Department for Science, Innovation & Technology

ANNUAL REPORT AND ACCOUNTS 2024–25

HC 1046

Department for Science, Innovation & Technology

ANNUAL REPORT AND ACCOUNTS 2024–25

For the period 1 April 2024 to 31 March 2025

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

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

Ordered by the House of Commons to be printed on 10 July 2025

HC 1046

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

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

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PERFORMANCE REPORT

Performance overview

Purpose of the performance overview

The performance overview gives the lay user a short summary of DSIT's priorities, performance and key risks for the period.

Secretary of State for Science, Innovation and Technology's statement on performance

Today, the Department for Science, Innovation and Technology (DSIT) is a completely different department to the one which welcomed me almost a year ago. I came with a clear ambition: to put working people at the heart of everything we do. We brought together tech experts from across Whitehall to create the digital centre of government in DSIT – the Government Digital Service (GDS). GDS was tasked with driving forward the digital transformation of our public services. We refocused DSIT's work around 3 priorities: growing the economy, improving the performance and productivity of government, and empowering citizens.

We published the 'AI Opportunities Action Plan' – our strategy to put the UK at the forefront of the AI revolution. It focused on infrastructure, adoption and skills and was welcomed by the world's leading AI companies. It stands as an example of how nations can use the power of technology to promote their prosperity and protect their security. Since July 2024 DSIT has landed £44 billion of private sector investment commitments in AI, to run over multiple years.

We made relentless efforts to deliver a better environment for businesses in Britain. We designated data centres as 'Critical National Infrastructure' to protect our digital economy from cyber-attacks. The protections included a dedicated team to monitor and anticipate potential threats. We also launched the Regulatory Innovation Office to get innovative new products and services into the hands of citizens faster.

Protecting our people will always come first. We worked with Ofcom to implement the Online Safety Act as quickly and effectively as possible.

The Illegal Harms Codes are already in force – they mark the biggest material change to online safety in a generation.

We are making citizens' lives easier, too. GDS have revealed plans for 'GOV.UK App', 'Wallet', and 'Chat'. All these will make it more convenient than ever to engage with the state. GDS have also released a suite of innovative tools to make the civil service more efficient. They are working with HM Revenue and Customs and the Department for Work and Pensions to demonstrate the potential of technology in the public sector.

I am immensely proud of what we have achieved. But, to deliver our plan for change, there is much more to do. I am confident DSIT will rise to the challenge.

Biobank UK, Manchester. Photo by the Department for Science, Innovation and Technology photographer.

Permanent Secretary's statement on performance

DSIT's second year has seen a significant expansion of both the department and of our agenda. We have continued to play a central role in driving the UK's leading position in science and technology, and I want to pass on my wholehearted thanks to colleagues and stakeholders for all their support.

We have become the digital centre of government. Following the general election, a machinery of government (MOG) change brought together the former Central Digital and Data Office (CDDO), Government Digital Service (GDS), and incubator for AI (i.AI) into one organisation within DSIT, with the whole organisation now integrating under the GDS banner. This has been a significant organisational effort, involving not only substantial work to both build out DSIT as a whole, and build a new integrated organisation within GDS itself. Since the MOG we have published the 'State of Digital Government Review' and the 'Blueprint for Modern Digital Government' as part of our goal to overhaul the British public's experience of interacting with government. Our launch of GOV.UK Chat and the continued expansion of the successful OneLogin programme have paved the way for the launch of GOV.UK App and Wallet coming later in 2025. It has been a delight to welcome GDS colleagues into DSIT, and to see the department increasingly stepping into a leadership position across not just the UK's digital economy, but the development of the digital state.

We have also launched ambitious new programmes with a focus on growth. DSIT has established the Regulatory Innovation Office (RIO) to develop regulatory reforms to unleash the potential of innovative products and services. We have also led on 2 of the 8 growth sectors identified within the government's Industrial Strategy - the Digital and Technologies and Life Sciences sector plans. DSIT also set out the first steps in our 'Digital Inclusion Action Plan' ensuring everyone has the access, skills, and support to engage in our modern digital society and economy.

Artificial Intelligence has continued to be at the heart of many of our activities, and the publication of the 'AI Opportunities Action Plan' sets out how the government will shape its application. The UK's AI Safety Institute became the AI Security Institute, reflecting its focus around strengthening protections against the risks AI poses to national security. DSIT is also championing the use of AI across the public-sector, for example through a 20,000 user cross-government trial of Microsoft 365 Co-Pilot displaying potential for significant time savings and further trials of i.AI products, 'Redbox' and 'Minute', taking place across the department. £42 million fund for 3 DSIT-led 'Frontier AI Exemplars' was announced at the Spring Statement – focused on driving efficiency and improving customer service in areas such as call centres and casework, right across government.

Our busy legislative agenda has continued, with the Digital Markets, Competition and Consumers Act 2024, which ensures free and vigorous competition amongst businesses both online and on the high street, receiving royal assent in May 2024. The Data (Use and Access) Bill continued its passage through Parliament, which will improve public services and making people's lives easier – from speeding up checks when moving house or changing job, to speeding up care and improving patient outcomes by driving up NHS information standards.

At Autumn Budget 2024 we secured our 2025–26 funding settlement which provided the critical investment required to further the UK's science and technology ambitions. This included £15.1 billion total funding for DSIT, as well as protecting record levels of spending in public R&D with £20.4 billion in 2025–26. We continued to prepare our bid for the 2025 Spending Review as well as leading a zero-based review of digital spending across government to advise HM Treasury and maximise the value of taxpayer pounds spent on digital transformation.

The evolution of DSIT as an organisation continues, with the final stages of the original MOG that created the organisation completing before the election, and the ongoing creation of GDS over the year. Since April 2024, we have continued a focus on secondments, and brought over 100 external experts into DSIT covering teams from AI Policy to International Research. We also continue to expand our presence across the UK and hit our 2027 target for 25% of our roles to be based outside of London in early 2025. We continue on this journey and I was particularly pleased with the announcement of our role in leading the future Manchester Digital Campus.

I have been very proud of DSIT this year as the department has continued to manage a large amount of change, not just internally (where we have been handling both a new administration and a new scope) but also externally, where we continue to operate on some of the country's fastest-moving and most important opportunities and challenges. I look forward to seeing the department continue to mature and to grow its impact even further over the coming year.

About DSIT

Purpose

The Department for Science, Innovation and Technology (DSIT) focuses on improving people's lives by maximising the potential of science and technology.

Priorities

DSIT did not have a published set of priority outcomes and metrics for 2024–25, but our performance for 2024–25 has been measured against the following objectives:

Accelerate innovation, investment and productivity through world-class science, research and development.

Use technology for good by ensuring that new and existing technologies are safely developed and deployed across the UK, with the benefits more widely shared.

Drive forward a modern digital government which gives citizens a more satisfying experience and their time back.

Future priorities

Looking forward to 2025–26, DSIT's priorities have been updated to better reflect the priorities of government and the Secretary of State:

Driving economic growth: maximising the impact of government action to support R&D and science and technology on the UK's national and regional economic growth.

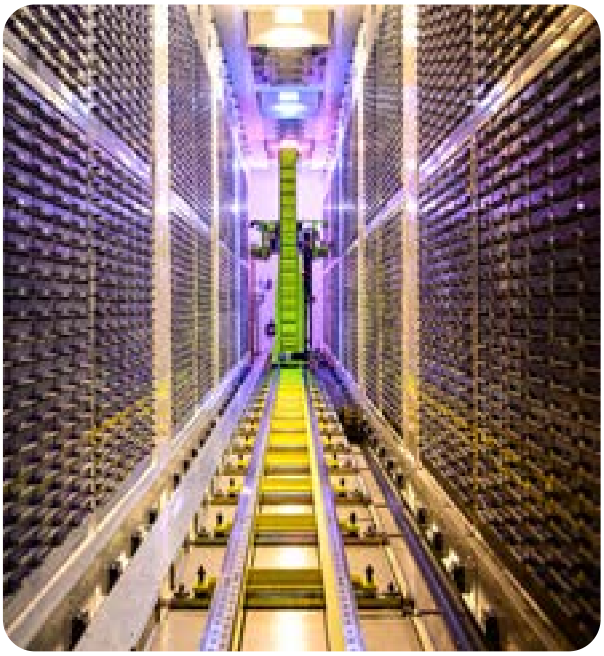
Improving the performance and productivity of government: maximising value for money for the taxpayer by applying AI and digital technologies to transform the citizen's experience of public service by making it more effective, convenient, and productive.

Empowering citizens: maximising the control people can exercise over their interaction with government by widening and deepening their digital skills and their knowledge and trust in digital technology.

Work is underway to define priority outcomes and metrics aligned to objectives.

DSIT business model and environment

- DSIT was formed in February 2023 and brought together parts of the former Department for Business, Energy & Industrial Strategy (BEIS), the Department for Digital, Culture, Media & Sport (DCMS) and the Cabinet Office. A machinery of government (MOG) change in July 2024 brought the Government Digital Service (GDS), Central Digital and Data Office (CDDO), and the Incubator for Artificial Intelligence (i.AI) under DSIT.
- DSIT annual funding is agreed with HM Treasury and Parliament. To the extent permissible, ministers, with advice from the board, executive committee and officials, decide the allocation of resources. See the summary of expenditure below for DSIT's expenditure in 2024–25.
- The core department is made up of 4 groups, employing over 3,000 people, with regional offices across the UK.
- DSIT also sponsors arm's length bodies (ALBs) which contribute to its work. Further information on DSIT ALBs is provided in the accountability report, in the governance statement.
- The department consults a range of stakeholders while delivering its objectives, including small and large businesses, business representative organisations, unions, and research institutions. It also consults the public on critical policy decisions.



Biobank UK, Manchester. Photo by the Department for Science, Innovation and Technology photographer.

Organisational structure

Our core department is made up of 4 groups:

- Digital, Technology and Telecoms
- Science, Innovation and Growth
- Corporate Services
- Government Digital Service (GDS)

These were supported by 2 adviser roles:

- National Technology Adviser
- DSIT Chief Scientific Adviser

DSIT also administers the Government Office for Science, but it is led by the Government Chief Scientific Adviser, and is functionally independent from the core department.

Summary of performance in delivering DSIT priorities in 2024–25

A full review of DSIT's performance can be found in the performance analysis section of the annual report on page 17; below are some examples of the steps DSIT has taken against each of its objectives.

A. Accelerate innovation, investment and productivity

- The AI Opportunities Action Plan set out how we will achieve our AI ambitions by driving adoption and building UK capability.
- Phase 3 of the Life Sciences Innovative Manufacturing Fund (LSIMF) was opened to Expressions of Interest (EOI) in October 2024, with £520 million available to firms investing in the manufacture of human medicines.

B. Use technology for good

- In November 2023, gigabit broadband was available to less than 80% of UK premises. Total gigabit broadband availability rose over the period by 6.1%, and was 85.7% in November 2024.
- The Digital Inclusion Action Plan was launched in February 2025. It will significantly impact citizens' lives by reducing social isolation, enhancing education and access to online services.

C. Driving forward a modern digital government

- A GOV.UK Chat pilot in November 2024 saw over 10,000 business users ask the tool almost 24,000 questions. The AI-powered chatbot provides quick, personalised answers to questions based on GOV.UK guidance.
- The 'Blueprint for Digital Government' was published in January 2025. It aims to build a digital state where services work across institutional boundaries.

Summary of principal risks as at 31 March 2025

The risks the department identified as most significant for the delivery of its objectives are listed below. These have been updated to reflect the current government's priorities and have been regularly reviewed and iterated during the year to reflect changing external and internal conditions, with additional or revised mitigating actions adopted as appropriate.

Further information on principal risks can be found in the performance analysis on page 28 and on the department's risk management approach in the accountability report on page 73.

DSIT priorities for 2024–25:

A: Accelerate innovation, investment and productivity

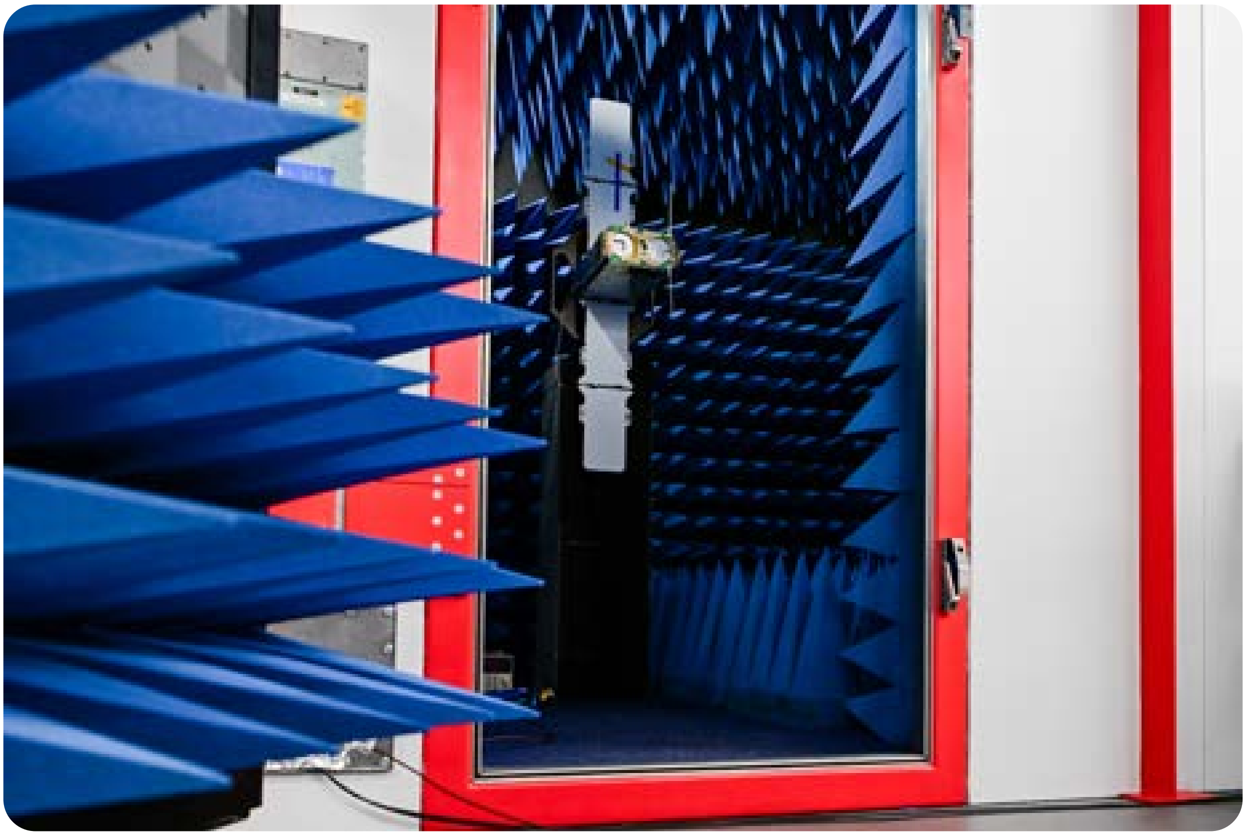
B: Use technology for good

C: Drive forward a modern digital government

	Risk	Mapping to DSIT priorities
1	Skills and capability: lack of the right skills and experience to deliver on DSIT's agenda could impede progress.	A, B and C
2	Higher education financial sustainability: a lack of sustainability and resilience of university funding streams undermines their ability to deliver excellent research.	A
3	Geopolitical conditions: failing to prepare for, and react to, significant changes in geopolitical conditions, which could increase legal, regulatory, and operational barriers for UK businesses, researchers, and innovators.	A
4	Major incidents: insufficient preparation for major incidents, including cyber, telecoms, and space, pose significant risks.	A, B and C
5	Digital Centre: the new Digital Centre is not set up/designed to make a step change in digital government.	A and C
6	UK R&D and innovation competitiveness: DSIT's R&D and innovation policies and investments might not create a sufficiently competitive innovation ecosystem to attract top talent and investment to the UK.	A
7	Loss of reputation of DSIT's digital products and services: users and departments might lose trust and confidence in DSIT's digital products and services due to ineffective data management, cyber-attacks, or poor design.	C

	Risk	Mapping to DSIT priorities
8	Shifting tech trends: a technology or technology subset might emerge with a significant impact on the economy or daily life, which government had not anticipated.	A
9	Research security: the balance between openness and security on R&D undertaken in the UK might not be maintained, leading to its use by hostile actors.	A
10	Loss of critical public-facing products and services in the new Government Digital Service: successful attacks by malicious actors or unintended technical issues might disrupt services beyond tolerance.	C
11	Resilience: DSIT might become less resilient, characterised by leadership or people metrics highlighting organisational-wide issues.	A, B and C
12	Secure technology – protecting critical public sector digital infrastructure: the UK public sector might suffer a sustained and continuous large-scale loss or hijack of its internet domains.	C

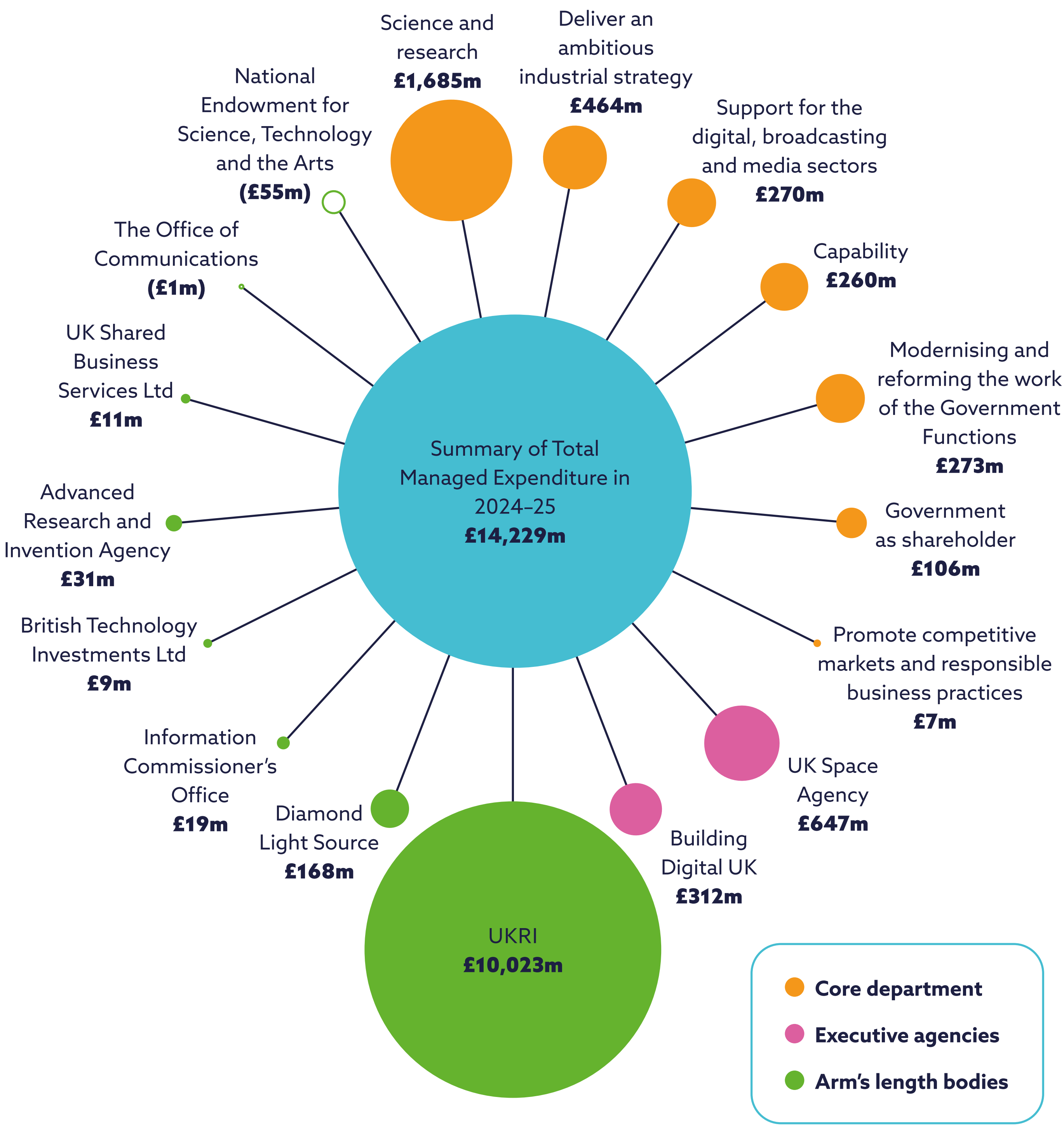
Spire, Glasgow. Photo by the Department for Science, Innovation and Technology photographer.



Summary of expenditure

The chart below shows the total departmental spend in 2024–25, by major areas of spend. For the core department, spending is shown by the Estimate line. For all arm's length bodies and agencies, spending is shown by entity. Some entities are included within the core department in line with Estimate reporting.

See the financial review on page 37 and the Statement of Parliamentary Supply (SOPS) on page 112 for further information on departmental expenditure.



Performance analysis

The performance analysis provides more detail on DSIT's performance than the performance overview. It consists of the following sections:

- performance in delivering DSIT priorities for 2024–25 (below)
- principal risks, page 28
- financial review, page 37
- sustainability report, page 40
- other performance, page 51

Performance in delivering DSIT priorities for 2024–25

In 2023–24, and at the beginning of 2024–25, DSIT's priority outcomes under the previous government were defined by the overarching 'Science and Technology (S&T) Framework'.

A new government was elected in July 2024. The new government is committed to the S&T framework as a systems-based approach. However, from July 2024, DSIT's priorities changed to: accelerating innovation, investment and productivity, using technology for good, and driving forward a modern digital government. DSIT's priorities were updated again in February 2025.

We report against the 3 priorities in place from July 2024 to February 2025 as they were in place for most of 2024–25. They cover performance for the full year.

Priority A: accelerate innovation, investment, and productivity

- The AI Opportunities Action Plan was launched in January 2025. It set out how we will achieve our AI ambitions by driving adoption and building UK capability. The government accepted all 50 recommendations in the Action Plan. Their implementation is underway.
- Culham Campus was identified as the first AI Growth Zone (AIGZ) in January 2025. In February 2025, there was an initial expression of interest for future AIGZs which had over 200 responses. Potential sites include former industrial areas ready for redevelopment.
- Phase 3 of the Life Sciences Innovative Manufacturing Fund (LSIMF) was

Culham Campus, identified as the first AI Growth Zone in January 2025. Photo by the Department for Science, Innovation and Technology photographer.

opened to Expressions of Interest (EOI) on a rolling basis in October 2024, with £520 million available as capital grants to firms investing in the manufacture of human medicines, including Active Pharmaceutical Ingredients (API) and finished drug products, medical diagnostics for both disease identification and monitoring, and medical devices related to human health. Projects with a total cost of at least £8 million are eligible for funding through the LSIMF.

- The UK became an associated country to Horizon Europe in January 2024. In 2024–25 DSIT continued to implement the UK's association to Horizon Europe. DSIT have continued to deliver the remainder of the UK guarantee, which to 31 March 2025 has issued over 4300 grants, worth over £2.1 billion. The UK's overall funding share in Horizon Europe is starting to increase. Initial data suggests it is currently still well below the high levels achieved in Horizon 2020. DSIT continues to address key barriers to UK participation such as awareness, complexity of the application process, and forming consortia. Initiatives to boost participation included: roadshow events across the UK with over 1,400 attendees, provision of over 170 pump priming grants via Innovate UK and the British Academy, information and brokerage events in the UK and Europe, and large-scale advertising campaigns.

- The ChipStart programme had its second and third cohort which consisted of 11 and 10 semiconductor companies respectively. They joined in August 2024 and March 2025. The companies were given access to design capabilities, commercial expertise and exposure to private capital including over 270 Silicon Catalyst advisers. The first two cohorts have raised over £40 million in private investment. The third cohort was backed by £1.1 million in government funding.
- In the first year of the Manchester prize, 10 finalists received £100,000 each and support to further develop their innovations. Polaron was selected as the winner in March 2025 and received £1 million in government funding. Polaron is a British AI-driven startup. It speeds up the development of advanced materials. A second round was launched in November 2024, which focused on 'AI for Clean Energy Systems'. The prize winner will be announced in March 2026. While the prize received a healthy volume of applications, broader media coverage of key announcements could have helped build its profile through the cycle. This was considered to negatively affect the brand recognition and reach of the prize.
- In January 2025, Orbex received £20 million of government investment to construct and launch its rocket, Prime. Prime will be the first UK-manufactured and UK-launched orbital rocket. The investment will encourage economic investment and support high-skilled jobs in the sector.
- The Regulatory Innovation Office is initially supporting 4 fast-growing areas of technology including engineering biology, space, AI and digital in healthcare and drones and autonomous technology. RIO has also incorporated the Regulatory Horizons Council and the Regulators' Pioneers Fund. DSIT has funded the Food Standards Agency (FSA) with a total of £3 million to safely speed up approval times for innovative products including Cell-Cultivated Products (CCP) and Precision Fermented Foods (PFF).
- The first ever UK flight to test 2 quantum technologies, an Inertial Sensing System and an Optical Atomic Clock, took place in May 2024. Led by Infleqtion UK, a quantum technology firm, the project has received £8 million backing from government and could help to make transport safer and support resilient Position, Navigation and Timing (PNT) systems.

Priority B: use technology for good

- In November 2023, gigabit broadband was available to less than 80% of UK premises. By introducing rolling market reviews, adding a 12 further signed contracts, tactical delivery through voucher projects and efforts to remove barriers on regulations, DSIT through BDUK almost doubled premises under contract, to over 1million premises.

Total gigabit broadband availability rose over the period by 6.1%, and was 85.7% in November 2024.

- The Digital Inclusion Action Plan was launched in February 2025. It will significantly impact citizens' lives by reducing social isolation, enhancing education and access to online services. The plan outlines 5 actions to tackle digital exclusion. This includes funding local initiatives and donating refurbished government laptops. The policy team engaged departments across government given the cross-cutting nature of digital inclusion.
- DSIT and Ofcom legislated to hold companies providing online services legally responsible to keep people safe online, especially children. Ofcom's illegal harms statement put duties on illegal content from March 2025. Services must comply with them or face a fine up to £18 million or 10% of their revenue. DSIT consulted on the Statement of Strategic Priorities for Online Safety. DSIT classified the sharing of intimate images without consent as priority offences, and set the thresholds for classification. The government and Ofcom have been working closely over this period to help explain the positive change that the Online Safety Act is seeking to drive to the public. It is a complex piece of legislation and the changes it is seeking to make to the online environment are not yet that well understood by external stakeholders.
- In November 2024, a project was begun to use Oxford Nanopore's genetic sequencing technology to analyse 50,000 blood samples from the UK Biobank. This will create the world's first 'epigenetic map', a dataset to capture epigenetic markers in the human genome. This could unlock new insights into the causes of diseases like cancer and dementia.
- The Technology Security Initiative (TSI) with India was launched in July 2024. This is a landmark agreement negotiated by DSIT. It deepens the UK's strategic partnership with India, with a clear focus on technology cooperation to drive breakthroughs. The TSI fosters cooperation between government, industry, and academia across 7 critical technologies, including AI, telecoms, critical minerals and biotechnology.
- The EDITH trial is supported with a funding of £11 million from the National Institute for Health and Care Research (NIHR). Nearly 700,000 women across the country will take part in the trial. The 30 testing sites across the country are being enhanced with the latest digital AI technologies. They will assist radiologists to screen to patients to detect changes in breast tissue and possible signs of cancer.
- In February 2025, the AI Safety Institute was relaunched and renamed as the AI Security Institute. This reflects its renewed focus on serious AI risks with security

implications. It was strengthened by a new criminal misuse (CM) team to research AI-enabled crimes like fraud, and counter terrorism. The CM team works jointly with the Home Office and has built partnerships with private sector experts, and National Security partners.

Priority C: driving forward a modern digital government

- During the GOV.UK Chat pilot, over 10,000 real business users asked the tool almost 24,000 questions, and received relevant answers in 90% of cases. The tool effectively detected and thwarted 100% of the attempts to break or manipulate it.
- The 'Blueprint for Digital Government' was published in January 2025. It aims to build a digital state where services work across institutional boundaries, and where digital credentials enable a more timesaving, personalised user experience.
- GOV.UK One Login had over 3 million accounts created between its launch in June 2023 and October 2024, to access an initial set of 50 central government services. An AI Playbook for civil servants was published in February 2025. It set out advice on building AI products and using them safely and responsibly in government.
- The Data (Use and Access) Act received Royal Assent on 19 June 2025. The Act aims to harness the power of data for economic growth. It aims to establish digital verification services, develop a national underground asset register, enable more digital public services, help researchers to use data, and ensure people's data is protected.
- The first cohort of apprentices for TechTrack started in February 2025, training to become Software Developers and DevOps Engineers. 70% of TechTrack applicants came from minority backgrounds, and over 60% were based outside London. The AI Accelerator programme had a first cohort of 25 data scientists. They began their 12-week course in March 2025 to upskill them into machine learning engineers, to build useful AI tools for government.
- The Expert Exchange Programme has made it easier to bring experts into DSIT. It promotes and embeds a culture that values external expertise. From April 2024 onwards, 104 external experts had been brought into DSIT, covering a variety of teams from AI policy to international research.
- DSIT's commercial team delivered savings of £36 million for 2024–25. They were recognised by the government commercial function as the 'best commercial team' in 2024. DSIT commercial set up a grants hub to manage DSIT's £1.4 billion grant expenditure for 2024–25.

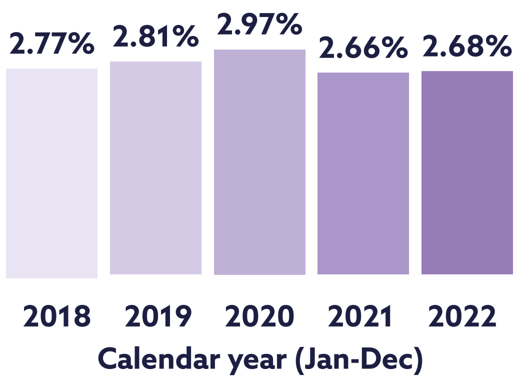
Metrics

DSIT tracks several indicators that relate to the progress of science, innovation, and technology in the UK. The following metrics cover key areas that DSIT is working to impact. These align with DSIT priorities to grow the UK economy and empower its citizens with digital skills and better access to technology.

Metric 1: gross expenditure on research and development as a percentage of GDP

Gross expenditure on research and development (GERD) is the total spent on R&D across all industries. GDP or R&D intensity is the country's total economic output. So, GERD, as a percentage of GDP or R&D intensity, is the contribution of R&D industries to a country's economy.

Chart: UK gross expenditure on R&D as a percentage of GDP



Source title:

ONS Gross Expenditure on R&D statistics (2022)

Release schedule: annual with a 2-year lag approximately. The next update is expected in summer 2025.

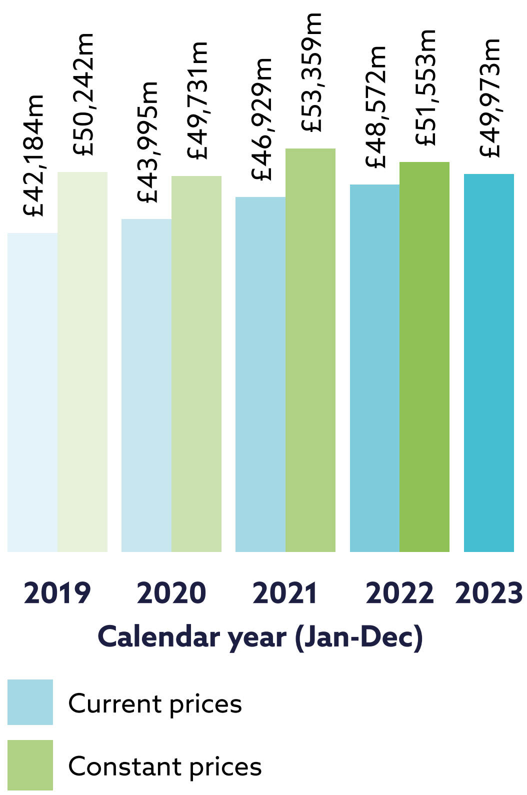
Note: GERD is a combination of business expenditure on government expenditure and higher education expenditure on R&D.

Following convention, the yearly figures are based on the sum of these over the calendar, financial and academic periods respectively.

Metric 2: business expenditure on R&D

Business expenditure on R&D (BERD) is the total expenditure on R&D performed by UK businesses. For time series analysis, it is recommended to use constant prices to account for the effect of inflation.

Chart: expenditure on R&D performed by UK businesses, current (constant) prices



Source title:

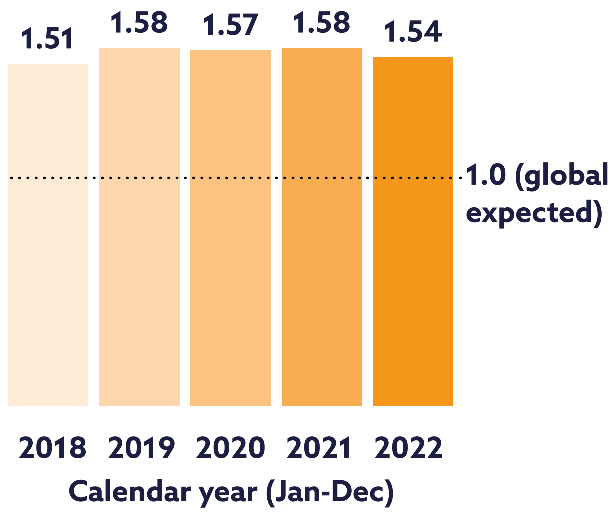
ONS Business Expenditure on R&D statistics (2023)

Release schedule: annual with a 2-year lag approximately.

Metric 3: field weighted citation impact

Field weighted citation impact (FWCI) is the number of citations received by a publication divided by the number of citations expected of a publication in that field, of that type and age. Individual publications are combined to produce a country's FWCI. This indicates how much more (or less) its research publications are cited than expected globally.

Chart: UK Field weighted citation impact



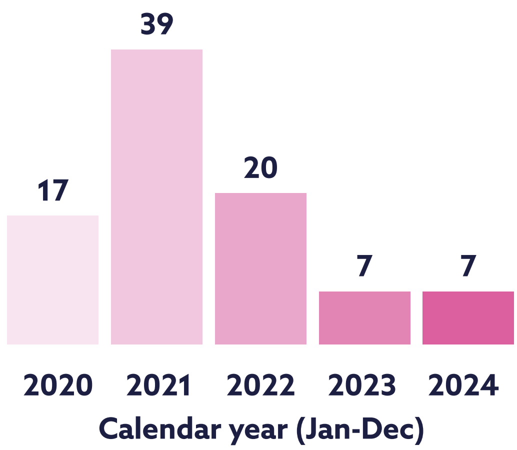
Source title:
International comparison of the UK research base, 2025
Release schedule: 2–3 years
Note: SciVal® database, Elsevier B.V., http://www.scival.com (downloaded on 28/11/2024)

Metric 4: number of new UK unicorns

Unicorns refers to start-up companies reaching a valuation of over $1 billion. The number of new unicorns is a measure of UK companies effectively scaling up. DSIT policy contributes to a variety of sectors and ecosystem development so indirectly contributes to this outcome.

Following 2 strong venture capital investment years in 2021 and 2022, the drop in new unicorns for 2023 and 2024 was also seen for USA, China and other European countries.

Chart: number of new UK unicorns by calendar year



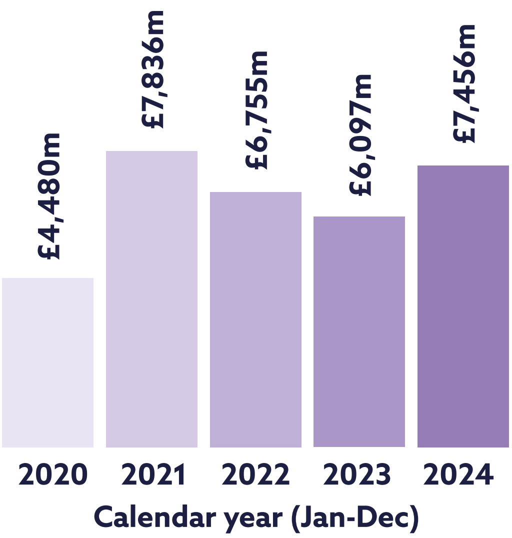
Source title:
Dealroom.co
Release schedule: continuously updated

Metric 5: value of equity investment into R&D-intensive businesses

DSIT policy for innovation, R&D spending, access to finance and regulation should encourage increased investment in R&D companies.

This metric uses a high-level keyword selection to define the R&D sector in line with British Business Bank's Small Business Equity Tracker 2024. It provides an indicative measure of the scale of investment into R&D-intensive companies.

Chart: value of equity investment into R&D-intensive businesses (£m)



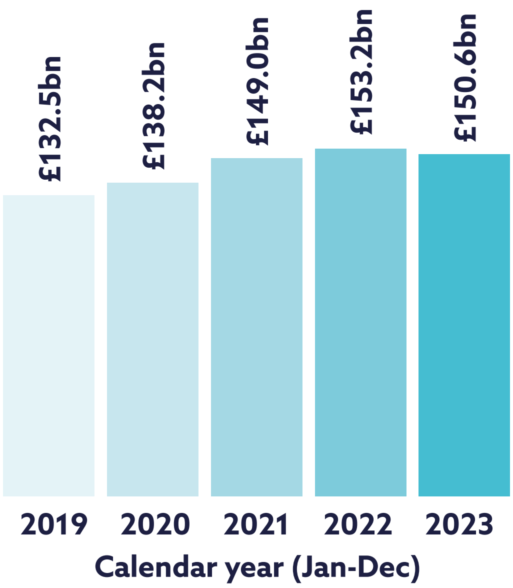
Source title:
PitchBook Data, Inc.
Release schedule: continuously updated
Note: data has not been reviewed by PitchBook analysts.

Metric 6: digital sector annual gross value added

These statistics provide an estimate of the annual contribution of the digital sector to the UK economy, measured by gross value added (GVA). GVA is the measure of the value of goods and services produced in an area, industry or sector of an economy, defined by the value of output minus the value of intermediate consumption.

The figures show that the sector experienced substantial growth throughout the Covid-19 pandemic but contracted in 2023. This is predominantly due to falls in the 'Computer programming, consultancy and related activities' and 'Film, TV, video, radio and music' subsectors, which have been partially offset by strong growth in the Telecoms subsector.

Chart: estimated annual gross value added (GVA) in 2022 prices expressed in chained volume measures digital sector, 2019 to 2023 (£bn)



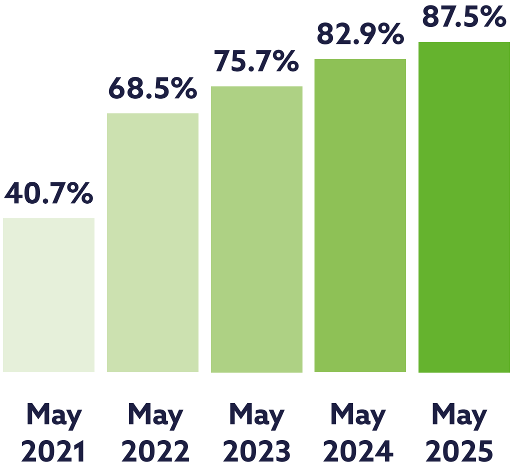
Source title:
Economic Estimates: Digital Sector Annual Gross Value Added (2019 to 2023)
Release schedule: Annual (next update expected summer 2025)

Metric 7: percentage of premises passed with gigabit-capable broadband

The government ambition is to deliver high quality digital infrastructure to citizens and businesses across the UK. We have made substantial progress in extending connectivity across the UK, mainly through our flagship programme Project Gigabit, which delivers gigabit-capable broadband to UK premises not included in suppliers' commercial plans. According to independent website ThinkBroadband, over 87% of

UK premises can now access gigabit-capable broadband, which is more than double the coverage level in 2021.

Chart: percentage of premises passed with gigabit-capable broadband

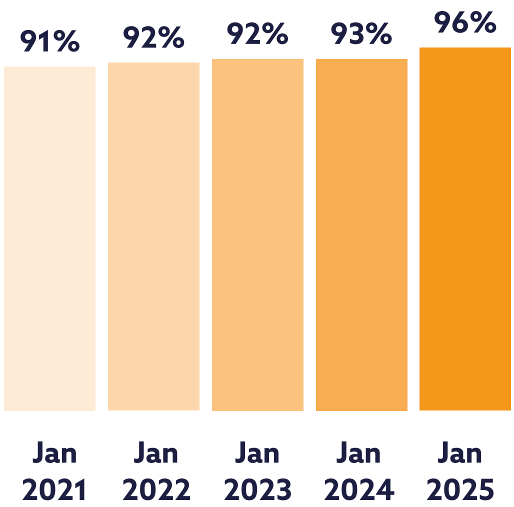


Source title:
ThinkBroadband
Release schedule: monthly
Notes: includes premises with access to FTTP and/or DOCSIS3.1 technologies. Excludes a small number of premises that have gigabit-capable services available from mobile broadband (Fixed Wireless Access).

Metric 8: percentage of geographic area with 4G coverage from at least one mobile network operator (UK, outdoor)

Through the Shared Rural Network, we are delivering 4G coverage to places where there is either limited or no 4G coverage at all. Ofcom reported that the Government 95% geographic UK landmass target for the programme was met at the end of 2024, a year ahead of the December 2025 deadline.

Chart: 4G geographic coverage from at least one mobile network operator

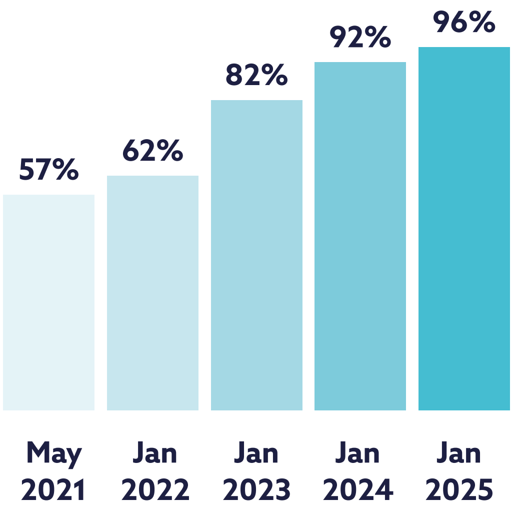


Source title:
Ofcom Connected Nations reports
Notes: coverage figures are rounded to the nearest 1%. It is possible that small changes in the data from one year to the next may be due to continual improvements to the modelling methodology used and therefore should be treated with caution.
Release schedule: twice yearly

Metric 9: percentage of premises with 5G coverage from at least one mobile network operator (UK, coverage outside premises)

The government aims for all populated areas, including rural communities, to have higher-quality standalone 5G from at least one mobile operator by 2030. 5G coverage (combined standalone and non-standalone) is now available outside 95% of premises across the UK.

Chart: 5G coverage outside premises from at least one mobile network operator

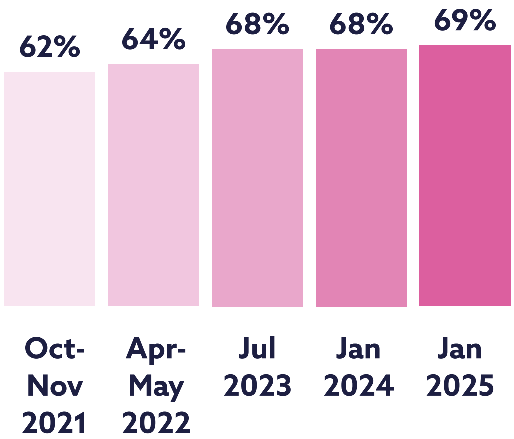


Source title:
Ofcom Connected Nations reports
Release schedule: twice yearly
Notes: Includes non-standalone and standalone 5G. Coverage figures are rounded to the nearest 1%.

Metric 10: percentage of UK internet users who claim they have experienced at least one example of potentially harmful online content or behaviour in the last 4 weeks

People's experiences of using online services are surveyed twice a year by Ofcom. The below table provides the proportion of the UK who have seen or experienced potentially harmful online content in the four-week period preceding the survey date. This uses a list of approximately 50 types of potential harms, which extend beyond the list of illegal, priority, and primary priority harms listed within the Online Safety Act.

Chart: percentage of UK internet users who claim they have experienced at least one example of potentially harmful online content or behaviour in the last 4 weeks

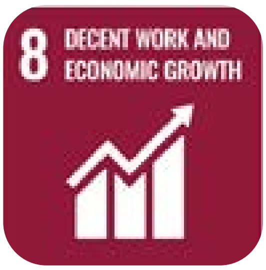


Source title: Ofcom:
Online Experiences Tracker survey
Release schedule: twice yearly.

United Nations Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) are 17 goals for sustainable development set up in 2015 to be achieved by 2030. They are adopted by all UN member states. The UK government is delivering its commitment to the SDGs through its existing performance frameworks. Departments are responsible for delivering the SDGs within their policy areas.

DSIT contributes directly to SDGs 8: decent work and economic growth and SDG 9: industry, innovation and infrastructure. The table provides some DSIT outputs relevant to these SDGs.

UN SDGs		Some DSIT outputs
	**UN SDG 8** Decent work and economic growth: promote sustained inclusive and sustainable economic growth, full and productive employment, and decent work for all.	• AI Growth Zones • Digital Inclusion Action Plan • TechTrack apprenticeships and the AI Accelerator Programme • the Life Sciences Innovative Manufacturing Fund (LSIMF)
	**UN SDG 9** Industry, innovation and infrastructure: build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	• Regulatory Innovation Office (RIO) • Project Gigabit • GOV.UK one login and GOV.UK Chat • the Government Digital Service (GDS)

Principal risks

Principal risks were the risks on the departmental risk register during the year.

The executive committee (Exco) held a risk horizon scan in September 2024 following the election of the new government and changes to departmental objectives. This resulted in some risks being closed or rearticulated. An innovative risk appetite statement was developed to encourage thoughtful risk taking where there are significant benefits and to enable innovation. The department has started refining what is within its gift to influence the outcome for these risks and ensure that is happening. Further information on risk management is covered within the governance statement, in the accountability report on page 69.

How risks have affected DSIT in achieving its objective

The principal risks have been controlled sufficiently to allow the department to continue to achieve its objective. The period has seen both opportunities and threats from the new commitments and priorities. The period was also marked with additional uncertainty of future spend allocations which was reflected in the need to manage the resilience of the department's workforce.

1. Skills and capability

Risk	Skills and capability: There is a risk that a skills gap analysis will identify that DSIT does not build sufficient specialist skills to deliver against our demanding, agile, complex and fast-moving agenda within the next 6–12 months
Mapping to DSIT priority	All 3 DSIT priorities
Mitigation	Business planning for 2025–26 was used to identify perceived skill gaps. Early insight has informed initial understanding of capability. We are prioritising targeted development in key areas: digital & data, science & engineering, cyber security, AI, analytical skills, project delivery, and line manager capability across DSIT. Heads of professions will be engaged for further insights into these areas.
Continuing or emerging risk	Emerging risk. Risk opened Sept 2024.
Opening risk rating	Impact: Medium. Probability: Likely (Rating at Nov 2024)
Closing rating: 31 Mar 2025	Impact: Medium. Probability: Likely
Summary of change	Constant

How risk may affect delivery of plans and performance and plans in future years	Failure to manage this risk, particularly for digital skills, may affect delivery of digital objectives, including the OneGov programme. It may exacerbate risk 10 (loss of critical public-facing products and services in the new Government Digital Service) and risk 12 (secure technology – protecting critical public sector digital infrastructure) below.

