FReM

Other amendments to the FReM due to come into effect on or after 1 April 2025 are considered to have no impact on the NS&I Product Accounts.

1.3 Interest and prizes recognition

Interest and prizes are earned by investors in accordance with the terms and conditions applicable to each product. Interest is recognised in accordance with IFRS 9 using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest

income or interest expense over the expected life of a financial instrument.

Capitalised and accrued interest is included in interest and prizes payable to investors in the Statement of comprehensive income, and liability to investors in the Statement of financial position. Capitalised interest is interest that has been added to the customer's investment and may now be earning further interest in accordance with the terms and conditions of the product. Accrued interest is interest which has been earned but not yet capitalised. Interest, where applicable, is accrued from the date of funds received or most recent capitalisation to the end of the accounting period.

The monthly Premium Bonds prizes are drawn on the first day of the following month. The prizes are accrued for Premium Bonds which are eligible and still held at the end of each month.

Interest has been disclosed in accordance with IFRS 7 and IAS 1 in these accounts.

1.4 Financed by the NLF

The interest and prizes payable to investors are funded by the NLF. The accounting policy for the NLF interest and prizes is as outlined in note 1.3.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash at bank and amounts due from banks with an original maturity of less than three months.

1.6 Financial liabilities

Financial liabilities primarily comprise the deposits and investments made by customers in NS&I's products. All financial liabilities are measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest over the relevant period up to the date of maturity. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial liability or, where appropriate, a shorter period. Financial liabilities include other payables. Financial liabilities are derecognised when the obligation is discharged.

A receipt from an investor is recognised as a liability when NS&I or one of its agents receives a payment for a valid investment. Repayments to investors are recognised as a reduction in the liability to the investor on the date of the payment instrument. Where payment instruments are not cashed by the investor within their stipulated time limit, the liability to the investor is reinstated.

If an investor decides to reinvest funds in the same or another product, this is termed a reinvestment and is recognised as a payment and new receipt. An automatic or default rollover of funds within the same product, which requires no action by the investor, is not recognised as a payment or receipt. The undiscounted maturity profiles for the total liability for all products are disclosed in note 12.

1.7 Relationship with the NLF

NS&I is the Government's retail savings agency. All funds from investors are payable to the NLF, and all liabilities to investors are discharged from funds payable by the NLF, on a statutory basis. Risks relating to liabilities to investors are met wholly by the NLF. Further, the Product Accounts present only a part of the Government's overall financing requirement managed by HM Treasury through the NLF, and which is financed ultimately from the Government's tax revenues or borrowings.

Due to the nature of these arrangements, some of the risk management and capital disclosure requirements of IFRS 7 are not applicable to these accounts. The risk management disclosure requirements of IFRS 7 comprise qualitative and quantitative disclosures that show the extent of risks arising from financial instruments and how those risks are managed by an entity during the period and at the reporting date. The capital disclosures of IFRS 7 are disclosures that enable users of financial statements to evaluate the significance of financial instruments for an entity's financial position and performance.

The analysis of the total funds held or financed by the NLF (note 4) does not equal the total funds invested by product (note 6), i.e. liability to investors. This is due to timing differences in the flow of funding and defunding movements between NS&I, its agents, Government Banking and the NLF (via HM Treasury's bank account at the Bank of England). This difference is represented by net cash plus receivables minus other payables.

1.8 Financial assets

Financial assets comprise the loan with the NLF and other receivables, based on deposits and investments made by customers.

The following policies have been applied to financial assets.

Recognition, classification and measurement

Financial assets are recognised, classified and measured in accordance with IFRS 9.

IFRS 9 classifies financial assets into one of three measurement categories, based on the business model and the contractual cash flow characteristics:

- fair value through other comprehensive income (FVOCI)
- fair value through profit and loss (FVTPL), or
- amortised cost

Financial assets are classified and measured at amortised cost, as NS&I's business model is to hold financial assets in order to collect contractual cash flows which represent solely payments of principal and interest (SPPI).

On initial recognition, financial assets are recognised at fair value, plus directly attributable transaction costs. They are subsequently measured at amortised cost. Due to the agency nature of the business, the loan with the NLF is derived from the value of the financial liabilities upon which it is based (see note 1.6).

Derecognition of financial assets

Derecognition of financial assets only occurs when NS&I transfers both its contractual right to receive cash flows from the financial assets and substantially all of the risks and rewards of ownership.

2 Transactions with investors by product

2(a) Current year

	Received from investors	Interest and prizes earned by investors	Paid to investors	Transfer to Residual Account	Increase/ (decrease) in investors' funds	Invested 31 March 2025
	£000	£000	£000	£000	£000	£000
Children's Bonds	–	–	(572)	–	(572)	1,862
Direct Saver	20,586,921	1,076,058	(17,254,862)	–	4,408,117	31,290,814
Guaranteed Bonds	4,902,669	1,388,297	(7,699,389)	–	(1,408,423)	27,464,102
Income Bonds	6,241,081	652,310	(6,619,882)	–	273,509	17,767,226
Individual Savings Account	776,777	139,783	(548,732)	–	367,828	4,831,737
Investment Account	127,857	17,453	(351,350)	–	(206,040)	1,670,227
Junior Individual Savings Account	145,639	18,281	(50,570)	–	113,350	532,070
Premium Bonds	24,266,620	5,352,045	(22,410,217)	–	7,208,448	133,154,879
Residual Account	1,284	1,642	(16,637)	–	(13,711)	657,805
Savings Certificates	196,836	595,879	(1,783,558)	–	(990,843)	21,039,225
Sub total	57,245,684	9,241,748	(56,735,769)	–	9,751,663	238,409,947
Green Savings Bonds	6,262	73,988	(229,133)	–	(148,883)	1,736,191
Total	57,251,946	9,315,736	(56,964,902)	–	9,602,780	240,146,138

