



FCDO Services Annual Report and Accounts 2024/25 (for the year ended 31 March 2025)

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FCDO Services

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(for the period 1 April 2024 to 31 March 2025)

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Performance Overview

The overview section contains forewords by the minister responsible for FCDO Services, the Chair of the FCDO Services Board and the Chief Executive Officer (and Accounting Officer). It also contains summary information about the organisation and a performance overview.



Foreword by Minister Catherine West MP

In my first year as Parliamentary Under-Secretary of State at the Foreign, Commonwealth and Development Office and as minister responsible for FCDO Services, I am delighted to introduce this year's Annual Report and Accounts.

As a government, we are committed to fostering strong international partnerships and enhancing the UK's security and defence by promoting innovation and improving resilience. These priorities are central to the mission of FCDO Services.

This year, FCDO Services has continued to provide vital support for the FCDO's crisis response, playing a crucial role throughout the ongoing war in Ukraine. FCDO Services has ensured the safe delivery of essential equipment, provided secure communications systems, and protected critical infrastructure. This reflects the government's broader pledge to strengthen NATO as the cornerstone of European security. FCDO Services' technical contributions have been instrumental in maintaining secure communications and protecting our diplomatic presence in the region during this critical time.

By building a more resilient and united Europe, we can better address shared challenges and promote collective security. FCDO Services has developed and rolled out secure communications platforms for the Joint Expeditionary Force across Northern Europe and between the UK, Japan and Italy in support of the Global Combat Air Programme (GCAP).

In 2024/25, FCDO Services has successfully delivered projects across the FCDO's global network. This has included managing the refurbishment of the British High Commission in Nairobi, technical fitouts in Miami and Ottawa, and distributing new laptops, desktops and printers to over 24,000 colleagues across 195 countries.

Aligned with our broader Civil Service reforms, FCDO Services has undertaken a programme to modernise its operations and prepare its workforce for the future. I am eager to see these efforts continue in 2025/26, with further enhancements to its Logistics service and upskilling of the organisation's managers. These reforms are designed to create a more efficient, responsive, and accountable Civil Service that better serves the public.

FCDO Services also represents British technical excellence on the global stage. By sharing expertise with friendly nations and international organisations, they contribute to our soft power and enhance the UK's reputation as a trusted partner. Their work on technical and physical security, and secure communications, directly supports our commitment to countering hybrid threats and protecting democratic institutions.

I look forward to my first visit to Hanslope Park and to meeting the dedicated staff at FCDO Services. Their expertise and commitment are vital to maintaining critical services for His Majesty's Government and contributing to global security. I wish the entire team at FCDO Services continued success in the coming year.

Catherine West MP
Parliamentary Under-Secretary of State (Indo-Pacific)



Foreword by Sir Simon Gass

As a Trading Fund, FCDO Services must work within commercial disciplines, public sector constraints, and still meet its core mission of high-quality support to the FCDO and UK foreign and security policy. This was sometimes challenging in recent years, as the budgets of our public sector customers have become increasingly strained while the cost of labour and materials has risen rapidly. The result was that FCDO Services' margins were squeezed to a level that was making it hard to both maintain the responsiveness that our customers rightly expect and, critically, to invest in the future capability of the business.

I am glad to say that in FY2024/25 we took significant steps towards remedying this unsustainable position. In financial terms, FCDO Services delivered revenue of £262m and achieved an increased retained surplus of £11.6m, which is £5m above the previous financial year. Additionally, a statutory dividend of £2.9m was paid to the FCDO – the highest amount since the Trading Fund was established. We have continued to deliver exceptional services, ensuring the security and resilience of the UK's diplomatic platform worldwide.

These results show the value of the Trading Fund and will enable reinvestment in modern systems and technologies which help us deliver value back to the FCDO. An example is that we are moving ahead with plans to develop a new logistics hub and IT system to replace the cramped and obsolete existing facility.

We have achieved this improved picture by tighter internal financial controls, further progress on operational efficiencies, and smarter commercial practices, as well as by starting to reshape the workforce. There is further to go, however these steps will position the organisation well for a future in which government customers will need to wring maximum value from their budgets.

In addition, we made significant progress in enhancing our partnership with our owner, the FCDO, fostering wider government collaboration, and continuing to build international partnerships. This has not only improved end customer satisfaction

(88.5 in 2024/25, up from 86.1 in 2023/24) but also reinforced FCDO Services' reputation as a trusted partner.

In 2024/25, the FCDO Services Board reviewed business updates from all directorates and signed off the new 2025-30 Strategy and 2025-28 Corporate Plan. The Strategy sets out our vision and purpose to be an exceptional delivery organisation, specialising in secure services across government, and delivering mission critical services that enable UK diplomacy and national security globally. The Corporate Plan sets out our goals to deliver cost savings and efficiencies, embed professional disciplines, and prioritise delivery and innovation. The board will work with the Executive Team to ensure that the strategic objectives are met, and greater value is created for the FCDO.

I am grateful to my non-executive colleagues for their expertise and enthusiasm. This year we bade farewell to Non-Executive Directors Bill McCluggage, Richard Gunning and Jenny Bates. We welcomed three new Non-Executive Directors, Sabah Carter, Greg Rubins and Jonathan Allen, the FCDO's Director-General Defence and Intelligence, whose collective experience and insight is already proving a real asset to the organisation. Clare Pickin, Chief of Operations, and Tim Gall, Chief Financial Officer, also both joined the board this year. Tim was appointed substantively after covering the role on an interim basis in 2023/24.

Finally, I would like to acknowledge the immense contribution of Chief Executive Mike Astell, the leadership team and all staff in FCDO Services – it is the people who make this organisation so special; their individuality, expertise, and experience matter to us. Whether they work in engineering, finance, technology, project management, or HR, it all matters. They should take immense pride in the contribution they make to the delivery of the UK's foreign policy and national security. That's what we're here for, and that's what we do.

Sir Simon Gass
Chair, FCDO Services Board



Foreword by Mike Astell

This year FCDO Services has made significant strides in operational delivery and performance. Transformation programmes have progressed well, and we have established a set of efficiency workstreams, setting a strong foundation for 2025/26. We have undertaken targeted work to improve pricing and margins, reduce overhead costs, and streamline our processes and organisational structures. These efforts are already delivering tangible benefits, enabling us to operate more efficiently and sustainably. By sharpening our commercial focus and simplifying how we work, we are better positioned to respond to customer needs and deliver even greater value. This has strengthened our ability to support government partners through complex, ground-breaking programmes in technology, security, and construction around the world.

Customer satisfaction remains a top priority, and my visit to the USA and Canada in September provided valuable insights into the projects delivered for the FCDO. Additionally, my visit to Australia and New Zealand highlighted how our teams' expertise is being leveraged by foreign governments and partners to enhance global security.

Our people and their capabilities are at the heart of FCDO Services' success, and I am proud of the determination and dedication of our staff. We have committed to improving the quality of leadership and management across the organisation through the launch of a 12-month programme to strengthen management capabilities – a brilliant opportunity that every manager, including the directors and I, will complete.

Technical skills programmes continue to thrive, including the continuation of engineering apprenticeships supported by strong outreach to raise FCDO Services' profile as an employer of choice. The number of T-Level placements has doubled and the first cohort for the Accelerated Technical Development Programme has been recruited, targeting applicants with relevant qualifications

but limited experience. These initiatives are crucial for building a diverse talent pipeline.

I am pleased to report that seven of the ten indices measured in the 2024 Civil Service People Survey improved when compared to the 2023 results, with the other three remaining static. However, there is a great deal we can improve, which we will take forward through our Corporate Engagement Action Plan and Local Engagement Action Plans. At corporate level, Leadership and Managing Change, Respect at Work and Organisational Objectives are priority areas for improvement.

Last year, we said farewell to Nasrin Cobb, Director of Customer Relationships and Yvonne Laird, Chief Finance Officer. I would like to express my gratitude for their contributions to the success of FCDO Services. We also welcomed Clare Pickin as Chief of Operations and Lisa Elward as Director of Customer Relationships & Strategy.

Looking forward, our world is changing rapidly but I am optimistic about the opportunities ahead. The challenging economic and geopolitical pressures facing the FCDO and our government partners are unprecedented. Budget constraints, supply chain disruptions, and evolving security requirements create complexities but also present opportunities to demonstrate our unique value.

For 2025/26, our focus turns to our new strategy, built across four pillars: Protect the Platform, Strengthen Value, Transform Partnerships, Accelerate Change. To deliver this strategy, we have launched a series of workstreams focused on process efficiency, people development, automation, and modernisation to evolve faster, serve smarter, and create a stronger, sustainable future for FCDO Services and its customers.

Mike Astell
Chief Executive Officer

Who We Are and What We Do

FCDO Services is an Executive Agency and Trading Fund, owned by the Foreign, Commonwealth and Development Office (FCDO). Our work supports diplomacy, defence and development for the UK government and our global partners.

What we do

We provide secure services to embassies and high commissions that underpin the FCDO's diplomatic network and protect against terrorism and espionage.

We support a wide range of highly secure government facilities, providing ongoing maintenance and consultation, from design and construction.

We provide an end-to-end lifecycle of technology services within the digital sphere, at all tiers. From bespoke international collaboration solutions to our own multi-tenanted platforms, these are all industry accredited.

Our secure logistics service delivers diplomatic mail around the world for the UK and other governments and includes our renowned King's Messengers.

Our services include regional technical support and protective security, translation and interpreting, and the provision of diplomatic and ministerial vehicles.

We offer project management and consultancy, testing, monitoring, product development, delivery and more.

The UK National Authority for Counter-Eavesdropping (UK NACE) is part of FCDO Services. As the National Technical Authority (NTA) for technical security, it protects the UK's assets from technical attack. It does so in collaboration with its partner NTAs – the National Cyber Security Centre (NCSC) and the National Protective Security Authority (NPSA).

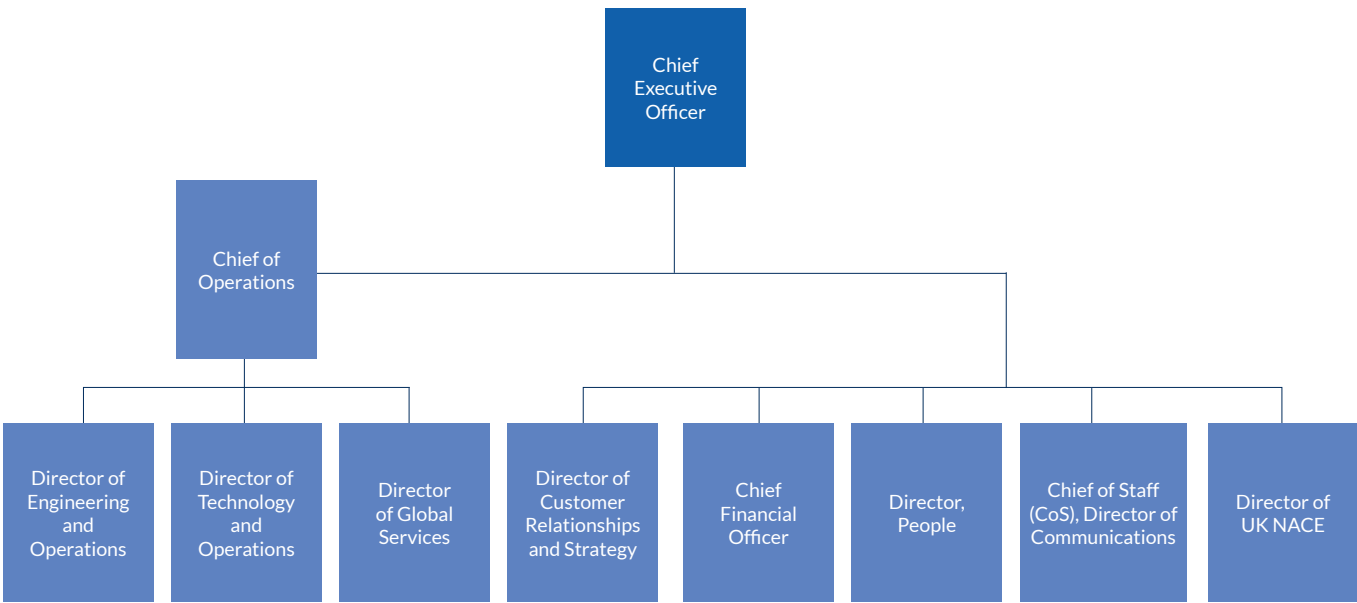
How we are organised

We deliver a global operation, working in more than 280 Missions across 178 countries.

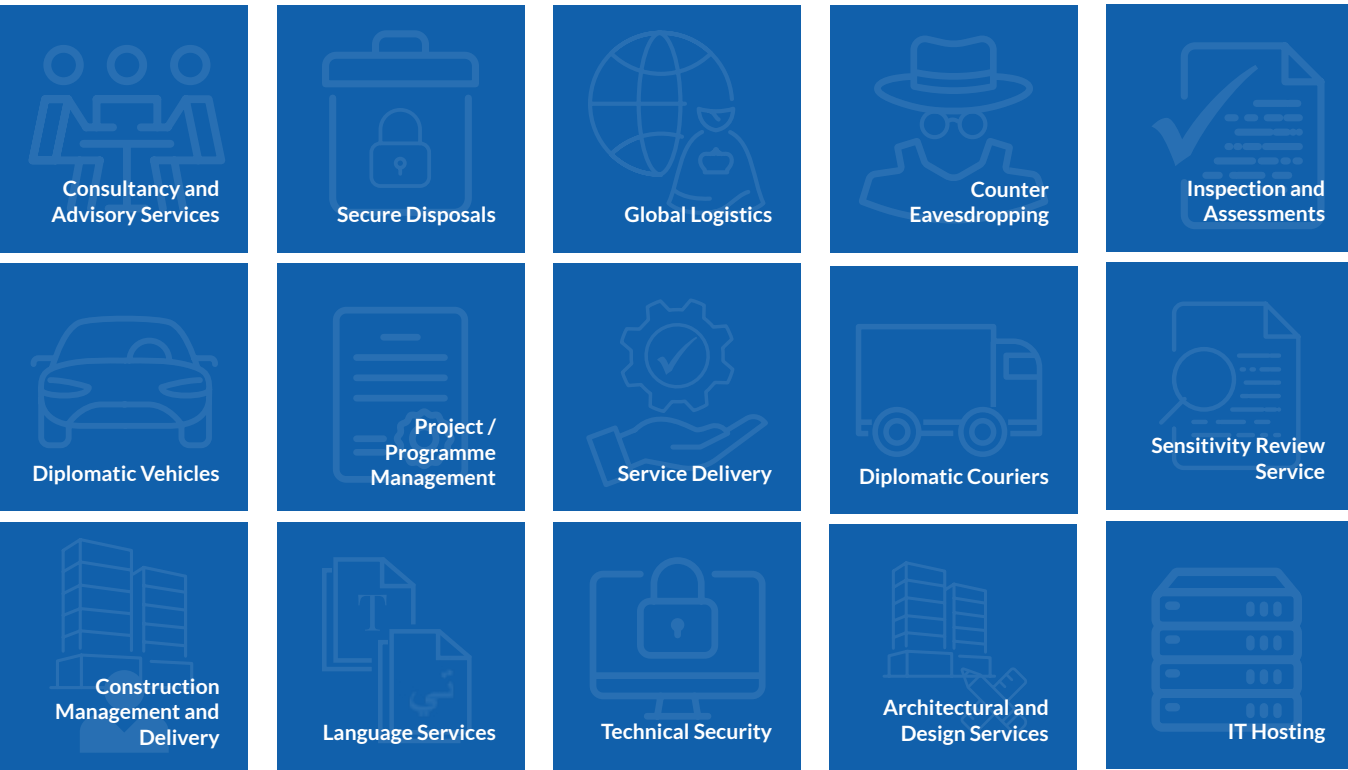
Our staff are based in the UK and around the world, where they can offer the best support to customers. In the UK, staff are based at Hanslope Park, near Milton Keynes, and at the FCDO's London Headquarters, King Charles Street. Our regional teams are based across the FCDO's international network at posts, including hubs in the UK, USA, Middle East and Africa and Asia Pacific regions.

Our regional structure allows us to build local supply chains and alter our approach based on the needs of each region, responding quickly to customers.

Our Organisation



Our Services



Some of Our Partners



Performance Summary

We are in our seventeenth year as a Trading Fund of the FCDO, providing vital support to diplomatic missions and other government departments around the world.



Performance Analysis

This section outlines our strategic vision and our objectives, including how we measure performance.



Organisational goals

FCDO Services has a clear vision to be a trusted government partner that is agile in deployment and global in scale.

Every three years we produce a comprehensive corporate plan which lays out our ambition, mission, and strategic plans, against the background political, economic and social environment, including financial forecasts for the period of the plan. This is revised each year to ensure it remains current.

To help us achieve our objectives in this final year of the strategy, three priorities were set. Our strategic priorities for 2024-25 were:

- Stronger alignment with the FCDO
- Agility through modernisation
- Capability development

Measuring our performance

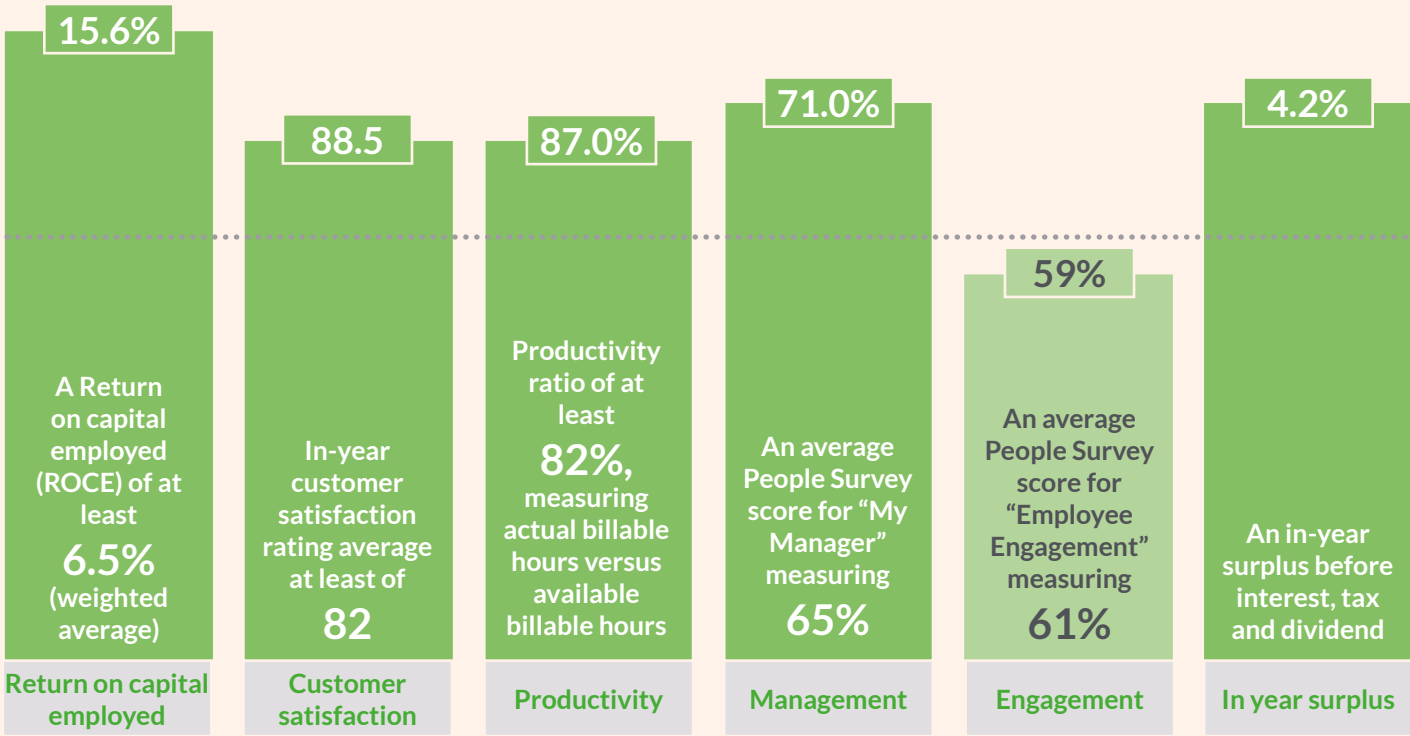
FCDO Services is accountable to the Secretary of State for the Foreign, Commonwealth and Development Office through an appointed Minister of State, alongside various boards and committees that direct the organisation.

The FCDO Services Board (The Board) is the principal governing body of FCDO Services. The Board is responsible for overall strategic management, setting corporate policy and monitoring performance and risks, in accordance with the FCDO Services Framework Document.

The Strategy and Corporate Committee (SCC) is a sub-committee of the FCDO Services Board and meets monthly to discuss HR, Communications, Business Services, Strategy and Customer Relationships matters and focuses on corporate decision making. This committee takes ownership of day-to-day management and strategic leadership, ensuring FCDO Services is following its strategic aims and policies. The Operations Committee is also a sub-committee of the FCDO Services Board and meets monthly to ensure the effective delivery of all operational decisions related to its People, Customers, Operational Safety, Finance and Security.

The SCC has two sub-committees, the Investment Committee and the Risk Review Panel. The Health and Safety Board was also a sub-committee of the SCC until December 2024, after which it was moved under the Operations Committee. The Investment Committee meets to ensure all spend and investment across the organisation is in line with strategic goals and requirements to meet ministerial and organisational targets. The Risk Review Panel assesses the overall risk landscape and undertakes ad-hoc deep dive reviews.

The Operations Committee has two sub-committees, the Health and Safety Committee (from January 2025) and the Operational Product Lifecycle Sub-Committee. The Health and Safety Committee is the organisational level consultative and advisory body for health and safety matters affecting staff, contractors and those who may be affected by FCDO Services’ undertakings both in the UK and overseas. It discusses Health and Safety policy, strategy, safety performance review, operational safety planning, safety risk management, consultation and cooperation. The Operational Product Lifecycle Sub-Committee provides oversight, direction, and governance for operational product lifecycle management.



Ministerial target set		Achieved
Return on capital employed	A Return on capital employed (ROCE) of at least 6.5% (weighted average).	15.6%
Customer satisfaction	In-year customer satisfaction rating average at least of 82.	88.5
Productivity	Productivity ratio of at least 82%, measuring actual billable hours versus available billable hours.	87.0%
Management	An average People Survey score for "My Manager" measuring 65%.	71.0%
Engagement	An average People Survey score for "Employee Engagement" measuring 61%	59.0%
In year surplus	An in-year surplus before interest, tax and dividend	4.2%

All executive directors are invited to attend the SCC and Operations Committee and both committees are accountable to the FCDO Services Board, chaired by Sir Simon Gass.

A detailed explanation of our governance and oversight structures is set out in the Accountability Report.

Investing in our people

We have continued to deliver against our 2022-2025 'People Strategy' which recognises that what we deliver is through the professionalism, expertise, resilience, and dedication of our people. Against a backdrop of continued social, economic, and environmental challenges, the strategy set out our vision of an inclusive workplace that empowers, engages, and enables our people to deliver and thrive, with a road map of how we intend to get there.

The 'People Strategy' is built around four pillars and reaffirms our commitment to our current and prospective staff.

- **Our people offer** – provides a compelling offer to ensure we attract and retain the right talent and showcase FCDO Services as a great place to work

- **Building capability and capacity** – develop professional, technical and engineering capability and capacity through effective workforce planning, development programmes and use of systems and technology
- **Leadership and culture** – develop leadership and management skills to effectively empower, engage, and support our colleagues and build a culture that promotes innovation and optimises performance
- **Equality, diversity and inclusion** – develop a truly diverse and inclusive organisation that looks after the wellbeing of all our people

This was the final year of the strategy, and our focus has been on ensuring future capability. Production of our Strategic Workforce Plan has identified the key skills we need to invest in and led into a review of our apprenticeship schemes to ensure alignment and identifying ways in which we can improve the quality and experience for this cadre. We have also developed and rolled out a new Strengthening Management Capability Programme, centred on equipping our managers with the skills and knowledge needed to manage the evolving needs of our staff, now and in the future. Other areas have been on streamlining our processes to improve capacity. Further highlights on how we have invested in our people are below.

Pay award

We made full use of the 5% increase available through Civil Service Pay Guidance, with eligible staff receiving a full 5% award. In line with our Reward Strategy, we adjusted our pay bands to ensure we remain competitive in the job market and moved to capability-based pay. We made non-consolidated performance bonus payments ranging from £700 to £3,150 and awarded a corporate bonus of £1,150 to eligible staff. This approach was well received by staff demonstrated by a 2% increase in the reward score of our people survey.

Diversity and inclusion

Our people make us who we are as an organisation. The skills and commitment of our staff who work around the world, and their breadth of experience and thinking, underpins our success as a business. We recognise that circumstances around the globe over the last year, as well as in the UK, continue to make it a more challenging environment for our people to be themselves and to be at their best.

Our approach remains committed to creating a workforce that reflects the societies in which we are located and increasing diversity of thought, supporting the UK government's inclusion agenda, and to creating and maintaining a workplace where everyone can be at their best.

We achieve this through working to remove barriers. Our recruitment and promotions remain merit based, so we are pleased that as at December 2024 representation of female, ethnic minority and disabled staff were at their highest levels. This positive increase also applied to senior female and ethnic minority staff, and technical female employees.

We were delighted to be upgraded to Disability Confident Employer status reflecting the ongoing actions to improve the experience of candidates and staff with disabilities.

As part of our commitment to creating an inclusive workplace we have held respect at work focus groups with ACAS, the output of which forms the basis for future improvement actions. We have introduced testing on respect at work for mid-senior level interviews and continue to host the positively received Active Bystander sessions.

We have benefitted from specific campaigns on neurodiversity, resilience, domestic abuse and male cancer ensuring our wellbeing approach is relevant to our people.

Outreach continued to have a strong focus in 2024/5 to raise FCDO Services' profile as an employer of choice and to build our diverse talent pipeline, particularly in STEM careers. We have doubled our T-level placement programme and recruited the first cohort of our Accelerated Technical Development Programme, for those applicants with relevant qualifications but not the experience.

We continue to benefit from the breadth of the FCDO and Civil Service staff networks, as well as our own, to work more efficiently on activities and to emphasise messaging.

We have actively increased our interaction with other departments to increase insights and reduce duplication.

Recruitment and retention

We have remained focussed on ensuring we have the right tools in place to help us attract and retain talent. As part of this, we have been working to embed our recently refreshed employee value proposition, which is centred on the concept, "it all matters", and helps instil a sense of pride in the work we do and highlights our employment offer. We have also partnered with a new media supplier to enable us to build and deliver on our attraction strategy.

We have been working to embed a new approach to talent acquisition and have started to create talent pools. As part of our attraction strategy, we also participated in the SC/DV Expo and Armed Forces resettlement day.

During 2024/25 we implemented a new application tracking system. This was the centrally procured platform that enabled us to better align our recruitment activity with other civil service departments and has demonstrable benefits to the candidate journey. The system provides an opportunity for efficiencies in both time and resource for the recruitment processes.

Civil Service People Survey results

The Civil Service People Survey continues to provide meaningful feedback on how our staff view issues within our organisation.

With a solid response rate of 69%, the 2024 Employee 'Engagement' results increased by one point to 59% against a Ministerial target of 61%, when compared to last year. The 'My Manager' score also saw improvements at 71% against a target of 65%. The improvements are a step in the right direction, though we only met one of our people survey ministerial targets.