2. Higher education financial sustainability

Risk	There is a risk that a Higher Education provider(s) is forced to exit the market or close significant research departments due to the combined effects of a constrained funding framework and inflationary pressures jeopardising their ability to deliver excellent research. This would have significant implications for the UK's R&D skills base, research quality, research outputs/assets and the UK's reputation
Mapping to DSIT priority	A: innovation, investment and productivity
Mitigation	Actions included: working with UKRI, Department for Education (DFE), and Office for Students (OFS) on a coordinated response, developing a DSIT response playbook, and working on legislative programmes to ensure Higher Education sector access to an insolvency regime.
Continuing or emerging risk	Emerging risk . Risk opened Sept 2024.
Opening risk rating	Impact: Very High. Probability: Possible (Rating at Nov 2024.)
Closing rating: 31 Mar 2025	Impact: Very High. Probability: Possible
Summary of change	Constant
How risk may affect delivery of plans and performance and plans in future years	Failure to manage this risk may lead to a loss of R&D talent and capability and reduce high quality research being done in the UK. This may result in reputational damage to UK science and reductions in private R&D investment into higher education providers.

3. Geopolitical conditions

Risk	Geopolitical conditions: failing to prepare for, and react to, significant changes in geopolitical conditions, which could increase legal, regulatory, and operational barriers for UK businesses, researchers, and innovators.
Mapping to DSIT priority	A: innovation, investment and productivity

Mitigation	Convened cross-government groups on both security and international engagement for information sharing and collective agreement on approach. Ensured all critical tech policy teams had dedicated leads. Maintained overseas networks for information gathering.
Continuing or emerging risk	Emerging risk. Risk opened Sept 2024.
Opening risk rating	Impact: Very high . Probability: Unlikely (Rating at Nov 2024.)
Closing rating: 31 Mar 2025	Impact: High. Probability: Unlikely
Summary of change	Decreased impact
How risk may affect delivery of plans and performance and plans in future years	Failure to manage this risk in future years may impact barriers to national growth

4. Major incidents

Risk	Major incidents: There is a risk that DSIT is insufficiently prepared to play our role in responding to major incidents. Including situations where DSIT is appointed Lead Government Department (LGD) for the response, and where we will play a significant supporting role, in accordance with the National Security Risk Assessment (NSRA).
Mapping to DSIT priority	All 3 DSIT priorities
Mitigation	Actions included: Appointed an Emergency Response Team. Published DSIT concept of operations. Appointed Crisis Management SROs. Set up 24/7 out of hours duty rota. Working on resilient satellite communications. Engaging closely with NSRA teams on crisis planning. Providing training to crisis response staff.
Continuing or emerging risk	Emerging risk. Risk opened Sept 2024.
Opening risk rating	Impact: High. Probability: Likely (Rating at Nov 2024.)
Closing rating: 31 Mar 2025	Impact: High. Probability: Likely
Summary of change	Constant
How risk may affect delivery of plans and performance and plans in future years	Failure to manage this risk in the various policy areas of responsibility could potentially contribute to a national crisis.

5. Digital Centre

Risk	Digital Centre: the new Digital Centre is not set up/ designed to make a step change in digital government.
Mapping to DSIT priority	A: innovation, investment and productivity C: modern digital government
Mitigation	Established a project to design the digital centre, with a delivery roadmap and success criteria in place, and a steering group to oversee project delivery. Engagement plan to get buy-in from external stakeholders and following the announcement ongoing engagement at senior level and among communities of practice.
Continuing or emerging risk	Emerging risk. Risk opened Sept 2024.
Opening risk rating	Impact: High. Probability: Likely (Rating at Nov 2024.)
Closing rating: 31 Mar 2025	Impact: High. Probability: Possible
Summary of change	Decreased probability
How risk may affect delivery of plans and performance and plans in future years	This risk has the potential to destabilise the new Government Digital Service (GDS) and exacerbate risks 10, 11 and 12. Risk 10: loss of critical public facing products and services in the new Government Digital Service Risk 11: resilience Risk 12: secure technology – protecting critical public sector digital infrastructure

6. UK R&D and innovation competitiveness

Risk	UK R&D and innovation competitiveness: DSIT's R&D & innovation policies and investments and the UK business environment they operate in, do not create a sufficiently internationally competitive innovation ecosystem to attract top talent and investment to the UK. Resulting in a detrimental impact on economic growth and knowledge generation
Mapping to DSIT priority	A: innovation, investment and productivity
Mitigation	Supported cross-government alignment on measures to support business environment, developed policies to support spinouts and scale-ups, and work on immigration barriers for innovation talent.
Continuing or emerging risk	Emerging risk . Risk opened Sept 2024.
Opening risk rating	Impact: High. Probability: Likely (Rating at Nov 2024.)
Closing rating: 31 Mar 2025	Impact: High. Probability: Likely
Summary of change	Constant

How risk may affect delivery of plans and performance and plans in future years	Failure to manage this risk has the potential to stifle innovation across the UK which may result in a lack of economic growth.

7. Loss of reputation of DSIT's digital products and services

Risk	Loss of reputation of DSIT's digital products and services: Users and departments might lose trust and confidence in DSIT's digital products and services due to ineffective data management, cyber-attacks or poor design.
Mapping to DSIT priority	C: modern digital government
Mitigation	GDS takes a "defence in depth" approach to protecting against known and unknown threats to the confidentiality, availability and integrity of its digital services. All services are regularly tested and assessed against relevant standards such as the NCSC Cyber Assessment Framework.
Continuing or emerging risk	Emerging risk . Risk opened Sept 2024.
Opening risk rating	Impact: Very High. Probability: Possible (Rating at Nov 2024.)
Closing rating: 31 Mar 2025	Impact: High. Probability: Unlikely
Summary of change	Decreased impact, decreased probability
How risk may affect delivery of plans and performance and plans in future years	Failure to manage this risk in future could result in the UK public not using the government's digital products which may affect the services that government departments are able to provide.

8. Shifting tech trends

Risk	Shifting tech trends: a technology or technology subset might emerge with a significant impact on the economy or daily life, which government had not anticipated.
Mapping to DSIT priority	A: innovation, investment and productivity
Mitigation	Establish a clear process for escalating tech trend analysis, develop an engagement plan with key industry stakeholders, and recruit STEM skills.
Continuing or emerging risk	Emerging risk . Risk opened Sept 2024
Opening risk rating	Impact: High. Probability: Possible (Rating at Nov 2024)

Closing rating: 31 Mar 2025	Impact: High. Probability: Possible
Summary of change	Constant
How risk may affect delivery of plans and performance and plans in future years	The failure to manage this ongoing risk may result in government losing pace with tech development.

9. Research security

Risk	Research security: the balance between openness and security on R&D undertaken in the UK might not be maintained, leading to its use by hostile actors.
Mapping to DSIT priority	A: innovation, investment and productivity
Mitigation	Strategies include: legislative and non-legislative measures, funding the Research Collaboration Advice Team, and ongoing review of research security policy measures.
Continuing or emerging risk	Emerging risk. Risk opened Sept 2024.
Opening risk rating	Impact: High. Probability: Likely (rating at Nov 2024.)
Closing rating: 31 Mar 2025	Impact: High. Probability: Likely
Summary of change	Constant
How risk may affect delivery of plans and performance and plans in future years	The failure to manage this risk may result in incidents which leave UK research vulnerable and open to exploitation.

10. Loss of critical public facing products and services in the new Government Digital Service

Risk	Loss of critical public-facing products and services in the new Government Digital Service: Either successful attacks by malicious actors or unintended technical issues disrupt services beyond tolerance or lead to a loss of data or integrity.
Mapping to DSIT priority	C: modern digital government
Mitigation	Implement cyber security and resilience practices as defined in the GovAssure assessment framework and Secure by Design standard.
Continuing or emerging risk	Emerging risk. Risk opened Sept 2024

Opening risk rating	Impact: Very high. Probability: Very likely (Rating at Nov 2024)
Closing rating: 31 Mar 2025	Impact: Very high. Probability: Likely
Summary of change	Decrease
How risk may affect delivery of plans and performance and plans in future years	Lack of management of this ongoing risk may result in the disruption of government digital services which could affect the delivery of those services including to the most vulnerable in society. Loss of government reputation may follow.

11. Resilience

Risk	Resilience: DSIT might become less resilient, characterised by systemic leadership or people metrics highlighting organisational wide issues and trends which demonstrate reduced wellbeing. These may include a drop in productivity, higher levels of absence, calls to Health, Safety and Wellbeing or survey outcomes
Mapping to DSIT priority	All 3 priorities
Mitigation	We have implemented health, safety and wellbeing comms and engagement plans. They are regularly discussed with our people and operations committee. Line managers and SCS have increased communication of wellbeing offers and support available. We have reviewed DSIT's response to geopolitical events.
Continuing or emerging risk	Emerging risk. Risk opened Sept 2024
Opening risk rating	Impact: High. Probability: Possible (Rating at Nov 2024).
Closing rating: 31 Mar 2025	Impact: High. Probability Possible
Summary of change	Constant
How risk may affect delivery of plans and performance and plans in future years	Failure to manage this ongoing risk could result in increased sick absence rates, reduced productivity, reduced morale and high turnover rates.

12. Secure technology – protecting critical public sector digital infrastructure

Risk	Secure technology – protecting critical public sector digital infrastructure: The UK public sector might suffer a sustained and continuous large-scale loss or hijack of its internet domains.
Mapping to DSIT priority	C: modern digital government

Mitigation	Boosted permanent capacity of the team providing domains scanning and remediation service and improved automated tooling.
Continuing or emerging risk	Emerging risk. Risk opened Jan 2025
Opening risk rating	Impact: Very high. Probability: Very likely (Rating at Jan 2025).
Closing rating: 31 Mar 2025	Impact: High. Probability: Very likely
Summary of change	Decreased impact
How risk may affect delivery of plans and performance and plans in future years	Failure to manage this risk could result in significant loss of information and reputation. This ongoing risk will need constant monitoring and management as hostile actors continually improve their digital skills.

Risks closed between April 2024 and March 2025

These risks were closed, de-escalated or reframed following the horizon scan by Exco in September 2024.

Closed risks	Comment	Rating at closure
Failure to achieve strategic advantage through science & technology: the risk of not harnessing cross-government efforts to implement science and technology strategies effectively.	Closed in horizon scan in Sept 2024	Impact: Medium Probability: Possible
Lack of conversion to economic benefit: the risk that scientific research in universities and other institutions would not translate into economic benefits for the UK.	Incorporated into risk number 6: UK R&D and innovation competitiveness	Impact: High Probability: Possible
Short term pressures: urgent short-term pressures and reactive priorities could overwhelm DSIT's ability to deliver long-term strategic priorities.	Closed in horizon scan in Sept 2024. Reframed and incorporated into risk number 11: resilience	Impact: Medium Probability: Likely
Budget management: over-commitment against budgets could lead to under delivery and financial scrutiny.	Closed in horizon scan in Sept 2024	Impact: High Probability: Likely
Speed of technology: rapid technological advancements pose a risk as DSIT could struggle to respond appropriately to emerging opportunities and threats.	Reframed into risk number 8: shifting tech trends	Impact: High Probability: Likely

Closed risks	Comment	Rating at closure
Geopolitical conditions: changing geopolitical conditions, such as conflicts and competition, could threaten DSIT's ability to deliver on its goal of creating a UK science and technology superpower.	Reframed into risk number 3: geopolitical conditions. Risk rating changed to: high impact and unlikely probability	Impact: Medium Probability: Possible
Risk rating changed to: high impact and unlikely probability	Impact: Medium Probability: Possible	Impact: High Probability: Possible
Management of Intellectual Property: insufficient preparation to manage the security of UK intellectual property could pose risks to national and global security.	Reframed and incorporated into risk number 4: major incidents and risk number 9: research security	Impact: High Probability: Possible
Balancing research priorities: challenges in finding the right balance between funding R&D for national priorities and investing in foundational science.	De-escalated to group level	Impact: High Probability: Possible

Robot arm technology used by Smart Nano NI at Queen's University Belfast. Photo by the Department for Science, Innovation and Technology photographer.

Financial review

The financial review highlights key points from the Statement of Parliamentary Supply (SOPS) on page 112 and the financial statements on page 146.

The SOPS report on DSIT's budget and outturn for the year. The financial statements follow the international financial reporting standards/accounting standards. Both statements are prepared for the departmental group.

Budgets and outturn

Understanding budgets

HM Treasury issue the departmental budgets, which are also approved by Parliament. Departments must monitor budgets to avoid overspending. Budgets are spent within the core department and distributed as grants to agencies and ALBs. Departments must inform HM Treasury if actual spending is expected to rise above forecast. The total budget for the year is referred to as the total managed expenditure (TME).

TME can be classified as resource or capital expenditure. Resource expenditure is for the current year to deliver the department's priorities. It may be further split into programme and admin funding. Capital expenditure is for buying or creating assets. Capital spending in DSIT includes investment in digital infrastructure and in research and development (R&D).

TME can also be classified as Departmental Expenditure Limits (DEL) or Annually Managed Expenditure (AME). DEL is subject to limits set in Spending Reviews, which occur every few years. AME has limits set yearly. It includes areas of inherently volatile, demand-led expenditure and technical accounting matters.

Table: Outturn compared to budget for 2024–25

	Outturn £m	Estimate £m
TME	**14,229.0**	**14,964.5**
Resource DEL	865.3	1,035.9
Resource AME	365.6	661.3
Capital DEL	13,156.7	13,267.0
Capital AME	(158.5)	0.3

Notes

In this summary table totals and calculations might not add up exactly due to rounding. Please see the summary table in the SOPS section, page 112, for further detail.

Table: Explanation of variances

Variance	Explanation
Resource DEL £170.7m Underspend	• Includes £125.4 million underspend against the budget for ring fenced depreciation across the department. • £8.4 million underspend relating to Matrix programme • £6.9 million pressure within the Science and Innovation Group, excluding ring fenced depreciation, primarily due to a write-off within BTI. • Digital, Technology and Telecoms £14.2 million underspend, includes Building Digital (BDUK) £4.2 million, Digital Infrastructure £3.1 million and Digital £2.4 million
Resource AME £295.7m Underspend	• £180 million underspend against the budget for EU Programmes for foreign exchange Losses & Gains provision, not fully utilised in 2024–25. • £49.4 million underspend in relation to the NESTA fund investment movements, following year end revaluations. • £40.0m underspend for Eutelsat impairment unutilised provision.
Capital DEL £110.3m Underspend	• £13.7 million underspend in Financial Transactions, primarily due to slippage on investments in BTI. • £22 million underspend against core UKRI budgets driven by slippage in Innovate UK. • £39 million underspend on DSIT managed programmes delivered by UKRI, including £25m underspend relating to AI Research Resource. • £40.2 million underspend in DTG relating to Building Digital UK (BDUK), mainly due to lower than expected delivery on the Gigabit programmes. • £12.0 million pressure related to IFRS16 adjustments
Capital AME £158.8m Underspend	• £51.0 million underspend in relation to the NESTA Trust investment movements • £107 million underspend due to unbudgeted IAS19 capital pension adjustments within Medical Research Council (MRC).
Total £735.5m Underspend	• Mainly from RAME as above

Trend analysis

The table below shows historic outturn and planned outturn for the next year. This summary has been extracted from the Core tables in annex A.

Table: Trend analysis by budget classifications

	2020–21 outturn	2021–22 outturn	2022–23 outturn	2023–24 outturn	2024–25 outturn	2025–26 plans
Resource DEL	596.5	598.5	678.8	814.8	865.3	1,072.1
Resource AME	75.8	278.3	214.1	231.0	365.6	679.5
Capital DEL	10,331.0	9,862.8	10,872.3	12,438.3	13,156.7	14,669.5
Capital AME	(57.4)	(67.0)	(68.5)	(104.9)	(158.5)	0.3
TME	**10,945.9**	**10,672.6**	**11,696.7**	**13,379.2**	**14,229.0**	**16,421.3**

Table: Trend analysis by patterns of spend over time

	2020–21 outturn	2021–22 outturn	2022–23 outturn	2023–24 outturn	2024–25 outturn	2025–26 plans
UK Research & Innovation (UKRI)	9,090.4	8,707.9	9,397.0	9,579.9	10,023.3	8,880.1
Diamond Light Source	119.0	117.5	104.8	46.2	167.9	36.4
Meteorological Office	153.8	240.4	191.5	183.7	255.2	458.6
National Measurement System	119.6	126.3	124.1	152.7	153.3	220.6
Building Digital UK (Building Digital UK was established as an executive agency from 2022–23)	-	-	101.7	132.7	311.8	623.0
UK Space Agency	491.4	493.8	626.8	680.8	651.5	733.3
Other Science and Research	372.4	310.7	420.4	825.6	503.1	1,220.6
Horizon and Copernicus association	-	-	-	1,059.9	1,155.3	2,571.3
Digital, Broadcasting, Media and Broadband	288.6	288.8	175.6	251.3	288.0	365.1
Geospatial Commission*	153.8	135.5	139.7	149.9	147.1	-
Government Digital Service	97.1	101.5	170.6	254.8	273.4	418.5
Other	59.8	150.0	244.4	61.7	299.1	893.7
Total	**10,945.9**	**10,672.6**	**11,696.7**	**13,379.2**	**14,229.0**	**16,421.3**

Note

*In line with the announcement on GOV.UK, https://www.gov.uk/government/organisations/geospatial-commission, the Geospatial Commission became part of the Government Digital Service (GDS) as of January 2025. For operational purposes, previous years' outturns are shown separately to GDS. The Geospatial Commission plans for 25/26 are shown within the Government Digital Service line in this table, as it now forms part of this organisation.

Reconciliation between budgets and the financial statements

SOPS 2 provides a reconciliation between the SOPS (budget and outturn) and the financial statements. The financial statements are prepared according to international financial reporting standards (IFRS).

Official development assistance

Official development assistance (ODA) refers to UK government aid to developing countries, to support economic development. ODA expenditure is reported for the calendar year and as cash spend. ODA spend for DSIT relates to research and innovation.

The final figure for 2024 submitted to Foreign, Commonwealth and Development Office (FCDO) is £213.8 million. The final figure, for 2024 including the breakdown by sector will be published by the FCDO in September 2025. ODA spend in 2023 was £166.1 million.

Financial position

The table below shows the value of assets and liabilities for the departmental group. As at 31 March 2025, the department remains in a net asset position. Net assets have decreased from £7.4 billion at 31 March 2024 to £6.3 billion at 31 March 2025. The biggest changes in financial position this year are related to an increase in current trade payables relating to the department's participation in the Horizon Europe programme and UKRI grant accruals. There was also a small £0.5 billion increase in non-current assets which was offset by £0.6 billion decrease in current assets.

	2024–25 £m	2023–24 restated £m
Non-current assets	7,873	7,302
Current assets	3,691	4,334
Current liabilities	(4,776)	(3,809)
Non-current liabilities	(519)	(429)
Net assets/liabilities	6,269	7,398

AAC Clyde Space in Glasgow. Photo by the Department for Science, Innovation and Technology photographer.

Sustainability report

Task Force on Climate-Related Financial Disclosures

Introduction

The Task Force on Climate-Related Financial Disclosures (TFCD) developed a framework for reporting climate related financial information. In 2017, they published 4 areas against which organisations should report their approach to climate-related risks and opportunities. These are:

- Governance
- Strategy
- Risk management
- Metrics and targets

HM Treasury requires departments to comply with TCFD incrementally over a 3-year period. 2024–25 was the second phase of TCFD implementation, where DSIT built on phase one by making enhanced climate-related financial disclosures on risk management and refined metrics and targets. See the table below for details of the phased introduction:

Annual report and accounts	TCFD disclosure
2023–24: phase 1 completed	Governance
2024–25: phase 2 completed	Governance, risk management, metrics and targets
2025–26: phase 3	Governance, risk management, metrics and targets, strategy

Compliance statement

DSIT has reported on enhanced climate-related financial disclosures in a manner consistent with HM Treasury's TCFD aligned application guidance. The guidance interprets and adapts the framework for the UK public sector.

DSIT has complied with all of the TCFD recommendations for phase 1 disclosures around governance in 2023–24 and in 2024–25, and has complied with recommendations for phase 2 disclosures to assess our most significant risks and opportunities and work towards incorporating them into our risk management processes. This is aligned with HM Treasury's mandated timeframe.

DSIT welcomes the TCFD initiative. We have previously established processes for identifying and reporting climate change related impacts against earlier initiatives, such as the Greening Government Commitments.

Nominations committee
Advisory commitee of the board, providing assurance and input to key decisions and processes

Departmental board
Advisory board responsible for the collective strategic and operational leadership of the department

Audit, risk and assurance committee
Advisory committee that considers any issue relating to financial reporting, risk management and internal controls

Advisory committees and boards
In discussions, consider all climate-related risks and opportunities in compliance with the Task Force on limate-Related Financial Disclosure requirements, how proposals will support the UK Government's Net Zero trategy and commitment to decarbonise all sectors to meet the UK's net zero target by 2050. The committee will also give due regard to the 5 principles of the Environment Act 2021 to help protect and enhance the environment while supporting innovation and economic growth.

Decision-making committees and boards
When making decisions the committee/board will consider all climate-related risks and opportunities in compliance with the Task Force on Climate-related Financial Disclosure requirements, how proposals will support the UK government's net zero strategy and commitment to decarbonise all sectors to meet the UK's net zero target by 2050. The committee will also give due regard to the 5 principles of the Environment Act 2021 to help protect and enhance the environment while supporting innovation and economic growth.

Executive committee
Responsible for the delivery of DSIT's strategic objectives

People, operations and places committee
Responsible for overseeing people and operational decisions, corporate transformation, and the delivery of projects and programmes

Delivery and risk committee
Focuses on reviewing priority deliverables and the overarching principal risks facing the department

Investment committee
Responsible for reviewing major investment proposals

Governance

DSIT governance for climate-related risks and opportunities follows the core corporate governance board operating model. This is illustrated in the governance statement under the DSIT board structure on page 70. A similar diagram that applies to TCFDs is shown on page 42, note that this is not the full DSIT corporate governance board operating model.

Executive committee (Exco): Exco supports DSIT's accounting officer in the running of the department, and supports the deputy director of financial reporting & controls in implementing the TCFD framework and meeting its reporting rules. When possible, Exco considers climate-related risks and opportunities, and how it plans to support the UK government's goal to reach net zero emissions by 2050. It also gives due regards to the 5 principles of the Environment Act 2021 to help protect the environment while encouraging innovation and economic growth.

Departmental board (the board): The board helps lead the department and supports the accounting officer in making decisions. It looks at climate risks and opportunities when possible and checks how the department's plans support the UK's goal to reach net zero emissions by 2050. The board also gives due regards to the 5 principles of the Environment Act 2021 to help protect the environment while encouraging innovation and economic growth. In 2023–24, the board learned more about climate reporting through a presentation on TCFD. The audit and risk assurance committee (ARAC) helps the board by focusing on how DSIT reports on climate-related issues.

Delivery & risk committee (DRC): DRC considers the financial and non-financial impact of environmental, social and governance risks, including climate-related risks. Climate-related risks form part of the overall risk consideration for the department and are escalated to DRC accordingly. DRC advises the board on the implementation of TCFD from a risk management perspective.

Investment committee and the people, operations and places committee: These committees will also consider all climate related risks and opportunities in compliance with the TCFD requirements.

Strategy

The actual and potential impacts of climate related risks and opportunities on our business, strategy and financial planning

DSIT reinforces its commitment to transparency and to work towards net-zero decarbonisation by 2050, with the integration of the greening government commitments (GGCs) framework into our decision-making process. This set out our performance against GGC, outlining environmental impact reduction targets and also including disclosures on the United Nations sustainable development goals (SDGs).

Risk management

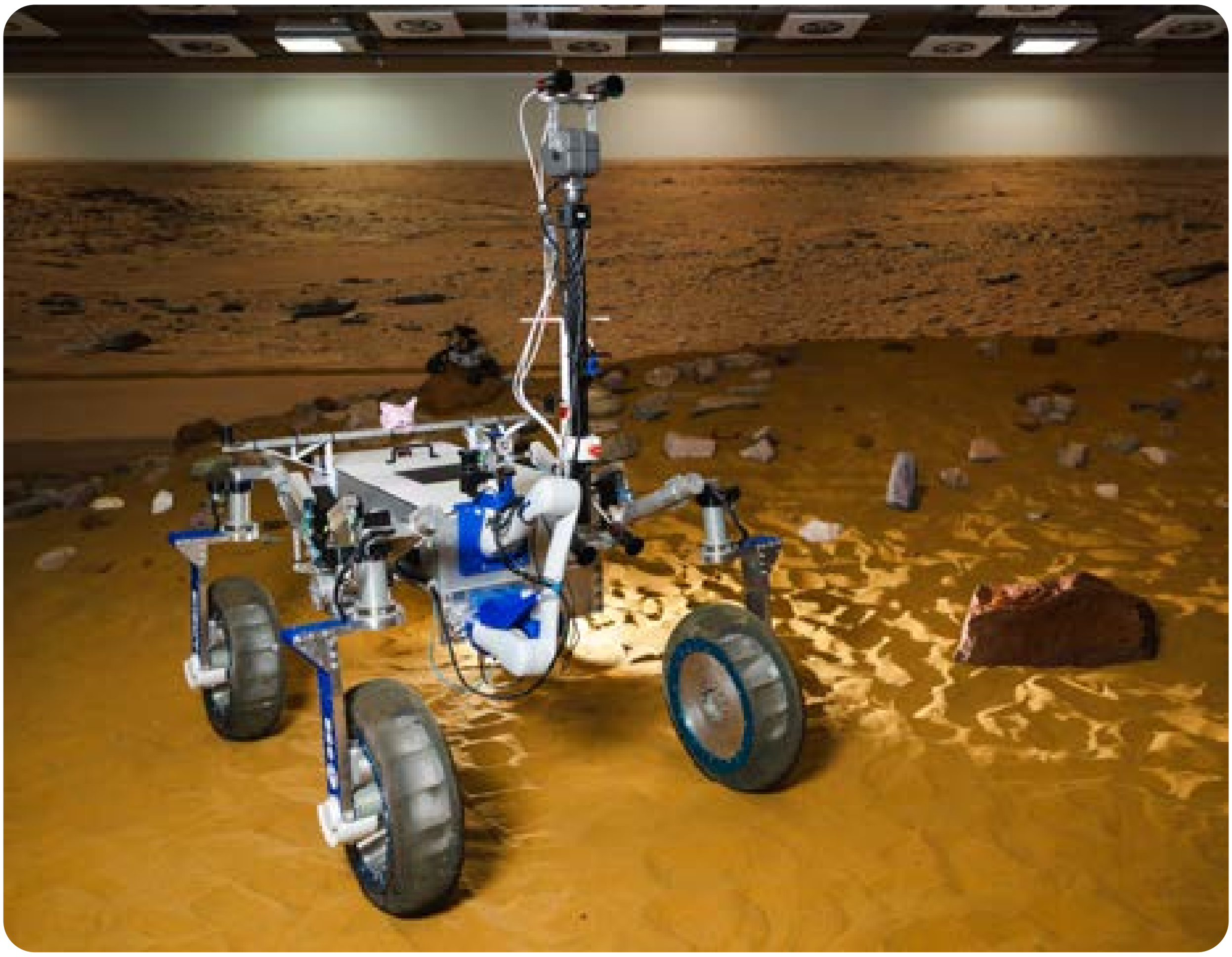
The processes we use to identify, assess, and manage climate-related risks

DSIT has established structured risk management processes. These enable us to outline principal risks and better understand and proactively respond to the financial and non-financial risks that climate change presents to DSIT, the global economy and UK taxpayers. This ensures that as a department, we can robustly deal with challenges.

Description of the organisation's processes for identifying and assessing climate-related risks

DSIT has a structured risk management framework that outlines principal risks for 2024–25 and this includes clear details on identified risks, their likelihood, potential impact and corresponding management strategies. This ensures and supports proactive risk identification. DSIT acknowledges the need to enhance its climate risk assessment and is working to incorporate this in strategic planning across its operations.

Mars rover at Airbus in Stevenage. Photo by the Department for Science, Innovation and Technology photographer.



Description of the organisation's processes for managing climate-related risks

DSIT has a structured risk management process that applies to all risks, including climate risks, and follows a four-stage methodology with clear escalation procedures. The risk framework provides a foundation for managing environmental risks, and climate risks can theoretically be escalated to Exco for quarterly review. Additionally, risk escalation pathways are clearly outlined, with significant risks being escalated to Exco, which reviews risks quarterly at its delivery and risk meetings.

Description of processes for identifying and assessing and managing climate-related risks are integrated in the organisation's overall risk management

DSIT recognises the importance of integrating climate-related risks into its broader risk management framework and has begun discussions about how best to achieve this. Climate resilience planning is included within DSIT's broader resilience agenda, aligning with strategic objectives and ensuring a degree of consideration of climate risk into long-term strategic planning.

We also integrate climate risk identification, assessment, and management within the overall risk management framework. However, climate-related risks have not been designated as a principal risk.

Medical delivery drone flight, London. Photo by the Department for Science, Innovation and Technology photographer.

Metrics and targets

The metrics and targets we use to assess and manage relevant climate-related risks and opportunities

Climate change is not designated as a principal risk at this stage. However, DSIT is committed to working towards net zero decarbonisation and we are working on understanding the impact of our department on emissions.

We have established a number of sustainability-related metrics, which enable us to track our progress on reducing emissions. This is an important foundation to build on our understanding of managing climate-related risks and provide opportunities to enhance the resilience of the department. The metrics are reported within the sustainability report and are aligned with broader government sustainability targets. They also have some overlaps with TCFD. Please refer to the GGC on page 46 for more information.

The Greening Government Commitments

The Greening Government Commitments (GGCs) relate to environmental sustainability. They are a framework for departments to reduce the environmental impact of their operations. The targets for emissions are bespoke to each department, while other targets are generic for all departments. The targets are set by the Department for Environment, Food & Rural Affairs (Defra).

The current GGC framework is for 2021–25. It has a baseline year of 2017–18 with targets to achieve by March 2025. Departments report GGCs for their core department and public bodies in scope, collectively known as the GGC family. DSIT has these 7 public bodies in scope, as determined by Defra:

- Information Commissioner's Office (ICO)
- Intellectual Property Office (IPO)
- Met Office (MO)
- National Physical Laboratory (NPL)
- Ordnance Survey (OS)
- UK Space Agency (UKSA)
- UK Research and Innovation (UKRI)

A proportion of the DSIT GGC family occupy estates managed by the Government Property Agency (GPA). GPA are responsible for ensuring their estate is sustainable and delivers on GGCs on behalf of DSIT. DSIT performs an assurance role to support the GPA to achieve DSIT's GGC targets.

Summary of targets and progress

	GGC targets by March 2025	Outcomes in 2024–25 compared to 2017–18 baseline	Met/not met
Overall emissions	62% reduction (BEIS target)	43% reduction	Not met
Direct building emissions (scope 1)	30% reduction (BEIS target)	18% reduction	Not met

	GGC targets by March 2025	Outcomes in 2024–25 compared to 2017–18 baseline	Met/not met
Ultra-low emission vehicles (ULEV): less than 50g CO_2 per km	25% of fleet by 31 Dec 2022	62% of fleet	Met
Emissions from domestic flights	Reduce emissions by 30%	54% reduction	Met
Overall waste	15% reduction	33% reduction	Met
Waste to landfill	Reduce to less than 5% of overall waste	1% of overall waste	Met
Recycling	Increase to 70% of overall waste	56% of overall waste	Not met
Finite resource: paper use	Reduce by 50%	76% reduction	Met
Finite resource: water use	Reduce by 8%	23% reduction	Met

Emissions

Most of the core department and some public bodies occupy estates managed by the GPA. The GPA are running a net-zero programme to reduce carbon emissions and energy use across its estate. Public bodies who do not occupy the GPA estate have also made efforts to reduce emissions.

DSIT has not reached its reduction target for overall emissions and direct building emissions, but it has made progress towards them. These 2 targets are bespoke to each department, while other GGC targets are generic for all departments.

These targets were inherited from the Department for Business, Energy and Industrial Strategy (BEIS). Therefore, they were tailored for the BEIS profile and its opportunities to reduce emissions. As a result, they were less achievable for DSIT. The new targets under the future 2025–30 GGC framework should be more appropriate for DSIT's profile, and therefore more achievable.

The core department continues to work with the GPA to improve the sustainability of the London estate. This aligns with the Government Property Strategy 2022–30 mission to move to a smaller, better, and greener estate.

The core department also developed and implemented a sustainability strategy to integrate sustainability into its operations. This involved creating and executing a plan that addresses environmental, social, and economic aspects of its activities.

Emissions from domestic flights have exceeded the reduction target. Flight data was not wholly available for 2017–18, therefore 2018–19 has been used as the baseline year here as per guidance from Defra. Overall, the total distance travelled by domestic air travel was 1,779,261 kilometres, and international air travel was 66,631,266 kilometres.

Table: Carbon emissions

	Unit	2024–25	2023–24	2017–18
Emissions scope 1 (sources owned or controlled)	Tonnes CO_2 equivalent	17,716	15,813	22,107
Related gas consumption scope 1 (includes self-generated energy)	KWh	97,559,363	94,587,660	104,288,856
Emissions scope 2 (supplied by another party)	Tonnes CO_2 equivalent	51,267	53,164	98,935
Related energy consumption scope 2	KWh	247,775,442	256,809,954	281,635,125
Emissions scope 3 (official business travel) – international	Tonnes CO_2 equivalent	8,800	7,564	5,746
Emissions scope 3 (official business travel) – domestic	Tonnes CO_2 equivalent	6,344	6,571	2,931
Expenditure on scopes 1 and 2 emissions: purchase of energy	£'000	72,575	62,810	20,807
Expenditure on scope 3: official business travel	£'000	15,300	14,694	12,420

Waste minimisation and management

Significant progress has been made against some of the GGC waste targets across DSIT family, exceeding overall waste reduction and waste to landfill targets.

Recycling rates have not yet reached the 70% target. However, DSIT aims to improve on this for the upcoming GGC framework which runs from 2025–30. DSIT continues to work with its public bodies to find ways to reduce the quantity of waste produced and advise the GPA on how to facilitate this across the estate.

For example, DSIT is supporting the GPA to provide a range of waste recycling streams at the new London headquarters to ensure the correct segregation of waste for recycling and reduce the risk of contamination.

Table: Waste minimisation and management

	Unit	2024–25	2023–24	2017–18
Total waste arising, of which:	**Tonnes**	**2022**	**1930**	**3035**
Recycled	Tonnes	1,013	931	1,872
ICT waste recycled, reused and recovered (externally)	Tonnes	†2	†3	57
Composted/food waste from 2022	Tonnes	116	163	-
Incinerated with energy recovery	Tonnes	833	685	706
Incinerated without energy recovery	Tonnes	51	73	2
To landfill	Tonnes	10	75	242

	Unit	2024–25	2023–24	2017–18
Expenditure on total waste arising, of which:	**£'000**	**1,497**	**850**	**809**
Recycled	£'000	463	424	-
ICT waste recycled, reused and recovered (externally)	£'000	33	37	-
Composted/food waste from 2022	£'000	20	48	-
Incinerated with energy recovery	£'000	103	30	-
Incinerated without energy recovery	£'000	126	137	-
To landfill	£'000	30	15	-

Notes

- Expenditure on recycled: Only includes ICO, IPO, OS & UKRI, other departments' data is unavailable.
- Expenditure on ICT waste recycled, reused and recovered (externally): only includes IPO, UKSA & UKRI, other departments' data is unavailable. Only includes OS & UKSA, other departments' data is unavailable.
- Expenditure on Composted/food waste from 2022: Only includes ICO, IPO, OS, UKSA & UKRI, other departments' data is unavailable.
- Expenditure on Incinerated with energy recovery: Only includes OS & UKRI, other departments' data is unavailable.
- Expenditure on Incinerated without energy recovery: Only includes IPO & UKRI, other departments' data is unavailable.

† ICT waste recycled, reused and recovered (externally): only includes figures for reused and recovered. Excludes recycled waste.

Paper use

Paper usage across DSIT has continued to reduce year upon year. It has significantly exceeded the framework target.

Table: paper use

	Unit	2024–25	2023–24	2017–18
Quantity of paper purchased	A4 reams equivalent	9,383	9,685	39,581

Finite resource consumption

GPA continued to implement water efficiency measures across the estate. DSIT has met the relevant target, though there was a slight increase in usage from 2023–24 to 2024–25.

Apart from the GGC disclosures below, there is no use of other finite resources across the estate occupied by DSIT.

Table: finite resource consumption

	Unit	2024–25	2023–24	2017–18
Water consumption	cubic meters m^3	284,235	272,157	368,370
Water supply and sewage costs	£'000	964	1,249	803

Consumer single use plastics and re-use schemes

The core department has eliminated a wide range of consumer single use plastics such as plastic cutlery, cups and unsustainable stationary items, for several years now. The public bodies are progressing in a similar direction and have had a significant reduction in usage from last year.

Nature recovery and biodiversity action planning

The GPA continues to work towards the targets in their Nature Recovery Plan for their DSIT occupied estate. They facilitate protection, and where possible, enhance biodiversity across the estate. The core department also has a Nature Recovery Plan, which feeds into the GPAs plan. Many public bodies have also done the same.

Climate change adaptation plan

The GPA has completed a Climate Change Adaptation Strategy and Action Plan for their DSIT occupied estate, helping to mitigate against the impacts of climate change. Roll-out of the action plan will continue into 2025 and beyond.

The core department has also developed a climate change adaptation plan. It consists of a climate change risk assessment across the relevant proportion of GPAs estate, and a climate adaptation plan. It aims to feed into GPAs plan, and support DSIT's assurance role.

Sustainable construction

GPA construct and fit-out the estate on behalf of the core department and many public bodies. Therefore GPA are wholly responsible for sustainable construction. DSIT, plays an assurance role to ensure the GPA are aiming for the appropriate levels of sustainability accreditation and certification.

In 2024–25, GPA updated their published design guide with a Net Zero and Sustainability Annex. Thís sets out the ambitions for both new buildings and major refurbishments they undertake for clients such as DSIT. The guide considers carbon emissions from construction and operations. It also considers Building Research Establishment Environmental Assessment Method (BREEAM) and National Australian Built Environment Rating System, UK adaptation (NABERS UK) targets. For example, it is aiming for BREEAM 'Very Good' for the refurbishment of the new core department headquarters at 22–26 Whitehall, London.

Sustainable procurement

- We have a supplier code of conduct and a departmental environmental policy. Both documents outline our expectations for suppliers and the supply chain, in relation to minimising social and environmental impacts.
- We prepared guidance to support the implementation of sustainable procurement practices. The guidance and resources reference the Government Buying Standards (GBS).

- We provided training to commercial colleagues and contract managers on topics including tackling modern slavery, social value and supply chain diversity.
- We have a dedicated team to provide coaching to major projects. This supports teams to embed sustainability into their sourcing approaches.
- At year-end, we were in the process of setting spend targets for Small & Medium Enterprises (SMEs) and Voluntary, Community and Social Enterprises (VCSEs).

Reducing environmental impacts from ICT and digital

How DSIT is reducing environmental impacts from ICT and digital

- DSIT remains committed to minimising colour printing and reducing paper usage.
- DSIT's two main ICT suppliers are Dell and Apple. They are using more recycled or renewable materials in its PCs, Macs, iPhones, displays and accessories to reduce the environmental impact of their products.
- Dell is now using reduced packaging for their laptops by implementing multipacks – where 5 laptops are packed together in a single box instead of individual boxes.
- DSIT will continue to review its device donation schemes.

Measures and tangible outcomes

- 100% traceability of ICT at end of life.
- As part of the Greening Government Commitment, DSIT and their agencies will provide actions they will take to reduce their impacts on the environment.

The overall ICT and digital policy – ethical and environmental standards

- Ensure suppliers are committed to DSIT's sustainability goals, such as reducing carbon emission and provide DSIT with their CO_2e data.
- Ensure DSIT ICT suppliers fully comply with the Social Value Framework and Modern Slavery Assessment Tool (MSAT).

Other performance

Fraud and error analysis

Major areas of spend or high-risk areas of fraud: activities to prevent, detect and estimate fraud

DSIT's counter fraud, bribery and corruption is provided by Counter Fraud Expert Services (CFES), within Integrated Corporate Services (ICS).

CFES directly supports those business areas where the fraud risk is deemed to be greatest. This includes programmes designed to build Artificial Intelligence (AI) capability and programmes that fund innovative manufacturing initiatives.

During 2024–25 DSIT developed an Organisational (Enterprise) Fraud Risk Assessment. This highlights key areas where fraud risk is greatest identified using indicators such as value, inherent risk, existing fraud capability and accountability. The areas identified are as follows:

- cyber security
- grant delivery
- delivery through ALBs
- commercial operations
- culture & awareness
- recruitment (including vetting)
- onboarding new organisations (including transfers into the core department)

Major areas of spend or high-risk areas of fraud: estimate of fraud and error

DSIT has yet to conduct a full fraud loss measurement exercise. Over the last year the department has focused on improving its reporting of fraud and error and building a counter fraud framework. Improvements in the department's reporting will be a key enabling factor in accurately estimating fraud and error and programme level. UKRI, who have been allocated £8.8 billion of DSIT's £13.9 billion research and development budget, have committed to producing a fraud and error estimate in the 2024–25 annual report and accounts.

All areas of spend: general counter fraud activities

DSIT has a Counter Fraud, Bribery & Corruption Strategy and Policy. These key documents are supported by a Fraud Response Plan and a Fraud Risk Assessment. All documents are available to DSIT staff via the department's intranet platform.

Staff are required to complete mandatory Civil Service training on fraud, bribery and corruption. In addition, CFES holds a monthly fraud awareness training session for all DSIT staff, and those of DSIT's arm's length bodies (ALBs). New starters to DSIT are automatically enrolled in this training session as part of their induction. This training was complemented by the delivery of International Fraud Awareness Week in November 2024. The week included several talks on fraud and error to improve awareness and engagement with the government's counter fraud agenda. The talks were supported by external sector speakers.

Fraud and error reporting

The Public Sector Fraud Authority's (PSFA) requires departments to report details of fraud detected, recovered and prevented. This reporting is conducted quarterly.

The table below show the quarterly figures reported for DSIT group (including public bodies) and DSIT core (excluding public bodies), for 2023–24. Reporting from 2023–24 is the latest available for publication. 2024–25 fraud and error data is undergoing validation and will be published in due course.

Table: DSIT fraud and error 2023–24

	Q1: Apr–Jun	Q2: Jul–Sep	Q3: Oct–Dec	Q4: Jan–Mar	Total
DSIT group					
Detected fraud	£177,915	-	£2,145,090	£1,663,615	**£3,986,620**
Recovered fraud	-	-	£37,500	£167,650	**£205,150**
Prevented fraud	£4,257,627	£1,103,724	£10,967,032	£118,772	**£16,447,155**
Detected error	£388,287	£722,136	£681,126	£1,421,812	**£3,213,361**
Recovered error	£299,236	£74,910	£21,716	£64,989	**£460,851**
DSIT core					
Detected fraud	-	-	-	-	**-**
Recovered fraud	-	-	-	-	**-**
Prevented fraud	-	-	-	-	**-**
Detected error	£221,986	£71,401	£21,554	£189,832	**£504,773**
Recovered error	£212,587	£58,911	£19,216	£61,088	**£351,802**

Advertising campaigns in 2024–25

Our communications work supports the department to deliver its priorities. The Government Communications Plan also directs the communications for all government departments. We work with partners who can help us reach and influence our audiences. Where necessary, we use paid publicity and advertising. Key areas of paid advertising in 2024–25 are summarised below.

Campaign: Boosting participation in Horizon Europe

The UK became an associated country to the Horizon Europe scheme in January 2024. This opened opportunities for UK businesses and researchers to access the world's largest research and innovation funding programme, worth over £80 billion (2021–2027).

Following the successful pilot campaign in 2023–24, DSIT continued to deliver a campaign over 2024–25 aimed at UK R&D small and medium enterprises (SMEs). This campaign looked to raise their awareness of the scheme and, ultimately, encourage them to apply. Adverts drove traffic through to the newly revamped website (horizoneuropeuk.org).

The campaign launched in January 2025 and ran until the end of March. It was live across: LinkedIn, search (Google ads), digital audio (podcast advertising), conversational display advertising (interactive ads), and adverts and long-form sponsored content on The Times' website.

Campaign: Cyber Explorers

Cyber Explorers is a free learning platform introducing key stage 3 pupils to cybersecurity concepts such as digital forensics and encryption.

DSIT delivered marketing activity to promote the platform and to drive sign-ups to the annual Cyber Explorers competition. Adverts drove the audience to the campaign website page:

https://www.cyberexplorers.co.uk/knowledge-hub/2024/12/cyber-explorers-cup-2025

The campaign was delivered using digital advertising and media partnerships with outlets such as Teach Secondary. Through the delivery partner QA, DSIT worked with educational influencer and teacher Baasit Sadiqqi. They delivered in-person and virtual workshops for students and published promotional social media posts.

Campaign: UK Cyber team competition

The UK Cyber Team competition was a new initiative to establish a team of 30 young people aged 18–25 to represent the UK in international cyber competitions.

DSIT delivered marketing to drive applications to a domestic competition run to find elite talent who could form the team. Adverts drove the audience to the campaign website page:

https://ukcyberteam.sans.org/

The campaign was delivered using digital advertising and media partnerships with outlets such as the Register.

Performance in responding to public correspondence

DSIT receives written enquiries from the public and aims to respond to 80% of these within 20 working days.

The table below shows the number of enquiries received in 2024–25 and our performance in responding to them. Departmental performance for public correspondence improved from 2023–24, when it was 57%. However, it is still below the target of 80%. Significant investment in resource and digital tools has been undertaken to improve this for 2025–26.

Table: Public correspondence

	No. of written enquiries received	No. responded to within 20 working days	% responded to within 20 working days
Apr 2024	322	223	69%
May 2024	163	105	64%
Jun 2024	92	71	77%
Jul 2024	258	111	43%
Aug 2024	326	175	54%
Sep 2024	370	265	72%
Oct 2024	515	362	70%
Nov 2024	428	273	64%
Dec 2024	396	250	63%
Jan 2025	225	98	44%
Feb 2025	207	111	54%
Mar 2025	242	155	64%
Total	**3,544**	**2,199**	**62%**

Complaints to the Parliamentary Ombudsman

DSIT's complaints procedure

The department has 2 stages to its complaints process. At stage 1, the relevant policy team investigates the complaint, and an outcome is cleared by their senior civil servant (SCS). If the complainant is unsatisfied, it proceeds to stage 2 – an independent SCS investigates and responds. If the complainant remains unsatisfied, they are directed to take the matter up with the Parliamentary and Health Service Ombudsman.

There were 26 complaints to DSIT between 1 April 24 and 31 March 25. (In 2023–34, from August 2023 to April 2024: 17 complaints.)

Complaints to the Parliamentary Ombudsman

The information below is taken from the Parliamentary Ombudsman complaints report 2023–24, the latest available. The data covers the period 1 April 2023 to 31 March 2024. The report is available here::

Annual data on complaints made to the Parliamentary and Health Service Ombudsman, 2023 to 2024 | Parliamentary and Health Service Ombudsman (PHSO)

Table: Complaints to the Parliamentary Ombudsman

Complaints	Number
Number of complaints accepted for investigation by the Parliamentary Ombudsman in the year	1
Number of investigations reported on by the Parliamentary Ombudsman in the year:	0
% of those reports where the complaint was upheld in full	n/a
& of those reports where the complaint was upheld in part	n/a
% of those reports where the complaint was not upheld	n/a
Number of Ombudsman recommendations complied with	n/a
Number of Ombudsman recommendations not complied with	n/a

Sarah Munby
Permanent Secretary and Principal Accounting Officer
30 June 2025

ACCOUNTABILITY REPORT

Accountability report

The purpose of the accountability section of the annual report is to meet key accountability requirements to Parliament. Parliament is the primary user of the annual report and accounts. The accountability report consists of the 3 sections listed below.

Corporate governance report

- The corporate governance report explains the composition and organisation of DSIT's governance structures and how they support achievement of DSIT objectives.

Remuneration and staff report

- The remuneration and staff report sets out DSIT's remuneration policy for directors and ministers. It sets out the amounts awarded to directors and ministers. Where relevant it sets out the link between performance and remuneration. Other staff disclosures, such as staff numbers, staff costs and staff composition are also provided.