2(b) Prior year

	Received from investors	Interest and prizes earned by investors	Paid to investors	Transfer to Residual Account	Increase/ (decrease) in investors' funds	Invested 31 March 2024
	£000	£000	£000	£000	£000	£000
Children's Bonds	–	2	(2,795)	(1,233)	(4,026)	2,434
Direct Saver	17,780,280	957,503	(23,369,038)	–	(4,631,255)	26,882,697
Guaranteed Bonds	19,180,223	936,795	(3,535,820)	–	16,581,198	28,872,525
Income Bonds	6,125,742	624,716	(9,252,218)	–	(2,501,760)	17,493,717
Individual Savings Account	579,816	120,772	(701,451)	–	(863)	4,463,909
Investment Account	171,223	17,724	(596,581)	–	(407,634)	1,876,267
Junior Individual Savings Account	108,390	14,297	(40,617)	–	82,070	418,720
Premium Bonds	20,483,148	5,188,508	(22,991,863)	–	2,679,793	125,946,431
Residual Account	1,957	1,440	(22,405)	1,233	(17,775)	671,516
Savings Certificates	331,309	783,227	(1,575,342)	–	(460,806)	22,030,068
Sub total	64,762,088	8,644,984	(62,088,130)	–	11,318,942	228,658,284
Green Savings Bonds	933,796	49,499	(13,931)	–	969,364	1,885,074
Total	65,695,884	8,694,483	(62,102,061)	–	12,288,306	230,543,358

Net Financing for 2024–25 is £9.75 billion (2023–24: £11.32 billion). Net Financing is the net change in investor funds from the commencement of each financial year to the reporting date. Net Financing excludes Green Savings Bonds, as the bonds are a policy product.

Amounts received from investors include cash received in the period plus reinvestments into the same or another product due to an investor instruction. They exclude automatic or default rollovers within the same product that require no action from an investor.

Amounts paid to investors include both capital and interest payments.

Guaranteed Bonds comprise Guaranteed Income Bonds and Guaranteed Growth Bonds.

The notable events section on pages 104 and 105 of these accounts discloses notable occurrences in the product range during the period.

3 Interest and prizes

	Note	2024–25 £000	2023–24 £000
Total interest and prizes earned in year	2	(9,315,736)	(8,694,483)
Add accrued interest and prizes opening balance		(1,654,015)	(1,579,002)
Less interest capitalised in year		3,948,390	3,589,302
Less interest and prizes paid in year		5,392,664	5,067,117
Add movements in out-of-date warrants and outstanding prizes in year		(21,668)	(36,949)
Accrued interest and prizes at 31 March	6	(1,650,365)	(1,654,015)

This table reconciles the interest and prizes earned in note 2 with those accrued in note 6.

4 Amounts held by the NLF

	Note	2024–25 £000	2023–24 £000
Balance at 1 April		228,226,939	215,413,402
Interest and prizes financed by the NLF		9,315,736	8,694,483
Received from the NLF	8	(55,772,605)	(60,875,128)
Paid to the NLF	8	55,805,037	64,994,182
Balance at 31 March		237,575,107	228,226,939

The amount held by the NLF includes interest and prizes accrued in 2024–25 of £1,464,178,000 (2023–24: £1,489,496,000).

The difference in the amounts held by the NLF and the total amount invested (note 2) is explained in note 1.7.

5 Other receivables

	2025 £000	2024 £000
Agents	192,781	255,627
Other receivables	231	736
Total	193,012	256,363

NS&I uses agents, such as Barclays Merchant Acquirer, to process debit card transactions.

6 Liability to investors

6(a) Current year

	Principal liability £000	Accrued interest and prizes £000	Liability 31 March 2025 £000
Current liabilities			
Children's Bonds	1,862	–	1,862
Direct Saver	31,290,814	–	31,290,814
Green Savings Bonds	651,144	5,795	656,939
Guaranteed Bonds	19,553,764	350,573	19,904,337
Income Bonds	17,696,166	71,060	17,767,226
Individual Savings Account	4,697,326	134,411	4,831,737
Investment Account	1,666,126	4,101	1,670,227
Junior Individual Savings Account	514,899	17,171	532,070
Premium Bonds	132,586,670	568,209	133,154,879
Residual Account	651,070	6,735	657,805
Savings Certificates	13,458,732	294,076	13,752,808
Total current liabilities	222,768,573	1,452,131	224,220,704
Non-current liabilities			
Guaranteed Bonds	7,457,469	102,296	7,559,765
Green Savings Bonds	1,051,393	27,859	1,079,252
Savings Certificates	7,218,338	68,079	7,286,417
Total non-current liabilities	15,727,200	198,234	15,925,434
Total liability to investors	238,495,773	1,650,365	240,146,138

Principal liability comprises initial investment plus capitalised interest that has been added to the holding, where applicable. Accrued interest and prizes comprise only interest and prizes earned that have not been paid out or capitalised and added to the holding. The accrued interest disclosed above (£1,650,365,000) is accrued interest in respect of the principal liability to investors. Note 4 discloses accrued interest (£1,464,178,000) in respect of balances held by the NLF. The difference

between these amounts is due to outstanding interest liabilities (£186,187,000) which have been drawn down from the NLF and are pending settlement, such as prizes and interest warrants.

