Competition and Markets Authority Annual Report and Accounts 2024 to 2025

For the year ended 31 March 2025

HC 1007

CMA
Competition & Markets Authority

Competition and Markets Authority

Annual Report and Accounts 2024 to 2025

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

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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

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Interim Chair's foreword

It has been a privilege to take on the interim Chair role during the 2024 to 2025 reporting year. In today's challenging economic environment, the UK needs its regulatory landscape to be a national asset – and we know the CMA has an important part to play.

Stepping up to help create the best possible conditions for investment, innovation and productivity in UK markets. Being prepared to listen in good faith to what we can do differently or better, then acting decisively on that feedback. And, of course, continuing to maintain the trust of consumers, who deserve to be treated fairly and whose spending fuels growth across the economy.

2024 to 2025 has been a year of recalibration and considerable progress for the CMA. We are evolving, without losing sight of the fundamentals of our role – an independent body to promote competition and protect consumers.

There are several key things I see us doing differently today.

We're embedding a pro-growth mindset across the organisation. That means really challenging ourselves to apply this lens when we prioritise and carry out our work, including thinking hard about how we can maximise the impact of our activities. And it means **working to strengthen business and investor confidence, minimise uncertainty and avoid unnecessary burdens**. That's what our '4Ps' framework is designed for. Pace, predictability, proportionality and process: common sense principles that can make a real difference to how we operate. We're now rolling out tangible actions under these 4Ps across all our functions - from mergers and digital markets to consumer protection, competition enforcement and markets. This is a major shift, and while there's more to do, I'm encouraged by the leadership and momentum behind it.

Listening more, and acting on what we hear, is becoming a defining feature of our approach. This is a big part of how we build confidence in a stable, coherent and well-informed regulatory environment. So, we launched the CMA Growth and Investment Council (GIC), helping to anchor our work firmly in the commercial realities facing businesses across the economy. We're having more direct, constructive conversations, so we can learn from businesses' experiences of dealing with the CMA. We're building bridges with the startup and the investor communities, which are so fundamental to the growth mission. And we're engaged in active dialogue across Parliament, government, the consumer protection landscape and wider civil society – strengthening accountability, forging collaborations and deepening our expertise.

Doug Gurr

Interim Chair

> 2024 to 2025 has been a year of recalibration and considerable progress for the CMA. We are evolving, without losing sight of the fundamentals of our role - to promote competition and protect consumers.

At the same time, we're continuing to deliver on our fundamentals. We can't support growth and prosperity for all without driving forward our independent work to protect UK consumers and promote competition. Many examples in this Annual Report and Accounts (ARA) underscore the real-world impact this can have. Proposals for improvements in the infant formula market, to put money back in the pockets of parents and caregivers. Investigating Ticketmaster's sale of Oasis tickets, to secure a fairer deal for fans. Launching our first 2 investigations under the new Digital Markets Competition Regime (DMCR), to boost investment and innovation in a critical growth sector. Supporting small businesses through our work on fake reviews. And, tackling anti-competitive behaviour across multiple sectors - from pharmaceuticals to vehicle recycling.

> Transformative change doesn't happen overnight, but the CMA has shown its ambition and laid out a clear path forward.

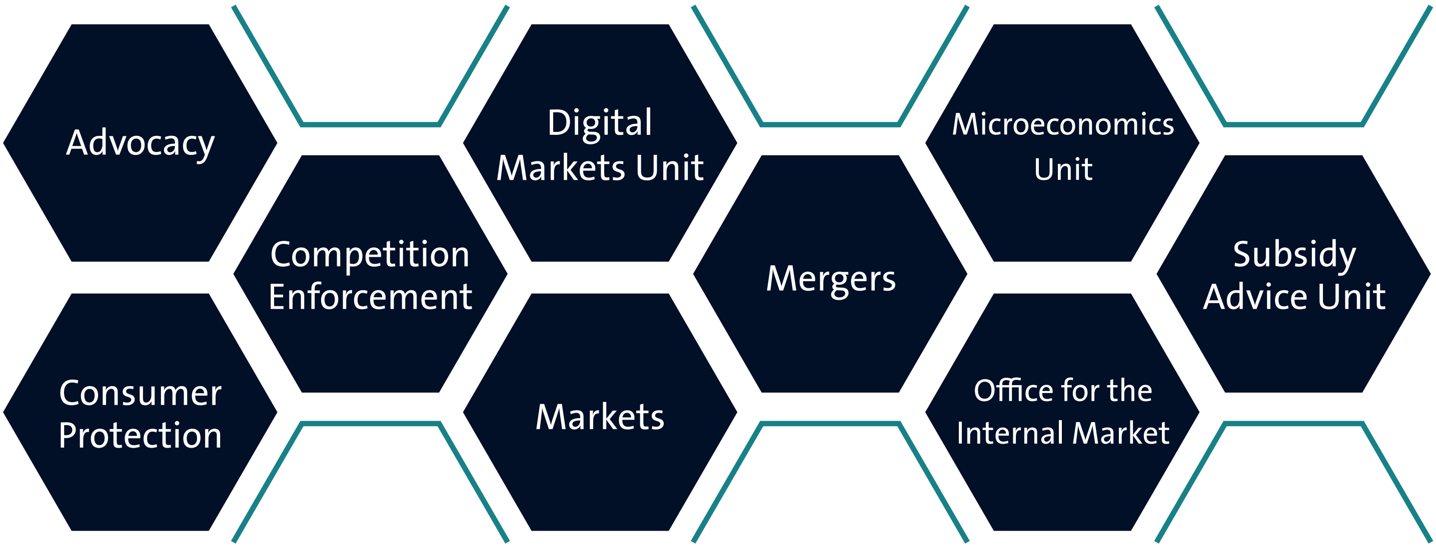
Guided by a new Strategic Steer from government, we're now making good headway against our 2025 to 2026 Annual Plan - keeping our contribution to the growth mission and to a predictable, proportionate regulatory environment front and centre. Transformative change doesn't happen overnight, but the CMA has shown its ambition and laid out a clear path forward. I would like to extend my thanks to the Board, Sarah and the leadership team, and of course the CMA's hardworking staff – all of whom have helped to set us firmly on the right track this year.

Doug Gurr
Interim Chair

About us

The CMA is an independent non-ministerial UK government department and has been the UK's primary competition and consumer authority since 2014. Our statutory duty is to 'promote competition, both within and outside the UK, for the benefit of consumers'. The CMA has a UK-wide remit, with offices in Belfast, Cardiff, Darlington, Edinburgh, London and Manchester. At the end of the 2024/25 year, we employed around 1130 people.

We adopt an evidence-based and integrated approach to our work, selecting the tools we believe will achieve the maximum positive impact for people and businesses (wherever they live and operate in the four nations), as well as for the UK economy.



The CMA is funded by HM Treasury, sponsored by the Department for Business and Trade (DBT), and is accountable to the UK Parliament. We lay our Annual Plan and Annual Report and Accounts (ARA) in Parliament and each of the devolved legislatures. Our governance structure ensures fairness, independence, integrity, rigorous analysis, careful handling of sensitive information, and effective use of public funds.

We are governed by a Board, which consists of the Chair, Chief Executive, Non-Executive Directors (two of whom are also members of the CMA Competition Panel, and one of whom is Chair of the Office for the Internal Market), Executive Directors and the Chief Operating Officer. The Chief Executive, as the CMA's Principal Accounting Officer, is responsible for the economy and efficiency of the CMA's handling of public monies. Some functions of the CMA must be performed by members of the CMA Panel. CMA employees are civil servants.

How the CMA supported growth this year

The 2024 general election brought an important change to the CMA's operating environment: a new government whose number one priority is economic growth.

While our purpose and statutory mandate to promote competition and protect consumers are unchanged, late last year we set out how we would rise to the challenge of supporting growth in both the work we do and how we go about it. With the clarity of a new Strategic Steer from government, and valuable stakeholder insights about how we can support business confidence, the second half of 2024/25 marked a major shift in pace and ambition for the CMA in this area.

We began with a commitment to rapid transformation of the way we work, through our '4Ps framework': Pace, Predictability, Proportionality, and Process.

Following extensive engagement with businesses and investors, both domestic and international, the importance of these principles to business and investor confidence was clear. So we began an extensive change programme to embed them across our work (see page 34 below). This activity is ongoing and has so far notably included:

In mergers

Ambitious new KPIs to significantly speed up pre-notification and straightforward phase 1 cases. We also launched a review of our approach to merger remedies; updated guidance to improve predictability over when the CMA may intervene; and published a Mergers Charter with clear principles and overarching expectations for how the CMA will engage with businesses and their advisors during merger reviews.

In digital markets and consumer protection

Publishing 'Approach' documents clearly setting out how the 4Ps would be at the heart of our implementation of the new regimes. From enhanced predictability, through new forward-looking 'roadmaps' of actions we might take in digital markets to overhauling our consumer protection guidance to support proportionality for businesses working to become compliant with new rules.

In competition enforcement

Improving pace through rigorous streamlining of processes, changes to procedural guidance and greater use of technology, as well as more support for companies seeking to collaborate to achieve beneficial aims, such as innovation.

In markets

We will shortly be publishing an 'Approach' document which will set out how we intend to avoid any disproportionate or unnecessary chilling effect for businesses and investors when we dive deep into the issues that could be holding back the effective functioning of important UK markets. Our aims include shortening the end-to-end process for our markets work, bringing in sector expertise early in our analysis, adopting a more participative approach, and introducing a more disciplined focus on costs to business as we prioritise, scope and design remedies.

We instilled a strong pro-growth lens as we developed our 2025/26 Annual Plan portfolio, with considerable progress thus far, including:

- **Action in the UK's £300bn-a-year public procurement market**, where competition is critical to the support provision of key public services, boost public sector efficiency and deliver value for money for taxpayers.
- **Action in critical infrastructure markets** which form the backbone of a growing economy, including our recently launched civil engineering market study into rail and road.
- **Expert advice to government** in key areas like industrial strategy, including two recently completed 'policy sprints' on innovation programmes and defence procurement to support development of the government's white paper.
- **A new Growth Programme** of microeconomic research and analysis, focussed on the critical drivers and blockers of growth, with recent published work evaluating the impact of past industrial policies.
- **Guiding and supporting business collaboration** that has a pro-growth impact , building on our work in net zero and healthcare to support the provision of critical skills for the UK.
- Laying out how we will reflect the priorities in the **Strategic Steer** in our workplan for the year, including incorporating the Steer into our Pipeline and Planning discussions.

Fostering new channels of constructive dialogue and feedback with businesses of all shapes and sizes, across the UK and internationally – from the largest global firms to challengers, new entrants, entrepreneurs, and investors.

- Established the CMA **Growth and Investment Council** with the CEOs and Chairs of 12 leading industry and representative bodies.
- A fresh approach to **proactive, direct engagement**, particularly with startups, scaleups, venture capital and private equity investors. This has included a series of roundtable discussions focused on investor confidence; targeted engagement initiatives, such as our Mergers Outreach Series with TechUK and the StartUp Coalition; and high-profile events, including a webinar with the CBI exploring our approach to the new consumer regime.
- A **roadshow to hear from businesses across UK** about how they would like to see the CMA contribute to growth through our 2025/26 Annual Plan.

These efforts have been underpinned by progress throughout the year across our core competition and consumer protection work – supporting innovation, productivity and incentives to invest while giving consumers confidence to engage in markets.

- **Tackling anti-competitive behaviour** in relation to pharma, housebuilding, the construction and repair of school buildings, digital advertising, wage-fixing and the trade of UK government bonds.
- Securing commitments from Google and Amazon in relation to tackling **fake online reviews**, which will help business grow and win custom fairly.
- Our work on the **Vodafone/Three** merger, which has been cleared with legally binding commitments to ensure 5G rollout, including an £11bn investment over an 8-year period.
- Launching strategic market status investigations into core digital markets of **search** and **mobile ecosystems**, as well as our ongoing market investigation into **cloud services**.
- Supporting the smooth working of £129bn of annual **intra-UK trade**, through our Office for the Internal Market; and providing **44 reports on subsidies** through our Subsidy Advice Unit to support government action in range of policy areas – including many relevant to the Industrial Strategy.

2024 to 2025 summary

Our work this year was underpinned by the Ambitions in our strategy:

- **People can be confident they are getting great choices and fair deals.** The CMA will always fulfil our mandate to uphold and protect consumer interests. This year, we secured the agreement of Google and Amazon to tackle fake reviews on their platforms; made recommendations to government to help parents make better choices for their babies when buying infant formula; and secured increased transparency and redress for consumers when faced with misleading sales practices. See page 18 for more.
- **Competitive, fair-dealing businesses can innovate and thrive.** We are creating opportunities for businesses and investors across UK markets. This year, we launched our first investigations under the new digital markets competition regime; kept markets open and contestable through targeted and proportionate use of our merger control tool; and enabled businesses to collaborate whilst staying on the right side of competition law in relation to environmental sustainability initiatives. See page 21 for more.
- **The whole UK economy can grow productively and sustainably.** This year, we cleared the merger of Vodafone/Three with binding commitments to significant investment in the UK telecoms sector; launched a new Growth Programme of research and analysis to support the development of Industrial Strategy; and progressed competition enforcement in areas that help secure better value for public services and the UK taxpayer. See page 27 for more.

Our impact this year includes an annual average of more than

£3 billion

direct consumer benefits - over £24 for every £1 spent on our operations.

Our indirect impact goes broader.

We are helping businesses comply with competition and consumer law by issuing **67 warning and advisory letters**, through guidance and campaigns. We have responded to **41 requests for advice** from government. We have **supported growth**, including through casework in strategically significant areas of the economy. See page 31, and directly below for more.

Direct consumer benefits

Estimated total direct consumer benefits delivered over the last three years

£9.1bn

Estimated average annual direct consumer benefits delivered over the last three years

£3.0bn

The CMA has returned over **£24** in savings to consumers for every **£1** spent by UK taxpayers over the last 3 years

Estimated annual average consumer benefits delivered by area of our work

Competition enforcement:	Consumer enforcement:	Market studies and investigations:	Merger control:
£119.6m	**£165.0m**	**£1.7bn**	**£1.0bn**

We are responding to risk, and harnessing opportunities, so that we can continue to deliver effectively for those we serve. See page 40 for more. We are:

- Leveraging our role in the international competition and consumer protection community to respond to an uncertain and fast-evolving external environment
- Driving forward inclusive stakeholder engagement, participative approaches, and our 4Ps framework to carry the confidence of the business community and the consumers we protect
- Doubling down on the way we measure and demonstrate our impact and performance, with the intention to introduce a new set of KPIs
- Introducing a new forward-facing operating model so we become more efficient and productive

Chief Executive's introduction

A new government was elected in July 2024 with a priority mission to drive economic growth. Public bodies can play an important part in this shared endeavour, helping to secure a more stable and prosperous future for the UK. This reporting year, the CMA has not only thought deeply about how we can best contribute to this critical effort – we have taken action.

At Chatham House in November 2024, I set out the ways in which a competition and consumer protection authority could best serve the UK in today's uncertain and volatile environment. With helpful clarity brought by a new Strategic Steer from government, we have challenged ourselves to ensure that this year, particularly the latter half, marked a pivotal moment in the CMA's contribution to growth, opportunity and prosperity for the UK.

Sarah Cardell

Chief Executive Officer

How have we done this?

Firstly, by leaning into the challenge of the growth mission, particularly the focus on incentivising investment and delivering a modern Industrial Strategy.

Through a new Growth Programme, run by the CMA's specialist Microeconomics Unit (MU), we are delivering valuable research and insights to help government refine its Industrial Strategy, including fresh analysis on industrial policy and its impact on productivity, investment, innovation, employment and competition.

Beyond this, we leveraged our cross-economy remit and expertise to deliver policy analysis and tailored advice to government around innovation programmes and defence procurement, feeding into development of the Industrial Strategy white paper. We focussed intensively on areas where the CMA could best contribute through direct action – notably public procurement and preparations to launch a market study on civil engineering. And we launched a CMA GIC, to help us collaborate with business leaders and investor groups and better understand opportunities to maximise the positive impact of our work.

Secondly, by recognising that how we go about our work matters to business confidence and the UK's attractiveness to the investment our country needs, and without which we cannot secure sustained growth. The CMA opened our door, and our minds, this year to direct feedback about how we can evolve the way we work. This was the genesis of our '4Ps' programme – the most significant transformation of the way we work since the CMA's inception. We began with merger control but

> "We have challenged ourselves to ensure that this year, particularly the latter half, marked a pivotal moment in the CMA's contribution to growth, opportunity and prosperity for the UK.

moved quickly – as we committed to doing – to embed 'Pace, Predictability, Proportionality and Process' across all CMA functions.