While the picture at a team level remained mixed, at an organisation level there was no reduction in

scores when compared to 2023; seven of the ten indices improved, reflecting the work done to address concerns in those areas. We analyse results at all levels, and we will continue to deliver actions aimed at addressing staff concerns in key areas through our Corporate Engagement Action Plan and business level Local Engagement Action Plans.

Health and Safety

At FCDO Services ensuring the safety and well-being of our staff, customers, contractors and delivery partners is our highest priority. Operating in diverse global environments our robust ISO 45001 accredited health and safety management systems are in place to prevent harm and illness.

We have successfully delivered year on year performance improvements measured by our actively monitored key performance indicators:

- Near miss reporting has increased by almost 90%, providing us with opportunities to improve our risk controls; these improvements have had a direct impact on harm control, reducing our lost time frequency rate by almost half.
- 99% of our incident investigations were completed within 15 days of the report being made. This has meant we were able to undertake swift and robust action to prevent recurrence.
- Our planned monthly inspections achieved an average completion rate of over 90%. This has provided more opportunity to proactively identify and manage any changes in risk profile within our operational areas.
- Within our internal H&S audits, we had no major findings raised, and 100% of actions were addressed and closed within their due date, demonstrating management focus and commitment to the continuous improvement of H&S.

- Over 95% of our staff undertook dedicated H&S training this year, helping us to ensure our people remain competent to undertake their job safely.

We are proud of the improvements we have achieved this year and will be focused on continuing this into next year.

Leadership, management and development

High quality development is available at all levels of the organisation, with more people taking up mentoring this year. Although some areas remain low, there were improvements to the Learning and Development score in the people survey (up two points) and staff continue to make good use of learning opportunities both at a corporate and local level.

We continue to be committed to improving the quality of leadership and management across the organisation, and we have provided our directors and other senior or high potential leaders with coaching opportunities. We recognise that strong management capability is essential to fostering a positive and supportive work environment, and helps to improve employee engagement and retention, productivity and overall organisational success. As such, we started rolling out our Strengthening Management Capability Programme, a twelve-month programme that will be completed by all managers. Working with both external facilitators and our own internal experts, sessions are delivered virtually so that all managers, irrespective of whether they are based in the UK or overseas at Post, will have access to this important development opportunity.

Last year, we continued to partner with a local college to deliver Chartered Management Institute qualifications. Four individuals achieved Level 3 qualifications, and more are expected to complete their Level 3 or Level 5 qualifications in the coming months.

Assessing our risks

The principal risks faced in achieving our ministerial targets and our corporate objectives are managed proactively within our 'Risk and Control Framework', set out in detail in the 'Annual Governance Statement' later in this report. Risk management activity is reinforced by a policy document, supporting processes and training.

Additional oversight is provided by the Audit and Risk Assurance Committee, which meets quarterly. Effective identification and management of risk is fundamental to the success of the organisation. This is managed via a register of principal and operational risks, periodically reviewed, and updated using our in-house bespoke Risk Management tool.

Business continuity and resilience

Over the past year, the FCDO Services' approach to Business Continuity (BC) has been reviewed and has transitioned to focus on critical activities, crucial to the continuous delivery of services to customers and stakeholders, while maintaining a comprehensive incident response. When faced with externally controlled challenges, our Business Continuity framework has demonstrated its resilience and effectiveness. This allows us to effectively handle any unexpected disruptions thus ensuring the smooth delivery of services to our customers.

FCDO Services has aligned with FCDO and Partners Across Government (PAGs) by transitioning to a resilience focused BC management system that maintains alignment with ISO 22301 principles.

Our organisation's resilience structure has proven to be highly effective and robust, enabling us to remain flexible and prepared during critical times as we continue to support our customers and stakeholders affected by disruptive events worldwide. Through continuous dynamic planning,

exercising, and delivery, we remain committed to achieving our goals and providing the highest level of service to both our staff and customers in the future.

Sustainability

Operating as a Trading Fund of the FCDO, our sustainability initiatives are focused on improving environmental management, becoming 'net-zero capable' and producing greener products and services for all our customers. FCDO Services is part of the FCDO's environmental footprint within the Greening Government Commitment (GGC) 2021-2025 framework. Through our Sustainability Strategy and Action Plan 2022-25, we work closely with the FCDO to reduce our organisational footprint to meet GGC targets and align with the FCDO's certification to ISO 14001 (Environmental Management Systems) to ensure environmental compliance. A full sustainability performance chapter is included in this report with our current progress and approach to HM Treasury Task Force for Climate Related Financial Disclosures Phase 2.

Corporate Security

FCDO Services continues to implement an effective security risk management model in line with Cabinet Office (CO) and National Protective Security Authority (NPSA) guidance. We work closely with the FCDO to ensure compliance with the Government Functional Standard GovS:007 Security, and the minimum physical, personnel and incident response Cabinet Office standards.

Our security initiatives are focused on ensuring effective security measures, by implementing appropriate physical and personnel security controls deployed in effective layers to deter, detect and delay unauthorised access to our critical assets.

Our site perimeter and asset specific security assessments are supported by collaboration with the Protective Security Centre (PSC) and cross government security working groups. Comprehensive security education and a mandatory insider risk training for all staff has supported our security culture.

Compliance monitoring, measuring trends and the production of lessons learned has influenced our communications, levels of assurance and the direction of planning.

ISO Standards

During 2024/25 we managed and maintained

- ISO 9001:2015 Quality Management Systems Standard
- ISO 27001:2022 Information Security Management Standard
- ISO 20000-1:2018 Service Management System Standard
- ISO 45001:2018 Occupational Health and Safety Standard

FCDO Services is also included within the scope of the FCDO's ISO 14001 certified Environmental Management System and is subject to FCDO-led inspections and audits.

We completed regular internal compliance audits and managed external surveillance audits on all the standards. We successfully achieved re-certification and transition to the new standard for ISO 27001 from version 2013 to 2022. Using a continuous cycle of self-evaluation, correction and improvement of our operations and processes we ensure the effectiveness, continuing suitability and adequacy of the management systems.

Retaining these ISO Standards provides assurance to the organisation and our customers of the relevant systems of governance, risk management and controls and makes recommendations for improvement.

Personal data

There have been no significant lapses of protective security, or enforcements made by the Information Commissioner's Office (ICO) in 2024/25.

Performance in responding to correspondence from the public

As a public organisation, FCDO Services is subject to the Freedom of Information Act (FOI) which creates a public "right of access" to information held by public authorities. Individuals also have the right to obtain a copy of their personal data held by the organisation, as well as other supplementary information - known as a Subject Access Request (SAR). Under this Act, FCDO Services must provide answers to the public when they submit an FOI request. In the 12 months ending 31 March 2025, FCDO Services received 28 FOI requests, 14 SARs, 1 right to erasure and 1 right to rectification.

Modern slavery

FCDO Services recognises that it has a responsibility to take a robust approach to combat modern slavery. The organisation is absolutely committed to preventing modern slavery in its corporate activities, and to ensuring that its supply chains are free from the practice of modern slavery. We have policies in place that cover the use of agency workers and best practice on monitoring services provided to us by suppliers.

A full statement is reviewed and updated annually by the Strategy and Corporate Committee and is made available on our website.

Ethics

Our Ethical Code sets the standards of behaviour and conduct expected of our people – employees and contractors.

The Ethical Code incorporates the Civil Service Code and its core values of integrity, honesty, objectivity and impartiality. The Ethical Code specifies:

- conduct
- declaration of gifts and interests
- how we work with our colleagues
- raising concerns
- respect at work
- how we handle information
- how we work to eradicate unethical practices from our organisation
- behaviour when undertaking procurement activities

Our Respect at Work Policy, and mandatory training programme, helps to ensure staff receive fair treatment and respect, no matter their background, and helps FCDO Services prevent discrimination in the workplace.

Whistleblowing, anti-corruption and bribery

FCDO Services is committed to ensuring high standards of conduct in all that it does. These standards are reinforced by the Civil Service Code and in Diplomatic Service Regulations (DSR) and Home Service Regulations (HSR). Our Raising a Concern Policy is designed to make it easy for workers to make disclosures, without fear of retaliation.

FCDO Services Strategic Review and Performance

This section outlines FCDO Services' strategic performance and achievements during the reporting period. It details our engagement with the Spending Review process, expenditure priorities, progress against organisational objectives, and adaptations to changing government priorities. The information demonstrates how FCDO Services continues to deliver value as a Trading Fund while supporting the FCDO's diplomatic objectives and broader government commitments.

Spending review outcomes and strategic objectives

FCDO Services has actively engaged in the FCDO's Spending Review process while maintaining our unique position as a Trading Fund that receives no direct budget allocation. Through the Deloitte Strategic Review of the FCDO and FCDO Services relationship, we've proposed options to reduce duplication, improve working practices, and increase output - initiatives expected to make a material difference to FCDO expenditure, and these are reflected in the new strategy which is launching later in 2025. Additionally, we're increasing revenue from the Five Eyes community and other external partners, bringing new funding into government while subsidising core HMG activities such as Logistics and building infrastructure resilience.

Main areas of spend linked to outcomes

Our staff represent our most significant direct cost, with our work centred on expertise in delivering, installing, and supporting security infrastructure that protects the UK's most sensitive information. As a Trading Fund, we focus on enabling the FCDO to deliver diplomacy in secure, safe, and efficient environments. We've successfully reduced overhead staffing costs during the last financial year to meet Ministerial Targets without service disruption. Our most significant challenge remains the limited budget available to FCDO colleagues, requiring continuous engagement with external partners to meet our targets while ensuring FCDO can afford to deliver its diplomatic platform objectives.

Achievement against organisational objectives

FCDO Services functions as the delivery arm of the FCDO, working to the standards and outcomes set by our parent organisation while contributing to the delivery of public commitments. We have established an influential sustainability team focused on future-oriented outcomes and products, alongside a Health and Safety advisory group ensuring the safe delivery of all projects and programmes.

Changes in outcomes and cross-government priorities

Efficiency has been our primary focus, with overhead cost reductions representing a significant step toward eliminating unnecessary processes and increasing output. These efforts protect the FCDO from inflationary increases in Trading Fund prices, allowing more resources for frontline activities. Through the Deloitte Review, we've identified improved working methods across the FCDO family anticipated to generate savings of approximately £30 million over three years. As we transition following the 2024 general election, we remain aligned with the government's priorities and preparations for SR25 (Spending Review 2025).

Mike Astell
Chief Executive Officer and Accounting Officer

1 July 2025

Our Achievements

As part of the Foreign, Commonwealth and Development Office (FCDO), our work supports the department’s key priorities. These are Growth, Security, Europe, Migration, Climate and Nature, and Development.



While protecting the UK’s core national interests of security, prosperity and sovereignty, we contribute to shaping an open and stable international order through delivering the FCDO’s strategic priorities.

With operations across more than 280 missions in 178 countries, FCDO Services delivers secure services which form the foundation of the FCDO’s diplomatic network. Our capabilities span project management, design and construction, secure logistics, IT hosting and technical security.

Through these services, we maintain and protect both physical and digital FCDO assets, ensuring diplomatic and development work proceeds securely without compromising national security.

Beyond the FCDO’s headquarters in King Charles Street and East Kilbride, our regional hubs secure, equip, maintain and protect the FCDO’s global estate. This enables the UK’s diplomatic network to remain operational during crises, such as Russia’s aggression against Ukraine or natural disasters, allowing the FCDO to continue providing essential diplomatic, consular and development services.

We also collaborate closely with other government departments including the Ministry of Defence and Home Office to enhance national security. Our teams deliver critical projects like upgrading the Royal Air Force’s radar infrastructure and creating secure collaboration platforms with UK partners, strengthening both national security and international cooperation.

The following pages highlight projects with UK and international partners that demonstrate our commitment to supporting diplomatic, development and defence capabilities while maintaining our pledge to protect the UK.



Mobilising change: delivering Osprey

From 2022 to its conclusion in March 2025, FCDO Services successfully supported the international rollout of Osprey, the FCDO's new cloud-based IT platform designed to enhance global collaboration. This began with moving ex-DFID colleagues to Osprey in 2022 and following the rollout to the entire FCDO estate around the globe, concluded with FCDO Services fully adopting Osprey in 2024/25. This brought all ex-DFID, FCDO and FCDO Services colleagues onto one IT system.

Delivering Osprey successfully overseas

Every Osprey device required secure, reliable planning and logistics to ensure it reached users across the global FCDO network. The logistics team at FCDO Services played a crucial role in ensuring timely and secure delivery of devices to staff at Post. Across the rollout FCDO Services delivered 13,743 Osprey devices overseas.

To ensure there were enough devices and kit to meet demand, the Osprey Programme devised a wave approach to the rollout, adapting to overcome transportation challenges and meet tight deadlines. FCDO Services' logistics team was critical in meeting the Osprey programme's wave deadlines and ensured that the rollout could continue at the rapid pace necessary.

Throughout the rollout, the logistics team delivered Osprey kit to some of the world's most remote and challenging destinations. These included isolated locations such as Tristan De Cunha, and Ascension Island. The team also navigated strict shipping restrictions to reach places, such as Cuba and Islamabad. They managed deliveries to geopolitically sensitive regions.

FCDO services also provided "Boots on the Ground" support - a crucial element where assistance was needed in deploying kit to users at larger Posts, addressing FCDO's resource limitations. This resource assisted with deploying 5,028 devices to users at 39 overseas posts.

Adapting to challenges

To support large numbers of FCDO staff, the logistics team established a dedicated unit to address the challenges of this project. This team became experts at navigating supplier issues that threatened timely device delivery, and managing incorrect product descriptions. To maintain an efficient global delivery service for FCDO users, the team leveraged FCDO Services' road freight lorries, ensuring deliveries were completed in the shortest possible time.

The team navigated key project challenges, including the shipment of new Osprey printers to FCDO locations. As the printers were too large for air transport, alternative shipping solutions were implemented. To protect the equipment in transit, the team designed a bespoke, eco-friendly cardboard crate that provided both security and sustainability.

UK Osprey rollout - The FCDO Services "Osprey Shops"

To deliver the Osprey rollout to FCDO colleagues based in the UK, our teams established the "Shop" initiative at both Hanslope Park and Kings Charles Street. Beginning in 2024, these "Shops" offered hands-on guidance, resolved technical queries, provided support to Ministers and senior Civil Servants, supported users with workplace adjustment requirements, and collected obsolete laptops.

This essential support enabled staff to transition smoothly to Osprey, minimising disruption and accelerating the platform's impact across the global network. This approach was similarly used for the adoption of Osprey by FCDO Services from November 2024-March 2025. Using the experience and knowledge from the rollout to UK FCDO staff, Osprey devices were rapidly deployed to over 1,200 UK-based FCDO Services staff, while ensuring that overseas FCDO Services staff also received Osprey devices.

UK desktop deployments and UK printer conversions

FCDO Services deployed Osprey desktops to replace existing obsolete desktops across the UK estate.

Our teams also played a crucial role in the conversion of the existing obsolete printers to Osprey compatible printers.

They collaborated with the Osprey Programme Team, Computer Centre, and third line support to ensure that users could continue to print throughout the transition.

Collection of decommissioned laptops, desktops and infrastructure from UKVI sites

As a parallel project rolled out from the start of 2025, UK Visas and Immigration (UKVI) reduced their requirements for FCDO IT. FCDO Services teams worked to ensure that infrastructure and hardware was decommissioned and removed from key sites in Croydon, Liverpool and Sheffield. Our teams visited the sites in advance to scope the requirement, complete the decommissioning activity and prepare all the kit for transportation. Vehicles were then sent to remove all the kit and transport it to Hanslope Park where it was securely stored – a feat managed in just a few days.



An Osprey laptop box

UK Rollout Statistics (Main UK Rollout)

- KCS (Kings Charles Street):
 - No. of Users: 5400
 - No. of Laptops deployed: 5380
 - No. of Desktops: 69
- HSP (Hanslope Park):
 - No. of Users: 2300
 - No. of Laptops deployed: 2220
 - No. of Desktops: 181

"With the Osprey overseas deployment rollout we had identified 4 week Waves that Posts would enrol in, so as a Programme we had to ensure that all equipment arrived at Posts one/two weeks before that enrolment Window began.

Without FCDO Services Logistics and the Diplomatic bag team's knowledge and commitment to this programme we would never have met the agreed deadlines. We worked collaboratively throughout the process raising any concerns we had directly with them through our senior management teams or the Osprey Logistics manager. We took guidance from the knowledge the team had from previous experiences on transporting equipment to Post efficiently - without this we would've failed. They were without doubt an integral part of our deployment team, and we are indebted to them.

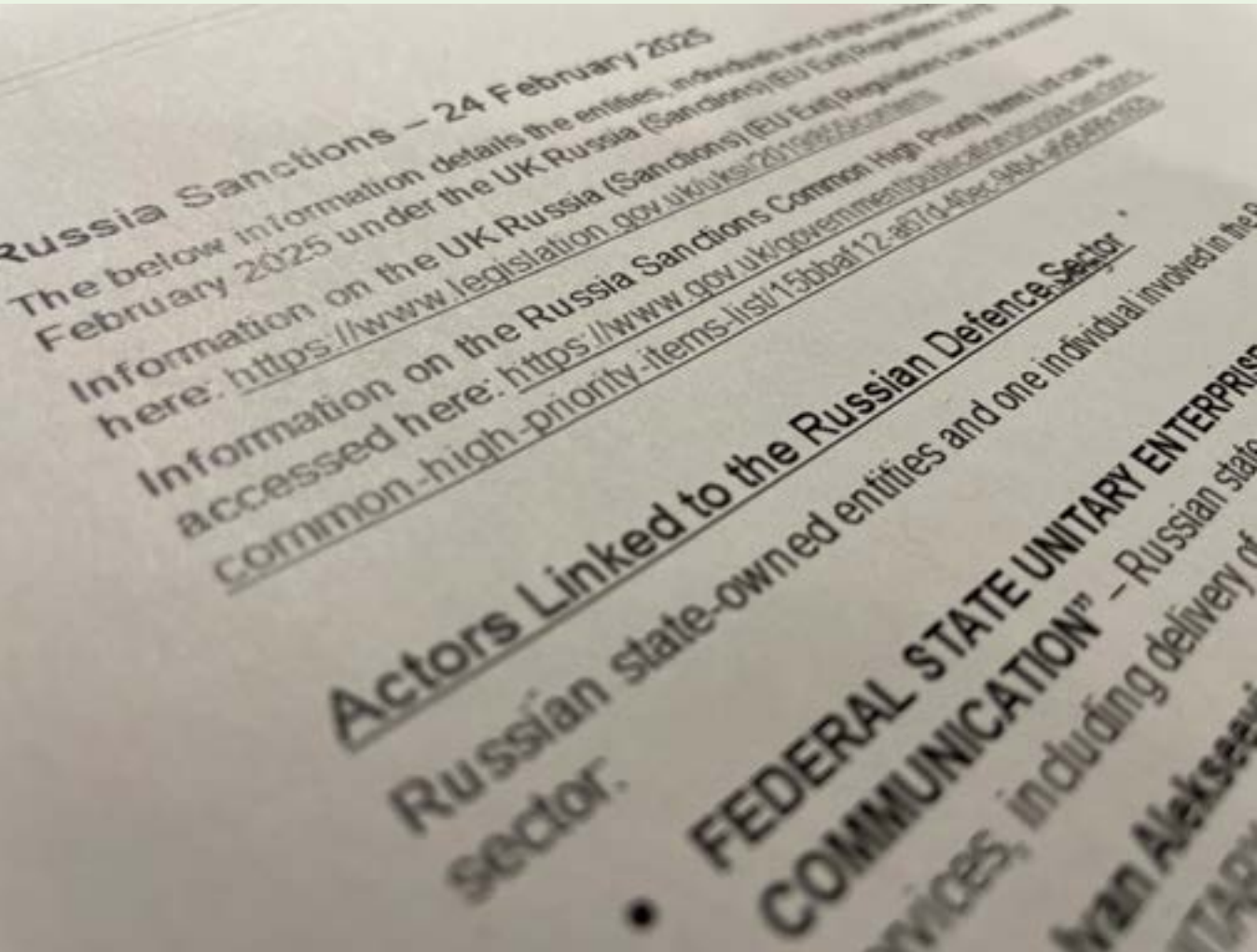
As deployment lead I had a selfish, but professional approach, to ensure we had all the necessary kit at Post and without the Logistics team and the equipment "buffer" arrangement we had in Hanslope Park, this would never have been possible. We ensured we had sufficient stock in HSP, and the Logistics team packaged it as requests were submitted. It was a great formalised process where everyone knew their responsibility and worked tirelessly to achieve success.

For me, it was a pleasure to work with them. Our logistics manager had a superb working relationship with everyone. It was a pleasure and many friendships were established.

We succeeded due to your commitment, thank you all."

Osprey Programme & Overseas Deployment Lead, FCDO

Translating foreign policy: Russian sanctions guidance



Russian Sanctions

In March 2024, the FCDO Services Translation and Interpreting team was commissioned by the Foreign, Commonwealth and Development Office (FCDO) Sanctions Directorate to translate eighteen pieces of sanctions guidance from English into seven different languages.

The scope of these documents was vast, covering topics including trade, maritime sanctions, professional and business services, imports and exports.

Initially, translation was requested into Russian and Turkish as a priority, and this was later expanded to include Armenian, Georgian, Kazakh, Uzbek and Kyrgyz. Just under 18,000 words were translated into seven languages, five of which have

less than 40 million speakers worldwide. To provide the most effective service, our team enlisted external translators to support the work, particularly for the lesser-known languages such as Georgian.

What are sanctions?

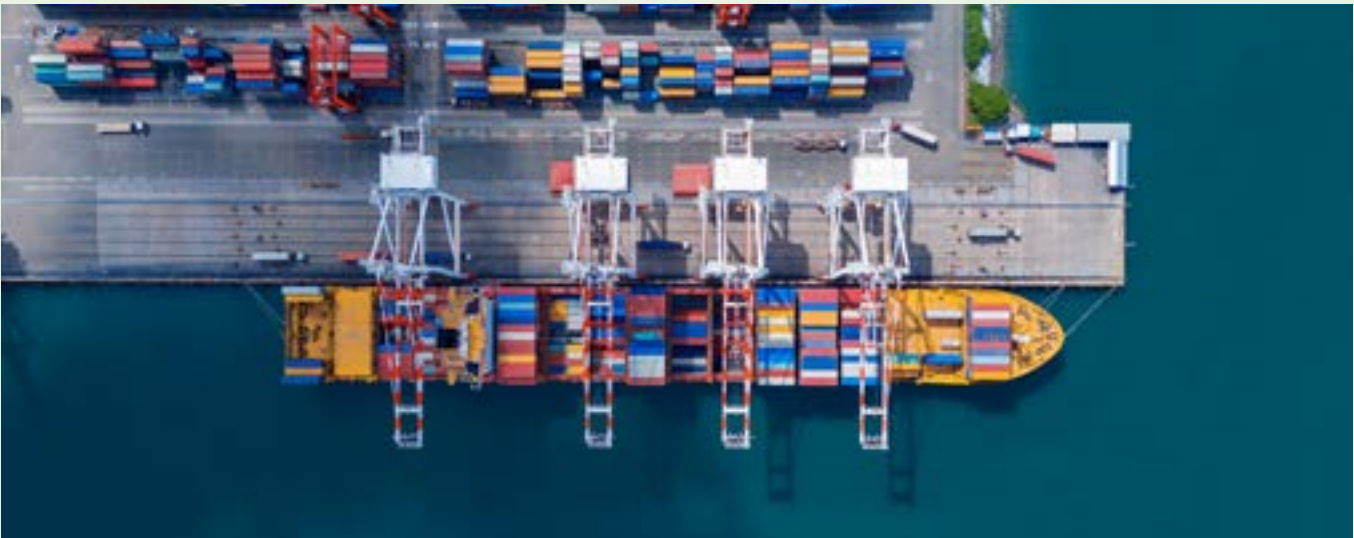
Sanctions are a vital tool of foreign and security policy that the UK uses to pursue a wide range of purposes. We use sanctions to deter and disrupt malign behaviour and to demonstrate our defence of international norms.

The Sanctions and Anti-Money Laundering Act 2018 (SAML) gives the UK autonomous powers to impose, implement, enforce and lift

sanctions. The Act also allows us to uphold our international obligations in relation to United Nations sanctions. SAML provides a range of measures to deny malign actors the benefits of interacting with the UK economy. These measures can relate to finance, trade, transport or immigration.

The importance of accurate translations of sanctions

Sanctions must be understood by everyone that they may impact, both in the UK and abroad because they carry important messages and can act as a deterrent. Due to this, accurate translations are vital to ensure they're effective.



A cargo ship at a port

As sanctions reflect the official position of the FCDO and the UK government, translations must convey the same message as the original document. Inaccurate translations could undermine the effectiveness of UK sanctions and increase the risk of non-compliance and circumvention of sanctions by industry. As an important tool used by our overseas network, inaccurate guidance could strain our diplomatic relationships, and risk damaging the reputation of the government on the international stage.

Difficulties in translating legal language

Translation is a complicated and iterative process with each change requiring a review of the whole document. This means that updating the translated sanction guidance with every change would be unfeasible and costly for the FCDO.

Due to this, legal caveats, that also needed translation, were added in each language to the sanction guidance. These explained that the translations were accurate as of a particular time and that the English translation always took precedence as the most up to date version.

The complex and specific wording in the guidance made conveying

an identical message across seven languages a challenge. To address this, translators were instructed to flag any uncertain text. These queries were raised with the FCDO Sanctions Directorate to ensure the correct message could be clarified. The correct messages were shared with all linguists to ensure consistency and accuracy, reducing the risk of inconsistent translations. It also maintained efficiency as queries were checked as they arose, helping to communicate the sanctions effectively.

Ensuring further consistency

All translations went through an additional quality check to assure their accuracy. This check was completed by a second individual, rather than

the linguist that completed the first translation. Where possible, the review was conducted by our Translating and Interpreting team, with external linguists required for the smaller languages.

Offering continued support

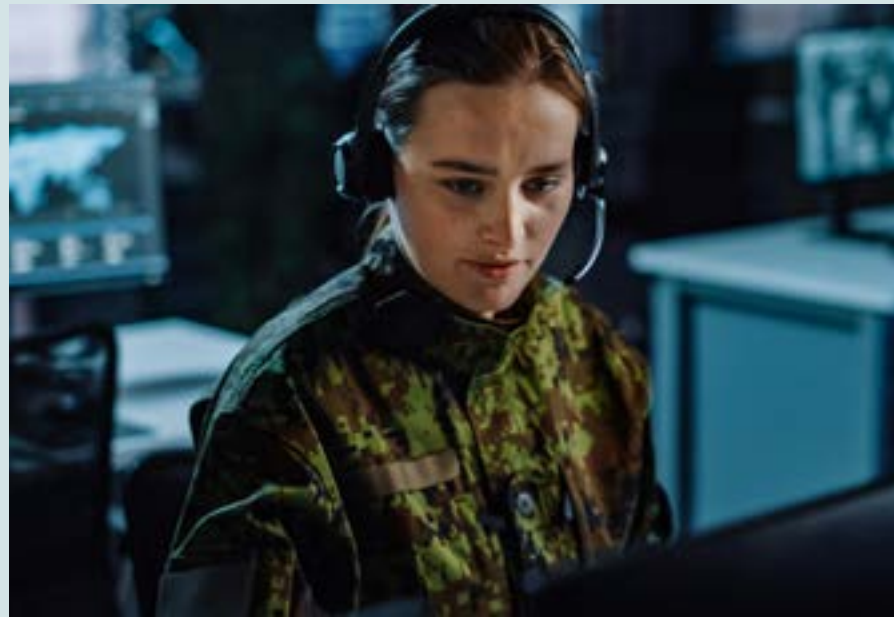
Since completing the initial translation of eighteen pieces of sanctions guidance and nine legal caveats, the team has translated a further three updates into the seven languages.