All products are repayable on demand, except for investments in Savings Certificates made on or after 23 July 2023, Guaranteed Bonds from 1 May 2019 onwards and Green Savings Bonds, which repay at maturity.

6(b) Prior year

	Principal liability £000	Accrued interest and prizes £000	Liability 31 March 2024 £000
Current liabilities			
Children's Bonds	2,434	–	2,434
Direct Saver	26,882,697	–	26,882,697
Guaranteed Bonds	24,635,241	482,960	25,118,201
Income Bonds	17,422,707	71,010	17,493,717
Individual Savings Account	4,348,532	115,377	4,463,909
Investment Account	1,871,602	4,665	1,876,267
Junior Individual Savings Account	405,214	13,506	418,720
Premium Bonds	125,355,735	590,696	125,946,431
Residual Account	665,448	6,068	671,516
Savings Certificates	18,014,834	288,405	18,303,239
Total current liabilities	219,604,444	1,572,687	221,177,131
Non-current liabilities			
Guaranteed Bonds	3,716,564	37,760	3,754,324
Green Savings Bonds	1,852,436	32,638	1,885,074
Savings Certificates	3,715,899	10,930	3,726,829
Total non-current liabilities	9,284,899	81,328	9,366,227
Total liability to investors	228,889,343	1,654,015	230,543,358

7 Other payables

	2025 £000	2024 £000
NLF	76	132
Other payables including sales repayments and evidence of identity repayments	2,388	5,758
Total	2,464	5,890

8 Movement in net funds held by the NLF

	2024–25 £000	2023–24 £000
Received from the NLF	55,772,605	60,875,128
Paid to the NLF	(55,805,037)	(64,994,182)
Net inflow to the NLF	(32,432)	(4,119,054)
Interest and prizes payable to investors	(9,315,736)	(8,694,483)
Increase in net funds held by the NLF	(9,348,168)	(12,813,537)

Cash received from investors is not invested by NS&I but is passed daily to the NLF for all products. Cash is drawn from the NLF for payments to investors as and when required.

9 Cash and cash equivalents

	2025 £000	2024 £000
Balance at 1 April	2,065,946	2,517,650
Net change in cash and cash equivalent balances	314,537	(451,704)
Balance at 31 March	2,380,483	2,065,946

All balances were held by the Exchequer. No cash balances were held with commercial banks.

10 Categorisation of financial assets and liabilities

	2025 £ 000	2024 £ 000
Assets		
Financial assets measured at amortised cost	237,768,119	228,483,302
Cash and cash equivalents	2,380,483	2,065,946
Total	240,148,602	230,549,248
Liabilities		
Current financial liabilities measured at amortised cost	(224,223,168)	(221,183,021)
Non-current financial liabilities measured at amortised cost	(15,925,434)	(9,366,227)
Total	(240,148,602)	(230,549,248)

11 Market, liquidity and credit risk

NS&I is an Executive Agency of the Chancellor of the Exchequer and a non-ministerial government department. NS&I's principal activity is to finance a part of the Government's borrowing by selling savings and investment products to retail savers and investors. Monies received by NS&I are passed to the NLF, which guarantees to honour the product terms and conditions in the form of a 100% HM Treasury guarantee.

NS&I's banking services provider is Government Banking (GB). GB has contracted NatWest Group (formerly known as the Royal Bank of Scotland Group) to provide transaction processing services for NS&I. Monies held at NatWest are transferred to the Government's accounts at the Bank of England during, and/or at the end of, each day to mitigate credit risks to both NS&I and HM Treasury. In the event that NatWest were unable to meet its obligations, HM Treasury would step

in to provide NS&I with the necessary funds to meet its liabilities to investors as part of the HM Treasury underwritten guarantee. Therefore, NS&I does not face any material credit risk. Credit risk relating to the agents and other debtors is not material and is mitigated by the short settlement periods, which are typically less than seven days.

NS&I has no liquidity risk in respect of customer sales and repayments, as liquidity risk is managed through a main bank account held at the Bank of England and linked to the Ways and Means account at the NLF to ensure a smooth flow of funds between the NLF and NS&I. Interest rate risk belongs to the UK Government and is managed by the NLF in conjunction with the Debt Management Office (DMO). There is no currency exposure, as all assets and liabilities are denominated in sterling.

12 Product maturity profile

12(a) Current year

All products are repayable on demand, except for investments in Savings Certificates made on or after 23 July 2023, Guaranteed Bonds from 1 May 2019 onwards

and Green Savings Bonds, which repay at maturity. As required by IFRS 7, the undiscounted maturity profile for the total liability for all products is as follows:

	2025 Variable rate, prize- based and index-linked products £000	2025 Fixed rate products £000	2025 Non-interest- bearing products £000	2025 Total £000
Maturing in one year or less, or repayable on demand	202,483,001	21,693,108	44,595	224,220,704
Maturing in more than one year but not more than two years	2,574,669	6,374,760	–	8,949,429
Maturing in more than two years but not more than five years	3,927,664	3,048,341	–	6,976,005
Total	208,985,334	31,116,209	44,595	240,146,138

12(b) Prior year

	2024 Variable rate, prize- based and index-linked products £000	2024 Fixed rate products £000	2024 Non-interest- bearing products £000	2024 Total £000
Maturing in one year or less, or repayable on demand	194,389,798	26,713,231	74,102	221,177,131
Maturing in more than one year but not more than two years	331,122	1,282,187	–	1,613,309
Maturing in more than two years but not more than five years	2,939,487	4,813,431	–	7,752,918
Total	197,660,407	32,808,849	74,102	230,543,358

There are no products maturing in more than 5 years.