Finally, underpinning all of this - by maintaining our focus on the fundamentals of promoting competition and protecting consumers within an independent regime. The benefits of this work are profound and far-reaching – not just lower prices, but more choice, quality, security of supply, productivity, innovation and investment. This year, they delivered £3bn in direct consumer benefits – over £24 for every £1 spent on our operations, with the indirect impact likely to be multiples of this figure. Doubling down on our core activities, situating them firmly within the context of our new Strategic Steer, not only supports growth. It can help maximise long-term benefits across the UK – unlocking opportunities for businesses of all shapes and sizes, securing fairer deals for consumers, and ultimately contributing to a more prosperous future for everyone.

We have challenged ourselves to be both ambitious and strategically focused in this work. This has included action in areas of essential spend like infant formula and vets services, which not only impact consumer finances but have a deep emotional resonance, as seen through the upswell of public engagement during the course of these cases. We have also targeted resources toward unlocking public sector productivity, taxpayer savings, and more efficient public services through tackling anti-competitive behaviour in a range of markets where government is the principal buyer.

After several careful years of preparation for our new responsibilities under the Digital Markets Competition and Consumers Act (DMCCA), we were ready to begin implementation of two landmark new regimes. In both cases, we set clear expectations and engaged with businesses and broader stakeholders to bring them on the journey with us. Reflecting the Strategic Steer and our 4Ps, we have applied a pro-growth lens and embedded Pace, Predictability, Proportionality and Process into both our approaches – from new forward-looking roadmaps of actions we might take, to phased implementation approaches to minimise burdens on business.

Through all our work this year has been a golden thread of listening, understanding and responding – to critical shifts in the policy landscape and to the views of key stakeholders. This has included work with established partners, like those we work with across the consumer protection landscape; and forging new and closer relationships, for example with the startup and investment community. We are grateful to everyone who contributed their time, perspectives and ideas – these have been fundamental to the transformation the CMA has started to make over the last year.

> Through all our work this year has been a golden thread of listening, understanding and responding – to critical shifts in the policy landscape and to the views of key stakeholders.

We will continue to progress with confidence and commitment against our 2025/26 Annual Plan, which laid out how we will deliver our fundamental responsibilities in support of growth, opportunity and prosperity for the UK. Our Plan includes continued progress of our 4Ps (which is well underway), as well as updating our approach to measurement and reporting of our performance and the impact. We know this matters to the trust and confidence stakeholders have in us and our work – particularly as our contribution increases in important areas outside of formal casework, like economic research and helping businesses collaborate or do the right thing for their customers.

Looking back at what we have delivered through 2024/25, and the transformation we have begun in response to a changing landscape, I am energised for what lies ahead and – as always – grateful to our committed and talented CMA staff.

Sarah Cardell
Chief Executive Officer

Transparency and accountability

Parliamentary accountability: The CMA is accountable to Parliament for upholding our statutory duty to 'promote competition, both within and outside the UK, for the benefit of consumers'. Alongside our regular reporting to Parliamentary Committees, we continue to deliver high levels of communications and outreach with Parliamentarians throughout the UK on diverse issues relating to our work. With a large intake of new MPs following the general election, the CMA also prioritised building understanding of our role among new Parliamentarians, including the impact of our work for their constituents.

Engagement and reach: The CMA has ramped up engagement considerably in recent years, with 2024/25 representing another year of demonstrable progress. This activity continues to help us better understand the issues, identify where and how to act, and maximise the impact of our work. We've maintained constructive dialogue with consumer and business advocacy groups, as well as academic and third sector stakeholders. This year, we have placed particular emphasis on opening new channels with businesses and investors – including startups, scaleups, venture capital, and private equity who are vital to the UK's growth ambitions. More detail on individual engagement activities is detailed in the remainder of this Performance Analysis.

Engagement snapshot

Gave formal evidence to **4** Parliamentary committees at Westminster and in the devolved legislatures and engaged with **4** Westminster All-Party Parliamentary Groups (and Parliamentary groups) to explain our work.

Launched a new **Growth and Investment Council** and hosted a series of investor engagement events as part of our efforts to bring the perspective of the business community into our work.

Contributed expert speakers to more than **230** events, including conferences, webinars, podcasts and other events, communicating our work and listening to our stakeholders.

Built understanding of the new consumer regime with an engagement programme that captured more than **400** attendees at six events.

Met with more than **90** diverse stakeholders during the course of our first investigations under the new digital markets competition regime – living our commitment to a participative process.

Marked the tenth anniversary of the CMA in April 2024, bringing together over **150** external stakeholders to gather perspectives on our work at the start of a second decade of delivery.

Held an Annual Plan roadshow with **4** events across the country, discussing our plan to deliver growth, opportunity and prosperity for the UK.

Hosted an event on how the CMA could support growth in Greater Manchester, attended by **80** stakeholders.

Held **18** CEO and Chair bilateral meetings with leading business and consumer stakeholders.

People can be confident they are getting great choices and fair deals

Overview

The CMA will always fulfil our mandate to uphold and protect consumer interests. This is one of our fundamentals: consumers deserve to know that the CMA has their back.

This year we continued our focus on areas where consumers spend the most money and time or need help the most, including areas of vulnerability. This work helps put money back in people's pockets across everyday products and services. It also gives people the confidence to be active participants in markets – making informed choices, taking up new products and services and driving spending across the economy.

With many people in the UK still struggling financially, we continued our extensive efforts in relation to the cost of living this year, notably our work on veterinary services and groceries. We also undertook significant work to deter poor corporate practices which erode consumer trust and confidence, securing increased transparency (and in some cases redress) for consumers.

With the new Consumer Protection regime under the DMCCA in force, the CMA is now equipped to enforce consumer protection law more directly and effectively (see spotlight below).

Case study 1: Fake reviews

UK consumer spending is estimated at **£23 billion** annually, with **89%** of people using online reviews when researching products or services.[1] Fake or misleading reviews, or scores influenced by fake reviews, can lead shoppers into purchases that are not right for them, as well as unfairly disadvantaging businesses which play by the rules. The CMA has taken extensive action to tackle these harms. As well as working closely with government to help shape new rules, we have investigated Google and Amazon over concerns they may have been breaching consumer law by failing to sufficiently protect people from fake reviews. In January 2025, we concluded our investigation into Google, one of the most used review platforms in the world, securing legally binding undertakings so people can have more trust in reviews they see. Google has agreed to take rigorous steps to detect and remove fake reviews; impose tough sanctions for rogue reviews; flag suspicious activity to consumers, including through 'warning' alerts; and make it easier for consumers to report concerning reviews. In June 2025, Amazon also committed to enhance its existing systems for tackling fake reviews, as well as tough sanctions for businesses using fakes to boost their product ratings, and users who post them.

These investigations, along with an explicit ban under the DMCCA, will reinforce consumer trust and confidence and help level the playing field for the millions of UK businesses who deserve to win out fairly for the products and services they deliver. The CMA is now conducting an initial sweep of review platforms following the publication of our Fake Reviews Guidance in April 2025, seeking to identify those that may need to do more to ensure they are complying with consumer law.

[1] Infographic on consumer spending after reading online reviews; How Facebook fuels Amazon's fake reviews - Which?

Case study 2: Infant Formula

For many parents and carers across the UK looking to give their babies the best possible start in life, infant formula is a vital part of the weekly shop. Our work on price inflation and competition in the groceries sector identified this as an area of particular concern. Prices in the UK rose by 18-36%, depending on the formula brand, in the two years up to December 2023. In February 2025, we concluded a market study that found a combination of factors leading to poor outcomes for parents, who could be **saving around £300 a year** by switching to a lower priced brand. Many people choose a formula brand for the first time in vulnerable circumstances (often in hospital immediately after birth) and frequently without clear, accurate and impartial information. Many assume that choosing a more expensive product means better quality, despite NHS advice stating that all brands will meet your baby's nutritional needs.

We set out comprehensive recommendations to UK and devolved governments to help parents make the best choices for them and their babies, including the removal of brand influence in healthcare settings and the strengthening of labelling and advertising rules. Governments across the UK are committed to the tight regulation of infant formula for public health reasons. So, our proposals are designed to help parents make the best choices for them and their babies, with access to better information, while sharpening the effectiveness of the existing rules. We have strongly encouraged governments to act on them to stop well-intended regulation driving poor outcomes for consumers. We stand ready to help implement the changes and support thinking around further measures.

Other significant work for People

We deepened our focus on markets where consumers spend the most money and time, progressing work in both groceries and veterinary services. In November 2024, we were able to provide reassurance to shoppers that almost all the **50,000 supermarket loyalty prices** we analysed offered genuine savings against the usual price. We progressed our market investigation into veterinary services, a complex market of deep emotional resonance to the **16 million UK households that own a pet**. We have consulted on proposed remedies and have now extended our investigation to ensure we can properly consider what we have heard. We are committed to delivering measured, well-targeted and proportionate remedies to address any concerns that are borne out at the end of our investigation, potentially including very limited price transparency, considerable dissatisfaction with the complaints system, and a lack of choice for budget-conscious pet owners across the UK.

The CMA has also progressed workstreams to tackle poor corporate practices that undermine consumer trust and confidence. In relation to potentially misleading online sales practices, we secured over **£4 million in refunds** for Wowcher customers and changes to such practices by both Wowcher and Simba Sleep, with the CMA taking Emma Sleep to court after it failed to address all of the CMA's concerns. Building on landmark changes we secured in relation to misleading green claims in the fashion sector last year, Worcester Bosch committed to changing marketing of its 'hydrogen-blend ready' boilers. We are also progressing an investigation into Ticketmaster following widespread complaints about the sale of Oasis' concert tickets.

We published **six pieces of bespoke guidance** to businesses about the application of consumer law in certain sectors: trader recommendation sites (co-badged with Trading Standards partners), unregulated legal services, environmental claims (fashion and green heating), grocery price marking, and in relation to the online mattress sector. These were backed up by extensive engagement and communications: for example, our guidance on fashion was supported by **10 events**, four webinars and a podcast that have helped us reach over **2000 businesses**.

The CMA harnessed our merger control powers to ensure that people do not suffer from worse deals and services through a loss of competition in consumer-facing markets. Topps Tiles offered solutions to our concerns about the impact of its merger with CTD Tiles in several areas of the UK, meaning we could clear the deal with remedies following a phase 1 investigation. We also used our competition enforcement powers to reinforce well-functioning UK labour markets that help people access the right jobs and appropriate pay. This included fining four sports broadcast and production companies over £4 million after they admitted to breaking the law by colluding on rates of pay for freelancers.

Engagement and collaboration

As a leading member of the Consumer Protection Partnership we coordinated with organisations across the consumer landscape this year – from enforcers like **Trading Standards** to consumer advocates in the devolved nations, like **Consumer Scotland** – to identify and prioritise issues affecting UK consumers. We continue to lead the **Consumer Concurrency Group**, bringing together UK consumer protection enforcers to discuss best practice and joined-up approaches to emerging issues.

We engaged a broad range of stakeholders to ensure the new consumer protection regime under the DMCCA launched with strong understanding and support. This involved valued collaboration with consumer advocacy groups and business representatives keen to prepare their members for the new rules. Our outreach included a programme of engaging digital communications and six in-person and online events prior to the April launch, reaching over **400 business**, industry, and consumer stakeholders across the UK.

Spotlight: New DMCCA consumer protection regime

Effective, proportionate consumer protection should give UK consumers the confidence that the CMA is actively standing up for their interests. It should also help fair-dealing businesses grow and invest on a level playing-field, confident that competitors cannot gain an unfair advantage by breaking the law. Under the DMCCA, the CMA will now be able to decide whether consumer protection laws have been infringed, order redress to affected consumers, and sanction businesses that fail to comply.

In our 'Approach' document, we set out our ambition for consumer protection (aligned with the new Strategic Steer) to promote consumer trust and confidence – helping to grow the economy while deterring poor corporate practices. We clearly outlined the robust and proportionate approach we will take to the new regime, including priorities during the first 12 months.

We expect early action on more egregious practices where the law is clear, including:

- Aggressive sales practices that prey on consumers in vulnerable positions;
- Providing information to consumers that is objectively false;
- Banned practices, including the new banned practice relating to fake reviews;
- Fees that are hidden until late in the purchasing process – harming consumers and fair dealing businesses, by hindering effective price competition;
- Contract terms that are clearly imbalanced and unfair, including those that impose unfair exit charges on consumers.

At the same time, we have made clear our intention – through constructive engagement and clear guidance – to support the vast majority of well-intentioned businesses who want to do the best for their customers. So far, for example, we have published guidance on unfair commercial practices and on fake reviews, accompanied by short guides to help businesses understand what they need to do. We recognise that, especially where the law has been updated or is less clear-cut, some businesses may be unsure what is needed or require time to put in place new processes. We will therefore focus initially on supporting compliance – because when businesses get it right, customers benefit.

Competitive, fair-dealing businesses can innovate and thrive

Overview

A level playing field in markets instils confidence to invest and creates the conditions for businesses to scale, supporting more dynamic UK markets and driving productivity, innovation and growth.

The CMA's cross economy remit means we are well positioned to support these outcomes using a range of tools, aligned with the priorities in the Strategic Steer:

- Our markets work helps ensure that markets across the UK economy function effectively – identifying and removing barriers to entry and growth, and opening up opportunities for innovators, entrepreneurs, and investors.
- Targeted and proportionate use of our merger control powers helps keep markets open and contestable, supporting innovation and productivity and incentives for investment.
- Competition enforcement deters anti-competitive practices by a minority of firms, fostering a level playing field for fair dealing businesses. We are also actively identifying ways to help support lawful collaboration between firms in support of important policy objectives (like innovation), including through guidance and predictability around the types of conduct we will prioritise for investigation.
- Through proportionate, targeted and transparent use of digital markets competition regime (DMCR) powers, we will help unlock opportunities for growth across the tech sector and wider economy.

Case study 1: DMCR – Our First Investigations

In January 2025, a new DMCR came into force, representing a landmark opportunity to harness the benefits of investment and innovation from the largest digital firms, whilst supporting a fair shot at success for businesses across the UK tech sector. Aligned with the Strategic Steer, the CMA will use the regime to flexibly, proportionately and collaboratively unlock opportunities across the digital and wider economy.

In the broader landscape of evolving international intervention in digital markets,[2] the DMCR represents a unique UK approach, reflecting best practice principles for modern regulation of innovation-led markets – including our 4Ps: pace, predictability, proportionality and process. Procedurally, the regime applies only to the very largest firms, with clear conditions related to turnover, market power, and strategic significance. Rather than blanket rules, if a firm is designated with Strategic Market Status (SMS), the CMA can take a tailored approach to identifying and addressing specific harms.

We launched our first SMS investigations in January in relation to Google's position in search and search advertising services, and Apple's and Google's position in their respective 'mobile ecosystems' which include the operating systems, app stores and browsers that operate on mobile devices.

[2] This includes the Digital Markets Act (DMA) which has been adopted in the EU; Japan recently designating Apple and Google as subject to regulations under its Mobile Software Competition Act; proposals in Australia for a new digital competition regime for digital platforms; and a series of ongoing court actions in the US against a number of large technology firms including the US Department of Justice's cases against Google and Apple.

Search

Google search accounts for more than **90%** of all general search queries in the UK – with millions of people relying on it as a key gateway to the internet and more than **200,000** businesses in the UK relying on Google search advertising to reach their customers. These services matter to our economy and society – so it is vital that competition works well.

In June 2025 we published a proposed decision to designate Google with SMS in search. To support pace and predictability, alongside our SMS investigation we are looking in parallel at potential actions we might take were Google to be designated. Specifically, to provide greater predictability for Google and other market participants, we are going further than legislation requires by publishing a roadmap of how we propose to prioritise these actions during the first half of any designation period. Measures in the roadmap have 2 objectives. First, to ensure consumers and businesses are treated fairly and can have confidence in the way they interact with Google in search. Second, to promote competition and innovation through targeted actions, such as ensuring that all firms (including Google) can compete and innovate in new AI-based search interfaces.

We have laid out a phased approach for any action we may take, including early priorities ('Category 1 measures') which we would expect to deliver some of the quickest benefits for UK businesses and consumers. These focus on greater choice and control, including through:

- **choice screens**: ensuring people can easily choose and switch between search services (potentially including AI Assistants), by making default choice screens a legal requirement.
- **fair ranking principles**: ensuring Google's ranking and presentation of search results is fair and non-discriminatory, with an effective process for raising and investigating issues.
- **publisher controls**: ensuring transparency, attribution and choice for publishers in how their content, collected for Search, is used in Google's AI services (including AI Overviews and Gemini AI Assistant).
- **data portability**: helping innovative new businesses to bring products and services to market by ensuring people can transfer their data (such as search history).