As the political situation with Russia continues to develop, the FCDO Services Translation and Interpreting team will continue to support the FCDO Sanctions Directorate.

“The UK Government prioritises preventing the circumvention of sanctions against Russia. We focus on ensuring third countries understand UK sanctions, their scope, and non-compliance consequences. Translation of guidance into multiple languages is essential as it makes sanctions information accessible beyond English-speaking networks, improving global understanding and compliance”

FCDO Sanctions Department

HERMES: Building continued Capability in International Secure Communications



A female soldier working at a desktop

Over the past year, FCDO Services has continued to support the Ministry of Defence (MOD) with international communication and collaboration.

To improve capability, the MOD required enhancements to the existing HERMES secure communication platform. This platform enables individuals to communicate and collaborate internationally with robust security assurance.

FCDO Services was selected to enhance the HERMES platform with additional video conferencing and collaboration services. With a history of successful secure technology delivery, into secure environments

across a wide range of global locations, our teams had the expertise and experience to deliver the project.

Developing the enhancements

To understand the additional requirements, our teams worked closely with stakeholders in the MOD to identify the specific enhancements required. This enabled our teams to develop a plan that would ensure the enhancements were delivered on time, without affecting the security assurance of the existing platform. As a result of these early discussions, the decision was taken to select a commercial off the shelf conferencing technology to integrate onto the platform. Throughout the build

phase, our teams then developed the technology to uplift and improve security built into the platform to meet requirements.

The MOD needed these enhancements delivered rapidly and efficiently. To achieve this, alongside thorough stakeholder consultation, our teams temporarily worked additional hours to meet deadlines.

Delivering the platform

Following extensive development and collaboration, new capabilities were introduced to enhance the HERMES experience. Enabling faster and more agile ways of working, additional collaboration tools are necessary to develop and deploy new capabilities between the UK and its international partners.

These capabilities enhanced real time video conferencing and cooperation across the UK and international government and industry partners. They also reduced the time and cost associated with travel, sometimes required for meetings around secure topics, which has resulted in decreased costs involved in project delivery.

The global rollout of this uplift capability was supported by secure logistics delivered through our King's Messenger service. Additional in country technical support was then provided by our Regional Technical Support Services.

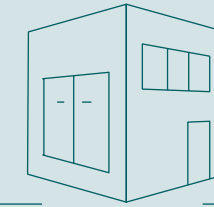
Providing continued support

After successful implementation, FCDO Services has continued to collaborate with the MOD, expanding the availability of the HERMES platform to address secure communications and collaboration challenges throughout the MOD.

“Rapidly building and deploying this additional secure collaboration capability is integral to ensuring the success of FCAS. Engineering teams can now engage frequently through this secure platform to maintain a rapid pace of programme delivery.”

Future Combat Air Systems, Ministry of Defence

Future proofing the British Embassy in Luanda



In November 2023, FCDO Services began a comprehensive infrastructure upgrade at the British Embassy (BE) in Luanda, Angola. Commissioned by the FCDO, the project aimed to address critical security and operational needs identified through structural surveys.

The scope of the work initially encompassed the construction of a secondary gatehouse, reinforcement of perimeter walls and the installation of a modern sewage treatment system. Later, the refurbishment of a residential property on the compound was added.

Upgrading the site's infrastructure

Following site surveys, it was determined that a new gatehouse was required in the BE's lower compound. The gatehouse is a secondary entrance and provides access to residential properties and service vehicles.

As part of this upgrade, the lower compound's west elevation perimeter wall was rebuilt. Additional repairs also addressed cracks in other sections of the perimeter and retaining walls to reinforce security.

The reconfiguration of the lower compound also included curb adjustments to address health and safety concerns. This created more space for individuals waiting to enter, which reduced the health and safety risk as the entrance is adjacent to a highway.

Installing a new sewage and drainage system

The project resolved longstanding drainage issues, as the existing septic tank was outdated and insufficient for the site's capacity needs.

Working with the local authorities, our teams explored suitable solutions, deciding on a modern water treatment system to resolve this issue. With proven success in Angola, this system, was specially designed based on

maximum occupancy requirements, considering additional flex for large scale diplomatic functions and future site requirements.

Unlike the septic tank, the water treatment solution connects to the existing mains services reducing the regular waste pump lorry visits and offering cost savings. In the new system, foul waste is treated and discharged into existing rainwater infrastructure.

Managing last minute requests

When a residential property refurbishment was added during the late design phase, the team rapidly developed a comprehensive brief within just 2-3 weeks to avoid delays. This included detailed mechanical, electrical and architectural specifications that enabled the contractor to provide accurate pricing quickly - a process that typically requires several months.

This rapid response was challenging due to the absence of measured drawings and furniture in the property impeding proper inspection. Most critically, our teams identified health and safety risks with outdated electrical systems, which required complete rewiring to meet UK regulations.

Nonetheless, our teams overcame these challenges by leveraging their expertise and extensive knowledge of the compound. The customer expressed strong satisfaction with this responsive approach, demonstrating their trust by requesting a specific Project Manager, and Building and Quantity Surveyors that they'd worked with previously.

Delivering an upgraded British Embassy

By working closely with the customer and integrating these diverse infrastructure projects into a single coordinated project, our teams delivered substantial benefits to the BE Luanda.

“The FCDO Services team visited regularly and kept us up to date of any issues throughout the project.

We're happy to have had this oversight as any issues that were raised were dealt with quickly and professionally. The Clerk of Works particularly stood out, becoming an integral part of the Embassy team. They consistently worked with us to minimise disruption and maintain high health and safety standards, with their pride in their work clearly evident. Through their dedicated teamwork, we now have a lovely, safe and secure house, one key output of the project, that we're proud to have families living in. We thank the team for their hard work; they've been great colleagues, and we'll miss them when the project is completed! “

British Ambassador to Angola

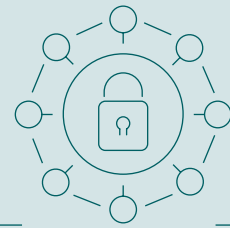
The combined approach minimised operational disruption to staff by confining construction activities to one area during a single period. This avoided repeated excavation, streamlined the permit process and employed labour efficiencies by using the same skilled subcontractors across similar trades.

Most importantly, the modern water treatment system reduces long-term expenses, while the enhanced gatehouse and strengthened perimeter walls improved the compound's security and functionality.

Providing continued support

Our teams continue to support upgrades at BE Luanda beyond the initial project, with the customer commissioning the internal refurbishment of a second residential property. This demonstrates FCDO Services' commitment to supporting the FCDO's global estate, ensuring that the BE Luanda remains secure, functional and representative of UK values abroad.

JEFNet: Securing International Defence Communication



The JEFNet platform for the Ministry of Defence's (MOD) Joint Expeditionary Force (JEF) has continued to be operated and developed throughout 2024-25.

Originally developed as a secure IT network with connected infrastructure and devices, JEFNet was designed to enable ten like-minded partner nations—the United Kingdom, Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Netherlands, Norway, and Sweden—to collaborate securely at a higher classification level.

“UKStratCom have enjoyed a fully-engaged relationship with FCDO Services, providing the JEFNet solution to MOD as a fully managed IT service outcome. The team have worked diligently towards reaching Full Operating Capability (FOC) in May 25, while continuing to support the live service. Notably, JEFNet has been utilised to support Strategic engagement across the JEF partner nations, enabling UK leadership to securely communicate regards geopolitical and diplomatic incidents at Secretary of State level.”

UK Strategic Command

This system provides a robust backbone for sensitive political, military, and policy communication in an increasingly complex European security environment, allowing the JEF partnership to strategically address military, security and political challenges across the High North, Northern Europe, and Baltic Sea Region.

Making JEFNet transportable

Throughout 2024-25, FCDO Services' work on JEFNet delivered comprehensive service operation and strategic enhancement. Our teams deployed transportable JEFNet capabilities for the first time, while ensuring uninterrupted

connection across all JEF nations at all times throughout the year.

A significant breakthrough was the use of this transportable capability in a joint exercise, marking the first time the system was used in field operations. With this increased capability, JEFNet operations maintained secure, real-time communication with political, military and policy leadership across all partners, complementing national and NATO strategies. This supported a successful exercise which fostered a greater understanding of threats,

facilitated discussions among allies and provided an opportunity to test responses in various scenarios.

Throughout the development of capability, our teams worked closely in line with rigorous security protocols to ensure that the security of the platform was maintained. With JEFNet deployed to all JEF partner nations, FCDO Services used our secure Kings Messenger Service and security cleared personnel to deliver platform support for all deployed equipment across partner nations.

Ensuring maximum value

Operating JEFNet within constrained MOD budget parameters presented significant challenges throughout the year. To ensure we provided the best service despite this, we implemented innovative approaches to service delivery, focusing on efficiency without compromising security or reliability.

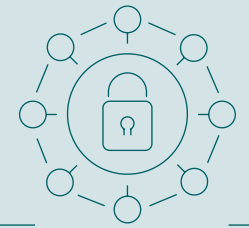
Due to the mission critical nature of communications conducted through JEFNet, maintaining near-perfect system availability was paramount. This required establishing rapid response protocols for system incidents, with technical teams ready to deploy either remotely from the UK or in-person to partner nations at short notice.

The strategic importance of the communications flowing through JEFNet meant that even brief service interruptions could impact critical defence coordination efforts. Our teams developed enhanced resilience measures and proactive monitoring systems to identify and address potential issues before they affected operational capabilities. These efforts ensured that despite financial and operational challenges, JEFNet remained a dependable foundation for the JEF partnership's collaborative security efforts.

Delivering a successful service

As security challenges continue to evolve across the region, JEFNet provides the secure foundation needed for effective multinational cooperation, strengthening collective defence capabilities and enhancing the UK's leadership role in international security partnerships.

Proviso Central, a cloud-hosted application is launched



Faced with a critical deadline to replace a legacy visa processing system, FCDO Services launched Proviso Central – a secure, cloud-based solution for the Home Office – in February 2025. The team delivered at pace, taking well-managed risks and demonstrating innovation to adapt the system for a new platform. Despite the scale of the service, the transition was seamless, safeguarding operations and enabling strategic outcomes: improved security, efficiency and user experience. Used by over 3,000 staff and supporting £5.4 million in savings, Proviso Central exemplifies the professionalism and partnership required to deliver high-impact public sector technology.

Modernising visa applications

In February 2025, FCDO Services launched Proviso Central, a cloud-hosted application developed to modernise and secure the processing of visa applications made from outside the UK. Created by the Technology and Operations team, this new platform replaced a legacy IT system under significant time pressure, safeguarding the continuity of a critical front-line service.

There was a pressing need to deliver at pace due to the impending decommissioning of the old infrastructure. Failure to migrate in time would have risked disruption to a vital Home Office operation. Recognising this, the team worked at exceptional speed – taking carefully managed risks to accelerate delivery while maintaining system integrity, security and performance.

Innovation in action

Innovation was at the core of this achievement. The team adapted the original Proviso system to function seamlessly on a novel, private cloud-based platform hosted by FCDO Services. This required technical ingenuity and flexibility, all under tight deadlines and within a complex multi-stakeholder environment.

Operational impact and strategic benefits

Over 3,000 Home Office users now rely on Proviso Central, which is expected to process 3 – 4 million visa applications annually. The system not only ensures operational continuity, but also delivers strategic benefits: reducing cyber risks,

driving efficiencies and significantly improving the user experience.

Value delivered

The successful delivery of this project underpinned cost savings of £5.4 million. It also set a benchmark for collaborative working, with exceptional partnered behaviours and a high level of candour and trust evident throughout. The smooth transition, executed on an accelerated timeline, is a testament to the professionalism and commitment of the FCDO Services team.

“At the start of 2024, The Home Office were faced with an enormous challenge to migrate from the aged FCDO infrastructure and the use of localised servers at seven key locations whilst maintaining service in high volume routes. This IT service (Proviso - used for Overseas Case working) was transformed initially to be accessed via a web-based portal and then to a full cloud solution hosted by FCDO Services.

The programme was run at pace to meet a deadline of the 31st of March 2025. This would not have been achieved without the collaborative working across stakeholders from the Home Office Business, DDaT and our FCDO and FCDO Services colleagues. The people concerned are praised for their dedication, resilience, and flexibility to work long hours, evenings, and weekends to deliver a massive success for all parties.

It has been a huge effort from all involved in managing both the migration alongside the BAU activity, we would like to thank everyone involved in achieving not only the transformation of the IT service but also ensuring live IT operations experienced minimal interruption throughout the last twelve months.”

“The service was transitioned exceptionally smoothly – an impressive feat given the scale and critical nature of this operation. I was particularly struck by the high degree of grip and professionalism shown by the team, and the open, trusted relationships built across departments.

Paul Dunlop,
Customer Services Group | UK Visas and Immigration

Transforming Skills Development: T-Levels at FCDO Services



Over the past two years, FCDO Services has successfully implemented a T-Level industry placement programme, the first secure government department to do so, providing students with valuable work experience whilst developing future talent. Beginning with a single digital student in 2023 and expanding to include engineering placements in 2024, the programme has created meaningful learning opportunities for students whilst benefiting the organisation's skill pipeline. These placements were designed not just to develop students' practical skills in their subject areas but also to support them in developing the all-important employability skills that employers value.

Establishing our T-Level programme

Our pilot year began with consultation with local colleges, carefully selecting providers based on T-Level offerings, student diversity, and proximity to our site. We undertook a planning process to address the security requirements of our environment whilst ensuring meaningful student experiences.

To support student selection our teams developed a comprehensive selection process, including student presentations at the college, anonymous application reviews, and professional interviews giving students a valuable experience.

For the successful candidate, a thorough security clearance process was required, and we maintained regular contact throughout the summer before the placement.

The student experience was carefully structured with a three-day induction block to help integration. To address the challenge of creating meaningful work with students attending just one day per week, we implemented a rotation model where they worked in different teams each term. This scheduling allowed students to complete discrete project components while experiencing diverse aspects of our operations. We enhanced their experience by pairing them with apprentice buddies and creating opportunities to participate in relevant events and work trips, developing a holistic understanding of FCDO Services.

Improvements in year two

Building on insights from our pilot year, we refined the programme for our second cohort, expanded to include both digital and engineering students. Based on feedback, the recruitment process was adjusted to give students more time for their applications, while reducing their waiting time between selection and start date.

A major enhancement came through integrating T-Level students into

our established apprenticeship programme. This created immediate networking opportunities and a deeper introduction to FCDO Services. We adopted a more responsive approach to learning goals, setting these during the first review rather than before placement started, allowing students to understand our workplace before committing to specific objectives.

We significantly enhanced our buddy system by pairing T-Level students with current apprentices who had recent experience balancing work and study. These apprentice buddies provided unique support that experienced staff couldn't offer—helping to translate technical theory into practical applications and sharing insights into navigating the organisation as a newcomer. This peer mentoring approach proved particularly effective at helping students apply their college learning in a real-world environment.

Challenges encountered

As the first secure government department to implement T-Level placements, security requirements presented our most significant hurdle. We had to build extended timelines into our planning and maintain regular contact with students during the recruitment pre-approval process to keep them engaged.

Our rural location at Hanslope Park, with limited public transport options, also created accessibility barriers that wouldn't affect most employers. We addressed this by providing dedicated transport support and carefully adjusting working hours to align with available bus schedules, ensuring students could reliably attend their placements without undue hardship.



T-Level Student working at a desktop

Success and benefits to the organisation

The T-Level programme has established a valuable early talent pipeline for FCDO Services. It has enhanced our reputation as an employer committed to skills development and strengthened community relationships. Students have brought fresh perspectives to teams, while the programme has bolstered our apprenticeship culture by giving current apprentices mentoring opportunities. We plan to build on these successful foundations in future years.

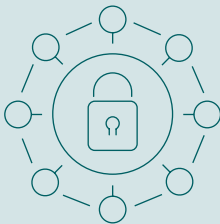
"I picked the T-Level because of how I can apply my skills. It's showing me not just what I know but how it's used, so I'm seeing everything from a work perspective. I'm seeing different teams and infrastructure, which is giving me an overview of what the organisation does, and I get the chance to network as well."

Chloe
Digital T-Level student

"T-Levels for us are all about talent. We want to interest and inspire young people in the work we do so they can explore opportunities from early on. The question is, 'How do we give young people the skills that equip them for a career?' We don't want to lose them while they go away and do something else. We want them to see straightaway the depth of technology and its application throughout our organisation. The acid test is that we know placements are working when they generate the kind of interest we're seeing today."

Mike Astell,
CEO, FCDO Services

Securing and enabling political collaboration at the European Political Community Summit



In July 2024, the United Kingdom (UK), hosted the fourth European Political Community (EPC) Summit at Blenheim Palace. Involving more than 46 Heads of State, it was the first event held by the new British government who had come into power just two weeks prior.

The summit aims to foster political dialogue and cooperation to address issues of common interest, and strengthen the security, stability and prosperity of the European continent. With important topics like migration, energy, connectivity and continued support for Ukraine on the agenda, security was a key concern for everyone involved.

As specialists in technical security, the UK's National Authority for Counter-Eavesdropping (UK NACE) were commissioned to keep conversations secure. The FCDO Services Translation and Interpreting team was also commissioned to ensure conversations could be held effectively across language barriers.

Preparing for the Summit

In advance of the summit, teams from UK NACE worked with colleagues in the FCDO's Protocol Department, Cabinet Office, Thames Valley Police, No 10 Downing Street, and others to coordinate the security arrangements for the event and develop a plan. UK NACE provided critical technical security advice for the event. Creating a policy standard, our teams implemented guidance on the use of personal electronic devices (PEDs), in addition to ensuring all appropriate formal governance procedures were in place and adhered to.

Outside of technical security advice, UK NACE officers also conducted a survey in advance. They created plans for various scenarios in preparation for the event.

Setting up the event

In the days before the event, UK NACE teams worked to secure the summit location. They carried out inspections of the required areas and set up equipment that would maintain the technical security once the inspections were complete.

The bilateral meetings at the summit were held in a temporary space which introduced additional difficulties for securing the space. These meeting rooms could be booked in advance by anyone and would be host to sensitive conversations. Due to this, UK NACE teams had to plan ahead to ensure

any sensitive discussions could be kept secure. However, the meeting bookings changed regularly, and some were more sensitive than others. This required UK NACE teams to adapt quickly to ensure that the bilateral meetings also remained secure.

Adapting to a changing schedule

When it comes to technical security at events of this size, forward planning is crucial to ensure conversations remain secure. However, at international summits, schedules regularly change and so our teams had to be as flexible as possible.

The EPC Summit was the first event held by a newly established government. As a result of this, the Government's Cabinet and Department heads, changed. This meant that, despite extensive planning and coordination with multiple stakeholders, UK NACE teams worked hard on the morning of the summit to re-brief all the new Cabinet members. This ensured that despite the recent change in Government, everyone in attendance understood the critical role UK NACE was required to do to ensure the security of the summit.

Overcoming language barriers

The FCDO Translation and Interpreting team also delivered comprehensive language support at the Summit. A team of 13 interpreters covered French, Italian, German and Spanish for all delegates, including the UK Prime Minister. They facilitated communication during plenary sessions on European security and Ukraine, as well as roundtable discussions addressing migration, energy, connectivity, and democratic security.

Delivering a secure summit

Despite changes in meetings, timings, rooms and schedules, our team ensured that before the start of the event, all aspects of the summit could remain secure, including interpretation.

This meant that a brand-new government was able to host the largest European gathering in the UK for decades with the confidence that any discussions remained secure.



A plenary session at the European Political Community Summit

Sustainability



FCDO Services is committed to being safe, secure and sustainable across our operation. This year, we have continued to embed sustainability principles through all our activities and decision-making to drive business efficiency and improve our sustainability.

We have been actively working to deliver against the Government Greening Commitment 2021-2025 framework, and as a trading fund of the FCDO, our operations are incorporated within FCDO departmental reporting and aligned to FCDO’s ISO14001 certified Environmental Management System (EMS). The FCDO Services Environmental Policy is published on our website.

Aligned to our Strategy and Action Plan 2022-25, we continue to engage with staff on environmental compliance and how individuals, teams and innovative solutions can reduce carbon emissions and contribute to shared sustainability objectives of our customers.

This has provided the opportunity for training and upskilling, and participation across all levels of the business, including a staff-campaign to provide greater awareness of our transport use and exploring alternative ways to reduce our emissions.

Our sustainability performance for 2024/25 is within this report. Our Greenhouse gas emissions for FCDO Services’ UK operations in 2024/25 were 31% lower than the baseline year 2017/18, yet 4% higher than 2023/24.

Task Force for Climate Related Financial Disclosures (TCFD)

FCDO Services continues to comply with Phase 1 of TCFD and our sustainability performance is regularly reviewed by the Executive Team and FCDO Services Board. Climate change is monitored and managed as a Principal Risk in the organisation and the Chief of Operations of FCDO Services holds the role of Chief Sustainability Officer, championing the topic at Board level.

This year we have strengthened our sustainability governance structure and introduced an Environment & Sustainability Committee. Chaired by the Head of Health &, Safety, Security, Environment and Quality, the committee encourages best practice and resolves shared issues across FCDO Services’ delivery groups.

Through this framework, we are developing directorate-led sustainability action plans with each business unit to identify sustainability improvements and risks for their distinct operational areas. Supported by the Head of Environment and Sustainability, this enables staff to make informed decisions, collaborate and embed sustainability principles across products and services delivering customer benefits.

Governance Entity	Sustainability Oversight
Environment and Sustainability Committee (Directorates)	Cross-organisation collaboration, directorate-led sustainability action plans and performance updates
Operations Committee (All executive directors)	Quarterly performance report, review of annual performance report and escalations from the Environment & Sustainability Committee. Chaired by Chief Sustainability Officer
Strategy and Corporate Committee (executive directors)	Monthly review of Principal Risk
Audit and Risk Assurance Committee (ARAC)	Quarterly review of principal risk, annual review of TCFD, and review of annual performance report
FCDO Services Board	Quarterly review of Principal Risk and Review of annual performance report

TCFD Phase 2 Compliance Statement

We are working towards phase 2 requirements and have completed a high-level risk assessment of our core business operations against the key threats and opportunities from extreme weather, disruption events and climate change. FCDO Services is currently not compliant with the implementation timetable for TCFD Phase 2 with recommended disclosures in risk management (a) to (c), and metrics and targets (a) to (c).

Our intention in 2025-26 is to deploy a phased approach to TCFD materiality assessment by,

- introducing extreme heat and flooding scenarios to existing Business Continuity impact assessments and annual exercises
- initially prioritising our critical operations and services to validate assessment criteria and risk scoring

Risk Management and Business Continuity Impact Assessments

Our established business impact assessments (BIA) utilise the FCDO Services’ enterprise risk scoring model, aligned to the organisation’s risk appetite, where we assess the probability of a risk crystallising and the potential impact. Detailed explanation of our Risk Management Framework, assurance and processes can be located in the Annual Governance Statement. The business continuity-led approach will enable FCDO Services to evaluate the significance of climate-related risks to our operations, and assess existing plans which do include extreme weather events.

After running the business continuity exercises, or completing annual reviews for non-critical systems, the results from each BIA will be documented and integrated into the risk management framework and governance structure. This will enable the comparison relative to other business risks. All risks are assigned to the relevant reporting level and escalated where

appropriate, to enable the next stage of materiality assessment.

Waste minimisation and promoting resource efficiency

We continue to be innovative and identify ways to avoid, and minimise, waste and increase reuse, for example, working with a specialist vendor to remove unnecessary product packaging and undertaking refurbishment of metal cabinets for redeployment within our offices and missions.

Working with our suppliers, we have fully transitioned to packing paper and biodegradable packing peanuts this year and removed foam from our operation. We work collaboratively to find ways to reduce Scope 3 emissions, by trialling lighter and more sustainable packaging options to ensure ease of recycling and reuse at destinations. We have reviewed our internal store and stock procedures to optimise efficiencies in both stock control and shipping in support of efficiency and waste initiatives. With a focus on more sustainable products and enhanced return and re-use policies, we are endeavouring to make sustainability more achievable for our staff and customers.

We continue to minimise our shipping costs by manufacturing bespoke shipping crates. We use timber and where possible, use 100% recyclable robust, honeycomb-structure, cardboard boxes. Our waste timber is either sold with proceeds going to charity, donated to community projects or recycled.

Our re-useable cotton-based diplomatic bags are washed using the laundry service provided by HM Prison and Young Offenders Institute Bullingdon in Oxfordshire. 17,044 bags were processed during this year.

Travel fleet

The FCDO Services’ fleet operation supports cross-departmental services and diplomatic deliveries, and we consistently seek opportunities to reduce our environmental impact and lower emissions wherever possible. The composition and size of the fleet is frequently reviewed for operational efficiency and flexibility, aligning with our normal replacement schedule to optimise embedded carbon.

We continue to work with the Office for Zero Emission Vehicles to develop transition plans to ULEV and ZEV vehicles for cars and vans. The portion of our fleet providing secure door-to-door European freight has received permanent exemption from the Greening Fleet Commitment.

Sustainable procurement

FCDO Services complies with public procurement policies and relevant Public Procurement Notices (PPNs), and we continue to enhance our procedures and supporting structures to deliver sustainable benefits. Our Sustainable Procurement Policy and Carbon Reduction Plan is in place, and we remain committed to embedding the Government Buying Standards. Our procurement team hold the CIPS Corporate Ethics certification, and we apply best in practice and undertake the Commercial Continuous Improvement Assessment Framework (GovS008). We proactively seek improvements, for example, developing closer internal ways of working between procurement and contract management and also encourage suppliers and teams to identify ways to reduce our footprint through continuous improvement. For example, in 2024/25, our Logistics operation removed 36,818kg from the air-freight network and delivered by road as part of wider initiatives to reduce carbon emissions and cost.

FCDO Services is committed to making opportunities accessible to a wide range of suppliers, and 25% of our supply base are small and medium enterprises. We align with the National Procurement Policy statement and associated regulations including ‘PPN Taking Account of Social Value’ in the award of central government contracts, and ‘PPN Taking Account of Carbon Reduction Plans’ in the procurement of major government contracts. We consider available options proportionate to the contract including leasing arrangements and applicable Crown Commercial Service frameworks. All our timber is purchased from Forest Stewardship Council / Programme for the Endorsement of Forest Certification approved sources. Sustainability and environmental considerations are incorporated within our broader investment governance procedures to embed these principles through the entire life-cycle.

Sustainable IT and digital services

As technology continues to accelerate, so does our strategy and desire to improve the sustainability of our digital assets and technology solutions. Through the integration of energy-efficient technologies, FCDO Services remains committed to being digital and providing innovative, scalable and flexible solutions for the FCDO and HMG customers.

This year our focus has been on the interoperability of our platforms and securing the foundations to simplify and streamline processes and services to enable us to reduce energy consumption. We design with energy efficiency in mind and optimise digital resources to minimise waste. We continue to maximise the lifespan of our IT assets, and the re-use of equipment is widely encouraged. Our waste ICT adheres to WEEE regulations, and our disposal policy is consistent with National Protective Security Authority (NPSA) guidelines.