Variable rate products include Direct Saver, Income Bonds, Individual Savings Account, Junior Individual Savings Account, Investment Account and interest-earning balances in the Residual Account. Other products are prize-based Premium Bonds and Index-linked Savings Certificates.

Fixed rate products include Children's Bonds, 65+ Guaranteed Growth Bonds, Guaranteed Bonds, Investment Guaranteed Growth Bonds, Green Savings

Bonds and Fixed Interest Savings Certificates. These are classified according to the earliest period when a customer can demand repayment.

Non-interest bearing products are historical balances on products which have been closed and maturities which are temporarily awaiting customer instruction. These historical balances are held within the Residual Account.

13 Fair values of assets and liabilities

13(a) Current year

	2025 Total per accounts £000	2025 Fair value £000
Assets		
Held by the NLF	237,575,107	237,562,266
Other receivables	193,012	193,012
Cash and cash equivalents	2,380,483	2,380,483
Total	240,148,602	240,135,761
Liabilities		
Fixed rate products	(31,116,209)	(31,103,368)
Variable rate products	(208,985,334)	(208,985,334)
Non-interest bearing products	(44,595)	(44,595)
Other payables	(2,464)	(2,464)
Total	(240,148,602)	(240,135,761)

13(b) Prior year

	2024 Total per accounts £000	2025 Fair value £000
Assets		
Held by the NLF	228,226,939	228,163,173
Other receivables	256,363	256,363
Cash and cash equivalents	2,065,946	2,065,946
Total	230,549,248	230,485,482
Liabilities		
Fixed rate products	(32,808,849)	(32,745,083)
Variable rate products	(197,660,407)	(197,660,407)
Non-interest bearing products	(74,102)	(74,102)
Other payables	(5,890)	(5,890)
Total	(230,549,248)	(230,485,482)

Note 12 states which products are in each of the above categories.

There is no material difference between the carrying value and the fair value of the variable rate products, non-interest bearing products, other payables and receivables. The variable rate products in the fair value table include all variable rate, prize-based and index-linked products. The rates for variable rate products are determined by our operating framework and are closely

linked to current retail savings rates; therefore they are deemed to be at fair value. The fixed rate products are products with rates being fixed for the duration of the products' term. The fair value of the fixed rate products is derived by discounting future expected cash flows using relevant gilt rates. Any impact of early repayments is ignored, as their impact is immaterial. Subject to timing differences, the fair value of the assets held by the NLF is a mirror of the related liabilities which it guarantees.

14 Fair value hierarchy disclosures

IFRS 13 Fair Value Measurement applies when another IFRS, in this case IFRS 7, requires an entity to disclose the fair value of its assets and liabilities. It sets out how to fair value assets and liabilities and requires an entity to classify these into fair value hierarchy levels, based on the significance of inputs used in the measurement. These fair value hierarchy levels are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or the liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents financial assets and liabilities measured at fair value in accordance with the fair value hierarchy.

14(a) Current year

	Level 1 2025 £000	Level 2 2025 £000	Total 2025 £000
Assets			
Held by the NLF – fixed rate products	–	31,046,143	31,046,143
Held by the NLF – variable rate products	–	206,300,676	206,300,676
Other assets ⁽¹⁾	2,788,942	–	2,788,942
	2,788,942	237,346,819	240,135,761
Liabilities			
Liability to investors – fixed rate products	–	(31,103,368)	(31,103,368)
Liability to investors – variable rate products	–	(208,985,334)	(208,985,334)
Other liabilities ⁽²⁾	–	(47,059)	(47,059)
	–	(240,135,761)	(240,135,761)

14(b) Prior year

	Level 1 2024 £000	Level 2 2024 £000	Total 2024 £000
Assets			
Held by the NLF – fixed rate products	–	32,723,255	32,723,255
Held by the NLF – variable rate products	–	195,182,791	195,182,791
Other assets ⁽¹⁾	2,579,436	–	2,579,436
	2,579,436	227,906,046	230,485,482
Liabilities			
Liability to investors – fixed rate products	–	(32,745,083)	(32,745,083)
Liability to investors – variable rate products	–	(197,660,407)	(197,660,407)
Other liabilities ⁽²⁾	–	(79,992)	(79,992)
	–	(230,485,482)	(230,485,482)

(1) Other assets include non-interest bearing products, cash and cash equivalents and other receivables.

(2) Other liabilities include non-interest bearing products and other payables.

15 Related party transactions

NS&I is an Executive Agency of the Chancellor of the Exchequer and a non-ministerial government department. The Chancellor of the Exchequer is regarded as a related party. NS&I has not undertaken any material transactions with the Chancellor of the Exchequer during the year.