Following our consultation on the proposed SMS designation, we will make a final decision by 13 October. We expect to consult on a first set of Category 1 actions shortly after any designation decision, and to consider a second category of actions to address more complex issues over a longer period (starting in the first half of 2026).

Mobile ecosystems

Mobile ecosystems play a fundamental role in our society and economy. Almost **15,000** businesses are involved in the development of apps used on mobile devices in the UK, with revenue for app development totalling an estimated **£28 billion**. The CMA has undertaken a range of work focused on competition in mobile ecosystems. In particular our mobile browser and cloud gaming market investigation concluded in March 2025 and found that mobile browser markets are not working well for consumers and businesses, and holding back innovation in the UK. In January 2025 we launched SMS investigations into Apple's and Google's positions in their respective mobile ecosystems which include the operating systems, app stores and browsers that operate on mobile devices. We will soon publish our provisional decisions in these investigations, plus an accompanying intervention roadmap that sets out a workplan for interventions we will explore if the firms are designated with SMS.

Metrics

The DMCR includes a reporting requirement via a Monitoring and Evaluation Plan. Metrics relating to impact and value for money will only be available following conclusion of our first investigations. We will begin reporting on these in next year's ARA. The following metrics relate to process and how effectively the regime has been designed, implemented and delivered:

Metric	Search	Mobile ecosystems
Invitation to Comment (ITC)	Responses received: 51 Responses published: 47 *ITC open 14 January-3 February*	Responses received:55 Responses published: 53 *ITC open 23 January-7 March*
Requests for Information (RFI) sent	Total sent: 87 *Period between investigation launch (14 January) and 31 March*	Total sent: 136 *Period between investigation launch (23 January) and 31 March*
Stakeholders met with	67 in total, comprising: • 15 industry • 17 publishers • 12 advertisers • 12 trade associations/ industry bodies • 3 government bodies/ regulators • 8 other *Period between investigation launch (14 January) and 31 March*	30 in total, comprising: • 17 industry • 4 trade associations/ industry bodies • 3 government bodies/ regulators • 6 other *Period between investigation launch (23 January) and 31 March*

Case study 2: Green Agreements Guidance

The CMA is committed to robust action to tackle and deter genuinely anticompetitive agreements that harm consumers and fair dealing businesses. However, we also recognise there will be situations where lawful collaboration between competitors could support innovation and other important objectives, including environmental sustainability goals. Here, we are keen to think creatively and provide clarity where possible.

Building on the launch of our Green Agreements Guidance and 'open door policy' in 2023, this year we published informal guidance to the Builders Merchants Federation (BMF) trade association. The BMF contacted the CMA while developing a proposal to help merchants assess the environmental impact of their supply chains using a single assurance provider. Based on the information provided, the CMA advised that we would not expect to take enforcement action. We went further, publishing our guidance to help support similar agreements by other businesses and industries. Separately, the Mineral Products Association Northern Ireland told us that the Green Agreements Guidance has empowered pioneering collaboration in the construction materials sector.

Further opportunities to support lawful business collaboration

We are also working with government and business stakeholders to identify other areas where the CMA could support beneficial collaborative activity – through bespoke advice, tailored guidance and making aspects of our existing guidance more accessible. We intend to supplement our existing labour markets guidance for employers, who have told us they want to better understand how to ensure hiring practices stay on the right side of the law. We have also been working with government and the higher education sector to understand concerns which may be preventing providers from working together in ways that could support research and innovation, and equip people with critical skills.

Other significant work relevant to our Businesses Ambition

The CMA creates opportunities for businesses using the full range of our statutory functions. We used our **merger control** powers in a proportionate and targeted way this year.

More than **40,000** deals were announced last year.[3] Of these, we:

- considered **1035** merger cases
- carried out **41** phase 1 reviews
- carried out **6** phase 2 reviews

In terms of outcomes for reviews that concluded this year:

- **27** were cleared unconditionally (at either phase 1 or phase 2)
- **7** were cleared with remedies (at either phase 1 or phase 2)
- **one** was abandoned during the course of an investigation
- **no merger** was subject to a prohibition decision

We also launched a wide-ranging review of our approach to merger remedies in March 2025 to support our aim that every deal that is capable of being cleared with effective remedies should be.

In carrying out our merger review function, we have **helped ensure that business customers continue to benefit from choice and competitive prices in a wide range of markets**. From grocery warehousing services (our phase 2 investigation into GXO's purchase of Wincanton); to vital components in both aircraft design (our Safran/Collins phase 1 investigation) and construction (our phase 2 investigation into Lindab's acquisition of HAS-Vent).

[3] PWC (2025), Global M&A Industry Trends: 2025 Outlook

We also helped keep important markets open to innovation, which can be particularly important in high growth, high productivity parts of the economy. This year, for example, we cleared Synopsys' purchase of Ansys at phase 1, agreeing remedies to resolve competition concerns in relation to the supply of semiconductor chip design and light simulation products in the UK.

Beyond merger control, we progressed our Competition Act investigation into **Google's open-display ad tech**, provisionally finding that Google is using anti-competitive practices that could be harming thousands of UK publishers and advertisers. **£1.8 billion** is spent annually on open display ads, enabling many businesses to keep their digital content free or cheaper by using online advertising to generate revenue. It is essential that publishers and advertisers can benefit from effective competition and get a fair deal when buying or selling digital advertising space.

Engagement and collaboration

Throughout 2024/25, we actively ramped up engagement with a diverse range of businesses – from global industry leaders to emerging challengers, entrepreneurs, and investors. We sought direct, constructive feedback on experiences of engaging with the CMA to understand how we can best contribute to a regulatory environment that makes the UK an attractive place to invest and do business. This was the genesis of our 4Ps framework.

As part of this work, for the first time we created opportunities for direct dialogue with the UK private equity and venture capital community through a series of roundtable discussions. We also sought to demystify the CMA and build confidence in our work among UK startups and scaleups as well as improving our understanding of this vital investment ecosystem. This included regular bilateral meetings with the **Startup Coalition** and **Founders Forum**, and speaking at conferences like **tech.EU** and the **British Business Bank's finance week**, designed to support startup talent in the UK. We also created a bespoke outreach series around mergers, where a first webinar in March 2025 was attended by **120 stakeholders.**

Spotlight: Deepening engagement and understanding of business - CMA's Growth and Investment Council (GIC) and Strategic Business and Financial Analysis function (SBFA)

We know that the way in which we go about our work matters to business and investor confidence. We are committed to deepening both our engagement and our own expertise and understanding of the realities of doing business and investing in the UK. To support this goal, our GIC was launched at the start of 2025. This GIC brings together the leaders of **12 major UK business and investor groups** in service of a common goal: to ensure that effective competition and consumer protection drive innovation, investment, and growth across the UK economy. The GIC has so far held **3 meetings** and is already proving valuable as a source of insight and feedback (outside of individual cases), as well as relationship building across the economy. In particular, the GIC is helping to inform the CMA's contribution to successful industrial strategy – for example, by helping us identify how we can best remove barriers to innovation and play a role in supporting the development of a competitive ecosystem from which globally consequential companies can grow.

The CMA's new SBFA function aims to embed deep understanding of corporate strategies, investment and business models within our organisation. This has never been more important as AI reshapes markets, and investment strategies shift in response to global competition and technological disruption. SBFA will bring a stronger business and investor lens into our work in new and impactful ways. Key areas of focus include:

- understanding 'digital ecosystem' strategies – how firms structure and expand their influence across interdependent markets
- business models in fast-moving areas like AI – the commercial realities of AI development, deployment, and monetisation
- investment strategies and funding models – how firms raise capital, scale, and structure financial incentives across different stages of growth

Embedding business and investor perspectives across our work helps ensure that our regulatory decisions are rooted in commercial realities, enabling competition to drive sustainable growth, innovation, and consumer benefits. We are actively recruiting to the SBFA function to enhance our in-house business and investment acumen. In parallel, we are enhancing our use of external experts with deeper understanding in markets we are reviewing.

The whole UK economy can grow productively and sustainably

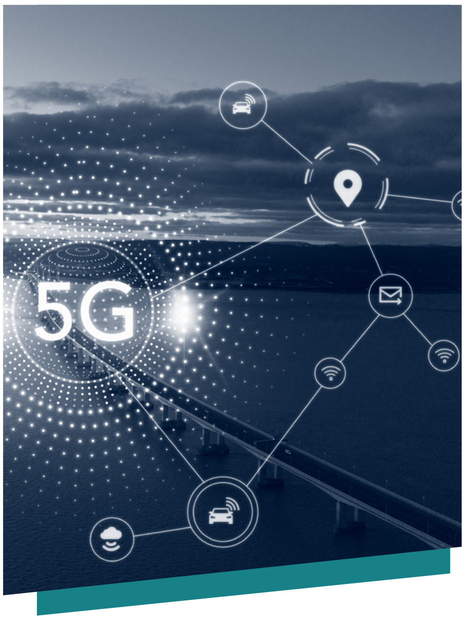
Overview

Our work to secure great choices and fair deals for people, and to foster a level-playing field for businesses, both provide foundational support for a pro-growth economic environment. The CMA's strategy goes further than this, however, by consciously prioritising sectors that offer the biggest potential for impact on innovation, productivity and promoting resilience through competition.

Since the general election in July 2024, the CMA has redoubled our efforts in support of the government's growth mission, with helpful clarity from the **new Strategic Steer**:

- We have supported investment, innovation and growth, including in strategically important sectors. For example, critical telecoms and digital infrastructure that businesses across the economy rely on.
- We have prioritised areas where competition can play an important role in the provision of key public services, helping to boost public sector efficiency and productivity (which are fundamental to growth) as well as supporting savings for UK taxpayers. We have opened or progressed investigations in several UK markets where the public sector is the principal buyer, or that government and taxpayers otherwise rely on – such as pharmaceuticals supplied to the NHS and the construction and repair of school buildings. We are now focusing on public procurement and working to reduce the vulnerability of this £300bn market to bid rigging, which can inflate prices by **20%** or more.[4]
- We have applied our expert advisory and research capabilities in a broad range of growth-related policy areas. We launched a new economic research programme out of our MU, specifically designed to analyse the levers and blockers for growth. We are supporting development of the Industrial Strategy by providing targeted policy advice to government in areas such as innovation programmes and defence procurement. Through our SAU, we are helping government and public authorities deliver important activity to achieve growth and other public policy objectives through subsidies. Our OIM supports national governments to provide regulatory clarity and stability for businesses to invest, grow and innovate.

[4] Government Counter Fraud Profession (2024), Bid-Rigging Risk in all Procurement: Practice Note.



Case study 1: Vodafone/Three merger

Mobile services play an integral role in the daily lives of UK consumers and businesses, with demand for mobile data expected to grow further as customer and business needs evolve. The Vodafone/Three merger is a significant event in the evolution of this essential sector and for the access to 5G 'standalone' (5G SA) technology needed to support UK economic growth. Following an in-depth Phase 2 investigation, the CMA cleared the merger subject to legally binding commitments for the merged company to roll out a combined 'best-in-class' 5G SA network across the UK, requiring an estimated **£11 billion investment** over an 8-year period.[5] To protect consumers during the network rollout, price caps will be placed on certain mobile tariffs for three years, and wholesale prices and contract terms will be regulated. This is expected to prevent price rises and save UK consumers up to £216 million a year.[6]

This combined network will directly benefit over **30 million mobile connections**, improving network quality and intensifying competition in the telecoms market. Consumers and businesses will benefit from more reliable data and voice services across the country, including better indoor coverage and services in remote and rural areas. The economic impact of the merger and the adoption of 5G SA technology is likely to be substantial and widespread. According to Ofcom, 5G SA promises **faster speeds, greater capacity and low latency**.[7] In terms of innovation, 5G SA has the potential to support a variety of uses, including **'smart' applications beyond mobile broadband**, for example in e-healthcare, smart cities, connected vehicles and automated manufacturing. The merger will also expand fixed wireless access (FWA) access in the UK, offering a high-quality mobile-based service to compete with fixed broadband.

Case study 2: Competition enforcement to drive public sector efficiencies

Competition enforcement can drive down prices for consumers and businesses, as well as keeping markets open and creating a level playing field. As analysis by our MU this year found, the macro-economic benefits of this work for innovation, productivity and growth can be widespread. In particular, tackling anti-competitive behaviour in markets where government is a significant buyer can boost the public sector productivity that is foundational to growth, as well as helping to secure a better deal for the UK taxpayer. For instance, it is vital that the NHS gets maximum value from its spend on essential drugs – over **£19 billion** each year in England.[8] We built on our strong track record of protecting and delivering savings for the NHS this year through our investigation into Vifor Pharma, who we suspected of spreading misinformation about the safety of a rival treatment for iron deficiency. We secured a **£23 million** direct payment to the NHS and a commitment from the manufacturer about how it will interact with healthcare providers going forward.

Beyond healthcare, we took a range of actions this year in relation to public procurement, where the value of public investments can be severely compromised by anti-competitive behaviour. We launched an investigation into suspected bid-rigging in relation to a key government fund for improving the condition of school buildings, where we had reason to suspect that several companies providing roofing and construction services illegally colluded to rig bids to secure contracts. We took forward more than **40 engagements with public sector** commercial teams to raise awareness of bid-rigging (around **80,000 officials** have now been reached by the CMA in total). We engaged extensively right across government - from working level to Cabinet Ministers - offering to leverage our extensive data science and AI capability to identify anomalies in bidding data and indicators of potential illegal conduct. We stand ready to progress this work which could potentially deliver billions of pounds for UK taxpayers.

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[5] CMA, Summary of final report, 5 December 2024, paragraph 26.
[6] CMA, Summary of final report, 5 December 2024, paragraph 42.
[7] CMA, Anticipated Joint Venture Between Vodafone Group Plc and CK Hutchison Holdings Limited Concerning Vodafone Limited and Hutchison 3G UK Limited Final Report, 5 December 2024, paragraphs 16.482, 16.617, 16.643 & 16.651; Summary of final report, 5 December 2024, paragraphs 16 & 75.
[8] NHS England, Medicines Value and Access.

Other significant work relevant to our UK Economy Ambition

This year, the CMA settled a number of competition enforcement cases which will help to deter the unlawful behaviours which undermine the effective functioning of important markets. We **imposed fines of over £77 million** on car manufacturers and industry bodies that admitted to breaking competition law in relation to vehicle recycling and related advertising claims – behaviour that may lower the incentive for companies to innovate and invest in green initiatives. We found that five pairs of banks had broken competition law through past exchanges of information about UK government bonds and imposed fines totalling over £100 million. The CMA will shortly conclude our market investigation into the cloud services market, which provides vital infrastructure supporting improved innovation, productivity and scaling for businesses and organisations across the UK.

Our specialist advisory functions provided valuable insight to policymakers in areas relevant to growth. The OIM's annual report found that intra-UK trade, worth **£129 billion** each year, continues to be stable, with no adverse impacts from regulatory developments across UK nations. An in-depth review of Single-Use Plastics shone a light on how businesses have adjusted to regulatory restrictions, and how governments are working together. The SAU published **44 reports** to a range of public authorities, all of which were for subsidies meeting the threshold for mandatory referral to the SAU (including many that were relevant to the Industrial Strategy in areas such as clean energy, creative industries and life sciences).

Alongside output from our MU Growth Programme, we published our third State of Competition report this year. Findings indicate a modest weakening of competition in the UK over the last 25 years. This was less pronounced here, however, than in many other advanced economies including the US. We engaged closely with government on the findings (including around reduced economic dynamism), which offer valuable insights for policymakers when considering which sectors might best support growth and productivity.

Engagement and collaboration

The CMA has made concerted efforts this year to convene, listen and learn from stakeholders about how we can best support growth. Alongside our GIC and targeted engagement with investors and startups, we hosted a roundtable for trade associations (including manufacturing, defence and life sciences) to discuss drivers of and barriers to investment, innovation and growth in key industrial strategy sectors. We engaged extensively with stakeholders in the Nations and regions of the UK, including an engagement roadshow to **Belfast**, **Cardiff** and **Edinburgh** around our 2025/26 Annual Plan to support growth, opportunity and prosperity in the UK. In November 2024, we hosted an event on how the CMA could support growth in **Greater Manchester**, attended by 80 stakeholders. Our OIM has engaged with governments across the UK as it carries out its advisory and reporting functions, with an additional focus on engagement with expert stakeholders to support development of its data strategy roadmap. The SAU actively engages with a wide range of public authorities across the UK to explain its role and to guide best practice in subsidy assessments.

Spotlight: Industrial Strategy

In our response to the UK government's Industrial Strategy green paper, we welcomed the vision for a modern industrial strategy as a central pillar of the growth mission. We offered two central contributions the CMA could make:

- Provision of expert, cross-economy advice to government on how it can harness the power of competitive rivalry to maximise the long-term impact and value of its Industrial Strategy across the whole UK economy; and

- Use our powers directly in priority sectors to promote growth, through market studies and investigations.