Our organisation is represented on the cross-government Sustainable Technology Advice and Reporting (STAR) Strategy Group, and reports ICT data to DEFRA within the departmental scope of the FCDO under the STAR framework.

Sustainable construction, nature recovery and biodiversity

FCDO Services deliver building services for our customers in compliance with environmental standards. We work collaboratively with customers on estate and design sustainability initiatives and adhere to green building standards such as BREEAM (Building Research Establishment Environmental Assessment Method) and LEED (Leadership in Energy and Environmental Design) where requested.

We are co-located in properties within the FCDO estate, and as a tenant, we do not directly manage the estate and facilities management operation. We work closely with the FCDO estates team to ensure that our staff and operations are both environmentally compliant and work towards shared environmental objectives by identifying opportunities, like reducing energy consumption, water and waste. We fully support the FCDO’s nature recovery and biodiversity action plans for the UK estate.

Adapting to climate change

To sustain operations, our Global Services regional network assists the FCDO in assessing and responding to extreme weather events in the overseas estate. We have supported our staff in enhancing their knowledge and expertise in energy and resource management, auditing and best techniques so we are equipped to manage, mitigate, and embed adaptation into our delivery workstreams.

Mitigating climate change – working towards net zero by 2050

FCDO Services shares the FCDO GGC target to reduce overall greenhouse gas emissions (GHG) from UK operations by 56% by 2025 from a 2017/18 baseline. GHG emissions for FCDO Services UK operations in 2024/25 were 31% lower than 2017/18, yet 4% higher than 2023/24. The largest reported carbon footprint component, UK electricity, was 52% lower in 2024/25 compared to 2017/18. FCDO Services is a tenant of the FCDO estate with shared facilities. Facility and utility data is apportioned by headcount. In 2024/25 FCDO Services FTE was 15% of the FCDO’s UK based headcount, a reduction from 16% in the previous year, and from 17% in 2022/23. In 2021/22 the figure was 23%.

Table 1: Greening Government Commitments: FCDO Services 2024/25 Greenhouse Gas Emissions by category compared to 2017/18 baseline year⁽¹⁾

		Baseline		Performance								
		2017/18		2021/22		2022/23		2023/24		2024/25		
		kWh/KMs	tCO2e	kWh/KMs	tCO2e	kWh/KMs	tCO2e	kWh/KMs	tCO2e	kWh/KMs	tCO2e	Expenditure £
Emission Sources	Electricity	3,070,576	1,181	3,260,350	754	2,881,595	608	2,685,083	598	2,539,239	572	1,186,891
	Gas	220,510	41	12,132	2	7,481	1	10,934	2	11,111	2	2,224
	Heating Oil	94,436	26	18,297	5	32,347	8	34,526	9	56,569	15	14,926
	Low Sulphur Fuel Oil	-	-	152,000	41	122,000	33	84,129	22	179,875	46	12,208
	Biomass	34,476	0	-	-	-	-	-	-	-	-	-
	Biodiesel	286,588	1	431,123	2	242,286	1	278,374	5	186,267	3	37,786
	Whitehall District Heating Scheme	335,764	89	669,299	178	309,141	82	461,190	123	612,933	163	35,100
	Fugitive		3		8		38		4		23	
	Domestic Flights	48,968	12	59,412	8	40,379	5	62,464	8	42,979	7	12,514
	International Flights ¹	25,702,151	4,557	10,810,887	2,104	25,817,414	4,322	26,767,407	6,280	26,613,505	6,450	6,659,691
	UK Rail ²	88,915	4	32,618	1	545,219	19	551,853	20	488,831	17	167,822
	Private Mileage	216,042	32	249,429	46	319,040	62	297,791	53	258,749	49	84,160
	Fleet	82,857	34	1,142,069	207	630,992	106	659,836	101	722,992	93	-
	Car Hire	98,844	18	235,066	41	273,188	49	124,953	22	80,298	13	29,507
	Taxis	81,351	13	4,318	1	18,385 ³	3	18,648	44	16,622	3	18,945

The 2017/18 baseline figure and subsequent years are adjusted to include data relating to FCDO Services' delivery for all customers, not just FCDO.

Correction: FY2023/24 emission values have increased to align with the published emission factors.

¹ Correction: International Flight distance and carbon emission data for FY2022/23 and FY2023/24 have increased due to the inclusion of Eurostar/Eurotunnel travel. A detailed breakdown can be located in Table 7, FCDO Services' International Business Travel Footprint.

² Explanation: From 2022/23 onwards, UK Rail journey data incorporates both the distance of pre-booked rail tickets and the distance of rail travel from personal expenses using average distance and average cost for the same period.

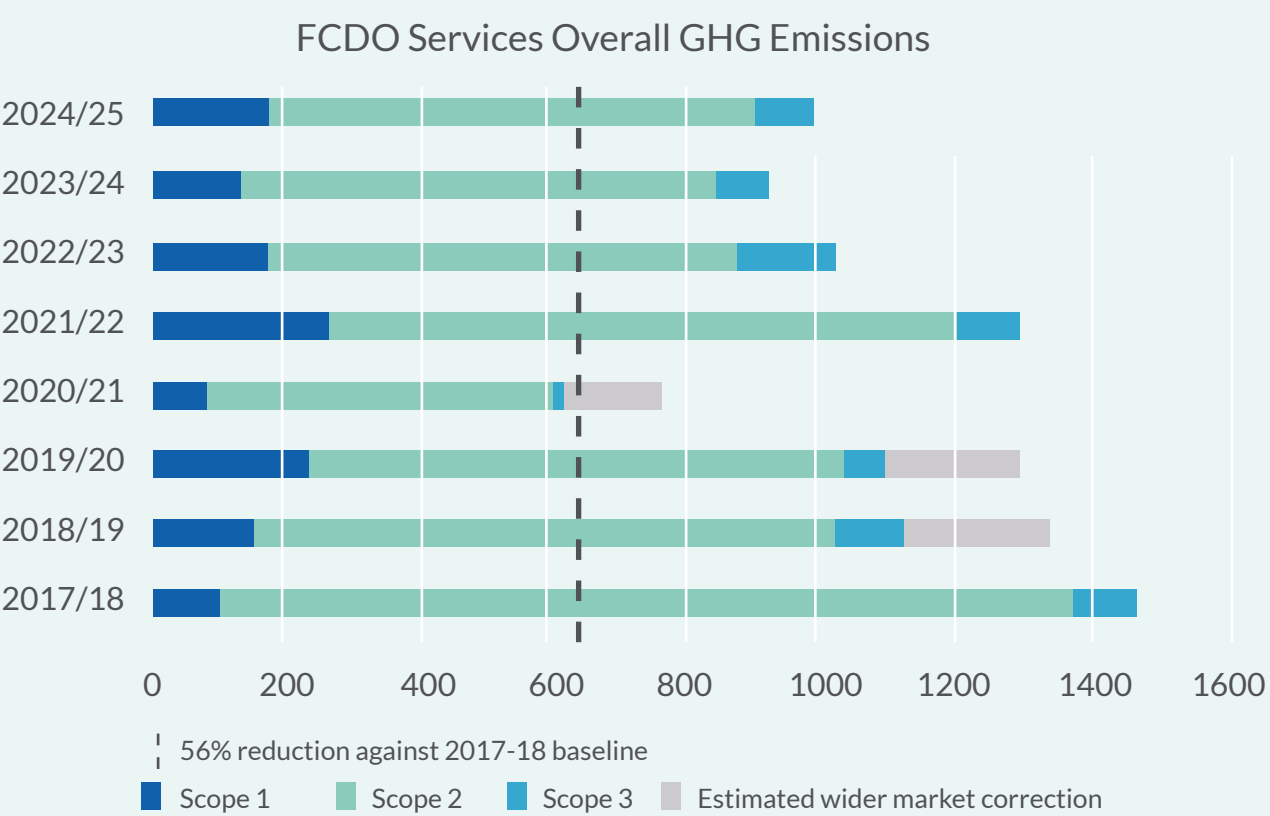
³ Correction: 2023/24 Taxi distance has been adjusted in Table 1 due to calculation error. There is no corresponding change to emissions.

Table 2: FCDO Services GHG Scope Emissions

Totals by Scope					
Emissions by Scope (tCO ₂ e)	Baseline		Performance		
	2017/18		2021/22	2022/23	2023/24
Scope 1 (Energy Direct)	105		265	187	142
Scope 2 (Energy Indirect)	1,270		932	690	720
Scope 3 (Other Indirect)	79		97	138	107
Total	1,454		1,294	1,015	969
Total FTE FY End	996		1,157	1,084	1,140
Tonnes of CO ₂ e Per FTE	1.46		1.12	0.94	0.85

Correction: FY2023/24 emission values have increased to align with the published emission factors.

Graph 1: FCDO Services Overall GHG Emissions



Progress against Direct Estate GHG Emissions

2025 Target: Reduce direct emissions by 30% compared to the 2017/18 baseline. The target comprises direct emissions from estate and operations (excluding vehicle fleet). This includes emissions arising from direct fuel use and fugitive emissions across the estate.

2024/25 Performance: Direct estate emissions are apportioned by the FCDO based on our full-time employee ratio. In 2024/25, the allocation of emissions to FCDO Services increased by 25% compared to the 2017/18 baseline, resulting from operational changes and works on the UK estate. The FCDO continue to review options to further decarbonise heating on the UK estate which has already introduced air-source heating and solar panels at Hanslope Park.

Table 3: FCDO Services Scope 1 Emissions

Scope 1	Baseline	Performance			
	2017/18	2021/22	2022/23	2023/24	2024/25
Scope 1 GHG Emissions (tCO ₂)	71	58	81	42	89

* Correction: FY2023/24 emissions have increased to align with the published emission factors.

Greening Fleet Commitment

2025 Target: Government Fleet Commitment is for 25% of the government car fleet to be ultra-low emission vehicles (ULEV) by 31 December 2022, and for 100% of the government car and van fleet to be fully zero emissions (ZEV) at the tailpipe by 31 December 2027.

2024/25 Performance:

2022 ULEV target: 8 PHEV vehicles were purchased for the fleet in 2022, resulting in a proportion of 23% ULEV as reported in 2022/23. Vehicle delivery was delayed due to manufacturer supply issues and the vehicles were brought into service in 2023/24. As part of a wider review in 2023/24, two vans were re-classified to a non-ULEV category resulting in an overall reduction to 18% ULEV in the fleet.

2027 ZEV target: FCDO Services continues to work towards the target with FCDO and OZEV. We keep our vehicles for longer optimising embedded carbon and align with the normal vehicle replacement schedule where we consider both purchase and lease options. Our fleet count includes pro-rata car hire (6 days or more), and we work with suppliers to provide ULEV and ZEV options. Fleet numbers reduced by 12% in FY2024/25 due the exemption of our secure European Freight service from the Greening the fleet Commitment.

Table 4: FCDO Services’ Fleet Composition

Vehicle type	No. of Vehicles			
	2021/22	2022/23	2023/24	2024/25
Petrol and diesel	20	21	15	14
Mild hybrid LEV >50g/km	5	5	4	5
Mild hybrid LEV <50g/km	0	0	0	0
Plug-In Hybrid, <=50gCO2/km	0	[8]	8	8
Full electric	0	1	1	1
Van <=50g/km	0	2	0	0
Van >50g/km	0	19	21	15
Total number of cars and vans <3.5 tonnes*	25	48	49	43

The fleet composition was initially reviewed in consultation with the Office for Zero Emission Vehicles (OZEV) in 2022/23 resulting in increased scope to cover any owned or long-leased vehicle under 3.5 tonnes that does mileage in the UK, including non-UK registered vehicles, and any UK registered vehicles that are deployed abroad.

Greening Government Commitments: progress against domestic flights target

2025 Target: Reduce the emissions from domestic business flights by at least 30% from a 2017/18 baseline.

2024/25 Performance: FCDO Services’ domestic flight emissions in 2024/25 decreased by 42% compared to the baseline year of 2017/18 meeting the target. Improved policies, procedures and increased staff awareness has contributed to the downward trend, with customer project locations providing fluctuation within the five-year period. FCDO Services shares the FCDO policy to use rail by default for domestic travel, and domestic air travel is only authorised by exception by senior management. A staff-wide awareness campaign on transport was conducted this year to increase awareness of staff of our travel footprint and to continue avoiding travel and using digital technology where possible.

Table 5: FCDO Services’ Domestic Flight Footprint

Domestic flights	Baseline	Performance			
	2017/18	2021/22	2022/23	2023/24	2024/25
Number of flights	180	161	104	158	90
Distance travelled (kilometers)	48,968	59,412	40,379	62,464	42,979
Carbon footprint (tCO ₂ e)	12	8	5	8	7
Expenditure	£26,883	£27,461	£14,929	£26,055	£12,514

Greening Government Commitments: reporting international flights

The GGC framework requires reporting on the frequency, distance, and carbon footprint of official international flights by staff based in the UK. No specific target is set, but reporting is to provide transparency and a better understanding with an aim of reducing related emissions. The international flight carbon footprint is not included in Scope 3 data totals and 2021/22 was the first year of reporting (Table 6).

Table 6: FCDO Services’ International Business Travel Footprint 2021/22 performance

International Business Travel Flights and Eurostar	km	tCO ₂ e
Short Haul Europe	2,256,913	204
Long Haul	8,491,205	1,663
International (non-UK)	2,094,471	237

We have continued to develop our reporting year on year as FCDO Services’ global business includes both the Accompanied Diplomatic Bag Messenger Service (The Kings Messenger) and delivering secure projects at overseas diplomatic posts by professional and technical staff. We adhere to the FCDO travel policy of digital first and sustainable travel options are considered. We deploy in-region overseas staff wherever possible and continue to review policies and explore ways to increase efficiency in our delivery with the consolidation of projects and trips. We have seen increases in long-haul distances due to more projects in distant destinations.

Table 7: FCDO Services’ International Business Travel Footprint

Travel category ¹		Performance						
		2022/23		2023/24		2024/25		
		km	tCO ₂ e	km	tCO ₂ e ³	km	tCO ₂ e	Expenditure
Eurostar/Eurotunnel ²		74,862	0.3	68,647	0.3	72,936	0.3	£39,850
Short haul (Europe)	Economy	2,099,214	168	2,328,883	251	2,829,617	305	£469,770
	Business	406,790	49	380,528	62	348,224	56	£195,542
	Unclassified	15,439	1	19,691	2	13,487	1	£2,936
Long haul	Economy	4,170,156	326	4,495,421	531	3,657,046	432	£458,559
	Premium economy	1,734,454	217	1,537,800	291	636,405	120	£103,131
	Business	11,365,354	2,577	11,666,479	3,996	12,767,800	4,373	£3,563,069
	First	26,290	8	34,790	16	90,048	43	£17,513
	Unclassified	0	0	0	0	0	0	0
International (Non-UK)	Economy	1,938,302	144	1,956,961	156	2,027,469	161	£341,571
	Premium economy	284,353	34	163,945	21	86,399	11	£21,606
	Business	3,682,996	794	4,047,427	933	4,015,493	925	£1,434,620
	First	14,343	4	64,987	21	61,991	20	£8,752
	Unclassified	4,861	0	1,848	0	6,590	1	£2,772
Totals		25,817,414	4,322	26,767,407	6,280	26,613,505	6,450	£6,659,691

¹ FCDO Services distances and carbon emissions are rounded to the nearest whole number.
² Correction: Distance and carbon emission data for Eurostar/Eurotunnel has been updated for FY2022/23 and FY2023/24.
³ Correction: FY2023/24 emissions have increased to align with the published emission variables.

Greening Government Commitments: progress against waste target

2025 Target: Reduce the overall amount of waste generated by 15% from the 2017/18 baseline.

Sub-Targets:

- Reduce the amount of waste going to landfill to less than 5% of overall waste
- Increase the proportion of waste which is recycled to at least 70% of overall waste
- Remove consumer single use plastic (CSUP) from the central government office estate by 2025

2024/25 Performance: Total waste decreased by 13% in 2024/25 compared to the baseline of 2017/18. Waste in 2024/25 increased mainly due to continued operational works at our sites and disposal practices consistent with National Protective Security Authority (NPSA) guidelines. The landfill target continues to be met. We are committed to improving recycling rates and reducing waste through staff wide initiatives, the development of local actions plans and training. The extended re-use of equipment and ICT is encouraged and completed as part of standard internal operations where appropriate. FCDO Services Logistics actively reduce the use of plastic packaging materials to remove CSUP from our operations replacing them with paper-based, re-useable, compostable or recyclable materials. We continue to work with FCDO to remove CSUP from across the UK estate and to make recycling more possible through the deployment of additional facilities.

Table 8: FCDO Services’ Waste

We continue to make improvements in our data collection, and FCDO Services waste volumes are rounded to the nearest whole metric Tonne. Waste volumes are apportioned by FTE as a proportion of the annual FCDO FTE total due to shared sites and services. From 2023/24 onwards, expenditure is for invoices incurred by FCDO Services directly, previous years have been apportioned.

Waste Disposal	Baseline	Performance							
	2017/18	2021/22		2022/23		2023/24		2024/25	
	Tonnes	Tonnes	Expenditure GBP (£)	Tonnes	Expenditure GBP (£)	Tonnes	Expenditure GBP (£)	Tonnes	Expenditure GBP (£)
Total volume of waste	92	92	113,140	66	37,151 ²	83	65,880	80	69,069
Landfill	0	0	0	0	0	0	0	0	0
Recycled (Total)	49	67	89,110	36	10,917 ²	55	9,771	45	4,778
Reused			11,980	0	0	0	0	0	0
Composted			1,400	5	1,130	8	0	3	0
Non-ICT Waste				26	9,465	46	7,627	40	1,170
ICT Waste			75,730	5	£322	1 ¹	2,144 ¹	2	3,608
Incinerated With Energy Recovery	43	25	20,588	29	26,234	29	56,110	35	64,291
Non-ICT waste						28	48,749	34	60,257
ICT waste						1	7,361	1	4,034
Incinerated Without Energy Recovery	0		3,442	-	0	-	-	0	0
% Recycled	53%	73%		55%		65%		57%	-

¹ Correction: Additional weight and cost have been added to Recycled ICT Waste totals in FY2023/24.
² Correction: 2022/23 Expenditure for Recycled Waste and Total Waste has been adjusted due to publication error.

Greening Government Commitments: progress against paper use target

2025 Target: Reduce paper use by at least 50% from 2017/18 baseline.

2024/25 Performance: Paper usage decreased by 89% in 2024/25 compared to the 2017/18 baseline exceeding the target. We have encouraged lower paper usage through new ways of working particularly by ‘being digital’ and deploying collaborative digital tools.

Table 9: FCDO Services’ Paper Use

Paper Consumption	Baseline	Performance			
	2017/18	2021/22	2022/23	2023/24	2024/25
Total paper consumption (reams A4 equivalent)	5,830	930	1,479	619	640
Staff FTE	996	1,157	1,084	1,140	1,152
Reams Per FTE	6	0.8	1.3	0.5	0.6

Greening Government Commitments: progress against water use target

2025 Target: Reduce water consumption by at least 8% from the 2017/18 baseline.

2024/25 Performance: Water consumption is apportioned by the FCDO based on our full-time employee ratio. FCDO Services’ overall water usage decreased by 28% in 2024/25 compared to the 2017/18 baseline meeting the target. We have worked closely with the FCDO to encourage the efficient use of water in UK buildings and offices, including reporting leaks and faults to ensuring repair or replacement of water devices with efficient alternatives when appropriate.

Table 10: FCDO Services’ Water Consumption

Water	Baseline	Performance			
	2017/18	2021/22	2022/23	2023/24	2024/25
Consumption (cubic metres)	8,432*	7,141	7,027	7,922	6,047
Staff FTE	996	1,157	1,084	1,140	1,152
Cubic metres Per FTE	8.5	6.2	6.5	6.9	5.2
Expenditure	£17,213	£22,273	£20,665	£18,428	£25,951

* 2017/18 Baseline adjusted to include UK impacts from all of FCDO Services’ business operations.

^[1] tCO2e stands for tonnes of carbon dioxide equivalent. The GGC’s definition for reporting requirements for CO2e is: “A universal unit of measurement used to indicate the global warming potential of a greenhouse gas, expressed in terms of global warming potential of one unit of carbon dioxide”.



A winding road through some trees

Accountability Report

This section explains the governance structures at the FCDO Services and how they support the achievement of our objectives.



Review of Financial Performance

FCDO Services has delivered a strong financial performance in 2024/25, resulting in the organisation exceeding ministerial targets for financial performance. The operating surplus before financing of £11.1m, was 58% higher than 2023/24 (£7.0m).

Total revenue achieved in 2024/25 was £262.2m, a decrease of £4.1m (-1.5%) on the revenue of £266.2m reported for 2023/24. However, revenue from the FCDO (£169.0m) recorded an increase of £14.7m (9.5%), driven by additional work delivered on existing major programmes of work including the Global Maintenance Programme and across the logistics portfolio, and the continuation of strategic service lines such as the distribution of Armoured Vehicles.

Revenue from the wider markets (£93.2m) recorded a decrease of £18.7m (-16.7%), driven by a reduction in revenue from the Engineering segment due to a lower volume of projects delivered to 1HMG customers like the Ministry of Defence.

FCDO Services achieved a gross surplus before operating expenses of £57.5m, a return of 21.9% on revenue, and higher than 2023/24 (£51.5m, 19.3%). There are several drivers contributing to the increase in gross surplus including greater efficiency in our logistics operation with increased consolidation of consignments, and a focus on controlling our costs through, amongst other things, procurement savings and improved management information. Utilisation improved to 87% in 2024/25, up from the prior year utilisation of 85%.

During 2024/25 other income of £2.2m was received (£0.4m in 2023/24) being the drawdown of monies from the apprenticeship levy relating to recoverable training costs of eligible personnel and FCDO funding for the voluntary exit scheme costs.

Our operating expenses at £48.8m are running at 18.6% of revenue compared to 16.7% in 2023/24, this is an increase of £4.3m compared to the prior year reporting due to critical investment in our IT strategy and the commitment to developing and retaining our staff.

The Engineering segment operating deficit of £4.0m compares to an operating deficit of £1.6m for the prior year. The two main contributing factors being a reduction in revenue in-year and the continuing strategic programmes for wider market customers where FCDO Services is acting as a service integrator.

The Technology segment operating surplus of £7.8 compares to an operating surplus of £4.7m for the prior year. The increase in surplus is due to a reduction of revenue, a change in the mix of work delivered in-year, strong delivery for wider market customers and internal programmes of work charges to other segments.

The Global Services segment operating surplus of £7.2m compares to an operating surplus of £4.0m for the prior year. Whilst there has been a year-on-year increase in revenue from £98.6m to £109.3m, the additional revenue is largely from work that is low margin or pass-through programmes. The improvement in the surplus is mainly attributable to efficiencies in the delivery of the diplomatic bag service with a greater consolidation of consignments.

Impact of inflationary pressures

Inflationary pressures on the business reduced significantly when compared to 2023/24, however the pay remit of 5% and CPI at an average of 3.2% during the course of the year drove a significant increase to our underlying cost base. We continue to work hard to mitigate the need to pass inflationary pressures

on to our customer through our pricing.

Through efficiency workstreams and our Six Sigma-trained business improvement team, we continue to drive value for money for the FCDO and our other government customers.

Financing income and costs

Net finance income in 2024/25 totalled £3.4m (2023/24: £2.5m), comprising bank interest receivable and driven by higher interest rates and having a higher bank balance throughout the year.

Surplus for the year

Our reported surplus before financing of £11.1m (2023/24: £7.0m) represents a net contribution of 4.2% compared with 2.6% in 2023/24, reflecting the impact of the gross surplus drivers mentioned above.

The statutory dividend paid in this financial year was £2.9m (2023/24: £2.6m) with no discretionary dividend paid (2023/24: £nil), resulting in a retained surplus for the financial year of £11.6m (2023/24: £7.0m).

Net assets

FCDO Services continues to invest in accordance with the requirements in our Corporate Plan, with capital additions of £6.2m in property, plant and equipment. This was lower than the 2023/24 expenditure of £6.8m with a greater focus on operational investment in 2024/25.

At 31 March 2025, FCDO Services held net assets of £85.9m against an opening year position of £74.3m, with the movement of £11.6m driven by a reduction in current liabilities, including a lower value of accruals at the year-end.

Net assets comprise non-current assets of £17.2m (2023/24: £18.2m), inventories of £3.0m (2023/24: £4.4m), cash and cash equivalents of £73.8m (2023/24: £66.8m) and other net liabilities of £8.0m (2023/24: £15.1m).

Cash generation

FCDO Services generated a net cash inflow of £7.0m, with a closing cash position of £73.8m at 31 March 2025 (2023/24: £66.8m). This increase in cash relates primarily to the increase in net surplus and a decrease in trade receivables of £11.0m compared to 2023/24.

Cash management

Trade receivable days outstanding were 22.6 days at the end of March 2025 (March 2024: 31.5 days), reflecting a similar level of billing to the previous year at year-end, but an improvement in our cash collection and lower volume of aged debt.

Effective cash management ensured that liquidity remained strong, with a quick ratio of 1.8 at 31 March 2025 (2023-24: 1.6).

Financial performance targets

FCDO Services' financial performance in 2024/25 was measured against two key indicators: Return on Capital Employed (ROCE) and in-year surplus before interest.

In-year surplus before interest: Target achieved

In-year surplus before interest, tax and dividend result of 4.2% (2023/24: 2.6%), compared against a target of 0.0%.

Return on Capital Employed (ROCE): Target achieved

The result for the year of 15.6% (2023/24: 10.3%) compared against a weighted average target of 6.5% and reflects the stronger financial performance in the year.

Other ministerial targets

Customer Satisfaction: Target achieved

We achieved an 88.5 (2023/24: 86.1) customer satisfaction rating exceeding our target of at least 82.0. The improvement in the score is evidence of our commitment, to both our FCDO customers and our wider market customers, to excellence in delivery of our products and services.

Productivity ratio: Target achieved

Our productivity ratio target of at least 82.0% was exceeded, with an average productivity of 87.0% achieved by revenue earning staff (2023/24: 85.0%), reflecting continued efforts to find efficiency in our operations, good time recording and a customer-focused approach to delivery.

People - My Manager: Target achieved

A resulting score of 71% (2023/24: 70%) compared favourably to the target of 65%.

Engagement – Employee Engagement: Target not achieved

In 2024/25 the score achieved was 59% (2023/24: 58%) compared to the target of 61%. Employee engagement remains below the ministerial target and the executive directors have agreed key areas to focus on at a corporate level. Each area of the business will update its local engagement action plan to address issues affecting their specific teams.

Pensions

Information regarding pensions is provided in the Remuneration Report and the Staff Report.

Events after the Reporting Period

These accounts have been audited by the Comptroller and Auditor General whose certificate and report appears later in this report. There have been no significant events after the reporting period which is noted in Note 21 of the accounts. The total audit expense for 2024/25 is £153k, which includes additional costs of £14k for the 2023/24 audit which were not accrued (2023/24: £134k).

As far as I, the Accounting Officer, am aware, there is no relevant audit information of which the National Audit Office is unaware, and I have taken all reasonable steps to ensure I have been kept informed of any relevant audit information and to establish that all such information has been brought to the attention of the Trading Fund's auditors.