The DMO, NLF and HM Treasury are related parties. NS&I's relationships with these parties are mentioned in the Product Accounts background section, pages 103 to 105. In addition, note 4 contains details of the NLF transactions.

Neither the Economic Secretary to HM Treasury, nor any NS&I board member, nor any key manager or other related party, has undertaken any material transactions with NS&I during the year. Ministers, NS&I board members and key managers are judged to be related parties, as they have authority and responsibility for planning, directing and controlling the activities of the entity.

The deposits of executive and non-executive board members, with the exception of Premium Bonds, are disclosed on page 102 of this Annual Report and Accounts and Product Accounts.

In relation to holdings in Premium Bonds, National Savings (No. 2) Regulations 2015 prohibit the disclosure of the number of bonds purchased or held by any person. During 2024–25 the Accounting Officer was prohibited under NS&I's policies from holding Premium Bonds.

16 Events after the reporting period date

There are no reportable events between the Statement of financial position date and the date of authorisation of these accounts by the Comptroller and Auditor General. The financial statements do not reflect events after that date.

17 Date authorised for issue

The financial statements were authorised for issue on the date of the Comptroller and Auditor General's signature.

Annex 1: Product Accounts Direction

ACCOUNTS DIRECTION GIVEN BY HM Treasury IN ACCORDANCE WITH SECTION 7(2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000

1. This direction applies to the Department of National Savings and Investments.
2. The Department of National Savings and Investments shall prepare Product Accounts for the year ending 31 March 2022 and each subsequent financial year, that give a true and fair view of the state of affairs of the Product Accounts at the reporting date and of their income and expenditure and cash flows for the year then ended. The Product Accounts shall cover transactions and balances on all NS&I products.
3. The accounts shall be prepared in accordance with applicable accounting standards, and shall be consistent with relevant requirements of the extant Government Financial Reporting Manual (FReM) except to the extent set out below:
 - a. a Statement of Comprehensive Income shall be prepared instead of a Statement of Comprehensive Net Expenditure; and
 - b. the Statement of Parliamentary Supply and the Statement of Changes in Taxpayers' Equity are not relevant to the Product Accounts.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with the Treasury.
5. This Accounts Direction shall be reproduced as an Appendix to the Product Accounts.
6. This Accounts Direction supersedes all previous directions issued by HM Treasury.



Michael Sunderland
Deputy Director, Government Financial Reporting
Her Majesty's Treasury

Friday, 25 March 2022

04

Other Information

Departmental report information	122
Glossary	127
Contacts and more information	130

Departmental report information

The 2024–25 Departmental report information shown in the tables on the following pages is not consistent with the information shown in the 2024–25 Accounts. As a result, there is no direct link to the Statement of comprehensive net expenditure found in the Accounts.

The differences in the information below and the Accounts are a result of HM Treasury guidance on Departmental report content leading to a divergence in the treatment of a number of items in departmental budgets, Supply Estimates and the Accounts.

The main difference is that departmental budgets are not adjusted for IFRS, and hence they do not reflect the assets brought onto the Statement of financial position following the application of the HM Treasury adaptation of International Financial Reporting Interpretations Committee (IFRIC) 12 Service Concession Arrangements. The Departmental report tables provide information on NS&I's expenditure within resource and capital Departmental Expenditure Limit (DEL) and resource Annual Managed Expenditure (AME) limits. Table 1, Total departmental spending, does not include any spending that is classified as non-budget.

There are also further differences brought about by treatments in HM Treasury's required budgetary framework, which are not used in the IFRS accounts. The main items of this type are listed below:

- Creation and increases in provisions are within the resource AME limit and also in programme costs.
- Cash payments related to paying off the obligation recognised by a provision are transferred from resource AME to resource DEL. These payments are not recognised as costs in the Accounts.
- Revaluations to properties owned by NS&I are accounted for in resource AME and also in programme costs.
- IFRIC 12 adjustments for depreciation, impairment of assets and transfers to IFRIC 12 capital are accounted for under non-budget and programme costs. They do not feature in the Departmental report tables.

The above treatments have been used for the figures shown in each year of the Departmental report. As a result, the data shown in this Departmental report does not directly reconcile to the Accounts.

Departmental report information

Table 1: Total departmental spending

	Outturn 2017-18 £000	Outturn 2018-19 £000	Outturn 2019-20 £000	Outturn 2020-21 £000	Outturn 2021-22 £000	Outturn 2022-23 £000	Outturn 2023-24 £000	Outturn 2024-25 £000	Plans 2025-26 £000
Resource DEL									
Section A: Administration	121,109	127,285	118,944	162,258	156,260	166,079	182,740	284,730	310,151
Total resource DEL	121,109	127,285	118,944	162,258	156,260	166,079	182,740	284,730	310,151
<i>of which:</i>									
Pay	12,987	14,717	15,278	15,101	14,716	16,793	19,141	21,774	26,541
Net current procurement ⁽¹⁾	106,914	111,838	102,960	146,486	140,909	147,716	161,690	261,090	279,184
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-	-	-
Current grants to local government	-	-	-	-	-	-	-	-	-
Depreciation ⁽²⁾	758	280	256	221	185	1,050	1,350	1,287	3,846
Other	450	450	450	450	450	520	559	579	580
Resource AME									
Section B: Administration	(739)	(58)	451	-	-	-	-	-	-
Total resource AME	(739)	(58)	451	-	-	-	-	-	-
<i>of which:</i>									
Pay									
Net current procurement ⁽¹⁾	-	-	-	-	-	-	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-	-	-
Current grants to local government	-	-	-	-	-	-	-	-	-
Net public service pensions ⁽³⁾	-	-	-	-	-	-	-	-	-
Take-up of provisions	-	-	-	-	-	-	-	-	-
Release of provisions	-	-	-	-	-	-	-	-	-
Depreciation ⁽²⁾	(739)	(58)	451	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total resource budget	120,370	127,227	119,395	162,258	156,260	166,079	182,740	284,730	310,151
<i>of which:</i>									
Depreciation	19	222	707	221	185	1,050	1,350	1,287	3,846

(1) Net of income from sales of goods and services.