Aligned with the new Strategic Steer, the CMA has progressed this work through multiple strands of activity this year, working closely with government, our GIC, and businesses across the economy. Our Public Policy function led the development of **two targeted 'policy sprints' to support the Industrial Strategy** white paper: how innovation programmes can be designed increase competition and support new entrants and scaleups; and how we can increase the success of new entrants, and innovative scale-ups in defence procurement. Through our **MU Growth Programme**, we published new analysis on past industrial policies used by the UK and OECD peers, including their impact on productivity, investment, innovation, employment and competition. There is more to come from the Growth Programme, including workstreams on the impact of competition through the investment lifecycle; competition in supply chains; and barriers to the spread of new technology adoption and diffusion across the economy.

We are also looking proactively at the role of competition policy in supporting UK firms to scale up – recognised in the Industrial Strategy as a means of spurring sustainable, inclusive and resilient growth. We have heard from our GIC that the UK's strong start-up ecosystem fails to translate into sufficient numbers of scaled up firms. We see several potential routes for a competition authority to help here.

Beyond research and advisory work, we have prioritised helping to unlock growth in priority sectors. We have been preparing to launch a Civil Engineering market study into road and railway infrastructure. This was launched in June to align with the publication of the 10-year Infrastructure Strategy and with the support of the National Infrastructure Commission, and will analyse structural issues that might be leading to slower, more expensive projects in the UK.

The impact of our work and the performance of the CMA

1. Impact

In our 2024 to 2025 Annual Plan, we committed to evolving our overall approach to measuring and reporting on our impact. Our new Strategic Steer also asks the CMA to continue developing a contemporary evidence base to demonstrate our **impact** on the UK economy, including how competition improves consumer outcomes, encourages innovation, drives investment and, ultimately, delivers economic growth. We have progressed considerable thinking in this area over the past year, with a clear plan in place to take forward further work.

Direct impact

The CMA regularly updates on the impact of our work through our formal reporting and communications across the year. In particular, our annual Impact Assessment (IA) published alongside this ARA, provides a measure of our direct impact, meaning the direct financial benefit of our work for UK consumers. This year's IA shows:

estimated annual average consumer benefits delivered over the last 3 years:

£3.0bn

estimated ratio of consumer benefits: operating spend:

24.5:1

As in previous years, the ratio of consumer benefits to operating spend exceeds the 10:1 target set by government. This also does not take account of the CMA's fining and penalties income, which this year was **£129.2 million**.

Indirect impact

Our IA methodology is long-established, robust and internationally recognised. However, as highlighted in our 2024 to 2025 Annual Plan, it has limitations. The methodology covers direct, identifiable change as a result of CMA intervention – such as a merger being prohibited or cleared with remedies, or where a CMA intervention puts an end to anti-competitive conduct.

However, long-standing evidence (as well as a new MU literature review conducted this year) suggests this is a materially incomplete picture due to the exclusion of potentially significant indirect impacts from our work. These include:

- **work to guide business behaviours**: this includes efforts to encourage businesses towards compliance with competition and consumer protection laws, for example communications campaigns and issuing formal guidance
- **deterrence effects**: both from fines imposed in formal cases and from other steps we take, such as issuing warning letters. Evidence suggests this is likely to be multiples of our direct impact
- **advocacy work**: including recommendations and advice to government to support policy development and implementation; and
- **research and analysis**: such as the work of our MU, which contributes to policy development and broader thought leadership

Evolving our approach

It can be challenging to quantify these indirect benefits, particularly when attempting to isolate the impact of the CMA's work from broader factors (such as macroeconomic conditions or government policy interventions). However, it is becoming increasingly relevant in today's shifting policy landscape – where independent, expert advice to government is more valuable than ever and with the CMA making greater use of informal tools to respond in an agile way to areas of public concern.

We are therefore:

- exploring ways to update our methodology in the remainder of the 2025/26 reporting year, aiming for a more holistic view of both our direct and indirect impact to be included in our 2025 to 2026 ARA
- planning deeper research into indirect effects, including survey work similar to that conducted by the Office of Fair Trading, one of our predecessor bodies, between 2007 and 2011
- developing a new Impact Assessment Framework for CMA teams to complete at project initiation

Guiding business behaviours

Consumer law

- provided guidance to businesses to help them understand new obligations under the DMCCA, including shorter, more digestible guides for businesses on unfair commercial practices and fake reviews, along with an engagement programme for over **400** participants
- published **6** pieces of bespoke guidance to businesses about the application of consumer law in certain sectors, backed up by engagement
- issued **37** advisory letters related to concerns about possible law breaking

Competition law

- in 2024 to 2025, the CMA's income from fines was **£129.2 million**, representing a considerable deterrent impact
- issued **17** warning letters and **13** advisory letters to businesses across a range of sectors. In relation to competition law, we collect and publish data on the geographical spread of letters issued
- supported lawful collaboration between businesses, innovation, and environmental sustainability goals through our **Green Agreements Guidance**

Advocacy

- privately responded to **41** requests for advice from UK and devolved governments, helping ensure that ongoing policy development considers competition and consumer protection implications
- formally responded to **12** government consultations, including **4** devolved government consultations
- made **11** separate recommendations to UK and devolved governments in relation to the **infant formula market** intended to improve consumer outcomes in this particularly vulnerable market. More information on progress made by governments to implement historic CMA recommendations in other areas is set out in the Annex to the Performance Analysis – see page 41.

Research and analysis

- expert advice and analysis through the MU Growth Programme and 'policy sprints' on innovation programmes and defence procurement
- valuable evidence gathering and reporting from the OIM on the impact of **regulatory policy divergence** between UK Nations through its Annual Report and deep dive on Single-Use Plastics
- contribution to a **joined-up regulatory approach in digital markets** through the Digital Regulation Cooperation Forum (DRCF). Joint research on topics this year including synthetic media and digital identity, and on consumer use of generative AI
- actively shaping the debate on the application of competition and consumer law at an **international level** through the Competition Committee of the **OECD**, and **International Competition Network** (ICN). The CMA assumed the chair of the ICN technologist forum and hosted the ICN's annual conference in May 2025, welcoming almost 500 delegates from around 100 jurisdictions to Edinburgh to share the latest developments in competition law globally, with a particular focus on the role of competition in driving productivity, growth and unlocking technology innovation. We also offered practical assistance to sister agencies across the world, responding to **113** technical assistance requests throughout the year

Indirect macro-economic impact of competition and consumer enforcement

Analysis by the MU this year found that the indirect impact of competition and consumer enforcement beyond immediate, case-specific outcomes (like stopping a merger or penalising a cartel) can be significant. Broader, economy-wide impacts that occur over time can include:

- greater **productivity**, placing pressure on firms to become more efficient, ensuring more productive firms gain market share
- a positive effect on **innovation**, for example leading to improvements in innovation diversity and technological advancement
- increased **economic growth** (as measured by GDP) in the long-run
- a positive and significant impact on **welfare** in an economy

2. Our Performance

The CMA is committed to continuous evolution of the way we work, to ensure we deliver maximum impact for the UK. At the same time, regulators (including the CMA) are being asked by government to improve measurement and transparency of their performance, as well as to reduce costs to businesses by 25% over the course of this Parliament. Reflecting this context, we have undertaken considerable work to review and upgrade our approach to tracking and measuring our performance this year.

Under the guidance of our new Chief Operating Officer (COO), we have evaluated and overhauled our Management Information, carefully considering both the content and cadence of internal reporting and senior level discussion. Our 4Ps (designed to reduce burdens and strengthen business and investor confidence) provide a clear framework against which to track and measure progress on improving how we work. And, as above, we have progressed our thinking around how best to capture and report against the full impact of our work.

Evolving our approach

Going forward, we believe the CMA should hold a picture of our current performance which helps inform the following considerations:

- have we delivered benefits for UK consumers?
- have we fostered competition, particularly in key sectors of the economy?
- have we increased awareness of, and compliance with, competition and consumer protection rules?
- have we enhanced business confidence to invest in the UK?
- have we reduced our regulatory cost for businesses?

Working with DBT, we are therefore developing a new suite of KPIs to equip us with a reasonable number of key metrics relating to:

- the **impact** of our work (as described above)
- the **speed and efficiency** with which we operate (reporting against our 4Ps framework, as we have done in this ARA)
- engagement with, and views of, **key stakeholders**

We expect these KPIs to form part of the CMA's new Framework Agreement with DBT, to be progressed through the Autumn and reported on in our 2025 to 2026 ARA.

We are also planning a range of surveys to give us more regular insights from our key stakeholders. This will encompass:

- **compliance awareness** – are we driving greater awareness and compliance with our enforcement regimes?
- **impact on business environment/confidence** – what is the CMA's impact on themes like innovation, productivity, investment and growth (critical to the health of the UK economy)?
- **deterrence** – to inform our understanding of the CMA's deterrent effect
- **direct experience of engaging with the CMA** – to understand what it's like to engage with us, and where we can improve

Evolving the way we work

Whilst staying true to the fundamentals of our role, we are challenging ourselves to ensure the competition regime supports UK global competitiveness, investment and growth. Evolving how we go about our work is a core part of this commitment.

That includes embedding pro-growth considerations into our prioritisation decisions, in line with our new **Strategic Steer** from government. Consistent with the Steer, and reflecting **feedback from businesses and investors**, it also includes an extensive programme of operational transformation begun during the latter half of this reporting year. This **4Ps framework** constitutes the most significant evolution of the way we work since the CMA's inception - reinforcing business and investor confidence in the competition and consumer protection regimes and contributing to a pro-growth regulatory environment.

In this section, we provide further detail on how we are integrating the Steer and rolling out our 4Ps programme.

Strategic Steer: update on implementation

The UK government's new Strategic Steer for the CMA was published in draft form in February and finalised in May 2025. It provides an important framework to guide the CMA as we carry out our statutory functions to promote competition and protect consumers. Since publication of the draft Steer, we have been working to apply its themes in our work, including integrating considerations in the Steer into our Resourcing and Pipeline process. Some key areas of progress are detailed below.

1: Prioritise pro-growth and pro-investment interventions, wherever we have discretion

- Strong pro-growth lens across our 2025/26 Annual Plan portfolio.
- Action in areas like public procurement, where competition can help support provision of key public services, boost public sector efficiency and support taxpayer savings.
- Action in critical infrastructure markets which underpin a growing economy, including our recently launched Civil Engineering market study.
- Exploring how we can best support business collaboration and innovation, building on our Green Agreements Guidance, now working with universities in relation to skills.

2: Prioritise action where there is a clear and direct impact in the UK, and think carefully about when and how we engage in global issues

- Stringent prioritisation with impact on UK consumers and businesses top of mind – explicitly reflected in our Approach to the new DMCR, as well as the more proportionate approach we are taking to intervention in global deals under the merger regime.

3: Work with other relevant regulators to ensure regulatory action is coherent, timely and that it supports dynamic markets, growth and investment in the UK

- Proactive and collaborative work with partners across the regulatory landscape such as the UK Regulators' Network, the Consumer Protection Partnership and the UK Competition Network.
- Dialling up co-operation with sector regulators further to review of competition concurrency arrangements.
- Helping to drive joined-up regulation in digital markets through DRCF, including pilot of AI and Digital Hub which offered a one-stop service for expert, informal advice on cross-regulatory questions to UK tech innovators.

4: Use the new digital markets competition regime independently, flexibly, proportionately and collaboratively to unlock opportunities for growth

- Approach to the new regime firmly rooted in the Strategic Steer and our 4Ps framework, including publication of new roadmaps to increase predictability.
- Highly participative, ecosystem-wide engagement process around our first SMS investigations in January 2025.

5: Use our range of tools to help grow the economy through promoting consumer trust and confidence, while deterring poor corporate practices

- Our Approach to the new consumer protection regime explicitly reflects this steer, prioritising egregious conduct to shore up consumer confidence and safeguard the level playing field, whilst minimising burdens on business seeking to do the best for their customers (includes new guidance on the regime and in relation to **6 bespoke areas**).
- Continued programme of markets work in consumer-facing sectors, including infant formula and veterinary services.
- Secured significant outcomes through formal consumer enforcement investigations – including commitments from Google and Amazon on fake reviews; and from Wowcher, Simba Sleep, and Worcester Bosch on misleading sales practices.

6: Tackling anti-competitive conduct which harms businesses and consumers as swiftly as possible, in line with the new duty of expedition

- Embedding the 4Ps into Competition Enforcement, including careful consideration of how to get to the right outcomes in investigations in a timely manner – building on our approach this year, such as settling our investigation into Vifor Pharma with commitments and. In general, achieving the right suite of interventions across the regime – including potential use of softer tools or consensual outcomes, where appropriate.

7: Prioritise areas where competition can play an important role in driving efficiency and an enhanced user experience in the provision of key public services

- Strong focus on public procurement, as government pursues essential programmes to improve public services and invest in economic infrastructure.
- Competition enforcement in areas where potentially unlawful conduct could be impacting the value of taxpayer spend and public sector productivity – including pharmaceuticals and school construction.

8: Continue to provide government with evidence and advice on key policy issues, including on the development and implementation of Industrial Strategy

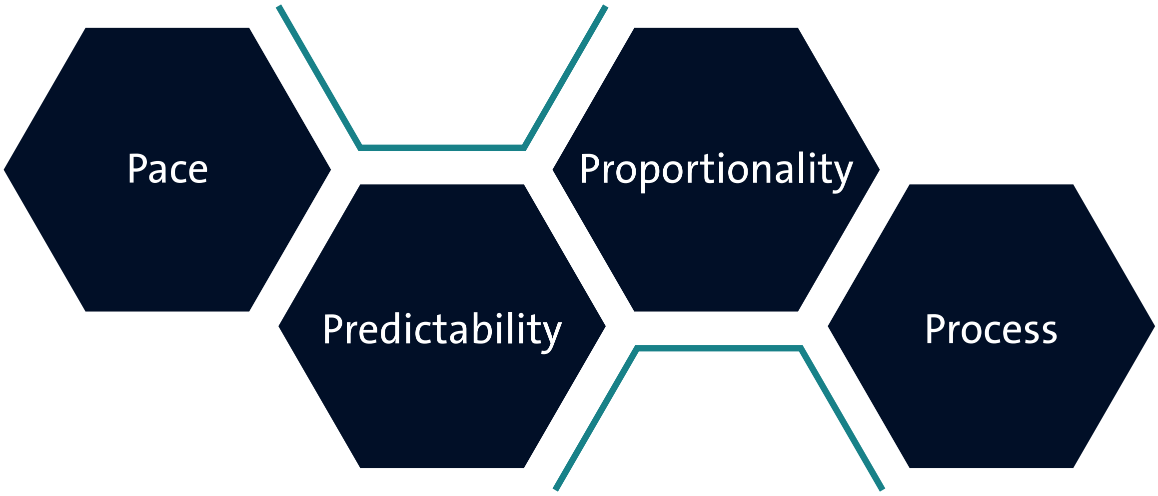
- Launch of new MU Growth Programme, focussed on critical drivers and blockers of growth.
- Expert, cross-economy advice to government in industrial strategy, including two recently completed ‘policy sprints’ on innovation programmes and defence procurement to support development of the government’s white paper.
- **41 requests** for advice from government responded to this year, and CMA responses to **12 government consultations**.

9: Continue to develop a contemporary evidence base to demonstrate our impact on the UK economy

- MU analysis published of the indirect impact of competition and consumer enforcement on innovation, productivity and economic growth and welfare.
- Programme of work to evolve the way we measure and report on our impact.

The 4Ps: update on implementation

Following extensive engagement with businesses and investors, both domestic and international, and in line with the Strategic Steer, the CMA has introduced a new '4Ps' framework to deliver rapid, meaningful changes to how we go about key aspects of our work.



This update provides a brief outline of the key steps we are taking in relation to all our functions. More comprehensive detail can be found in recent communications: in respect of mergers, consumer protection, digital markets, and competition enforcement.

Merger control

Implementation of the 4Ps began with merger control, which is where we heard the most direct feedback from stakeholders, and which we know is particularly important to business and investor confidence.

- **Pace:** We have taken tangible steps to streamline merger reviews. Since June 2025, new KPIs have been in place for merger pre-notifications (**40 working days, against previous average of 65 working days**) and for straightforward phase 1 merger cases (**25 working days, reduced from 35**).

- **Predictability**: The UK's 'voluntary' system can be a source of uncertainty for businesses. To increase businesses' confidence to self-assess if their transaction will be subject to CMA jurisdiction, we are now consulting on revised guidance on how we interpret and apply two specific 'tests' (relating to material influence and share of supply) – which we plan to finalise in the Autumn.