Parliamentary accountability and audit report

It brings together the key parliamentary accountability documents within the annual report and accounts

Statement of accounting officer's responsibilities

Statutory instrument

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed the **Department for Science, Innovation and Technology (DSIT)** to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the department (inclusive of its executive agencies) and its sponsored non-departmental (and other arm's length) public bodies designated by order made under the GRAA by **Statutory Instrument 2025 No. 268** together known as the 'departmental group', consisting of the department and sponsored bodies listed in **note 24** to the accounts, on page 232.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and the departmental group and of the income and expenditure, statement of financial position and cashflows of the departmental group for the financial year.

Government Financial Reporting Manual

In preparing the accounts, the accounting officer of the department 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
- ensure that the department has in place appropriate and reliable systems and procedures to carry out the consolidation process
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental (and other arm's length) public bodies
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts
- prepare the accounts on a going-concern basis

AAC Clyde Space, Glasgow. Photo by the Department for Science, Innovation and Technology photographer.

- confirm that the annual report and accounts together are fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable

Accounting officer

HM Treasury has appointed the permanent head of the department as accounting officer of the **Department for Science, Innovation and Technology**. The accounting officer of the department has also appointed the chief executives (or equivalents) of its sponsored non-departmental (and other arm's length) public bodies as accounting officers of those bodies.

The accounting officer of the department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts.

Under their terms of appointment, the accounting officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

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 assets of the department or non-departmental (or other arm's length) public body for which the accounting officer is responsible, are set out in Managing Public Money, published by HM Treasury.

Accounting officer's confirmation

- 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 DSIT auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.
- As the accounting officer, I confirm that the annual report and accounts as a whole is fair, balanced and understandable. I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Sarah Munby
Permanent Secretary and Principal Accounting Officer
30 June 2025

Lead non-executive director's report

Since taking up the role as lead non-executive board member in August 2024, it has been a privilege to see the department continue to build on the successes of its first year.

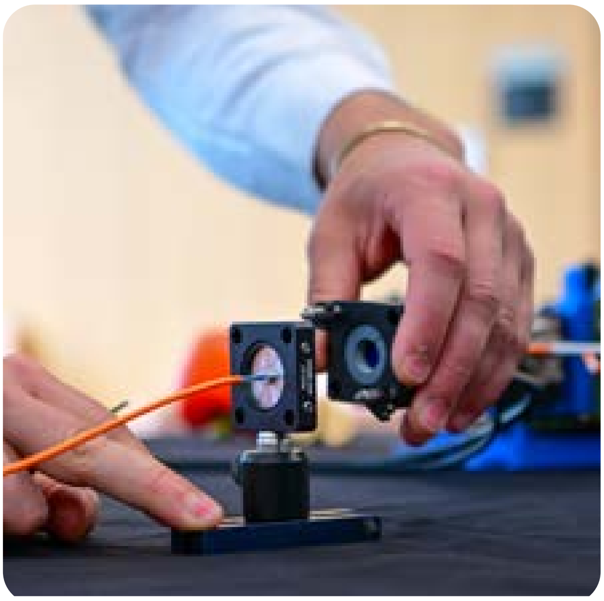
Achievements in 2023–24 include the announcement of the new Digital Design Centre and supporting the Prime Minister in developing the AI Opportunities Action Plan. The department has also overseen and introduced the Cyber Security and Resilience Bill, new cyber laws aimed at safeguarding the UK economy and driving long-term growth and secured a record of over £13 billion of research & development funding to boost innovation, jobs, and growth.

In November 2024, the department welcomed interim non-executive board members Adam Tickell, Nicola Hodson, Helen Milner and Paul Willmott. I look forward to working with them, alongside existing non-executive board members Liz Cohen and Jason Chin, to continue to provide external support, challenge, and assurance to the department. As a non-executive team, we bring deep and relevant experience and expertise, and remain invested in the department's success, committed to supporting officials and the ministerial team to deliver the government's 'Plan for Change' and DSIT's key priorities.

I would like to thank Shonnel Malani, Melissa Di Donato and Saul Klein, who departed as non-executive board members in August 2024, for generously supporting DSIT and for all of their valuable contributions to the department. I wish them all the best.

In this period of ongoing change, and on behalf of the whole non-executive team, I want to thank colleagues across DSIT for their continued hard work and dedication to public service and congratulate them on their achievements over the last 12 months.

Dominic Field. Interim Lead Non-Executive Director



University of Glasgow Quantum Research Hub. Photo by the Department for Science, Innovation and Technology photographer.

Directors' report

The directors' report covers the period from 1 April 2024 to 31 March 2025. It provides ministerial titles and names of all ministers during the year. It also provides names of senior officials non-executive directors who are members of the departmental board (the board), the audit, risk and assurance committee (ARAC), and the nominations committee (noms).

Ministers

All ministers were part of the departmental board, and they were not part of any other committees.

Ministerial titles and names	Tenure (if applicable)
Rt Hon Peter Kyle MP Secretary of State for Science, Innovation and Technology	From 5 Jul 2024
Lord Vallance of Balham Minister of State for Science, Research and Innovation	From 5 Jul 2024
Rt Hon Sir Chris Bryant MP Minister of State for Data Protection and Telecomms	From 8 Jul 2024
Rt Hon Feryal Clark MP Parliamentary Under-Secretary of State for AI and Digital Government	From 9 Jul 2024
Baroness Jones of Whitchurch Parliamentary Under-Secretary of State for the Future Digital Economy and Online Safety	From 9 Jul 2024
Rt Hon Michelle Donelan MP Secretary of State for Science, Innovation and Technology	To 5 Jul 2024
Rt Hon Julia Lopez MP Minister of State for Data and Digital Infrastructure	To 5 Jul 2024
Rt Hon Andrew Griffith MP Minister of State for Science, Research and Innovation	To 5 Jul 2024
Rt Hon Saqib Bhatti MP Parliamentary Under-Secretary of State for Tech and the Digital Economy	To 5 Jul 2024
Viscount Camrose Parliamentary Under-Secretary of State for AI and Intellectual Property	To 5 Jul 2024

Composition of the management board

Non-executive directors	Tenure (if applicable)	Board	Noms	ARAC
Dominic Field Interim Lead Non-executive director from 1 Aug 2024	From 22 Apr 2024	●	●	
Liz Cohen, ARAC Chair	From 22 Apr 2024	●		●
Nicola Hodson	From 1 Nov 2024	●		
Helen Milner	From 1 Nov 2024	●		
Adam Tickell	From 1 Nov 2024	●		
Paul Willmott	From 1 Nov 2024	●		
Bryan Ingleby				●
Gillian Leng	From 22 Apr 2024			●
Mark Poulton	From 22 Apr 2024			●
Vikas Shah	Left 31 Dec 2024			●
Saul Klein	Left 1 Aug 2024	●		
Melissa Di Donato ARAC Chair to 22 Apr 2024	Left 1 Aug 2024	●		●
Shonnel Malani Lead Non-Executive Director	Left 1 Aug 2024	●	●	●
Alison Wolf	Left 22 Apr 2024	●		
Ron Dennis	Left 22 Apr 2024	●		
Jason Chin	Left 22 Apr 2024	●		●

Senior officials	Tenure (if applicable)	Board	Noms	ARAC
Sarah Munby Permanent Secretary		●	●	●
Angela McLean		●		
Freya Guinness		●		●
Emran Mian		●		●
Alexandra Jones		●		●
Dave Smith		●		
Jessie Mitchell and Leah Sparks (job share)		●		
Joanna Cavan	From 1 May 2024	●		
Christine Bellamy	Board: from 8 Jul 2024 ARAC: from 5 Dec 2024	●		
Joanna Davison	From 9 Dec 2024	●		
Helen Mills			●	
Tim Sparrow				●
Ian Webber				●
Emily Middleton				●
Chris Johnson				●
David Knott	From 1 Oct 2024 to 8 Dec 2024	●		●

Biographies of board members

Biographies of board members are available at

https://www.gov.uk/government/organisations/department-for-science-innovation-and-technology/about/our-governance

Personal data-related incidents

This section is covered in the governance statement below.

Conflicts of interest

Members of the board and ARAC are required to declare any conflicts of interest. These are personal or business interests which may conflict with their management responsibilities. Conflicts of interest may be actual or perceived (seen as being a conflict).

Board members are invited to declare any relevant interests at the start of board meetings. Where a board member declares a potential conflict at meetings, it is recorded in the minutes, and the board member takes no part in the meeting for the duration of that item of discussion.

Non-executive directors

Shonnel Malani

Name of body	Position held
Advent International	Managing partner
Advent International Limited	Board member
European Investment Advisory Committee and Investment Advisory Committee, Advent International	Member

Name of body	Position held
Rubix Limited	Non-executive director
Cobham Limited	Non-executive director
Ultra Electronics Group	Non-executive director
Maxar Technologies	Non-executive director
British Asian Trust	Trustee

Dominic Field

Name of body	Position held
Executive Council of o9	Member
The Design Museum	Trustee
London & Partners	Non-executive director

Liz Cohen

Name of body	Position held
The Copper Mark	Independent director
Australian Doctors International	Director

Jason Chin

Name of body	Position held
MRC Laboratory of Molecular Biology	Programme leader and executive committee member
Cambridge University	Professor of chemistry and chemical biology
Wellcome Trust Sanger Institute	Associate faculty
Trinity College, Cambridge	Fellow
Genus Plc	Non-executive board member
Constructive Biology Ltd	Director
Recorded Genomics (subsidiary of Constructive Bio)	Director

Name of body	Position held
Synaffix	Member of scientific advisory board
Okapi Bioscience Ltd	Member
The Royal Society	Fellow
The Academy of Medical Science	Fellow
European Molecular Biology Organisation	Fellow
Oxford University	Advisor to the E.P. Abraham fund
Biochemistry at ACS Publications; Cell Chemical Biology, Cell Press; Current Opinion in Chemical Biology, Cell Press	Member of the editorial board (scientific journals)

Melissa Di Donato

Name of body	Position held
Kyriba Corp.	Chair, chief executive officer and shareholder
Porsche AG	Supervisory board member
Mews	Non-executive director and shareholder
JPM Europe, Ltd	Independent non-executive director and nominations committee member

Nicola Hodson

Name of body	Position held
IBM UK Ltd	Chair
Drax Group PLC	Non-executive director
Beazley PLC	Non-executive director
techUK	Deputy president
Moebius one LTD	Director
Moebius two LTD	Director

Helen Milner

Name of body	Position held
Good Things Foundation	Group CEO and trustee
Climate Subak CIC (known as 'Subak')	Chair and non-executive director

Adam Tickell

Name of body	Position held
University of Birmingham	Vice chancellor
Universities Superannuation Scheme Ltd (USS)	Non-executive director

Paul Wilmott

Name of body	Position held
KIRBI A/S (Holding company of Lego A/S)	Employee
BrainPOP inc.	Board member
Area 9 Lyceum A/S	Board member
Spouse is a trustee of a charity related to another government department's portfolio	

Saul Klein

Name of body	Position held
Phoenix Court Spaces Limited	Director
Phoenix Court Works Limited	Director
Phoenix Court Group Limited	Director
Zinc Ventures Limited	Director
Faculty Science Limited	Director
Radix DLT	Director
The Manchester Academy	Director
Newton Venture Education	Director
Exodus Capital Limited	Director

Name of body	Position held
The Next Economy Works Limited	Director
London Business School	Executive fellow

Alison Wolf

Name of body	Position held
King's College London	Professor of public sector management
King's College London	Mathematics school governor
Department for Levelling Up, Housing and Communities (as then called)	Member of Levelling-up Advisory Council
House of Lords	Cross-bench peer
University Mathematics Schools Network (U-Maths)	Trustee

Ron Dennis

Name of body	Position held
Lavendo Holdings Ltd (and its subsidiaries)	Owner
King Bourne Estates Ltd	Owner
Dreamchasing (and its subsidiaries)	Owner
Podium Analytics	Chairman and founder
Varley International Holdings Ltd	Director and shareholder
Podium Applied Technologies Ltd	Director and shareholder
Persica Pharmaceuticals	Shareholder
Coeus International Ltd	Director
British East Asian Council (dormant)	Director

Bryan Ingleby (ARAC)

Name of body	Position held
Frimley Health NHS Foundation Trust	Chair
Department for Business, Energy and Industrial Committee Strategy; Department for Energy Security and Net Zero	Formerly a non-executive director of the audit, risk and assurance committee
Alliance For Better Care Community Interest Company	Senior independent director
Origin Housing Limited (resigned April 2024)	Executive director and deputy chair
Bryan Ingleby Consulting Limited (currently dormant)	Director

Vikas Shah (ARAC)

Name of body	Position held
Solicitors Regulation Authority	Non-executive board member
Shoosmiths LLP	Non-executive board member
University of Manchester's Incubation Facility	Consultant
Alliance Manchester Business School	Member of the advisory board
RDentify Ltd	Board member
Enspec Power	Non-executive board member
Department for Energy Security and Net Zero	Chair of the audit, risk and assurance committee
We are Family Foundation	Trustee
North of England Zoological Society (trading as Chester Zoo)	Trustee
Greater Manchester Lieutenancy	Deputy lieutenant

Gillian Leng (ARAC)

Name of body	Position held
Brevia Health	Adviser
The Royal Society of Medicine	President
Department of Health and Social Care	Independent reviewer
Atheneum and IQVIA	Occasional ad hoc paid consultancy
Cochrane Collaboration	Trustee
Cambridge Life Science Group	Member
NHS innovation and Life Science Commission	Contributor
Family member is a civil servant at the Department for Energy Security and Net Zero	

Mark Poulton (ARAC)

Name of body	Position held
Industrial Development Advisory Board	Member
London School of Hygiene and Tropical Medicine	Independent member of council
Spouse is a non-executive board member of S4C and trustee of the National Lottery Heritage Fund and the National Heritage Memorial Fund	

Officials who are board members

In line with the current SCS declaration of interest policy, officials serving on the Board have declared any relevant interests or confirmed that they do not consider themselves to have any relevant interests. The returns have been reviewed, and the following are set out in public:

Name	Interest
Emran Mian	Spouse is the CEO of Unizima; while in post, Emran will not be involved in any discussion or decision relating to Unizima or the biomanufacturing sector
Alexandra Jones	Spouse works at UK Export Finance; while in post, Alexandra will not be involved in any discussion or decision relating to UK Export Finance.
Joanna Cavan	Partner works at PA Consulting; while in post, Joanna will not be involved with any DSIT commercial contracts with PA Consulting
Angela McLean	Partner holds roles with Waltonwell Ltd and Oxford Capital Partners; Angela will alert DSIT if potential issues arise
Angela McLean	Fellow, the Royal Society and member, Academia Europaea; no risks identified from academic memberships
Angela McLean	Honorary distinguished professor, University of Loughborough; while in post, measures are in place to prevent Angela influencing on Research Excellence Framework (REF) outcomes

Governance statement

The governance statement report demonstrates how the department was managed during the year. It has 3 components: corporate governance, risk management, and oversight of local responsibilities.

The Accounting Officer System Statement (AOSS) is a separate document which stands alongside this governance statement in the annual report and accounts (ARA). The AOSS will be published alongside the 2024–25 ARA.

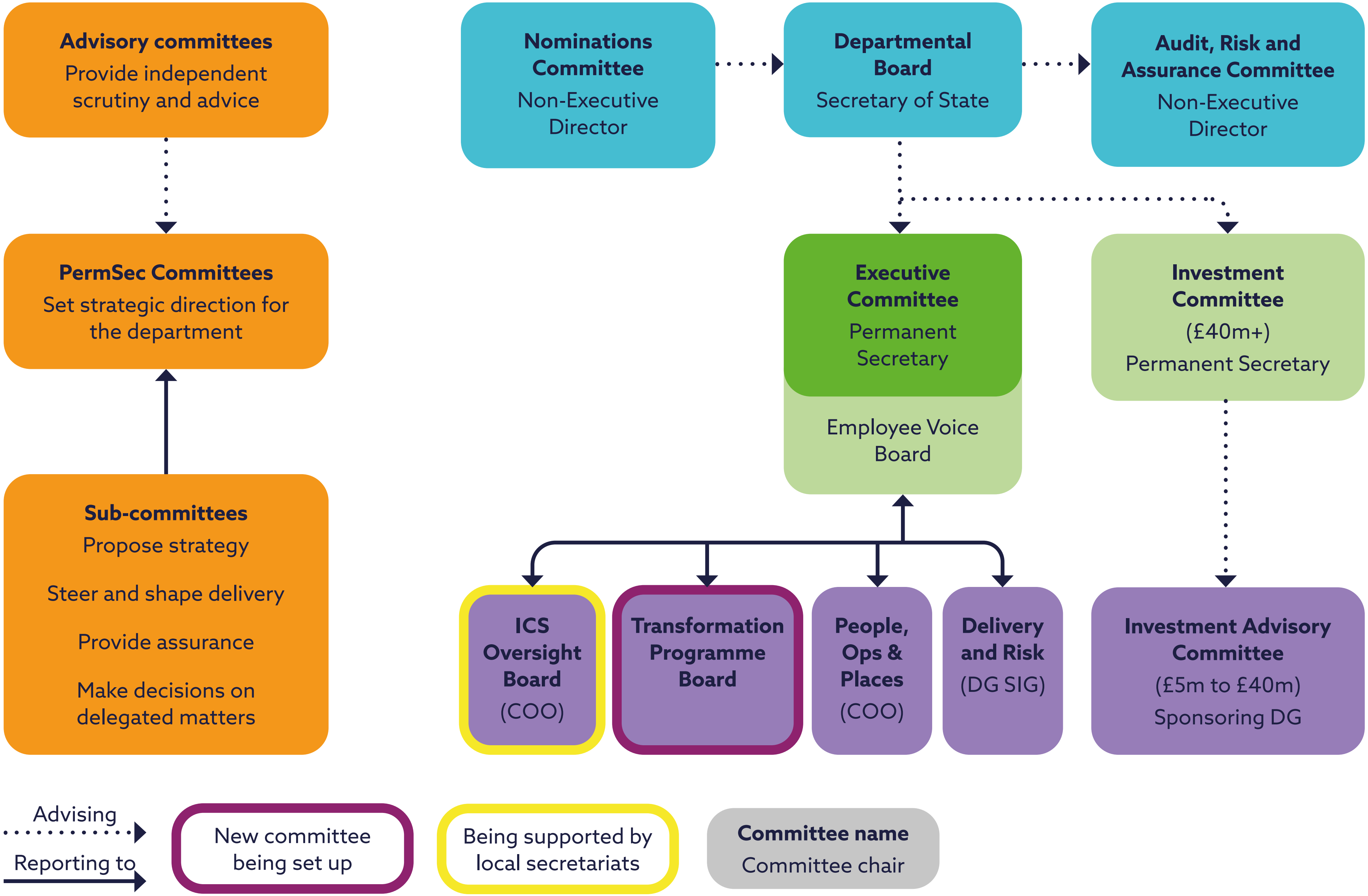
Governance statement part 1: Corporate governance

Board's committee structure

See diagram on the following page for the structure of the board committees.

Board's attendance and coverage of work

	Coverage of work	Number of meetings held
Departmental board (the board)	The board provides advice and challenge to DSIT on its performance. It comprises, officials, and non-executive directors (independent experts). The board advises DSIT and its public bodies which it sponsors, on 6 key areas: strategic clarity, delivery monitoring, change management, commercial sense, risk and assurance, and talent and capability.	3
Nominations committee (Noms)	Noms advises on processes for rewarding senior executives to help DSIT achieve its goals. Noms does not decide the level of reward of a particular senior executive. Noms does not make decisions on senior appointments in DSIT public bodies, but it may discuss a key appointment if appropriate. Noms is chaired by the lead non-executive director.	1
Audit, risk and assurance committee (ARAC)	ARAC supports the accounting officer and the board by reviewing the assurances provided on governance, risk management and controls. ARAC is chaired by a non-executive director. It may consider issues relating DSIT public bodies. ARAC has no delegated powers to take decisions but may consider the factors being assessed. The board delegates responsibility to ARAC for making sure DSIT's reporting obligations to HM Treasury, Cabinet Office and Parliament are met efficiently and effectively.	4


Advisory committees
Provide independent scrutiny and advice
PermSec Committees
Set strategic direction for the department
Sub-committees
Propose strategy
Steer and shape delivery
Provide assurance
Make decisions on delegated matters
Nominations Committee
Non-Executive Director
Departmental Board
Secretary of State
Audit, Risk and Assurance Committee
Non-Executive Director
Executive Committee
Permanent Secretary
Employee Voice Board
Investment Committee
(£40m+)
Permanent Secretary
ICS Oversight Board
(COO)
Transformation Programme Board
People, Ops & Places
(COO)
Delivery and Risk
(DG SIG)
Investment Advisory Committee
(£5m to £40m)
Sponsoring DG
Advising
Reporting to
New committee being set up
Being supported by local secretariats
Committee name
Committee chair

The board's performance, including assessment of its own effectiveness

The key areas of focus for the board in 2024–25 were:

- departmental election preparedness
- AI and tech (including workstreams on AI adoption, tech adoption and the AI Opportunities Plan)
- future departmental vision
- workstreams on research and development, including investment
- Digital Centre Design

A formal board effectiveness evaluation was completed in 2024–25. After each meeting, all board members were asked to reflect and offer suggestions to improve the board's effectiveness so that it is performing in line with its terms of reference and the Corporate Governance Code for central government departments. The results will inform improvements to the board, and its subcommittees (ARAC and Noms), for the year ahead.

Highlights of board committee reports: nominations committee

The key areas of focus for the nominations committee in 2024–25 were:

- structures of senior civil servants (SCS) in the department
- senior talent management
- senior performance management
- SCS learning and development
- leadership succession planning

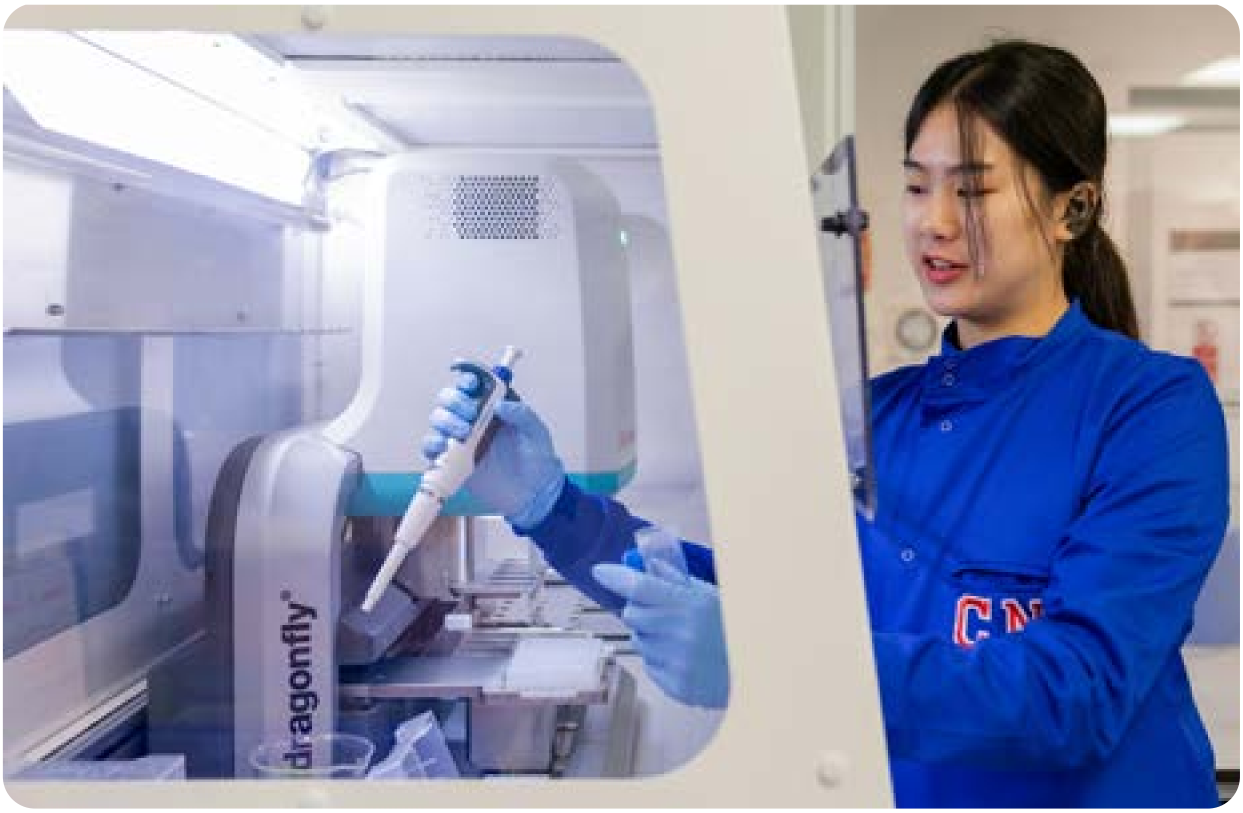
Highlights of board committee reports: ARAC

The key areas of focus for the ARAC in 2024–25 were:

- principal risks and DSIT's approach to risk management including mitigations and risk appetite statement
- oversight of DSIT's public bodies including their reporting and risk management
- preparation of the annual report and accounts
- internal governance arrangements and DSIT's board operating framework
- the work of internal audit
- the work of external audit
- DSIT's anti-fraud strategy and approach
- grants continuous improvement plan
- assurance mechanisms including assurance framework and assurance mapping

The formal meetings were supplemented with informal focus sessions on:

- integrated corporate services
- identifying and managing risk in AI policy
- DSIT's transformation programme
- Government Digital Service (GDS)
- cyber security



Multus Biotechnology, Imperial College London. Photo by the Department for Science, Innovation and Technology photographer.

An account of corporate governance, including the board's assessment of compliance with the corporate governance code

DSIT has undertaken an assessment of its compliance with the 'Corporate Governance in Central Government Departments: Code of Good Practice'. This assessment has provided assurances that DSIT complies with the principles of the code.

The board operates according to the corporate governance code and the recognised principles of good corporate governance in business: leadership, effectiveness, accountability and sustainability.

In particular, the formal board effectiveness evaluation completed in 2024–25 has shown that DSIT, the board and its subcommittees, are compliant with the Corporate Governance Code. The results of the evaluation, including key actions, will now inform improvements to the board and its subcommittees.

Quality of data used by the board

All boards and committees are provided with high quality papers and in a standard way to ensure that risks, resource implications, and the Public Sector Equality Duty and Environmental Principles Duty are considered. In 2024–25, meetings were held either virtually or as hybrid meetings and challenge and discussion were encouraged.

DSIT's corporate governance function has provided a comprehensive secretariat service. The team works closely with the department to ensure members and presenters have all the information they need and the chairs are well prepared.

Governance statement part 2: Risk assessment

See the performance report for the list of principal risks during the year.

Risk management

Responsibilities for risk management and internal controls

The department is responsible for having a risk management framework, an internal controls system and reviewing their effectiveness.

Processes to identify and manage risks

- Principal risks were identified through horizon scanning by the executive committee (Exco). The outputs were reviewed the delivery and risk committee (DRC), and the audit and risk assurance committee (ARAC).
- Risk owners were identified for the risks, and they provided information on ratings and mitigation activity.
- In 2024–25 we developed a Risk Appetite Statement for DSIT. It clearly set the amount of risk DSIT is willing to accept in pursuit of its objectives. The categories for risk appetite are taken from HM Treasury's Orange Book guidance. The risk appetite has been identified for principal risks, and work is underway to bring the risks into appetite.

Systems in place during the year

- We operated a manual process to track and report principal risks, while a reporting tool was being developed. The risk reporting and management tool was soft-launched in April 2025.

Features that support regular monitoring and assurance

- Principal risks and director general group-level risks are fully reported at the end of every quarter to DRC and Exco and ARAC. They are reported annually to the board. In the intervening months, exception reporting takes place and is reported monthly to the DRC.
- We are developing comprehensive documentation for controls. It will define the key control activities and decision points within DSIT. This will support effective risk mitigation.

Process applied in reviewing the effectiveness of the system of risk management and internal controls

- The Government Internal Audit Agency (GIAA) provides the internal audit services for DSIT.
- For 2024–25, the annual GIAA internal audit opinion on the framework of governance, risk management

and control within DSIT, provided an overall 'moderate' opinion.

- GIAA concluded that DSIT made good progress in establishing a robust governance framework despite challenges from the machinery of government (MOG) change in July 2024. The MOG change expanded DSIT and established the Government Digital Service (GDS), as the digital centre of government. Efforts continue to improve consistency in risk management, reporting, and policies. However, workforce challenges persist. There are complexities in resourcing and leadership uncertainties, including recruitment of a new permanent secretary in 2025–26 and interim senior roles.

- GIAA highlighted that risk management is developing, and senior leaders are engaged and supported by ARAC. However, projects with lower financial values lack formal reporting. This risks inconsistencies and missed opportunities to collaborate. Business continuity planning and enhancing data governance arrangements remain a work in progress.

- There were 61 GIAA recommendations from the 2024–25 internal audit reports. There were 61 GIAA recommendations from the 2023–24 internal audit reports, and all these actions have been closed by GIAA.

Compliance with the HM Treasury Orange Book on the risk control framework

The HM Treasury Orange Book sets out mandatory principles for risk management. Each government organisation must disclose compliance or explain their reasons for departure. DSIT was created 2 years ago and has focused on building fundamental risk management practices. This is shown by improved performance against the Orange Book principles in 2024–25 compared to 2023–24. However, DSIT has not yet fully complied with all 5 principles. The identified gaps are being addressed through structured plans.

Principle A: leadership and governance: risk management shall be an essential part of governance and leadership, and fundamental to how the organisation is directed, managed and controlled at all levels.

- Principle A is partially complied with.

- DSIT has established a Risk and Issues Management framework and a Risk Appetite Statement. Governance committees focussed on the path to bring principal risks into appetite.

- Principal risks are evaluated comprehensively. The findings enhance decision-making processes. Risk information was shared monthly with DRC, quarterly with Exco, quarterly with ARAC, and from January 2025, with the board. The risk team aligned activities and adhered to committee directives through weekly meetings with the governance team.

- The chief risk officer co-chairs the DRC. To fully comply with this principle, we will integrate risk effectiveness assessments into committee reports. The new risk reporting tool will improve access to risk information and effectiveness assessments.

Principle B: integration: risk management shall be an integral part of all organisational activities to support decision making in achieving objectives.

- Principle B is partially complied with.
- Risks are integrated into organisational activities – they are assessed during business case lifecycles, and identified through Exco horizon scanning. However the department lacks consistent evidence of compliance across the department.
- Risk management isn't fully embedded in all activities, nor do we yet routinely include opportunities in our risk identification. Emphasis on risks in strategic planning is growing. Our new risk reporting tool, launching in April 2025, will better link risks to priorities. To fully comply with the principle the risk team will continue to upskill the department to integrate risk management in its work.
- Scenario planning is anticipated for the Exco horizon scan in 2025.

Principle C: collaboration and information: risk management shall be collaborative and informed by the best available information and expertise.

- Principle C is partially complied with.
- Risk information from arm's length bodies (ALBs) is analysed by the partnerships team, who provide insights to Exco and ARAC. The new reporting tool will improve transparency and sharing of information.
- The intranet has a risk portal which is kept updated with the latest risk guidance, templates and training. Engagement with internal stakeholders is supplemented through presentations and discussions with the subject matter experts in the central risk team.
- Assessments on the use of functional standards assessments are commissioned centrally – as part of the commissions for the annual report and also planning for Outline Delivery Plans. There is a gap in evidence of collaboration between internal and external stakeholders on risk management.
- To enable compliance with this principle, risk management between DSIT and ALBs needs improvement. A risk management session with public body Chief Operating Officers and DSIT COO took place during April 2025.

Principle D: risk management processes: risk management shall be collaborative and informed by the best available information and expertise.

- Principle D is not fully complied with however DSIT complies with most of the compliance questions on the risk control framework.

- Annual horizon scans for principal risks are conducted. However, evidence of similar approaches for risk identification at group, directorate or divisional level is limited.
- Risk appetite is set for the department and used for principal and group level risks. The new reporting tool promotes risk appetite usage through specific fields. Key processes are in place, and we are maturing our approach. Documented processes and risk appetite statements comply with the principle.
- Teams are adopting central processes. This will require continued effort for full departmental embedding. The new tool will enhance compliance visibility and reporting capabilities.
- To improve compliance DSIT needs to continue to embed the existing processes and guidance and improve the identification and assessment of interdependencies.

Principle E: Continuous improvement – Risk management shall be continually improved through learning and experience.

- Principle E is not fully complied with yet. DSIT is still integrating cultures from the predecessor department from the 2023 and 2024 machinery of government changes. Foundational elements are being embedded, reviewed annually, and improved with stakeholder feedback. The risk appetite statement is tested against risks, with lessons learned incorporated by December 2025.
- Continuous improvement will complement the increase in risk maturity across the department and an assessment is currently underway to inform a comprehensive risk improvement plan.

Ministerial directions given

Ministerial directions are issued by the Secretary of State. They allow the department to proceed with a spending proposal, where the accounting officer has raised an objection. The accounting officer is accountable to Parliament to ensure that all expenditure meets these standards set out under Managing Public Money (MPM) – regularity, propriety, value for money and feasibility. The accounting officer has a duty to seek a direction if they believe one of these standards has not been met.

There were no ministerial directions issued in DSIT during 2024–25.

Data protection – personal data breaches

Under UK data protection law, a personal data breach is defined as a security incident in which personal data is accidentally lost, destroyed, disclosed to, or accessed by an unauthorised party. Organisations are required to report data breaches to the Information Commissioner's Office (ICO), the UK regulator for data protection compliance – where the breach is likely to result in a

Qiagen, Manchester. Photo by the Department for Science, Innovation and Technology photographer.

risk to individuals' rights and freedoms. This risk could include identity theft, financial loss, discrimination or damage to an individual's reputation.

In 2024–25, DSIT did not report any personal data breaches to the ICO. The data protection team investigates all personal data breaches reported to it. It assesses the risk ofharm, decides whether the breach meets the threshold for ICO reporting and recommends action to prevent reoccurrence.

Governance statement part 3: Oversight of local responsibilities

Application of Business Appointment Rules

How DSIT implements and assesses Business appointment Rules applications

- Business Appointment Rules (BARs) ensure ethical transitions when staff take on new roles after leaving government. Their purpose is to prevent any perception of appointments being rewards for past favours. They protect against employers gaining unfair advantages through privileged government knowledge. They restrict former officials from exploiting insider contacts for personal or professional gain. By following these rules, individuals contribute to maintaining public trust and fairness in both government and the private sector.

- All DSIT staff looking to leave the Civil Service, and staff who have left, must review the BAR policy and discuss with their line manager to decide if they are eligible to complete an application, prior to accepting any new roles.
- For SCS, BARs applies for up to 2 years after leaving the Civil Service. For those below SCS, it applies for up to one year. HR review all departmental BAR applications.
- Once the outcomes are agreed with HR and the line manager, they are communicated to the individual via a letter. It is for the individual to then communicate outcomes to their new employer.

Steps taken to increase awareness of BARS

- To raise awareness, DSIT includes information on BARs on the departmental intranet pages and within the leavers' process.

Table: Statistics on BARs

	Total, of which:	SCS pay band 2	SCS pay band 1	G6	G7	SEO	Special advisers
Number of exits from the Civil Service at SCS level	2	1	1	Not applicable to G6	Not applicable to G7	Not applicable to SEO	Not applicable to special advisers
Number of BARS applications assessed by DSIT over the year	5	1	2	1	1	-	-
Number of BARS applications where conditions were set	5	1	2	1	1	-	-
Number of applications found to be unsuitable for the applicant to take up	-	-	-	-	-	-	-
Number of breaches of the rules in 2024–25	-	-	-	-	-	-	Not applicable to special advisers

Summary statement on compliance with BARs

- In compliance with the BAR, DSIT is transparent in the advice given to individual applications for senior staff. Advice regarding specific business appointments for SCS1 and SCS2 is published quarterly on GOV.UK – https://www.gov.uk/government/collections/DSIT-business-appointment-rules-advice.
- For any SCS3 and ministers leaving the Civil Service, an application is required to be put into the Advisory Committee of Business Appointments (ACOBA) for consideration. The department will be responsible for providing views and suggestions to feed into the considerations.

Effectiveness of our whistleblowing arrangements

Whistleblowing arrangements provide opportunities for staff to raise concerns about something they feel may be wrong.

Internal routes for staff to whistleblow and its effectiveness

- Following the establishment of DSIT as a department, work is still ongoing to harmonise the whistleblowing policies of the former departments. DSIT directed new joiners and former employees of the Department for Business, Energy and Industrial Strategy (BEIS) to use the BEIS whistleblowing policy. DSIT directed former employees of

Vishay Wales. Photo by the Department for Science, Innovation and Technology photographer.

the Department for Digital, Culture and Media and Sport (DCMS) to use the DCMS policy. And DSIT directed former employees of Cabinet Office (CO) to use the CO policy.

- The whistleblowing policies contain process maps to report concerns and escalate within DSIT. DSIT appointed whistleblowing officers, who were deputy directors or directors to ensure whistleblowers felt empowered. DSIT also held a 'Speak Up' campaign to promote awareness of whistleblowing, and reassure staff that all concerns will be taken seriously.
- The 2024 People Survey, as in 2023, highlighted that the majority of DSIT employees had confidence that any concerns raised under the Civil Service Code would be properly investigated.
- DSIT did not receive any whistleblowing reports via the internal route.

External routes for staff to whistleblow and its effectiveness

- The former BEIS, DCMS and CO whistleblowing policies also include routes to raise a concern outside of the department through a whistleblowing hotline and Civil Service Commission. These routes form a part of the policy and process maps and escalation routes.
- DSIT did not receive any whistleblowing reports via the external route.

Fraud and bribery

- Reports of fraud and bribery made directly to the DSIT counterfraud function in ICS could potentially be whistleblowing. In this case, the concern will be referred to the DSIT HR team, and it will follow the whistleblowing policy, which offers the individuals protection.
- In 2024–25, the department received no whistleblowing reports made directly to the counterfraud function. This was the same in 2023–24. This is due to the creation of reporting routes direct to enforcement partners – such as the Insolvency Service or National Investigation Service.

Quality assurance of analytical models

We use analytical models to inform policymaking, evaluation and operations. We quality assure these models to ensure they are fit for purpose, and comply with the government's Analytical Quality Assurance (AQUA) Book.

The department has 19 business-critical models. As of March 2025, 13 of the 19 models had been quality assured. Plans are in place to achieve quality assurance across all models. DSIT is establishing a monitoring system where models are quality assured proportionately to reflect the level of risk and complexity.

The department also provide quality assurance governance support to DSIT public bodies undertaking modelling. This is to ensure they have quality assurance processes which are compliant with the AQUA Book.

Use of functional standards

Government Functional Standards are ways of working for functions that are consistent with each other and across government. Functions include finance, human resources, digital, project delivery, and others. They support efficient and effective delivery of public services. All departments and their arm's length bodies are required to use these standards. In 2024–25 compliance assessments were conducted for all functional standards. Where areas for improvement were identified these have been built into business plans.

Shared services

- The Integrated Corporate Services (ICS) is a shared service provider serving DSIT, Department for Energy, Security and Net Zero (DESNZ). and the Department for Business and Trade (DBT). It provides corporate services to DSIT across HR, Finance, Digital, Security, Estates and Commercial.
- The ICS oversight board is co-chaired by the DSIT director general for corporate services and includes DSIT functional directors. It meets every fortnight and provides quarterly updates to the DSIT executive committee.

National Audit Office reports and the Public Accounts Committee

The National Audit Office (NAO) produces reports on departments' public spending and assesses the value for money. For some of these reports, the Public Accounts Committee (PAC) require departments to provide an oral briefing.

The NAO finalised 3 reports in 2024–25.

- The National Space Strategy and the UK Space Agency (23 July 2024).
- DSIT 2023–24 departmental overview (19 November 2024).
- Government's approach to technology suppliers: addressing the challenges (16 January 2025).

DSIT provides responses to NAO recommendations, which are published on the NAO website – NAO recommendations tracker.

In 2024–25, the PAC held evidence sessions with oral briefings from DSIT officials, on 4 NAO reports.

- Supporting mobile connectivity.
- Use of AI in Government.
- Government's relationship with digital technology suppliers.
- Government cyber resilience.

DSIT provides responses to the PAC after each hearing via the HM Treasury minutes, and twice a year via the Treasury minutes progress report.

Launch of the NPIP Total Body Scanner at St. Thomas' Hospital, London. Photo by the Department for Science, Innovation and Technology photographer.

Management of outside interests

Managing outside conflicts of interests of board members

- This is covered in the directors' report above on page 65.

Managing outside conflicts of interests of staff, including senior civil servants

- DSIT has a Conflicts of Interest (COI) policy which applies to all individuals working with DSIT. This includes permanent and fixed-term staff, secondees, contractors, consultants, temporary agency staff, and non-executive directors. It sets out procedures for declaring and managing any actual or perceived conflicts. In addition, the DSIT new starter checklist includes a requirement to explain and clarify conflicts of interests. This ensures new joiners are informed as part of their onboarding process.
- Staff must make declarations once they are aware a conflict of interest may exist. Line management must then review the declaration and agree mitigating actions. All declarations must be submitted to the DSIT partnerships team via the central email account for recording and oversight. The partnerships team is responsible for managing the

declarations database and offering advice on appropriate mitigations.

- Staff must ensure that declarations are kept up to date throughout the year, not just during the annual review.
- The department recognises 8 categories of potential conflict: 1) sources of remuneration, 2) contracts, 3) shares and securities, 4) houses, land, and buildings, 5) gifts and hospitality, 6) non-financial interests, 7) related party interests, 8) other perceived conflicts.
- All senior civil servants (SCS) are required to fill in a conflicts of interest declaration form every year. Nil returns should also be declared. The forms are reviewed by the partnerships team and reported to the Cabinet Office.
- Departments must publish on GOV.UK, details of any paid outside employment held by SCS and agreed as part of the process for declaration and management of outside interests. The weblink must be included in the annual report.
- For 2024–25 there are no SCS declarations of paid outside employment.

Special advisers' conflicts of interest

- Special advisers are temporary civil servants and subject to similar requirements, including declaring relevant interests on appointment. Departments must publish relevant interests for special advisers in or alongside their ARA.
- In line with the current 'Declaration of Interests' policy for special advisers, all special advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. The permanent secretary has considered these returns and the following relevant interests are set out in public:

Full name	Details of interest
Darren Murphy	Doctoral researcher at the University of Birmingham
Nicola Barlett	Local Councillor for the West Green Ward at Haringey Borough Council

Governance of DSIT public bodies

Public bodies could be arm's length bodies (ALBs), public corporations or unclassified bodies.

In 2024–25, DSIT had responsibility for 14 public bodies. During the year, legislative action commenced to close Phone-Paid Services Agency (PSA) and transfer the functions to Ofcom from 1 February 2025. The PSA's final accounts will cover the period up to the end of January 2025.

Table: DSIT public bodies in 2024–25

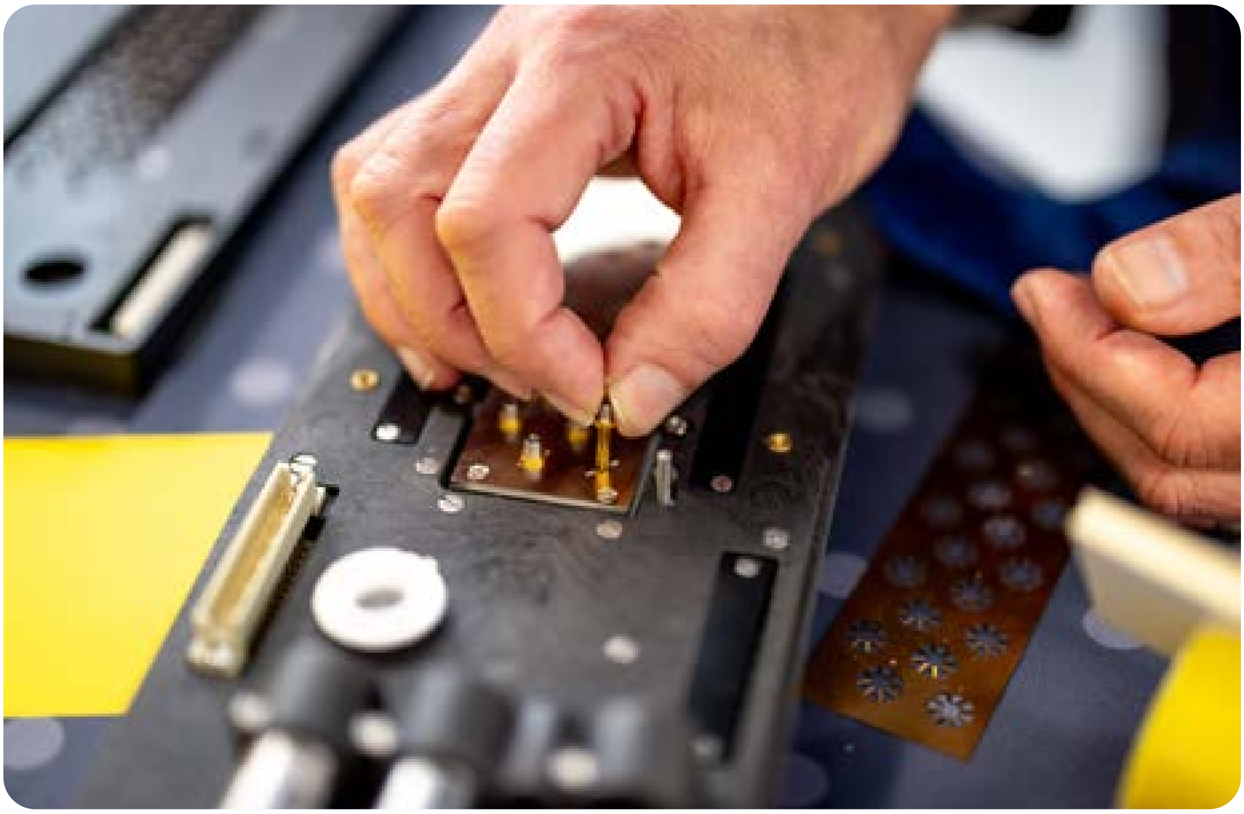
DSIT public bodies	Organisations	Number of organisations
ALBs: Executive agencies	Building Digital UK (BDUK), Intellectual Property Office (IPO), Met Office, UK Space Agency (UKSA)	4
ALBs: Non-departmental public bodies (NDBP)	Advanced Research and Invention Agency (ARIA), British Technology Investments (BTI,) Copyright Tribunal (CT), Information Commissioner's Office (ICO) UK Shared Business Services Ltd (UKSBS) UK Research and Innovation (UKRI)	6
Public corporations	National Physical Laboratory (NPL), Ordnance Survey (OS)	2
Unclassified bodies	Ofcom, Phone-paid Services Authority (PSA)	2

Note

This list of entities is regulated by the Cabinet Office. However, the entities considered for the DSIT group within the financial statements are regulated by the ONS. They are a different set of entities. The financial statements are based on ONS classifications.

DSIT held lead policy responsibility over the Met Office and IPO during the year; both of these bodies are public non-financial corporations that lie outside the DSIT boundary.

Photonic technology used by Yelo as part of Smart Nano NI at Queen's University Belfast. Photo by the Department for Science, Innovation and Technology photographer.



Governance

Ministers usually appoint the chair and the non-executive directors of the public bodies. Each public body has its own independent board and governance structures. They also publish separate accounts.

Each public body has a designated senior sponsor in DSIT. The senior sponsor oversees strategic engagement with the body. They are supported by policy sponsors within relevant policy teams who lead the day-to-day relationship with public bodies.

The DSIT Permanent Secretary, chairs of public bodies, and CEOs met to discuss strategic priorities and cross-cutting governance issues. There were also meetings between DSIT's chief operating officer and those of the public bodies.

Public bodies reported their full risk registers and significant risks to DSIT. A summary of these are reviewed by DRC and ARAC. Senior sponsors led quarterly meetings with the public body to review risk and performance. They also oversee the chair's annual appraisal.

Sponsors usually attend boards of public bodies as observers and may also attend their ARAC meetings.