(2) Includes impairments.

(3) Pension schemes report under IAS 19 accounting requirements. The figures therefore include cash payments made and contributions received, as well as certain non-cash items.

(4) Expenditure on tangible and intangible fixed assets net of sales.

(5) Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

(6) Includes amounts required for IFRS 16 Accounting for operating leases.

Departmental report information

Table 1: Total departmental spending (continued)

	Outturn 2017–18 £000	Outturn 2018–19 £000	Outturn 2019–20 £000	Outturn 2020–21 £000	Outturn 2021–22 £000	Outturn 2022–23 £000	Outturn 2023–24 £000	Outturn 2024–25 £000	Plans 2025–26 £000
Capital DEL									
Section A: Administration	–	–	–	16	58	11,454	29,030	42,126	10,560
Total capital DEL	–	–	–	16	58	11,454	29,030	42,126	10,560
<i>of which:</i>									
Net capital procurement ⁽⁴⁾	–	–	–	16	58	11,100	28,645	38,663	10,560
Capital grants to the private sector and abroad	–	–	–	–	–	–	–	–	–
Capital support for local government	–	–	–	–	–	–	–	–	–
Capital support for public corporations	–	–	–	–	–	–	–	–	–
Other ⁽⁶⁾	–	–	–	–	–	354	385	3,463	–
Capital AME									
Total capital AME	–	–	–	–	–	–	–	–	–
<i>of which:</i>									
Capital grants to the private sector and abroad	–	–	–	–	–	–	–	–	–
Net lending to the private sector	–	–	–	–	–	–	–	–	–
Capital support for public corporations	–	–	–	–	–	–	–	–	–
Other ⁽⁶⁾	–	–	–	–	–	–	–	–	–
Total capital budget	–	–	–	16	58	11,454	29,030	42,126	10,560
Total departmental spending⁽⁵⁾	120,351	127,005	118,688	162,053	156,133	176,483	210,420	325,569	316,865
<i>of which:</i>									
Total DEL	121,090	127,063	118,237	162,053	156,133	176,483	210,420	325,569	316,865
Total AME	(739)	(58)	451	–	–	–	–	–	–

(1) Net of income from sales of goods and services.

(2) Includes impairments.

(3) Pension schemes report under IAS 19 accounting requirements. The figures therefore include cash payments made and contributions received, as well as certain non-cash items.

(4) Expenditure on tangible and intangible fixed assets net of sales.

(5) Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

(6) Includes amounts required for IFRS 16 Accounting for operating leases.

Table 2: Public spending control

	Supply Estimate					Supplementary Estimate			Final provision	Final outturn	Differences
	Admin	Other current	Gross total	A in A	Net total	Change in gross provision	Change in A in A	Change in net provision			
Resources	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in DEL	327,672	–	327,672	(80,000)	247,672	54,174	–	54,174	301,846	284,730	17,116
Spending in AME	700	–	700	–	700	60,000	–	60,000	60,700	–	60,700
Total	328,372	–	328,372	(80,000)	248,372	114,174	–	114,174	362,546	284,730	77,816

	Supply Estimate					Supplementary Estimate			Final provision	Final outturn	Differences
						Capital	Change in gross provision	Change in A in A	Change in net provision		
Capital						£000	£000	£000	£000	£000	£000
Spending in DEL						10,560	34,240	–	34,240	44,800	2,674
Spending in AME						–	–	–	–	–	–
Total						10,560	34,240	–	34,240	44,800	2,674

Table 3: NS&I capital employed

	Outturn 2017–18 £000	Outturn 2018–19 £000	Outturn 2019–20 £000	Outturn 2020–21 £000	Outturn 2021–22 £000	Outturn 2022–23 £000	Outturn 2023–24 £000	Outturn 2024–25 £000	Plans 2025–26 £000
Assets on balance sheet at end of year									
Non-current assets									
Intangible	60,430	63,253	56,067	66,628	64,290	66,314	76,870	102,668	84,000
Property plant & equipment	10,035	9,426	6,715	3,204	2,623	7,533	5,986	7,788	12,038
<i>of which:</i>									
Land and buildings	2,750	2,750	2,000	–	–	–	–	–	–
Information technology	4,614	3,115	1,793	1,029	1,084	994	544	212	3,000
Plant and machinery	799	692	615	401	358	314	271	228	517
Furniture and fittings	1,872	2,869	2,307	1,774	1,181	1,040	743	535	1,521
Right of use assets						5,185	4,428	6,813	7,000
Assets under construction	–	–	–	–	–	–	–	–	–
Other receivables	3,091	–	–						
Current assets	24,099	77,755	49,263	76,015	99,531	110,672	132,625	117,946	110,000
Creditors <1 year	(37,917)	(93,868)	(69,437)	(93,261)	(124,067)	(143,572)	(163,816)	(181,518)	(155,000)
Provisions <1 year	–	–	–	–	–	–	–	–	–
Creditors >1 year	(21,095)	(15,598)	(9,129)	(4,456)	(3,530)	(7,115)	(5,624)	(6,551)	(4,000)
Provisions >1 year	–	–	–	–	–	–	–	–	–
Capital employed within main department	38,643	40,968	33,479	48,130	38,847	33,832	46,041	40,333	47,038