- **Proportionality**: In March 2025, we launched a review of our approach to remedies, looking at both process and how we strike the right balance between different types of remedies. We are considering feedback and will consult on specific proposals in the Autumn. We also want to take a proportionate approach to looking at global deals, which we know is important to investor confidence. Revised guidance sets out how we will more clearly distinguish between deals with a distinct and direct UK impact, versus those where it may be more appropriate to watch closely whether action by other authorities could resolve UK concerns.

- **Process**: Our Mergers Charter (launched in March 2025) for the first time sets out clear principles and overarching expectations for how the CMA will engage with businesses and their advisors during merger reviews, and what we expect from them in return. Underpinning this are meaningful actions to break down barriers to more direct engagement, both outside of and during investigations, including targeted outreach programme for businesses and investors.

Digital Markets Competition Regime (DMCR)

The DMCR has been designed to follow best practice principles for modern regulation of innovation-led markets, with the 4Ps already effectively embedded within it. We have challenged ourselves to go even further.

- **Pace**: Operation of the DMCR is already subject to statutory time limits, with a broader statutory duty of expedition included in the DMCCA. We are now striving for greater pace, for example progressing work on potential interventions in parallel with our SMS investigations – without prejudice to designation decisions.

- **Predictability**: Whilst the evolution of digital markets may be unpredictable, the regulatory environment should not be. The regime has clear and explicit thresholds for designation. We have gone further by committing to publish roadmaps outlining our proposed approach to potential interventions alongside consultations on proposed designation decisions. We will also publish priorities for action under the regime annually.

- **Proportionality**: Targeted, bespoke intervention is the core of the DMCR. We are ensuring even greater proportionality in our investigations, for example through the way we use our formal information gathering powers – allowing parties to update initial responses to questions (rather than requiring submission of the same evidence again through new requests). In dealing with issues also addressed by international counterparts, we will only act where interventions in other jurisdictions do not adequately and effectively address UK harms. Where we do take action, we will adopt a more bespoke approach for the UK where there is an opportunity to be more effective and proportionate.

- **Process**: The DMCR has been designed to be highly participative. We have engaged directly with over 90 diverse stakeholders during our first investigations and are now taking forward a 'go to you' approach to broaden this engagement still further.

Consumer protection

Our ambition for the new consumer protection regime is to promote trust and confidence – helping to grow the economy while deterring poor corporate practices. Most businesses work hard to serve their customers and do the right thing, but they may need help to understand their legal obligations – and the burden of following the rules must be proportionate.

- **Pace**: We have committed to conducting our consumer protection investigations as efficiently and expeditiously as possible, streamlining cases to focus on key areas of concern, and keeping businesses under investigation updated on expected timelines and progress. Our processes now include setting out a clear timetable at the outset of cases.

- **Predictability**: Within cases, we have committed to minimising uncertainty about our investigations and what parties can expect at each stage. More broadly, we will help businesses understand how to comply with consumer law, including publishing clear guidance in formats that help businesses of all sizes understand their obligations. For example, we have issued shorter, more digestible guides for businesses on unfair commercial practices and fake reviews.

- **Proportionality**: In our 'Approach' document, we set out clearly that we would focus early action on more egregious conduct in areas where businesses should already be clear about the law, while engaging constructively and providing information to businesses where they are not sure what is needed to comply. We will also resolve cases by consensus (for example, through settlement) where we can do so without undermining deterrence.

- **Process**: The CMA recognises that aspects of the new regime represent a change for businesses which may create some uncertainty, particularly for SMEs. We are offering direct dialogue with businesses and representative groups, alongside clear and accessible guidance and a broad communications and outreach programme.

Competition enforcement

Competition enforcement remains at the core of the CMA's work, helping to safeguard competitive markets, drive efficiency throughout the supply chain, promote dynamism, innovation and productivity, and bring down prices for consumers. We aim to accelerate these outcomes through implementation of the 4Ps.

- **Pace**: We continue to make significant investments in technology to speed up our processes (such as evidence review) and recently made changes to the guidance covering our procedures intended to help us work at pace.

- **Predictability**: We want to create a more predictable environment for firms considering the competition law risks of collaborating for societally beneficial purposes. We are actively working with government and business stakeholders to understand which areas might benefit from greater clarity from the CMA. Current areas of exploration include hiring practices and higher education.

- **Proportionality**: We are focused on achieving the right suite of interventions across the regime and will consider when use of a softer tool or a consensual outcome may be more appropriate (provided this can be done without sacrificing the overall deterrent impact of the regime). We will make substantial use of warning and advisory letters as an alternative to full investigations in suitable cases; and we will resolve cases by consensus (for example, through settlement or commitments) where appropriate.

- **Process**: We are looking to improve how we engage with businesses and other stakeholders in respect of complaints and leniency. In April 2025, we launched a public consultation on an updated version of our leniency guidance, making it easier for firms to use through 'quick guides'. We have now also published our Complaints Charter to improve the experience of firms that engage with us.

Markets

- We will publish an 'Approach' document for our markets function by the end of July to complete the CMA's roll out of the 4Ps. Our aim is to match the level of our ambition in other areas. We are committed to avoiding any disproportionate or unnecessary chilling effect for businesses and investors when we dive deep into issues that could be holding back the effective functioning of important UK markets. In practical terms, we are (amongst other things) aiming to shorten the end-to-end process for our markets work; bring in sector expertise early in our analysis; adopt a more participative approach to business engagement; and introduce a more disciplined focus on costs to business as we prioritise, scope and design remedies.

Risks, Challenges and Opportunities

The CMA will continue to deliver on the fundamentals of our role to promote competition and protect consumers, rooting this firmly in the context of the growth mission. At the same time, we are committed to ongoing organisational transformation to strengthen business confidence, improve our ways of working and maximise our impact. Our ongoing ability to achieve these ambitions will be shaped by the way we navigate several significant factors:

1. **Risk**: An **uncertain and fast-evolving international outlook** presents challenges for the close, constructive working of the international competition community. Our ability to deliver value for UK consumers and businesses is enhanced by effective international cooperation where markets have cross-country or global dynamics; or where anti-competitive conduct or unfair treatment of consumers extends across borders. For businesses navigating complex international frameworks, this cooperation can support greater certainty, clarity and expediency of process. Reflecting the importance of international cooperation, the CMA seeks to maximise the opportunities presented by active participation in major international networks, such as the **OECD**, **ICN**, **G7**, the **International Consumer Protection and Enforcement Network** (ICPEN), as well as the **United Nations Conference on Trade and Development** (UNCTAD).

2. **Challenge**: It is essential that the CMA **continues to carry the confidence of those we serve**. This includes the trust of the consumers we protect, and the confidence of the business and investment community (from start-ups and scale-ups to the biggest firms). This requires ongoing, inclusive stakeholder engagement, communications and participative approaches. Ongoing progress against the 4Ps will be foundational to business confidence, just as successful implementation of the new consumer protection regime will be foundational to people's confidence to engage with markets. We will continue to seek new opportunities for constructive dialogue and fresh approaches to engagement with diverse stakeholders.

3. **Risk**: Evolving how we manage **impact and performance** has never been more important - both to strengthen confidence in the CMA and our work, and to help identify opportunities to reduce burdens on business. We have made considerable progress as detailed above, with plans in place for new KPIs, stakeholder surveys and research. However, capturing our full impact in a robust way, and selecting appropriate performance metrics for our activity, are not simple tasks. Our next steps must be thoughtful and considered – remaining mindful of unintended consequences or perverse incentives. We expect to update on these during the course of the 2025/26 financial year.

4. **Challenge**: In our wider financial environment, the **CMA must become more efficient and productive**. We are introducing a new operating model which will ensure the CMA continues to work as effectively and efficiently as possible. Our Director's report see page 58 notes some budget pressures identified early in the financial year relating primarily to an error in our budget modelling (the root cause of which was addressed in-year) and to higher than anticipated pay awards. Reflecting this, and in the context of our Spending Review settlement, we are reprofiling the shape of the organisation to ensure it matches our multi-year funding envelope so we are fully fit for the future. We have embarked on a workforce reduction plan through a Voluntary Exit Scheme completing in the first half of 2025/26, details of which are in the Financial Statements see page 120.

   More broadly, we have embarked on an **organisation-wide operational transformation programme**, kick-starting the changes that are fundamental to instilling the strategic and operational capabilities we need for the future. This includes projects on people and skills, increasing our productivity, and digital transformation – building on the establishment of our new integrated Digital, Technology and Insights Directorate. We are also targeting improvements to our management information, office utilisation, and optimisation of our business operations in a way that supports frontline delivery.

Annex to Performance Analysis: Recommendations to government

The CMA makes recommendations to UK and devolved governments where changes to law or policy could help to improve the functioning of UK markets. The following table is intended to introduce additional transparency into the impact of our recommendations by setting out our assessment of the status and progress of the more significant recommendations we have made in recent years.

Various factors can influence the appetite and ability of governments to accept and progress CMA recommendations. Ultimately, it is for governments to decide whether and how to progress recommendations in the context of their broader policy objectives. We also recognise that the approach from governments may differ, with our new Strategic Steer committing UK government to issue an official response to recommendations made by the CMA under our markets tool within 90 days.

The CMA will continue to engage closely with UK and devolved governments, both as we develop recommendations in response to our findings, and to provide support as publish recommendations (including those listed below) are considered and implemented by governments.

To help assess the impact of our recommendations in leading to change, for each recipient we indicate with a red, amber, or green rating the CMA's judgement, based on publicly available information, of:

- How impactful our recommendations have been on the recipient's policy plans (how fully does their response plan to act on our findings and take forward our package of recommendations?)
- The degree to which progress is currently being made towards implementing the recommendations it plans to take forward

Infant Formula (2024/25): recommendations on limiting the influence of branding in healthcare settings; tightening rules about displaying nutritional sufficiency; strengthening labelling and advertising rules; tightening enforcement of advertising rules. 44 recommendations (11 to each of UK, Welsh and Scottish Government and Northern Ireland Executive).				
Recipients, number of recommendations and responses	Headline status of recommendations	Response	Implemen-tation	Updates this year (2024/25)
UK Government (11)	Response anticipated in 2025.	N/A		CMA published market study findings and recommendations. We understand all 4 recipients are working towards a published response to our recommendations.
Welsh Government (11)	Response anticipated in 2025.	N/A		
Scottish Government (11)	Response anticipated in 2025.	N/A		
Northern Ireland Executive (11)	Response anticipated in 2025.	N/A		

Housebuilding (2023/24): recommendations and options to improve private management of public amenities (sometimes known as "fleecehold") to address lack of consumer choice; recommendations to guarantee quality of new homes and service quality of housebuilders by improving transparency and accountability; and options for planning reform to reduce barriers to building. 33 recommendations and 33 options (11 of each to UK Government, Welsh Government and Scottish Government).

Recipients, number of recommendations and responses	Headline status of recommendations	Response	Implemen-tation	Updates this year (2024/25)
UK Government (11 + 11 options)	Progressing towards implementing most recommendations and options.			Responses from UK Government and Welsh Government UK government has given effect to recommendations and options through a new housebuilding target and revising the National Planning Policy Framework UK Government announced plans for a review of statutory consultees UK Government giving effect to multiple planning 'options' through Planning and Infrastructure bill
Welsh Government (11 + 11 options)	Implementing or generally supportive of recommendations and options.			
Scottish Government (11 + 11 options)	Plan to bring forward some planning reforms in line with our options, but wider approach to CMA's recommendations and options have not yet been confirmed.			

<u>Road Fuel (2022/23):</u> recommendations to UK government to create, on a statutory basis, an open data fuel finder scheme and a fuel monitor function within an appropriate public body. 2 recommendations to UK Government.

Recipients, number of recommendations and responses	Headline status of recommendations	Response	Implemen-tation	Updates this year (2024/25)
UK Government (2)	Progressing towards implementing all recommendations.			Enabling legislation granted under DMCC Sections 311-318. CMA issued Road Fuel monitoring guidance. Data (Use and Access) Bill progressing through Parliament.

Children's Social Care (2021/22): recommendations to improve service commissioning to improve value for money in procurement; recommendations to create more market capacity to ease supply constraints in the market; and recommendations to increase resilience in the market to ensure that any market exit does not cause detriment to children in care. 23 recommendations (8 to each of UK and Welsh Government and 7 to Scottish Government).

Recipients, number of recommendations and responses	Headline status of recommendations	Response	Implemen-tation	Updates this year (2024/25)
UK Government (8)	Progress towards implementing most recommendations			UK Government published its white paper, setting policy direction for the sector UK Government set to enable and bring effect to many of our recommendations through the Children's Wellbeing and Schools Bill which is currently progressing through Parliament. Scottish Government consulted on the Future of Foster Care, which includes several CMA recommendations.
Welsh Government (8)	Not taking forward recommendations but pursuing alternative measures to address issues			
Scottish Government (7)	Consulted on some fostering changes in line with our recommendations, but not aware of proposals to take forward other CMA recommendations or otherwise address the concerns identified			

Where we spent our money in 2024 to 2025

In 2024 to 2025, we spent a total of £128.56 million, remaining within our control totals approved by Parliament. This supported the delivery of our statutory responsibilities and preparations for new functions under the DMCCA.

Our spending is summarised below:

- £137.52 million was spent on resource expenditure to support the day-to-day running of the organisation including staffing, programme delivery and non-cash costs such as depreciation. Of this:
    - £126.39 million was used for core operational activity (2023 to 2024:£123.06 million), covering enforcement, merger control, market studies, consumer protection, and regulatory appeals. This also included preparatory work for the Digital Markets Unit ahead of new responsibilities under the DMCCA and supported internal changes to align directorates with future functions (see Note 2, Operating Segments in the Financial Statements on page 132)
    - £11.13 million was recorded as depreciation, reflecting the use of capital assets over time
- £6.50 million was spent on capital expenditure, supporting ICT infrastructure and property projects aligned with the government's Places for Growth and Levelling Up agendas. Spending was lower than planned, due to deferred or ceased projects in Cardiff and Edinburgh
- -£15.46 million was recorded under Annually Managed Expenditure (AME), reflecting a net credit due to the release of provisions no longer required

Further detail is provided in the Directors' report: financial review, beginning on page 61.

Fines and penalties income

In 2024 to 2025, we collected £129.20 million in fines and penalties under the Competition Act 1998 (CA98). Significant cases included:

- £19.94 million in penalties upheld by the Competition Appeal Tribunal in December 2024 for bid rigging in the demolition and asbestos removal sector
- £104.46 million in fines issued to 4 banks in February 2025 for anti-competitive arrangements in the UK government bonds market. One bank received immunity under our leniency policy
- £4.24 million in fines issued in March 2025 for unlawful agreements relating to freelance sports broadcasting services

The total includes additional fines from other enforcement activity, including collections from prior-year cases. These contributed to a significant increase in receivables at year-end (see the Trust Statement on page 151).

Overview

Our Commitment

We are committed to achieving a target of net zero greenhouse gas emissions by 2050.

We are also committed to meeting the Greening Government Commitment (GGC) targets that set out the actions UK government departments are required to take to reduce environmental impact, including reducing water consumption, greenhouse gas emissions, minimising waste, ensuring sustainable procurement and reducing the environmental impacts from Information and Communication Technology (ICT) and Digital. This framework is set for the period between April 2021 to March 2025, with sustainability targets set relative to a 2017 to 2018 baseline.

Our Sustainability Report is set out in line with the Task Force on Climate-related Financial Disclosure (TCFD) Phase 1 and 2 recommendations.[9]

We have fully achieved, and in areas significantly exceeded, GGC targets as detailed in the tables below, with key exceptions being recycled waste and measuring our water consumption. Here our progress is partial, and we are working with our commercial landlords to improve waste management processes and water metering. Our full sustainability data is included in the annex to the Sustainability Report see page 54.

In 2024 to 2025, we developed a Climate Change Adaptation Strategy (CCAS) which sets out climate-related risks and opportunities and a climate change action plan for our estate and operations. This CCAS also sets out the CMA's compliance with GGC Section F (Adapting to Climate Change), compliance with TCFD Phase 1 and 2 recommendations and lays the foundation for compliance with TCFD Phase 3 recommendations by 31 March 2026. The CCAS is in the early stages of roll out and we will continue to assess how we can support staff participation and more generally improve our performance and delivery.

Our Estate

We have offices in London, Belfast, Cardiff, Darlington, Edinburgh, and Manchester. All our offices are commercially leased except Cardiff and Edinburgh, where we take space in government-hub buildings hosted by other government departments. Most of the services in our commercially leased offices are the responsibility of the respective Landlord who provides sustainability data to individual tenants. In 2019, we relocated our London headquarters from Holborn to more efficient and newly refurbished offices in Canary Wharf. In 2024 to 2025 we opened a new office in Manchester and vacated a government-hub building in Belfast, taking a commercially leased space in its place.