Governance assurance process

A Governance Assurance Panel (GAP) was held for each director general group to reflect on the effectiveness of governance arrangements, risk management and internal controls. The results of these panel meetings were reported to the ARAC who then provided independent assurance to the board and permanent secretary. Overall, the 2024–25 GAP exercise concluded that governance structures are operating effectively in DSIT and where issues have been identified there is an action plan in place.

Accounting officer's conclusion

I have considered the evidence provided regarding the annual governance statement and the independent assurance provided by ARAC. Overall, I am satisfied that the department has set up an appropriate system of internal control and risk management during this reporting period to improve and adapt its governance arrangements considering the needs and responsibilities of the department as well as the risks being managed. This work will continue as the department matures.

Sarah Munby
Permanent Secretary and Principal Accounting Officer
30 June 2025

Staff and remuneration report

Staff report

Staff composition as at 31 March 2025

Numbers for staff composition are based on headcount on payroll. This aligns with staff numbers in the Annual Civil Service Employee Survey (ACSES) publication.

Table: Gender

	2025	2024
All staff	**2,319**	**2,069**
Of which men	48%	48%
Of which women	52%	52%
Senior civil servants	**138**	**128**
Of which men	44%	41%
Of which women	56%	59%
Senior officials on departmental board	**13**	**11**
Of which men	4	8
Of which women	9	3

Table: Disability

	2025	2024
No	78%	80%
Yes	16%	13%
Prefer not to say	7%	6%
Declaration rate	59%	51%

Table: Ethnicity

	2025	2024
White	75%	73%
BAME	21%	23%
Prefer not to say	4%	4%
Declaration rate	72%	61%

Table: Sexual orientation

	2025	2024
Straight	75%	77%
LGBO	13%	12%
Prefer not to say	11%	11%
Declaration rate	71%	60%

Diversity and inclusion

Inclusion is a priority for the department to ensure that we have a workforce that reflects the communities we serve in order to better serve citizens. This last year we have:

- Commenced priority inclusion activities, for example we have a key focus on increasing diversity declarations to ensure we continue to make data driven and evidence-based decisions. We remain aligned to the Civil Service D&I Strategy

2022–25, Declaration of Government Reform, and Inclusive Britain.

- Championed and sustained the development of staff network contributions to inclusion in line with the Civil Service D&I Strategy 2022–25.
- Continued to take forward work as a Disability Confident Leader, and started work in preparation for Carers Confident accreditation.
- Promoted and supported PSED requirements across the department through regular consultation, publishing internal guidance and continued to develop our Public Sector Equality Duty (PSED) objectives working with the Equality and Human Rights Commission.
- Achieved a high 'inclusion and fair treatment' score of 81% in the Civil Service People Survey 2024.

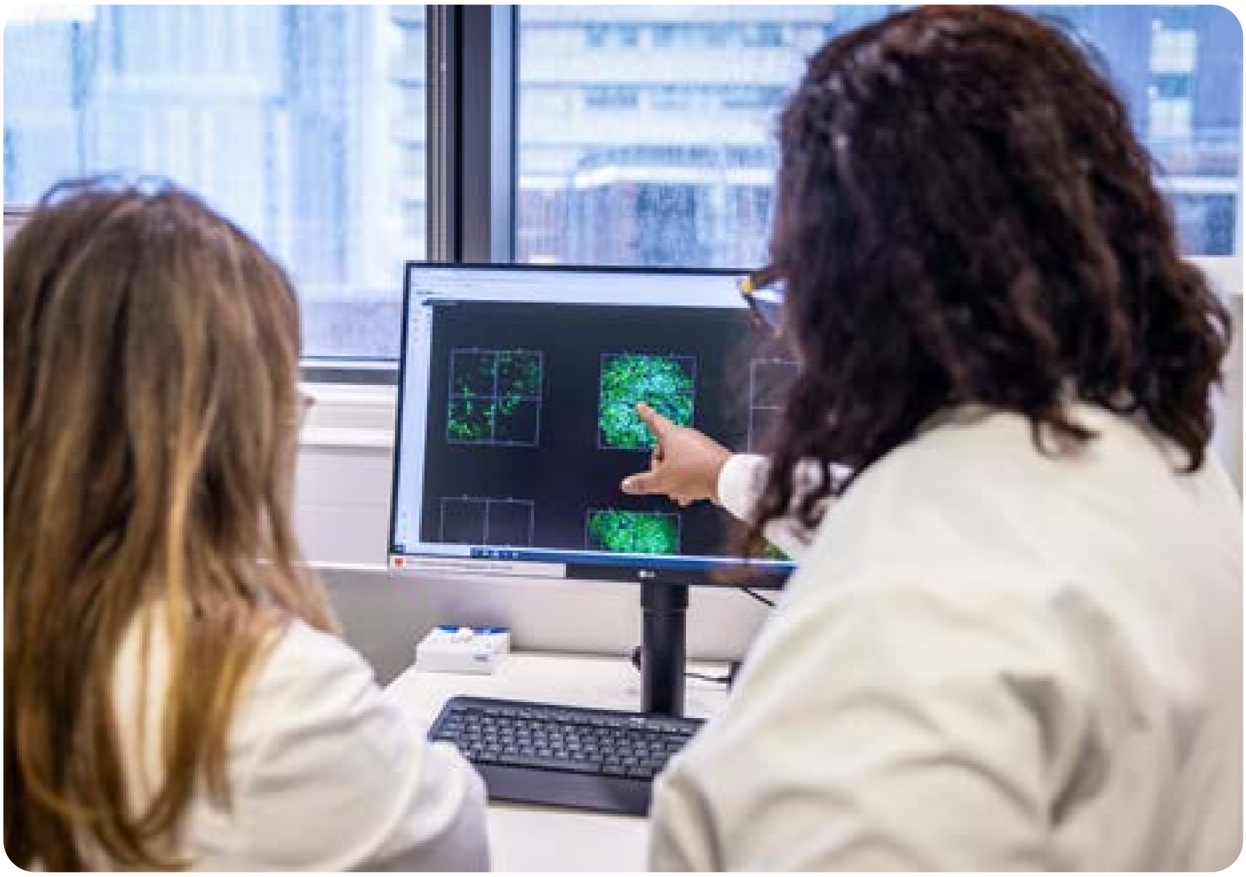
Sickness absence data

	2024–25	2023–24
Average working days lost to sickness absence	3.7	2.2

Note

In 2023–24, the 2.2 was for the period August 2023 to March 2024, which was 8 months of the year. DSIT was created in February 2023, but DSIT records began in August 2023.

PharosAI helping cancer research, London. Photo by the Department for Science, Innovation and Technology photographer.



Staff turnover percentage

Table: Staff turnover percentage

	DSIT core dept 2024–25	DSIT core dept 2023–24	Civil service 2023–24 (bench mark)
Turnover (Those who left the core department and did not stay within the Civil Service)	6.3%	5.7%	7.5%
Departmental turnover (Those who left the core department but stayed within Civil Service.)	13.6%	13.8%	-

Notes

- 2023–24 Civil Service wide turnover rate of 7.5%: This can be found in the published report: Civil Service Statistics 2024

Staff engagement scores

	2024–25	2023–24
Engagement score	61%	60%

- DSIT People Survey 2024 was open from 19 September to 13 October 2024, and the response rate was 88%.
- The staff engagement index score was 61%. This is 3 percentage points lower than the Civil Service average and 1 percentage point higher than DSIT's 2023 score.
- The lowest scoring areas were on pay and benefits (29%), learning and development (51%), and leadership and managing change (55%).
- The highest scoring areas were on my manager being considerate of my life outside work (90%), interest in my work (87%), and team reliability during difficult times (87%).
- Directors are encouraged to analyse the scores locally and take actions to improve engagement within their teams. This is then supported by cross-cutting actions in response to departmental priorities at organisational level.

Staff policies for disabled persons

Applications for employment

- We are accredited under the Disability Confident Leader scheme.

Continuing employment

- We offer reasonable adjustments, where practical, for both office and home working.
- We support staff who are disabled or have long-term health conditions by carrying out assessments, providing equipment and training.
- We work closely with our disability staff network.

Training, career development and promotion

For individuals who declare themselves as having a disability, we support and encourage them to engage with any process related to training, career development and promotion by ensuring the offer of reasonable adjustments is actively communicated and delivered at the right time.

Trade union facility time

Facility time is paid time off given to employees who are recognised Trade Union representatives to perform their related duties. Trade Union duties are work or training directly related to supporting the workforce.

Trade Union activities (different to duties) relate to internal trade union business. A small amount of paid time may exceptionally be permitted for Trade Union Activities at an employer's discretion. Executive Agencies permitted a minimal amount of time to be spent on trade union activities in 2024.

Table: Trade union facility time

	DSIT core	BDUK	UKSA	IPO	Met Office	Total
Relevant union officials Number of employees who were relevant union officials	8	1	2	31	18	**60**
Number of relevant union officials by working hours spent on facility time: 0% of working hours	-	-	-	4	-	**4**
Number of relevant union officials by working hours spent on facility time: 1–50% of working hours	8	1	2	27	18	**56**
Number of relevant union officials by working hours spent on facility time: 51–99% of working hours	-	-	-	-	-	**-**
Number of relevant union officials by working hours spent on facility time: 100% of working hours	-	-	-	-	-	**-**

	DSIT core	BDUK	UKSA	IPO	Met Office	Total
Spend on facility time Percentage of the total pay bill spent on facility time [(total cost of facility time ÷ total pay bill) x 100]	0.045%	0.01%	0.25%	0.08%	0.05%	**0.06%**
Time on paid trade union activities Time spent on paid trade union activities as a % of total paid facility time hours	0.00%	0.00%	0.0%	0.50%	12%	**-**

Notes

- Time on paid trade union activities: Negligible time spent on paid TU activities.

Health and safety at work

We continued to provide a safe work environment. We ensured staff had the correct equipment and training to carry out their duties safely, both in the office and working from home.

In 2024–25, there were no reported accidents within 'Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013'.

The wellbeing offer during the year included:

- stress management guidance
- resilience and mental health training
- health, wellbeing and disability campaigns
- access to the Employee Assistance Programme for confidential counselling
- over 71 trained Mental Health First Aiders
- staff networks to provide peer support

Number of senior civil servants by pay band

The table below shows the number of senior civil servants (SCS) grouped by pay band.

SCS numbers are measured as at 31 March and exclude inactive workers such as those on maternity leave and outward loans.

Table: Number of senior civil servants by pay band

Pay band	Number of SCS as at 31 Mar 2025	Restated Number of SCS as at 31 Mar 2024
SCS 1	133	112
SCS 2	35	35
SCS 3	6	6
Permanent Secretary	2	2
Total	**176**	**155**

Staff numbers

This is audited information.

Staff numbers are the average number of full-time equivalent persons employed during the year. Staff numbers include active workers and exclude inactive workers such as those on maternity leave and outward loans.

Due to the MOG change prior year balances have been restated in accordance with transfer by merger principles to aid comparability. The MOG change expanded DSIT and established the Government Digital Service (GDS).

Table: Staff numbers

	2024–25 Permanent employed staff	2024–25 Others	2024–25 Ministers	2024–25 Special advisers	2024–25 Total	2023–24 restated Total
Core dept	2,829	137	5	3	**2,974**	2,576
Agencies	574	26	-	-	**600**	627
Non departmental public bodies (NDPBs) and other designated bodies	11,734	1,785	-	-	**13,519**	13,129
Total	15,137	1,948	5	3	**17,093**	16,332
Of which: core dept and agencies	3,403	163	5	3	**3,574**	3,203
Of which: NDPBs and other designated bodies	11,734	1,785	-	-	**13,519**	13,129
Total	**15,137**	**1,948**	**5**	**3**	**17,093**	**16,332**

Staff costs

This is audited information.

Table: Staff costs

	2024–25 Permanent employed staff £m	2024–25 Others £m	2024–25 Total £m	2023–24 Permanent employed staff £m	2023–24 Others £m	2023–24 restated Total £m
Wages and salaries	853	93	**946**	773	119	**892**
Social security costs	99	-	**99**	87	-	**87**
Other pension costs	207	-	**207**	181	-	**181**
Sub total	**1,159**	**93**	**1,252**	**1,041**	**119**	**1,160**
Less recoveries in respect of outward secondments	(1)	-	**(1)**	(1)	-	**(1)**
Total net costs	**1,158**	**93**	**1,251**	**1,040**	**119**	**1,159**
Of the total: Core dept and agencies	278	37	**315**	236	54	**290**
Of the total: NDPBs and other designated bodies	880	56	**936**	804	65	**869**
Total net costs	**1,158**	**93**	**1,251**	**1,040**	**119**	**1,159**

Staff costs – others

‘Others’ in the table above includes ministers’ total net costs of £215,690 (2023–24: £151,737).

Table: Staff costs capitalised

	2024–25 DSIT group	2023–24 restated DSIT group
Number of employees engaged on capital projects	701	560
Capitalised staff costs	50,968,899	38,178,607

Staff severance costs

Staff severance costs are included in ‘wages and salaries’ in the staff costs table. For further details see disclosures on exit packages below.

Staff costs – pensions

Principal civil service pension scheme

The principal civil service pension scheme (PCSPS) and the civil servant and other pension scheme (CSOPS), known as 'alpha', are an unfunded multi-employer defined benefit scheme in which the department is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2020. Further details can be found in the resource accounts of the Cabinet Office Civil Superannuation:

www.civilservicepensionscheme.org.uk/about-us/resource-accounts/.

For 2024–25, employer contributions of £124,272,091 were payable to the PCSPS (2023–24: £99,253,496) at one of four rates in the range 26.6% to 30.3% (2023–24: 26.6% to 30.3%) of pensionable pay, based on salary bands.

The scheme's actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024–25 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £1,433,680 (2023–24: £1,065,782) 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 £8,501 (2023–24: £6,184), 0.5% (2023–24: 0.5%) were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to/(from) the partnership pension providers as at 31 March 2025 were £72,832 (2023–24: £62,865). Contributions prepaid at that date were £nil (2023–24: £nil).

Ill-health retirement

In 2024–25, 10 persons (2023–24: 5 persons) across the DSIT group retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £nil (2023–24: £nil).

Other pension schemes

Employer contributions to other pension schemes in 2024 –25, amounted to £84,006,173 (2023–24: £80,876,622). Employer contributions include employers' contributions, current service costs and, where appropriate, past service costs of funded pension schemes. Further details can be found in the accounts of the department's NDPBs and other designated bodies. A list of these bodies is provided in note 24 on page 232.

Consultancy and temporary staff expenditure

Consultants are hired to work on projects in specific situations:

- where the department does not have the skill set required
- where the requirement falls outside the core business of civil servants
- where an external, independent perspective is required

When used appropriately, consultancy can be a cost effective and efficient way of getting the temporary and skilled external input that the department needs. We are committed to the consistent application of the Cabinet Office's 2010 and 2024 controls on consultancy and other spending.

Table: Expenditure on consultancy and temporary staff expenditure

	2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 restated Core dept & agencies £m	2023–24 restated DSIT group £m
Consultancy expenditure	52	54	26	28
Temporary staff expenditure	36	93	54	119

Temporary staff

Also detailed under staff costs in note 3 to the accounts on page 176.

Off-payroll engagements

Off-payroll engagements refer to workers who are paid off-payroll, without deducting tax and national insurance at source, typically contractors.

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

	Core dept	Agencies	Arm's length bodies
No. of existing engagements as of 31 Mar	**119**	**25**	**280**
Less than 1 year	33	12	91
Between 1 and 2 years	54	12	62
Between 2 and 3 years	15	1	61
Between 3 and 4 years	12	0	30
Four or more years	5	0	36

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

	Core dept	Agencies	Arm's length bodies
No. of temporary off-payroll workers engaged during the year ended 31 Mar	**119**	**30**	**466**
Not subject to off-payroll legislation	0	0	30
Subject to off-payroll legislation and determined as in-scope of IR35	96	29	395
Subject to off-payroll legislation and determined as out-of-scope of IR35	23	1	41
Total	**119**	**30**	**466**
No. of engagements reassessed for compliance or assurance purposes during the year	0	1	11
Of which: No. of engagements that saw a change to IR35 status following review	0	1	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

	Core dept	Agencies	Arm's length bodies
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0	0	2
Total no. of individuals on payroll and off-payroll that have been deemed 'board members and/or senior officials with significant financial responsibility', during the financial year.	33	19	52

Note

Core total no. of individuals on payroll and off-payroll that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year is made up of 12 non-executive directors, 10 ministers and 11 senior officials.

Details of the exceptional circumstances that led to the off-payroll engagement of board members/senior officials with significant financial responsibility.

UKRI: An individual was appointed as interim Chief People Officer in March 2022, following the departure of the previous on-payroll position holder. The contract was extended in March 2023 into 2024–25, as UKRI is at a critical delivery point for a number of key people-led programmes that demand continuity of service and a high degree of expertise to ensure impactful delivery. This individual left the post in January 2025 and was replaced with another interim Chief People Officer.

Exit packages

This is audited information.

Exit packages refer to Civil Service and other compensation schemes.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972.

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 table below shows the total cost of exit packages agreed and accounted for in 2024–25. £6,737,934 exit costs were paid in 2024–25, the year of departure (2023–24: £1,066,658).

Table: Number and costs of exit packages

	2024–25 Number of compulsory redundancies	2024–25 Number of other departures agreed	**2024–25 Total number of exit packages by cost band**	2023–24 restated Number of compulsory redundancies	2023–24 restated Number of other departures agreed	**2023–24 restated Total number of exit packages by cost band**
Less than £10,000	-	13	**13**	2	10	**12**
£10,000–£25,000	2	36	**38**	3	12	**15**
£25,000–£50,000	3	32	**35**	4	5	**9**
£50,000–£100,000	1	53	**54**	-	5	**5**
£100,000–£150,000	-	4	**4**	-	-	**-**
£150,000–£200,000	-	1	**1**	-	-	**-**
Total number	**6**	**139**	**145**	**9**	**32**	**41**
Of which: core dept & agencies	1	3	**4**	-	3	**3**
Of which: NDPBs and other designated bodies	5	136	**141**	9	29	**38**
Total cost (£)	**207,286**	**6,655,119**	**6,862,405**	**205,704**	**781,720**	**987,424**
Of which: core dept & agencies	19,448	273,515	**292,963**	-	157,305	**157,305**
Of which: NDPBs and other designated bodies	187,838	6,381,604	**6,569,442**	205,704	624,415	**830,119**

Staff redeployments

The table below shows the number of staff loaned and hosted as at 31 March 2025.

Staff loaned are staff permanently employed by the core department, who were on loan to another organisation. If the core department paid the cost as the home department, short-term costs were charged to the administration budget.

Staff hosted are those attached to the core department, who were on loan from other organisations. If the core department paid the cost as the host department, short-term costs were charged to the administration budget.

The department does not currently hold information centrally to support the disclosure of average likely durations of redeployments.

Table: Loans in

	Short term Non-payroll	Short term Payroll	Short term Total	Longer term Non-payroll	Longer term Payroll	Longer term Total
EO	2	-	**2**	-	-	**-**
HEO	4	1	**5**	-	15	**15**
SEO	7	1	**8**	1	17	**18**
G6	7	1	**8**	3	33	**36**
G7	13	2	**15**	2	49	**51**
SCS 1	5	1	**6**	-	12	**12**
SCS 2	2	-	**2**	-	2	**2**
Total	**40**	**6**	**46**	**6**	**128**	**134**

Loans out

	Short term Non-payroll	Short term Payroll	Short term Total	Longer term Non-payroll	Longer term Payroll	Longer term Total
EO	-	-	**-**	3	-	**3**
HEO	-	-	**-**	16	-	**16**
SEO	-	1	**1**	16	3	**19**
G6	-	-	**-**	4	1	**5**
G7	-	-	**-**	10	8	**18**
SCS 1	-	1	**1**	4	1	**5**
Total	**-**	**2**	**2**	**53**	**13**	**66**

Remuneration report

Service contracts

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

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

Further information about the work of the Civil Service Commission can be found at

www.civilservicecommission.org.uk

Remuneration policy

Remuneration policy for ministers

Remuneration of ministers is determined in accordance with the provisions of the Ministerial and other Salaries Act 1975 (as amended by The Ministerial and other Salaries Order 1996) and the Ministerial and other Pensions and Salaries Act 1991.

Remuneration policy for executive directors

The Senior Salaries Review Body provides independent advice to the Prime Minister on the remuneration of senior civil servants. The review body considers economic considerations such as local variations in labour markets and funds available to departments. Further information about the work of the review body can be found at

https://www.gov.uk/government/organisations/review-body-on-senior-salaries.

Remuneration (salary, benefits in kind and pensions)

This is audited information.

Table: single total figure of remuneration: ministers

Salary FYE stands for 'full year equivalent'.

	2024–25 Salary £	Severance payment	2024–25 Pension benefits (nearest £1,000)	2024–25 Total (nearest £1,000)	2023–24 Salary £	Severance payment	2023–24 Pension benefits (nearest £1,000)	2023–24 Total (nearest £1,000)
Secretary of State Rt Hon Peter Kyle MP (from 5 Jul 2024)	49,903 (FYE: 67,505)	-	13,000	**63,000**	-	-	-	**-**
Secretary of State Rt Hon Michelle Donelan MP (to 5 Jul 2024)	17,784 (FYE: 67,505)	16,876	4,000	**39,000**	67,505	-	18,000	**86,000**
Minister of state Sir Chris Bryant MP (from 8 Jul 2024)	23,419 (FYE: 31,680)	-	6,000	**29,000**	-	-	-	**-**
Minister of state Lord Patrick Vallance (from 5 Jul 2024)	60,238 (FYE: 81,485)	-	15,000	**75,000**	-	-	-	**-**
Minister of state Julia Lopez MP (to 5 Jul 2024)	-	-	-	**-**	-	-	-	**-**
Minister of state Andrew Griffith MP (from 13 Nov 2023 to 5 Jul 2024)	-	-	-	**-**	-	-	-	**-**
Parliamentary under-secretary of state Feryal Clark (from 9 Jul 2024)	16,541 (FYE: 22,375)	-	4,000	**21,000**	-	-	-	**-**

	2024-25 Salary £	Severance payment	2024-25 Pension benefits (nearest £1,000)	2024-25 Total (nearest £1,000)	2023-24 Salary £	Severance payment	2023-24 Pension benefits (nearest £1,000)	2023-24 Total (nearest £1,000)
Parliamentary under-secretary of state Baroness Jones of Whitchurch (from 9 Jul 2024)	-	-	-	**-**	-	-	-	**-**
Parliamentary under-secretary of state Viscount Camrose (to 5 Jul 2024)	-	-	-	**-**	-	-	-	**-**
Parliamentary under-secretary of state Saqib Bhatti MP (from 13 Nov 2023 to 5 Jul 2024)	5,894 (FYE: 22,375)	5,593	1,000	**12,000**	8,577 (FYE: 22,375)	-	2,000	**11,000**

Notes

- Salary information excludes employers' National Insurance contributions. None of the ministers of the department received benefits in kind during the year. Minsters in the House of Commons are remunerated on a different basis to those in the House of Lords as explained in notes to the remuneration report.
- The value of pension benefits accrued during the year is calculated as (real increase in pension multiplied by 20) less (contributions made by the individual). Real increase excludes increases due to inflation or any increase or decrease due to transfer of pension rights.
- **Rt Hon Michelle Donelan MP:** Minister on Leave from 28 April to 20 July 2023. Her role was covered by Rt Hon Chloe Smith MP during this time.
- **Sir Chris Bryant MP:** has a joint role with DSIT & Department for Culture, Media and Sport (DCMS), which is paid for by DSIT.
- **Julia Lopez MP:** had a joint role with DSIT and DCMS, which was paid for by DCMS. From 9 May 2023 to 20 December 2023 she was a minister on leave and her role was covered by Rt Hon John Whittingdale MP.
- **Andrew Griffith MP and Viscount Camrose:** were not paid for their ministerial roles.
- **Baroness Jones of Whitchurch:** has an unpaid joint role with DSIT and Department for Business and Trade. She is paid by HM Treasury for her role as Baroness in Waiting (Government Whip).

Table: Single total figure of remuneration: Officials

	2024–25 Salary £'000	2024–25 Bonus £'000	2024–25 Pension nearest £1,000	2024–25 Total £'000	2023–24 Salary £'000	2023–24 Bonus £'000	2023–24 Pension nearest £1,000	2023–24 Total £'000
Permanent secretary Sarah Munby	180–185	-	70	**250–255**	170–175	-	67	**240–245**
Director general Freya Guinness	165–170	5–10	65	**240–245**	160–165	0–5	62	**225–230**
Director general Alexandra Jones (from 15 May 2023)	135–140	5–10	47	**190–195**	110–115 (FYE: 125–130)	5–10	50	**170–175**
Director general Emran Mian (from 1 Aug 2023)	135–140	10–15	64	**215–220**	85–90 (FYE: 130–135)	-	63	**150–155**
Government chief scientific adviser Angela McLean	205–210	-	81	**290–295**	195–200	-	77	**275–280**
National technology adviser Dave Smith (from 1 Oct 2023)	140–145	0–5	54	**195–200**	65–70 (FYE: 130–135)	-	27	**90–95**
Strategic finance director Jessie Mitchell (from 20 Sep 2023)	75–80	5–10	31	**115–120**	35–40 (FYE: 70–75)	5–10	15	**60–65**
Strategic finance director Leah Sparks (from 20 Sep 2023)	100–105	5–10	43	**150–155**	50–55 (FYE: 95–100)	5–10	19	**75–80**

	2024–25 Salary £'000	2024–25 Bonus £'000	2024–25 Pension nearest £1,000	2024–25 Total £'000	2023–24 Salary £'000	2023–24 Bonus £'000	2023–24 Pension nearest £1,000	2023–24 Total £'000
Strategy and implementation director Joanna Cavan (from 1 May 2024)	130–135 (FYE: 145–150)	-	83	**215–220**	-	-	-	**-**
Government chief digital officer Joanna Davinson (from 9 Dec 2024)	30–35 (FYE: 100–105)	0–5	13	**45–50**	-	-	-	**-**
Government chief technology officer David Knott (1 Oct to 8 Dec 2024)	30–35 (FYE: 165–170)	-	12	**40–45**	-	-	-	**-**
Government chief product officer Christine Bellamy (from 8 Jul 2024)	115–120 (FYE: 155–160)	5–10	40	**160–165**	-	-	-	**-**

Notes

- **Salary:** None of the board members received benefits in kind during the year.
- **Pension benefits (to nearest £1000):** 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 decreases due to a transfer of pension rights.
- Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Single total figure of remuneration

This is standardised text copied from the 'Employee Pension Notices' (EPN).

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts. In respect of Ministers in the House of Commons, departments bear only the cost of the additional Ministerial remuneration; the salary for their services as an MP £91,346 (from 1 April 2024) and various allowances to which they are entitled are borne centrally. However, the arrangement for Ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their Ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the Department, and is therefore shown in full in the figures above.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HM Revenue and Customs as a taxable emolument. Minister 1 received living accommodation provided at public expense and chargeable to tax under s163 of the Income and Corporation Taxes Act 1988. The Permanent Secretary had the private use of an allocated car in the circumstances permitted by the Civil Service Management Code.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. The bonuses reported in 2024–25 relate to end of year performance awards in 2023–24 and some in year awards. The bonuses reported in 2023–24 relate to end of year performance awards in 2022–23 and some in year awards.

Fair pay

This is audited information.

The disclosures below show the relationship between the remuneration of the highest-paid director and the remuneration of the total workforce.

The banded remuneration of the highest-paid director in DSIT in 2024–25 was £205,000–£210,000 (2023–24: £195,000–£200,000). This was 3.5 times the median remuneration of the workforce (2023–24: 3.5 times), which was £59,379 (2023–24: £55,805).

In 2024–25, 23 (2023–24: 3) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £22,375 to £259,896 (2023–24: £23,610–£364,000).

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

Table: Percentage change in remuneration between 2024–25 and 2023–24

	Highest paid director	Staff average
Salary and allowances	+5.1%	+13.5%
Performance pay & bonuses	Nil	-28.8%

Table: Remuneration of highest paid director vs workforce at lower quartile, median, and upper quartile

	2024–25 Lower quartile	2024–25 Median	2024–25 Upper quartile	2023–24 Lower quartile	2023–24 Median	2023–24 Upper quartile
Workforce salary	42,495	58,040	62,738	36,860	52,715	58,232
Workforce total pay & benefits (includes salary, non-consolidated performance related pay and benefits)	44,557	59,379	66,974	39,468	55,805	62,420
Ratio: highest paid director to workforce total pay and benefits	4.7 to 1	3.5 to 1	3.1 to 1	5.0 to 1	3.5 to 1	3.2 to 1

Pension benefits

This is audited information.

Table: Pension benefits: Ministers

	Pension benefits at age 65 as at 31 Mar 2025 £'000	Real increase in pension at age 65 £'000	CETV at 31 Mar 2025 £'000	CETV at 31 Mar 2024 £'000	Real increase in CETV £'000
Secretary of State Rt Hon Peter Kyle MP (from 5 Jul 2024)	0–5	0–2.5	15	-	9
Secretary of State Rt Hon Michelle Donelan MP (to 5 Jul 2024)	0–5	0–2.5	58	53	2
Minister of State Sir Chris Bryant MP (from 8 Jul 2024)	0–5	0–2.5	31	23	5
Minister of State Lord Patrick Vallance (from 5 Jul 2024)	0–5	0–2.5	22	-	15
Minister of State Julia Lopez MP (to 5 Jul 2024)	-	-	-	-	-
Minister of State Andrew Griffith MP (from 13 Nov 2023 to 5 Jul 2024)	-	-	-	-	-
Parliamentary Under-Secretary of State Feryal Clark MP (from 9 Jul 2024)	0–5	0–2.5	4	-	2
Parliamentary Under-Secretary of State Baroness Jones of Whitchurch (from 9 Jul 2024)	-	-	-	-	-
Parliamentary Under-Secretary of State Viscount Camrose (to 5 Jul 2024)	-	-	-	-	-
Parliamentary Under-Secretary of State Saqib Bhatti MP (from 13 Nov 2023 to 5 Jul 2024)	0–5	0–2.5	3	2	1

Notes

- Where ministers joined or left during the year, their CETV opening or closing amounts are as at their joining or leaving dates.
- Julia Lopez MP: Paid by Department for Culture, Media and Sport (DCMS). Pension details will be disclosed in the DCMS 2024–25 annual report and accounts.
- Andrew Griffith MP and Viscount Camrose: were not paid for their ministerial roles.
- Baroness Jones of Whitchurch: has an unpaid joint role with DSIT and Department for Business and Trade.

Pension benefits: ministers

This is standardised text copied from the 'Employee Pension Notices' (EPN).

Ministerial pensions

Pension benefits for Ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute and the rules are set out in the Ministers' etc. Pension Scheme 2015, available at

https://mypcpfpension.co.uk/wp-content/uploads/2019/09/ministerial-pension-scheme-rules.pdf.

Those Ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report).

Benefits for Ministers are payable from State Pension age under the 2015 scheme. Pensions are re-valued annually in line with Pensions Increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings.

The figure shown for pension value includes the total pension payable to the member under both the pre- and post-2015 Ministerial pension schemes.

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits, they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued because of their total Ministerial service, not just their current appointment as a Minister. CETVs are calculated 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.

The real increase in the value of the CETV

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Minister. It is worked out using common market valuation factors for the start and end of the period.

Table: Pension benefits: Officials

	Accrued pension at pension age as at 31 Mar 2025 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 Mar 2025 £'000	CETV at 31 Mar 2024 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account Nearest £100
Permanent secretary Sarah Munby	20–25	2.5–5	289	221	36	-
Director general Freya Guinness	70–75	2.5–5	1,170	1,019	49	-
Director general Alexandra Jones	20–25	2.5–5	295	239	27	-
Director general Emran Mian	35–40	2.5–5	654	579	41	-
Government chief scientific adviser Angela McLean	20–25	2.5–5	379	272	67	-
National technology adviser Dave Smith	0–5	2.5–5	83	26	44	-
Strategic finance director Jessie Mitchell	20–25	0–2.5	261	222	16	-
Strategic finance director Leah Sparks	20–25	2.5–5	323	267	27	-
Strategy and implementation director Joanna Cavan (from 1 May 2024)	55–60	2.5–5	1,000	908	54	-
Government chief digital officer Joanna Davinson (from 9 Dec 2024)	20–25	0–2.5	396	383	11	-
Government chief technology officer David Knott (from 1 Oct to 8 Dec 2024)	5–10	0–2.5	97	83	9	-
Government chief product officer Christine Bellamy (from 8 Jul 2024)	5–10	0–2.5	143	106	28	-

Pension benefits: Civil Service pensions

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. 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. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had 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 accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal 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 in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the 'McCloud judgment').

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy is made up of two parts.

www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS 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.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Master trust. 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).

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.

Fee entitlements for non-executive board members

This is audited information.

The table below shows fees to the non-executive directors who were also members of departmental board.

Table: Fee entitlements for non-executive board members

	2024–25 Fee entitlement £'000	2024–25 Fee entitlement: full year £'000	2023–24 Fee entitlement £'000	2023–24 Fee entitlement: full year £'000
Dominic Field From 22 Apr 2024 Interim lead non-executive board member from 1 Nov 2024	15–20	-	-	-
Liz Cohen From 22 Apr 2024 Chair of audit and risk and assurance committee (ARAC)	15–20	-	-	-

	2024–25 Fee entitlement £'000	2024–25 Fee entitlement: full year £'000	2023–24 Fee entitlement £'000	2023–24 Fee entitlement: full year £'000
Jason Chin From 22 Apr 2023	10–15	-	10–15	-
Nicola Hodson From 1 Nov 2024	5–10	10–15	-	-
Helen Milner From 1 Nov 2024	5–10	10–15	-	-
Adam Tickell From 1 Nov 2024	-	-	-	-
Paul Wilmott From 1 Nov 2024	-	-	-	-
Shonnel Malani To 1 Aug 2024	0–5	15–20	15–20	-
Melissa Di Donato To 1 Aug 2024	0–5	15–20	15–20	-
Saul Klein To 1 Aug 2024	0–5	10–15	10–15	-
Alison Wolf To 21 Apr 2024	0–5	10–15	10–15	-
Ron Dennis To 21 Apr 2024	0–5	10–15	10–15	-

Notes

- **Adam Tickell and Paul Wilmott:** This is an unpaid role.
- **Shonnel Malani:** Lead non-executive board member until 1 August 2024. This was an unpaid role from 22 April 2024 to 1 August 2024.
- **Melissa Di Donato:** Chair of ARAC until 21 April 2024. This was an unpaid role from 22 April 2024 to 1 August 2024.
- **Saul Klein:** This was an unpaid role from 22 April 2024.

Parliamentary accountability report

Statement of outturn against parliamentary supply

This is audited information.

Overview

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FREM) requires the Department for Science, Innovation and Technology to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the certificate and report of the comptroller and auditor general to the House of Commons.

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

Should an entity exceed the limits set by their supply estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the supply estimates, published on GOV.UK, to enable comparability between what Parliament approves and the final outturn.

The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn will not exactly tie to cash spent) and administration.

Non-voted Budgets generally comprise CFERs (Consolidated Fund Extra Receipts) that represent operating income or expenditure financed directly from the Consolidated Fund as a standing service or from the National Insurance Fund. Non-voted expenditure does not require Parliamentary authority but is included within budgets set by HM Treasury for completeness.

Estimates and outturn spend are disclosed gross (gross expenditure and income) for activities of the core department and net for the activities of the DSIT group's arm's length bodies.

The supporting notes on pages 115 to 125 detail the following: outturn by estimate line, providing a more detailed breakdown (note 1); a reconciliation of Outturn to Net operating expenditure in the Statement of Comprehensive Net Expenditure (SOCNE), to tie the SOPS to the financial statements (note 2); a reconciliation of Outturn to Net cash requirement (note 3); and, an analysis of income payable to the Consolidated Fund (note 4).

The SOPS and estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 37, in the financial review section of the performance report. Further information on the public spending framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on GOV.UK.

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

Summary tables – mirrors part 1 of the Estimates

- Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on GOV.UK, for detail on the control limits voted by Parliament.
- Significant variances between Outturn and the Estimate are explained in the financial review in the performance report.

Summary table, 2024–25, in £000's

	Outturn Voted	Outturn Non-voted	Outturn Total	Estimate Voted	Estimate Non-voted	Estimate Total	Outturn vs Estimate: saving or (excess) Voted	Outturn vs Estimate: saving or (excess) Total	Prior year outturn total restated 2023–24
Resource DEL See SOPS 1.1	865,250	-	865,250	1,035,931	-	1,035,931	170,681	170,681	814,814
Capital DEL See SOPS 1.2	13,156,677	-	13,156,677	13,266,951	-	13,266,951	110,274	110,274	12,438,258
Total DEL	**14,021,927**	**-**	**14,021,927**	**14,302,882**	**-**	**14,302,882**	**280,955**	**280,955**	**13,253,072**
Resource AME See SOPS 1.1	365,590	-	365,590	661,296	-	661,296	295,706	295,706	231,030
Capital AME See SOPS 1.2	(158,535)	-	(158,535)	272	-	272	158,807	158,807	(104,922)
Total AME	**207,055**	**-**	**207,055**	**661,568**	**-**	**661,568**	**454,513**	**454,513**	**126,108**
Total resource See SOPS 1.1	1,230,840	-	1,230,840	1,697,227	-	1,697,227	466,387	466,387	1,045,844
Total capital See SOPS 1.2	12,998,142	-	12,998,142	13,267,223	-	13,267,223	269,081	269,081	12,333,336
Total budget expenditure	**14,228,982**	**-**	**14,228,982**	**14,964,450**	**-**	**14,964,450**	**735,468**	**735,468**	**13,379,180**
Total budget and non-budget	**14,228,982**	**-**	**14,228,982**	**14,964,450**	**-**	**14,964,450**	**735,468**	**735,468**	**13,379,180**

Net cash requirement, 2024–25, in £000's

	SOPS note	Outturn	Estimate	Outturn vs Estimate: saving or (excess)	Prior year outturn total restated 2023–24
Net cash requirement	**SOPS 3**	**13,163,402**	**16,485,001**	**3,321,599**	**13,813,547**

Administration costs, 2024–25, in £000's

	SOPS note	Outturn	Estimate	Outturn vs Estimate: saving or (excess)	Prior year outturn total restated 2023–24
Administration costs	**SOPS 1.1**	**310,255**	**337,860**	**27,605**	**254,038**

Notes

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

Notes to the Statement of Outturn against Parliamentary Supply, 2024–25

This is audited information.

SOPS 1. Outturn detail, by estimate line

The financial review in the performance report explains the significant variances between outturn and estimate.

SOPS 1.1: Analysis of resource outturn by estimate line, in £000s

- The total estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on GOV.UK.
- The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.

Significant variances between Outturn and Estimate are explained in the financial review on pages 37 to 40.

Resource spend by section	Section	Admin Gross	Admin Income	Admin Net	Prog Gross	Prog Income	Program Net	Resource outturn Total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate: saving/ (excess)	Prior year outturn total restated 2023–24
DEL voted	A) Deliver an ambitious industrial strategy	-	-	-	37,112	(31,734)	5,378	**5,378**	13,459	7,058	**20,517**	15,139	23,066
DEL voted	C) Science and Research	1,112	-	1,112	34,541	(218)	34,323	**35,435**	35,117	88,907	**124,024**	88,589	32,047
DEL voted	D) Capability	209,590	(1,081)	208,509	2,411	(4)	2,407	**210,916**	280,132	(66,707)	**213,425**	2,509	165,713
DEL voted	E) Government as Shareholder	-	-	-	1,500	(20,360)	(18,860)	**(18,860)**	(16,040)	-	**(16,040)**	2,820	(70,290)
DEL voted	F) Support for the Digital, Broadcasting and Media sectors	39,281	(7)	39,274	49,436	-	49,436	**88,710**	136,421	(7,793)	**128,628**	39,918	115,719
DEL voted	G) Modernising and reforming the work of the Government Functions	46,366	(1,786)	44,580	203,636	(43,841)	159,795	**204,375**	175,659	28,716	**204,375**	-	179,698
DEL voted	H) Building Digital UK	-	-	-	42,781	(81)	42,700	**42,700**	46,484	-	**46,484**	3,784	39,669
DEL voted	I) Science and Research (ALB) net	62	-	62	266,020	-	266,020	**266,082**	342,928	(69,310)	**273,618**	7,536	307,064
DEL voted	J) Capability (ALB) net	8,726	-	8,726	-	-	-	**8,726**	1	8,725	**8,726**	-	3,171

Resource spend by section	Section	Admin Gross	Admin Income	Admin Net	Prog Gross	Prog Income	Program Net	Resource outturn Total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate: saving/ (excess)	Prior year outturn total restated 2023–24
DEL voted	K) Government as Shareholder (ALB) net	-	-	-	8,893	-	8,893	**8,893**	1,100	7,793	**8,893**	-	1,526
DEL voted	L) Broadcasting and Media ALB (net)	7,992	-	7,992	4,903	-	4,903	**12,895**	23,281	-	**23,281**	10,386	17,431
DEL voted	**Total**	**313,129**	**(2,874)**	**310,255**	**651,233**	**(96,238)**	**554,995**	**865,250**	**1,038,542**	**(2,611)**	**1,035,931**	**170,681**	**814,814**
DEL non-voted	M) Science and Research (CFER)	-	-	-	-	-	-	**-**	(2,611)	2,611	**-**	-	-
DEL non-voted	**Total**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,611)**	**2,611**	**-**	**-**	**-**
DEL	**Total**	**313,129**	**(2,874)**	**310,255**	**651,233**	**(96,238)**	**554,995**	**865,250**	**1,035,931**	**-**	**1,035,931**	**170,681**	**814,814**
AME voted	N) Deliver an ambitious industrial strategy	-	-	-	153	-	153	**153**	40,153	-	**40,153**	40,000	154
AME voted	O) Science and Research	-	-	-	249,578	(413)	249,165	**249,165**	432,948	-	**432,948**	183,783	158,522
AME voted	P) Capability	-	-	-	34	-	34	**34**	288	-	**288**	254	(53)
AME voted	Modernising and reforming the work of the Government Functions	-	-	-	-	-	-	**-**	-	-	**-**	-	376

Resource spend by section	Section	Admin Gross	Admin Income	Admin Net	Prog Gross	Prog Income	Program Net	Resource outturn Total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate: saving/ (excess)	Prior year outturn total restated 2023–24
AME voted	Q) Deliver an ambitious industrial strategy (ALB) net	-	-	-	(3,702)	-	(3,702)	**(3,702)**	39,141	-	**39,141**	42,843	1,212
AME voted	R) Science and Research (ALB) net	-	-	-	127,699	-	127,699	**127,699**	141,026	-	**141,026**	13,327	71,584
AME voted	S) Capability (ALB) net	-	-	-	-	-	-	**-**	519	-	**519**	519	2
AME voted	T) Government as Shareholder (ALB) net	-	-	-	(8,403)	-	(8,403)	**(8,403)**	1,650	1,477	**3,127**	11,530	-
AME voted	U) Broadcasting and Media ALB (net)	-	-	-	644	-	644	**644**	5,571	(1,477)	**4,094**	3,450	(767)
AME voted	**Total**	**-**	**-**	**-**	**366,003**	**(413)**	**365,590**	**365,590**	**661,296**	**-**	**661,296**	**295,706**	**231,030**
AME	**Total**	**-**	**-**	**-**	**366,003**	**(413)**	**365,590**	**365,590**	**661,296**	**-**	**661,296**	**295,706**	**231,030**
Resource	**Total**	**313,129**	**(2,874)**	**310,255**	**1,017,236**	**(96,651)**	**920,585**	**1,230,840**	**1,697,227**	**-**	**1,697,227**	**466,387**	**1,045,844**
Resource	**Total resource and non-budget spending**	**313,129**	**(2,874)**	**310,255**	**1,017,236**	**(96,651)**	**920,585**	**1,230,840**	**1,697,227**	**-**	**1,697,227**	**466,387**	**1,045,844**

SOPS 1.2: Analysis of capital outturn by estimate line, in £000s

	Section	Outturn Gross	Outturn Income	Capital Outturn Net total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate, savings or (excess)	Prior year outturn total restated 2023–24
DEL voted	A) Deliver an ambitious industrial strategy	477,809	(19,621)	**458,188**	475,544	-	**475,544**	17,356	**280,633**
DEL voted	B) Promote competitive markets and responsible business practices	6,522	-	**6,522**	7,800	(1,278)	**6,522**	-	**3,826**
DEL voted	C) Science and Research	2,105,389	(57,874)	**2,047,515**	2,727,707	(622,377)	**2,105,330**	57,815	**2,404,166**
DEL voted	D) Capability	49,260	(28)	**49,232**	(14,209)	63,441	**49,232**	-	**4,109**
DEL voted	E) Government as Shareholder	159,245	(33,979)	**125,266**	236,538	(77,293)	**159,245**	33,979	**78,748**
DEL voted	F) Support for the Digital, Broadcasting and Media sectors	181,403	-	**181,403**	199,655	(18,252)	**181,403**	-	**111,119**
DEL voted	G) Modernising and reforming the work of the Government Functions	69,016	-	**69,016**	59,260	9,756	**69,016**	-	**74,734**
DEL voted	H) Building Digital UK	270,251	(1,124)	**269,127**	384,356	(114,105)	**270,251**	1,124	**93,028**
DEL voted	I) Science and Research (ALB) net	9,935,707	-	**9,935,707**	9,171,216	764,491	**9,935,707**	-	**9,361,266**
DEL voted	J) Capability (ALB) net	1,793	-	**1,793**	-	1,793	**1,793**	-	**4,162**

	Section	Outturn Gross	Outturn Income	Capital Outturn Net total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate, savings or (excess)	Prior year outturn total restated 2023–24
DEL voted	K) Government as Shareholder (ALB) net	8,589	-	**8,589**	20,000	(11,411)	**8,589**	-	**14,650**
DEL voted	L) Broadcasting and Media ALB (net)	4,319	-	**4,319**	1,209	3,110	**4,319**	-	**7,817**
DEL voted	**Total**	**13,269,303**	**(112,626)**	**13,156,677**	**13,269,076**	**(2,125)**	**13,266,951**	**110,274**	**12,438,258**
DEL non-voted	M) Science and Research (CFER)	-	-	**-**	(2,125)	2,125	**-**	-	**-**
DEL non-voted	**Total**	**-**	**-**	**-**	**(2,125)**	**2,125**	**-**	**-**	**-**
DEL	**Total**	**13,269,303**	**(112,626)**	**13,156,677**	**13,266,951**	**-**	**13,266,951**	**110,274**	**12,438,258**
AME voted	N) Deliver an ambitious industrial strategy	(2)	-	**(2)**	-	-	**-**	2	**-**
AME voted	O) Science and Research	-	-	**-**	200	-	**200**	200	**-**
AME voted	P) Capability	-	-	**-**	72	-	**72**	72	**-**
AME voted	Q) Deliver an ambitious industrial strategy (ALB) net	(50,974)	-	**(50,974)**	-	-	**-**	50,974	**(935)**
AME voted	R) Science and Research (ALB) net	(107,559)	-	**(107,559)**	-	-	**-**	107,559	**(103,987)**
AME voted	**Total**	**(158,535)**	**-**	**(158,535)**	**272**	**-**	**272**	**158,807**	**(104,922)**
AME	**Total**	**(158,535)**	**-**	**(158,535)**	**272**	**-**	**272**	**158,807**	**(104,922)**

	Section	Outturn Gross	Outturn Income	Capital Outturn Net total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate, savings or (excess)	Prior year outturn total restated 2023–24
Capital	**Total**	**13,110,768**	**(112,626)**	**12,998,142**	**13,267,223**	**-**	**13,267,223**	**269,081**	**12,333,336**
Capital	**Total capital and non-budget spending**	**13,110,768**	**(112,626)**	**12,998,142**	**13,267,223**	**-**	**13,267,223**	**269,081**	**12,333,336**

Notes

- The total estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on GOV.UK.
- The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.