Table of performance against ministerial targets

Ministerial target set		Result
Return on capital employed	A Return on capital employed (ROCE) of at least 6.5% (weighted average)	15.6%
Customer satisfaction	In-year customer satisfaction rating average at least of 82	88.5%
Productivity	Productivity ratio of at least 82%, measuring actual billable hours versus available billable hours	87.0%
Management	An average People Survey score for “My Manager” measuring 65%	71.0%
Engagement	An average People Survey score for “Employee Engagement” measuring 61%	59.0%
In-year surplus	An in-year surplus before interest, tax and dividend	4.2%

Mike Astell
Chief Executive Officer and Accounting Officer

1 July 2025

Corporate governance report

Directors’ Report

FCDO Services’ executive and non-executive directors who served during April 2024 to March 2025 are listed later in this report. For complete information about our board directors’ roles and responsibilities, please visit the ‘About Us’ section on the FCDO Services website.

All board members are required to declare any interests they may have to enable possible conflicts to be managed. We consider no board member has any interests that conflict with their management responsibilities. In the case of each of the directors listed later in this report there is no relevant audit information of which the National Audit Office is unaware. The directors have taken all steps to make themselves aware of any relevant audit information and to establish that the National Audit Office is aware of that information.

FCDO Services Board



Sir Simon Gass,
Non-Executive Director
and Chair



Richard Gunning
Non-Executive Director,
Stepped down
31 October 2024



Jenny Bates,
Non-Executive Director,
Stepped down
18 January 2025




Ann Tourle,
Non-Executive Director



Bill McCluggage,
Non-Executive Director,
Stepped down
31 October 2024



Lawrie Haynes,
Non-Executive Director



Sabah Carter,
Non-Executive Director,
start of contract
14 October 2024



Greg Rubins,
Non-Executive Director,
start of contract
14 October 2024



Jonathan Allen,
Non-Executive Director,
start of contract
10 February 2025



Clare Pickin,
Chief of Operations,
start of contract
3 June 2024



Tim Gall,
Chief Financial Officer,
Start of interim promotion
14 March 2022 and,
official appointment on
3 October 2024



Gayle Worvill,
Director, People




Yvonne Laird,
Chief Finance Officer,
end of contract 3 June
2024




Mike Astell,
Chief Executive Officer


FCDO Services Executive Directors




Mike Astell,
Chief Executive Officer



Clare Pickin,
Chief of Operations,
start of contract
3 June 2024




Yvonne Laird,
Chief Finance Officer,
end of contract 3 June 2024




Tim Gall,
Chief Financial Officer,
Start of interim promotion
14 March 2022 and,official
appointment on
3 October 2024




Lisa Elward,
Director of Customer
Relationships and Strategy,
start of contract
3 June 2024




George Hickerton,
Director of Engineering and
Operations




Jonathan Pilling
Director of Global Services,
start of interim promotion
2 March 2023, official
appointment on 5 August 2024




Gayle Worvill,
Director, People




Suzanne Pinkett,
Chief of Staff and
Director of Communications



Liz Harris,
Director of Technology and
Operations



Melanie Johnson,
Interim Global Logistics
Operations Director,
interim appointment ended 30
June 2024



Director of the UK National
Authority for Counter-
Eavesdropping (UK NACE),
appointed 1 September 2024

Statement of Accounting Officer’s Responsibilities

Under the section 4 (6) of the Government Trading Funds Act 1973, HM Treasury has directed FCDO Services to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Trading Fund and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- Observe the Accounts Direction issued by 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 financial statements
- Prepare the financial statements on a going concern basis, and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

HM Treasury has appointed the Chief Executive as Accounting Officer of FCDO Services. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Trading Fund’s assets, are set out in Managing Public Money published by the 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 the National Audit Office are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Mike Astell
Chief Executive Officer and Accounting Officer

1 July 2025

Governance Statement

1. Scope of Responsibility

As Chief Executive Officer (CEO) of FCDO Services, I am accountable to the Secretary of State for Foreign, Commonwealth and Development Affairs for the performance of FCDO Services, in accordance with the Framework Document and our Corporate Plan, which was approved by our Minister, Catherine West MP.

My responsibilities as Accounting Officer are defined in a letter to me from the Permanent Secretary, HM Treasury. The letter confirms that I am responsible to the Foreign Secretary and accountable to Parliament for the Trading Fund’s use of resources in carrying out its functions.

Overall responsibility for the strategic direction of our organisation rests with the Secretary of State for Foreign, Commonwealth and Development Affairs, who delegates these responsibilities during the year to an FCDO Minister.

2. Corporate Governance

FCDO Services operates within the terms of its Framework Document, which takes primacy in determining the responsibilities and accountabilities of the Secretary of State for Foreign, Commonwealth and Development Affairs, the FCDO and FCDO Services. It remains the overarching statement of the Trading Fund’s governing principles, from which stem all agreements and arrangements between the FCDO and FCDO Services. FCDO Services’ governance arrangements are in compliance with the Corporate Governance in

Central Government Departments: Code of Good Practice 2017.

First published in 2008 when FCDO Services became a Trading Fund, the Framework Document was subject to a review in 2020/21 to ensure its continued relevance and accuracy and deposited in both Houses of Parliament on 10 November 2020. The Framework Document is currently being revised to align with the new HM Treasury template. Additionally, FCDO Services’ Corporate Governance Framework sets out the corporate governance structures within FCDO Services. The framework is periodically reviewed and assessed to ensure continued compliance with HM Treasury¹² and Cabinet Office guidance³.

3. The Governance Framework

Our corporate strategy and ministerial targets are set out in a Corporate Plan, which seeks the input and support of the FCDO/FCDO Services Partnership Board, the FCDO People and Operations Committee, the FCDO Director General, Finance and Corporate, the FCDO Permanent Under Secretary and ministers prior to submission. Our ministerial targets are then laid in both Houses of Parliament in Written Ministerial Statements. To align with the FCDO’s new governance structure, the Corporate Plan and Ministerial Targets now seek endorsement at the FCDO People and Operations Committee, as opposed to the Management Board.

During 2024/25 the membership of the Strategy and Corporate Committee (SCC), a sub-committee of the FCDO Services Board included the Chief Executive Officer, Chief of Operations, Chief Financial Officer, Director of Customer Relationships and Strategy, Director, People, Chief of Staff and Director of Communications, Director of Global Services, Director of Technology and Operations, Director of Engineering and Operations and Director of UK NACE.

The SCC Terms of Reference were revised in 2024/25 to reflect changes in membership and the addition of oversight of security.

Claire Pickin was appointed as Chief of Operations on 3 June 2024. Nasrin Cobb resigned as Director of Customer Relationships on 5 May 2024, but returned part time as a contractor to cover elements of the role until Lisa Elward was appointed Director of Customer Relationships and Strategy on 3 June 2024. Yvonne Laird’s Chief Finance Officer contract ended on 3 June 2024. Tim Gall was subsequently appointed Interim Chief Financial Officer on 3 June 2024, before becoming permanent Chief Financial Officer on 3 October 2024. Melanie Johnson left the role of Interim Director of Logistics Operations on 30 June 2024 following the role being merged with Director Regions to form Director of Global Services. Jonathan Pilling was appointed permanently into this role on 5 August 2024, after covering the Director Regions role on an interim basis. The permanent Director of UK NACE was appointed on 1 September 2024 after covering the role on an interim basis.

¹Corporate governance in central government departments – Code of good practice, published in April 2017
²Managing public money, published in May 2023
³Partnerships between Departments and Arm’s-Length Bodies: Code of good practice, published in February 2017

At 31 March 2025, the governance structure is as follows:



FCDO Services Board	
Frequency of meeting:	The board met seven times in 2024/25
Chair:	Sir Simon Gass, Non-Executive Director
Purpose:	The FCDO Services Board is the principal governing body and responsible for agreeing the strategic agenda and supporting the CEO by providing strategic oversight of performance and risk.
Key tasks:	To review and agree corporate and operational strategy and monitor performance and risk.

The FCDO Services Board is responsible for the overall strategic management of the business, setting the corporate policy and monitoring performance. It is chaired by a non-executive director, Sir Simon Gass. The membership comprises of six non-executive directors (including the Chair), the CEO, the Chief Financial Officer, Chief of Operations, and Director, People.

The Board receives regular reports to ensure it is comprehensively informed. The information in these reports provides a clear view of organisational performance against key performance indicators and controls, and the Board is content

with the quality of data presented.

During 2024/25, the Board reviewed business updates for UK NACE, Customer Relationships and Strategy, Global Services, People (including Diversity & Inclusion), Business Services, Technology & Operations, Engineering & Operations and Corporate Communications. The Board also discussed the Corporate Plan, the Annual Report and Accounts and the FCDO Services Strategy.

A board effectiveness review took place over the summer of 2024, undertaken by an external reviewer. The review covered Board composition, management,

engagement, dynamics and strategic outputs. The review concluded that the FCDO Services Board is well led, well qualified and effective, and it makes a positive contribution to the success of the organisation.

The Board has four sub-committees, the Audit and Risk Assurance Committee (ARAC), Strategy and Corporate Committee (SCC), Operations Committee (OpsCom) and the People Committee. The Board and its sub-committees provide advice and support regarding my responsibilities, with a focus on corporate governance, strategy, operations, workforce policy, risk management and internal control.

Audit and Risk Assurance Committee (ARAC) (FCDO Services Board sub-committee)	
Frequency of meeting:	The Committee met five times in 2024/25
Chair:	Greg Rubins, Non-Executive Director (Richard Gunning until October 2024)
Purpose:	Sub-committee of the FCDO Services Board. Provides independent advice to the FCDO Services Board and FCDO Services Accounting Officer on issues of risk, controls, governance and assurance. They meet quarterly.
Key tasks:	The key tasks are as set out in the Audit and Risk Assurance Committee Handbook from HM Treasury; to provide advice on matters for controls, governance, accounting policies, risk management, and internal and external audits.

The ARAC membership comprised of four members: one non-executive director (also a board member) serving as Chair, one further non-executive director, one appointed member and a nominated officer from our parent organisation (the FCDO). The Committee met five times in 2024/25 and has been quorate throughout the year. The FCDO Services Board has been briefed on the Committee's findings by the Chair of the ARAC.

In line with the guidance provided by the Audit and Risk Assurance Committee handbook (HM Treasury, 2016), at least one member of the ARAC has recent and relevant financial experience and is a qualified accountant. Standing invitations to attend are given to representatives from the internal audit function, National Audit Office (NAO), all directors and non-executive directors.

The Committee has considered assurances and information relating to operational and principal areas of risk as requested by myself as Accounting Officer. Areas of particular focus in 2024/25 have included cyber risk, health & safety, HR, organisational change, and project and programme management.

The activities undertaken by the Internal Audit and Investigations Department (IAID) and the NAO also fall within the scope of the ARAC.

FCDO Services has a close working relationship with the NAO through the ARAC and FCDO Services Board, as well as at a working level within

the business. This includes the NAO annual Audit Management Letter, and the adequacy of responses to issues identified. The NAO have assessed that there were no material differences between the views of management and the NAO on the appropriateness of the accounting policies adopted by FCDO Services for 2024/25.

The management of a risk-based programme of internal audits was supported with a mid-year review to confirm business and assurance requirements. These were undertaken as part of a rolling three-year plan of audits, which has been advised to the FCDO Services Board following review by the ARAC.

As Accounting Officer, I am provided with an objective evaluation of, and opinions on, the effectiveness of our risk management, internal control and governance arrangements. The Committee members were content with the visibility afforded by the programme. The annual report from Internal Audit provided an overall opinion of Moderate, with a moderate level of assurance on controls. This opinion was based on the findings and conclusions from internal audit and counter-fraud work undertaken during the year. The Internal Audit report noted good progress on delivering objectives and a strengthening in risk management capability. There was one internal audit with limited assurance with a key risk relating to funding. However, this been resolved with funding for 2025/26 now agreed and work has begun on creating a longer-term solution.

We have processes in place for staff to report any concerns, including fraud and the FCDO's Investigations Department has continued to provide advice and support on matters relating to the investigation and prevention of fraud.

There have been six cases of suspected fraud reported and investigated over the period, an increase from the prior year figure of four. Of these, one allegation found to be substantiated, and the member of staff was dismissed, two were not found to be substantiated but training and feedback provided in one case, and the other three cases remain under investigation.

There are adequate policies and processes in place to enable staff to raise concerns. This is supported internally by four nominated officers who are available to provide confidential advice and support.

People Committee (FCDO Services Board sub-committee)	
Frequency of meeting:	The Committee met three times in 2024/25.
Chair:	Sir Simon Gass, Non-Executive Director
Purpose:	Sub-committee of the FCDO Services Board. Its purpose is to advise on key workforce issues and policy and on the appointment, development and reward of senior staff.
Key tasks:	<div>The Committee scrutinises practices and plans for:<ul style="list-style-type: none">identifying and developing leadership and high potential talent;engaging staff to build a high performance culture and workforce;identifying and managing risks associated with key people management policies and practices;succession planning for Board and senior leadership roles to ensure an appropriate balance of skills and experience;incentive and reward structures and policies for senior staff and the extent to which these arrangements are effective in improving performance; andpromoting diversity and inclusion in Board memberships and the wider FCDO</div>

At the end of the reporting period, the People Committee membership consisted of two non-executive directors, the CEO, and the Director, People. One of the non-executive members chairs the Committee and is also the Chair of the FCDO Services Board.

The Committee discussed recruitment, including turnover, headcount controls, hot spot areas, engaged workforce risk, executive succession planning and strategic workforce planning. A new Remuneration Panel was also endorsed by the Committee. The Committee also moderated appraisals and made

recommendations on talent ratings for the Executive Team. They also reviewed the People Strategy and Diversity and Inclusion Strategy, ensuring they addressed the challenges faced by the organisation. The Committee also discussed the Reward Strategy and the approach to skills and delegated grades pay.

3.1 Board and Committee Attendance

1 April 2024 to 31 March 2025, including extraordinary Board and ARAC meetings in June 2024.

Board Member	FCDO Services Board	ARAC	People Committee
Sir Simon Gass GCMG CVO, Non-Executive Director, Chair of Board and People Committee	7 of 7	-	3 of 3
Greg Rubins, Non-Executive Director and Audit and Risk Assurance Committee Chair (Member from 14 October 2024)	3 of 3	2 of 2	-
Sabah Carter, Non-Executive Director (Member from 14 October 2024)	3 of 3	-	-
Richard Gunning, Non-Executive Director, Chair of ARAC (Contract ended 31 October 2024)	2 of 4	3 of 3	-
Bill McCluggage, Non-Executive Director (Contract ended 31 October 2024)	4 of 4	-	-
Ann Tourle, Non-Executive Director	6 of 7	-	3 of 3
Jenny Bates, Non-Executive Director (Resigned 18 January 2025)	3 of 6	-	-
Lawrie Haynes, Non-Executive Director	7 of 7	4 of 5	-
Jonathan Allen, Non-Executive Director (Member from 10 February 2025)	1 of 1	-	-
Juliette Wilcox, Independent Member, ARAC (Resigned 12 July 2024)	-	2 of 2	-
Sally Hadfield, Independent Member, ARAC (Member from 7 October 2024)	-	2 of 2	-
Julia McDonald, FCDO Representative, ARAC	-	5 of 5	-
Mike Astell, CEO and Accounting Officer*	7 of 7	-	3 of 3
Yvonne Laird, Chief Finance Officer (Contract ended 3 June 2024)	1 of 1	-	-
Tim Gall, Chief Financial Officer (Member from 4 June 2024)	7 of 7	-	-
Gayle Worvill, Director, People	7 of 7	-	3 of 3
Clare Pickin, Chief of Operations (Member from 3 June 2024)	6 of 6	-	-

*Mike Astell covered key elements of the Chief of Operations role from 1 April 2024 to 2 June 2024, prior to the appointment of Clare Pickin on 3 June 2024.

FCDO Services complies with the rules of business appointments. Advice regarding specific business appointments has been published on our website <https://www.fcdoservices.gov.uk/>

4. System of Internal Control

The following governance framework has been established to support the Board and its sub-committees:

Strategy and Corporate Committee (FCDO Services Board sub-committee)	
Frequency of meeting:	Monthly
Chair:	Mike Astell, Chief Executive Officer
Purpose:	Sub-committee of the FCDO Services Board. Ensures effective and strategic delivery of all corporate decisions including people management, communications, finance, customer relationships, security, accommodation and workplace, corporate strategy and corporate governance matters and focuses on corporate decision making. The Committee takes ownership of day-to-day management and strategic leadership, ensuring FCDO Services is following its strategic aims and policies.
Key tasks:	Develop and review the overarching vision, strategic aims, and objectives, including the Annual Report and Accounts, Corporate Plan and Ministerial Targets. Set and implement an internal and external communications strategy in line with, and in support of, the overarching vision and strategic aims and objectives. Provide director approval for corporate decisions including people management, commercial decisions and escalations from sub-committees (Investment Committee and Risk Review Panel)

Operations Committee (FCDO Services Board sub-committee)	
Frequency of meeting:	Monthly
Chair:	Clare Pickin, Chief of Operations
Purpose:	Sub-committee of the FCDO Services Board. Responsible for ensuring the effective delivery of all operational decisions related to its People, Customers, Operational Safety, Finance and Security.
Key tasks:	To provide oversight of operational business areas to ensure effective implementation of Operational strategies. Oversight includes all operational directorates, HSSEQ and the related HR, finance and risk matters. The Committee also consider future product ideas.

Investment Committee (SCC sub-committee)	
Frequency of meeting:	Monthly
Chair:	Tim Gall, Chief Financial Officer
Purpose:	Sub-committee of the Strategy and Corporate Committee. To ensure all spend and investment across the organisation is in line with strategic goals and requirements to meet ministerial and organisational targets.
Key tasks:	To approve and review all financial decisions (up to £5m). Ensure appropriate investment strategies are in place in key areas of the organisation. Monitor and review investment opportunities and capital and research and development expenditure. Validates any adjustment to dividend, pricing or investment policy, provided the CEO is in attendance.

Risk Review Panel (SCC sub-committee)	
Frequency of meeting:	Twice a year
Chair:	Tim Gall, Chief Financial Officer
Purpose:	Sub-committee of the Strategy and Corporate Committee. To oversee the overall risk landscape and undertake ad-hoc deep dive reviews.
Key tasks:	To provide oversight of the risk governance framework of the risk management process and seeking assurance that first and second line risks are appropriately unpacked, escalated, cascaded, shared and communicated. Responsible for oversight of governance and assurance. Members are primarily functional specialists and / or senior operational leaders. They are a network of experts who are knowledgeable in the practice of risk management.

Health and Safety Committee (Operations sub-committee, since January 2025*)	
Frequency of meeting:	Every two months
Chair:	Clare Pickin, Chief of Operations
Purpose:	Sub-committee of the Operations Committee. The organisational level consultative and advisory body for health and safety matters affecting staff, contractors and those who may be affected by FCDO Services’ undertakings both in the UK and overseas. The Health and Safety Committee is the forum for policy, strategy, safety performance review, operational safety planning, safety risk management, consultation and co-operation.
Key tasks:	To review safety performance information and key performance indicators, review, and lead responses to the findings of audits and inspections, implement actions for deployment of changes to health and safety policy and procedures, review health and safety learning and training requirements, and review work related risk assessments and risk control measures to ensure they are effective.

*The Health and Safety Committee was previously a sub-committee of the Strategy and Corporate Committee

Operational Product Lifecycle Sub-Committee, since December 2024* (Operations Committee sub-committee)	
Frequency of meeting:	Monthly
Chair:	Clare Pickin, Chief of Operations
Purpose:	Sub-committee of the Operations Committee. The Operational Product Lifecycle Sub-Committee provides oversight, direction, and governance for operational product lifecycle management.
Key tasks:	To identify FCDO Services’ primary revenue generating products, review annual plans and product health assessments of the products identified to understand the product status, risks, issues, and next steps.

*The Sub-Committee was previously titled the Product Lifecycle Review Board

Environment and Sustainability Committee (Operations sub-committee, since January 2025*)	
Frequency of meeting:	Quarterly
Chair:	Head of Health and Safety, Security, Environment and Quality
Purpose:	Sub-committee of the Operations Committee. Providing momentum and assurance for the successful delivery of FCDO Services’ Sustainability Strategy and Action Plan including Government Greening Commitments, continued alignment with FCDO’s ISO 14001 certified Environmental Management System and management of the Principal Risk relating to Environment and Climate Change.
Key tasks:	To oversee the implementation of the FCDO Services Sustainability Strategy and Action Plan and assure strategic alignment of Directorate-level Sustainability Action Plans so that FCDO Services meets its commitments to the FCDO within the context of the Greening Government Commitments Framework. The body monitors performance against GGC targets and other internal initiatives and targets including the management of the Principal Risk on sustainability, TCFD (Task Force for Climate Related Financial Disclosures) guidelines and impact assessment of legal and regulatory environmental requirements.

*Formal sub-committee of the Operations Committee since January 2025

4.1 Key processes and assurance

Our assessment and management of risk is informed and supported by the system of internal control. This is built on a framework of regular management information, financial regulations and procedures, a system of delegations and accountability, and appropriate segregation of duties.

All board and committee members are required to declare any conflict of interests and there must be a dedicated item on the agenda of each meeting to allow the opportunity for such declarations.

Our key financial processes include an annual considered review of our Corporate Plan, which is supported through the year with quarterly baselining against the present known business position, and a monthly review of our trading accounts. This information is used by management to control costs, monitor cash flow, and compare budgets and forecasts.

Third line assurance is supported by an annual audit from the National Audit Office (NAO) and commissioned external audits from professional bodies such as the International Organisation for Standards (ISO). Certifications of note include:

- British Standards Institution (BSI) certification in:
- ISO 9001: Quality management systems – across several key operational functional areas
 - ISO 27001: Information Security management – across customer facing elements of our IT Services
 - ISO 45001: Health and Safety Management Systems
 - Cyber Essentials Plus
 - GovAssure

Second line assurance is sought from our executive directors, who provide an annual letter of assurance to me. The letter addresses the status of risks and internal controls within their remit and actions taken. We have self-assessed against the Government Functional Standards that are applicable to our business and have developed action plans to ensure our ongoing compliance with the Standards during 2024/25.

Alongside this, an assurance framework is in place with regard to information and cyber, supported by SIRO reporting throughout the year. This provides oversight and assurance for information risk and information assets, and the Principal Risk Report.

First line risk assurance is provided by senior managers within the departments, with risks actively managed by their responsible risk owner(s).

4.2 Raising concerns

In FCDO Services we are committed to dealing professionally and responsibly with any concern our staff may have about possible malpractice. We encourage them to report any acts they encounter in the course of their work that they believe to be illegal, improper or unethical. All such approaches are taken seriously and treated in confidence.

We do not tolerate the victimisation of anyone who comes forward to raise a genuine concern. The Public Interest Disclosure Act 1998 provides legal protection for employees who make disclosures about suspected malpractice in the workplace.

During the year we have promoted our FCDO Services’ Ethical Code and our joint FCDO and FCDO Services ‘Raising Concerns’ policy. We have several Nominated Officers appointed, whom individuals can speak with in confidence outside their management chain if they have concerns relating to ethics and conduct, including the standards as set out in the Civil Service Code.

4.3 Task Force on Climate-Related Financial Disclosures Compliance

The TCFD Compliance statement is included in the Sustainability section on page 29 of the Annual Report.

5 Risk and control framework

5.1 Risk management framework

Our risk management policy is applicable to all personnel working for FCDO Services, whether direct employees, contractors or agency staff engaged on any aspect of work relating to FCDO Services. In line with the FCDO’s Risk Management Policy Statement, FCDO Services recognises that risk management is everyone’s responsibility, and all will need to be familiar with our risk management approach.

The tone from the top has been defined through internal publication and communication of our risk appetite statement, which is reviewed annually as a minimum. The Risk Appetite Statement is updated annually during our Corporate Planning round. This sets the appetite for each of our risk categories of Customer, Finance, Governance & Strategic Direction, People, Technical, Physical Assets & Environment, Data & Information. When planning for 2024/25 the FCDO Services Board reviewed and endorsed high level appetite statements across these categories.

FCDO Services operates a framework of risk reporting which supports the identification, management and escalation of operational and principal risks. The

CFO is responsible for ensuring there is a proportionate risk management framework and processes. We are continuing to develop the use of our in-house risk recording tool which unifies the recording of risks across operational and principal tiers.

I am not aware of any evidence to suggest material deficiencies in our risk management process. In line with the principles of the Orange Book⁴ we look for continuous maturity within our organisational processes and will continue to strengthen and embed those around the management of risk. A risk management maturity assessment is planned for Q1 2025/26.

FCDO Services is not responsible for the propriety and regulation of the risk framework of its customers unless this is a specified contractual requirement.

5.2 Management of information risk

FCDO Services is committed to protecting and using its information securely and effectively, in compliance with its legal obligations and within the standards and requirements set out by the Cabinet Office, National Cyber Security Centre (NCSC) and other Regulators, such as the Information Commissioner’s Office.

There have been no data protection incident referrals to the Information Commissioner’s Office (ICO) in 2024/25.

The Senior Information Risk Owner (SIRO) provides a regular oversight report aligned to the Government Function Standard GovS 007: Security to the Strategy and Corporate Committee on information risk management activities. In addition, a SIRO dashboard is presented at the Audit Risk and Assurance Committee to provide assurance on the activities underway across the organisation to manage information risk.

There are regular communications from the Office of the SIRO in all aspects of information risk, with dedicated pages set up in the Intranet to support this. In addition, all staff are required to complete mandatory Information Security/ Information management e-learning courses annually.

The Information Assurance community has been issued with a terms of reference letter for their role and made accountable through six monthly reporting for their information assets. The community, whether existing or new members, receive training on their role and responsibilities.

A supplier assurance process, and supporting checklists and declaration are in place to maintain controls and to gain assurance from third party suppliers who are handling our information. Where appropriate, we will ensure that Data Protection Impact Assessments, Schedule of Processing Agreements, Sharing Agreements and/or Security Aspects Letters are in place.

The Digital Design Authority role is to make sure products or services that deliver technical or information-based systems have their lifecycle reviewed on initiation and annually. This ensures the standards of governance and assurance are in place and being maintained for digital solutions.

The Cyber Security Working Group meets monthly providing a forum to track and discuss cyber risk, incidents, and compliance and assurance activities. The group reports its findings to the Chief Information Security Officer (CISO) and the output of which is incorporated into the SIRO report. During 2024/25, the Cyber Operations committee became part of the Operations Committee to ensure cohesive and collaborating reporting, covering incidents, vulnerabilities and threats affecting operational services in Tech and Ops.

⁴ HM Treasury, The Orange Book | Management of Risk – Principles and Concepts, published 2020

FCDO Services re-certified for Cyber Essentials Plus and undertook certification to the new ISO 27001:22 (Information Security Management) in 2024. The policies relating to ISO 27001:22 are implemented across the organisation, however the operational scope of the current accreditation is restricted to the customer-facing elements of our IT Services. This provides customer assurance around our information security practices. FCDO Services has been undertaking GovAssure

(the new cyber security assurance approach) for its OFFICIAL hosting platform and is at Stage 5.

Priorities for 2025/26

- Assessment and implementation of the new Cyber Resilience Bill and Data (Use and Access) once approved by Parliament.
- Extending GovAssure which is a mandatory assurance for Government digital systems across FCDO Services

6. Annual risk assessment

6.1 The key risks of 2024/25

The risk management framework and governance activity is fundamental to ensuring the resilience of the organisation. Recognising and managing our risks helps to safeguard the delivery of the objectives of FCDO Services.