Departmental report information

Table 4: Administration budget

	Outturn 2017-18 £000	Outturn 2018-19 £000	Plans 2019-20 £000	Outturn 2020-21 £000	Outturn 2021-22 £000	Outturn 2022-23 £000	Outturn 2023-24 £000	Outturn 2024-25 £000	Plans 2025-26 £000
Section A: Administration	121,109	127,285	118,944	162,258	156,260	166,079	182,740	284,730	310,151
Total administration budget	121,109	127,285	118,944	162,258	156,260	166,079	182,740	284,730	310,151
<i>of which:</i>									
Pay	12,987	14,717	15,278	15,101	14,425	15,694	19,141	21,774	26,541
Expenditure	163,891	173,947	160,340	197,470	194,939	218,344	227,495	324,556	363,610
Income	(55,769)	(61,379)	(56,674)	(50,313)	(53,104)	(67,959)	(63,896)	(61,600)	(80,000)

Table 5: NS&I staff numbers

Staff numbers at:	1 April 2017 ⁽¹⁾	1 April 2018 ⁽¹⁾	1 April 2019 ⁽¹⁾	1 April 2020 ⁽¹⁾	1 April 2021	1 April 2022	1 April 2023	1 April 2024	1 April 2025
Permanent	184	191	210	202	198	203	211	232	250
Others	3	9	2	4	3	3	7	1	15
Total	187	200	212	206	201	206	218	233	265

(1) The staff numbers shown in the table above after 1 April 2017 do not agree with the table in note 2 of the Remuneration Report. The figures in the Accounts are calculated by averaging the staff numbers over the year, while the numbers above are shown on spot dates.

Table 6: NS&I consultancy and professional services

	Outturn 2017-18 £000	Outturn 2018-19 £000	Outturn 2019-20 £000	Outturn 2020-21 £000	Outturn 2021-22 £000	Outturn 2022-23 £000	Outturn 2023-24 £000	Outturn 2024-25 £000
Consultancy services	-	-	-	3,723	6,118	10,241	3,295	5,006
Professional services	2,180	1,796	1,934	2,252	6,444	13,918	21,390	58,148
Contract staff	456	742	234	252	329	1,099	1,510	1,575
Other services	1,304	1,409	1,051	1,312	1,241	1,133	1,411	1,040
	3,940	3,947	3,219	7,539	14,132	26,391	27,606	65,769

Glossary

Accounting Officer

A person appointed by HM Treasury or designated by a department to be accountable for the operations of an organisation and the preparation of its accounts. The appointee is, by convention, usually the head of a department or other organisation, or the Chief Executive.

Accrued interest

Interest earned by the customer that has not yet been paid out or capitalised.

Annually Managed Expenditure (AME)

Spending which does not fall within Departmental Expenditure Limits (DEL). Expenditure in AME is generally less predictable and controllable than expenditure in DEL.

Appropriations in aid (A in A)

Income received by a government department which it is authorised to retain to finance-related expenditure. Such income is voted by Parliament and accounted for in departmental accounts.

Basis point

This is one-hundredth of a percentage point (0.01%).

Bonds

Apart from specific bonds issued by NS&I, a bond is another name given to fixed-term securities, including those issued by governments.

Business-to-business (B2B) services

Payment processing services provided to other government departments, agencies and arm's-length bodies, by NS&I Government Payment Services. The 'client' department pays NS&I to manage the payments on its behalf; payments are processed using NS&I's established technology, skills and processes, reducing the cost to the department and ultimately to the taxpayer.

Capitalised interest

Interest that has been added to the customer's investment and may now be earning further interest in accordance with the terms and conditions of the product.

Consolidated Fund

The Consolidated Fund is the Government's general bank account for revenue and expenditure. It is held at the Bank of England.

Court Funds Office

The Court Funds Office provides a banking and administration service for some 155,000 customers with a total of £4.3 billion held under the control of the civil courts in England and Wales, including the Court of Protection.

Customer Interaction Centre (CIC)

NS&I's CIC manages all telephone sales and enquiries, as well as handling customer emails and social media queries. It is operated and managed in partnership with Atos.

Departmental Expenditure Limit (DEL)

The expenditure limit within which a government department has responsibility for resource allocation. See also Resource Departmental Expenditure Limit (RDEL) below.

Digital

In the context of channels available for customers to interact with NS&I, digital refers to all non-postal direct channels, including telephone.

Director of Savings

The person appointed by HM Treasury to manage NS&I in accordance with the statutory functions set out in the National Debt Act 1972 and the National Savings Bank Act 1971. Since we became an Executive Agency, the Director of Savings has also been the Chief Executive and the Accounting Officer.

ERNIE

ERNIE stands for Electronic Random Number Indicator Equipment, which generates the numbers each month for the Premium Bonds prize draw.