Significant variances between Outturn and Estimate are explained in the financial review on pages 37 to 40.

SOPS 2. Reconciliation of outturn to net operating expenditure

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

The prior year comparatives present the restated net operating expenditure as at 31 March 2024.

Table: SOPS 2. Reconciliation of outturn to net operating expenditure, in £000s

	SOPS note	Outturn total	Prior year outturn total restated 2023–24
Total resource outturn in Statement of Outturn against Parliamentary Supply	**SOPS 1.1**	**1,230,840**	**1,045,844**
Add			
Capital grants		578,644	1,193,989
Share of profit/loss of joint ventures and associates		76,312	70,347
Other non-budget		(99,016)	(21,046)
Research and development costs		13,637,441	11,093,177
Total		**14,193,381**	**12,336,467**
Less			
Profit on disposal of shares		-	42,789
Expected return on pension scheme assets		(95,955)	(89,967)
Capital income in SOCNE		(5,519)	(65,594)
Research and development income		(998,686)	(754,203)
Other			
Impact of intra group transactions		-	(168)
Other differences		7,515	-
Total		**(1,092,645)**	**(867,143)**
Net operating expenditure for the period in consolidated SOCNE	**SOCNE**	**14,331,576**	**12,515,168**

Notes

- Capital grants are budgeted for as capital departmental expenditure limit (CDEL) but accounted for as expenditure and income in the SOCNE, and therefore function as a reconciling item between resource and net operating expenditure.
- Share of profit/loss of joint ventures and associates is accounted for in the SOCNE as a non-budget item and therefore function as a reconciling item.
- Other non-budget includes intra group transactions where the cash payment is eliminated, and the budget impact is therefore recognised as a reconciling item.

- Research and Development is budgeted for as CDEL but accounted for as income and expenditure in the SOCNE and therefore function as a reconciling item.

The department's contributions to Horizon Europe and Copernicus programmes are accounted for by apportioning the annual expected cost evenly across the calendar year, resulting in nine months' worth of the 2024 contributions and three months' worth of the 2025 contributions included in the SOCNE. This is different to the budgeting treatment where contributions are budgeted for in the period in which each invoice is received and paid, with the majority of costs classed as CDEL. This is therefore included as a reconciling item between resource outturn and net operating expenditure

SOPS 3. Reconciliation of net resource outturn to net cash requirement, in £000s

As noted in the overview to the SOPS, outturn and the estimates are compiled against the budgeting framework – not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

	SOPS note	Outturn	Estimate	Outturn vs Estimate: saving/(excess)
Total Resource Outturn	**SOPS 1.1**	**1,230,840**	**1,697,227**	**466,387**
Total Capital Outturn	**SOPS 1.2**	**12,998,144**	**13,267,223**	**269,079**
Adjustments for ALBs				
Remove voted resource and capital		(10,204,709)	(9,747,642)	457,067
Removal of intra-group transactions		22,041	-	(22,041)
Add cash in grant-in-aid		9,752,621	11,176,058	1,423,437
Adjustments to remove non-cash items				
Depreciation		(97,507)	(186,818)	(89,311)
New provisions and adjustments to previous provisions		(223)	(288)	(65)
Other non-cash items		(78,257)	(269,375)	(191,118)
Adjustments to reflect movements in working balances				
Increase/(decrease) in receivables		(183,312)	-	183,312
(Increase)/decrease in payables		(276,236)	543,880	820,116
Total		**(1,065,582)**	**1,515,815**	**2,581,397**
Removal of non-voted budget items				
Other non-voted budget items		-	4,736	4,736
Total		**-**	**4,736**	**4,736**
Net cash requirement		**13,163,402**	**16,485,001**	**3,321,599**

SOPS 4. Amounts of income to the Consolidated Fund

SOPS 4.1. Analysis of income payable to the Consolidated Fund , in £000s

In addition to income retained by the department, the following income is payable to the Consolidated Fund.

The type of income allowed to be retained by the department is set out in the ambit of the Supply Estimate. Income of a type not included in the Estimate, or in excess of amounts agreed with HM Treasury, is required to be surrendered to the Consolidated Fund.

	2024–25 Accruals	2024–25 Cash basis	2023–24 Accruals	2023–24 Cash basis
Income outside the ambit of the Estimate	2,638	2,638	-	-
Total amount payable to the Consolidated Fund	2,638	2,638	-	-

SOPS 4.2: Consolidated Fund income

The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from these group financial statements) are set out in the table below.

The significant income streams collected as agent are:

Licence Fees	Spectrum management annual licence fees – these are annual licences issued by Ofcom under the Wireless Telegraphy Act (WTA) and charges for Crown use of spectrum.
Other	BDUK superfast broadband programme – take-up claw-back – recovery of grants paid to suppliers for provision of superfast broadband in areas that were deemed at the time not to be commercially viable. Since installation and with the increased uptake of broadband nationally, suppliers have made higher than originally anticipated profits in some areas. Under the terms of this grant programme, these excess profits are clawed back by the department.

Table: SOPS 4.2 Consolidated Fund income, in £000s

	2024–25	2023–24
Taxes and licences fees		
Spectrum Management fees: Wireless Telegraphy Act annual licence fees and charges to Crown spectrum users	418,441	186,909
Total	**418,441**	**186,909**
Fines and penalties		
Information Commissioner civil monetary penalties issued	2,272	5

	2024–25	2023–24
Total	**2,272**	**5**
Other		
BDUK Superfast Broadband Programme – take-up claw-back	34,584	34,561
Innovate UK Interest Income	463	676
CFER Overpayment recovered from HM Treasury	6,465	-
Amount payable to the Consolidated Fund	**462,225**	**222,151**
Balance held at start of year	134,501	3,301
Payments into the Consolidated Fund	(598,743)	(112,500)
Balance held on trust at end of year	**621**	**134,501**

Other parliamentary accountability disclosures

This is audited information.

Losses

Table: losses statement

	2024–25 Core dept & agencies	2024–25 DSIT group	2023–24 restated Core dept & agencies	2023–24 restated DSIT group
Total number of losses	**52**	**88**	**47**	**214**
Total value of losses £'000	**11,504**	**11,703**	**222**	**732**

Details of individual losses over £300,000

The core department incurred exchange rate and hedging losses of £6.9 million in 2024–25. This arose as a result of the settlement of 3 forward contracts used to hedge against the Horizon and Copernicus EU programme contract costs, which resulted in a realised revaluation loss on these financial instruments at the date of settlement. This was offset by the relative FX gain achieved on the hedged item upon settlement of the contract.

Building Digital UK incurred a loss of £955,115. This debt arose as a result of suspected fraudulent activity on the voucher scheme. Two over-arching issues were identified; (1) Installation of non-compliant equipment, and (2) Claims for ineligible beneficiaries. In February 2025 there was a debt oversight meeting where current spend on chasing the debt was reviewed; it was decided that it was not value for money to continue chasing the debt and the decision was made to write it off.

UK Space agency incurred a foreign exchange loss of £2.2 million. This occurred following completion of a forward contract and subsequently entering a buy back arrangement with the Bank of England to sell surplus foreign currency. This loss arose due to changes in ESA commitments from the time the forward contract was entered into to its maturity.

In addition, UKSA incurred a loss of £397,000 for early termination fees in relation to a lease for a property owned by Government Property Agency. This is due to transition to a new office location in London as part of the Cabinet Office 'Plan for London' initiative.

Finally, there was a £840,000 loss arising to UKSA from writing off a debt following the debtor entering into administration during the year. The debt arose due to claw back of grant funding.

Special payments

Special payments include extra-contractual, ex gratia, compensation, special severance payments, extra-statutory and extra-regulatory.

Table: special payments

	2024–25 Core dept & agencies	2024–25 DSIT group	2023–24 restated Core dept & agencies	2023–24 restated DSIT group
Total number of special payments	3	13	4	7
Total value of special payments – £'000	162	532	171	217

Details of individual special payments over £300,000

There were no individual special payments above £300,000 made by the core department or DSIT group.

There were 2 special severance payments for the core department with a maximum of £90,000 a median of £74,871 and a minimum of £59,743. The total amount of special severance payments paid out was £149,743.

Gifts over £300,000

During 2024–25, the core department did not give any reportable gifts above £300,000.

Fees and charges

See note 5.1 for further detail.

Core department and agencies

The core department and agencies income related to fees and charges was £58 million as at 31 March 2025 (31 March 2024: £49 million).

Arm's length bodies

The majority of the DSIT group's income relating to fees and charges was attributable to the Office of Communications, £184 million as at 31 March 2025 (31 March 2024: £164 million). The Office of Communications sets fees to recover its costs from its regulatory sectors, and has a range of fees including:

- Networks and services, postal services administrative charges
- Broadcasting licence and application fees
- Network and information systems regulatory fees
- WTA receipts retention, related to relevant expenditure including spectrum management duties

No subsidy or overcharging arose from provisions of relevant facilities. All under or over recovery of fees are included in the following year's charges in accordance with statutory requirements

Remote contingent liabilities

In addition to contingent liabilities reported in the financial statements, under IAS 37, the department also reports remote contingent liabilities. These are liabilities that have a small, remote likelihood of resulting in a transfer of economic benefit by the department. The department has given the following guarantees, indemnities, or letters of comfort.

Table: quantifiable remote contingent liabilities

	1 Apr 2024	Increase/(decrease) in year	31 Mar 2025
	£m	£m	£m
BT Guarantee	3,700	-	3,700
BDUK Shared Rural Network indemnity	15	(6)	9
Total	3,715	(6)	3,709

BT guarantee

When BT was privatised in 1984 the government gave a guarantee (contained in the Telecommunications Act 1984) in respect of certain liabilities of the privatised company. Following High Court and Court of Appeal proceedings on the terms and scope of the Crown Guarantee, which would only apply if BT were to enter insolvent winding-up, the contingent liability is approximately the size of the BT pension scheme (BTPS) deficit. The last triennial actuarial valuation of the pension scheme as at 30 June 2023 valued the deficit at £3.7bn. BT has closed the BTPS for future accruals of benefit from 1 June 2018, as a result the liabilities covered by the Crown guarantee will be limited to those relating to benefits accrued before that date (together with indexing and any legally required increments). These liabilities remain with BT plc and so legislation is no longer required on the scope of the guarantee. The contingent liability largely consists of the considerable deficit on the BTPS fund but, providing BT takes steps to reduce that, possible growth in the liability should now be limited.

BDUK Shared Rural Network indemnity

BDUK Shared Rural Network indemnity results from a legally binding agreement to indemnify mobile network operators (MNO), via their subsidiary, Digital Mobile Spectrum Limited in respect of costs up to £9 million that may arise if there is a change in the operator of the Emergency Services Network (ESN). The probability of crystallisation occurring from 2024 is low, due to a possible extension of the existing ESN contract and ongoing merger discussions between MNOs. The liability will cease to exist in 2041 which marks the end of the programme.

Unquantifiable remote contingent liabilities

Core department

Statutory indemnities	The Cabinet Secretary has provided a government wide indemnity to Public Appointments Assessors (PAAs). This will ensure that PAAs will not have to meet any personal civil liability incurred in the execution of their PAA functions.
Intellectual property	A liability to the European Patent Office could arise under Article 40 of the European Patent Convention of 1973 as the UK is one of the contracting states. A liability to the World Intellectual Property Organisation could arise under Article 57 of the Patent Cooperation Treaty as the UK is one of the contracting states.
Indemnities against personal liability	Indemnities have been given to the directors appointed by the core department to wholly owned subsidiaries. These indemnities are against personal liability following any legal action against the companies.

Others	A contingent liability exists in relation to the disposal of radioactive sources on the Teddington site should the radiological work at NPL cease and the normal practice of returning depleted sources to the supplier of replacement sources, no longer occurs. These costs cannot be reliably estimated. As a member of EUMETNET, the Met Office is indemnified to pay any liabilities transferred to the individual member state shareholders in the event that the organisation was no longer a going concern. Ordnance Survey issue indemnity letters to non-executive directors.

DSIT group

UK Space Agency (UKSA)

Under the UN Space Treaties (the Outer Space Treaty and the Convention on International Liability for Damage Caused by Space Objects (the 'Liability Convention')), the government is ultimately liable to pay compensation to third parties for damage caused by its space objects. For damage arising on the surface of the earth, or to an aircraft in flight the liability is absolute (which means that the claimant does not have to prove fault), whereas damage arising in space is a fault-based regime.

To manage the risk to the government, the Outer Space Act 1986 (which regulates spaceflight activities carried out by UK entities overseas) and the Space Industry Act 2018 (which regulates spaceflight activities in the UK) requires licensees to indemnify the government against any claims made by third parties against the government. The Space Industry Act also requires the licensee to indemnify claims made by third parties against the licensee with respect to damage arising in the UK. Limits of operator liability are to be included as licence conditions in all licences issued under both Acts.

The UK Space Agency and DSIT hold the contingent liability arising from satellite operations and procuring a launch under both the Space Industry Act and the Outer Space Act. In the event that a contingent liability crystallises, the UK Space Agency will in the first instance assess whether it can meet the level of claim. If this is not the case, it is expected that the department will fund this liability. The Department for Transport holds the contingent liability for launch activities taking place from the UK.

In conjunction with the contingent liabilities stemming from the Space Industry Act 2018 and the Outer Space Act 1986, a contingent liability relevant to the Crown Dependencies and Overseas Territories (CDOTs) also exists for historic and extant licences issued under the Outer Space Act 1986. This pertains to scenarios where the government has agreed to address any claims directed at a CDOT concerning licensed activities within that jurisdiction where a licence has either been issued through the Civil Aviation Authority or by the jurisdiction itself.

UKRI

UKRI collaborates with a number of other international partners in the funding, management and operation of technical facilities which are not owned by UKRI. In the event of a decision to withdraw from any of these arrangements, it is likely that UKRI would assist in the search for a replacement partner to ensure that technical commitments were met. The most significant international collaborations are in respect of European Organisation for Nuclear Research (CERN) and European Southern Observatory (ESO). For both of these facilities there is the possibility that UKRI would be obliged to contribute to decommissioning costs arising from a decision taken to discontinue operations. The decisions to decommission are not wholly within UKRI's control.

Reconciliation of contingent liabilities included in the supply estimate to the accounts

This is not audited information.

A reconciliation of differences between contingent liabilities reported in the supply estimates and those reported in the annual report and accounts are set out below. Further detail on the contingent liabilities can found be in note 21 contingent liabilities and in the Supplementary Estimates 2024–25.

Table: reconciliation of quantifiable contingent liabilities

Description	Amount per supply estimate £'000	Amount disclosed in ARA £'000	Variance £'000
DSIT core department – BT guarantees	Not disclosed	3,700,000	£3,700,000
UKRI – STFC share of Institut Laue-Langevin (ILL) unfunded provision for staff related costs and decommissioning on closure	10,500	9,400	£1,100 movement as a result of the costs changing in the year alongside foreign exchange movements.

Table: reconciliation of unquantifiable contingent liabilities

Description	Included in the supply estimates £'000	Disclosed in the ARA £'000	Explanation of difference £'000
Core			
DSIT core and group – claims from suppliers, employees and third parties.	Unquantifiable	Unquantifiable	No variance
Indemnities to directors of wholly owned subsidiaries	Unquantifiable	Unquantifiable	No variance

Description	Included in the supply estimates £'000	Disclosed in the ARA £'000	Explanation of difference £'000
Intellectual Property – liabilities to European Patent Office under Article 40 of the European Patent Convention and Article 57 of the Patent Cooperation Treaty	Unquantifiable	Unquantifiable	No variance
Indemnity to Public Appointment Assessors	Unquantifiable	Unquantifiable	No variance
Disposal of reactive sources at the Teddington site	Unquantifiable	Unquantifiable	No variance
EUMETNET – Met Office is indemnified to pay liabilities transferred to the individual member shareholders	Unquantifiable	Unquantifiable	No variance
Ordnance Survey indemnities	Unquantifiable	Unquantifiable	No variance
DSIT group			
BDUK Shared Rural Network	Unquantifiable	£9,000	£9,000
BDUK ERDF	Unquantifiable	£2,500	£2,500
UKSA – liability for accidental damage arising from UK space activities	Unquantifiable	Unquantifiable	No variance
UKRI – decommissioning of CERN and ESO	Unquantifiable	Unquantifiable	No variance
UKRI – operations linked to global fiscal obligations	Not disclosed	Unquantifiable	Undisclosed in supply estimates
Harwell-guarantee to HSIC General Partner Ltd	Not disclosed	Unquantifiable	Undisclosed in supply estimates

Sarah Munby
Permanent Secretary and Principal Accounting Officer
30 June 2025

The certificate and report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Department for Science, Innovation and Technology (The Department) and of its Departmental Group for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000. The Department comprises the core Department and its agencies. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2024. The financial statements comprise: the Department's and the Departmental Group's:

- Consolidated Statement of Financial Position as at 31 March 2025;
- Consolidated Statement of Comprehensive Net Expenditure, Consolidated Statement of Cash Flows and Consolidated 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 Group financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

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

Opinion on regularity

In my opinion, in all material respects:

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (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 the Department and its Group 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.

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

Framework of authorities

Authorising legislation	Government Resources and Accounts Act 2000 Higher Education and Research Act 2017 Science and Technology Act 1965 European Union (Future Relationship) Act 2020 Space Industry Act 2018
Parliamentary authorities	Supply and Appropriations Act
HM Treasury and related authorities	Managing Public Money

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Department and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

Overview of my audit approach

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed around the Department's commitments for UKRI and the Horizon scheme which were identified as significant risks due to the size of the disclosures only. I have also not included information relating to the work I have performed in response to the presumed risk of management override of controls in the Department and its group, which I identified as a significant risk in accordance with the requirements of ISA (UK) 240 'The Auditor's Responsibility Relating to Fraud in Financial Statements'. For these areas, my work has not identified any matters to report.

The key audit matters were discussed with the Audit, Risk and Assurance Committee; its report on matters that it considered to be significant to the financial statements is set out on page 71.

In this year's report the following changes to the risks identified have been made compared to my prior year report:

In the previous year, I identified the restatement of comparatives associated with the machinery of government change that created the new Department, the initial accounting for Horizon Europe, and the valuation of the UKRI Property, Plant and Equipment as key audit matters. These are not deemed to be key audit matters in the current year. The accounting for Horizon Europe and the machinery of government change were specific to the first year of the new Department and its first year of accounts and are therefore no longer deemed complex. The valuation of property was driven by the quinquennial full valuation of the portfolio in 2023–24 which increased the risk and estimation around the property balance. This year UKRI has used a standard indexation approach.

UKRI Grant Profiling, Recognition and Regularity

Description of risk

Research grant expenditure is the most highly material expenditure stream within the Department's group accounts. As disclosed in note 4.3 to the financial statements, UKRI spent £9,201 million in research grants in 2024–25 (2023 – 24 £8,470 million). Given the high level of grant funding paid out by UKRI to external organisations, any significant irregularity could have a potentially sizeable impact.

A significant portion of grant funding is paid to higher education institutes through the grant management system used by Research Councils that form part of UKRI. This expenditure is recorded based on the assumption that activity happens evenly across the life of grants (known as the 'straight-line basis').

This key assumption contains inherent uncertainty, as underlying activity and spend may follow varying patterns across the population of grant recipients. More detail on the nature of this key assumption can be found in note 1.26.

I judged there was significant risk that funding may not be spent and utilised for the purposes agreed within funding arrangements. In relation to the portion of grant expenditure assumed by the Department to represent underlying spend being incurred on a straight-line basis, I assessed that there was significant risk that grant expenditure may be recognised in the incorrect reporting period.

How the scope of my audit responded to the risk

I performed the following procedures:

- Obtained and reviewed the evidence that supported that the profiling adopted by the Department;
- Performed procedures to determine the adequacy of disclosure over the level of estimation uncertainty and sensitivity on this key assumption;
- Updated my understanding and documentation of the end-to-end pre and post award processes and controls across the key grant streams in UKRI (Research England/Research Councils/IUK) that support grant regularity and assessed that the design and implementation of the controls were adequate.

- Performed testing on the expertise of Monitoring Service Providers – external experts that provide ongoing post award review of IUK grants – to provide comfort over the regularity of grant spend overseen by these individuals.
- Identified Funding Assurance visits conducted in year and evaluated their results.

Key observations

I noted no instances of irregularity.

My review of management's assessment of the reasonableness of applying a straight-line recognition assumption did not identify any material misstatements.

Valuation of UKRI's defined benefit pension scheme

Description of risk

The Departmental Group financial statements include assets and liabilities associated with the funded defined benefit pension scheme (the scheme) at the Medical Research Council, which is part of UKRI. The scheme is in a net surplus position of £895 million as at 31 March 2025 (note 17). This surplus comprises the scheme's gross assets of £2.001 billion less the scheme's pension obligation liability of £1.106 billion.

The net pension surplus is a material balance and relies on valuations which are subject to high levels of estimation uncertainty. The scheme's asset portfolio includes un-quoted or harder to value assets of £1.2 billion. Such assets principally comprise property investments and private equity investments made through pooled investment vehicles. These assets are not traded in an active market and so a greater degree of judgement is applied in their valuation. The pension obligation is derived from actuarial valuations of the pension liabilities, which are based on significant assumptions subject to high levels of estimation uncertainty. Further detail about the scheme and its impact on the Department's financial statements, including sensitivity disclosures for key assumptions, can be found in note 17.

I judged that there was a significant risk in the valuation of the harder to value assets held by the scheme, as well as in the material assumptions used to derive the pension liability. I particularly considered those areas of the asset valuation and pension obligation estimates which were subject to the highest level of uncertainty. These included those scheme assets where there is a greater degree of judgement applied in their valuation, and those assumptions where a reasonable variation can lead to a material impact on the scheme's pension obligation. As part of the risk in this area, I also considered the sufficiency and accuracy of the Department's disclosures on defined benefit pensions.

How the scope of my audit responded to the risk

As part of this audit, I performed the following procedures:

- Updated my understanding of the process for calculating the net asset/ liability figure in the accounts. This includes mapping the processes and controls around the total asset valuation, the pension liability figure, the assumptions and the membership data and associated systems.
- For quoted pension assets, I tested a sample against independently obtained prices and confirmed UKRI's holding against relevant supporting evidence.
- For harder to value pension assets, I performed the following:
  - For coterminous valuations, I performed a sample test of pension assets by obtaining up to date valuations from external fund managers and the comparable coterminous audited accounts of fund managers.
  - For non-coterminous valuations, I performed a substantive analytical procedures and cash testing to year end, reviewed (where relevant external reports are available) operating effectiveness of controls supporting valuations, and assessed reasonableness of fund manager valuations via comparison to non-coterminous audited accounts, trend analysis and comparison to industry benchmarks where available.
- I reviewed management's judgement around the recognition of a net pension asset on the balance sheet under IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction to confirm all surpluses are recognisable.
- Assessed the liability estimate by considering the independence and expertise of the Government Actuarial Department and the scope of the work it has performed. Drawing in part on the work of an actuarially qualified expert, I also tested the actuarial roll forward from 31st December 2022, examined the financial and demographic assumptions used by the actuary, and benchmarked against suitable external market data and comparable NAO clients.

Key observations

In the course of completing this work, I did not identify any material misstatements in the valuation of the UKRI net defined benefit pension surplus.

Application of materiality

Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for the Department and its group's financial statements as a whole as follows:

	Departmental group	Department parent
Materiality	£225 million	£200 million
Basis for determining materiality	Approximately 1.5% of gross core department operating expenditure of £15,705 million.	Approximately 1.5% of gross core department operating expenditure of £14,250 million, capped at group materiality.
Rationale for the benchmark applied	Expenditure is the most significant financial statements element for the Departmental group, since its main objectives are delivered through expenditure on science, innovation and research initiatives, particularly through grants from UKRI. I have set this level of materiality with reference to my expectations that key users will have a high level of interest in the disclosures relating to expenditure.	Expenditure is the most significant financial statements element for the core department, since its main objectives are delivered through expenditure on science, innovation and research initiatives. I have set this level of materiality with reference to my expectations that key users will have a high level of interest in the disclosures relating to expenditure.
Particular classes of transactions, account balances and disclosures where an additional level of materiality has been applied	There are no particular classes of transactions, account balances and disclosures where an additional level of materiality has been applied	There are no particular classes of transactions, account balances and disclosures where an additional level of materiality has been applied

Performance Materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 75% of Group materiality for the 2024–25 audit (2023–24: 65%) as my methodology requires a cap of 65% in the first year of an audit. As the Department is now in its second year of operation, I have set performance materiality at 75% given the lack of systematic errors in the prior year.

Other Materiality Considerations

The materiality percentage applied in the current year is higher than the previous year, reflecting the increased risk and interest in the Department in its first year of operation following the significant machinery of government change that created the new Department. This reflects the additional interest in the accounts in the prior year which was not a factor in the current year. Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the Related Parties note in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing my audit work to support my opinion on regularity and in evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

Error Reporting Threshold

I agreed with the Audit Risk and Assurance Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £1 million, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit Risk and Assurance Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences reported to the Audit Risk and Assurance Committee would have decreased net expenditure by £6.6 million.

Audit scope

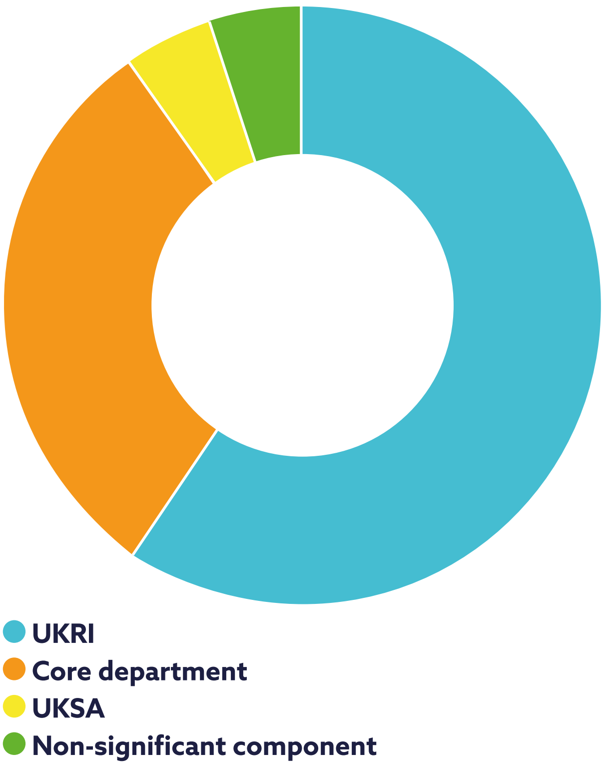
The scope of my Group audit was determined by obtaining an understanding of the Department and its Group's and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The Department for Science, Innovation and Technology has total group operating expenditure of £15.7 billion (2023–24: £13.6 billion). The group's largest component, UK Research and Innovation (UKRI), is responsible for the majority of research and innovation grant spend in 2024–25. UKRI also holds the majority of the group's science and research fixed assets, including laboratories and research ships (see note 6). I have also considered the UK Space Agency (UKSA) to be a material component in my audit of the departmental group, to ensure sufficient coverage of group expenditure, as this is the next largest component. UKSA's largest expenditure is on professional and international subscriptions; in 2024–25 UKSA spent £369 million on these subscriptions (£482 million 2023–24).

I have audited the full financial information of the core department, as well as the group consolidation. As group auditor, I have gained assurance from the auditors of the significant and material components and engaged regularly on the group significant risks such as valuation of scientific plant and equipment assets and the pension scheme.

I covered 95% of the group's gross expenditure and 90% of the group's gross assets through audit work on material components, with the remainder covered by analytical procedures performed on non-significant components. Together with my audit work on consolidation adjustments, for example on accounting policy alignment of the valuation of Diamond Light Source property and plant assets, this work gave me the evidence I needed for my opinion on the group financial statements as a whole.

Gross expenditure of individual components of the Departmental group (as at 31 March 2025)



Other Information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

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

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

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

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Department and its Group from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Department and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Department and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Department and its Group's accounting policies.
- inquired of management, the Department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Department and its Group's 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 the Department and its Group's controls relating to the Department's compliance with the Government Resources and Accounts Act 2000, the Higher Education and Research Act 2017, the Science and Technology Act 1965, the Space Industry Act 2018, The European Union (Future Relationship) Act 2020, the Supply and Appropriations Act and Managing Public Money.
- inquired of management, the Department's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud, and
- discussed with the engagement team including relevant component audit teams and their experts regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Department and its Group 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 the Department and Group's framework of authority and other legal and regulatory frameworks in which the Department and Group 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 the Department and its Group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation Act, the Higher Education and Research Act 2017, the Science and Technology Act 1965, The European Union (Future Relationship) Act 2020, the Space Industry Act 2018 and relevant employment law and pension legislation.

I considered the risks of irregularity relating to research grants, where there is a risk that grant recipients may inappropriately submit grant claims, for example if the underlying activity did not occur or if grant conditions were not complied with.

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, Risk and Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- 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 addressed the risk of irregularity in grant expenditure in the Department by performing a sample test to ensure spend was in line with Parliamentary authority and obtaining and assessing evidence of the necessary HM Treasury approval of grant expenditure under the Science and Technology Act; and
- I addressed the risk of irregularity in grant expenditure at UKRI by reviewing the design and implementation of controls underpinning the pre and post award of grants and verifying through my sample test of grant expenditure the occurrence of adequate pre and post award processes. I also performed sample testing over the expertise of monitoring service providers engaged to oversee Innovate UK Loans Limited awards and assess the regularity of this grant stream. I performed sample testing on total award amounts to grant recipients by obtaining independent external confirmations from recipient organisations. Finally, I reviewed the annual UKRI Funding Assurance Programme Report and evaluated findings to assess if there was any increase in risk around grant irregularity that would affect my audit response.

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

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

Other auditor's responsibilities

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

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

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

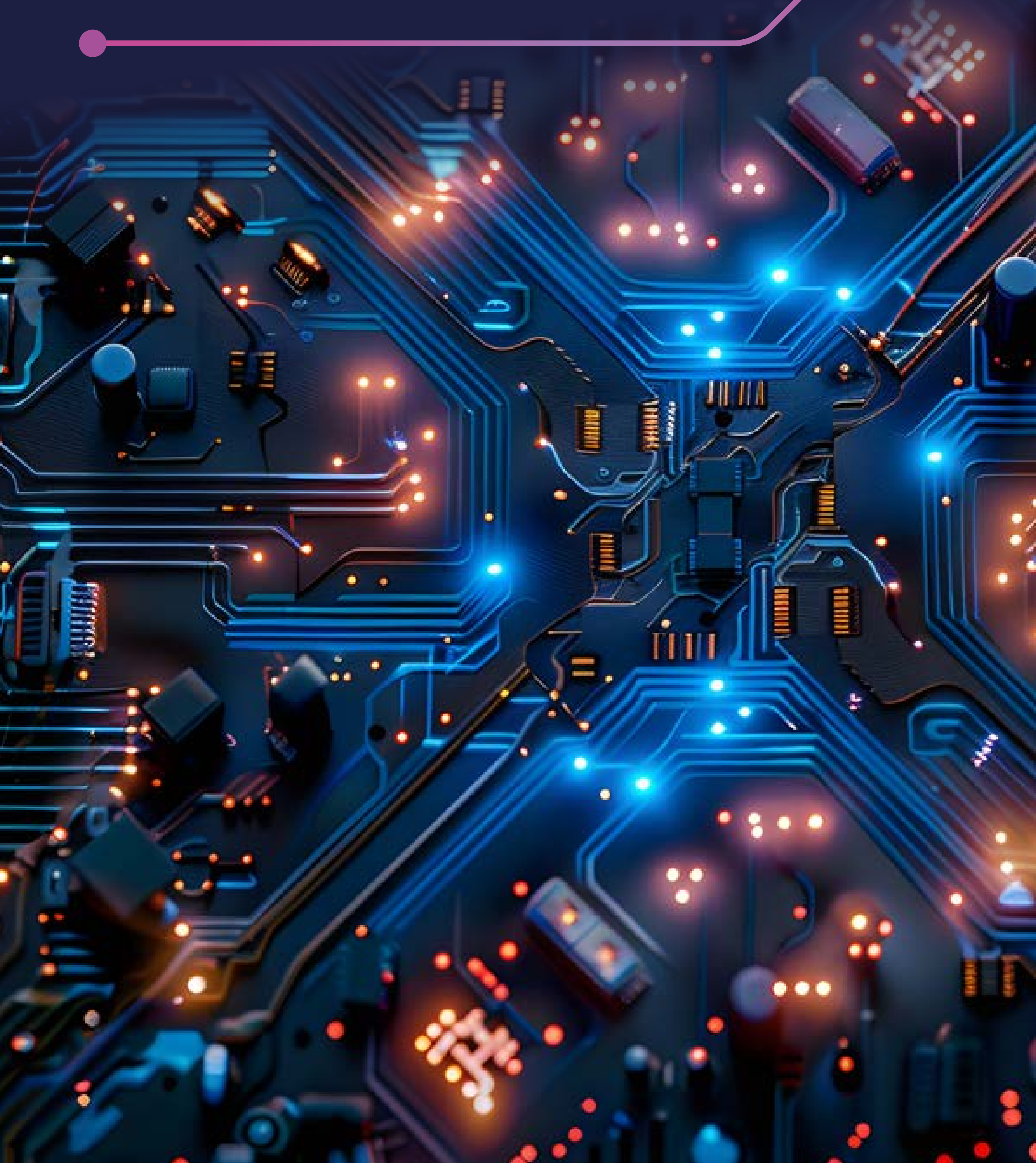
Report

I have no observations to make on these financial statements.

Gareth Davies
8 July 2025

Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

FINANCIAL STATEMENTS



Consolidated statement of comprehensive net expenditure for the year ended 31 March 2025

	Note	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 Core dept & agencies restated £m	31 Mar 2024 DSIT group restated £m
Revenue from contracts with customers	5.1	(138)	(1,376)	(114)	(1,094)
Total operating income		**(138)**	**(1,376)**	**(114)**	**(1,094)**
Staff costs	3	315	1,251	290	1,159
Purchase of goods and services	4.1	2,871	3,784	1,780	2,649
Amortisation, depreciation and impairment charges	4.2	61	360	53	378
Provision and other liabilities expenses	4.3	-	16	-	(18)
Grants	4.4	11,003	10,312	11,395	9,453
Other operating expenditure		-	(18)	38	40
Total operating expenditure		**14,250**	**15,705**	**13,556**	**13,661**
Net operating expenditure		**14,112**	**14,329**	**13,442**	**12,567**
Finance income	5.2	(33)	(62)	(81)	(106)
Finance expense		8	(12)	5	(16)
Share of post-tax loss/(profits) of associates and joint ventures	11	128	76	57	70
Net expenditure for the year		**14,215**	**14,331**	**13,423**	**12,515**

	Note	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 Core dept & agencies restated £m	31 Mar 2024 DSIT group restated £m
Other comprehensive net expenditure					
Items which will not be reclassified to net operating expenditure					
Revaluation of property, plant and equipment		-	(15)	-	(75)
Revaluation of intangible assets		-	(11)	-	(10)
Items which may be reclassified to net operating expenditure					
Revaluation of investments		11	22	3	1
Other revaluation movements		111	24	38	(96)
Actuarial (gains)/losses		-	(50)	-	(35)
Total other comprehensive net expenditure		122	(30)	41	(215)
Comprehensive net expenditure for the year		**14,337**	**14,301**	**13,464**	**12,300**

Notes

- Core department and agencies comprise: the core department, Building Digital UK, and UK Space Agency.
- All operations are continuing.
- Further analysis of staff costs can be found in the staff note in the accountability report on page 92.
- The notes on pages 159 to 233 form part of these accounts.

Consolidated statement of financial position as at 31 March 2025

	Note	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 Core dept & agencies restated £m	31 Mar 2024 DSIT group restated £m	31 Mar 2023 Core dept & agencies restated £m	31 Mar 2023 DSIT group restated £m
Non-current assets							
Property, plant and equipment	6	338	4,024	342	3,980	313	3,949
Right of use assets	7	66	291	23	256	28	204
Investment properties		(1)	48	(1)	49	1	60
Intangible assets	8	180	353	135	230	106	210
Investment and loans in public bodies	9	507	506	552	530	557	533
Other financial assets	10	41	604	11	585	15	569
Investment in joint ventures and associates	11	97	772	225	845	324	818
Trade and other receivables	12	351	368	1	9	(3)	9
Derivative financial instruments	19	-	-	-	-	6	6
Retirement benefit obligations	17	-	907	-	818	-	748
Total non-current assets		**1,579**	**7,873**	**1,288**	**7,302**	**1,347**	**7,106**
Current assets							
Trade and other receivables	12	317	1,345	910	1,846	184	785

	Note	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 Core dept & agencies restated £m	31 Mar 2024 DSIT group restated £m	31 Mar 2023 Core dept & agencies restated £m	31 Mar 2023 DSIT group restated £m
Investments and loans in public bodies		40	40	37	37	35	35
Other financial assets	10	2	2	2	2	1	1
Cash and cash equivalents	13	1,669	2,304	1,652	2,449	403	654
Derivative financial instruments	19	-	-	-	-	3	3
Total current assets		**2,028**	**3,691**	**2,601**	**4,334**	**626**	**1,478**
Total assets		**3,607**	**11,564**	**3,889**	**11,636**	**1,973**	**8,584**
Current liabilities							
Trade payables and other liabilities	14	(2,980)	(4,667)	(2,222)	(3,779)	(681)	(2,258)
Lease liabilities	15	(6)	(16)	(1)	(8)	(7)	(12)
Provisions for liabilities and charges	16	-	(19)	-	(3)	-	(9)
Financial guarantees, loan commitment liabilities and re-insurance contracts		-	(3)	-	(3)	-	(1)
Derivative financial instruments	20	(66)	(71)	(9)	(16)	-	(1)
Total current liabilities		**(3,052)**	**(4,776)**	**(2,232)**	**(3,809)**	**(688)**	**(2,281)**
Non-current assets plus/less net current assets/liabilities		**555**	**6,788**	**1,657**	**7,827**	**1,285**	**6,303**
Non-current liabilities							
Trade payables and other liabilities	14	-	(115)	-	(111)	-	(110)
Lease liabilities	15	(49)	(125)	(8)	(95)	(12)	(91)
Provisions for liabilities and charges	16	(2)	(205)	(2)	(202)	(2)	(214)

	Note	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 Core dept & agencies restated £m	31 Mar 2024 DSIT group restated £m	31 Mar 2023 Core dept & agencies restated £m	31 Mar 2023 DSIT group restated £m
Derivative financial instruments	20	(74)	(74)	(21)	(21)	-	(1)
Total non-current liabilities		**(125)**	**(519)**	**(31)**	**(429)**	**(14)**	**(416)**
Total assets less liabilities		**430**	**6,269**	**1,626**	**7,398**	**1,271**	**5,887**
Taxpayers' equity and other reserves							
General fund		525	3,121	1,595	4,240	1,196	2,881
Revaluation reserve		(95)	1,660	31	1,763	75	1,674
Pension reserve		-	868	-	818	-	748
Charitable funds		-	423	-	424	-	426
Non-controlling interests		-	197	-	153	-	158
Total equity		**430**	**6,269**	**1,626**	**7,398**	**1,271**	**5,887**

Notes

- Core department and agencies comprise: the core department, Building Digital UK (BDUK), and UK Space Agency (UKSA).
- The notes on pages 159 to 233 form part of these accounts.

Sarah Munby
Permanent Secretary and Principal Accounting Officer
30 June 2025

Consolidated statement of cash flows for the period ended 31 March 2025

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

	Note	2024–25 Core dept and agencies £m	2024–25 DSIT group £m	2023–24 Core dept and agencies restated £m	2023–24 DSIT group restated £m
Cash flows from operating activities					
Net operating cost		(14,215)	(14,331)	(13,423)	(12,515)
Adjustment for non-cash expenditure		755	414	150	443
(Increase)/decrease in trade and other receivables	12	243	142	(726)	(1,061)
Increase/(decrease) in trade payables and other liabilities	14	758	892	1,508	1,490
Less movements in payables relating to items not passing through the Consolidated SOCNE		(13)	(14)	(1,202)	(1,198)
Use of provisions	16	-	(1)	(1)	(3)

	Note	2024–25 Core dept and agencies £m	2024–25 DSIT group £m	2023–24 Core dept and agencies restated £m	2023–24 DSIT group restated £m
Interest on lease liabilities		2	5	1	3
Payments to retirement benefit obligations		-	(12)	-	3
Other cash flow adjustments		(1)	-	-	-
Net cash outflow from operating activities		**(12,471)**	**(12,905)**	**(13,693)**	**(12,838)**
Cash flows from investing activities					
Purchase of property, plant and equipment		(27)	(305)	(50)	(311)
Purchase of investment property		-	-	(44)	(44)
Purchase of intangible assets		(66)	(83)	(7)	(12)
Additions of right-of-use assets		-	-	(1)	(15)
Additions to lease liabilities		-	-	1	13
Proceeds of disposal of property, plant and equipment		-	1	-	1
Proceeds of disposal of investment property		-	-	2	2
Disposal of right-of-use assets		-	4	-	-
Repayments of loans and investments		40	232	39	87
Other investments and loans made		(62)	(245)	(37)	(110)
Net cash outflow from investing activities		**(115)**	**(396)**	**(97)**	**(389)**
Cash flows from financing activities					
From Consolidated Fund (supply) – current year		13,318	13,318	14,719	14,719
From Consolidated Fund (supply) – in respect of machinery of government transfer of function		-	-	241	241
Payment of lease liabilities		(9)	(22)	(6)	(18)

	Note	2024–25 Core dept and agencies £m	2024–25 DSIT group £m	2023–24 Core dept and agencies restated £m	2023–24 DSIT group restated £m
Grant-in-aid received from DSIT		(566)	-	-	-
Other adjustments relating to financing activities		-	-	(1)	(1)
Net financing		**12,743**	**13,296**	**14,953**	**14,941**
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**157**	**(5)**	**1,163**	**1,714**
Receipts due to the Consolidated Fund which are outside the scope of the department's activities		599	599	200	194
Payments of amounts due to the Consolidated Fund		(599)	(599)	(113)	(113)
Payments of amounts due to the Consolidated Fund for prior year		(140)	(140)	-	-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**17**	**(145)**	**1,250**	**1,795**
Cash and cash equivalents opening balance		**1,652**	**2,449**	**402**	**654**
Cash and cash equivalents at the end of the period	13	**1,669**	**2,304**	**1,652**	**2,449**

Notes

- The notes on pages 159 to 233 form part of these accounts.

Statement of changes in taxpayers' equity for the period ended 31 March 2025

Table: Statement of changes in taxpayers' equity (core department and agencies)

	Note	General fund £m	Revaluation reserve £m	Total taxpayers' equity £m
Balance at 1 Apr 2023 restated		**1,195**	**76**	**1,271**
Net parliamentary funding – drawn down		14,719	-	**14,719**
Net parliamentary funding – deemed		375	-	**375**
Supply (payable)/receivable adjustment		(1,520)	-	**(1,520)**
Net expenditure for the year		(13,423)	-	**(13,423)**
Non-cash adjustments				
Auditors' remuneration	4.1	1	-	**1**
Movement in reserves				
Other comprehensive net expenditure/income for the year		-	(41)	**(41)**
Transfers between reserves		4	(4)	**-**
Other movements		244	-	**244**
Balance at 31 Mar 2024 restated		**1,595**	**31**	**1,626**
Balance at 1 Apr 2024 restated		**1,595**	**31**	**1,626**
Net parliamentary funding – drawn down		13,318	-	**13,318**

	Note	General fund £m	Revaluation reserve £m	Total taxpayers' equity £m
Net parliamentary funding – deemed		1,520	-	**1,520**
Supply (payable)/receivable adjustment		(1,675)	-	**(1,675)**
Net expenditure for the year		(14,215)	-	**(14,215)**
Non-cash adjustments				
Auditors' remuneration	4.1	1	-	**1**
Movement in reserves				
Other comprehensive net expenditure/income for the year		-	(122)	**(122)**
Transfers between reserves		3	(4)	**(1)**
Other movements		(22)	-	**(22)**
Balance at 31 Mar 2025		**525**	**(95)**	**430**

Notes

- General fund: The general fund represents total assets less liabilities, to the extent that the total is not represented by other reserves and financing items for the department and its agencies and ALBs.
- Revaluation reserve: Reflects the unrealised element, net of tax, of the cumulative balance of gains/(losses) on revaluations of assets.

Table: DSIT group – consolidated statement of changes in taxpayers' equity

	Note	General fund £m	Revaluation reserve £m	Total taxpayers' equity £m	Pension reserve £m	Charitable funds – unrestricted/ restricted £m	Non controlling interest £m	Total reserves £m
Balance at 1 Apr 2023 restated		**2,881**	**1,674**	**4,555**	**748**	**426**	**158**	**5,887**
Net parliamentary funding – drawn down		14,719	-	**14,719**	-	-	-	**14,719**
Net parliamentary funding – deemed		375	-	**375**	-	-	-	**375**
Supply (payable)/receivable adjustment		(1,520)	-	**(1,520)**	-	-	-	**(1,520)**
Income payable to the Consolidated Fund		(3)	-	**(3)**	-	-	-	**(3)**
Net expenditure for the year		(12,515)	-	**(12,515)**	-	-	-	**(12,515)**
Non-cash adjustments								
Auditors' remuneration	4.1	2	-	**2**	-	-	-	**2**
Movements in reserves								
Other comprehensive net (expenditure)/income for the year		34	181	**215**	-	-	-	**215**
Transfers between reserves		99	(92)	**7**	-	(2)	(5)	**-**
Actuarial gain in the pension scheme		(35)	-	**(35)**	35	-	-	**-**
Other movements		203	-	**203**	35	-	-	**238**
Balance at 31 Mar 2024 restated		**4,240**	**1,763**	**6,003**	**818**	**424**	**153**	**7,398**
Balance at 1 Apr 2024 restated		**4,240**	**1,763**	**6,003**	**818**	**424**	**153**	**7,398**
Net parliamentary funding – drawn down		13,318	-	**13,318**	-	-	-	**13,318**

	Note	General fund £m	Revaluation reserve £m	Total taxpayers' equity £m	Pension reserve £m	Charitable funds – unrestricted/ restricted £m	Non controlling interest £m	Total reserves £m
Net parliamentary funding – deemed		1,520	-	**1,520**	-	-	-	**1,520**
Supply (payable)/receivable adjustment		(1,675)	-	**(1,675)**	-	-	-	**(1,675)**
Net expenditure for the year		(14,331)	-	**(14,331)**	-	-	-	**(14,331)**
Non-cash adjustments								
Auditors' remuneration	4.1	2	-	**2**	-	-	-	**2**
Movements in reserves								
Other comprehensive net (expenditure)/income for the year		51	(21)	**30**	-	-	-	**30**
Transfers between reserves		43	(82)	**(39)**	-	(1)	44	**4**
Actuarial gain in the pension scheme		(50)	-	**(50)**	50	-	-	**-**
Other movements		3	-	**3**	-	-	-	**3**
Balance at 31 Mar 2025		**3,121**	**1,660**	**4,781**	**868**	**423**	**197**	**6,269**

Notes

The notes on pages 159 to 233 form part of these accounts.

- General fund: The general fund represents total assets less liabilities, to the extent that the total is not represented by other reserves and financing items for the department and its agencies and ALBs.
- Revaluation reserve: Reflects the unrealised element, net of tax, of the cumulative balance of gains/(losses) on revaluations of assets.
- Pension reserve: This is a reserve used to cover pension-related transactions and obligations.
- Charitable funds – unrestricted/restricted: This is a legacy reserve created from historical transactions relating to NESTA charitable funds.
- Non-controlling interest: DSIT considers all ALBs presented in the Government Resources and Accounts Act 2000 (GRAA) for group consolidation, the non-controlling interest recognises that DSIT may not hold a 100% shareholding in select ALBs.

Notes to the accounts

1. Accounting policies

1.1 Basis of accounting

These financial statements have been prepared in accordance with IFRS as adapted and interpreted by the HM Treasury 2024–25 FREM and as set out in the accounts direction to the department pursuant to section 5(2) of the GRAA except as described at 1.2 below.