Customer and Commercial
The risk that failure to establish and exercise a customer centric commercial strategy may lead to a lack of opportunities, and consequently an inability to deliver our Corporate Plan.
Primary factors considered
<ul style="list-style-type: none">• Optimisation of stakeholder engagement, strategic relationships and delivering high levels of customer satisfaction.• Alignment of products and services to customer needs with focus on our organisation’s Unique Selling Points.• Emphasis on our organisation’s core purpose with FCDO as owner and priority customer.• Continuous improvement in products and service delivery.• Demonstrating continuous improvement of service delivery, mitigating impact of external cost drivers and delivering more for less.• Developing commercial capability and enabling best practice (commercial management).• Strategic growth of Revenue pipeline aligned to core products, services and capability.• Quality processes which ensure that the service is suitably designed, meets customer requirements and delivered to a high quality.
Key controls in place
<ul style="list-style-type: none">• Pipeline and Commercial Review Committee and Major Opportunity Assessment Committee.• Strategic stakeholder engagement matrix and organisational RASCI*.• Ministerial targets for Customer Satisfaction measured against Interviews and Surveys of both budget holders and end-user customers with focus on developed KPI’s and reporting against key customer priorities.• Strategic pillars in place, including alignment to FCDO priorities.• Strategic Market insight reporting and Product Lifecycle review board and strategic account plans.• Risk identification and management through enhanced collaborative working with customers, suppliers, and delivery partners.• Organisational pricing strategy, pricing and commercial assurance processes and commitment to provide transparency.• Commercial governance, assurance, and systemised processes.• Periodic market price assessments.• Reviews to ensure our processes for design and delivery are working.

*RASCI is an acronym that stands for responsible, accountable, supporting, consulted and informed

Finance
The risk that the organisation will not be able to meet its financial obligations resulting in an adverse effect on the organisation’s reputation and the ability to continue as a Trading Fund.
Primary factors considered
<ul style="list-style-type: none">• Revenue, costs, and assets adequately controlled to support commercial decisions.• Cash reserves which are sufficient to sustain a ‘going concern’ assumption.• Maintaining an ethical, compliant supply chain.• Robust financial processes and procedures, safeguarding against errors and potential instances of fraud or non-compliance with statutory regulations.• Compliance with commercial processes and procedures.• Compliance with regulatory and central government requirements.
Key controls in place
<ul style="list-style-type: none">• Financial governance such as monthly and quarterly forecasting, segregation of duties, delegated authorities, internal audits, and the independent review and approval of investment business cases.• Compliance with Government Functional Standards: GovS 013 Counter Fraud, GovS 006 Finance, GovS 014 Debt and GovS 009 Internal Audit.• Tenders submitted using existing government frameworks where appropriate.• Skilled procurement teams with Chartered Institute of Procurement and Supply (CIPS) Corporate Ethical Procurement and Supply accreditation.• Mandatory training of all staff prior to allowing access to financial systems.• Suitably skilled and qualified accountancy staff in financial management roles.• Financial control framework including policies and procedures and alignment to Finance Global Design Principles• External Audit

Governance and Strategic Direction
The risk that the governance of the organisation is not aligned to statutory regulations, best practice indicators for government departments and/or the business needs.
Primary factors considered
<ul style="list-style-type: none">• The Machinery of Government (domestic and foreign) may adversely influence FCDO Services’ operational business.• Timely delivery of projects and services, within budget and meeting quality standards.• The meeting of health and safety, environment, security, and quality standards (for ourselves and third-party suppliers).• Geopolitical events which test operational resilience.• The geographical range within which FCDO Services operates.• Business continuity planning to enable business to continue operating in business continuity events.• Compliance with prevailing Government Greening Commitments and customers’ requirements for sustainable supply.• External environmental factors, which may impact upon operations and delivery, (i.e. flood, earthquake, etc.).• Effectiveness of data governance and information management.• Compliance with Procurement regulations and managing risks across the procurement process.
Key controls in place
<ul style="list-style-type: none">• A close relationship with our parent organisation, the FCDO, with aligned ministerial oversight.• Alignment to Government Functional Standards.• Structured partnership review groups, assuring alignment of objectives.• Segregation of duties, delegated authorities and standardised reporting.• Risk management framework and tools.• Regulatory and internal compliance assurance through assurance activities, inspection and routine audit and published governance structure.• Management processes are in place to ensure that suitable governance is in place during operational and strategic change.• Health and safety management system including policies, procedures and management tools supported by internal governance and competent health and safety support.• A Gold, Silver, Bronze business continuity incident management structure in place, tested and operating.• Ethical considerations and corporate social responsibility: ensuring we take end to end responsibility for our supply chain and ensure our quality expectations are met throughout.• Regular communications and awareness to all staff, including mandatory annual training.• Quality Assurance teams (2nd and 3rd line of defence)• Regular reporting to owner, customers and statutory bodies• Certification to UK recognised standards, including ISO 9001, ISO 20000, ISO 27001, ISO 45001, Cyber Essentials Plus and GovAssure.• Compliance with Government Functional Standards: GovS 008 Commercial and Commercial Continuous Improvement Assessment Framework.• An appointed information assurance community who manages information asset registers and completes bi-annual information assurance returns.• Third line Assurance (the Audit Risk and Assurance Committee (ARAC) and Internal Audit)• Senior Information Risk Owner (SIRO) Assurance Framework supported by RASCI

People
The risk that the organisation will not effectively attract, retain, engage or develop the right people to meet business need, leading to a gap in skills and capability, impacting ability to meet current and future customer and operational requirements.
Primary factors considered
<ul style="list-style-type: none">• Employer duty of care to staff, including safe working practices and environments and a workplace that respects diversity and all staff.• Competitiveness of reward package, financial and pay constraints and labour market shortages.• Resource planning and cost management.• Dependency upon customer insight and pipeline planning.• Workforce planning to initiate timely recruitment and to build skills to meet future needs.
Key controls in place
<ul style="list-style-type: none">• Compliance with policies, procedures and processes, incorporating statutory and regulatory requirements, monitored.• Long-term investment in learning and development on leadership, management, business specific and technical skills alongside schemes to build talent pipelines.• Reward package, including flexible working and targeted shortage skill allowances, new routes to market and employer value proposition to attract and retain employees.• Strategic Workforce Plan and Workforce planning framework.• Job family framework in place to aid workforce planning, and career plans and support the development and retention of talent.• Diversity and Inclusion Strategy and action plan covering 2024-27.• Stakeholder relationship management to build revenue and longer-term work pipeline.• Employee Assistance Programme.• Staff Networks, Mental Health First Aiders, Nominated Officers and Respect at Work Advisors.

Technical
The risk that a failure to evolve the design and the production of systems, and their related products and IT Service Management tooling, will adversely depreciate the offering to customers and/or result in an increased cyber threat to our environment
Primary factors considered
<ul style="list-style-type: none">• Resilience of FCDO Services' business critical live systems.• Investment and development of customer facing IT infrastructure to meet long-term needs.• Alignment of designs with industry and National Technical Authority best practice.• Ensuring effective methods for acceptance into service of new services and devices, underpinned by effective training.• A cyber/data incident which could lead to a loss of confidentiality, integrity, or availability of service.• Legal obligations, ensuring that we have the ability to respond appropriately, and to confirm compliance with legal requirements.• A comprehensive approach to holistic security to protect personnel, information, and infrastructure.• Customer agreements, designed to uphold security balance and systems responsibility.• Security of the supply chain, to ensure clear responsibilities.• The environmental footprint of the products and services which are offered by FCDO Services.
Key controls in place
<ul style="list-style-type: none">• Technology strategy, with associated investment plans, to maintain integrity of core IT platforms.• Maintenance to relevant Government frameworks including GovS007, GovAssure, Secure by Design and DSHC.• Certification to internationally recognised standards, including ISO 9001, ISO 20000, ISO 27001, ISO 45001, and Cyber Essentials Plus.• Education and Awareness of all aspects of holistic security and information behaviour to include cyber, information (management and rights), personal, technical, and physical.• Comprehensive regime of monitoring and independent health checks and alignment with National Cyber Security Centre (NCSC) and National Protective Security Authority (NPSA) best practice.• Adequacy of supply chain management, to ensure that suppliers have appropriate standards and clauses in place for cyber, physical, personnel and data protection clauses.• Alignment of designs with industry and National Technical Authority best practice.• Data Protection Impact Assessments/ Data Processing Agreements are in place where personal data is being processed.• Information assets are reviewed every 6 months and information risks raised.• Alignment to regulators good practice (Information Commissioner's Office) and UK strategy/policy such as Cloud First, National Data Strategy.• Digital Assurance Authority, Technical Design Authority and Cyber Security Working Group.• Conducting regular business continuity exercises.• Legal Register

Physical Assets and Environment
The risk that the organisation will not be able to prevent damage, theft or deterioration of physical assets and manage environmental factors which may lead to operational disruptions, financial losses, regulatory non-compliance, and safety hazards impacting organisational capability, business continuity, stakeholder and customer confidence.
Primary factors considered
<ul style="list-style-type: none">• Threat to assets through surreptitious attack• Threat to assets through forced entry attack• Risk of physical asset theft, or data breaches from compromised equipment or intentional sabotage by State Threat Actors (STA) Serious, Organised Crime Groups, Terrorism or Protesters using surreptitious or forced entry attack methodologies.• Ensure compliance with Government and industry standards, where non-compliance can lead to breaches and reputational damage.• Natural disasters and extreme weather events can result in physical damage to assets, power outages and disruptions of business operations.• The organisation is tenant on a landlord site and does not have direct control of the site perimeter.
Key controls in place
<ul style="list-style-type: none">• Proportionate physical & personnel security mitigations• Conducting regular auditing and exercising• Robust Security and Access Control Measures to include surveillance cameras, intruder detectors, and alarm systems with a 24/7 guard force to deter theft and vandalism.• Regularly updating security protocols and conducting security drills.• Maintaining an organisational critical asset list.• Assurance through auditing to ensure adherence to legal and government policy.• Having business contingency plans for various scenarios, including security incidents, disruption to power, and environmental events

Data and Information
The risk that unauthorised access, data breaches, loss, or corruption of sensitive information may result in financial loss, reputational damage, regulatory penalties under UK data protection laws, legal liabilities, and operational disruptions, impacting business continuity and stakeholder trust.
Primary factors considered
<ul style="list-style-type: none">• Raising awareness of cybersecurity threats (hacking, phishing, malware, ransomware, DDoS attacks).• Appropriate and relevant employee training to mitigate against data loss due to system failures, software bugs, or human error.• Regulatory Compliance and Legal Obligations (GDPR, UK Data Protection Act 2018, NIS Regulations).• Third-Party and Supply Chain Risks introducing external vulnerabilities.• Policies and guidance to mitigate against data leaks from employees or contractors, particularly with hybrid and remote work models.
Key controls in place
<ul style="list-style-type: none">• Robust Cybersecurity Measures (Firewalls, Intrusion Detection & Prevention, Encryption)• Second and third line assurance in place as part of SIRO Assurance Framework• Role-Based Access Control (RBAC) so employees only have access to the data necessary for their role• Regular audits of all accounts managing access in line with the joiner, movers and leavers process• Information data handling policies for email use, document sharing, and public Wi-Fi access• Ensuring compliance with legislative, regulatory and mandatory requirements in terms of data minimisation, retention, and deletion policies• Security Aspects Letters in place where applicable• Security Operating Procedures• Privacy Policy with supporting guidance• Privacy notices• Processing/sharing agreements in place and reviewed in line with risk• Data Protection Impact Assessments in place and reviewed in line with risk• Supplier Assurance Policy and Process in place• Regular communications via all staff bulletins regarding cyber security threats• Mandatory annual learning, support by learning plans for specialists to further develop in terms of cyber and information• Hybrid working policy• Insider Threat Groups• Security Committee• Cyber Security Working Group• Cyber Strategy

6.2 Going Concern

There are no material uncertainties that may cast significant doubt about FCDO Services’ ability to continue as a going concern (refer to Note to the Accounts 1.2)

7. Overall Summary

FCDO Services’ resilience has enabled it to navigate numerous challenges throughout 2024/25. As this report highlights, FCDO Services has continued to deliver a quality service to its customers.

Supported by a refined and refocused business strategy and a revised core

governance model, FCDO Services has continued to build stronger partnerships with customers. I note that the Head of Internal Audit has provided a Moderate assurance, with a moderate level of assurance on controls, opinion for the year. This opinion takes account of core financial and risk-based audits.

The National Audit Office has audited our financial accounts to give reasonable assurance that the financial statements are free from material misstatement, providing FCDO Services with an unqualified opinion for 2024/25.

In conclusion, I am satisfied that the

assurance assessments across FCDO Services have provided me with confidence on their present level of maturity and demonstrate ongoing development.

Mike Astell
Chief Executive Officer and Accounting Officer

1 July 2025

Remuneration and staff report

Remuneration Report

This report provides details of the remuneration, compensation payments, service contracts and pensions of FCDO Services Board members for the year ended 31 March 2025. The board is comprised of both non-executive and executive Directors and the relevant disclosures of each are set out below.

Remuneration policy for senior civil servants

The remuneration of senior civil servants that are executive members of the FCDO Services Board is designed to attract, retain, engage and motivate senior leaders, professionals and specialists of the right calibre in order to improve performance and deliver business objectives.

The Cabinet Office sets the policy for senior civil servant remuneration, including the minimum and maximum for each pay band. FCDO Services’ base pay and allowances are determined within the policy. Yearly base pay and performance payments are also reviewed in accordance with annual Cabinet Office policy and take the FCDO’s Senior Civil Service (SCS) pay award framework into account.

The remuneration for each senior employee is determined by taking a range of factors into account, including:

- the need to recruit, retain and motivate suitably able and qualified people to exercise the responsibilities of the role
- progress against and contribution towards delivery of FCDO Services agreed Corporate Plan and ministerial targets
- affordability and likely funds available to FCDO Services from its trading relationship with the FCDO and wider markets and the need to provide appropriate levels of service to customers in accordance with SLA and contractual agreements; and
- individual performance, capability and competence as assessed through annual appraisals

Delivery against stretching objectives agreed at the start of the reporting period is a key determinant of the pay award within the prevailing government policies. At the end of the performance year, individual contribution is assessed by the line manager and moderated by the People Committee acting in its capacity as the FCDO Services Pay Panel.

The assessments underpin annual pay reviews and bonus decisions and are also used to evaluate talent and potential.

Employment contracts for Executive Directors who are civil servants

Civil Service appointments, including executive members of the FCDO Services Board, are made in accordance with the Civil Service recruitment principles. Appointments are made on merit and offers are made to the most suitable person for the job. This policy incorporates practices for ensuring equal opportunities and promoting diversity and inclusion.

The following executive members of FCDO Services Board are civil servants and hold appointments as board members:

Mike Astell (Chief Executive and Accounting Officer). Mike was appointed Chief Executive and Accounting Officer on 17 September 2021 on a four-year fixed-term contract.

Nasrin Cobb (Director of Customer Relationships). Nasrin was appointed on 6 March 2017 on a four-year fixed term contract, which was extended to 5 April 2024, at which point the contract ended. Nasrin was appointed to the Board on 9 December 2022.

Tim Gall (Chief Financial Officer). Appointed interim Chief Financial Officer on 14 March 2022 on temporary promotion to cover for Yvonne Laird’s parental leave / secondment as Chief Operating Officer. He reverted to his substantive position and original terms and conditions after a handover period. Tim was subsequently appointed as Chief Financial Officer on permanent promotion on 3 October 2024.

Gayle Worvill (Director, People). Gayle was appointed on 1 February 2023 on a permanent promotion.

Yvonne Laird (Deputising Chief of Operations). Yvonne was appointed on 15 October 2018 on a four-year fixed-term contract which was extended to 14 October 2024. This contract ended on 3 June 2024.

Clare Pickin (Chief of Operations). Clare was appointed on 3 June 2024 as a member of the Senior Civil Service at grade SCS2.

Termination by FCDO Services, other than for misconduct or early retirement on ill health grounds, could result in the above individuals receiving compensation as set out in the Civil Service Compensation Scheme.

The following sections provide details of the remuneration and pension interests of the most senior management (i.e. board members).

Remuneration (subject to audit)

Single total figure of remuneration

	Salary £'000		Performance Related Payment £'000		Pension Benefits (to Nearest £'000) (Note 1)		Total £'000	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Mike Astell	165-170	160-165	5-10	0-5	63	61	235-240	220-225
Nasrin Cobb	5-10 (Full year equivalent 120-125)	120-125	5-10	0-5	-	46	10-15	165-170
Tim Gall	90-95 (Full year equivalent 105-110)	105-110	5-10	0-5	47	64	145-150	175-180
Gayle Worvill	105-110	100-105	5-10	0-5	64	125	175-180	230-235
Yvonne Laird	25-30 (Full year equivalent 115-120)	130-135	0-5	0-5	8	49	35-40	180-185
Clare Pickin	115-120 (Full year equivalent 140-145)	-	-	-	45	-	160-165	-

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

Fair pay disclosures (subject to audit)

	2024/25	2023/24
Band of Highest Paid Director’s Total Remuneration (£’000)	175-180	160-165
Salary Only Median £	48,215	44,612
Total Pay and Benefits Median £	50,628	45,755
Salary Only Lower Quartile £	34,745	31,324
Total Pay and Benefits Lower Quartile £	35,907	32,852
Salary Only Upper Quartile £	69,872	63,222
Total Pay and Benefits Upper Quartile £	72,212	65,400
Median Ratio (Note 1)	3.5	3.6
Ratio Lower Quartile (Note 1)	4.9	4.9
Ratio Upper Quartile (Note 1)	2.5	2.5

Note 1. FCDO Services is required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the organisation's workforce as well earnings at the 25th and 75th quartile point. The basis for the median pay, 75th and 25th Quartile calculations for both financial years is based on the requirements specified in the Hutton Review of Fair Pay – Implementation Guidance. The guidance requires the calculation to be based on the pay of full-time equivalent staff (including contractors in permanent positions and excluding the highest paid director) of FCDO Services, at the reporting end date, on an annualised basis. The ratio year on year has decreased to 3.51 times earnings due to an increase in the median pay year on year.

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

	Total Salary and Allowances		Bonus Payments	
	2024/25	2023/24	2024/25	2023/24
Staff average	15%	-5%	5%	-5%
Highest paid director	3%	7%	100%	-100%

The annualised remuneration of staff includes salary, non-consolidated performance-related pay, benefits in kind and other allowances, matching the remuneration report disclosures for the directors.

The banded remuneration of the highest paid director in FCDO Services in 2024/25 was £175k-£180k (2023/24 £160k-165k). This was 3.5 times (2023/24 - 3.6) the median remuneration of the workforce, which was £50,628 (2023/24 £45,755). In 2024/25, 10 line positions held by a contractor received remuneration in excess of the highest paid director (2023/24 - 3). Excluding the highest paid director, remuneration ranged from £29,110 to £223,685 (2023/24 £24,550 to £175,500). The lowest paid employees are apprentices.

Salary

‘Salary’ includes gross base salary; overtime; location allowance; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made to members of the FCDO Services Executive Board and thus recorded in these accounts.

Performance related payments

The pay of Senior Civil Servants (SCS) is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. From time to time, the Review Body advises the Prime Minister on the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In line with the Senior Salaries Review Body (SSRB) recommendations FCDO Services set our performance bonus value at 2024-25 at:

Grade	SCS1	SCS2
Exceeding	£7,000	£9,000
High Performing	£5,500	£7,000
Achieving/ Partially Met	No bonus in line with SCS Pay Guidance	

The values are slightly higher than last financial year but take in to account the fact that SCS staff were not eligible for the one-off payment made to recognise the impact of the rise in the cost of living.

For fixed-term SCS appointments in FCDO Services, contracts of employment apply the same terms as above.

Benefits in kind (Subject to Audit)

The monetary value of benefits in kind covers any benefits provided and treated by HM Revenue and Customs as a taxable emolument. No executive member or key management personnel received any benefits in kind in 2024/25.

Pension benefits (subject to audit)

	Accrued Pension at Pension age as at 31 March 2025 and Related Lump Sum (Note 1)	Real Increase in Pension and Related Lump Sum at Pension age	CETV at 31 March 2025 (Note 1)	CETV at 31 March 2024 (Note 1)	Real Increase in CETV (Note 1)	Employer Contribution to Partnership Pension Account
	£’000	£’000	£’000	£’000	£’000	Nearest £100
Mike Astell	10-15	2.5-5	223	150	48	-
Nasrin Cobb	20-25	-	-	374	-	-
Tim Gall	30-35	2.5-5	659	604	33	-
Gayle Worvill	35-40 plus a lump sum of 95-100	2.5-5 plus a lump sum of 2.5-5	738	664	43	-
Yvonne Laird	15-20	0-2.5	215	200	5	-
Clare Pickin	0-5	2.5-5	42	-	33	-

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2025. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2024-25 CETV figures.

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 44 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.

Note 1. Where officers have transferred from the PCSPS scheme to Alpha, the two values for each of accrued pension, real increase in CETV and opening and closing CETV values have been combined together in the table above.

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member’s State Pension age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may

be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to 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 their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be

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

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

Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and

do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

Non-Executive Directors

The following section provides details of the appointment, contracts and remuneration of the non-executive members of FCDO Services.

The non-executive directors, (excluding the Chair), are appointed by the FCDO Services Chief Executive in their capacity as Accounting Officer on fixed-term appointments. The FCDO sponsor appoints the Chair. Their remuneration and terms are agreed at the time of their appointment, which is normally for three years with the option to be extended under mutually agreed terms. No compensation is payable for early termination.

FCDO Services' non-executive directors are not employed on civil service terms and conditions of employment, except for Jenny Bates and Jonathan Allen, and are not members of the Civil Service Pension Scheme. The non-executive directors, (excluding Jenny Bates and Jonathan Allen), are paid through the FCDO Services payroll.

No pay or pension costs are included in FCDO Services' accounts in respect of Jenny Bates and Jonathan Allen, who are civil servants employed by the Foreign, Commonwealth and Development Office. Travel expenses may be payable by FCDO Services for Jenny Bates and Jonathan Allen's attendance at Hanslope Park meetings.

The following have been non-executive members of the FCDO Services Board during the year:

Jenny Bates, appointed on a three-year contract as a Non-Executive Director on 20 May 2020 which was extended to 20 May 2024. This was extended again to 21 May 2025. Jenny Bates resigned on 18 January 2025.

Sir Simon Gass GCMG CVO, appointed as Non-Executive Chair on a four-year contract from 1 April 2018 which was extended to 31 March 2026.

Richard Gunning (Chair of the Audit and Risk Assurance Committee), appointed on a three-year contract as a Non-Executive Director on 1 February 2018 which was extended to 31 January 2022 and extended again to 31 January 2024. This was extended to 31 January 2025. The contract was then brought to an end on 31 October 2024 upon appointment of a successor.

William McCluggage, appointed on a three-year contract as a Non-Executive Director on 1 November 2018 which was extended to 31 October 2024 and concluded on this date.

Ann Tourle, appointed on a three-year contract as a Non-Executive Director on 1 November 2018 which was extended to 31 October 2024. This was extended again to 31 October 2027.

Lawrie Haynes, appointed on a four-year contract as a Non-Executive Director on 8 August 2022.

Sabah Carter, appointed on a four-year contract as a Non-Executive Director on 14 October 2024.

Greg Rubins (Chair of the Audit and Risk Assurance Committee), appointed on a four-year contract as a Non-Executive Director on 14 October 2024.

Jonathan Allen, appointed on a two-year contract as a Non-Executive Director on 10 February 2025.

Additionally there have been three members of the Audit and Risk Assurance Committee during the year who are not non-executive directors:

Juliette Wilcox was appointed a Member of the Audit and Risk Assurance Committee on 1 July 2020. No pay or pension costs are included in FCDO Services' accounts in respect of Juliette Wilcox, who is a civil servant employed by the Department for Business and Trade. Juliette Wilcox resigned on 11 July 2024.

Julia McDonald, was appointed as a Member of the Audit and Risk Assurance Committee on 30 January 2024. No pay or pension costs are included in FCDO Services' accounts in respect of Julia McDonald, who is a civil servant employed by the Foreign, Commonwealth and Development Office.

Sally Hadfield, was appointed as a Member of the Audit and Risk Assurance Committee on 7 October 2024. No pay or pension costs are included in the FCDO Services' accounts in respect of Sally Hadfield, who is a civil servant employed by another government department.

Remuneration payments to non-executive directors (subject to audit)

	2024/25	2023/24
	£'000	£'000
Jenny Bates ^(Note 1)	-	-
Jonathan Allen ^(Note 1)	-	-
Sir Simon Gass GCMG CVO	30-35	25-30 (30-35 full year equivalent)
Richard Gunning	10-15 (15-20 full year equivalent)	15-20
Lawrie Haynes	15-20	15-20
William McCluggage	10-15 (15-20 full year equivalent)	15-20
Ann Tourle	15-20	15-20
Sabah Carter	5-10 (15-20 full year equivalent)	-
Greg Rubins	5-10 (15-20 full year equivalent)	-

Note 1. No pay or pension costs are included in FCDO Services' accounts in respect of Jenny Bates and Jonathan Allen who are civil servants employed by the Foreign, Commonwealth and Development Office.

Mike Astell
Chief Executive Officer and Accounting Officer

1 July 2025

Staff Report

Number employed on Senior Civil Service terms and conditions (or equivalent) by band (subject to audit)

Details provided as at 31 March 2025

Pay band	Number of senior Civil Service staff
SMS 1	7
SMS 2	2

Details provided as at 31 March 2024

Pay band	Number of senior Civil Service staff
SMS 1	7
SMS 2	2

Staff report (subject to audit)

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

Summary of average FTE

Staff numbers	Permanent and fixed term employees	Other *	2024/25 Total
Service Delivery	1,007	216	1,223
Corporate Services	145	9	154
Total	1,152	225	1,377
Capitalised Staff**	(3)	(6)	(9)
Net Staff Numbers	1,149	219	1,368

Staff numbers	Permanent and fixed term employees	Other *	2023/24 Total
Service Delivery	974	201	1,175
Corporate Services	141	7	148
Total	1,115	208	1,323
Capitalised Staff**	(2)	(7)	(9)
Net Staff Numbers	1,113	201	1,314

** Other comprises contractors, agency workers and fee paid officers.*
*** No single resource is dedicated to working on capital projects. The figures for capitalised staff are whole time equivalent for the hours of labour charged to capital projects.*

Staff costs for the above persons (subject to audit)

2024/25			
	Permanent and fixed term employees £'000	Other * £'000	Total £'000
Salaries / Agency Staff and Fee Paid Officers	66,598	28,348	94,946
Social Security Costs	6,156	10	6,166
Apprenticeship Levy	615	-	615
Other Pension Costs**	14,160	-	14,160
Total Staff Costs	87,529	28,358	115,887
Capitalised Staff Costs	(175)	(763)	(938)
Total Net Staff Costs	87,354	27,595	114,949
2023/24			
	Permanent and fixed term employees £'000	Other * £'000	Total £'000
Salaries / Agency Staff and Fee Paid Officers	58,715	24,755	83,470
Social Security Costs	5,609	11	5,620
Apprenticeship Levy	484	-	484
Other Pension Costs**	12,161	-	12,161
Total Staff Costs	76,969	24,766	101,735
Capitalised Staff Costs	(136)	(1,004)	(1,140)
Total Net Staff Costs	76,833	23,762	100,595

**Inward seconded staff, contracted and agency staffs have all been included in other staff cost.*
***2024/25 variance in value of £2k to pension note below relates to opening and closing accruals (2023/24 £1k)*

Pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) - known as “Alpha” are unfunded multi-employer defined benefit schemes but FCDO Services is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk/about-us/resource-accounts).