9 This report does not include sustainability data relating to offices hosted in government-hub buildings (Edinburgh, Cardiff and until recently, Belfast). The sustainability data for these properties is reported through the respective host government organisations.

Greening Government Commitments

The tables below record the CMA's performance against each area of the GGC targets:

A - Mitigating climate change: working towards net zero.
B - Minimising waste and promoting resource efficiency.
C - Reducing water usage.
D - Procuring sustainable products and services.
E - Nature recovery: making space for thriving plants and wildlife.
F - Adapting to climate change.
G - Reducing environmental impacts from information communication technology (ICT) and digital.

All emissions are measured in tonnes of carbon dioxide equivalent (tC02e), which is a standard unit used to measure the global warming potential of greenhouse gases.

A - Mitigating climate change: working towards net zero			
Commitment	**Sub-commitment**	**Progress**	**Commentary**
Reduce the overall greenhouse gas emissions, and direct emissions from estate and operations, from a 2017-18 baseline. For the CMA the reduction targets are an overall emission reduction target of 48% and direct emission reduction target of 20%.[10]		Target Achieved	Overall carbon GHG emissions reduction (tCO2e) from the 2017/18 baseline to 2024/25. • Target - 48% reduction • Achieved - 51% Reduction. Direct GHG emissions (tCO2e) reduction (tCO2e) from the 2017/18 baseline to 2024/25:[11] • Target - 20% reduction • Achieved - 68% reduction. Please refer to Annex for details of the data.
	Meet the government fleet commitment.	Not applicable	The CMA does not have a fleet.
	Reduce emissions from domestic business flights by at least 30% from a 2017-18 baseline, and report the distance travelled by international business flights.	Target Achieved	The emissions from domestic flights have decreased by 48% from the 2017/18 baseline. (Please refer to Annex for details). CMA reports the distance travelled on international business flights within this Sustainability Report. The distance travelled on international flights in 2024/25 was 524,978 km, as compared to the 2017/18 baseline which was 121,108 km. This increase is due to the CMA's growth and our increased organisational responsibilities.
	Departments that already have policies in place to compensate for emissions are	Not applicable	This sub-target is not applicable as the CMA does not offset emissions.

10 The CMA's previous targets were set at an overall emission reduction target of 62% and direct emission reduction target of 30% by the Department for Business, Energy & Industrial Strategy (BEIS). In 2024/25, these targets were revised by DBT to overall emission reduction target of 48% and direct emission reduction target of 20%.
11 Direct greenhouse gas (GHG) emissions are calculated based on the emissions that occur from sources that are owned or controlled by an organisation. These are typically referred to as Scope 1 emissions under the GHG Protocol.

A - Mitigating climate change: working towards net zero			
Commitment	**Sub-commitment**	**Progress**	**Commentary**
	encouraged to report on their implementation		
	Update organisational travel policies so that they require lower-carbon options to be considered first as an alternative to each planned flight	Target Achieved	Travel policies have been updated.

B - Minimising waste and promoting resource efficiency			
Commitment	**Sub-commitment**	**Progress**	**Commentary**
Reduce the overall amount of waste generated by 15% from a 2017-18 baseline		Target Achieved	The total amount of waste excluding ICT waste for 2024/25 equals a 48% reduction relative to the 2017-2018 baseline.
	Reduce the amount of waste going to landfill to less than 5% of overall waste	Target Achieved	The amount of waste going to landfill, including ICT waste, was 0% in 2024/25.
	Increase the proportion of waste which is recycled to at least 70% of overall waste.	Target Partially Achieved	In 2024/25, 30% of waste, excluding ICT waste, was recycled. This is due to our landlords sending a higher proportion of waste to be incinerated and/or to generate energy from waste. We are reviewing waste management policies with our landlords to improve performance. In 2024/25, 83% of ICT was recycled.
	Remove consumer single-use plastic from the central government office estate.	Target Partially Achieved	We have removed single use plastic cups and bottles from our café and vending machines in London and have significantly reduced the use of plastics in our stationary supplies. We continue to target the elimination of plastic packaging through our supply chain wherever this is feasible.
	Measure and report on food waste by 2022.	Target Achieved	Food Waste has been measured and reported since 2023/24.
	Reduce paper use by at least 50%.	Target Achieved	91% reduction

	Report on the implementation of waste re-use schemes	Target Achieved	We continue to work with our landlords to recycle all waste streams where feasible. We have designated bins and encourage staff to utilise the correct waste streams and have dedicated collection points for specific recycle streams, such as batteries, toners or pens.

C - Reducing Water usage			
Commitment	**Sub-commitment**	**Progress**	**Commentary**
Reduce Water usage by at least 8%		Target Achieved	44% reduction from the 2017/18 baseline.
	Ensure all water is measured	Partially Achieved	We continue to work with our landlords to install water meters across our estate. At Canary Wharf (London) and Belfast, our landlord has installed water meters to CMA's demise. We are in discussion with our landlords in our other locations to also install water meters.
	Provide a qualitative assessment to show what is being done to encourage the efficient use of water	Target Achieved	We use self-closing taps in our offices and have dual flushing mechanisms for all our toilets to reduce excess water utilisation. We continue to send communications to staff across our offices to reduce our water usage.

D - Procuring sustainable products and services		
Commitment	**Progress**	**Commentary**
Continue to buy more sustainable and efficient products and services with the aim of achieving the best long-term, overall value for money for society	Target Achieved	Our purchasing activity continues to maximise value for money and to minimise waste throughout our supply chain and to meet GGC commitments. We aim to generate greater positive economic, environmental and social outcomes from the contracts that are placed by the CMA. Our approach allows Social Value considerations to be weighted into procurement decisions and then embedded in our contracts, where relevant and proportionate. Our approach takes into account the Social Value Act 2012 and National Policy Procurement Statement (NPPS) in a way that is relevant and proportionate, with the aim of generating positive outcomes whilst minimising barriers for SME's. We work to ensure transparency and equality of treatment in the application of the Social Value considerations. The CMA recognises the opportunity to make positive change and our contracts will, where possible, contribute across the following areas: ***Social*** • Supporting the reduction of social exclusion, isolation and inequality. • Generating education, training and employment opportunities for disadvantaged groups. • Engaging the local voluntary and community sector. ***Economic***

		• Promoting the Living Wage. • Supporting Small and Medium Enterprises (SMEs) by creating visibility and opportunity to access our third party spend. • Creating new businesses, new jobs and new skills. • Improving supplier diversity, innovation and resilience. ***Environmental*** • Seeking to reducing carbon emissions. • Seeking to reduce air pollution. • Maximising the opportunity to re-use and recycle. • Tackling climate change and reducing waste.

E - Nature recovery: making space for thriving plants and wildlife		
Commitment	**Progress**	**Commentary**
Departments and partner organisations with the greatest potential to improve biodiversity should develop and deliver nature recovery plans for their land, development and operations. All other organisations should consider what they can do to support this commitment	Not Applicable	We have not reported in relation to the GGC Nature recovery (Making space for thriving plants and wildlife commitments), as we do not manage any land.

F - Adapting to climate change			
Commitment	**Sub-commitment**	**Progress**	**Commentary**
Develop an organisational Climate Change Adaptation Strategy across estates and operations	Establish clear lines of accountability for climate adaptation in estates and operations and engage in wider governance and risk structures when appropriate.	Target Achieved	We have developed a Climate Change Adaptation Strategy across estates and operations.
			We have set out in our Climate Change Adaptation Strategy clear lines of accountability for climate adaptation and set out how this engages within the wider governance and risk structures.
	Transparent reporting – provide a summary of how we are developing and implementing a Climate Change Adaptation Strategy	Target Achieved	The Climate Change Adaptation Strategy sets out climate change risk strategy comprising a climate change risk assessment and an action plan. It distinguishes between physical risks (such as, extreme weather events, sea level rise) and transition risks (such as, policy shifts, legal changes), whilst applying scenario analysis to assess their potential impacts over the short, medium, and long term. Adaptation measures focus on: • Enhancing infrastructure resilience and operational continuity in the face of physical risks. • Anticipating regulatory and market changes to ensure compliance

			and strategic agility in response to transition risks. This strategy also sets out the CMA's compliance with GGC section F – Adapting to Climate Change, as well as TCFD phase 1 and 2, whilst setting the foundations for compliance with TCFD phase 3.

G - Reducing environmental impacts from information communication technology (ICT) and digital		
Commitment	**Progress**	**Commentary**
Adoption of the 'Greening government: ICT and digital services strategy' and associated targets, and provide membership to the sustainable technology advice and reporting team	Partially Achieved	CMA has adopted the Greening government ICT and Digital services strategy as follows. Lifecycle Management: All CMA hardware is procured with extended warranties where possible, maximising device lifespan and reducing the frequency of replacement. End-of-life equipment is managed through accredited recycling partners, ensuring responsible disposal and resource recovery. Cloud-First Approach: Our cloud-based infrastructure leverages the efficiencies of hyperscale data centres, which are generally more energy-efficient than on-premises alternatives, reducing direct energy consumption and associated carbon emissions. Digital Collaboration: Investment in advanced audio-visual and remote collaboration technology has significantly reduced the need for staff travel between CMA offices, lowering our carbon footprint and supporting flexible working practices across the organisation. Continuous Improvement: We are actively monitoring developments in green ICT, including emerging standards and technologies, to ensure ongoing alignment with government targets and sector best practice. Reporting An annual report is submitted to the Defra Digital sustainability team detailing our ICT waste and recycling activities. The CMA is currently seeking membership of the Government's Sustainable Technology Advice and Reporting (STAR) team.

Property

Sustainability is a key element in our property strategy and a critical parameter when choosing a new office location. Our criteria include that Energy Performance Certificates should be within the top quartile as set annually by the Department for Levelling Up Housing and Communities, properties should be located next to major transportation hubs and should offer bike facilities to encourage the use of public transport and cycling.

Our property team works to the following sustainability principles to guide property and building projects:

- the design will encourage physical activity and interaction with nature and the local environment. This includes incorporating biophilic elements, outdoor spaces, and bike facilities
- reuse, repurpose and recycle where possible. Explore alternatives to landfill such as donation or stripping down to component parts
- furniture should be certified under a green certification scheme (or equal and approved) such as BIFMA, Greenguard, SCS, LEED and Cradle to Cradle
- water reduction measures such as low consumption and energy white goods, low flow sanitary fittings and grey water systems where feasible
- energy reduction measures such as presence detection and daylight dimming on the lighting that conforms to national best practice guides such as CIBSE LG7. Integration of solar energy systems where feasible. Gas fired heating and/or hot water plant, and equipment is not permitted. Installation of thermal blinds should be considered
- the design incorporates monitoring systems that enable the CMA to monitor, target and reduce energy and utility consumption where feasible

Our largest office in Canary Wharf, London, is designed to meet the Building Research Establishment Environmental Assessment Method (BREEAM) ‘Excellent’ standard. The heating, ventilation and air conditioning is controlled by a Building Management System which is aligned to the WELL building standard. This controls and monitors usage, making the office more energy efficient through the control of our heating and ventilating services. We also have a modern lighting control system which affords savings through presence detection.

Aligning with the Task Force on Climate-related Financial Disclosure (TCFD)

Compliance Statement

We report below on our approach to governance, metrics and targets and risk management climate-related financial disclosures, in line with HMT’s TCFD-aligned disclosure, which interprets and adapts the framework for the UK public sector and which we have aligned with the implementation timetable for Phase 2 (end of 2024 to 2025 financial year). We plan to provide further recommended disclosures (Phase 3 end of 2025 to 2026 financial year) in future reporting periods in line with the central government implementation timetable.

Governance Disclosures

This year, CMA has developed a Climate Change Adaptation Strategy which sets out our governance with respect to sustainability in our estates and operations and which is compliant with GGC Section F (2021-2025), Phase 1 and Phase 2 of TCFD, and sets the foundations for future compliance with TCFD Phase 3. Our strategy also covers the targets we have set to manage climate related risks, opportunities and performance. Our Chief Operating Officer, also a Board Member, Daniel Lambauer, has approved this strategy and is accountable for its delivery alongside overseeing climate-related risks, and ensuring TCFD compliance. This strategy will be presented to the CMA Board for approval in 2025 to 2026.

As part of our new strategy, we plan to implement the following governance changes in 2025 to 2026:

- the Board will be responsible for ensuring that sustainability, climate change adaptation, and climate change mitigation are embedded into policy, strategy, and operations, in line with our commitment to the Net Zero Strategy and meeting the Greening Government Commitments (GGCs)
- the Executive Committee will have operational responsibility with the Chief Operating Officer acting as the lead accountable for sustainability
- we will establish a cross-functional Climate Adaptation Working Group, led by the Director of Facilities, which will assess the risks and opportunities as set out in our strategy

Metrics and Targets

Our metrics to track our sustainability performance can be found in the annex (see page 54 and in this report above. These cover financial and non-financial Greenhouse Gas (GHG) Emissions, Energy Consumption, Water Usage, Waste Management, Building Resilience Measures and Climate Related Operational Costs. We use performance data against these metrics to prioritise actions within our Climate Change Action Plan and assess progress toward resilience targets.

We submit sustainability performance data quarterly to senior governance forums charged with managing climate change risks and opportunities, DBT, acting as the CMA's parent Department, and to the Chief Operating Officer, acting as lead member for the Executive Committee. In future, we plan also to submit this data to the Board.

Risk Management

We feed sustainability data and climate-related risks with respect to our estates and operations into our Climate Change Adaptation Risk Assessment, which feeds into our Risk Management Framework. These risks are categorised as either physical (such as sea level rise and severe weather) for which we consider infrastructure resilience and operational planning or are transition-related (such as policy and regulatory changes) and for which we monitor policy and regulatory developments and incorporate climate considerations into strategic planning. We also use national climate projections to inform our understanding of localised climate risks. Our Climate Adaptation Working Group tracks and reviews management actions to address climate-related risks, and climate related risks form part of the risk registers for respective functional teams. Risks are escalated to the Chief Operating Officer if the risk level is significant or if there is a material change in the risk rating. The Chief Operating Officer will escalate risks from the functional risk register to the Corporate Services and CMA's Risk Registers where appropriate.

Annex to the Sustainability Report: sustainability data

1. The CMA's Greenhouse gas emissions, for the 2017/18 baseline year, and the last 3 years up to and including 2024/25 are set out in the table below. The baseline year is 2017/18 unless stated in brackets due to availability of data.

		2017-18	2022-23	2023-24	2024-25	% increase / decrease from baseline
Non-financial indicators						
Non-financial indicators (tCO2e)	Overall GHG emissions (tCO2e)	914.49	237.35	456.91	449.50	-51%
	Scope 1 Direct GHG emissions (tCO2e)	147.42	35.00	54.86	47.14	-68%
	Scope 2 Energy indirect GHG emissions (tCO2e)	661.36	121.00	145.52	164.13	-75%
	Scope 3 Energy indirect GHG emissions (tCO2e) In line with GGC reporting requirements	105.71	81.55	256.53	238.23	125%
Related energy consumption (kWh)	Electricity: renewable/non-renewable [12]	1,471,900	571,949	702,762	792,704	-46%
	Gas	801,117	194,317	299,889	257,712	-68%
Related business travel data (tCO2e)	Domestic air travel	79.31	Data unavailable	52.98	41.02	-48%
	International air travel – short & Long haul	11.70	53.65	144.16	146.80	1155%
	Rail, underground or tram travel	10.96	26.74	38.63	27.43	150%
	Road travel (2021-22 used as the baseline)	3.71 *(2021-22 baseline)*	1.16	9.59	8.30	124%
	Bus travel (2022-23 used as the baseline)	Data unavailable	0.03 *(2022-23 baseline)*	0.13	0.17	467%
Financial indicators (£000).						
	Expenditure on Energy	£330,982.54	£796,555.54	£966,970.00	£788,982.47	138%
	Expenditure on official business travel	£192,461.14	£345,473.48	£502,588.00	£376,120.08	95%

12 Electricity consumption from renewable and non-renewable sources could not be separated, as baseline data for renewable electricity was unavailable. The reported decrease is calculated based on the change in total electricity consumption. In 2023–24, renewable electricity measured 455,778, increasing to 741,413 in 2024–25.