Where the FREM permits a choice of accounting policy, the policy selected is that judged to be most appropriate to the particular circumstances of the core department and its consolidated entities (the departmental group) for the purpose of giving a true and fair view. The policies adopted by the departmental group are described below; they have been applied consistently to items considered material to the accounts.

The Consolidated Statement of Financial Position (SOFP) shows significant net assets, and Annex A sets out DSIT's planned budget for 2025–26, in accordance with total expenditure plans in the published Spending Review 2025 document. DSIT has accordingly prepared these financial statements on a going concern basis, assuming that it will continue its operations for the foreseeable future.

1.2 Accounting convention

These financial statements have been prepared on an accruals basis under the historical cost convention, modified by the revaluation of property, plant and equipment, intangible assets, investment properties and financial instruments at fair value to the extent required or permitted under IFRS as set out in these accounting policies.

1.3 Presentational currency

The financial statements are presented in the functional currency of the departmental group, pounds sterling, as mandated by the FREM.

1.4 Basis of consolidation

The departmental group accounts consolidate the balances of the core department and designated bodies listed in note 24, which fall within the departmental boundary as defined in the FREM and make up the departmental group, excluding transactions and balances between them.

Where the Office for National Statistics (ONS) designates a body retrospectively such that the body should have been designated for consolidation in a prior period, the accounts are voluntarily restated to reflect the position from the effective date of classification.

The consolidated bodies prepare accounts in accordance with either the FREM, the Charities' Statement of Recommended Practice (for charities), or IFRS applied in accordance with the provisions of the Companies Act 2006 (for limited companies). For those bodies that do not prepare accounts in accordance with the FREM, adjustments are made upon consolidation, if necessary, where differences would have a significant effect on the accounts.

The core department and its designated bodies are all domiciled in the UK.

1.5 Machinery of government changes

On 8 July 2024, the DSIT secretary of state announced a machinery of government change, moving GDS, CDDO and i.AI from the Cabinet Office into DSIT.

The integration of entities from the Cabinet Office is accounted for as a transfer by merger. This means that the group accounts reflect the combined entity's results as if the revised DSIT group had always existed.

The results and cashflows in these accounts relate to activities undertaken by DSIT from 1 April 2024 to 31 March 2025, adjusted to achieve uniformity of accounting policies. In accordance with the transfer by merger principles, prior year balances have been restated to aid comparability with 2023–24.

See note 23 for details of the machinery of government change and the impact of this on the prior year comparatives.

1.6 Changes in accounting policies

Accounting policies are unchanged compared to those in the 2023–24 group accounts.

1.7 New accounting standards adopted in the year and FREM changes

No new accounting standards have been adopted in these financial statements.

1.8 Applicable accounting standards issued but not yet adopted

IFRS 17: Insurance Contracts replaces IFRS 4: Insurance Contracts and is to be included in the FREM for mandatory implementation from 2025–26. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard.

IFRS 17 requires insurance contracts, including reinsurance contracts, to be recognised on the SOFP as the total of the fulfilment cashflows and the contractual service margin (CSM).

The fulfilment cashflows consist of the present value of future cash flows calculated using best estimate assumptions with an explicit risk adjustment for non-financial risk.

The risk adjustment is released to the SOCNE as risk expires. The CSM is the unearned profit on insurance contracts and is released to the SOCNE over the insurance contract period as insurance services are provided. Where an insurance contract is onerous, it will have no CSM and the onerous element of the insurance contract will be recognised immediately in the SOCNE.

On restatement, it is estimated IFRS 17 will have nil impact on taxpayers equity at 31 March 2025 and the comprehensive net expenditure for 2024–25. This is driven by the absence of relevant contracts or commitments issued by the department that are within the scope of IFRS17.

1.9 Operating income

Operating income relates directly to the operating activities of the departmental group and includes the following types of income: fees charges and recharges to and from external customers and central government organisations, income from other government departments and the public sector, sales of goods and services, European Union funding, current and capital grants, and miscellaneous and other income.

The key categories are income from contracts with customers, and grants.

Operating income from contracts with customers

Income from contracts with customers, which includes all non-grant income, is allocated to performance obligations, on a stand-alone selling price basis, and is recognised when the related performance obligation is satisfied, either over time or at a point in time.

The performance obligations are typically satisfied upon delivery of goods and services in accordance with the contractually defined timescales. The payment terms for the invoices are typically 30 days. Where the departmental group receives consideration prior to the transfer of goods and services, the amount is recorded as contract liabilities. Where the departmental group has transferred goods and services to a customer and the right to consideration is conditioned on something other than the passage of time, the amount is recorded as contract assets.

The measurement of income takes account of significant financing components, variable consideration, and any discounts or rebates.

Operating income includes fees, charges and recharges, including for fees associated with UKRI managed programmes. Further details are provided in Note 5.1 Operating income.

Grant income

Grant income, including European funding, is recognised when there is reasonable assurance that there are no conditions attached, or that any such conditions have been complied with and there is reasonable assurance the grant will be received.

Grant income receivable and funding for collaborative projects are recognised as income over the period in which the related costs are recognised for which the grant or funding is intended to compensate in accordance with IAS 20.

1.10 Staff costs

Staff costs are recognised as expenses when the departmental group becomes obligated to pay them, including the cost of any untaken leave entitlement.

1.11 Grants payable

Grants payable are recognised when the grant recipient has performed the activity that creates an entitlement to the grant under the terms of the scheme and includes estimates for claims not yet received.

Where an intermediary acts as agent in distributing grant on behalf of the department, grants payable are recognised when the grant recipient becomes entitled to the grant.

Research grants, fellowships and studentships

Research grants and fellowships are paid on an instalment basis in accordance with an agreed payment profile. Grant payments made in advance or in arrears are accounted for on a prepayments or accruals basis in the financial statements. Where the grant documentation does not specify a pre-agreed payment profile or other matching considerations, obligations are recognised in full. Studentship payments are paid on a quarterly instalment basis in advance or arrears directly to the research institute.

Where the profile indicates that an unclaimed and/or unpaid amount exists at the SOFP date, such sums are accrued in the financial statements. Where the profile indicates a payment of grant that is yet to be utilised by the recipient, a prepayment is recognised.

Research England grants

Most grants are paid on an agreed profile, as a contribution to research costs within institutions. The profiles are periodically updated throughout the academic year, and as such no financial year-end accruals are expected for these streams of expenditure. For Research England grants, such as the Strength in Places Fund, which fund agreed and specified eligible activity, expenditure is recognised in the period in which eligible activity creates an entitlement in line with the terms and conditions of the grant. Future commitments at the SOFP date are disclosed in Note 18.

1.12 Taxation

The core department and its agencies are exempt from corporation tax by way of Crown exemption. Some consolidated bodies are subject to corporation tax on taxable profits.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to HM Revenue and Customs, based on tax rates and laws that are enacted or substantively enacted by the reporting date.

Value-added tax (VAT) is accounted for in the accounts, in that the amounts are shown net of VAT except for irrecoverable VAT, which is aggregated with the cost of purchased items.

1.13 Foreign currency

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange on the date of each transaction.

In preparing the financial statements, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the reporting date. All translation differences of monetary assets and liabilities are included in net expenditure for the year. Values are rounded to the nearest million pounds (£m) unless the FREM requires a lower threshold.

1.14 Property, Plant and Equipment (PPE)

Assets are capitalised as PPE if they are intended for use on a continuing basis and their original carrying value, on an individual or asset pool basis, exceeds the relevant capitalisation threshold which ranges from £500 to £10,000 across the departmental group.

Valuation of PPE

PPE is carried at fair value except for assets under construction which are held at cost. In accordance with the FREM, assets that have short useful lives or are of low value are carried at depreciated historical cost less impairment as a proxy for fair value.

Specialised assets (those for which a market value cannot be readily determined, due to the uniqueness arising from its specialised nature and design) are valued on a depreciated replacement cost basis or using appropriate indices in line with the FREM. Specialised land and buildings are measured at depreciated replacement cost which represents the cost of replacing the present value of the asset's remaining service potential.

Non-specialised assets are measured at market value in existing use.

Revaluation of PPE

Any accumulated depreciation at the date of revaluation is eliminated and the resulting net book value restated to equal the revalued amount. Any revaluation increase arising is credited to the revaluation reserve except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to net expenditure for the year to the extent of the decrease previously charged.

A decrease in carrying amount arising on revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

On derecognition, any revaluation surplus remaining in the revaluation reserve attributable to the asset is transferred directly to the general fund.

Land, buildings, Polar research stations, ships and aircraft are professionally revalued every five years and in the intervening period relevant indices are used. Indexation is not applied to assets under construction. See note 6 for further details.

Estimated useful lives

PPE assets are depreciated to estimated residual values. This is done on a straight-line basis over their estimated useful lives, given in the table below. Residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. Freehold and long leasehold land are not depreciated. Assets under construction are not depreciated until available for use as intended by management.

PPE asset	Estimated useful life
Freehold buildings	10 – 60 years
Leasehold improvements	Shorter of remaining useful life or outstanding term of lease
Computer equipment	2 – 10 years
Plant and machinery	3 – 50 years
Office machinery (included in plant and machinery), furniture, fixtures and fittings	2 – 11 years
Transport equipment	2 – 14 years

1.15 Intangible non-current assets

Intangible non-current assets are capitalised if they are intended for use on a continuing basis and their original carrying value, on an individual or asset pool basis, exceeds the relevant capitalisation threshold, which ranges from £500 to £10,000 across the departmental group.

There are no active markets for the majority of the departmental group's intangible non-current assets which are valued at the lower of depreciated replacement cost and value in use using a valuation technique (for example for income-generating assets); where there is no value in use, depreciated replacement cost is used. Where there is an active market, the valuation is derived from the active market.

Assets of low value or with short useful lives are carried at cost less accumulated amortisation and impairment losses as a proxy for fair value. They are amortised on a straight-line basis over the following periods:

Intangible non-current asset	Estimated useful life
Software licences	3 – 10 years
Internally developed software	Up to 10 years
Website development costs	2 – 5 years
Patents, licences and royalties	7 – 15 years
Assets under construction	Not amortised until available for use as intended by management

1.16 Impairment of PPE and intangible non-current assets

The departmental group reviews carrying amounts at each reporting date. If an indicator for impairment occurs, then the recoverable amount of the asset (the higher of fair value less costs to sell and value in use) is estimated and an impairment loss recognised to the extent that it is lower than the carrying amount.

Losses arising from a clear consumption of economic benefit are charged to net expenditure for the year.

Losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve, to the extent that a revaluation reserve exists for the impaired asset; otherwise, to net expenditure for the year.

1.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and other short term highly liquid investments which are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and have an original maturity of three months or less. Any bank overdraft amounts are included within trade payables and other liabilities.

1.18 Leases

Interpretations and adaptations

The group applies IFRS 16 as adapted and interpreted for the public sector by the FREM. Please refer to the FREM for details of the adaptations and interpretations.

Measurement of right-of-use assets

Initial measurement

The group measures the right-of-use asset at cost. This comprises the initial measurement of the lease liability, adjusted for any prior lease payments made, lease incentives received, initial direct costs incurred and estimated costs for removing and dismantling the asset and restoring the site, in accordance with lease terms and conditions.

Subsequent measurement

Right-of-use assets are subsequently measured in line with the class of PPE asset to which the lease relates. The cost model for IFRS 16 is used as a proxy for valuation except where:

- A longer-term contract has no provisions to assess lease payments for market conditions
- There is a significant period of time between these assessments
- The valuation of the underlying asset is likely to fluctuate significantly due to changes in market prices.

Depreciation of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis from commencement date to the earlier of the end of the asset's useful life or its lease term.

Impairment of right-of-use assets

The departmental group applies IAS 36 'Impairment of Assets' to determine whether a right-of-use asset is impaired and to account for any impairment loss identified.

Measurement of lease liabilities

Initial measurement

At the commencement date, the departmental group measures the lease liability at the present value of the lease payments that are not paid at that date. This includes fixed payments (adjusted for any lease incentives received), variable lease payments which depend on an index or rate, and amounts expected to be payable under a residual value guarantee. It also includes the exercise price of any purchase options the group is reasonably certain to exercise, along with payment of lease termination penalties where the group is reasonably certain to terminate the lease and this is reflected in the lease term recognised.

Lease payments are discounted using the HM Treasury discount rate, except in cases where the interest rate implicit in the lease can be readily determined (in which case this is used) or cases where another discount rate is judged to more accurately represent the interest rate.

The HM Treasury discount rate is:

- 4.72% for leases that commence or are remeasured between 1 January 2024 to 31 December 2024
- 4.81% between 1 January 2025 and 31 March 2025

Subsequent measurement

The lease liability is remeasured to reflect changes to the lease payments. The departmental group remeasures the lease liability by discounting the revised lease payments using a revised discount rate if there is a change in the lease term, our assessment of an option to purchase the underlying asset, amounts expected to be payable under a residual value guarantee, or future lease payments resulting from a change in the index or rate used to determine these.

The amount of remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset, or in the SOCNE where there is a downward remeasurement to a right of use asset valued at £nil.

1.19 Subsidiaries, associates and joint ventures

Subsidiaries and public sector joint ventures are consolidated where designated within the departmental group boundary (note 24).

Those subsidiaries, joint ventures and associates that are outside of the departmental group boundary are measured in accordance with IFRS 9 'Financial Instruments' or IAS 28 'Investments in Associates and Joint Ventures' as relevant.

The financial asset is recognised when the departmental group becomes party to the contractual provisions of the instrument. Equity investments in associates or joint ventures outside the public sector are initially recorded at cost post-acquisition plus the department's share of net assets and subsequently adjusted to reflect the departmental group's share of net profit or loss and other comprehensive income of the associate or joint venture.

In line with IAS 28, an impairment assessment is also performed at year end to determine if there is objective evidence that a loss event has occurred. Any impairments will reduce the carrying amount of the net investment and be recognised as an impairment cost in the SOCNE occurred.

1.20 Financial instruments

Financial assets and liabilities are measured initially at fair value plus transaction costs, unless measured at fair value through profit or loss in which case transaction costs are charged to net expenditure for the year. Fair value is determined by reference to quoted prices where an active market exists for the instrument; otherwise, it is determined using generally accepted valuation techniques including discounted estimated cashflows.

Financial assets

Classification and measurement of financial assets

The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cashflow characteristics. Derivatives embedded in contracts where the host is a financial asset in scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Held at Amortised Cost

These are financial assets whose contractual cashflows are solely payments of principal and interest and the objective of the business model is to hold financial assets to collect contractual cashflows only. They are initially recognised at fair value and thereafter at amortised cost using the effective interest method less any impairment. These mainly comprise: cash and cash equivalents, trade receivables (arising from a contractual arrangement) and loans to public sector bodies, including the core department's loans to the Met Office.

Held at Fair Value Through Other Comprehensive Income (FVOCI)

After initial recognition, these assets are subsequently measured at fair value. Gains and losses in fair value are recognised directly in equity. On derecognition, the cumulative gain or loss previously recognised in equity is recognised in net expenditure for the year for debt instruments and transferred to general fund for equity instruments.

These comprise of equity investments in public sector companies that are neither held for trading nor contingent consideration recognised in a business combination, as the departmental group made an irrevocable election at initial recognition.

Held at Fair Value through Profit or Loss (FVPL)

All financial assets which do not meet the criteria for classification to be recognised and measured at amortised cost or FVOCI are recognised and measured at Fair Value Through Profit or Loss (FVPL). Transaction costs and any subsequent movements in the valuation of the asset are recognised in net expenditure for the year. These comprise mainly of private sector shares and investment funds.

Impairment of financial assets

Financial assets, other than equity instruments and those at FVPL, are assessed for impairment at each reporting date using the expected credit loss (ECL) model. The three-stage model based on the level of credit risk is applied to any financial assets other than long term trade receivables, contract assets which do not contain a significant financing component and lease receivables within the scope of IFRS 16 'Leases' as follows:

- For financial assets with low credit risk or assets that have not had a significant increase in credit risk since initial recognition, 12-month ECL are recognised and interest revenue is calculated on the gross carrying amount of the asset without the reduction of credit allowance.
- For financial assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment, lifetime ECL are recognised, and interest revenue is calculated on the gross carrying amount of the asset.
- For financial assets that have objective evidence of impairment at the reporting date, lifetime ECL are recognised, and interest revenue is calculated on the net carrying amount net of credit allowance.

Impairment gains or losses, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with the standard, are recognised in profit or loss.

For long-term trade receivables, contract assets which do not contain a significant financing component and lease receivables within the scope of IFRS 16 'Leases', the simplified approach is applied and lifetime ECL are recognised as dictated by the FREM.

The impairment methodology is detailed in the financial instruments note 19.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive future cashflows have expired or are transferred and the risks and rewards of ownership have been substantially transferred.

Financial liabilities

Classification and measurement of financial liabilities

The departmental group's financial liabilities excluding derivatives and some financial guarantees are initially recognised at fair value including directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, except for:

- Financial liabilities at fair value through profit or loss, which is applied to derivatives and other financial liabilities designated as such at initial recognition.
- Financial liabilities arising from the transfer of financial assets which do not qualify for derecognition and financial guarantee contracts and loan commitments whereby a financial liability is recognised for the consideration received for the transfer.

Derecognition of financial liabilities

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Derivative financial instruments

These are treated in accordance with note 1.21 below.

1.21 Hedge accounting under IFRS 9 Financial Instruments

Derivative financial instruments comprise forward exchange contracts held to hedge the departmental group's exposure to foreign currency risk. They are designated as cash flow hedges. The effective portion of change in the fair value is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the SOCNE. Amounts accumulated in equity are recycled to the SOCNE in the periods when the hedged item affects the SOCNE.

Financial instruments held to hedge foreign currency risk exposures are designated as cash flow hedges if the criteria for applying cash flow hedge accounting under IFRS 9 are met. If the criteria are not met, such as when a forecast transaction is no longer expected to occur, the forward contract is accounted for as a financial instrument held for trading purposes and any cumulative gain or loss that was reported in taxpayer's equity is immediately transferred to the SOCNE.

The departmental group does not hold or issue derivative financial instruments for trading purposes.

1.22 Pensions

Funded defined-benefit pension schemes

The departmental group has three funded defined-benefit pension schemes, the Medical Research Council pension scheme and two for Ofcom.

The net assets/liabilities recognised in the SOFP for funded defined benefit schemes are calculated by independent actuaries by deducting the fair value of scheme assets from the present value of defined benefit obligations (estimated using the projected unit credit method, less any amounts receivable from third parties). Where the scheme is in surplus, the asset recognised in these statements is limited to the present value of benefits available from future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements. Actuarial gains and losses are recognised as other comprehensive net income and expenditure.

Unfunded defined benefit pension schemes

The departmental group contributes towards a number of unfunded defined benefit pension schemes of which employees are members: these include the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS). The participating employers in these schemes are unable to identify their share of the underlying net liability; as such these schemes are accounted for as defined contribution pension schemes, with employers' contributions charged to the SOCNE in the period to which they relate. Further information regarding PCSPS and CSOPS is presented in the staff report.

Defined contribution pension schemes

Contributions are charged to the SOCNE when they become payable. The departmental group has no further liabilities in respect of benefits to be paid to members.

More information about the departmental group's pension schemes can be found in the accounts of the consolidated entities, including in note 3 for the core department and of the pension schemes themselves in note 17.

1.23 Provisions

A provision is recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation (legal or constructive) that can be reliably measured, and which results from a past event. Where the time value of money is material, the provision is measured at present value using discount rates prescribed by HM Treasury. HM Treasury issues nominal rates that do not take account of inflation, unlike real rates. Using these nominal rates, the cashflows are inflated using the inflation rates provided by HM Treasury except where a more appropriate forecast has been identified for specific provisions. Please refer to note 16 'Provisions for liabilities and charges' for a table of discount rates used for 2024–25 and 2023–24.

1.24 Contingent assets and liabilities

Contingent liabilities

Where an outflow of economic benefits from a past event is possible but not probable, the departmental group discloses a contingent liability. In addition to contingent liabilities disclosed in these financial statements in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote are disclosed in the accountability report for parliamentary reporting and accountability purposes. Remote contingent liabilities reported in the accountability report are stated at the amounts reported to Parliament.

Contingent assets

Where an inflow of economic benefits from a past event is probable, the departmental group discloses a contingent asset.

Estimates of the financial effects are disclosed where practicable; where the time value of money is material, contingent liabilities and assets are stated at discounted amounts and the amount reported to Parliament separately noted.

1.25 Third party assets

The departmental group holds certain cash balances belonging to third parties as custodian or trustee. These balances are not recognised in the financial statements since neither the departmental group nor government more generally has a direct beneficial interest in them.

1.26 Significant judgements

Significant judgements in the 2024–25 DSIT ARA

A number of judgements have been made around the machinery of government changes, valuation of PPE, useful lives of non-current assets and depreciation rates.

Machinery of government changes (notes 1.5 and 23)

A number of judgements have been made around the machinery of government changes reflected in these accounts.

PPE (notes 1.14 and 6)

A number of judgements have been made around the valuation of PPE, useful economic lives, indices used and depreciation rates.

Grant accruals and prepayments within UKRI (note 14)

Financial statements include a grant accrual for each project (including fellowships, studentships and grants) where it has been determined that there is an unclaimed amount at the year end that is due to participants.

Given the nature of this estimate and the history of recipients not spending, and therefore not being reimbursed for, their full entitlement, an expected future underspend percentage is calculated based on historic data of underspend against payment profile and applied to the year-end balance.

A no-cost extension (NCE) arises when a grant recipient moves the end-date of a research or fellowship grant into the future without changing the value of the grant. In prior years NCEs were modelled off system, and a prepayment journal was applied to the year-end balances ensuring grant spend was reflective of the current financial year. The process was updated in 2023–24 and NCE's are managed locally with payment profiles being adjusted as required within the system.

Research and Fellowship grants with cash limits above £0.2 million have their payment profile reprofiled via the grant system. Where grants have a cash limit of more than £3 million an Interim Expenditure Statement will be requested and will inform the new profile.

Decommissioning provisions within UKRI (note 16)

Calculation of the decommissioning costs for specialist facilities constitutes a significant accounting estimate. External experts give insight into the current cost of the work to be undertaken and assumptions regarding inflation rates. Management translates these costs into a provision using knowledge of the timing of the decommissioning and the profiling of the expenditure. To reduce the risk of material misstatement, the estimates and assumptions are reviewed annually.

UKRI has recognised a decommissioning provision of £29.3 million for the ISIS facility at RAL. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site, radioactive waste disposal and clean-up costs and the expected timing of those costs. ISIS is forecast to be decommissioned over 45 years, commencing in 2040–41. The decommissioning costs are estimated to total £200 million at current prices. The decommissioning provision for ISIS is sensitive to changes in inflation/discount rates that are provided by HM Treasury. This year, the long-term discount rate (11–40 years) increased from 4.72% to 4.81%, and the very-long-term rate (> 40 years) increased from 4.4% to 4.55%, the inflation rate staying the same at 2%. The ISIS decommissioning provision decreased by £0.6 million due to the change in discount rates (last year the movement due to discount rate changes was a decrease of £13.5 million).

UKRI has recognised a provision of £108.8 million for its share of the decommissioning costs of the Institut Laue Langevin (ILL); this has been taken to be its share of the ILL decommissioning provision recognised in the ILL latest accounts. The calculation by the ILL assumes that the ILL will shut down in 2030 and decommissioning will be completed in 2057. The main sources of uncertainty are associated with future developments in waste processing and site rehabilitation technology, and with nuclear and conventional safety constraints and environmental requirements. The value of the UKRI provision will also be affected by the EUR to GBP exchange rate.

Recognition of research grants and fellowships expenditure and payment profiles (note 4.3)

Where research grant and fellowship grant payment profiles are linear and a grant is not subject to NCE, UKRI judges that there is an alignment between the payment profile, the underlying activity it supports, and costs incurred by grant recipients. UKRI makes this judgement because the majority of costs incurred by grant recipients are similarly linear (for example, direct costs of employing researchers, overheads associated with a grant), and therefore sufficiently aligned with the payment profile of the grant such that it is the most reasonable and appropriate basis for recognising expenditure. This judgement means that UKRI therefore recognises expenditure on individual research grants and fellowships when payment is made, except where final payment is withheld awaiting a final statement of expenditure from a grant recipient.

Based on historic funding assurance sampling, in the absence of more granular data, UKRI has made a significant assumption that some, 4.5%, is evenly profiled. This assumption is required due to some cost categories potentially following a more variable profile at points during the life of a project. For example, a cost category that may follow a more variable profile would be that of an equipment grant which may be spent at fixed points in a project rather than spread throughout the whole life of the grant. Historic sampling shows on average this type of expenditure equates to 4.5% during a financial year, however as the main grant expenditure types show a consistent even profile and is most of the grant spend UKRI recognises a linear profile. Other alternative profiling has not been considered due to impracticability and the current straight-line policy output being a true and fair reflection of the economic activity being undertaken. The reprofiling of grants on system, as referenced above, also ensures expenditure is captured as incurred and recognised in the appropriate accounting period.

Innovate UK grant accrual (note 14)

The grant accrual is based on participants' forecast of expenditure submitted with their latest claim. For a number of large non-core projects, the Knowledge Transfer Network (KTN) and Catapult Centres, Innovate UK (IUK) contacts the participants directly to obtain further information and assurances on claims due at the year-end date. For those grants that are based on procurements, IUK confirms the accruals based on purchase orders raised for the period. The major sources of uncertainty in the estimate relate to the profiling of incurring and defraying the project costs that create the entitlement to the grant, and the amount of the grant not utilised at the end of the project. The projects funded by IUK are typically collaborations between private businesses and academia; this aspect introduces a degree of interdependency between project partners that may impact on the timing of individual work packages. In addition, projects are typically two to five years long, which permits a degree of flexibility for grant recipients in the scheduling of their project activity. These projects seek to develop new technology-based products and services for future markets and, as such, are inherently uncertain in terms of their success and, related to this, the project duration and activity costs ultimately incurred.

Funded pension scheme (note 17)

The determination of the pension cost and defined benefit obligation (liabilities) of the Medical Research Council and Ofcom Pension Schemes depends on the selection of certain assumptions, which include the discount rate, inflation rate, salary growth, mortality rates and expected rate of return. The pension assets include property investments and unquoted equity investments, which are estimates based on fund manager valuation reports, and valued by the expert valuation reports as at 31 March 2025.

Horizon and Copernicus programmes (note 18)

The department made contribution payments for the Horizon and Copernicus programmes during 2024–25 and several judgements have been made around the accounting treatment for these costs.

The contributions that the department pays through our associate membership are providing UK entities with the right to participate in these programmes and the benefits to the UK research sector will accrue over the lifetime of participation. We have therefore concluded that the department's obligation to these programmes accrue over the life of the programmes, as opposed to recognising the total cost at its commencement.

Both the participation fee and operational contribution for each annual work programme will be accounted for by accruing the annual cost evenly over the calendar year and recognising corresponding accruals or prepayments on the SOFP, depending on the timing of payments. The annual cost is determined by the annual charge issued by the European Commission.

An estimate of the future commitments payable under both programmes has been disclosed within the Other Financial Commitments note (note 18).

Impairment of Assets (notes 6, 8, 9, 10, 11, 12 and 19)

Impairment of financial assets is measured using the expected credit loss model (note 1.20). Impairment of non-financial assets is measured by comparing the carrying value of the asset or cash generating unit with management's estimate of its recoverable amount.

Fair value of private equity investments (note 10)

A range of valuation techniques are used for private equity investments, including discounted cash flows and net asset values.

2. Reporting by operating segment

In accordance with the relevant reporting requirements, including IFRS 8 'Operating Segments', the Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes reflect net resource and capital outturn in line with the control totals voted by Parliament.

The figures within SOPS 1.1 provide the income and expenditure totals associated with key business activities within the DSIT group and therefore reflect the management information reporting to the board during the period.

3. Staff costs

	2024–25 Permanent employed staff £m	2024–25 Others £m	2024–25 Total £m	2023–24 restated Total £m
Wages and salaries	853	93	**946**	**892**
Social security costs	99	-	**99**	**87**
Other pension costs	207	-	**207**	**181**
Sub total	**1,159**	**93**	**1,252**	**1,160**
Less recoveries in respect of outward secondments	(1)	-	**(1)**	**(1)**
Total net costs	**1,158**	**93**	**1,251**	**1,159**
Of the total: Core dept and agencies	278	37	**315**	**290**
Of the total: NDPBs and other designated bodies	880	56	**936**	**869**
Total net costs	**1,158**	**93**	**1,251**	**1,159**

Notes

- See the staff report and remuneration report for further information on staff costs and numbers.

4. Operating expenditure

4.1 Purchase of goods and services

	2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 restated Core dept & agencies £m	2023–24 restated DSIT group £m
Accommodation and office equipment costs	49	208	29	174
Legal, professional and consultancy costs	139	238	135	249
Finance, HR, IT and support costs	129	234	124	221
Travel and subsistence costs	8	38	6	36
Advertising and publicity	3	22	6	22
International subscriptions	370	732	485	792
Donations	-	35	-	29
Purchase of geographical and scientific equipment	118	161	80	116
Purchase of weather information and weather related services	168	168	137	137
Public Sector Geospatial Agreement	138	136	130	130
Horizon Europe and Copernicus programmes	1,635	1,593	529	529

	2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 restated Core dept & agencies £m	2023–24 restated DSIT group £m
Payment of taxes and levies	-	22	-	-
Other purchase of goods and services cost	114	197	119	214
Total	**2,871**	**3,784**	**1,780**	**2,649**

Core department

Included in the 'Horizon Europe and Copernicus programmes' heading is £1,510 million (2023–24: £498 million) relating to the department's participation in the Horizon Europe programme and £125 million (2023–24: £31 million) for our participation in the Copernicus programme. The increased expense compared to the previous year is due to 2024–25 being the first full year of participation in the programmes.

DSIT group

International subscriptions include £370 million (2023–24: £482 million) paid to the European Space Agency by UKSA, and £319 million (2023–24: £310 million) for international subscriptions paid by UKRI.

Table: Audit fees

	2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 Core dept & agencies £m	2023–24 DSIT group £m
NAO audit fees	1	2	1	2
Total audit fees	1	2	1	2

Core department

The core department and agencies balance include £577,000 (2023–24: £565,000) relating to statutory NAO audit fees for the core department.

DSIT group

The largest costs related to statutory fees for NAO audit work, at £2,020,500 (2023–24: £1,816,658).

4.2 Depreciation and Impairment

	2024-25 Core dept & agencies £m	2024-25 DSIT group £m	2023-24 Core dept & agencies £m	2023-24 DSIT group £m
Depreciation	40	287	32	296
Amortisation	20	46	21	46
Impairment of property, plant and equipment	-	-	-	22
Impairment of investments and remeasurement of expected credit losses	1	27	-	14
Total	**61**	**360**	**53**	**378**

DSIT group

The majority of the £287 million group depreciation figure (2023–24: £296 million) relates to bodies within the UKRI group, with the three largest values relating to the Science and Technology Facilities Council (STFC), the Natural Environment Research Council (NERC) and Diamond Light Source (DLS).

4.3 Grants expenditure

	2024-25 Core dept & agencies £m	2024-25 DSIT group £m	2023-24 Core dept & agencies £m	2023-24 DSIT group £m
Grant in Aid	**9,753**	**-**	**10,301**	**-**
Science and Research, of which:	**890**	**9,953**	**569**	**8,927**
Research England	-	2,836	-	2,725
Innovate UK	-	2,020	-	1,726
Engineering and Physical Sciences Research Council	-	1,629	-	1,527
Medical Research Council	-	890	-	879
Biotechnology and Biological Sciences Research Council	-	525	-	480
Science and Technology Facilities Council	-	527	-	396
Natural Environment Research Council	-	335	-	330
Economic and Social Research Council	-	276	-	267
Arts and Humanities Research Council	-	163	-	140
Other science and research	890	752	569	457
Innovation Programmes, of which:	**332**	**338**	**109**	**113**
BDUK capital grants	269	269	64	64
Other innovation programmes	63	69	45	49
Other grants	**28**	**21**	**16**	**13**

	2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 Core dept & agencies £m	2023–24 DSIT group £m
Green Future Fellowships Endowment	-	-	150	150
Faraday Discovery Fellowships Endowment	-	-	250	250
Total	**11,003**	**10,312**	**11,395**	**9,453**

Core department

In 2024–25, included within the 'science and research' heading is:

- £120 million (2023–24: £112 million) of grant funding provided directly to the Research Councils Pension Scheme (RCPS). These grant payments are classified as current grant expenditure rather than grant-in-aid as RCPS is not an ALB of DSIT and they are not consolidated into the DSIT group accounts.
- £112 million (2023–24: £110 million) of core grant funding provided to the Royal Society.
- £101 million (2023–24: £47 million) of grant funding provided to the Met Office to deliver the Supercomputing 2020+ programme.

In 2023–24, also included within the heading 'science and research' was £124 million of refunds of grant expenditure from previous years in relation to clawback of funding provided to Innovate UK on completion of the sale of the Vaccines Manufacturing and Innovation Centre. There was no such refund in 2024–25.

Fellowship endowments: In 2023–24, the core department provided a £150 million endowment to the Royal Academy of Engineering to launch and deliver the Green Future Fellowships scheme and a £250 million endowment to the Royal Society to launch and deliver the Faraday Discovery Fellowships scheme. There was no Green Future Fellowships endowment or Faraday Discovery Fellowships endowment provided in 2024–25.

Grant in aid

Grant in aid is paid to the following DSIT ALBs:

- Advanced Research and Invention Agency
- Information Commissioners Office
- British Technology Investments Ltd
- UK Research and Innovation

The majority of the decrease in grant in aid from the prior year is due to UKRI, whose grant in aid has decreased from £10,268 million in 2023–24 to £9,688 million in 2024–25.

DSIT group

Science and research grants provided by UKRI relate to funding and support across a wide range of academic disciplines and industrial areas and they are mainly paid to eligible research organisations in the UK.

Science and research grant expenditure has increased by £1,026 million. This is mainly due to entities in the UKRI group, including IUK's additional spend of £294 million under the following programmes: Technologies Mission Fund – AI; Future Economy Review Health and Life Science; Future Economy Review Net Zero; and Co-funding Manufacturing, Materials & Mobility. There has also been additional funding in other science and research of £295 million, primarily due to the following programmes: Met Office – Supercomputer; British Academy International Science Partnership Fund; and British Council International Science Partnership Fund. The other significant contributors to the increase in science and research grants are STFC (£131 million) and Research England (£111 million), mainly due to: AI Research Resource; Infrastructure Fund – Wave 1-Full project-Diamond-II; and QR Research (Science – R & D).

Innovation programme grants increased by £225 million. This is predominantly attributable to the increase in capital grants of £205 million that BDUK awarded relating to: Project Gigabit; Shared Rural Network; and Superfast Broadband.

5. Income

5.1 Operating income

	2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 restated Core dept & agencies £m	2023–24 restated DSIT group £m
Fees, charges and recharges to/from external customers and central government organisations	58	345	49	273
Income from other government departments and public sector	9	665	5	491
Sales of goods and services	4	47	3	42
European Union funding	-	5	-	10
Current grants and capital grants	50	213	55	182

	2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 restated Core dept & agencies £m	2023–24 restated DSIT group £m
Miscellaneous income	17	72	2	70
Other operating income	-	29	-	26
Total	**138**	**1,376**	**114**	**1,094**

Core department and agencies

£48 million of operating income for the core department relates to research and development grant income received from the Department for Education.

DSIT group

Fees, charges and recharges to/from external customers and central government organisations for group entities of £345 million (2023–24: £273 million) is primarily due to Office of Communications, which charged £184 million during the year (2023–24: £164 million), and the Information Commissioner's Office, which had income from fees, charges and recoveries of £75 million (2023–24: £70 million).

Income from other government departments and public sector is primarily driven by IUK income of £656 million (2023–24: £486 million). This includes £148 million income for Co-Funding Manufacturing, Materials & Mobility (2023–24: £54 million) and £171 million income for the Centre for Aerodynamics managed programme (2023–24: £166 million).

5.2 Finance income

	2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 Core dept & agencies £m	2023–24 DSIT group £m
Effective Interest – amortised cost assets	-	-	1	1
Interest income – FVPL assets	-	3	-	3
Interest income – amortised cost assets	8	20	7	16
Dividend income – FVPL assets held at period end	-	14	-	13
Dividend income – FVOCI (investments in joint ventures, associates and public dividend capital)	25	25	73	73
Total	**33**	**62**	**81**	**106**

Core department and agencies

In 2024–25 the core department recognised dividend income of £25 million (2023–24: £73 million). This includes £5.7 million of dividends from Ordnance Survey (2023–24: £56.9 million), £8.5 million from the Met Office (2023–24: £8.5 million) and £10.3 million from the Intellectual Property Office (2023–24: £8.1 million). These entities are sponsored by the core department but are outside of the departmental group accounting boundary.

DSIT group

In addition to the £25million dividend income recognised by the core department, the group recognised a further £14 million of dividend income, relating to investment income of the NESTA Trust.

6. Property, plant, and equipment

Table: 2024–25, DSIT group, property, plant, and equipment

		Land £m	Buildings £m	Information technology £m	Plant, machinery, furniture and fittings £m	Transport equipment £m	Assets under construction £m	Total £m
Cost or valuation	**Opening balance at 1 Apr 2024**	**268**	**3,028**	**259**	**2,742**	**501**	**616**	**7,414**
Cost or valuation	Additions	-	15	24	43	5	217	**304**
Cost or valuation	Disposals	-	(2)	(21)	(71)	(1)	-	**(95)**
Cost or valuation	Transfers	-	-	(2)	-	-	(5)	**(7)**
Cost or valuation	Reclassifications	-	153	23	94	1	(271)	**-**
Cost or valuation	Revaluations	4	49	3	(132)	4	-	**(72)**
Cost or valuation	**Closing balance at 31 Mar 2025**	**272**	**3,243**	**286**	**2,676**	**510**	**557**	**7,544**
Depreciation	**Opening balance at 1 Apr 2024**	**-**	**(1,214)**	**(151)**	**(1,871)**	**(198)**	**-**	**(3,434)**
Depreciation	Charged in year	-	(74)	(48)	(119)	(24)	-	**(265)**
Depreciation	Disposals	-	3	21	71	1	-	**96**
Depreciation	Transfers	-	1	-	(1)	-	-	**-**
Depreciation	Revaluations	-	(13)	(1)	99	(2)	-	**83**
Depreciation	**Closing balance at 31 Mar 2025**	**-**	**(1,297)**	**(179)**	**(1,821)**	**(223)**	**-**	**(3,520)**
Carrying amount	**Opening balance at 1 Apr 2024**	**268**	**1,814**	**108**	**871**	**303**	**616**	**3,980**
Carrying amount	**Closing balance at 31 Mar 2025**	**272**	**1,946**	**107**	**855**	**287**	**557**	**4,024**
Asset financing	Owned	272	1,946	107	855	287	557	**4,024**
Carrying amount	**Closing balance at 31 Mar 2025**	**272**	**1,946**	**107**	**855**	**287**	**557**	**4,024**
Of the carrying amount	Core dept and agencies	32	176	36	62	-	32	**338**
Of the carrying amount	NDPBs and other designated bodies	240	1,770	71	793	287	525	**3,686**
Carrying amount	**Closing balance at 31 Mar 2025**	**272**	**1,946**	**107**	**855**	**287**	**557**	**4,024**

Table: 2023-24 restated, DSIT group, property, plant and equipment

		Land	Buildings	Information technology	Plant, machinery, furniture and fittings	Transport equipment	Assets under construction	Total
		£m	£m	£m	£m	£m	£m	£m
Cost or valuation	**Opening balance at 1 Apr 2023**	**232**	**2,953**	**225**	**2,612**	**452**	**595**	**7,069**
Cost or valuation	Additions	-	15	39	35	7	221	**317**
Cost or valuation	Disposals	-	(9)	(24)	(70)	(1)	-	**(104)**
Cost or valuation	Impairments	3	(20)	-	(1)	-	(1)	**(19)**
Cost or valuation	Transfers	-	-	(1)	-	-	-	**(1)**
Cost or valuation	Reclassifications	-	116	21	62	-	(199)	**-**
Cost or valuation	Revaluations	33	(27)	(1)	104	43	-	**152**
Cost or valuation	**Closing balance at 31 Mar 2024**	**268**	**3,028**	**259**	**2,742**	**501**	**616**	**7,414**
Depreciation	**Opening balance at 1 Apr 2023**	**-**	**(1,085)**	**(135)**	**(1,749)**	**(151)**	**-**	**(3,120)**
Depreciation	Charged in year	-	(77)	(40)	(126)	(33)	-	**(276)**
Depreciation	Disposals	-	4	24	70	1	-	**99**
Depreciation	Revaluations	-	(56)	-	(66)	(15)	-	**(137)**
Depreciation	**Closing balance at 31 Mar 2024**	**-**	**(1,214)**	**(151)**	**(1,871)**	**(198)**	**-**	**(3,434)**
Carrying amount	**Opening balance at 1 Apr 2023**	**232**	**1,868**	**90**	**863**	**301**	**595**	**3,949**
Carrying amount	**Closing balance at 31 Mar 2024**	**268**	**1,814**	**108**	**871**	**303**	**616**	**3,980**
Asset financing	Owned	268	1,814	108	871	303	616	**3,980**
Carrying amount	**Closing balance at 31 Mar 2024**	**268**	**1,814**	**108**	**871**	**303**	**616**	**3,980**
Of the total	Core dept and agencies	32	170	33	57	-	50	**342**
Of the total	NDPBs and other designated bodies	236	1,644	75	814	303	566	**3,638**
Carrying amount	**Closing balance at 31 Mar 2024**	**268**	**1,814**	**108**	**871**	**303**	**616**	**3,980**

The professional valuations of land and buildings undertaken within the core department and the departmental group were prepared in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards (6th Edition), the 'Red Book'. Unless otherwise stated, land and buildings are professionally revalued every five years and where appropriate in the intervening period, relevant indices are used.

Core department

In the core department, land and buildings at the National Physical Laboratory were professionally valued during 2021–22 as at 31 March 2022 by CBRE LTD, Chartered Surveyors, an independent valuer.

DSIT group

The most significant land and buildings at 31 March 2025 were held by UKRI. UKRI's (MRC and STFC) land and buildings (excluding STFC's Rutherford Appleton Laboratory) were professionally revalued during 2023–24, as at 31 December 2023 by Carter Jonas LLP, Chartered Surveyors, an independent valuer.

UKRI's (Natural Environment Research Council, NERC) research ships (RRS Sir David Attenborough, RRS Discovery, and RRS James Cook) were valued by Clarksons Valuations Limited during 2023–24, as at 31 October 2023. All NERC aircraft were revalued by the International Bureau of Aviation Group Limited in 2023–24 as at 2 November 2023.

STFC Land and buildings at the Rutherford Appleton Laboratory were professionally valued during 2022–23 as at 31 March 2023 by Avison Young Limited, Chartered Surveyors, an independent valuer.

NERC and EPSRC UK land and buildings were professionally revalued during 2021–22 as at 31 December 2021 by Carter Jonas LLP, Chartered Surveyors, an independent valuer. NERC's Antarctic buildings were professionally revalued during 2021–22, as at 31 March 2021 by Powis Hughes Ltd, Chartered Surveyors, an independent valuer.

The former Biotechnology and Biological Sciences Research Council's (BBSRC, part of UKRI) land and buildings were professionally revalued during 2020–21, as at 31 January 2021, by Avison Young Limited, Chartered Surveyors, an independent valuer.

Included in assets under construction are: STFC's National Satellite Test Facility (NSTF); STFC's National Quantum Computing Centre (NQCC); STFC's ISIS Neutron and Muon Source; STFC's Supercomputing Centre at Daresbury; the new aircraft for NERC's British Antarctic Survey; the Antarctic Infrastructure Modernisation Programme and other Antarctic projects; and the Diamond Light Source (DLS) Diamond II investment project.

DLS property, plant and equipment are measured at depreciated historic cost in their accounts. The DLS building is the UK's national synchrotron which is a specialised asset. In accordance with the FREM the synchrotron has been professionally revalued as at 31 March 2024 on a depreciated replacement cost (DRC) basis by a specialist valuer Carter Jonas. Indexation has also been applied to DLS plant and machinery assets.

Further information can be found in note 1.14 and the financial statements of the individual bodies' accounts.

7. Right of use assets

Table: 2024–25, DSIT group, right of use assets

		Land £m	Buildings £m	Plant, machinery, transport and other £m	Total £m
Cost or valuation	**at 1 Apr 2024**	**176**	**175**	**5**	**356**
Cost or valuation	Additions	3	54	-	**57**
Cost or valuation	Disposals	-	(18)	-	**(18)**
Cost or valuation	Remeasurements	-	(2)	-	**(2)**
Cost or valuation	Transfers	-	3	-	**3**
Cost or valuation	Revaluations	4	3	-	**7**
Cost or valuation	**at 31 Mar 2025**	**183**	**215**	**5**	**403**
Depreciation	**at 1 Apr 2024**	**(37)**	**(61)**	**(2)**	**(100)**
Depreciation	Charged in year	(4)	(17)	(1)	**(22)**
Depreciation	Disposals	-	14	-	**14**
Depreciation	Transfers	-	(1)	-	**(1)**
Depreciation	Revaluations	(1)	(2)	-	**(3)**
Depreciation	**at 31 Mar 2025**	**(42)**	**(67)**	**(3)**	**(112)**
Carrying amount	**at 31 Mar 2024**	**139**	**114**	**3**	**256**
Carrying amount	**at 31 Mar 2025**	**141**	**148**	**2**	**291**
Of the total	Core dept and agencies	-	66	-	**66**
Of the total	NDPBs and other designated bodies	141	82	2	**225**
Carrying amount	**at 31 Mar 2025**	**141**	**148**	**2**	**291**

Table: 2023–24 restated, DSIT group, right of use assets

		Land £m	Buildings £m	Plant, machinery, transport and other £m	Total £m
Cost or valuation	**at 1 Apr 2023**	**105**	**182**	**1**	**288**

		Land £m	Buildings £m	Plant, machinery, transport and other £m	Total £m
Cost or valuation	Additions	2	9	4	**15**
Cost or valuation	Disposals	-	(3)	-	**(3)**
Cost or valuation	Impairments	3	(6)	-	**(3)**
Cost or valuation	Remeasurements	-	2	-	**2**
Cost or valuation	Revaluations	66	(9)	-	**57**
Cost or valuation	**at 31 Mar 2024**	**176**	**175**	**5**	**356**
Depreciation	**at 1 Apr 2023**	**(32)**	**(51)**	**(1)**	**(84)**
Depreciation	Charged in year	(3)	(16)	(1)	**(20)**
Depreciation	Disposals	-	2	-	**2**
Depreciation	Revaluations	(2)	4	-	**2**
Depreciation	**at 31 Mar 2024**	**(37)**	**(61)**	**(2)**	**(100)**
Carrying amount	**at 31 Mar 2023**	**73**	**131**	**-**	**204**
Carrying amount	**at 31 Mar 2024**	**139**	**114**	**3**	**256**
Of the total	Core dept and agencies	(1)	24	-	**23**
Of the total	NDPBs and other designated bodies	140	90	3	**233**
Carrying amount	**at 31 Mar 2024**	**139**	**114**	**3**	**256**

DSIT group

Included in Buildings are UKRI's office buildings and both specialised and non-specialised (for valuation purposes) scientific buildings. UKRI had revaluations of right-of-use assets relating to land in 2023–24, these did not result in any movement in related lease liabilities.