For 2024/25, employers’ contributions of £14,010,853 were payable to the PCSPS (2023/24

£11,987,956) at the rate of 28.97% 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. Pension contributions for Inward Seconded Staff have been included in agency staff costs.

Employees can opt to open a Civil Service Partnership pension account, a stakeholder pension with an employer contribution. Employers’ contributions of £146,353 (2023/24 £168,871) 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%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £4,625 (2023/24 £5,376), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees. Pension contributions for Inward Seconded Staff have been included in agency staff costs.

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 (2023/24 £nil).

In the 12 months to March 2025 no individual (2023/24 no individual) retired early on ill health grounds; the total additional accrued pension liability in the year amounted to £nil (2023/24 £nil).

Diversity and inclusion

In an ever changing and uncertain world, we are reliant on attracting, developing and retaining people with diverse backgrounds and talents to enable us to deliver our organisational goals and objectives and to meet, and exceed, the expectations of our clients globally.

Our vision is to be amongst the best Civil Service employers for inclusion. Our Diversity and Inclusion strategy, which is aligned to the FCDO and Civil Service strategies, continues to provide a clear focus to enable us to deliver this vision: to deliver a diverse team and an inclusive culture

that places respect and support for everyone at its core and empowers our people to fulfil their potential whilst ensuring their wellbeing.

During 2024/25 we have been working in conjunction with our staff networks, and those of the FCDO and wider Civil Service to increase our staff’s feeling of inclusion. ACAS undertook research into respect at work and whilst sobering, initial discussions have landed well and provide the foundation for further work. Wellbeing awareness activities have been a focus during the year, with a strong link to neurodiversity. We have also focussed on men’s health, to help ensure that we are truly being inclusive for all.

Since we introduced representation aspirations for female, ethnic minority and disability staff, we have made steady progress against our aims, with all three areas now the achieving their highest representation levels. Since 2017 our female representation has risen by

our diversity pipeline. Although our apprentice intake this year was reduced, we improved diversity of hires and can attribute this to outreach, and changing methodology during assessment.

Our Gender Pay analysis is included within the FCDO Annual Gender Pay Gap Report. The latest report based on March 2024 data, showed a decrease in FCDO Services’ Gender Pay Gap, and analysis indicates this results from continued focus in all our processes and activities. The pay mean gap decreased from 7.4% to 6.6%, and the median pay gap from 18.1% to 16.6%.

8.3% to 31.5%; our ethnic minority representation by 2.7% to 11.1%; and our disability representation by 3.9% to 9.1%. Female representation in our technical roles now stands at 8.6%, an increase of 0.4% in the 12 months since March 2024, and again is the highest level achieved to date. Senior female and senior ethnic representation are also at the highest representation levels. It should be noted that diverse representation levels were negatively impacted by our Voluntary Exit Scheme in March 2025, and gender and ethnicity representation were higher at December 2024.

Although we have made positive progress in representation of all three protected characteristics, we know we have more work to do, particularly in relation to ethnic minority representation. We recognise that our diversity challenge is greater at more senior levels and in technical roles and are committed to take further actions to reduce the disparity.

Staff turnover

During 2024/25, turnover at 7.9% was lower than the 2023/24 turnover of 9.0%, and in line with 2022/23 turnover which was also 7.9%. Figures are for voluntary turnover and therefore exclude VES, TUPE and COSOP exits and ending fixed-term contracts.

In total there were 128 leavers and 115 joiners during 2024/25 compared to 108 leavers and 164 joiners in 2023/24..

Staff engagement

The annual Civil Service People Survey is a helpful way for us to gauge how our people feel about the organisation. Completion is voluntary, and our response rate was 69% (down from 71% in 2023), which remains higher than response rate in the wider Civil Service (at 61%, which is down from 65% the year before). Positive feedback against seven of the indices improved (Engagement, Organisational Objectives, My Manager, My Team, Resources and Workload, Pay / Benefits, and Learning and Development). Leadership and Managing Change, Inclusion and Fair Treatment, and My Work, remained unchanged from 2023. All indices were below the 2024 Civil Service benchmark.

This year our Engagement score increased slightly to 59% against a target of 61%. Our organisation and its staff continue to face inflationary pressures, as well as shortages in the labour market affecting resource levels. These external factors will have had a bearing on results, as will internal factors such as change programmes and changes in leadership positions. Improving scores and engagement is a priority, and the Executive Board have agreed key areas to focus on at a corporate level and continue to monitor action plans at a more local level. We are also making a significant

investment in our management and leadership capability, working to improve workplace culture through mandatory Respect at Work learning, and have engaged our staff heavily in the development of our new Strategy and Corporate Plan (providing clearer direction and helping staff understand the role they place in delivering our organisational objectives).

Trade unions

As part of the FCDO, FCDO Services has a joint Employee Relations Framework that recognises three trades unions: PCS, Prospect and the FDA. The Trade Union Side (TUS) is the joint voice of these three unions which engages closely and cooperatively with management and the HR team. We engage regularly with the TUS on specific issues, such as negotiations on changes to terms and conditions, formal consultation on annual pay awards, people policies and organisation change, and informally on other matters that affect members. FCDO Services also engages with employees through regular communications and, for example, consultation with employees directly impacted by proposed organisational design changes.

Staff composition

At 31st March 2025:

- Senior Civil Service grades: 44.4% (2023/24 62.5%) were female
- Delegated grades 31.4% (2023/24 31.2%) were female

As a STEM organisation we continue to face a challenge due to a shortage of females working in the industry. As part of our diversity strategy, we have remained focussed on improving representation of female staff overall, and especially in technical roles and at senior levels. Over the last year we have seen female representation slightly increase by 0.2% within delegated grades. This is a result of a range of ongoing positive actions including:

- A focus on diversity in advertising setting, workforce ambitions, anonymised recruitment, and diverse selection panels;
- Mentoring/reverse mentoring, highlighting internal and external role models, and focussed development programmes;
- Working in conjunction with WEConnect, our gender staff network

Representation in Senior Civil Service grades saw a decrease, significantly impacted by the small population size.

Civil servant / delegated grades

31 March 2025			
	Female	Male	Total
Delegated	375	819	1,194
Senior Civil Servants	4	5	9
Total	379	824	1,203

31 March 2024			
	Female	Male	Total
Delegated	366	808	1,174
Senior Civil Servants	5	3	8
Total	371	811	1,182

The people included in the Senior Civil Servants split above, are all members of the Strategic and Corporate Committee and Operations Committee. Four of the 9 are the executive Directors (detailed earlier in this report) of which 50% are female and 50% are male (2023/24: 5 Executive Directors – 50% female, 50% male). Data above is based on headcount as at 31 March 2025 and 2024 respectively.

Sickness absence data

The average number of working days lost per employee due to sickness absence was 7.1 days in 2024/25. This compared to 5.8 days in 2023/24.

Staff policies applied during the financial year for the recruitment, ongoing employment, and training and promotion of people with disabilities.

For giving full and fair consideration to applications for employment by disabled persons, initiatives applied in FCDO Services included the following:

- FCDO Services is committed to making its website accessible, in accordance with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018. This website is partially compliant with the Web Content Accessibility Guidelines version 2.1 AA standard. Non compliances are listed on the site
- We have installed an accessibility tool, Recite me, to our careers website which enables users to customise the content in a way that works for them.
- To promote diversity and fairness FCDO Services has for many years implemented anonymised recruitment, where the sifting process is focused on the skills, knowledge and experience outlined

- We have recently increased our rating in the Disability Confident scheme employer status; as part of that commitment we provide a guaranteed interview for applicants with a disability who meet the minimum selection criteria
- Applicants are asked on their application form to disclose whether they have a disability and if so, advise if they require any reasonable adjustments for the interview or assessment(s), access to the venue etc.

For continuing the employment of, and for, arranging appropriate training for employees of the company who have become disabled during the period when they were employed by the company:

- If staff become disabled during their employment we will refer them to our Occupational Health provider, who can provide workstation assessments or advice on reasonable adjustments for the workplace, including psychological assessments for learning differences e.g. dyslexia

Otherwise for the training, career development and promotion of disabled persons employed by the company:

- We work in close partnership with the Civil Service Workplace Adjustment Service and promote the use of the single disability passport forms which capture workplace adjustment plans and support staff moving across the Civil Service
- All staff have been mandated to undertake online equality, diversity and inclusion training.
- We analyse performance and promotion data by several protected characteristics to ensure fair and consistent application of our processes

Further information on our diversity and inclusion goals can be found at <https://www.fcdoservicescareers.co.uk/about/diversity-and-inclusion>.

Facility time publication requirements

Table 1: Relevant union officials

Number of employees who were relevant union officials during 1 April 2024 – 31 March 2025	Full-time equivalent employee number
44	44.0

Table 2: Percentage of time spent on facility time

Number of employees who were relevant union officials employed during 1 April 2024 – 31 March 2025 that 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%	37
1-50%	7
51-99%	-
100%	-

Table 3: Percentage of pay bill spent on facility time

The total cost of facility time	£137,853
The total pay bill	£772,294,000
The percentage of the total pay bill spent on facility time	0.02%

Table 4: Paid trade union activities

Percentage of time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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This data includes FCDO, FCDO Services and Wilton Park. The TU officials represent members from all 3 organisations. The tables above do not reconcile to the financial statements as these tables include costs in relation to FCDO, FCDO Services and Wilton Park.

Expenditure on consultancy

FCDO Services’ expenditure on consultancy during 2024/25 was £0 (2023/24 £nil).

Off-payroll engagements

Note: Details below include Limited and Umbrella company contractors plus Agency Worker Regulations (AWRs).

Table 1: For all off-payroll appointments as of 31 March 2024, for more than £245 per day and that last longer than six months

(a) The total number of such engagements as of 31 March	221
(b) The number that have existed for less than one year at time of reporting	40
(c) The number that have existed for between one and two years at time of reporting	76
(d) The number that have existed between two and three years at the time of reporting	34
(e) The number that have existed between three and four years at time of reporting	9
(f) The number that have existed for four or more years at time of reporting	62

Table 2: For all new off-payroll appointments, or those that reach six months in duration, between 1 April 2024 and 31 March 2025 for more than £245 per day and that will last for longer than six months:

(a) The number of new engagements or those that reached six months during the period	84
(b) The number of these engagements which were assessed as caught by IR35	81
(c) The number of these engagements which were assessed as not caught by IR35	3
(d) The number that were engaged directly (via PSC contracted to department) and are on the departmental payroll	0
(e) The number that were reassessed for consistency / assurance purposes during the year whom assurance has been requested but not received	0
(f) The number that saw a change to IR35 status following the consistency 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 departments must also disclose:

(a) The number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year	0
(b) Details of the exceptional circumstances that led to each of these engagements	n/a
(c) Details of the length of time each of these exceptional engagements lasted	n/a
(d) The total number of individuals both on and off-payroll that have been deemed “board members and/or senior officials with significant financial responsibility”, during the financial year. This total figure must include engagements which are on payroll as well as those off-payroll	12

Exit packages (subject to audit)

The table below provides details of exit packages included within the financial statements.

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
<£10,000	-	-	-	-	-	-
£10,000 - £25,000	-	-	5	-	-	-
£25,000 - £50,000	-	-	10	-	-	-
£50,000 - £100,000	-	-	16	-	-	-
£100,000 - £150,000	-	-	-	-	-	-
£150,000 - £200,000	-	-	-	-	-	-
Total Number of Exit Packages by Type	-	-	31	-	-	-
Total Resource Cost (£'000)	-	-	1,773	-	-	-

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year that departure was agreed. Where the department has agreed early

retirements, the additional costs are met by the department and not by the Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

The total payment received from the FCDO in relation to the VES scheme amounted to £1.8m (2023/24 £nil), which included £37k (2023/24 £nil) in relation to benefit in lieu of notice and unpaid leave not shown in the table above.

Parliamentary accountability and audit report

Regularity of Expenditure (Subject to Audit)

In spending public money, FCDO Services operates in accordance with the principles of HM Treasury's Managing Public Money (MPM).

Losses and special payments (Subject to Audit)

Losses Statement	31 March 2025	31 March 2024
Total Number of Losses	2	12
	£'000	£'000
Total Value of Losses *	265	107
Stores Losses	0	0
Fruitless Payments	3	56
Loss on currency exchange	0	0
Other	262	51

* There were no individual losses over £300,000 in either 2024/25 or 2023/24. All losses are disclosed on an accruals basis.

Special Payments and Gifts

In 2024/25 the costs falling into the category special payments and gifts was £nil (2023/24 £nil).

Fees and Charges (Subject to Audit)

There are no fees and charges to be disclosed.

Remote contingent liabilities (Subject to Audit)

Following analysis of statement of account reconciliations with our suppliers, and a review of guidance issued by HM Treasury, we are not aware of any material remote contingent liabilities.

Mike Astell
Chief Executive Officer and Accounting Officer

1 July 2025

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

Opinion on financial statements

I certify that I have audited the financial statements of FCDO Services for the year ended 31 March 2025 under the Government Trading Funds Act 1973.

The financial statements comprise FCDO Services':

- 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 FCDO Services' affairs as at 31 March 2025 and of its retained surplus for the year then ended; and
- have been properly prepared in accordance with the Government Trading Funds Act 1973 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 (2024)*. 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 2024. I am independent of FCDO Services 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 FCDO Services' 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 FCDO Services' 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.

Other information

The other information comprises information included in the Performance Report and Accountability 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 Trading Funds Act 1973.

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 Trading Funds Act 1973;
- 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 FCDO Services 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 FCOD Services 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 FCDO Services 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 Trading Funds Act 1973;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973; and

- assessing FCDO Services’ 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 either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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 Trading Funds Act 1973.

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 FCDO Services’ accounting policies and key performance indicators.
- inquired of management, FCDO Services’ head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to FCDO Services’ 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 FCDO Services’ controls relating to FCDO Services’ compliance with the Government Trading Funds Act 1973 and Managing Public Money;
- inquired of management, FCDO Services’ 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 FCDO Services 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 FCDO Services’ framework of authority and other legal and regulatory frameworks in which FCDO Services 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 FCDO Services. The key laws and regulations I considered in this context included Government Trading Funds Act 1973, Managing Public Money, employment law, tax legislation and the FCDO Services Trading Fund Order 2008.

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

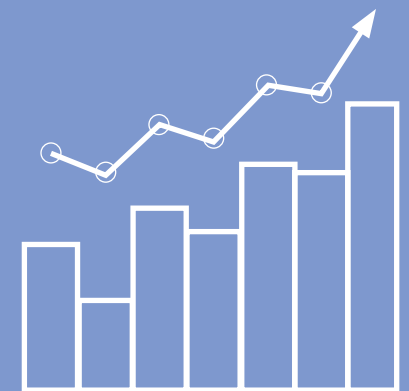
I have no observations to make on these financial statements.

Gareth Davies

2 July 2025
Comptroller and Auditor General

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

Financial Statements



Statement of Comprehensive Income

for the year ended 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Revenue from contracts with customers	2	262,167	266,249
Cost of sales	5	(204,676)	(214,774)
Gross surplus		57,491	51,475
Other income			
Operating expenses	2	2,231	405
	5	(48,788)	(44,591)
Operating surplus		10,934	7,289
Profit/(Loss) on disposal of property, plant and equipment and intangible assets		131	(280)
Surplus before financing		11,065	7,009
Financing income	2	3,442	2,506
Net financing		3,442	2,506
Surplus for the financial year		14,507	9,515
Dividend	6	(2,869)	(2,563)
Retained surplus for the financial year		11,638	6,952
Other comprehensive net income			
Net gain on the revaluation of property, plant and equipment		-	75
Total comprehensive income for the financial year		11,638	7,027

All income and expenditure is derived from continuing operations.

The 'Notes to the accounts' section form part of these financial statements.

Statement of Financial Position

as at 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Non-current assets			
Intangible assets	7	871	921
Property, plant and equipment	8	16,326	17,242
Total non-current assets		17,197	18,163
Current assets			
Inventories	9	3,019	4,413
Trade receivables, financial and other assets	10	46,540	56,841
Cash and cash equivalents	11	73,780	66,826
Total current assets		123,339	128,080
Total assets		140,536	146,243
Current liabilities			
Trade payables and other current liabilities	12	(54,430)	(71,756)
Lease liabilities	13	(34)	(27)
Provisions due within one year	14	(144)	(172)
Total current liabilities		(54,608)	(71,955)
Total assets less current liabilities		85,928	74,288
Non current liabilities			
Lease liabilities	13	(38)	(36)
Total non current liabilities		(38)	(36)
Total assets less liabilities		85,890	74,252
Taxpayers' equity			
Public dividend capital		4,981	4,981
General reserve		3,174	3,159
Revaluation reserve		179	194
Income and expenditure account		77,556	65,918
Total taxpayers' equity		85,890	74,252

Mike Astell
Chief Executive Officer and Accounting Officer

1 July 2025

The 'Notes to the accounts' section form part of these financial statements.

Statement of Cash Flows

for the year ended 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Cash flows from operating activities			
Surplus on ordinary activities before dividend payable		14,507	9,515
Adjustments for non-cash transactions	15	7,009	5,194
Net interest receivable	2	(3,442)	(2,506)
Decrease / (Increase) in inventories	9	1,394	972
Decrease / (Increase) in trade and other receivables	10	10,301	15,288
less movements in receivables relating to items not passing through the income statement			
- Accrued deposit interest		-	(79)
Increase in trade and other payables	12	(17,326)	1,289
less movements in payables relating to items not passing through the income statement			
- Dividend payable	12	1,369	(1,646)
Decrease in provisions	14	(27)	(108)
Net cash inflow / (outflow) from operations		13,785	27,919
Cash flows from investing activities			
Purchases of intangible assets	7	(34)	(86)
Purchases of property, plant and equipment	8	(6,162)	(6,759)
Disposals of intangibles, property, plant and equipment		9	19
Net cash inflow / (outflow) from investing activities		(6,187)	(6,826)
Cash flows from financing activities			
Interest received		3,442	2,585
Repayment of finance leases		(24)	(29)
Dividend paid	6 and 12	(4,063)	(917)
Net financing		(645)	1,639
Net increase / (decrease) in cash and cash equivalents in the period		6,954	22,732
Cash and cash equivalents at the beginning of the period	11	66,826	44,094
Cash and cash equivalents at the end of the period		73,780	66,826

The 'Notes to the accounts' section form part of these financial statements.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2025

	Public Dividend Capital £'000	General Reserve £'000	Revaluation Reserve £'000	Income and Expenditure Account £'000	Total Reserves £'000
Changes in taxpayers equity for 31 March 2024					
Balance at 1 April 2023	4,981	3,098	180	58,966	67,255
Unrealised net surplus on revaluation of property, plant and equipment	-	-	75	-	75
General reserve transfer - depreciation charge difference in year on revalued cost basis compared to historic cost basis	-	61	(61)	-	-
Retained surplus for the financial year	-			6,952	6,952
Total recognised income and (expense) for 31 March 2024	-	61	14	6,952	7,027
Balance at 31 March 2024	4,981	3,159	194	65,918	74,252
Changes in taxpayers' equity for 31 March 2025					
Unrealised net surplus on revaluation of property, plant and equipment	-	-	-	-	-
General reserve transfer - depreciation charge difference in year on revalued cost basis compared to historic cost basis	-	15	(15)	-	-
Retained surplus for the financial year	-	-	-	11,638	11,638
Total recognised income and (expense) for 31 March 2025	-	15	(15)	11,638	11,638
Balance at 31 March 2025	4,981	3,174	179	77,556	85,890

The Public Dividend Capital Reserve records the investment made in the Trading Fund by the Secretary of State for Foreign and Commonwealth Affairs.
The General Reserve is used to account for movements on reserves which do not pass through the income and expenditure account.
The Revaluation Reserve records the unrealised profit on the cumulative indexation and revaluation adjustments to non-current assets.
The Income and Expenditure Account is used to account for the accumulated surplus of the Trading Fund.

The 'Notes to the accounts' section form part of these financial statements.

Notes to the accounts

1. Accounting policies

1.1 Basis of accounting

These financial statements have been prepared in accordance with the Accounts Direction issued by HM Treasury on 19 December 2024, pursuant to section 4(6)(a) of the Government Trading Funds Act 1973. This requires the Trading Fund to comply with the accounting principles and disclosure requirements of the 2024-25 Government Financial Reporting Manual (FReM) and Trading Funds Accounts Guidance, as 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 FCDO Services for the purpose of giving a true and fair view has been selected. The particular policies adopted by FCDO Services are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Going concern

The Directors assess whether the use of the going concern assumption is deemed appropriate, considering whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trading Fund to continue as a going concern. The Directors make this assessment in respect of a period at least one year from the signing date of these financial statements. The Directors have considered inflationary pressures in reaching their conclusions, preparing an annual budget, a three-year corporate plan and monitoring performance against it. The Trading Fund maintains levels of reserves to meet unexpected obligations and forecasts that adequate resources are maintained in ensuring that the Trading Fund remains operational for the foreseeable future. The financial statements have therefore been prepared on a going concern basis as discussed in the Accountability Report within these financial statements.

1.3 Accounting Convention

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

1.4 Revenue from contracts with customers

Revenue represents the fair value of consideration received or receivable from clients for goods and services provided, net of discounts, VAT and other sale related taxes.

Revenue is recognised under IFRS15 “Revenue from Contracts with Customers”.

For each of our project types the following IFRS15 revenue recognition is applied:

Fixed Price and Time and Materials Projects:

The majority of projects are delivered at the customer site. FCDO Services uses performance over time to recognise revenue, as the customer asset is enhanced and/or the customer derives benefit from the service. Where performance obligations exist a service delivery notification is provided to the customer and is utilised to confirm the successful completion of the performance obligation. Costs incurred beyond the latest completed performance obligation are transferred to the balance sheet as work in progress, to be recognised when the performance obligation is complete.

Benefit is derived typically as follows:

Design (including Surveys, Feasibility Studies): Revenue is recognised when the customer takes delivery of the report and at a point in time.

Hardware / Materials: Revenue is recognised when the customer takes receipt.

Project Management: Revenue is recognised on completion of agreed milestones with the customer – usually monthly.

Installation: Revenue is recognised when the installation is complete. Costs incurred beyond the latest completed performance obligation are transferred to the balance sheet as work in progress, to be recognised when the performance obligation is completed.

Subscription and Call Off Projects:

Contracts have monthly or regular performance obligations, which are recognised as the customer consumes the service and recognised over time. Subscriptions are recognised over the time which they cover with call off projects recognised at a point in time.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity and apportioned between cost of sales and operating expenses as appropriate.

1.6 Dividend

An annual statutory dividend is payable to the Foreign, Commonwealth and Development Office. The charge is calculated at a rate set by HM Treasury on the average capital employed during the year.

A discretionary dividend may be paid to the Foreign, Commonwealth and Development Office, at their request, after taking into account the future investment needs of the Trading Fund.

1.7 Taxation and value added tax

FCDO Services, as a Trading Fund, is exempt from corporation tax and consequently the requirements to account for current and deferred corporation tax are not relevant.

FCDO Services is separately registered for VAT and applies normal commercial VAT rules to accounting for output and input tax.

1.8 Leases

Scope and classification

In accordance with IFRS 16, contracts, or parts of a contract, that convey the right to use an asset in exchange for consideration are accounted for as leases.

Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use. In such cases, the relevant part is treated as a lease.

FCDO Services excludes contracts with a term shorter than twelve months; as well as for low-value items, defined as items costing less than £3,000 (under the capitalisation threshold) when new, provided they are not highly dependent on or integrated with other items.

Initial recognition

At the commencement of a lease (or the IFRS 16 transition date, if later), FCDO Services recognises a right-of-use asset and a lease liability.

The lease liability is measured at the payments for the remaining lease term, net of irrecoverable value added tax, discounted either by the rate implicit in the lease or, where this cannot be determined, the incremental cost of borrowing advised by HM Treasury which is set on a calendar year basis when not considered trivial in value over the life of the lease (4.81% for 2025).

The right-of-use asset is measured at the value of the liability, adjusted for: any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease.

Subsequent measurement

The liability is adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments and modifications are measured by re-discounting the revised cash flows. The impact is reflected in the liability and either in the asset valuation or expenditure.

Lease expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and any change in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items (less than £3,000) or for those shorter than twelve months are expensed.

1.9 Inventories, work in progress and contracts

Inventories of raw materials and components are valued at the lower of cost or net realisable value. Obsolete and damaged stock is written down to net realisable value.

Work in progress is valued at the lower of cost, including appropriate overheads and net realisable value.

Contract balances included in inventories comprise costs incurred, net of amounts transferred to cost of sales, after deducting contract losses and related payments on account.

Costs include all direct material and labour costs incurred in bringing a contract to its state of completion at the year end, including an appropriate proportion of indirect overheads.

The excess of payments received over amounts recorded as turnover is classified under contract liabilities and payments on account. Amounts recoverable on contracts, being the amount by which recorded turnover is in excess of payments on account, is classified under prepayments, contract assets and accrued income.

1.10 Property, plant and equipment

Property, plant and equipment are stated at fair value at the Statement of Financial Position date using appropriate indices or at valuation. Depreciation is restated proportionately so that the carrying amount after revaluation equals its revalued amount. The minimum level for capitalisation of a single property, plant and equipment asset is £3,000, subject to grouping conventions where appropriate. Fixtures are defined as substantial modifications to buildings occupied by FCDO Services which enhance the economic usefulness of the building.

On initial recognition, property, plant and equipment are measured at cost including any costs such as installation directly attributable to bringing them into working condition. Assets are included in the accounts at the valuation applicable at the Statement of Financial Position date; any movements in valuation during the year are taken to the revaluation reserve or treated as impairments where appropriate.

Costs incurred in creating internally constructed assets are capitalised as property, plant and equipment assets. Internal charges for labour costs include an appropriate recovery of overheads.

Property, plant and equipment assets are depreciated at rates calculated to write them down to their estimated residual values on a straight-line basis over their estimated useful lives. Assets under construction are not depreciated or revalued until the asset is brought into use. Asset lives have been set in the following ranges:

Information technology	2 to 8 years
Transport equipment	2 to 8 years
Plant and machinery	5 to 20 years
Fixtures	10 to 25 years
Right of use assets	Over the life of the lease

Property, plant and equipment assets are reviewed annually for impairments and any impairment is charged to the Statement of Comprehensive Income.

Right of use assets

As detailed in Note 1.8, FCDO Services has adopted IFRS16 ‘Leases’ from 1 April 2022.

Right of use lease contracts comprise leases of plant and machinery, all of which are insignificant individually and in totality and therefore shown within the right of use asset column within note 8.

FCDO Services has a Memorandum of Terms of Occupancy (MOTO) arrangement in place in respect of accommodation provided by the Foreign, Commonwealth and Development Office (FCDO). There is no fixed lease term, with the arrangement being on a rolling 12 month basis, until either party gives notice. The FReM removes the option to reassess whether a contract contains a lease, and as the MOTO was assessed as a lease under IAS 17, it is deemed to be a lease under IFRS 16. The agreement is based on variable lease payments based on wider market revenue, where the consideration paid increases in-line with the amount of revenue generated from sources other than the FCDO as a percentage of total revenue. These payments are not linked to a rate or index and therefore in accordance with IFRS 16 this generates a nil value lease liability and no right of use asset under the cost model.