2. The CMA’s Waste for the 2017 to 2018 baseline year, and the last 3 years up to and including 2024-25.

Breakdown of waste (Tonnes)					
Non-financial indicators	**2017-18**	**2022-23**	**2023-24**	**2024-25**	**% increase / decrease from baseline**
Total waste	60	11.25	87.45	31.25	-48%
Landfill	Data unavailable	Data unavailable	0.21	0.00	Data unavailable
Re-used/recycled	26	11.25	38.46	9.49	-64%
Incinerated/ energy reused	34	Data unavailable	48.78	21.76	-36%
Paper	Data unavailable	Data unavailable	3.85	0.61	Data unavailable
Glass	Data unavailable	Data unavailable	8.12	0.24	Data unavailable
Food	Data unavailable	Data unavailable	3.95	4.68	Data unavailable
ICT recyclables	Data unavailable	0.54	0.28	1.30	Data unavailable
ICT waste reused externally	Data unavailable	0.05	0.87	0.00	Data unavailable

3. CMA water for the 2017 to 2018 baseline year, and the last 3 years up to and including 2024 to 2025.

Non-financial indicators	2017-18	2022-23	2023-24	2024-25	% increase / decrease from baseline
Finite resource consumption – water (M3)	12,991	6,706	7,480	7,273	-44%

4. CMA paper used for the 2017 to 2018 baseline year, and the last 3 years up to and including 2024 to 2025.

Non-financial indicators	2017-18	2022-23	2023-24	2024-25	% increase / decrease from baseline
A4 reams equivalent of paper (number of reams)	8,361	437	627	740	-91%

Notes on sustainability data

- water data usage has been collated from our landlords and compiled into our annual report.
- our landlords provide restricted information, we are therefore unable to separate costs for utility streams or present accurate costs for water consumption or waste
- it is noted that as we are reliant on our data from our landlords, we have not been able to accurately provide financial data relating to our water usage, therefore this aspect has been omitted
- the 2024 to 2025 Q4 data for the water consumption at Thanet House was not available at the time of compiling this report. Therefore, this has been estimated using historic statistical data
- our scope 2 energy indirect GHG emissions increased between 2023 to 2024 and 2024 to 2025 by 13% largely due to the CMA opening operating 2 new buildings in 2024 to 2025, our new offices in Manchester and Belfast. For largely the same reason our electricity consumption increased between 2023 to 2024 and 2024 to 2025 by 13%
- the utilities and most of our services are provided to us through our landlords and via service charges related to our lease agreement. In the absence of detailed information from our landlords we have used financial information. The amounts indicated are calculated based on the limited information that is available to tenants within multi-tenanted properties
- where we are occupants within government hubs, the sustainability data related to the operation of these properties is reported through the host
- where data for the baseline year 2017 to 2018 has not been available for a specific aspect, the next available year's data has been used
    - For road travel, the year 2021 to 2022 was utilised as the baseline
    - For bus travel, the year 2022 to 2023 was utilised as the baseline
- where we occupy offices on a license basis, it has not been possible to separate out the financial costs for utilities, therefore this aspect has been excluded from our reporting
- historic travel related carbon figures were calculated using DEFRA conversion factors for the given year
- where we have continued to develop our sustainability reporting, we have increased the amount of sustainable data within our reports. Where historic data was not recorded and we do not hold accurate data, this has been recorded as Data unavailable

Signed for and on behalf of the CMA

Sarah Cardell

Chief Executive and Principal Accounting Officer

7 JULY 2025

Accountability report

Annual Report and Accounts | 2024 to 2025

Directors' report

Statutory powers

The CMA is an independent non-ministerial UK government department and is the UK's principal competition and consumer protection authority. We help people, businesses, and the UK economy by promoting competitive markets and tackling unfair behaviour. The CMA is overseen by a Board, to which a number of new appointments have recently been made, including a new interim Chair, Doug Gurr, in January 2025 (see page 67 for more detail on our board members and page 66 on how we manage their interests). We are led by the Chief Executive, Sarah Cardell, and, as of last year, an almost entirely new Senior Executive Team with a strong mix of competition, consumer and corporate expertise. Decisions in some investigations, including phase 2 merger investigations, are made by members of the CMA's independent Panel.

The CMA has a UK-wide remit, with offices in Belfast, Cardiff, Edinburgh, London, and Manchester, in addition to the Microeconomics Unit (MU) based in Darlington. We adopt an evidence-based, integrated approach to our work, selecting the tools we believe will achieve maximum positive impact for people and businesses (wherever they live and operate in the 4 nations), as well as for the UK economy.

Our main functions are:

- investigating mergers that have the potential to lead to a substantial lessening of competition. If a merger is likely to reduce competition substantially, the CMA can accept remedies to address concerns or, in the absence of effective remedies, prohibit the transaction. The CMA performs this function in a targeted and proportionate way, enabling the vast majority of deals to go ahead, whilst looking more closely at the small number of cases which are truly problematic for UK consumers and businesses from a competition perspective
- investigating businesses to determine whether they have breached UK competition law, ending and deterring breaches by fining businesses and, where appropriate, seeking the disqualification of company directors involved. Illegal anti-competitive conduct subverts the proper functioning of fair, open, and effective competition. Tackling competition law breaches can bring down barriers to entry and scaling for fair-dealing businesses, as well as boosting productivity and incentives for investment
- enforcing consumer protection legislation, including through a new administrative enforcement model for consumer protection which commenced in April under the Digital Markets, Competition and Consumer Act 2024 (DMCCA). Strong consumer enforcement by the CMA helps put money back in people's pockets and ensures they are treated fairly, so they can engage actively and confidently in markets The CMA operates alongside several other bodies across the UK with consumer enforcement responsibilities
- conducting studies, investigations, or other pieces of work into why particular markets are not working well. The CMA can take action – and recommend action be taken by others – to help markets work better. Interventions can be designed to (for example) improve price and quality for consumers, tackle barriers to success

for small and scaling businesses, support economic growth, and build trust in markets for the benefit of all participants

- operating a new regime to promote competition in digital markets under the DMCCA. The new regime is targeted, proportionate and uniquely designed to unlock opportunities for growth, innovation, and investment in the UK tech sector – and more broadly across the economy
- giving information or advice on matters related to any CMA functions to governments and public bodies across the UK. This includes advice on how policy can be designed and implemented to promote the interests of consumers and harness the power of competition to deliver long-term growth and prosperity for the UK
- providing information and advice to people and businesses about their rights and obligations under competition and consumer law. This ensures consumers can make well-informed decisions and receive fair treatment, as well as encouraging and facilitating companies to stay the right side of the law
- promoting stronger competition and consumer protection in the regulated industries (gas, electricity, water, aviation, rail, communications, and financial services), working with the sector regulators to do so
- conducting regulatory appeals and references in relation to price controls, terms of licences or other regulatory arrangements under sector-specific legislation, and offering advice and support to government on any potential longer-term changes to the regulatory appeals system
- through the Office for the Internal Market (OIM), providing advice, reporting and monitoring in relation to intra-UK trade
- through the Subsidy Advice Unit (SAU), providing advice, reporting and monitoring in relation to government subsidies that support important policy objectives
- through the Microeconomics Unit (MU), providing deep expert analysis and research on issues relevant to growth, innovation, productivity, and supply-side reforms

Auditors

Our Resource Accounts and the Trust Statement Accounts have been audited by the National Audit Office (NAO) and certified by the Comptroller and Auditor General, who was appointed under statute and is responsible to Parliament. The notional cost of the audit is disclosed in Note 4 of the CMA's Financial Statements and relates solely to statutory audit work. The auditors did not undertake any non-audit work during the 2024 to 2025 year.

The CMA Directors, including the Chief Executive, have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the CMA's auditors are also aware of that information. In so far as we are aware, there is no relevant audit information of which the Comptroller and Auditor General, with support of the NAO, is unaware.

Accounting Officer

As Principal Accounting Officer, CMA Chief Executive Sarah Cardell is responsible, with advice from the CMA Board, for ensuring that the CMA operates effectively and to a high standard of probity in relation to governance, decision-making and financial management. The CMA’s Principal Accounting Officer performs the roles and responsibilities of the Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, including accounting for how resources are distributed in the CMA, as set out in chapter 3 of Managing Public Money published by the HM Treasury.

The Chief Operating Officer (Erik Wilson to July 2024; Daniel Lambauer from September 2024) is the Additional Accounting Officer with a specific responsibility for corporate and support services.

Directors' report: financial review

Presentation of expenditure

Our expenditure is reported on 2 different bases in this Annual Report and Accounts. In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FReM) requires the CMA to prepare a Statement of Parliamentary Supply (SOPS) and supporting notes. The Statement of Comprehensive Net Expenditure (SoCNE) on page 121 details the CMA's comprehensive net expenditure of £122.32 million in 2024 to 2025 compared to £141.47 million in 2023 to 2024. This expenditure is calculated following accounting standards (IFRS) and guidance and on a similar basis to those rules applied by private sector businesses.

The SOPS on page 107 presents total expenditure of £128.56 million and compares this with the budget presented to Parliament of £189.76 million. These figures are calculated in accordance with HM Treasury's Consolidated Budgeting Guidance for the year, which differs in several respects with the accounting basis above.

An overview of our expenditure

Our Total Managed Expenditure (TME) was £128.56 million, broken down by HM Treasury's spending categories as set out in the table below:

	2024 to 2025 Outturn	2024 to 2025 Budget	2023 to 2024 Outturn
	£000	£000	£000
TME	***128,559***	***189,756***	**147,201**
Resource DEL	*137,523*	*152,636*	123,059
Capital DEL	*6,501*	*8,120*	6,330
Total DEL	***144,024***	***160,756***	**129,389**
Resource AME	*(15,739)*	*27,000*	18,157
Capital AME	*274*	*2,000*	(345)
Total AME	***(15,465)***	***29,000***	**17,812**

We are accountable to Parliament for our expenditure. Parliamentary approval for our spending plans is given through the Supply Estimate presented to the House of Commons, specifying our delegated budget control totals, and asking for the necessary funds to be voted. We draw down these voted funds in-year from the Consolidated Fund as required.

The Supply Estimate includes a formal description of the services ('ambit') to be financed. Voted funds cannot be used to finance services that do not fall within the ambit. Our Resource DEL budget for 2024 to 2025 was £152.64 million, of which £14.46 million was ringfenced for non-cash depreciation.

Our Capital DEL budget for 2024 to 2025 was £8.12 million, with Capital AME budget for of £2.00 million to cover dilapidation provisions in relation to our capitalised leases required by IFRS 16.

Outturn

The CMA continues to fulfil our statutory duty to promote competition, both within and outside the UK, for the benefit of consumers.

The Resource DEL budget and outturn in the overview table above includes cash resource and non-cash depreciation. Against only the Resource DEL budget (excluding depreciation) of £138.17 million the outturn is £126.45 million, an underspend of £11.72 million, of which £4.82 million relate to savings made and £6.90 million a result of additional funding not being required as outlined below.

During the year, the CMA engaged with HM Treasury through the 2025 Spending Review Process (SR25), with Phase 1 reviewing and setting departmental budgets for 2024 to 2025 and 2025 to 2026, concluding at the Autumn Statement in October 2024.

During a review of our 2024 to 2025 forecast for SR25 Phase 1, we highlighted budget pressures relating mainly to an error in our staff cost modelling and higher than anticipated pay awards for 2024 to 2025. This resulted in a request to HM Treasury for additional Resource funding of £8.00 million, which was agreed and is included in the total budget figures.

From this, we required £3.18 million, having reduced the pressure on the budget by **£4.82 million**, following a review of areas of spending and tight controls on recruitment, which is returned to the Exchequer via the underspend.

In addition, we also implemented an immediate review and series of actions to substantially improve our modelling frameworks, financial processes and controls supported by external expert advice and a Government Internal Audit (GIAA) review. All GIAA recommendations requiring implementation by March 2025 were implemented within that timescale.

Separately, we also received additional funding of £6.90 million at the Supplementary Estimate stage specifically to cover the risk of potential costs in ongoing legal cases, driven by uncertainties around the timing of court decisions and the timing of when Competition Act 1998 (CA98) penalties are received, both of which are beyond the CMA's control. There was also an element for CMA preparatory work relating to the Ofwat PR24 the timing of which was also not controlled by the CMA. This is also included in the budget figure.

In the last quarter of the year, the risk on significant legal costs being incurred this financial year did not materialise and significant penalty income of £37.90 million was received before the end of the year, and returned to the Exchequer (see trust statement on page 151), therefore this additional budget of **£6.90 million** was not utilised and returned to the Exchequer in the overall underspend reported.

Against the **ringfenced non-cash Resource DEL depreciation** budget of £14.46 million, outturn was £11.07 million.

Our 2024 to 2025 **Capital DEL** outturn was £6.50 million compared to a budget of £8.12 million, an underspend of £1.62 million primarily driven by £2 million savings from decisions to defer or stop property projects in Cardiff and Edinburgh and increased capital costs of leases as required under accounting standard IFRS16 Leases.

Our 2024 to 2025 **Resource AME** outturn is -£15.74 million (negative) against a budget of £27.00 million, meaning there is an underspend of £42.74 million. This is a non-cash budget predominantly used for the accounting treatment of provisions in legal cases and dilapidations. A negative outturn is predominantly due to the uncertain nature of provisions (i.e. probabilities around timings, provisions written back, provisions utilised during the year and the unwinding of discounts). Resource AME also includes dilapidation provisions for properties outside the scope of IFRS16 Leases, legacy pensions, and other non-financial costs.

Our 2024 to 2025 **Capital AME** outturn is £0.27 million against a budget of £2.00 million. This is non-cash accounting treatment relating to capitalised depreciation costs as required by IFRS16 Leases.

Statement of Accounting Officer’s Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the CMA to prepare, for each financial year, Resource Accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year. The Resource Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs on the department and its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the Resource Accounts, the Principal Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the Resource Accounts
- prepare the Resource Accounts on a going concern basis
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

HM Treasury has appointed the Chief Executive as Principal Accounting Officer of the department. In addition, an Additional Accounting Officer is appointed to be accountable for those parts of the department’s accounts relating to specified requests for resources and the associated assets, liabilities and cash flows. This appointment does not detract from the Chief Executive’s overall responsibility as Accounting Officer for the department’s accounts.

The allocation of Accounting Officer responsibilities in the department is as follows:

- Accounting Officer: Sarah Cardell, Chief Executive
- additional Accounting Officer: Daniel Lambauer, Chief Operating Officer for sections A and B of the Estimate

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 CMA’s assets, are set out in Managing Public Money published by HM Treasury.

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

Signed for and on behalf of the CMA

Sarah Cardell
Chief Executive and Principal Accounting Officer
7 July 2025

CMA Governance Statement 2024 to 2025

In accordance with HM Treasury Guidance, this Governance Statement sets out the governance, risk management and internal control arrangements for the CMA.

CMA Board

The CMA Board is the CMA's main statutory decision-making body (subject to delegations). It establishes the CMA's overall strategic direction and ensures that the CMA's statutory duties and functions are fulfilled.

The Board consists of the Chair, Non-Executive Directors (2 of whom are currently also members of the CMA Competition Panel, and one of whom is Chair of the Office for the Internal Market), Chief Executive, Executive Directors and the Chief Operating Officer.

The Board establishes the overall strategic direction of the CMA within the policy framework laid down under the Enterprise and Regulatory Reform Act 2013 (the Act) and having regard to the Government's Strategic Steer to the CMA. The Board ensures that the CMA fulfils its statutory duties and functions, maintains its independence as a non-ministerial government department and observes the principles of good corporate governance. The Board has regard to any opinions and reports of the CMA Principal Accounting Officer and Additional Accounting Officer and ensures that the CMA makes appropriate use of public funds.