8. Intangible assets

Table: 2024–25, DSIT group, intangible assets

		Information technology £m	Software licences and other £m	Patents £m	Assets under construction £m	Total £m
Cost or valuation	**at 1 Apr 2024**	**185**	**66**	**401**	**101**	**753**
Cost or valuation	Additions	15	11	73	57	**156**
Cost or valuation	Disposals	(1)	(1)	-	-	**(2)**
Cost or valuation	Reclassifications	7	(2)	-	(5)	**-**
Cost or valuation	Transfers	3	-	-	-	**3**
Cost or valuation	Revaluations	-	-	11	-	**11**
Cost or valuation	**at 31 Mar 2025**	**209**	**74**	**485**	**153**	**921**
Amortisation	**at 1 Apr 2024**	**(148)**	**(47)**	**(328)**	**-**	**(523)**
Amortisation	Charged in year	(21)	(10)	(15)	-	**(46)**
Amortisation	Disposals	1	-	-	-	**1**
Amortisation	**at 31 Mar 2025**	**(168)**	**(57)**	**(343)**	**-**	**(568)**
Carrying amount	**at 1 Apr 2024**	**37**	**19**	**73**	**101**	**230**
Carrying amount	**at 31 Mar 2025**	**41**	**17**	**142**	**153**	**353**
Asset financing	Owned	41	17	142	153	**353**
Carrying amount	**at 31 Mar 2025**	**41**	**17**	**142**	**153**	**353**
Of the total	Core dept and agencies	28	5	-	147	**180**
Of the total	NDPBs and other designated bodies	13	12	142	6	**173**
Carrying amount	**at 31 Mar 2025**	**41**	**17**	**142**	**153**	**353**

Table: 2023–24 restated, DSIT group, intangible assets

		Information technology £m	**Software licences and other £m**	**Patents £m**	**Assets under construction £m**	**Total £m**
Cost or valuation	**at 1 Apr 2023**	**164**	**130**	**392**	**76**	**762**
Cost or valuation	Additions	10	2	-	43	**55**
Cost or valuation	Disposals	(8)	(68)	-	-	**(76)**
Cost or valuation	Reclassifications	16	2	-	(18)	**-**
Cost or valuation	Transfers in/(out)	2	-	-	-	**2**
Cost or valuation	Revaluations	1	-	9	-	**10**

		Information technology	Software licences and other	Patents	Assets under construction	Total
		£m	£m	£m	£m	£m
Cost or valuation	**at 31 Mar 2024**	**185**	**66**	**401**	**101**	**753**
Amortisation	**at 1 Apr 2023**	**(138)**	**(103)**	**(311)**	**-**	**(552)**
Amortisation	Charged in year	(18)	(11)	(17)	-	**(46)**
Amortisation	Disposals	9	67	-	-	**76**
Amortisation	Revaluations	(1)	-	-	-	**(1)**
Amortisation	**at 31 Mar 2024**	**(148)**	**(47)**	**(328)**	**-**	**(523)**
Carrying amount	**at 1 Apr 2023**	**26**	**27**	**81**	**76**	**210**
Carrying amount	**at 31 Mar 2024**	**37**	**19**	**73**	**101**	**230**
Asset financing	Owned	37	19	73	101	**230**
Carrying amount	**at 31 Mar 2024**	**37**	**19**	**73**	**101**	**230**
Of the total	Core dept and agencies	22	14	-	99	**135**
Of the total	NDPBs and other designated bodies	15	5	73	2	**95**
Carrying amount	**at 31 Mar 2024**	**37**	**19**	**73**	**101**	**230**

Notes

- All software licenses are acquired separately.
- All information technology (IT) assets are internally generated. IT assets are initially classified as assets under construction and are not amortised until they are commissioned, at which time they are reclassified as IT.
- Patent additions for the year relate to MRC, which is part of UKRI. For ALBs within UKRI, patents and royalties which are recognised as intangible assets are revalued annually by specialists on the basis of future royalty income streams.

9. Investments and loans in other public sector bodies

	Ordinary shares	Public dividend capital	Other investments and loans	Core dept and agencies total	Elimination of shares and other investments and loans held in NDPBs	NDPBs Ordinary Shares	DSIT group Total
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 Apr 2023	**229**	**65**	**263**	**557**	**(248)**	**224**	**533**
Transfers in	-	-	(38)	**(38)**	-	-	**(38)**
Additions	-	-	37	**37**	(1)	-	**36**
Disposals	-	-	-	**-**	-	-	**-**
Redemptions	-	-	-	**-**	-	-	**-**
Interest capitalised				**-**	-	-	**-**
(Impairments)/ Impairment reversal	(1)	-	-	**(1)**	1	-	**-**
Revaluations	(3)	-	-	**(3)**	3	(1)	**(1)**
Reclassification				**-**	-	-	**-**
Unwinding of discount	-	-	-	**-**	-	-	**-**
Loans repayable within 12 months transferred to current assets				**-**	-	-	**-**
Balance at 31 Mar 2024	**225**	**65**	**262**	**552**	**(245)**	**223**	**530**
Transfers in	-	-	(41)	**(41)**	-	-	**(41)**
Additions	-	-	32	**32**	-	-	**32**
Disposals	-	-	-	**-**	-	-	**-**
Redemptions	-	-	(24)	**(24)**	20	-	**(4)**
Interest capitalised	-	-	-	**-**	-		**-**

	Ordinary shares	Public dividend capital	Other investments and loans	Core dept and agencies total	Elimination of shares and other investments and loans held in NDPBs	NDPBs Ordinary Shares	DSIT group Total
	£m	£m	£m	£m	£m	£m	£m
(Impairments)/ Impairment reversal	(1)	-	-	**(1)**	1	-	**-**
Revaluations	(11)	-	-	**(11)**	11	(11)	**(11)**
Reclassification	-	-	-	**-**	-		**-**
Unwinding of discount	-	-	-	**-**	-	-	**-**
Loans repayable within 12 months transferred to current assets	-	-	-	**-**	-		**-**
Balance at 31 Mar 2025	**213**	**65**	**229**	**507**	**(213)**	**212**	**506**

9.1 Ordinary shares

	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 Core dept & agencies £m	31 Mar 2024 DSIT group £m
Balance at 1 Apr	**225**	**223**	**229**	**226**
(Impairments)/Impairment reversal	(1)	-	(1)	-
Revaluations	(11)	(11)	(3)	(3)
Balance at 31 Mar	**213**	**212**	**225**	**223**
Of the balance: Ordinary shares held within the departmental boundary – held at cost	1	-	2	-
Of the balance: Ordinary shares held outside the departmental boundary – held at fair value	212	212	223	223
Balance at 31 Mar	**213**	**212**	**225**	**223**

Core department

Ordinary shares held in other public sector bodies within the departmental boundary

UK Shared Business Services Limited (UKSBS)

- The core department through the Secretary of State (SoS) holds 62,016,358 non-voting shares and one voting share in UKSBS, held at cost less provision for impairment of £1 million at 31 March 2025 (31 March 2024: £2 million).
- The company is a specialist business services organisation that provides finance, procurement, grants, information systems and HR and payroll services to the public sector. Its main objective is to improve the economy, efficiency and effectiveness of corporate services to bodies previously within the BEIS departmental group.

Ordinary shares held outside of the departmental boundary

Shares held outside the departmental boundary are carried at fair value through other comprehensive income.

Ordnance Survey Limited

- The core department through the SoS holds 34,000,002 ordinary shares in Ordnance Survey Limited (OSL) at a nominal value of £1 each which is 100% of the issued share capital.
- The shareholding is held at fair value, but as there is no active market for these shares the net asset value of OSL is considered to

be a reasonable approximation for fair value. The fair value as at 31 March 2025 was £124 million (31 March 2024: £133 million).

- The principal objective of OSL is to produce mapping products and mapping data information.

NPL Management Limited

- The core department through the SoS holds 76 ordinary shares in NPL Management Limited (NPLML) which is 100% of the issued share capital.
- NPLML has been set up to manage and operate the National Physical Laboratory.
- The shareholding is held at fair value, but as there is no active market for these shares the net asset value of NPLML is considered to be a reasonable approximation for fair value. The fair value as at 31 March 2025 was £88 million (31 March 2024: £90 million).

9.2 Public dividend capital

	UK Intellectual Property Office £m	Met Office £m	Total £m
Balance at 1Apr 2023	**6**	**59**	**65**
Additions	-	-	**-**
Redemptions	-	-	**-**
Impairments	-	-	**-**
Balance at 31 Mar 2024	**6**	**59**	**65**
Additions	-	-	**-**
Redemptions	-	-	**-**
Impairments	-	-	**-**
Balance at 31 Mar 2025	**6**	**59**	**65**

Core department

PDC is held by the core department. PDC is carried at historical cost less any impairment.

9.2.1 Share of net assets and results for public dividend capital holdings outside the DSIT consolidation boundary

The department is required to disclose its share of the net assets and the results for the year of other public sector bodies, which are outside of the departmental boundary. The following disclosures relate to the department's trading funds.

	UK Intellectual Property Office £m	Met Office £m
Net assets or (liabilities) at 31 Mar 2024	138	299
Turnover	155	270
Surplus/profit or (deficit/loss) for the year before financing	6	13
Net assets or (liabilities) at 31 Mar 2025	140	347
Turnover	162	298
Surplus/profit or (deficit/loss) for the year before financing	4	14

The information presented for the reporting year 2024–25 was derived from the draft unaudited accounts of the entities. The information for 2023–24 was derived from their audited accounts. The accounts were prepared on an IFRS basis, in accordance with the requirements of the FREM.

9.3 Other investments and loans

	2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 Core dept & agencies £m	2023–24 DSIT group £m
Balance at 1 Apr 2024	**262**	**241**	**262**	**242**
Transfers	(41)	(41)	(38)	(38)
Additions	32	32	38	37
Repayments	(24)	(3)	-	-
Balance at 31 Mar 2025	**229**	**229**	**262**	**241**

Core department

Met Office Loans

- The core department's loans with the Met Office fund UK membership of EUMETSAT. EUMETSAT is a non-EU international organisation, set up to develop, launch and monitor meteorological satellites which provide global data for weather forecasting.
- The total carrying amount at 31 March 2025 is £224 million (31 March 2024: £233 million). Of this, the non-current element, reported in the table above, is £187 million (31 March 2024: £200 million). The current element, shown within the 'investments and loans in public bodies' line in the current assets section of the SOFP, is £37 million (31 March 2024: £33 million). The loans are reported at amortised cost under IFRS 9.

- The loans are to a non-consolidated body and not eliminated on consolidation.

9.4 Special shares

The Secretary of State holds one special share in the entity listed below. A summary of the significant terms of the shareholding has been included. Further details can be obtained from the annual report and financial statements of the entity or their Articles of Association. The core department does not recognise the special or 'golden' shares on its SOFP.

Table: Special shares

OneWeb Holdings Limited – $0.01USD Special Share	Incorporated in 2020. The Secretary of State for Science, Innovation and Technology has a Special 'B' Share. The written consent of the Special Shareholder is required for any of the following: • any change in the nature or scope of the business of the group or any commencement of new activity outside its existing course of business • any amendments to the company's articles of association or any other governing and constitutional documents • any change to the location of the group's executive management team, headquarters or centre of operations • any group member entering into, or amending, any contract, arrangement or relationship which may prejudice the group's ability to enter into contracts, arrangements or relationships with certain parties • any change to the technical and technology standards of any of the Group's operations • the sale by any group member of any product or service which is going to be used for a defence or national security application • the entry by any group member into arrangements notifiable under a tax disclosure regime • any change to the jurisdiction of tax residence • any change to the corporate structure or activities of any group member which may impact the jurisdiction of tax residence or have a negative reputational impact arising from tax matters

10. Other financial assets

	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 Core dept & agencies £m	31 Mar 2024 DSIT group £m
Balance at 1 Apr	**13**	**587**	**15**	**569**
Additions	31	213	-	73
Repayments	(2)	(157)	(3)	(41)
Unwinding of discount	-	-	1	1
Revaluations	1	(26)	-	(3)
Impairments	-	(11)	-	(12)
Balance at 31 Mar	**43**	**606**	**13**	**587**
Due within 12 months	2	2	2	2
Due after 12 months	41	604	11	585
Total	**43**	**606**	**13**	**587**

10.1 Other financial assets: Analysis

	Gilts and bonds £m	Private sector loans £m	Private sector shares £m	Investment funds £m	Total £m
Balance at 1 Apr 2023	**2**	**166**	**84**	**317**	**569**
Additions	-	27	23	23	**73**
Redemptions	-	(10)	(7)	(24)	**(41)**
Revaluations	-	(15)	3	9	**(3)**
Unwinding of discount	-	1	-	-	**1**
Impairments	-	(11)	(1)	-	**(12)**
Balance at 1 Apr 2024	**2**	**158**	**102**	**325**	**587**
Additions	-	64	10	139	**213**
Redemptions	-	(16)	(37)	(104)	**(157)**
Revaluations	-	(10)	(11)	(5)	**(26)**
Impairments	-	(11)	-	-	**(11)**
Balance at 31 Mar 2025	**2**	**185**	**64**	**355**	**606**
Of the total: Core dept and agencies	-	43	-	-	**43**
Of the total: NDPBs and other designated bodies	2	142	64	355	**563**
Balance at 31 Mar 2025	**2**	**185**	**64**	**355**	**606**

DSIT group

Private sector loans

UKRI have entered into loan agreements with parties within the private sector. The loans within the departmental group are carried at either amortised cost or fair value through profit or loss.

As at 31 March 2025, £142 million of loans were held by NDPBs and other designated bodies of which UKRI (STFC and IUKL) held £131 million (31 March 2024: £145 million; UKRI held £134 million).

Private sector shares

At 31 March 2025 £64 million of private sector shares were held by NDPBs and other designated bodies (31 March 2024: £102 million). These were held by NESTA Trust, BTI and UKRI. The majority of these are measured at 'fair value through profit or loss', with fair value movements going directly to the SOCNE.

The fair values are estimated based on a variety of valuation techniques, adopted by the investment managers that comply with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines or the valuation guidelines produced by the British Venture Capital Association (BVCA). Valuation techniques used include the use of earnings multiples, discounted cashflows analysis, and net asset values.

Investment funds

The value invested by NDPBs and other designated bodies at 31 March 2025 was £355 million (31 March 2024: £325 million) all held by NESTA Trust. In accordance with IFRS 9, the investments are measured at 'fair value through profit or loss' with fair value movements going directly to the SOCNE.

The carrying value of all investments is at market value except where we are unable to obtain a reliable estimate of market value. The market values of quoted investments are based on externally reported bid prices at the balance sheet date. Equity investments, high yield bonds, and property trusts are held in pooled funds and are stated at market value, being the market value of the underlying investments held. These valuations are provided by the relevant fund manager.

Private equity investments are held through funds managed by private equity managers. As there is no identifiable market price for private equity funds, these funds are included at the most recent valuations adjusted for any cash calls and distributions provided by the private equity managers.

11. Investments in joint ventures and associates

	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 Core dept & agencies £m	31 Mar 2024 DSIT group £m
Balance at 1 Apr	**225**	**845**	**324**	**818**
Additions	-	-	243	243
Disposals	-	-	(286)	(286)
Profit/(loss)	(128)	(76)	(57)	(70)
Revaluations	-	3	1	140
Balance at 31 Mar	**97**	**772**	**225**	**845**

Core department: Eutelsat Group financial information

	2024–25 £m	2023–24 £m
Summarised		
Current assets	1,068	1,273
Non-current assets	5,231	6,358
Current liabilities	(787)	(702)
Non-current liabilities	(2,981)	(3,343)
Revenue	1,012	496
Profit or (loss) from continuing activities	(1,176)	(164)
Other		
Cash and cash equivalents	573	778
Current financial liabilities (excl trade and other payables and provisions)	(329)	(173)
Non-current financial liabilities (excl trade and other payables and provisions)	(2,442)	(2,878)
Finance costs and interest expense	(131)	(48)
Income tax expense or income	(3)	25

Eutelsat Communications group

In 2020–21 the core department made a £374 million equity investment in OneWeb Holdings Limited, which is an operator of cutting-edge satellites in the UK and in the US. This constituted 17.6% of the ordinary shares in circulation.

In July 2022, Eutelsat Communications Group and OneWeb's leading shareholders signed a Memorandum of Understanding with a view to a business combination between the two companies via a share exchange transaction, aimed at creating a global leader in connectivity. The Extraordinary

General Meeting of Eutelsat shareholders approved the combination on 28 September 2023, resulting in the successful completion of the transaction. Upon completion, DSIT took ownership of 10.89% of Eutelsat Group's shares, which are listed on the Paris and London Stock Exchanges.

The core department continues to account for this investment as an associate using the equity method after concluding that the 'significant influence' criteria in IAS 28 (Investments in Associates and Joint Ventures) continues to be met. This is because HMG has representation on the Eutelsat board of directors and continues to hold a special share with protective rights in the OneWeb Holdings subsidiary. The value of the core department's holding at 31 March 2025 is £96.6 million, reflecting the core department's share of post-acquisition net loss of the associate. There were no dividends received from the associate in 2024–25.

Eutelsat Group's financial statements are prepared in accordance with IFRS. The financial statements are prepared to 30 June and are presented in Euros. Eutelsat's headquarters is located at 32 Boulevard Gallieni, 92130 Issy-les-Moulineaux, Paris.

The summarised financial information above has been compiled from:

- Eutelsat Group's consolidated financial statements as of 30 June 2024
- Eutelsat Group's condensed consolidated half year financial statements as of 31 December 2024

Figures from the SOFP in the 2024–25 financial information below are based on the unaudited half-year financial statements of Eutelsat Group, as at 31 December 2024, converted to GBP using the spot rate at 31 December 2024.

Figures from the SOCNE in the 2024–25 financial information below are calculated as the sum of the average monthly loss per the consolidated financial statements as of 30 June 2024, converted at the spot rate at 30 June 2024, for the three months from 1 April 2024 to 30 June 2024; the average monthly loss per the consolidated financial statements as of 31 December 2024, converted at the spot rate at 31 December 2024, for the six month period from 30 June 2024 to 31 December 2024; the average monthly loss per the consolidated financial statements as of 31 December 2024, converted at the spot rate at 31 March 2025, for the three month period from 31 December 2024 to 31 March 2025.

At the time of publication, consolidated financial statements for the period to 31 March 2025 were not available.

DSIT group: Crick financial information

	2024–25 £m	2023–24 £m
Summarised		
Non-current assets	455	468
Current assets	191	164
Current liabilities	(91)	(79)
Revenue	231	217
Profit/(loss) from continuing activities	(10)	(4)
Other		
Cash and cash equivalents	27	11
Depreciation and amortisation	(42)	(38)
Capital commitments	7	5

The Francis Crick Institute Limited

- The Francis Crick Institute (the Crick) was established in 2010 to deliver a world class interdisciplinary biomedical research centre. UKRI holds 42% (31 March 2024: 42%) of the ordinary shares in the Crick. The remaining shares are held by Cancer Research UK, University College London, the Wellcome Trust, Kings College London and Imperial College of Science, Technology and Medicine. The department accounts for its investment in the Crick as a joint venture under the equity method. The value of the departmental group's investment at 31 March 2025 is £463 million (31 March 2024: £456 million), reflecting the departmental group's share of post-acquisition net profit or (loss) of the joint venture.
- The revaluation of investment in the Crick relates to the adjustment required to account for differences in accounting policy between UKRI and the Crick. The adjustment is taken to the revaluation reserve. The Crick property was professionally revalued during 2023–24, as at 31 December 2023 by Carter Jonas LLP, Chartered Surveyors, an independent valuer.
- The Crick's financial statements are prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice', applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP 2nd Edition (FRS 102)). The financial statements are prepared to 31 March and presented in pounds sterling.
- The principal place of business is Midland Road, London.

HSIC Holdings LP financial information

	2024–25 £m	2023–24 £m
Summarised		
Non-current assets	535	369
Current assets	67	36
Current liabilities	(11)	(10)
Non-current liabilities	(279)	(182)
Profit/(loss) from continuing activities	99	(24)
Other		
Cash and cash equivalents	30	6

The department consolidates HSIC Public Sector Limited Partnership (HSIC PubSP) into the accounts. HSIC PubSP has a 50% share in HSIC Holdings LP, a joint venture between HSIC PubSP and Harwell Oxford Developments Ltd. HSIC Holdings LP is the sole limited partner of HSIC LP, which manages and develops the Harwell Campus. The department accounts for its investment in HSIC Holdings LP as a joint venture under the equity method. The value of the departmental group's investment at 31 March 2025 is £156 million (31 March 2024: £106 million) reflecting the departmental group's share of post-acquisition net profit or (loss) of the joint venture.

Within non-current assets there is £535 million of investment properties (31 March 2024: £369 million). The investment properties have been valued at market value as at 31 March 2025 using information provided by Radice Chartered Surveyors, independent chartered surveyors. The valuation was carried out in accordance with the provisions of RICS definition of market value. The market value has been determined having regard to factors such as current and future projected income levels, taking account of location, quality of the building and recent market transactions in the sector. Changes in these assumptions such as the valuation basis applied in comparable market transactions, or the income level generated by the investment property could materially impact the valuation of the investment properties.

Other

There are other joint ventures and associates held by UKRI which are not material.

12. Trade and other receivables

		2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 restated Core dept & agencies £m	2023–24 restated DSIT group £m
Due within 1 year	Trade receivables	10	251	55	309
Due within 1 year	Other receivables	(2)	29	190	228
Due within 1 year	VAT and other taxation	16	16	26	26
Due within 1 year	Staff receivables	1	2	1	2
Due within 1 year	Contract assets	-	11	-	10
Due within 1 year	Consolidated fund receivable	25	25	2	2
Due within 1 year	Prepayments	169	401	600	887
Due within 1 year	Accrued income	98	610	36	382
Due within 1 year	**Total**	**317**	**1,345**	**910**	**1,846**
Due after 1 year	Trade receivables	(1)	3	-	1
Due after 1 year	Other receivables	1	7	-	5
Due after 1 year	Contract assets	-	5	-	5
Due after 1 year	Prepayments	351	351	1	(3)
Due after 1 year	Accrued income	-	2	-	1
Due after 1 year	Total	351	368	1	9
Receivables at 31 Mar	**Total**	**668**	**1,713**	**911**	**1,855**

Notes

- Trade and other receivables have been restated as explained in note 23.

Core department

In 2024–25, Prepayments due after one year includes £351 million, (2023–24: nil) and prepayments due within one year includes £117m, (2023–24: £529 million) relating to the department's participation in the Horizon Europe and Copernicus programmes, an overall decrease of £60m.

In 2023–24, Other Receivables due within one year included a £162 million receivable which has been settled between the relevant government departments in 2024–25.

DSIT group

In 2024–25, total trade and other receivables was valued at £1,713 million (2023–24: £1,855 million), a decrease of £142 million. The decline is largely due to reductions in department receivables as described above, partially offset by increases to other elements.

The main increase was to accrued income due within one year, valued at £610 million (2023–24: £382million). This was largely attributable to continued increases to IUK's current accrued income, £483 million in 2024–25, (2023–24: £306 million). IUK invoice other government bodies for funded programmes.

13. Cash and cash equivalents

	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 Core dept & agencies £m	31 Mar 2024 DSIT group £m
Balance at 1 Apr	**1,652**	**2,449**	**402**	**654**
Net change in cash and cash equivalent balances	17	(145)	1,250	1,795
Balance at 31 Mar	**1,669**	**2,304**	**1,652**	**2,449**
Held at: The Government Banking Service (GBS)	1,669	2,145	1,636	2,311
Held at: Commercial banks and cash in hand	-	159	16	124
Held at: Short term investments	-	-	-	14
Balance at 31 Mar	**1,669**	**2,304**	**1,652**	**2,449**

14. Trade payables, financial, and other liabilities

		2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 restated Core dept & agencies £m	2023–24 restated DSIT group £m
Due within 1 year	VAT, social security and other taxation	7	27	3	16
Due within 1 year	Trade payables	112	169	53	148
Due within 1 year	Other payables	25	93	137	224
Due within 1 year	Contract liabilities	-	10	-	27
Due within 1 year	Other accruals	1,160	2,602	368	1,637
Due within 1 year	of which:				
Due within 1 year	• Grant accruals – Innovate UK	-	779	-	702
Due within 1 year	• Grant accruals – Engineering and Physical Sciences Research Council	-	174	-	175

		2024–25 Core dept & agencies £m	2024–25 DSIT group £m	2023–24 restated Core dept & agencies £m	2023–24 restated DSIT group £m
Due within 1 year	• Grant accruals – Medical Research Council	-	105	-	123
Due within 1 year	• Other grant accruals	26	150	4	67
Due within 1 year	• Goods Received Not Invoiced (GRNI) Accruals	91	293	207	365
Due within 1 year	• Accrued expenses: Horizon Europe & Copernicus	517	517	-	-
Due within 1 year	• Accrued expenses: Other accrued expenses	520	577	150	195
Due within 1 year	• Other	6	7	7	10
Due within 1 year	Deferred income	-	90	-	66
Due within 1 year	Amounts issued from the Consolidated Fund for supply but not spent at year end	1,675	1,675	1,520	1,520
Due within 1 year	Consolidated Fund extra receipts due to be paid to the Consolidated Fund: Received	1	1	141	141
Due within 1 year	**Total**	**2,980**	**4,667**	**2,222**	**3,779**
Due after 1 year	Contract Liabilities	-	8	-	-
Due after 1 year	Other payables, accruals and deferred income	-	107	-	111
Due after 1 year	**Total**	**-**	**115**	**-**	**111**
Payables at 31 Mar	**Total**	**2,980**	**4,782**	**2,222**	**3,890**

Core department

In 2024–25, Other Accruals falling due within one year includes a £517 million (2023–24: £nil) accrual relating to the department's participation in the Horizon Europe and Copernicus programmes. In 2023–24, due to the timing of the call for funds, a prepayment was recognised. Please see note 12 'Trade and other receivables' for further information.

Other Accruals falling due within one year also includes a £296 million (2023–24: £nil) accrual for the amount payable to the Cabinet Office in respect of the 2024–25 MOG change.

DSIT group

In 2024–25, other accruals totalled £2,602m (2023–24 £1,637 million). This includes grant accruals and other accrual types.

Within grant accruals, the largest group components relate to grant accruals for IUK (2024–25: £779 million, 2023–24: £702 million), EPSRC (2024–25: £174 million, 2023–24 £175 million), and MRC (2024–25: £105 million, 2023–24: £123 million). These entities are part of UKRI, whose financial statements include a grant accrual for each project where it has been determined that there is an unclaimed amount at the year end that is due to participants.

15. Lease liabilities

		31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 restated Core dept & agencies £m	31 Mar 2024 restated DSIT group £m
Land	Later than 5 years	-	8	-	1
Land	**Total**	**-**	**8**	**-**	**1**
Land	Less interest element	-	(6)	-	1
Land	**Present value of obligations**	**-**	**2**	**-**	**2**
Buildings	Not later than one year	7	19	2	9
Buildings	Later than one year and not later than 5 years	22	68	4	48
Buildings	Later than 5 years	56	125	6	76
Buildings	**Total**	**85**	**212**	**12**	**133**
Buildings	Less interest element	(30)	(77)	(3)	(35)
Buildings	**Present value of obligations**	**55**	**135**	**9**	**98**
Other	Not later than one year	-	1	-	1
Other	Later than one year and not later than 5 years	-	3	-	3
Other	Later than 5 years	-	-	-	-
Other	**Total**	**-**	**4**	**-**	**4**
Other	Less interest element	-	-	-	(1)
Other	**Present value of obligations**	**-**	**4**	**-**	**3**
Total	**Present value of obligations**	**55**	**141**	**9**	**103**
Of which	Current	6	16	1	8
Of which	Non-current	49	125	8	95

Table: Additional analysis

		Core dept & agencies £m	DSIT group £m	Core dept & agencies £m	DSIT group £m
Additional analysis	Interest on lease liabilities	2	5	1	3

		Core dept & agencies £m	DSIT group £m	Core dept & agencies £m	DSIT group £m
Additional analysis	Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	1	10	-	7

16. Provisions for liabilities and charges

	Note	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 Core dept & agencies £m	31 Mar 2024 DSIT group £m
Current liabilities: Not later than 1 year		-	19		3
Total current liabilities		**-**	**19**	**-**	**3**
Non-current liabilities: Later than 1 year and not later than 5 years		2	15	2	21
Non-current liabilities: Later than 5 years		-	190	-	181
Total non-current liabilities		**2**	**205**	**2**	**202**
Total at 31 Mar 2025		**2**	**224**	**2**	**205**
Other Provisions	16.1	2	224	2	205
Total at 31 Mar 2025		**2**	**224**	**2**	**205**

The provision liabilities in table 16.1 below have been discounted to present value using discount rates as provided by HM Treasury. Discounting as at 31 March 2024 and 31 March 2025 has been applied to nominal cash flows which include allowance for future inflation using a forecast of consumer price inflation provided by HM Treasury except where a more appropriate forecast has been identified for specific provisions. The impact of the change in the discounting approach is included in the 'Change in discount rate' movement of provisions.

Table : Discount rates for provisions

	31 Mar 2025 Nominal discount rate	31 Mar 2025 Inflation rate	31 Mar 2025 Equivalent real discount rate	31 Mar 2024 Nominal discount rate	31 Mar 2024 Inflation rate	31 Mar 2024 Equivalent real discount rate
Cash outflows expected within 2 years	4.03%	2.60%	1.40%	4.26%	3.60%	0.64%
Cash outflows expected between 2–5 years	4.03%	2.08%	1.92%	4.26%	1.95%	2.27%
Cash outflows expected between 5–10 years	4.07%	2.00%	2.03%	4.03%	2.00%	1.99%
Cash outflows expected after 10 years	4.59%	2.00%	2.54%	4.45%	2.00%	2.40%

16.1 Provisions analysis

Allowances for future inflation and discounting can impact on reported liabilities significantly; uninflated, undiscounted equivalent values are provided in the descriptions of the provisions below to illustrate the effect.

Table: Provisions analysis

	Core dept & agencies £m	DSIT group total £m
Balance at 1 Apr 2023	**2**	**223**
Change in discount rate	-	(16)
Provisions not required written back	-	(9)
Provisions utilised in the year	-	(3)
Provided in year	-	6
Unwinding of discount	-	4
Balance at 31 Mar 2024	**2**	**205**
Balance at 1 Apr 2024	**2**	**205**
Change in discount rate	-	1
Provisions not required written back	-	(3)
Provisions utilised in the year	-	(1)
Provided in year	-	18
Unwinding of discount	-	4
Balance at 31 Mar 2025	**2**	**224**

	Core dept & agencies £m	DSIT group total £m
Estimated forward discounted cash flows as at 31 Mar 2025		
Not later than 1 year	-	19
Later than 1 year and not later than 5 years	2	15
Later than 5 years	-	190
Total	**2**	**224**

Departmental group

Overall provisions are £224 million (2023–24: £205 million). The majority of the balance is attributed to STFC (2024–25: £151 million) and NERC (2024–25: £34 million), which both sit under UKRI. This mostly relates to the UKRI's share of Institut Laue-Langevin (ILL) decommissioning provisions, and provisions to cover decommissioning of ISIS Spallation Neutron Source facility and construction of Waste Separation Facility (WSF).

17. Retirement benefit obligations

Departmental group

The departmental group consolidates three defined benefit pension arrangements from ALBs. The details of each scheme are discussed below.

All schemes are accounted for in accordance with IAS 19 'Employee Benefits'. They are subject to the UK regulatory framework and under the scope of the scheme specific funding requirement. The schemes' trustees are responsible for operating these defined benefit plans and have a statutory responsibility for ensuring the schemes are sufficiently funded to meet current and future benefit payments.

Defined benefit scheme liabilities expose the departmental group to material financial uncertainty, arising from factors such as changes in life expectancy and in the amount of pensions payable. Some scheme investments, such as equities, should offer long-term growth in excess of inflation, but can be more volatile in the shorter term than government bonds.

UK Research and Innovation

UKRI operates the legacy MRC funded defined benefit, final salary pension scheme (MRCPS).

A full actuarial evaluation was undertaken as at 31 December 2022 which was rolled forward by the actuary to determine the approximate position as at 31 March 2025.

The key assumptions are discount rate of 5.7% (2023–24: 4.8%) and rate of increase in pension payments of 2.7% (2023–24: 2.8%). A decrease of 0.5% in the discount rate would lead to an increase of approximately 7% in the total liability, while a decrease of 0.5% in the rate of increase in pensions would lead to an approximate 5.2% reduction.

As at 31 March 2025, the weighted average maturity of the scheme as a whole is 14.5 years.

The MRC operates a funded pension scheme (MRCPS) providing benefits based on service and final pensionable pay at the normal retirement age of 65. The scheme is a defined benefit scheme that prepares its own scheme statements. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 6.5% pensionable earnings to the Scheme.

Following the transfer of MRC research units and employees to universities, a University section was set up to account for the obligations to individuals that remain in the MRCPS. During the period obligations of £2.1 million were recognised under Section 75 (S.75) of the 1995 Pensions Act in respect of liabilities of transferred employees; the University section, has been set up within MRCPS to manage S.75 liabilities. These costs are reflected in the valuation of the pension scheme.

Under section 222 of the Pensions Act 2004, every scheme (or section of a scheme) is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its Technical Provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every 3 years using assumptions agreed between the Trustee and the Employer, and the actuarial review will inform the required MRCPS contribution rate. The Scheme actuary is Aon UK Ltd.

The results of the 2022 valuation were agreed by the Trustee and the Employer in December 2023 and showed that the Principal Section had a surplus of assets over liabilities of £582.6m, and the Universities Section had a surplus of £24.4m. A combined surplus of £607.0m. These surpluses corresponded to funding levels of 148% and 124% for the Principal and Universities Sections respectively.

The present MRCPS employers' contribution rate remained at 16% in 2024–25 (2023–24: 16%).

The contributions due to the scheme are set out in the schedule of contributions for each section. The most recent schedules of contributions were signed on 21 December 2023 and are due to be reviewed following the next actuarial valuation of the scheme, which is due to be carried out as at 31 December 2025.

The following payments are due in 2025–26:

MRC Section

- By the members: 6.5% of pensionable pay
- By MRC: 16.0% of pensionable pay
- By other employers: 16.9% of pensionable pay

The total contribution expected to be paid into the MRC section in 2024–25 is £13m.

University Section

- By the members: 6.5% of pensionable pay
- By the universities: 16.9% of pensionable pay
- By MRC: 13.3% of pensionable pay

The total contribution expected to be paid into the University section in 2024–25 is £6m.

On the technical provisions bases, we estimate that the duration on each section's Technical Provisions basis at 31 March 2025 is 14.5 years for the scheme as a whole.

The valuation used for IAS 19 disclosures has been based on the data for the most recent actuarial valuations as at 31 December 2019, and updated to take account of the requirements of IAS 19 in order to assess the liabilities of the scheme at 31 March 2023. The mortality assumptions included within the figures are that male and female members who retire at typical ages will live to approximately age 87 and 89 respectively.

The 2024 Virgin Media pension ruling has raised concerns about the validity of past pension scheme amendments. Where amendments were made between 6 April 1997 and the date contracting out ended on 6 April 2016, section 37 of the Pension Schemes Act 1993 required scheme actuaries to certify that the scheme still met the standards for contracted-out schemes.

We understand that the legal advisers to the Scheme have been asked to consider the various amendments made to the Scheme and whether a written confirmation was required and provided. At this point in time, the Scheme is still in the process of trying to locate all written confirmations. Further uncertainty also remains about whether future Court cases or new regulation could have an impact. As such we propose that no formal recognition of a change in the defined benefit obligation resulting from the Virgin Media ruling will be made as part of the accounting disclosures as at 31 March 2025.

The Office of Communications

Ofcom has a range of pension schemes which include a defined contributions plan, defined benefit plans and unfunded plans. Ofcom's primary means of providing pension benefits to its colleagues is by contributing to a stakeholder pension plan. Ofcom operates two defined benefit pension plans.

Ofcom's cash contributions to these two plans are determined in accordance with the Pensions Act 2004. This requires a significantly more prudent measure of the liabilities than IFRS. Pensions Act 2004 funding valuations with an effective date of 31 March 2024 were completed for both defined benefit plans.

The key assumptions are discount rate of 5.8% (2023–24: 4.9%) and rate of increase in pension payments of 2% (2023–24: 2.1%).

As at 31 March 2025, the weighted average maturity of the scheme as a whole is 13 years.

Further details can be found in the accounts of Ofcom.

Table: Retirement benefit obligations

	31 Mar 2025 Funded pension schemes £m	31 Mar 2024 Funded pension schemes £m
Present value of defined benefit obligation at 1 Apr 2024	**(1,421)**	**(1,424)**
Interest cost	(57)	(56)
Current service cost	(18)	(17)
Benefits paid, transfers in and expenses	73	70
Actuarial (gains)/losses	169	10
Employee contributions	(5)	(4)
Present value of defined benefit obligation at 31 Mar 2025	**(1,259)**	**(1,421)**
Fair value of assets at 1 Apr 2024	**2,239**	**2,172**
Expected return on plan assets	97	90
Employer contributions	17	18
Benefits paid, transfers in and expenses	(73)	(70)
Actuarial gains or (losses)	(119)	25
Employee contributions	5	4
Fair value of assets at 31 Mar 2025	**2,166**	**2,239**
Net asset or (liability) at 31 Mar 2025	**907**	**818**

Table: Net asset or (liability) by scheme

	31 Mar 2025 Present value of defined benefit obligation £m	31 Mar 2025 Fair value of assets £m	31 Mar 2025 Net (liability)/ asset £m	31 Mar 2024 Present value of defined benefit obligation £m	31 Mar 2024 Fair value of assets £m	31 Mar 2024 Net (liability/ asset £m
UKRI	(1,106)	2,001	895	(1,237)	2,046	809
Ofcom	(153)	165	12	(184)	193	9
Total net asset or (liability) at 31 Mar	**(1,259)**	**2,166**	**907**	**(1,421)**	**2,239**	**818**

Notes

Pension scheme assets are recognised to the extent that they are recoverable and pension scheme liabilities are recognised to the extent that they reflect a constructive or legal obligation. The accounting judgements applied in recognising net assets for each pension scheme are summarised below:

- UKRI: The net asset is recognised as UKRI derives benefits from the reduced contributions to the scheme.
- The Principal Employer (with any other Participating Employer in respect of the relevant section) has an unconditional right to a refund of surplus.

Table: Asset allocation

	31 Mar 2025 £m	31 Mar 2024 £m
Equities	552	1,067
Property	360	350
Bonds	817	466
Other	437	356
Balance at 31 Mar 2025	**2,166**	**2,239**

The UKRI schemes' total assets of £2,001 million (31 March 2024: £2,046 million) included £552 million (31 March 2024: £1,060 million) of equities, £816 million (31 March 2024: £466 million) of bonds and £360 million (31 March 2024: £350 million) of property assets. Bonds contain assets that have a quoted market price in an active market. As at March 2025, the value of those assets are £786 million. An investment strategy is in place which has been developed by the pension trustee, in consultation with the Employer to mitigate the volatility of liabilities, to diversify investment risk and to manage cash. To this end the majority of assets are invested in growth assets, which in the long term are expected to yield a greater return than would be available for fixed income assets such as bonds and gilts.

The Ofcom schemes' total assets included £145 million of annuities (31 March 2024: £164 million).

Expected contribution over the next accounting period

It is possible that the actual amount paid might be different from the estimated amount. This may be due to contributions, benefits payments or pensionable payroll differing from expected, changes to schemes' benefits or settlement/curtailment events that are currently unknown.

Table: Expected contribution over the next accounting period

	31 March 2025 £m	31 March 2024 £m
UKRI	19	18
Ofcom	1	1
Total	20	19

Table: Major actuarial assumptions for Ofcom and UKRI

	Ofcom 2024–25	Ofcom 2023–24	UKRI 2024–25	UKRI 2023–24
Discount rate	5.8%	4.9%	5.7%	4.8%
Inflation (Consumer Price Index)	2.6%	2.5%	2.7%	2.8%
Life expectancy in years at 65, currently aged 65 (male)	n/a*	n/a*	21.6	21.7
Life expectancy in years at 65, currently aged 45 (male)	n/a*	n/a*	23.0	23.2
Life expectancy in years at 65, currently aged 65 (female)	n/a*	n/a*	23.6	23.7
Life expectancy in years at 65, currently aged 45 (female)	n/a*	n/a*	24.9	24.9

Notes

* Ofcom uses Life expectancy in years at 60, currently aged 40 for both male and females

Table: Sensitivity analysis

The increase in liability that would result from changes in these actuarial assumptions

	Ofcom £m	UKRI £m
0.05 percentage point decrease in annual discount rate	9	77
0.05 percentage point increase in inflation assumption	8	n/a
1 year increase in life expectancy	7	37

UKRI

Financial assumptions used to calculate scheme liabilities

	2024–25 %	2023–24 %
Rate of increase on pensionable salaries	3.70	3.75
Rate of increase on pension payments	2.70	2.75
Discount rate	5.65	4.75
Inflation rate	2.70	2.75
Expected return on equities	5.65	4.75
Expected return on bonds	5.65	4.75
Expected return on overall fund	5.65	4.75

The results of any actuarial calculation are inherently uncertain because of the assumptions which must be made. The table below indicates the approximate effects on the actuarial liability as at 31 March 2025 of changes to the main actuarial assumptions.

Assumption	Change in assumption	Approximate effect on total liability	Approximate effect on total liability (£m)
Discount rate	-0.5%	+7.0%	77
Rate of increase in earnings	-0.5%	-0.7%	-8
Rate of increase in pensions	-0.5%	-5.2%	-57
Members experience mortality one year younger		3.4	37

Analysis of Actuarial gain

	2024–25 £m	2023–24 £m
Actual return less expected return on pension scheme assets	(102)	36
Experience gains arising on the scheme liabilities	(8)	(4)
Changes in demographic assumptions	3	8
Changes in financial assumptions	155	(4)
Actuarial gain	48	36

Analysis of actuarial gain expressed as a percentage of the scheme's assets and liabilities at the SOFP date

	2024–25 %	2023–24 %
Actual return less expected return on pension scheme assets	(5.12)	1.79
Experience (loss)/gain arising on the scheme liabilities	(0.69)	(0.35)
Actuarial gain	4.46	2.96

Other finance income

	2024–25 £m	2023–24 £m
Expected return on pension scheme assets	96	90
Interest on pension scheme liabilities	(58)	(56)
Net return – other finance income	38	34

18. Capital and other financial commitments

	Note	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 restated Core dept & agencies £m	31 Mar 2024 restated DSIT group £m
Contracted capital commitments	18.1	108	772	4	464
Other financial commitments	18.2	8,135	20,973	10,550	23,853
Total		**8,243**	**21,745**	**10,554**	**24,317**

A number of contracts now identified as cancellable have been removed from the 31 March 2024 position.

18.1 Capital commitments

	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 restated Core dept & agencies £m	31 Mar 2024 restated DSIT group £m
Contracted capital commitments not otherwise included in these financial statements				
Property, plant and equipment	-	613	-	415
Intangible assets	2	2	4	4
Investment properties	106	106	-	-
Loans, Investments	-	51	-	45
Total	**108**	**772**	**4**	**464**

Departmental group

Capital commitments as at 31 March 2025 include the following significant items:

- Property, plant and equipment commitments for UKRI of £550 million (31 March 2024: £373 million).

18.2 Other financial commitments

The departmental group has entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) for subscriptions to international bodies and various other expenditures. Future payments to which the departmental group is committed are shown below.

Table: Other financial commitments

	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 restated Core dept & agencies £m	31 Mar 2024 restated DSIT group £m
Not later than one year	2,889	8,127	1,885	7,484
Later than one year and not later than 5 years	5,118	12,218	8,505	15,963
Later than 5 years	128	628	160	406
Total	**8,135**	**20,973**	**10,550**	**23,853**

International subscriptions

The financial commitments payable include subscriptions payable to international bodies, analysed by the period in which the payments are due.

Table: International subscriptions

	Within 1 year £m	Later than 1 year and not later than 5 years £m	Later than 5 years £m	Total 31 Mar 2025 £m	Total 31 Mar 2024 restated £m
Horizon Europe	2,006	3,314	-	**5,320**	7,240
Copernicus	122	266	-	**388**	460
European Space Agency	327	1,229	123	**1,679**	2,184
Other subscriptions	1	3	5	**9**	8
Total core dept and agencies	**2,456**	**4,812**	**128**	**7,396**	**9,892**
European Organisation for Nuclear Research (CERN)	171	99	-	**270**	271
Institut Laue Langevin (ILL)	19	81	82	**182**	143
Other subscriptions	90	185	19	**294**	365
Total DSIT group	**2,736**	**5,177**	**229**	**8,142**	**10,671**

Notes

- The DSIT group is required to subscribe to a number of bodies on an on-going and continuous basis. These subscriptions are paid in euros, Swiss francs and pounds sterling. The subscriptions described below are paid in euros or Swiss francs and amounts paid are subject to fluctuations due to exchange rate differences.
- Horizon Europe and Copernicus: The core department is responsible for paying the UK's contribution to the Horizon Europe and Copernicus programmes to the European Commission.
- European Space Agency (ESA): The UK Space Agency pays international subscriptions to the ESA three times a year and these amounts are agreed several years in advance. The payments reported reflect existing commitments on forward exchange contracts placed with the Bank of England to cover periods to January 2026. The annual subscriptions are to be set at a minimum of €300 million and will be aligned with the agreed ESA programmes activity. It is expected that these amounts will be paid by means of forward exchange contracts or amounts translated on the date of payment.
- European Organisation for Nuclear Research (CERN): UKRI shares the funding of the capital and running costs of CERN with other major scientific nations. There is a notice of withdrawal period of 12 months after the end of the current calendar year.
- Institut Laue Langevin (ILL): The UK, through UKRI, has signed up to International Conventions with respect to ILL. The fifth protocol of the Intergovernmental Convention was signed in July 2013 and will remain in force until 31 December 2023. Thereafter it shall be tacitly extended from year to year unless any of the governments give written notification to the other governments of its intention to withdraw from the Convention. Any such withdrawal will take effect upon the expiry of two years from the date of receipt of the notification by any of the other governments or on such later date as may be specified in the notification.
- Other subscriptions: UKRI had a number of other commitments in respect of membership of international collaborations, including subscriptions to Square Kilometre Array of £74 million as at 31 Mar 2025 (31 Mar 2024: £105 million).

Other commitments

The financial commitments payable in future years include payments due under non-cancellable contracts to the organisations below.

Table: other commitments

	Within one year £m	Later than one year and not later than 5 years £m	Later than 5 years £m	31 Mar 2025 Total £m	31 Mar 2024 restated Total £m
Ordnance Survey	146	300	-	**446**	**389**
Met Office	145	-	-	**145**	**143**
Other commitments	142	6	-	**148**	**126**
Total core dept and agencies	**433**	**306**	**-**	**739**	**658**
UKRI grants	4,956	6,732	399	**12,087**	**12,524**
Other commitments	2	3	-	**5**	**-**
Total DSIT group	**5,391**	**7,041**	**399**	**12,831**	**13,182**

Notes

- Ordnance Survey and Met Office: The core departments largest non-cancellable contractual commitments are to Ordnance Survey for the Public Sector Geospatial Agreement and the Met Office for the Public Weather Service.
- UKRI grants: UKRI have contractual obligations for grant commitments. The total commitment as at 31 March 2025 is £12,130 million (31 March 2024: £12,524 million).

19. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are detailed below at their carrying amounts within the relevant categories.

Financial assets

	Note	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 restated Core dept & agencies £m	31 Mar 2024 restated DSIT group £m
Held at amortised cost					
Cash and cash equivalents	13	1,669	2,304	1,652	2,449
Receivables[1]	12	25	308	272	571
Loans to public sector bodies[2]	9.3	269	269	299	278
Other financial assets	10.1	43	152	13	112
Total		**2,006**	**3,033**	**2,236**	**3,410**
Held at mandatory Fair Value through Profit or Loss (FVPL)					
Other financial assets and private sector loans	10.1	-	439	-	447
Total		**-**	**439**	**-**	**447**
Held at Fair Value through Other Comprehensive Income (FVOCI)					
Ordinary shares in public sector companies[3]	9.1	213	212	225	223
Other financial assets	10.1	-	15	-	28
Total		**213**	**227**	**225**	**251**
Public dividend capital					
Public dividend capital	9.2	65	65	65	65
Total		**65**	**65**	**65**	**65**
Total financial assets		**2,284**	**3,764**	**2,526**	**4,173**

Financial liabilities

	Note	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 restated Core dept & agencies £m	31 Mar 2024 restated DSIT group £m
Held at amortised cost					
Payables[1]	14	(1,820)	(1,965)	(1,854)	(2,049)
Total		**(1,820)**	**(1,965)**	**(1,854)**	**(2,049)**
Held at mandatory FVPL					
Derivatives	20	(140)	(145)	(30)	(37)
Total		**(140)**	**(145)**	**(30)**	**(37)**
Held at designated FVPL					
Loan commitment liabilities		-	(3)	-	(3)
Total		**-**	**(3)**	**-**	**(3)**
Total financial liabilities		**(1,960)**	**(2,113)**	**(1,884)**	**(2,089)**

Notes

1. The amounts disclosed above as payables and receivables exclude any assets or liabilities which do not arise from a contractual arrangement.
2. This is comprised of loans to public sector bodies and other loans and investments in other public sector bodies detailed in note 9.3 on page 194.
3. Ordinary shares in public sector companies excludes bodies that are consolidated in the DSIT group, as these are held at cost, see note 9.1 on page 192.