Under the HM Treasury FReM, where the cost model is not a valid proxy for fair value, then the revaluation model should be applied. In applying this, the FReM refers to guidance issued by the Royal Institution of Chartered Surveyors (RICS) which concludes that similarly to the cost model, variable payments not linked to a rate or index should be excluded from the valuation under the revaluation model. As such, and as all payments are variable on the basis of the proportion of revenue generation, no lease liability or right of use asset is recognised on the Statement of Financial Position with respect to the MOTO. Instead, the rental charges are shown in the Statement of Comprehensive Income as accommodation costs. In relation to the MOTO these were £4.6m, which included a credit of £0.4m for 2023-24 (2023-24 - £6.3m). Payments could be up to circa £10m if all relevant accommodation costs were charged to FCDO Services rather than those that specifically relate to wider markets.

1.11 Intangible assets

Intangible assets are valued at cost.

Where an active market does not exist, income generating assets are valued at the lower of depreciated replacement cost and value in use. This valuation method is considered to be a proxy for fair value.

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of IAS 38 where assets do not generate income. IAS 38 defines future economic benefit as ‘revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity.’

Costs incurred in creating internally constructed intangible assets are capitalised as intangible assets. Internal charges for labour costs include an appropriate recovery of overheads.

Intangible assets are amortised at rates calculated to write them down to their estimated residual values on a straight-line basis over their estimated useful lives. Assets under development are not amortised or revalued until the asset is brought into use. Asset lives have been set in the following range:

Software licences	3 to 5 years
Research and Development	3 to 5 years

Intangible assets are reviewed annually for impairments and any impairment is charged to the Statement of Comprehensive Income.

1.12 Research and development

Research and development costs exclude those incurred on behalf of a customer as part of a specific project which are directly chargeable to the customer on whose behalf the work is undertaken. Internally funded development expenditure is capitalised in the Statement of Financial Position where there is a clearly defined project, the expenditure is separately identifiable, the project is technically and commercially feasible, all costs are recoverable by future revenue and the resources are committed to complete the project. Such capitalised costs are amortised over the forecast period of sales resulting from the development (taken to be 3-5 years). All other research and development costs are expensed to the Statement of Comprehensive Income in the period in which they are incurred. If the research phase cannot be clearly distinguished from the development phase, the respective project-related costs are treated as if they were incurred in the research phase only and expensed.

1.13 Government grants

Government grants relate to property, plant and equipment and are recognised at fair value in the government grant reserve. The grant is recognised as income over the life of the asset. There were no government grants in the current year (2023/24: nil).

1.14 Impairment of accounts receivable

Specific provision is made under IFRS 9 for the impairment of accounts receivable where there is an expected credit loss.

1.15 Provisions

FCDO Services provides for legal and constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of best estimate of the expenditure required to settle the obligation. Previously where the effect of the time value of money was significant, the estimated risk-adjusted cash flows were discounted using the Treasury discount rates in real terms. HM Treasury issue nominal rates. Nominal rates do not take account of inflation, unlike real rates, therefore where significant, inflated cash flows would be used (reference PES (2024) 09):

Nominal Rates		
Short-term	Between 0 and up to and including 5 years from the statement of financial position (SOFP) date	4.03%
Medium-term	After 5 years and up to and including 10 years from the SOFP date	4.07%
Long-term	After 10 years and up to and including 40 years from the SOFP date	4.81%
Very long-term	Exceeding 40 years from the SOFP date	4.55%

Inflation Rates		
Year 1	Between 0 and up to and including 1 year from the SOFP date	2.60%
Year 2	After 1 year and up to and including 2 years from the SOFP date	2.30%
Into perpetuity	Exceeding 2 years from the SOFP date	2.00%

Lease Rates	
Nominal Rate	4.81%

During the current year and prior year no discounting was required.

1.16 Pension Costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) - known as “alpha” which are described in the Remuneration and Staff Report. PCSPS and CSOPS are unfunded multi-employer defined benefit schemes. FCDO Services recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees’ services by payments to the pension scheme of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS and CSOPS. In respect of the defined contribution schemes, FCDO Services recognises the contributions payable for the year. FCDO Services liabilities are not separately identifiable as it’s a multi-employer scheme and therefore not included in the financial statements.

1.17 Foreign exchange gains and losses

Transactions are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for the period is used. Monetary assets and liabilities denominated in foreign currency at the Statement of Financial Position date are translated at the rates ruling at that date. These translation differences are dealt with in the Statement of Comprehensive Income.

1.18 Contingent liabilities

Contingent liabilities are disclosed in accordance with IAS 37. Where the time value of money is material, contingent liabilities 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.

In addition, FCDO Services 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.

1.19 Financial Instruments

IFRS 9 specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items. FCDO Services only has financial instruments, as defined by IFRS 9, of cash, receivables and payables as per note 19.

1.20 Effects of future accounting policies

The following two changes to IFRS may impact FCDO Services and will be applied once they are adopted by the FreM (subject to any interpretations or adaptations applied by the FreM).

IFRS17 Insurance Contracts

IFRS17 Insurance Contracts will replace IFRS4 Insurance Contracts. The standard will be adapted for the central government context and updates made to the 2025-26 FReM,, with an implementation date of 1 April 2025.

IFRS 17 requires that insurance liabilities be measured at the present value of future insurance cash flows, resulting in more uniform measurements and presentation of insurance contracts.

IFRS 17 identifies insurance contracts as those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policy holder if a specified uncertain future event (the insured event) adversely affects the policyholder.

Management has assessed the likely effect of the new standard and has concluded that there are no material assets or liabilities recognised as insurance contracts in FCDO Services, and therefore the standard will have no impact on FCDO Services’ financial statements.

Social Benefits

The 2025-26 FReM will include new guidance on accounting for social benefits. The 2025-26 FReM will define social benefits as ‘current transfers received by households (including individuals) intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education, or family circumstances.

Management has assessed the likely effect of the new standard and has concluded that there will be no material impact on FCDO Services’ financial statements.

1.21 Critical accounting judgements and estimates

Management, in preparing the accounts, is required to select suitable accounting policies, apply them consistently and make estimates and assumptions that are reasonable and prudent. Critical accounting estimates are those which involve the most complex or subjective judgements or assessments.

The areas of FCDO Services’ business that typically require such estimates in implementing the accounting policies set out above are explained in more detail below.

(a) Calculation of accruals

Expenditure is recognised on the accruals basis. Accruals are made on the basis of the known value of the transaction wherever possible. Where estimates need to be made, they are based on appropriate methodology and consistently applied.

(b) Accrued income

In line with our revenue recognition policy, as outlined in note 1.4, management are required to accept a degree of judgement and estimation in relation to the stage of completion of works.

2. Revenue from contracts with customers, other income, and finance income

2a. Revenue from contracts with customers

	31 March 2025 £'000	31 March 2024 £'000
Foreign, Commonwealth and Development Office	168,978	154,335
Other UK Government bodies, and UK and international organisations (non-FCDO)	93,189	111,914
Total revenue from contracts with customers	262,167	266,249

FCDO Services has seen a slight decline in overall revenue, however revenue from the Foreign, Commonwealth and Development Office has exceeded pre-Covid levels for the first time since the pandemic. Wider market revenue has reduced year on year due to the completion of some large programmes of work for key strategic customer, and a stronger focus on delivery for the FCDO.

		31 March 2025		
Project type	Primary method of revenue recognition	FCDO £'000	Non-FCDO £'000	Total £'000
Call off	Point in time	27,893	11,882	39,775
Fixed price	Over time	66,902	40,764	107,666
Subscription	Over time	53,216	34,850	88,066
Time and direct costs	Over time	20,967	5,693	26,660
		168,978	93,189	262,167

		31 March 2024		
Project type	Primary method of revenue recognition	FCDO £'000	Non-FCDO £'000	Total £'000
Call off	Point in time	21,046	7,794	28,840
Fixed price	Over time	60,166	51,969	112,135
Subscription	Over time	50,328	28,620	78,948
Time and direct costs	Over time	22,795	23,531	46,326
		154,335	111,914	266,249

2b. Other income

	31 March 2025 £'000	31 March 2024 £'000
Other income*	2,231	405
	2,231	405

* Other income relates to the Apprenticeship Scheme and FCDO funding for the exit scheme.

2c. Financing income

	31 March 2025 £'000	31 March 2024 £'000
Interest receivable	3,442	2,506
	3,442	2,506

3. Segmental reporting

FCDO Services is organised on three service delivery providers, Engineering, Technology and Global Services:

Engineering manages all commercial and delivery aspects of multiple, project-based programmes including installations, technical architecture and construction project management. It delivers global secure technical services, technical security and lead on the innovation of new products and services.

Technology delivers ICT operations across the UK and internationally, as well as managing the internal digital capability of FCDO Services systems and our Sensitivity Review Service.

Global Services delivers the Regional Technical Support Service and King’s Messengers services across the UK and internationally, Translation and Interpreting and Logistics.

Analysis of operating surplus by service delivery group*	Engineering £'000	Technology £'000	Global Services £'000	Total £'000
31 March 2025				
External revenue	77,950	78,857	105,360	262,167
Internal revenue – Charged to Engineering	-	748	3,029	3,777
Internal revenue – Charged to Technology	-	-	463	463
Internal revenue – Charged to Global Services	(1)	434	-	433
Internal revenue - Charged to Corporate Areas	-	120	488	608
Total revenue	77,949	80,159	109,340	267,448
Cost of sales	(63,188)	(51,033)	(81,357)	(195,578)
Depreciation	(415)	(6,096)	(24)	(6,536)
Amortisation	(83)	(1)	(1)	(84)
Impairments and revaluation	-	-	-	-
Internal cost charges	(3,777)	(463)	(433)	(4,673)
Total cost	(67,463)	(57,593)	(81,815)	(206,871)
Gross surplus	10,486	22,566	27,525	60,577
Other income	1,846	308	77	2,231
Operating expenses	(16,005)	(14,709)	(19,903)	(50,617)
Allocated internal cost charges	(181)	(183)	(244)	(609)
Depreciation	(154)	(156)	(209)	(519)
Total operating expenses	(14,494)	(14,740)	(20,279)	(49,514)
Surplus before financing	(4,008)	7,827	7,246	11,065

3. Segmental reporting continued

Analysis of operating surplus by service delivery group*	Engineering (Restated) £'000	Technology (Restated) £'000	Global Services (Restated) £'000	Total (Restated) £'000
31 March 2024				
External revenue	88,821	82,111	95,317	266,249
Internal revenue – charged to Engineering	-	601	2,548	3,149
Internal revenue - charged to Technology	5	-	533	538
Internal revenue – charged to Global Services	15	360	-	375
Internal revenue - charged to Corporate Areas	2	43	182	227
Total revenue	88,843	83,115	98,580	270,538
Cost of sales	(71,716)	(60,130)	(78,046)	(209,892)
Depreciation	(540)	(4,011)	(256)	(4,807)
Amortisation	(39)	-	-	(39)
Impairments and revaluation	-	-	-	-
Internal cost charges	(3,149)	(538)	(375)	(4,062)
Total cost	(75,444)	(64,679)	(78,677)	(218,800)
Gross surplus	13,399	18,436	19,903	51,738
Other income	311	83	11	405
Operating expenses	(15,249)	(13,743)	(15,848)	(44,840)
Allocated internal cost charges	(76)	(70)	(81)	(227)
Depreciation	(23)	(21)	(24)	(68)
Total operating expenses	(15,037)	(13,751)	(15,942)	(44,730)
Surplus before financing	(1,638)	4,686	3,961	7,009

* Inter-segment sales and transfers within the Trading Fund are at cost.

3. Segmental reporting continued

Analysis of assets less liabilities by service delivery group	Engineering £'000	Technology £'000	Global Services £'000	Corporate £'000	Total £'000
31 March 2025					
Segment assets					
Intangible assets	-	80	-	462	542
Intangible additional in year	326	-	-	3	329
Property, plant and equipment	786	7,702	85	873	9,445
Property, plant and equipment additions in year	1,892	3,957	729	303	6,881
Inventories	551	-	2,468	-	3,019
Trade and other receivables	18,188	13,743	13,665	624	46,220
Cash and cash equivalents	-	-	-	73,780	73,780
Segment liabilities					
Current liabilities	(15,149)	(14,799)	(11,158)	(13,184)	(54,290)
Non-current liabilities	-	-	(38)	-	(38)
Segment assets less liabilities	6,594	10,683	5,751	62,860	85,888

Analysis of assets less liabilities by service delivery group	Engineering (Restated) £'000	Technology (Restated) £'000	Global Services (Restated) £'000	Corporate (Restated) £'000	Total (Restated) £'000
31 March 2024					
Segment assets					
Intangible assets	123	53	-	477	644
Intangible additions in year	277	-	-	-	277
Property, plant and equipment	1,454	7,496	533	1,007	10,490
Property, plant and equipment additions in year	921	5,362	464	5	6,752
Inventories	1,337	-	3,076	-	4,413
Trade and other receivables	31,398	7,822	17,738	(117)	56,841
Cash and cash equivalents	-	-	-	66,826	66,826
Segment liabilities					
Current liabilities	(17,782)	(18,084)	(11,122)	(24,966)	(71,955)
Non-current provisions	-	-	(36)	-	(36)
Segment assets less liabilities	17,729	2,649	10,652	43,222	74,252

4. Staff costs

	Permanent* £'000	Other** £'000	31 March 2025 Total £'000
Salaries / agency staff and fee paid officers	66,598	28,348	94,946
Social security costs	6,156	10	6,166
Apprenticeship levy	615	-	615
Other pension costs	14,160	-	14,160
Total staff costs	87,529	28,358	115,887
Capitalised staff costs	(175)	(763)	(938)
Total net staff costs	87,354	27,595	114,949

	Permanent* £'000	Other** £'000	31 March 2024 Total £'000
Salaries / agency staff and fee paid officers	58,715	24,755	83,470
Social security costs	5,609	11	5,620
Apprenticeship levy	484	-	484
Other pension costs	12,161	-	12,161
Total staff costs	76,969	24,766	101,735
Capitalised staff costs	(136)	(1,004)	(1,140)
Total net staff costs	76,833	23,762	100,595

* Inward seconded staff costs have been included in agency staff cost.
** Other comprises agency staff and fee paid officers.

5. Cost of Sales and Operating expenses

	31 March 2025			31 March 2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net staff costs	54,283	33,071	87,354	47,742	29,091	76,833
Net agency staff and fee paid officers*	24,419	3,176	27,595	20,987	2,775	23,762
Training and recruitment	101	2,013	2,114	214	2,483	2,697
Travel	15,924	476	16,400	16,100	397	16,497
Professional services*	25,329	557	25,886	30,721	1,015	31,736
Legal services	58	139	197	67	95	162
Work packages	7,025	406	7,431	10,471	1,728	12,199
Communications	709	521	1,230	1,189	522	1,711
Other supplies, services and facilities management****	(3,529)	-	(3,529)	1,409	128	1,537
Management charges from the FCDO	1,625	204	1,829	1,557	196	1,753
IS hardware	2,575	-	2,575	11,333	-	11,333
IS software	4,972	-	4,972	2,196	-	2,196
Other machinery and equipment under £3k	2,472	143	2,615	1,808	236	2,044
Security equipment	4,791	29	4,820	5,700	(7)	5,693
Work in progress	1,196	-	1,196	440	-	440
Freight	28,568	23	28,591	25,482	8	25,490
Maintenance	23,867	2,535	26,402	29,090	943	30,033
Operating leases - other	35	-	35	17	-	17
Accommodation charges**	1,806	2,826	4,632	2,493	3,900	6,393
Loss/(gain) on currency exchange	-	(2)	(2)	-	35	35
Other	1,092	1,859	2,951	254	718	972
Insurance	736	140	876	663	126	789
Depreciation	6,536	519	7,055	4,807	68	4,875
Amortisation of intangible assets	84	-	84	39	-	39
Impairment losses on PPE assets	-	-	-	(4)	-	(4)
Auditors' remuneration and expenses***	-	153	153	-	134	134
Total costs	204,676	48,788	253,464	214,774	44,591	259,365

* Agency staff, fee paid officers, and professional services charged to cost of sales are fee earning.
** Accommodation charges are payable to the FCDO.
*** There were no non-audit services provided during the current year or prior year. 2024-25 includes costs of £13,500 relating to the 2023-24 audit.
**** Includes funding received from FCDO for costs sat in various expenditure lines

The total amount of research and development expenditure recognised as an expense during the period was £nil (31 March 2024 £11,000). This includes staff costs and an appropriate recovery of overheads.

Interest is payable at a fixed rate to the Foreign, Commonwealth & Development Office.

6. Dividend

	31 March 2025	31 March 2024
	£'000	£'000
Statutory dividend charged	2,869	2,563
Dividend	2,869	2,563

The dividend is payable to the Foreign, Commonwealth and Development Office.

7. Intangible assets

	Assets under development	Research and Development	Software licences	Total
	£'000	£'000	£'000	£'000
31 March 2025				
Cost or valuation				
At 1 April 2024	617	331	605	1,553
Additions	34	-	-	34
Assets brought in to use	(108)	108	-	-
Disposals	-	-	-	-
As at 31 March 2025	543	439	605	1,587
Amortisation				
At 1 April 2024	-	43	589	632
Provided during the year	-	76	8	84
Disposals	-	-	-	-
As at 31 March 2025	-	119	597	716
Net book value				
As at 31 March 2025	543	320	8	871
As at 31 March 2024	617	288	16	921
Owned as at 31 March 2025	543	320	8	871

7. Intangible assets continued

	Assets under development £'000	Research and Development £'000	Software licences £'000	Total £'000
31 March 2024				
Cost or valuation				
At 1 April 2023	568	29	690	1,287
Additions	86	-	-	86
Reclassification from PPE	301	-	-	301
Assets brought in to use	(302)	302	-	-
Disposals	(36)	-	(85)	(121)
As at 31 March 2024	617	331	605	1,553
Amortisation				
At 1 April 2023	-	13	665	678
Provided during the year	-	30	9	39
Disposals	-	-	(85)	(85)
As at 31 March 2024	-	43	589	632
Net book value				
As at 31 March 2024	617	288	16	921
As at 31 March 2023	568	16	25	609
Owned as at 31 March 2024	617	288	16	921

8. Property, plant and equipment

	Right-of- use assets - plant and machinery £'000	Assets under construction £'000	Fixtures £'000	Information technology £'000	Transport equipment £'000	Plant and machinery £'000	Total £'000
31 March 2025							
Cost or valuation							
At 1 April 2024	125	6,963	1,903	17,723	2,259	7,020	35,993
Initial recognition	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-
Additions*	37	6,125	-	-	-	-	6,162
Assets brought in to use	-	(3,712)	-	3,358	127	227	-
Reclassification to intangible assets	-	-	-	-	-	-	-
Disposals	-	(8)	-	-	(211)	(61)	(280)
Revaluation and impairment	-	-	-	-	-	-	-
As at 31 March 2025	162	9,368	1,903	21,081	2,175	7,186	41,875
Depreciation							
At 1 April 2024	60	-	1,211	11,006	1,572	4,902	18,751
Charged in year	24	-	94	6,185	197	555	7,055
Disposals	-	-	-	-	(200)	(58)	(258)
Revaluation	-	-	-	-	-	-	-
As at 31 March 2025	84	-	1,305	17,191	1,569	5,399	25,548
Net book value							
As at 31 March 2025	78	9,368	598	3,890	606	1,787	16,327
As at 31 March 2024	65	6,963	692	6,717	687	2,118	17,242
Owned as at 31 March 2025	78	9,368	598	3,890	606	1,787	16,326

8. Property, plant and equipment continued

	Right-of-use assets - plant and machinery £'000	Assets under construction £'000	Fixtures £'000	Information technology £'000	Transport equipment £'000	Plant and machinery £'000	Total £'000
31 March 2024							
Cost or valuation							
At 1 April 2023	125	10,990	1,903	9,998	2,040	6,772	31,828
Transfer	-	-	-	-	-	-	-
Additions*	-	6,759	-	-	-	-	6,759
Assets brought in to use	-	(10,436)	-	8,800	505	1,131	-
Disposals	-	(49)	-	(1,172)	(261)	(1,118)	(2,600)
Revaluation and impairment	-	-	-	97	(25)	235	307
As at 31 March 2024	125	6,963	1,903	17,723	2,259	7,020	35,993
Depreciation							
At 1 April 2023	32	-	1,097	8,053	1,668	5,129	15,979
Charged in year	28	-	114	4,020	180	533	4,875
Disposals	-	-	-	(1,147)	(255)	(930)	(2,332)
Revaluation	-	-	-	80	(21)	170	229
As at 31 March 2024	60	-	1,211	11,006	1,572	4,902	18,751
Net book value							
As at 31 March 2024	65	6,963	692	6,717	687	2,118	17,242
As at 31 March 2023	93	10,990	806	1,945	370	1,643	15,847
Owned as at 31 March 2024	65	6,963	692	6,717	687	2,118	17,242

9. Inventories

	31 March 2025 £'000	31 March 2024 £'000
Raw materials and consumables	1,318	1,377
Work in progress	1,701	3,036
	3,019	4,413
Amount of inventory write off	(77)	283

10. Trade receivables, financial and other assets

Analysis by type

	31 March 2025 £'000	31 March 2024 £'000
Amounts falling due within one year:		
Trade receivables	16,214	23,012
Other receivables	721	385
Prepayments, contract assets and accrued income*	29,605	33,444
	46,540	56,841

For further detail on the decrease in prepayments, contract assets and accrued income please refer to note 2.

*Included within prepayments, contract assets and accrued income is £14,721,000 relating to the FCDO (31 March 2024 £18,312,000).

11. Cash and cash equivalents

	31 March 2025 £'000	31 March 2024 £'000
Balance at 1 April	66,826	44,094
Net change in cash and cash equivalents	6,954	22,732
Balance at 31 March	73,780	66,826

The above balances were within the Government Banking Service. FCDO Services does not have any cash equivalents.

12. Trade payables and other current liabilities

	31 March 2025 £'000	31 March 2023 £'000
Amounts falling due within one year:		
Trade payables	644	948
Accruals *	26,938	31,489
Contract liabilities and payments on account **	22,910	25,973
Other payables ***	219	9,457
VAT	2,350	1,326
Dividends payable****	1,369	2,563
	54,430	71,756

For further detail on the decrease in contract liabilities and payments on account please refer to note 2.

* Included within accruals is £8,332,000 (31 March 2024 £7,746,000) due to FCDO in respect of payroll and accrued costs.
** Included within contract liabilities and payments on account is £7,864,000 from the FCDO (31 March 2024 £9,629,000).
*** Included in other payables is £210,000 (31 March 2024: £9,704,000) due to FCDO in respect of management charges and accommodation. Also includes overpayments receivable and staff advances
**** These values represent the balance of the unpaid elements of the statutory dividend for that financial year.

13. Lease liabilities

	31 March 2025	31 March 2024
	£'000	£'000
Analysis by type		
Amounts falling due less one year:		
Lease liabilities	34	27
Analysis by type		
Amounts falling due after one year:		
Lease liabilities	38	36
Amounts falling due:		
Not later than one year	34	27
Later than one year and not later than 5 years	38	36
Later than five years	-	-
Balance as at 31 March	72	63

14. Provision for liabilities and charges

	31 March 2025	31 March 2024
	£'000	£'000
Balance at 1 April	172	280
Provided in the year*	69	-
Provisions not required written back*	(97)	(108)
Provisions utilised in the year*		-
Balance at 31 March	144	172

*2024/25 £97k workplace provision written back in the year and £69k remediation costs provided in the year.
2023/24 £71k workplace provision written back in year and £37k remediation costs written back in year.
As at 31 March 2025 total provisions comprised of a workplace provision £nil (2023/24 £97k) and remediation costs of £144k (2023/24 £75k).
Note: Prior year has been restated for error in presentation, no change to values

15. Adjustments for non-cash transactions

		31 March 2025	31 March 2024
	Note	£'000	£'000
Loss on disposal of intangible assets and property, plant and equipment		(131)	280
Amortisation	7	84	39
Depreciation	8	7,031	4,847
Depreciation on right of use assets	8	24	28
		7,009	5,194

16. Capital commitments

	31 March 2025	31 March 2024
	£'000	£'000
Property, plant and equipment	3,612	3,511
	3,612	3,511

Contracted capital commitments not provided in these accounts.

17. Other financial commitments

The Trading Fund has not entered into any non-cancellable contracts (which are not leases or PFI contracts).

18. Contingent liabilities disclosed under IAS 37

At 31 March 2025, contingent liabilities existed in respect of employment £50,000 (31 March 2024 £138,100). While the outcome of these matters cannot be precisely foreseen it is anticipated the matters will be resolved within the next financial year. FCDO Services has two legal cases in respect of employment where liabilities cannot reasonably be quantified.

19. Financial instruments

For FCDO Services financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. FCDO Services treasury operations are governed by the FCDO Services Trading Fund Order 2008 (SI 2008 No 590) as supplemented by the Framework Document 2020.

FCDO Services’ financial instruments comprise cash deposits and other items such as trade debtors and trade creditors. The main purpose of the financial instruments is to finance the trading fund’s continuing operations.

Credit risk

Exposures to credit risk are as a result of transactions in FCDO Services’ ordinary course of business, the major risks being trade debtors and cash. Customers are mainly The Foreign, Commonwealth & Development Office, other government bodies, other central government bodies and foreign governments. These risks are managed through a robust credit management process.

Liquidity risk

The Trading Fund is not exposed to a liquidity risk as long as its annual surplus is sufficient to clear any outstanding loans and interest repayments (at the end of both 2024/25 and 2023/24 no loans or interest repayments were outstanding). The level of capital expenditure payments are managed to be met from available cash balances. Further borrowing requirements should they arise will be met by loans from the Secretary of State for Foreign, Commonwealth and Development Affairs.

Interest rate risk

Under the FCDO Services Trading Fund Order 2008 the Trading Fund may only borrow from the Secretary of State for Foreign, Commonwealth and Development Affairs.

Should the Trading Fund borrow, the interest rates on the loan would be fixed for the period of the loan. Cash not immediately required would be invested with the Government Banking Service. The interest rate earned on cash deposits would vary and would offset the interest, to some extent, on any loans in place.

Foreign currency risk

The majority of assets and liabilities are denominated in sterling. There are, however, some non-material transactions that are subject to currency fluctuations. Any gains or losses are taken to the Statement of Comprehensive Income in the year.

20. Related party transactions

FCDO Services is a Trading Fund of the Foreign, Commonwealth & Development Office who is the sole shareholder. The Foreign, Commonwealth & Development Office (the Department) is regarded as a related party. During the year FCDO Services had various material transactions with the Department which is a major customer of the Trading Fund. This included the Memorandum of Terms of Occupancy (MOTO) arrangement in place in respect of accommodation provided by the Foreign, Commonwealth & Development Office which is described in more detail within note 1.10.

In addition, FCDO Services has had various material transactions with other government departments, other central government bodies and foreign governments. Most of these transactions have been with the Home Office, Ministry of Defence, Mayors Office for Policing and Crime and National Crime Agency. With the exception of the above, no board member, key manager or other related party has undertaken any material transaction with FCDO Services during the year.

21. Events after the reporting period

There were no reportable events after the date of the Statement of Financial Position.

The Accounting Officer authorised these Financial Statements for issue on the date on which the accounts are certified by the Comptroller and Auditor General.

Mike Astell
Chief Executive Officer and Accounting Officer

1 July 2025