Executive Agency

NS&I is both a government department and an Executive Agency of the Chancellor of the Exchequer. Executive Agencies have greater autonomy in making management decisions to ensure the effective delivery of their services.

Financial Conduct Authority (FCA)

The FCA is the UK's independent body responsible for regulation of conduct in retail and wholesale financial markets, and some prudential regulation.

Financial Ombudsman Service (FOS)

The independent service for settling disputes between businesses that provide financial services and their customers.

Fixed term

The period of time for which the interest rate is fixed.

Gilts (or gilt-edged stock)

Gilts are UK Government securities issued by HM Treasury and listed on the London Stock Exchange.

Green Savings Bonds

A savings product available through NS&I, where money is held by HM Treasury, which then allocates an amount equivalent to the proceeds raised from Green Savings Bonds to its chosen green projects, within two years.

Gross inflows

The total inflows from all deposits, including retention of maturing monies.

Help to Buy: ISA

A government-backed scheme to support people buying their first home. NS&I delivers the scheme on behalf of HM Treasury.

2013–16 Help to Buy: mortgage guarantee scheme and 2021 mortgage guarantee scheme

Government-backed mortgage guarantee schemes to facilitate a range of high loan-to-value mortgage products from lenders. NS&I delivers these schemes on behalf of HM Treasury.

Help to Save

A government-backed saving scheme to support working people on low incomes to build their savings. HM Revenue & Customs (HMRC) is delivering the scheme in partnership with NS&I.

Index-linked

For Index-linked Savings Certificates, this means that the value of a certificate moves in line with inflation.

Inflows

Annual flows of total sales and repayments on NS&I products and investments.

Issue

Our fixed rate products are sold in Issues, each with its own guaranteed interest rate. We periodically bring out a new Issue and always do so when the fixed rate on offer changes.

Main Estimate/Supply Estimate

The means through which government departments seek Parliamentary approval for their spending plans for the year ahead. Estimates are presented to Parliament within five weeks of the Budget Statement.

National Loans Fund (NLF)

The Government's main account for borrowing and lending. It is administered by HM Treasury, with the bank account maintained at the Bank of England.

Net Financing

Net Financing is the measure of the net change of NS&I funds, meaning total inflows from deposits, retention of maturing monies, and capitalised and accrued interest, less the total outflows from withdrawals and interest or Premium Bond prize draw payments.

Public Private Partnership (PPP)

A long-term partnership between a public sector organisation and a private sector organisation, designed for mutual benefit. Our PPP encompasses the provision of transaction processing, together with front- and back-office operations. Some PPPs are based on, or include, a Private Finance Initiative (PFI); NS&I's partnership does not.

Resource Departmental Expenditure Limit (RDEL)

RDEL forms part of the voted limits on departmental spending in line with budgetary controls, along with Resource AME and capital DEL (CDEL). RDEL can be in either administration costs or programme costs. NS&I's RDEL matches its administration costs. NS&I does not have any RDEL in programme costs. CDEL and AME are included in programme costs.

Spending Review

Spending Reviews set budgets for government departments. They outline the improvements that the public can expect from government spending.

Supplementary Estimate

This is how departments can seek to amend Parliamentary authority provided through Main Estimates by altering the limits on resources, capital and/or cash, or by varying the way in which provision is allocated. They are normally presented in January of each year.

Tax-free

When used in the context of NS&I products, this means that interest earned or prizes won are exempt from UK Income Tax and Capital Gains Tax.

Tax-Free Childcare

A government scheme that allows eligible working parents to receive up to £2,000 per child per year towards the costs of registered childcare needed for work, and up to £4,000 for disabled children. Tax-Free Childcare is being delivered by HM Revenue & Customs in partnership with NS&I.

Transformation Programme

NS&I's strategic transformation programme, which will see the existing Public Private Partnership (PPP) replaced, as it comes to the end of the contractual period, with multiple strategic partnerships. The programme will reduce risk to NS&I, provide a more effective service to customers and reduce the cost of our operations to the taxpayer.

Treasury Bills

Ultra-short-term government bonds. They do not earn interest; instead, they are sold at a discount to their face value.

UK Debt Management Office (DMO)

Part of the HM Treasury group responsible for cash management on behalf of the Chancellor of the Exchequer and for the sale of government stock (gilts) and Treasury Bills.

UK Government securities

Our bonds and certificates are UK Government securities issued by HM Treasury under the National Loans Act 1968.

Unclaimed assets

Savings or investments belonging to a customer with whom we have lost contact. Customers who think they have unclaimed assets can contact us to trace them through www.mylostaccount.org.uk

Variable rate products

Savings and investments where the rate of interest can be changed from time to time, in accordance with the terms and conditions.

Warrant

A type of payment similar to a cheque.

Contacts and more information

We want to make it as easy as possible for you to contact us at any time, in a way that is convenient for you.

Internet

Visit our website



X

For customer enquiries



For media enquiries



Telephone

For sales and general enquiries, call us free on



Our customer service team is available from 8am to 8pm Monday to Friday and from 8am to 6pm Saturday and Sunday (closed on bank holidays).

Calls may be recorded.

Textphone

To use the Text Relay Service, just dial 18001 from your textphone and enter the telephone number you want to call. When the call is answered, a Text Relay operator will join in the call and communicate your written request to us.



Post

Write to us at



Thank you

NS&I would like to thank all colleagues for their contribution to the 2024–25 Annual Report and Accounts.



E03328526

978-1-5286-5587-3