Financial risk management

Financial instruments can impact an entity's financial performance and position. Their impact on the DSIT group is disclosed below. Cash requirements for the DSIT group are largely met through the estimates process so financial instruments play a more limited role in creating risk compared to a private sector body of a similar size. The DSIT group is exposed to credit risk, market risk, and liquidity risk.

Credit risk

Credit risk is the risk that a party to a financial instrument will cause a financial loss for the other by failing to discharge an obligation. Significant credit risks are summarised below.

DSIT group	Other financial assets: Investment funds £355m (31 March 2024: £325m)	Investee companies may not perform as expected and the departmental group may not recover its initial investment. The department minimises the risk by monitoring the overall performance of the funds to secure value for the core department as an investor. This includes a full evaluation of each business case submitted prior to committing funds.

DSIT group	Cash and cash equivalents: £2,304m (31 March 2024: £2,449m)	The cash and cash equivalents are held with banks and financial institutions which are rated AA- to AA+ based on S&P ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The departmental group considers that cash and cash equivalents have a low credit risk based on the external credit ratings of the holding parties.
DSIT group	Other financial assets: Innovate UK Loans Limited £120m (31 March 2024: £122m)	The departmental group's most substantial exposure to credit risk relates to the lending of Innovate UK Loans Limited (IUKL). More detailed disclosure is available in the published statutory accounts of this subsidiary. The nature of innovation loans is such that this type of lending is expected to have a relatively higher credit risk profile compared to lower-risk commercial lending secured on a range of tangible and intangible assets at the market interest rates that private sector financial institutions typically offer. IUKL adopts robust credit risk management policies designed to recognise and manage the risks arising from the portfolio. At 31 March 2025 there were 40 innovation loans with a significant increase of credit risk and 29 loans that were credit impaired (defaults) (at 31 March 2024 there were 17 loans with a significant increase of credit risk and 11 loans with credit impairment (defaults)), as defined by the IUKL's staging transfer criteria, at the end of the financial year. A consequence of the classification of innovation continuity loans as FVTPL is that these loans are outside the scope of ECL provisions and the provisions for irrevocable commitments, and so provisions cannot be made for these loans.
DSIT group	Trade receivables: £251m (31 March 2024: £309m)	• The core department applies the IFRS 9 simplified approach using an allowance matrix to measure the lifetime expected loss allowance for trade receivables in accordance with the FREM guidance. • Trade receivables are grouped based on credit risk characteristics and the number of past due days. Default is defined as 90 days past due. The loss rates are estimated using the historic data for each aging group. Forward-looking information such as macroeconomic factors and entity specific situations are considered for entities with significant outstanding balances. Balances with other core central government departments are excluded from recognising stage-1 and stage-2 impairments following the FREM adaptions. • The departmental group has an immaterial expected credit loss on the assets that it holds and has therefore assessed the overall level of credit risk as low.
DSIT group	Public and private sector loans and gilts: £335m (31 March 2024: £315m)	• Where possible, the departmental group monitors changes in credit risk by tracking published external credit ratings. An internal credit rating system, which was developed based on other established methodologies, was used to assign credit risks for loans that do not have an external credit rating. 12-month and lifetime probabilities of default are based upon Moody's published research on the global default rate adjusted for historical repayment data and any macroeconomic pressures which could impact the entity's ability to repay the loan. • The departmental group's assessments show that it has an immaterial expected credit loss on the assets that it holds.

Market risk

Foreign currency risk	Core dept	DSIT's exposure to foreign currency risk during the year was significant, though this was considerably mitigated by the use of cashflow hedge contracts. The contributions, in Euros, to the European Commission for the Horizon and Copernicus programmes, were made in two instalments during the year, see Note 18 for details of these financial commitments. The department aims to manage a layered portfolio of forward contracts to purchase Euros at 90% of the annual subscription payable to EC during a calendar year thereby fixing the exchange rate to be used. The remaining unhedged portion is translated at the prevailing spot rate. Detailed disclosures related to these derivative financial instruments are included in Note 20.
Foreign currency risk	Agencies	UKSA pays an annual subscription in euros to the European Space Agency (ESA) and enters into forward contracts to mitigate the risk. These derivative contracts are designated as cashflow hedges.
Foreign currency risk	ALBs	UKRI are exposed to foreign currency risk in relation to international subscription payments made. This is principally for payments to CERN. UKRI have entered into hedging arrangements to minimise this risk. UKRI and NESTA Trust are subject to minor foreign currency risk through the maintenance of bank accounts in foreign currencies (including US dollar, euros and Swiss francs) to deal with day-to-day overseas transactions.
Interest rate risk	Core dept	The core department does not invest or access funds from commercial sources so is not exposed to interest rate risk.
Other market risk	Core dept	The core department is exposed to wider risks relating to the performance of the economy as a whole. The main risks resulting from a downward movement in the economy include failures of investee companies of investment funds and loan defaults.
Other market risk	ALBs	The Nesta Trust is exposed to equity price risk due to its investment of a portion of its endowment assets in publicly listed equity investments. The Nesta Trust manages this risk by investing for the medium to long term, diversifying across managers with complementary styles, and investing in funds alongside large institutional investors. The performance of investment managers is monitored regularly. Financial assets held at fair value through profit or loss are valued using established fair value measurement techniques. Where investments are actively traded, fair value is based on quoted bid prices at the reporting date. For other investments, valuations are provided by fund managers using recognised approaches such as earnings multiples, discounted cash flow analysis or net asset values, consistent with the fair value measurement principles set out in the applicable accounting standards.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Core dept and agencies	In common with other government departments, the future financing of its liabilities is to be met by future grants of supply, voted annually by Parliament. There is no reason to believe that future approvals will not be forthcoming, therefore on this basis the liquidity risk to the core department and its agencies is minimal.

Fair value hierarchy

- The table below shows financial instruments carried at fair value, by valuation method.
- Level 1 valuation: uses a quoted market price in an active market, for an identical assets or liability. This is the most reliable evidence of fair value. It is used without adjustment.
- Level 2 valuation: uses other observable inputs other than a quoted price for the asset or liability either directly or indirectly.
- Level 3 valuation: uses unobservable inputs for the assets or liabilities, not based on observable market data – such as internal models or other valuation method.

Table: Financial assets, fair value hierarchy

	31 Mar 2025 Level 1 £m	31 Mar 2025 Level 2 £m	31 Mar 2025 Level 3 £m	31 Mar 2025 Total £m	31 Mar 2024 restated Level 1 £m	31 Mar restated Level 2 £m	31 Mar 2024 restated Level 3 £m	31 Mar 2024 restated Total £m
Held at mandatory FVPL								
Private sector loans	-	-	35	**35**	-	-	48	**48**
Private sector shares	-	-	49	**49**	34	-	40	**74**
Investment funds	141	-	214	**355**	150	-	175	**325**
Total	**141**	**-**	**298**	**439**	**184**	**-**	**263**	**447**
Held at FVOCI								
Ordinary shares in public sector companies	-	212	-	**212**	-	223	-	**223**
Private sector shares	2	-	13	**15**	2	-	26	**28**
Total	**2**	**212**	**13**	**227**	**2**	**223**	**26**	**251**
Total financial assets	**143**	**212**	**311**	**666**	**186**	**223**	**289**	**698**

Table: Financial liabilities, fair value hierarchy

	31 Mar 2025 Level 1 £m	31 Mar 2025 Level 2 £m	31 Mar 2025 Level 3 £m	31 Mar 2025 Total £m	31 Mar 2024 restated Level 1 £m	31 Mar 2024 restated Level 2 £m	31 Mar 2024 restated Level 3 £m	31 Mar 2024 restated Total £m
Held at mandatory FVPL								
Derivatives	-	(145)	-	**(145)**	-	(37)	-	**(37)**
Total	**-**	**(145)**	**-**	**(145)**	**-**	**(37)**	**-**	**(37)**
Held at designated FVPL								
Loan commitment liabilities	-	-	(3)	**(3)**	-	-	(2)	**(2)**
Total	**-**	**-**	**(3)**	**(3)**	**-**	**-**	**(2)**	**(2)**
Total financial liabilities	**-**	**(145)**	**(3)**	**(148)**	**-**	**(37)**	**(2)**	**(39)**

Notes

Transfers between levels of the fair value hierarchy are deemed to occur at the end of the reporting period. There were no transfers between levels during the year.

Specific valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rate at the reporting date based on level 2 inputs, with the resulting value discounted back to present value
- other techniques, such as discounted cashflow analysis or for non-quoted ordinary shares and investment funds that are not actively traded, the net assets of the company/underlying fund are used – these are classified as level 3
- the fair value of public sector shares is based upon net assets and classified as level 2
- Investment funds are managed by private equity managers. As there is no identifiable market price, these funds are included at the most recent valuations provided by the private equity managers, adjusted for cash calls and distributions. These are classified as level 3.

Table: Changes in level 3 instruments

Changes in level 3 instruments, 2024–25, in £ millions

	Ordinary shares in unlisted private equities	Investment funds and other financial investments	Loan Commitment Liabilities	Total
Balance at 1 Apr 2024	**66**	**223**	**(2)**	**287**
Additions	9	89	-	**98**
Repayments or disposals	(2)	(52)	-	**(54)**
Revaluations	(11)	(13)	-	**(24)**
Gains and losses recognised in SOCNE	-	2	(1)	**1**
Balance at 31 Mar 2025	**62**	**249**	**(3)**	**308**

Changes in level 3 instruments, 2023–24 restated, in £ millions

	Ordinary shares in unlisted private equities	Investment funds and other financial investments	Loan Commitment Liabilities	Total
Balance at 1 Apr 2023	**49**	**218**	**(1)**	**266**
Additions	18	22	(2)	**38**
Repayments or disposals	-	(5)	-	**(5)**
Revaluations	2	(12)	-	**(10)**
Gains and losses recognised in SOCNE	(3)	-	1	**(2)**
Balance at 31 Mar 2024	**66**	**223**	**(2)**	**287**

20. Derivative financial instruments

In the current reporting period, DSIT entered into a number of derivative contracts that were designated as cashflow hedges to better plan currency fluctuations in relation to international subscriptions commitments payable to the European Commission (EC) in Euros. These contracts are revalued at each year end based on the future forward market rates, as provided by the Bank of England. Any such revaluations at the year end therefore reflected unrealised gains and losses at 31 March.

DSIT uses forward exchange contracts as part of a balanced portfolio of hedges designed to control foreign currency risk in line with the level of risk appetite adopted by the executive committee. The department is fully compliant with the DSIT departmental hedging policy, which forbids using financial instruments for speculative purposes. Forward exchange contracts may be placed with the Bank of England where the expected cost at the current exchange rate represents at least 2% of the total budget or the value of the transaction is greater than £2 million. The only form of hedging foreign currency risk allowed within the DSIT family of ALBs is the use of forward exchange contracts so as to provide a greater budgetary certainty and therefore plan the future expenditure more effectively.

Throughout the current reporting period, the department entered into 48 (2023–24: nil) forward exchange contracts to hedge 90% of existing international subscriptions commitments payable to the EC between August 2024 and August 2027. During the reporting period, three forward contracts reached maturity and were disposed of accordingly.

Table: Derivative financial instruments

	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m	31 Mar 2024 restated Core dept & agencies £m	31 Mar 2024 restated DSIT group £m
Balance at 1 April	**(30)**	**(37)**	**-**	**(2)**
Additions (contracts purchased in year)	-	-	(2)	(2)
Disposals (contracts settled in year)	17	17	7	7
Revaluation movement	(127)	(125)	(43)	(48)
Transfers	-	-	8	8
Balance at 31 March	**(140)**	**(145)**	**(30)**	**(37)**
Non-current derivative liabilities	(74)	(74)	(21)	(21)
Current derivative liabilities	(66)	(71)	(9)	(16)
Total derivative liabilities	(140)	(145)	(30)	(37)
Net derivative assets and liabilities	**(140)**	**(145)**	**(30)**	**(37)**
Net change in value of cash flow hedges impacting reserves	127	125	43	48

Notes

- Additions (contracts purchased in year): the fair value of the derivatives entered into during the period is assumed to be nil.
- Disposals (contracts settled in year): the disposal value arose through the completion of 3 forward contracts with settlement dates falling in the reporting period. This disposal represented a realised loss on the hedging instrument which was recognised in the SOCNE and therefore decreased the liability position at the accounting period end date.

There is no impact on any previously recognised reserves as these contracts were added and disposed of in the same period.

- Revaluation movement: revaluation movement represents the difference in the fair value of the contracts on inception as compared to the fair value of the contracts at the year end date for unsettled contracts and the settlement date for settled contracts.
- The GBP to EUR forward rate moved from a weighted average 1.145 to 1.168 during the period from inception to year end across all unsettled contracts.
- All derivatives held by the core department are cash flow hedges. The net change in cash flow hedges impacting core department reserves is £88 million (2023–24: £nil).

Cashflow hedge contracts

The hedge contract is designed to allow for cash flow planning and enables effective budgeting to align with the comprehensive spending reviews which are normally undertaken by the government every three years. The hedge contract is not designed to protect against currency risk which will result in an unrealised gain or loss arising each year end when hedges are revalued.

During the reporting period the core department maintained in total a hedge portfolio of 48 forward exchange contracts (2023–24: nil), 3 of which matured during the year. In the reporting period, DSIT entered into several forward exchange contracts to hedge 90% of existing international subscriptions payable to the EC in Euros between August 2024 and August 2027. At the reporting date, the nominal value of these forward contracts was €5,224 million. Forward contracts are to be settled in line with the payment dates of the associated contributions to the EC, as described in note 18.

The fair value of forward exchange contracts is determined by comparing the contractually agreed cost on creation of the contract with the fair value of the contract translated at the future forward market rate provided by the Bank of England at close of trading on 31 March 2025 for the relevant forward exchange contracts' settlement dates. These are indicative rates only, and therefore in accordance with IFRS 13 Fair Value Measurements, the valuation inputs are classified as Level 2. These are included within Note 19 – Financial Instruments.

Hedge effectiveness is assessed at inception and on an ongoing basis by comparing the change in the fair value or cash flows of the hedging instrument with the changes in the fair value or cash flows of the hedged item. All hedges were highly effective at inception, settlement and reporting date and therefore hedge accounting was applied.

21. Contingent liabilities

21.1 Unquantifiable contingent liabilities

Departmental group

UKRI

UKRI recognises a contingent liability against operations linked to global fiscal obligations. They are continuing to investigate historic activity and to ensure future compliance across all operational sites.

Harwell

HSIC PubSP has a contingent liability as a result of a guarantee provided to HSIC General Partner Ltd to make good any shortfall in rent on an investment property at Harwell. This contingent liability is unquantifiable at present and is dependent on certain market conditions. It is not considered likely that these conditions will occur.

Others

There are a number of potential liabilities for the departmental group in respect of claims from suppliers, employees and third parties which depend on actual or potential proceedings. The timing and amounts of any liabilities are uncertain.

21.2 Quantifiable contingent liabilities

Departmental group

UKRI – (STFC) reprocessing and staff commitments

UKRI recognises a contingent liability for its share of Institut Laue-Langevin (ILL) staff-related commitments that will arise on the closure of the facility. The contingent liability will become a provision when a detailed closure plan has been documented and communicated to all those affected. The estimated value of this liability is £9.4 million.

BDUK – European Regional Development Fund (ERDF) Superfast liability

This contingent liability for a potential clawback in relation to European Regional Development Fund (ERDF) funding for two broadband projects which were procured through change requests to existing contracts with BT remains in place. The contracts were agreed under the 2012 State Aid National Broadband Scheme (NBS) which expired in June 2015. However, the England ERDF Operational Programme for the 2014–20 period was not agreed until later in 2015 and therefore the funding was added to the contracts in 2016. BDUK believes the funding meets the ERDF criteria given that the contracts had state aid clearance and provision for the extra ERDF funding was included.

However, it is possible that the ERDF auditors decide that the additional funding was not in compliance with ERDF criteria as it was added to the contracts after the expiration of the NBS. Advice from the Ministry of Housing, Communities and Local Government (MHCLG) is that the maximum level of possible fines or penalties would be £2.5 million. The outcome will not be known until the relevant audits have taken place, with the potential of an audit challenge remaining in place until 2026.

22. Related-party transactions

The core department is the parent of the bodies listed in note 24 'List of bodies within the departmental group' on page 232 – these bodies are regarded as related parties and various material transactions have taken place during the reporting period between members of the departmental group. The related parties of the consolidating bodies are disclosed in their respective accounts.

The core department has engaged in material transactions with other consolidated bodies, other government bodies, and devolved administrations (the Northern Ireland Executive, Scottish government and Welsh government). The most significant of these transactions have been with the Exchequer Consolidated Fund and UKRI.

Ministers, board members, key managers of the departmental group or other related party have not undertaken any material transactions with the core department during the year. Details of the department's ministers and senior managers are shown in the Remuneration Report.

In the course of allocating funding during the year, UKRI entered into material transactions with various higher education institutions. Where these bodies have board members who are also members of university councils, each body operates a policy that precludes interested parties from voting on the funding to the university in which they have an interest. Further details of these transactions can be found in statutory accounts of UKRI.

A number of DSIT's ALBs entered into transactions with the Government Property Agency (GPA) in relation to rental payments for office accommodation.

23. Restatements of SOFP and SOCNE as a result of machinery of government changes and other restatements

In a written Prime Ministerial Statement on 24 July 2024, the Prime Minister announced a MOG change, moving GDS, CDDO and i.AI from the Cabinet Office (CO) into DSIT with immediate effect. This was to unite efforts in the digital transformation of public services under one department and forms part of wider efforts to launch DSIT as the digital centre of government, working closely with the Cabinet Office and HM Treasury, to maximise the potential of digital, data and technology to deliver for the British public.

Function	Exporting Department	Importing Department
Government Digital Service	Cabinet Office	Department for Science, Innovation and Technology
Central Digital and Data Office	Cabinet Office	Department for Science, Innovation and Technology
Incubator for AI	Cabinet Office	Department for Science, Innovation and Technology

In accordance with the FREM, DSIT has accounted for the change as a MOG transfer by merger. For the transfer, the CO identified and isolated the relevant cost centres for all balances and transactions as at 31 March 2024 and 31 March 2023. Shared central costs were split according to relevant cost drivers and no complex assets or liabilities transferred to DSIT from the CO.

As a result of this change and as required by IAS1, DSIT has restated the comparative balances and has included a third SOFP at 1 April 2023. The tables below set out the changes to the comparative figures:

Table 1: Impact of restatements on opening balances for the departmental group at 31 March 2024

	Balance at 31 March 2024 per published accounts £m	Balance transferred from CO at 31 March 2024 £m	Restated balance at 31 March 2024 £m
Consolidated SOCNE			
Net Expenditure for the period	12,335	180	12,515

	Balance at 31 March 2024 per published accounts £m	Balance transferred from CO at 31 March 2024 £m	Restated balance at 31 March 2024 £m
Other Comprehensive net income and expenditure	(215)	-	(215)
Total Comprehensive expenditure	12,120	180	12,300
Consolidated SOFP			
Non-current assets	6,348	136	6,484
Current Assets	4,313	21	4,334
Current liabilities	(3,780)	(29)	(3,809)
Non-current liabilities	391	(2)	389
General fund	4,115	125	4,240
Revaluation Reserve	1,762	1	1,763
Pension reserve	818	-	818
Charitable funds	424	-	424
Minority interest	153	-	153
SOPS			
Resource DEL	635	180	815
Capital DEL	12,363	75	12,438
Resource AME	231	-	231
Capital AME	(105)	-	(105)
Net outturn for the year	13,124	255	13,379

Table 2: Impact of restatements on opening balances for the core department and agencies at 31 March 2024

	Balance at 31 March 2024 per published accounts £m	Balance transferred from CO at 31 March 2024 £m	Restated balance at 31 March 2024 £m
Consolidated SOCNE			
Net Expenditure for the period	13,243	180	13,423
Other Comprehensive net income and expenditure	41	-	41
Total Comprehensive expenditure	13,284	180	13,464
Consolidated SOFP			
Non-current assets	1,152	136	1,288
Current Assets	2,580	21	2,601
Current liabilities	(2,203)	(29)	(2,232)

	Balance at 31 March 2024 per published accounts £m	Balance transferred from CO at 31 March 2024 £m	Restated balance at 31 March 2024 £m
Non-current liabilities	(29)	(2)	(31)
General fund	1,470	125	1,595
Revaluation Reserve	30	1	31

Table 3: Impact of restatements on opening balances for the departmental group at 1 April 2023

	Balance at 31 March 2023 per published accounts £m	Balance transferred from CO at 31 March 2023 £m	Restated balance at 1 April 2023 £m
Consolidated SOFP			
Non-current assets	6,279	79	6,358
Current Assets	1,464	14	1,478
Current liabilities	(2,256)	(25)	(2,281)
Non-current liabilities	335	(3)	332
General fund	2,817	64	2,881
Revaluation Reserve	1,673	1	1,674
Pension reserve	748	-	748
Charitable funds	426	-	426
Minority interest	158	-	158

Table 4: Impact of restatements on opening balances for the core department and agencies at 1 April 2023

	Balance at 31 March 2023 per published accounts £m	Balance transferred from CO at 31 March 2023 £m	Restated balance at 1 April 2023 £m
Consolidated SOFP			
Non-current assets	1,268	79	1,347
Current Assets	612	14	626
Current liabilities	(663)	(25)	(688)
Non-current liabilities	(11)	(3)	(14)
General fund	1,132	64	1,196
Revaluation Reserve	74	1	75

24. List of bodies in the DSIT group

The list of bodies within the DSIT group is given in the following documents:

- Designation order – Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2024
- Amendment order – Government Resources and Accounts Act 2000 (Estimate and Accounts) (Amendment) Order 2024

Table: Designated bodies consolidated in the DSIT group accounts

	Notes	Status
UK Space Agency	-	Executive agency
Building Digital UK	-	Executive agency
Advanced Research and Invention Agency	-	NDPB
British Technology Investments Limited	-	Other public body
The Copyright Tribunal	No accounts produced as costs are included in the core department's expenditure. It is funded by the core department and operated by UK Intellectual Property Office.	NDPB
Council for Science and Technology	No accounts produced as costs are included in the core department's expenditure.	Expert committee
Diamond Light Source Limited		Other public body
Geospatial Commission	No accounts produced as costs are included in the core department's expenditure.	Expert committee
Harwell Science and Innovation Campus Public Sector Limited Partnership	Joint venture owned by UKRI and UK Atomic Energy Authority.	Other public body
Information Commissioner's Office	-	NDPB
The NESTA Trust	-	Other public body
Office of Communications	-	Other public body
United Kingdom Research and Innovation	-	NDPB
Medical Research Council	Consolidated by UKRI	-
Innovate UK Loans Limited	Consolidated by UKRI	-
Knowledge Transfer Network Limited	Consolidated by UKRI	-
STFC Innovations Limited	Consolidated by UKRI	-
UK Shared Business Services Limited	-	Other public body

Table: Designated bodies not consolidated in the DSIT group accounts

	Notes	Status
Daresbury SIC (PubSec) LLP	A joint venture between the Science and Technology Facilities Council (part of UKRI) and Halton Borough Council. Turnover and net assets are not material to DSIT group accounts.	Other public body
Office of the Adjudicator Broadcast Transmission Services Limited	Turnover and net assets are not material to DSIT group accounts.	Other public body
Office of the Adjudicator Limited	Turnover and net assets are not material to DSIT group accounts.	Other public body
Phone-paid Services Authority Limited	Turnover and net assets are not material to DSIT group accounts. Ofcom formally adopted responsibility for activities previously regulated by Phone-paid Services Authority Limited on 31 January 2025.	Other public body

25. Events after the reporting period

Non-adjusting events

On 3 June 2025 the government announced a machinery of government change with the responsibility for government and public sector cyber security transferring from the Cabinet Office into DSIT in the 2025–26 financial year. The department has determined that the event is a non-adjusting subsequent event, accordingly the SOFP has not been adjusted.

On 19th June 2025 Eutelsat issued a press release announcing their intention to raise €1.35bn in additional funding by way of (i) a reserved capital increase of €716 million and (ii) a rights issue of €634 million.

25.1 Date accounts authorised for issue

DSIT's accounting officer has authorised these accounts to be issued on the same day as they were certified.

ANNEXES

Annex A: Common core tables

The core tables represent expenditure for resource and capital, set for each year in the Spending Review process (amended to incorporate transfers of functions to other government departments as they have arisen).

These tables are not reported on the same basis as the financial statements disclosures, with differing categories and headings based on the department's estimates allocation of activities and budgeting not financial reporting terms.

The core tables are produced automatically from the HMT system (Online System for Central Accounting and Reporting (OSCAR)) which is used by all central government departments to record their spending and plans.

Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

Table 1 – Total Departmental Spending

	2020–21 Outturn restated £'000	2021–22 Outturn restated £'000	2022–23 Outturn restated £'000	2023–24 Outturn restated £'000	2024–25 Outturn £'000	2025–26 Planned £'000
Resource DEL						
Deliver an ambitious industrial strategy	21,253	23,164	21,069	23,066	5,378	6,130
Promote competitive markets and responsible business practices	-	1	(1)	-	-	-
Delivering affordable energy for households and businesses	-	-	(402)	-	-	-
Taking action on climate change and decarbonisation	-	-	73	-	-	-
Science and Research	26,260	40,516	5,681	32,047	35,435	61,602
Capability	136,541	95,411	131,873	165,713	210,916	326,165
Government as Shareholder	(25,600)	(8,500)	(24,784)	(70,290)	(18,860)	(16,513)
Support for the Digital, Broadcasting and Media sectors	103,660	120,614	92,417	115,719	88,710	103,279
Modernising and reforming the work of the Government Functions	90,583	81,234	114,710	179,698	204,375	192,305
Building Digital UK	-	-	57,599	39,669	42,700	49,345
Science and Research (ALB) net	223,930	230,771	225,803	305,925	266,082	339,728
Capability (ALB) net	11,103	12,379	50,348	3,171	8,726	1
Government as Shareholder (ALB) net	-	1,563	(617)	1,526	8,893	2,000
Broadcasting and Media ALB (net)	8,756	1,931	4,999	17,431	12,895	8,028
Science and Research (CFER)	-	(555)	-	1,139	-	-
Total Resource DEL	**596,486**	**598,529**	**678,768**	**814,814**	**865,250**	**1,072,070**
Of which:						
Current grants to persons and non-profit (net)	23,670	11,400	11,693	12,029	12,686	2,708
Depreciation	252,142	284,968	284,962	360,586	330,246	451,863
Income from sales of goods and services	(109,714)	(146,388)	(5,583)	(8,303)	(6,205)	(44,110)
Net public service pensions	1,113	1,613	-	-	-	-
Other resource	(173,016)	(189,475)	(296,679)	(422,685)	(378,360)	(323,604)
Purchase of goods and services	253,694	303,788	286,884	389,402	381,969	450,299

	2020–21 Outturn restated £'000	2021–22 Outturn restated £'000	2022–23 Outturn restated £'000	2023–24 Outturn restated £'000	2024–25 Outturn £'000	2025–26 Planned £'000
Rentals	7,448	4,700	3,878	2,134	1,038	-
Staff costs	331,677	327,976	385,514	446,705	482,605	462,528
Subsidies to private sector companies	-	-	(375)	-	-	-
Subsidies to public corporations	3,822	1,804	2,804	3,113	5,194	3,724
Take up of provisions	5,316	(2,015)	4,418	10,054	12,802	10,000
Change in pension scheme liabilities	18	19	780	624	943	-
Current grants abroad (net)	316	139	246	20,995	20,914	53,288
Current grants to local government (net)	-	-	226	160	1,418	5,374
Resource AME						
Deliver an ambitious industrial strategy	-	-	-	154	153	153
Science and Research	71,338	65,639	88,947	158,522	249,165	547,280
Capability	4,058	1,337	335	(53)	34	-
Government as Shareholder	-	20,700	-	-	-	-
Modernising and reforming the work of the Government Functions	-	-	-	376	-	-
Deliver an ambitious industrial strategy (ALB) net	(71,317)	473	43,060	1,212	(3,702)	13,322
Science and Research (ALB) net	76,343	191,875	82,267	71,584	127,699	115,530
Capability (ALB) net	-	10	-	2	-	-
Government as Shareholder (ALB) net	-	(1)	-	-	(8,403)	-
Broadcasting and Media ALB (net)	(4,586)	(1,749)	(533)	(767)	644	3,197
Total Resource AME	**75,836**	**278,284**	**214,076**	**231,030**	**365,590**	**679,482**
Of which:						
Current grants to persons and non-profit (net)	-	-	-	-	-	146,164
Depreciation	(70,729)	(13,807)	54,376	59,628	50,248	49,167
Other resource	45,084	81,446	139,852	86,706	185,715	392,786
Purchase of goods and services	29,123	38,465	26,428	31,722	37,294	2,178

	2020–21 Outturn restated £'000	2021–22 Outturn restated £'000	2022–23 Outturn restated £'000	2023–24 Outturn restated £'000	2024–25 Outturn £'000	2025–26 Planned £'000
Release of provision	(8,196)	457	(595)	(1,804)	(605)	299
Release of provisions covering pension benefits	(1,116)	(1,613)	-	-	-	-
Rentals	(2,366)	(2,522)	(2,538)	(2,540)	(2,541)	(2,540)
Subsidies to private sector companies	675	-	-	-	-	-
Take up of provisions	21,378	102,111	(79,697)	(14,098)	21,458	14,031
Unwinding of discount rate on pension scheme liabilities	32,978	32,876	43,854	55,158	57,110	47,555
Change in pension scheme liabilities	29,005	40,871	32,396	16,258	16,911	29,842
Total Resource Budget	**672,322**	**876,813**	**892,844**	**1,045,844**	**1,230,840**	**1,751,552**
Of which:						
Current grants to persons and non-profit (net)	23,670	11,400	11,693	12,029	12,686	148,872
Depreciation	181,413	271,161	339,338	420,214	380,494	501,030
Income from sales of goods and services	(109,714)	(146,388)	(5,583)	(8,303)	(6,205)	(44,110)
Net public service pensions	1,113	1,613	-	-	-	-
Other resource	(127,932)	(108,029)	(156,827)	(335,979)	(192,645)	69,182
Purchase of goods and services	282,817	342,253	313,312	421,124	419,263	452,477
Release of provision	(8,196)	457	(595)	(1,804)	(605)	299
Release of provisions covering pension benefits	(1,116)	(1,613)	-	-	-	-
Rentals	5,082	2,178	1,340	(406)	(1,504)	(2,540)
Staff costs	331,677	327,976	385,514	446,705	482,605	462,528
Subsidies to private sector companies	675	-	(375)	-	-	-
Subsidies to public corporations	3,822	1,804	2,804	3,113	5,194	3,724
Take up of provisions	26,694	100,096	(75,279)	(4,044)	34,261	24,031
Unwinding of discount rate on pension scheme liabilities	32,978	32,876	43,854	55,158	57,110	47,555
Change in pension scheme liabilities	29,023	40,890	33,176	16,882	17,854	29,842
Current grants abroad (net)	316	139	246	20,995	20,914	53,288

	2020–21 Outturn restated £'000	2021–22 Outturn restated £'000	2022–23 Outturn restated £'000	2023–24 Outturn restated £'000	2024–25 Outturn £'000	2025–26 Planned £'000
Current grants to local government (net)	-	-	226	160	1,418	5,374
Capital DEL						
Deliver an ambitious industrial strategy	332,426	324,600	354,665	280,633	458,188	602,297
Promote competitive markets and responsible business practices	-	(1)	-	3,826	6,522	8,100
Taking action on climate change and decarbonisation	-	-	(2,222)	-	-	-
Science and Research	787,076	726,867	965,314	2,404,166	2,047,515	3,929,213
Capability	72	905	(535)	4,109	49,232	125,171
Government as Shareholder	62,907	143,658	99,952	78,748	125,266	291,352
Support for the Digital, Broadcasting and Media sectors	157,820	152,337	68,144	111,119	181,403	244,674
Modernising and reforming the work of the Government Functions	6,561	20,299	55,931	74,734	69,016	226,197
Building Digital UK	-	-	44,092	93,028	269,127	573,640
Science and Research (ALB) net	8,958,867	8,457,968	9,267,560	9,361,266	9,935,707	8,644,969
Capability (ALB) net	2,298	3,558	3,313	4,162	1,793	-
Government as Shareholder (ALB) net	-	19,050	5,541	14,650	8,589	20,000
Broadcasting and Media ALB (net)	22,964	15,691	10,565	7,817	4,319	5,873
Science and Research (CFER)	-	(2,091)	-	-	-	(2,000)
Total Capital DEL	**10,330,991**	**9,862,841**	**10,872,320**	**12,438,258**	**13,156,677**	**14,669,486**
Of which:						
Current grants to persons and non-profit (net)	7,181,482	7,052,098	7,554,989	8,624,429	9,661,992	9,410,212
Income from sales of assets	(27,395)	(9,732)	(8,761)	(7,109)	(5,033)	-
Income from sales of goods and services	(218,291)	(262,021)	(158,598)	(605,383)	(786,891)	(602,485)
Net lending to the private sector and abroad	63,388	50,281	15,560	(14,655)	52,706	13,316
Other capital	(58,687)	(95,067)	(19,384)	(222,134)	(37,912)	20,632
Purchase of assets	403,974	376,311	348,354	384,498	438,727	77,483
Purchase of goods and services	741,948	778,972	838,990	961,962	1,183,769	1,515,889

	2020–21 Outturn restated £'000	2021–22 Outturn restated £'000	2022–23 Outturn restated £'000	2023–24 Outturn restated £'000	2024–25 Outturn £'000	2025–26 Planned £'000
Staff costs	534,014	584,153	595,804	679,688	741,112	497,522
Subsidies to public corporations	21	31	22	7	-	-
Take up of provisions	-	-	-	-	163	-
Capital grants abroad (net)	273,514	286,878	306,522	291,238	269,607	-
Capital grants to persons and non-profit (net)	845,632	500,812	664,232	606,648	(62,256)	57,672
Capital grants to private sector companies (net)	32,104	53,361	94,686	191,724	253,205	579,290
Capital support for local government (net)	111,208	49,736	5,141	17,375	1,147	-
Capital support for public corporations	46,184	84,736	36,486	1,776	(5,369)	34,184
Current grants abroad (net)	401,895	412,292	598,277	1,528,194	1,451,710	3,065,771
Capital AME						
Deliver an ambitious industrial strategy	-	-	-	-	(2)	-
Science and Research	1,247	1,271	1,266	-	-	260
Capability	-	144	-	-	-	-
Deliver an ambitious industrial strategy (ALB) net	(8,954)	(13,310)	4,140	(935)	(50,974)	-
Science and Research (ALB) net	(49,669)	(55,125)	(73,901)	(103,987)	(107,559)	-
Total Capital AME	**(57,376)**	**(67,020)**	**(68,495)**	**(104,922)**	**(158,535)**	**260**
Of which:						
Net lending to the private sector and abroad	(8,954)	(13,310)	4,140	(935)	(50,974)	-
Other capital	(35,699)	(37,878)	(55,574)	(89,967)	(95,956)	260
Purchase of goods and services	7,090	1,173	1,208	(1,070)	(86)	-
Staff costs	(19,813)	(17,149)	(18,269)	(12,950)	(11,519)	-
Take up of provisions	-	144	-	-	-	-
Total Capital Budget	**10,273,615**	**9,795,821**	**10,803,825**	**12,333,336**	**12,998,142**	**14,669,746**
Of which:						
Current grants to persons and non-profit (net)	7,181,482	7,052,098	7,554,989	8,624,429	9,661,992	9,410,212

	2020–21 Outturn restated £'000	2021–22 Outturn restated £'000	2022–23 Outturn restated £'000	2023–24 Outturn restated £'000	2024–25 Outturn £'000	2025–26 Planned £'000
Income from sales of assets	(27,395)	(9,732)	(8,761)	(7,109)	(5,033)	-
Income from sales of goods and services	(218,291)	(262,021)	(158,598)	(605,383)	(786,891)	(602,485)
Net lending to the private sector and abroad	54,434	36,971	19,700	(15,590)	1,732	13,316
Other capital	(94,386)	(132,945)	(74,958)	(312,101)	(133,868)	20,892
Purchase of assets	403,974	376,311	348,354	384,498	438,727	77,483
Purchase of goods and services	749,038	780,145	840,198	960,892	1,183,682	1,515,889
Staff costs	514,201	567,004	577,535	666,738	729,593	497,522
Subsidies to public corporations	21	31	22	7	-	-
Take up of provisions	-	144	-	-	163	-
Capital grants abroad (net)	273,514	286,878	306,522	291,238	269,607	-
Capital grants to persons and non-profit (net)	845,632	500,812	664,232	606,648	(62,255)	57,672
Capital grants to private sector companies (net)	32,104	53,361	94,686	191,724	253,205	579,290
Capital support for local government (net)	111,208	49,736	5,141	17,375	1,147	-
Capital support for public corporations	46,184	84,736	36,486	1,776	(5,369)	34,184
Current grants abroad (net)	401,895	412,292	598,277	1,528,194	1,451,710	3,065,771
Total Departmental Spending	**10,764,524**	**10,401,473**	**11,357,331**	**12,958,966**	**13,848,488**	**15,920,268**
Total DEL	**10,675,335**	**10,176,402**	**11,266,126**	**12,892,486**	**13,691,681**	**15,289,693**
Total AME	**89,189**	**225,071**	**91,205**	**66,480**	**156,807**	**630,575**

Table 2 – Administration Budget

	2020–21 Outturn restated £'000	2021–22 Outturn restated £'000	2022–23 Outturn restated £'000	2023–24 Outturn restated £'000	2024–25 Outturn £'000	2025–26 Planned £'000
Resource DEL						
Science and Research	-	-	-	-	1,112	-
Capability	109,942	93,178	131,046	162,871	208,509	256,614
Support for the Digital, Broadcasting and Media sectors	33,627	28,714	31,366	33,483	39,274	60,993
Modernising and reforming the work of the Government Functions	1,088	485	21,886	29,191	44,580	47,692
Science and Research (ALB) net	7,120	6,182	4,064	71	62	-
Capability (ALB) net	11,103	12,379	50,348	3,171	8,726	1
Broadcasting and Media ALB (net)	12,904	11,432	15,822	25,251	7,992	11,470
Total Administration Budget	**175,784**	**152,370**	**254,532**	**254,038**	**310,255**	**376,770**
Of which:						
Current grants to persons and non-profit (net)	2	24	106	744	334	-
Depreciation	20,683	18,821	22,063	16,345	24,809	28,604
Income from sales of goods and services	(53,614)	(62,045)	(2,124)	(4,942)	(844)	-
Net public service pensions	(3)	-	-	-	-	-
Other resource	(31,585)	(30,172)	(59,803)	(124,990)	(18,309)	-
Purchase of goods and services	69,159	71,898	96,760	119,615	125,234	178,070
Rentals	6,105	321	1,258	1,807	472	-
Staff costs	164,918	153,436	196,052	245,313	178,177	170,096
Take up of provisions	-	-	42	-	26	-
Change in pension scheme liabilities	18	4	10	-	259	-
Current grants abroad (net)	101	83	168	146	97	-

Annex B: Financial information by arm's length bodies

The table below shows the total operating income, total operating expenditure, net expenditure for the year, and staff numbers and costs for each of our ALBs.

The figures below will not tie directly to the published ALB accounts as they include some adjustments which would have been captured in the ALB's accounts in the previous year.

Table: Financial information by ALB, 2024–25

	Total Operating income £m	Total Operating expenditure £m	Net expenditure for the year (including financing) £m	Permanent employed staff Number of employees	Permanent employed staff Staff costs £m	Other staff Number of employees	Other staff Staff costs £m
Core department	(134)	13,577	13,546	3,024	235	152	27
UK Space Agency	(3)	620	617	307	24	1	5
Building Digital UK	(1)	313	312	267	20	25	5
Diamond Light Source Ltd	(164)	125	(39)	749	58	115	2
Harwell Science and Innovation Campus Public Sector Limited Partnership	-	-	(52)	-	-	-	-
UK SBS Ltd	(71)	71	-	670	35	66	4
National Endowment for Science Technology and the Arts	(3)	9	5	-	-	-	-
British Technology Investments Ltd	-	10	1	-	-	-	-
The Office of Communications	(210)	209	(1)	1,557	139	-	2
Advanced Research and Invention Agency (ARIA)	-	31	31	29	5	14	1
Information Commissioners Office	(76)	91	15	1,024	71	5	1
UKRI[1]	(925)	10,826	9,696	7,704	572	1,585	47
Consolidation adjustments	211	(10,177)	(9,800)	1	(1)	-	(1)
Total DSIT group	**(1,376)**	**15,705**	**14,331**	**15,332**	**1,158**	**1,963**	**93**

Notes

1. Note that the UKRI figures do not contain intra-group UKRI eliminations, as these are shown within the total Consolidation Adjustments row.

Annex C: Glossary

5GIR: 5G Innovation Regions

A

ACOBA: Advisory Committee on Business Appointments

ACSES: Annual Civil Service Employee Survey

AI: Artificial Intelligence

AIGZ: AI Growth Zones

AISI: AI Security Institute (formerly AI Safety Institute)

ALB: Arm's-Length Bodies

AME: Annually Managed Expenditure

AQUA: Analytical Quality Assurance

ARA: Annual Report and Accounts

ARAC: Audit and Risk Assurance Committee

ARIA: Advanced Research and Invention Agency

API: Active Pharmaceutical Ingredients

B

BAME: Black, Asian and Minority Ethnic

BAR: Buiness Appointment Rules

BBSRC: Biotechnology and Biological Sciences Research Council

BDUK: Building Digital UK

BEIS: Department for Business, Energy and Industrial Strategy

BREEAM: Building Research Establishment Environmental Assessment Method

BT: British Telecom

BTI: British Technology Investments Ltd

BTPS: British Telecom Pension Scheme

BVCA: British Venture Capital Association

C

CCP: Cell-Cultivated Products

CDEL: Capital Departmental Expenditure Limit

CDOT: Crown Dependencies and Overseas Territories

CERN: European Organisation for Nuclear Research

CETV: Cash Equivalent Transfer Value

CFER: Consolidated Fund Extra Receipts

CO: Cabinet Office

COI: Conflicts of Interest

COVID-19: Coronavirus pandemic

Crick: the Francis Crick Institute

CSA: Chief Scientific Adviser

CSM: Contractual Service Margin

CSOPS: Civil Servant and Other Pension Scheme

D

DBT: Department for Business and Trade

DCMS: Department for Digital, Culture, Media & Sport

DEL: Departmental Expenditure Limit

DESNZ: Department for Energy, Security and Net

DFE: Department for Education

DLS: Diamond Light Source

DRC: Delivery and Risk Committee

DSIT: Department for Science, Innovation and Technology

E

EC: European Commission

ECL: Expected Credit Loss

EDITH: Early Detection using Information Technology in Health

EOI: Expressions of Interest

EPSRC: Engineering and Physical Sciences Research Council

ERDF: European Regional Development Fund

ESA: European Space Agency

ESN: Emergency Services Network

ESO: European Southern Observatory

EU: European Union

EUMETSAT: The European Organisation for the Exploitation of Meteorological Satellites

EUMETNET: European Meteorological Network

EXCO: Executive Committee

F

FREM: Government Financial Reporting Manual

FRS: Financial Reporting Standard

FSA: Food Standards Agency

FVOCI: fair value through other comprehensive income

FVPL: fair value through profit or loss

FYE: Financial Year End

G

GAP: Governance Assurance Panel

GGC: Greening Government Commitments

GIAA: Government Internal Audit Agency

GIS: Geographic Information System

GMPP: Government Major Projects Portfolio

GPA: Government Property Agency

GRAA: Government Resources and Accounts Act

GRNI: Goods Received Not Invoiced

H

HMG: HM government

HMT: HM Treasury

HR: Human Resources

HSIC: Harwell Science and Innovation Campus

HSIC PubSP: Harwell Science and Innovation Campus Limited Partnership

I

IAS: International Accounting Standards

ICO: Information Commissioner's Office

ICS: Integrated Corporate Services

IFRS: International Financial Reporting Standards

ILL: Institut Laue-Langevin

IPEV: International Private Equity and Venture Capital

IPO: Intellectual Property Office

ISPF: International Science Partnerships Fund

IT: Information Technology

IUK: Innovate UK

IUKL: Innovate UK Loans Limited

K

KTN: Knowledge Transfer Network

L

LGBO: Lesbian, Gay, Bisexual, and Other

LSIMF: Life Sciences Innovative Manufacturing Fund

M

MHCLG: Ministry of Housing, Communities and Local Government

MNO: Mobile Network Operators

MOG: machinery of government

MPM: Managing Public Money

MRC: Medical Research Council

MRCPS: Medical Research Council Pension Scheme

N

NABERS UK: National Australian Built Environment Rating System, UK adaptation

NAO: National Audit Office

NBS: National Broadband Scheme

NCE: No Cost Extension

NDPB: non-departmental public bodies

NERC: Natural Environment Research Council

NESTA: National Endowment for Science, Technology and the Arts

NIHR: National Institute for Health and Care Research

NPL: National Physical Laboratory

NPLML: National Physical Laboratory Management Limited

NQCC: National Quantum Computing Centre

NTA: National Technology Adviser

NUAR: National Underground Asset Register

O

OCI: Other Comprehensive Income

Ofcom: The Office of Communications

OFS: Office for Students

ONS: Office for National Statistics

OSL: Ordnance Survey Limited

P

PAA: Public Appointments Assessors

PAC: Public Accounts Committee

PCPF: Parliamentary Contributory Pension Fund

PCSPS: Principal Civil Service Pension Scheme

PDC: Public Dividend Capital

PFI: Private Finance Initiative

PFF: Precision Fermented Foods

PNT: Position, Navigation and Timing systems

PPE: Property, Plant and Equipment

PSA: Phone-Paid Services Agency

PSED: Public Sector Equality Duty

Q

QR: Quality-Related

R

R&D: Research and Development

RAL: Rutherford Appleton Laboratory

RCPS: Research Councils Pension Scheme

RICS: Royal Institution of Chartered Surveyors

RIO: Regulatory Innovation Office

S

SCS: Senior Civil Servant

SDG: Sustainable Development Goal

SMEs: Small and Medium-Sized Enterprises

SOCNE: Statement of Comprehensive Net Expenditure

SOFP: Statement of Financial Position

SOPS: Statement of Outturn against Parliamentary Supply

SORP: Statement of Recommended Practice

SoS: Secretary of State

SRO: Senior Responsible Owner

STEM: Science, Technology, Engineering and Maths

STFC: Science and Technology Facilities Council

T

TCFD: Task Force on Climate-Related Financial Disclosures

TME: Total Managed Expenditure

TU: Trade Union

U

UKRI: UK Research and Innovation

UKSA: UK Space Agency

UKSBS: UK Shared Business Services Limited

UN: United Nations

V

VAT: Value-Added Tax

W

WSF: Waste Separation Facility

WTA: Wireless Telegraphy Act

In relation to the image on page 27, more information about the United Nations Sustainable Development Goals can be found at https://www.un.org/sustainabledevelopment

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