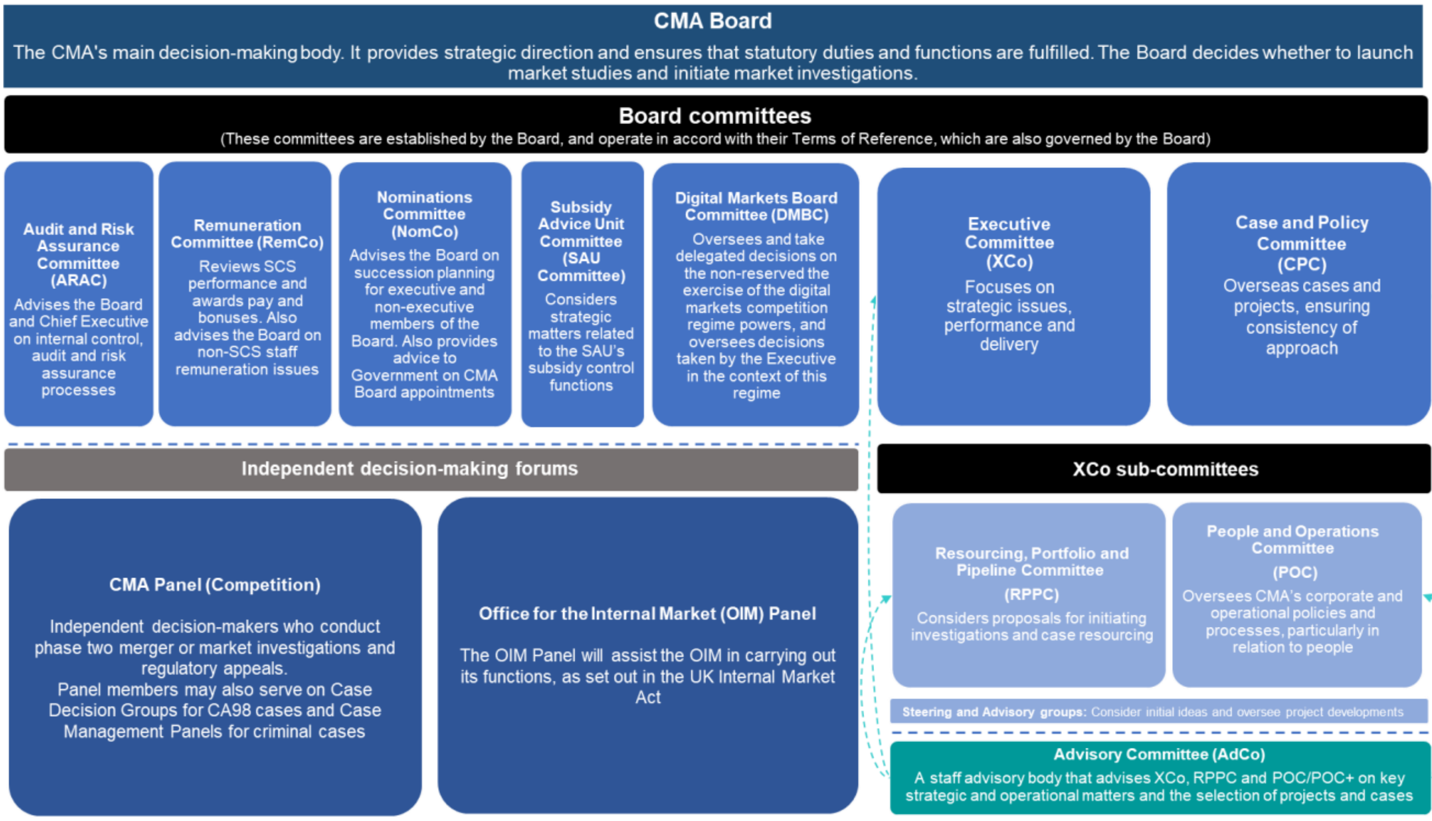
The Board is responsible for a number of different matters. These include being the decision-maker on reserved matters, as set out in the Act and the CMA Rules of Procedure published on the CMA website, and which set out the Board's powers and functions, and also include the Board Authorisations and the Conflicts of Interest Policy.

The Board receives information from the Executive to enable the Board to share its views on the strategic direction of the CMA and is updated on the progress of CMA cases through regular management information reports. Additionally, the Board receives data from a range of sources within the CMA, including an assessment of how the CMA meets its strategic priorities, and uses its financial and staff resources.

In line with the CMA Conflicts of Interest policy, a register of interests of Board members, Board advisers and their close family members is maintained and published on the CMA website. Any identified conflicts, and potential conflicts, of interest of Board members are managed in line with the Conflicts of Interest policy and any recusals that may subsequently be required are noted in the published minutes.

The Rules of Procedure were updated on 6 occasions in 2024 to 2025, including amendments to the terms of reference of Board committees to reflect changes to their membership; the Open Banking Committee being dissolved by the Board; the establishment of a new Digital Markets Board Committee; and changes to reflect new digital market functions under the Digital Markets, Competition and Consumers Act 2024 that came into force from 1 January 2025.

CMA Board Committees



Committee arrangements in this graphic are correct as of 31 March 2025; the role of each committee is explained further below.

The CMA has a number of Board committees, including the Audit, Risk and Assurance Committee, Nominations and Remuneration Committees, the Digital Markets Board Committee to oversee work and take certain decisions within the digital markets competition regime, and the Subsidy Advice Unit Committee (a statutory committee which covers this function).

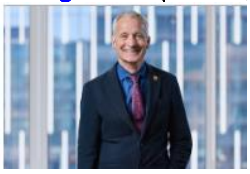
The CMA also has 2 Board Committees which manage and oversee the performance and delivery of the CMA's functions and objectives (the Executive Committee (XCo) and the Case and Policy Committee), which are further supported by XCo's sub-committees (the Resourcing, Portfolio and Pipeline Committee and People and Operations Committee).

The Advisory Committee works with XCo and its sub-committees to provide diversity of thought to inform, support and constructively challenge senior decision-making at the CMA.

Board members

The list below outlines the membership of the Board from 1 April 2024–31 March 2025, including recent changes in membership.

Doug Gurr (Chair, Interim)



Doug Gurr was appointed Chair of the CMA Board in January 2025. Doug is a member of the Nominations Committee, Remuneration Committee and is Chair of the Digital Markets Board Committee.

Marcus Bokkerink (Chair)

Marcus Bokkerink was appointed as Chair of the CMA Board in September 2022 and stepped down in January 2025. Marcus was Chair of the Digital Markets Board Committee and a member of the Remuneration Committee and Nominations Committee.

Justin Basini (Non-Executive Director)

Justin Basini was appointed as Non-Executive Director of the CMA Board in February 2024. Justin is a member of the CMA Audit and Risk Assurance Committee.

Martin Coleman (Competition Panel Chair, Non-Executive Director)

Martin Coleman was appointed as Non-Executive Director of the CMA Board in October 2017 and as Competition Panel Chair in September 2018. Martin is Interim Chair of the Remuneration Committee and a member of the Digital Markets Board Committee.

Frank Dangeard (Non-Executive Director)

Frank Dangeard was appointed as Non-Executive Director of the CMA Board in February 2024 and was a member of the Digital Markets Board Committee.[13]

Cynthia Dubin (Non-Executive Director)

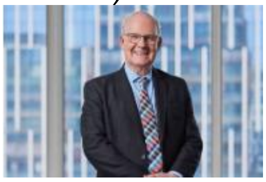
Cynthia Dubin was appointed as Non-Executive Director of the CMA Board in January 2019, and as Senior Independent Director in December 2023. Cynthia is the Chair of the CMA Audit and Risk Assurance Committee and the Nominations Committee.

13 Frank Dangeard stepped down from the Board in April 2025.

Dame Patricia Hodgson (Non-Executive Director)

Dame Patricia Hodgson was appointed non-executive director of the CMA Board of in February 2024 and is a member of the Digital Markets Board Committee.

Murdoch MacLennan (Chair of the Office for the Internal Market and Non-Executive Director)



Murdoch MacLennan was appointed as Chair of the Office for the Internal Market and Non-Executive Director of the CMA Board in April 2022. Murdoch is a member of the CMA Remuneration Committee and the Subsidy Advice Unit Committee.

Cyrus Mehta (Non-Executive Director and Member, Competition Panel)

Cyrus Mehta was appointed as CMA Panel Member in April 2020 and as a Non-Executive Director of the CMA Board in February 2024. Cyrus is a member of the Remuneration Committee, the Digital Markets Board Committee and the Subsidy Advice Unit Committee.

Dharmash Mistry (Non-Executive Director)

Dharmash Mistry was appointed as a Non-Executive Director of the CMA in February 2024 and is a member of the Digital Markets Board Committee.

Sarah Cardell (Chief Executive)

Sarah Cardell was appointed as Chief Executive of the CMA in December 2022. Sarah is the CMA's Principal Accounting Officer, leads the Senior Executive Team, and chairs a number of committees, including the Executive Committee, and Case and Policy Committee. Sarah is also a member of the Digital Markets Board Committee and the Nominations Committee.

Joel Bamford (Executive Director for Mergers)

Joel Bamford was appointed Executive Director for Mergers and Executive Director of the Board in February 2024. Joel is a member of the Senior Executive Team, Chair of the Subsidy Advice Unit Committee and member of the Digital Markets Board Committee and the Case and Policy Committee.

Juliette Enser (Executive Director for Competition Enforcement)

Juliette was appointed Executive Director for Competition Enforcement in February 2025 and Executive Director of the Board in March 2025. Juliette is a member of the Senior Executive Team, the Case and Policy Committee, the Digital Markets Board Committee and the Subsidy Advice Unit Committee.

Will Hayter (Executive Director for Digital Markets)

Will Hayter was appointed Executive Director for Digital Markets and Executive Director of the Board in February 2024. Will is a member of the Senior Executive Team, the Case and Policy Committee, and the Digital Markets Board Committee.

Dr Daniel Lambauer (Executive Director, Chief Operating Officer)

Daniel Lambauer was appointed as Chief Operating Officer in July 2024 and Executive Director of the Board in October 2024. Daniel is a member of the Senior Executive Team and chairs the People and Operations Committee. Daniel is the CMA's Additional Accounting Officer.

Erik Wilson CBE (Executive Director and Chief Operating Officer)

Erik Wilson was appointed as Chief Operating Officer in June 2020, after holding the position of Executive Director, Corporate Services since September 2013. Erik left the CMA in July 2024.

Board advisers

Chris Prevett (General Counsel)

Chris Prevett was appointed as adviser to the CMA Board in July 2022, and as General Counsel in January 2024. Chris is a member of the Senior Executive Team, the Case and Policy Committee, and the Subsidy Advice Unit Committee.

Dr Mike Walker (Chief Economic Adviser)

Mike Walker was appointed as Chief Economic Adviser and adviser to the Board in September 2013. Mike is a member of the Senior Executive Team, the Case and Policy Committee, and the Subsidy Advice Unit Committee.

Dr Karen Croxson (Chief Data, Technology and Insight Officer)

Karen was appointed as Chief Data, Technology and Insight Officer in April 2024 and as adviser to the Board in February 2025. Karen is a member of the Senior Executive Team and the Case and Policy Committee.

Jessica Lennard (Chief Strategy and External Affairs Officer)

Jessica Lennard was appointed as Chief Strategy & External Affairs Officer and adviser to the Board in August 2023. Jessica is also a member of the Senior Executive Team, the Case and Policy Committee, and was a member of the Subsidy Unit Advice Unit Committee until May 2024.

George Lusty (Interim Executive Director for Consumer Protection and Markets)

George was appointed interim Executive Director for Consumer Protection and Markets and adviser to the Board in February 2024. George was a member of the Senior Executive Team and the Case and Policy Committee.[14]

Board meeting attendance 2024 to 2025

The CMA Board met 15 times in 2024 to 2025. Board meetings were held in each month except in the month of August, with a number of extraordinary meetings being held in addition to its regular monthly meetings to deal with topical issues in a more timely and flexible manner. The minutes from CMA Board meetings are published on the CMA website.

Board member	Role	Meeting attendance
Marcus Bokkerink	CMA Chair until January 25	12/12
Doug Gurr	Interim CMA Chair	3/3
Justin Basini	Non-Executive Director	15/15
Martin Coleman	Competition Panel Chair and Non-Executive Director	14/15
Frank Dangeard	Non-Executive Director	13/15
Cynthia Dubin	Non-Executive Director	13/15
Dame Patricia Hodgson	Non-Executive Director	15/15
Murdoch MacLennan	Chair of the Office for the Internal Market and Non-Executive Director	9/15
Cyrus Mehta	Non-Executive Director	14/15
Dharmash Mistry	Non-Executive Director	12/15
Sarah Cardell	Chief Executive	15/15
Joel Bamford	Executive Director, Mergers	13/15
Juliette Enser	Executive Director, Competition Enforcement	1/1
Will Hayter	Executive Director, Digital Markets	15/15
Daniel Lambauer	Chief Operating Officer	6/6
Erik Wilson	Chief Operating Officer until July 24	6/6

14 George Lusty left the CMA in May 2025.

Board evaluation

We review the effectiveness of the Board annually, and its committees every 2 to 3 years; every third year this review is carried out by an independent reviewer. In 2023, we commissioned a full external review of the Board and its committees following a competitive procurement process and in line with best practice. The first part of this review concluded in January 2024 and the report was discussed at the Board in February 2024; it consisted of a high-level review of the effectiveness of the existing Board and its Committees to provide some learnings for a new Board to address in its development.

In summary, the report found that the CMA has an able and strategic Board that can provide informed challenge and is alert to ensuring the CMA's efficacy and regulatory reputation. Its recommendations included a significant induction schedule for new members, further development of the Board and ARAC's approach to managing risk, and changes to the Terms of Reference for the Remuneration Committee. These recommendations were taken forward as a programme of work during 2024.

In July 2024, we updated the Nominations Committee on actions so far and proposed next steps. Since then, we have reviewed the Terms of Reference for RemCo, with the Board agreeing these changes in November 2024. We have also reviewed and updated our risk management and reporting framework, agreeing the changes with XCo and ARAC in Q4 2024 to 2025.

Given the appointment of a new interim CMA Chair in January 2025, we expect to soon agree a revised plan for board evaluation for the coming year.

Board committees

The Board and its committees support the decision-making functions at the CMA.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) is chaired by Cynthia Dubin. The other members are: Kirstin Baker (a qualified accountant), Frances McLeman and Justin Basini.

ARAC's remit covers all aspects of corporate governance, risk management and internal control within the CMA. It advises the Principal Accounting Officer and the CMA Board on the appropriateness of the financial statements, whether they are fair, balanced and understandable, and the adequacy of audit arrangements (internal and external). ARAC also considers a range of assurances provided in respect of risk, procedures and internal controls including those relating to business continuity and information technology with a view to enabling the Board to assure itself of the effectiveness of the CMA's risk management system, and procedures and internal controls including business continuity and information technology. ARAC focusses on risk throughout each meeting, often considering in more detail issues that may raise specific risks for the CMA. ARAC meets quarterly but also holds extraordinary meetings in addition to its regular meetings to deal with topical issues in a more timely and flexible manner. ARAC met 7 times in 2024 to 2025.

ARAC meeting attendance 2024 to 2025

ARAC member	Role	Meeting attendance
Cynthia Dubin	Non-Executive Director	7/7
Kirstin Baker	Competition Panel Inquiry Chair	7/7
Justin Basini	Non-Executive Director	6/7
Frances McLeman	Competition Panel member	6/7

The Principal Accounting Officer and/or the Additional Accounting Officer (respectively the Chief Executive and/or the Chief Operating Officer), the CMA Chair, the Director of Finance, and General Counsel (who heads up the risk function) also attend ARAC. The National Audit Office and Government Internal Audit Agency are represented at these meetings.

Digital Markets Board Committee

The Digital Markets Board Committee (DMBC) was chaired by Marcus Bokkerink, until January 2025, and Doug Gurr thereafter. Other members are[15]: Sarah Cardell, Martin Coleman, Margot Daly, Frank Dangeard, Robin Foster, Dame Patricia Hodgson, Colleen Keck, Cyrus Mehta, Dharmash Mistry, Joel Bamford, Juliette Enser, and Will Hayter.

DMBC oversees and takes certain delegated decisions under the Digital Markets, Competition and Consumers Act 2024, including deciding whether to designate firms with strategic market status (SMS) and, potentially imposing conduct requirements and pro-competition interventions. DMBC meets at least quarterly and met 6 times in 2024 to 2025.

15 Robin Foster and Colleen Keck were appointed to DMBC in February 2025, and Frank Dangeard stepped down from this committee in April 2025.

DMBC meeting attendance 2024 to 2025

DMBC member	Role	Meeting attendance
Marcus Bokkerink	CMA Chair, until January 2025	6/6
Doug Gurr	CMA Interim Chair	1/1
Sarah Cardell	Chief Executive	7/7
Joel Bamford	Executive Director, Mergers	7/7/
Martin Coleman	Competition Panel Chair and Non-Executive Director	5/7
Margot Daly	Competition Panel Inquiry Chair	6/7
Frank Dangeard	Non-Executive Director	5/6
Juliette Enser	Executive Director, Competition Enforcement	6/7
Dame Patricia Hodgson	Non-Executive Director	7/7
Will Hayter	Executive Director, Digital Markets	7/7
Cyrus Metha	Non-Executive Director and Competition Panel member	6/7
Dharmash Mistry	Non-Executive Director	4/7
Robin Foster	Competition Panel member	1/1
Colleen Keck	Competition Panel member	1/1

The Chief Economic Adviser or Deputy Chief Economic Adviser and General Counsel or Deputy General Counsel attend meetings in an advisory capacity. The Chief Data Technology and Insight Officer also attends.

The Nominations Committee

The Nominations Committee (NomCo) is chaired by Cynthia Dubin. Other members are: Marcus Bokkerink, until January 2025, Doug Gurr, thereafter, and Sarah Cardell.

NomCo advises DBT on succession planning for executive and non-executive members of the Board and provides advice on future CMA Board appointments; NomCo also is responsible for advising the Chair on Board evaluation reviews. It met once in 2024 to 2025.

NomCo meeting attendance 2024 to 2025

NomCo member	Role	Meeting attendance
Cynthia Dubin	Non-Executive Director	1/1
Marcus Bokkerink	CMA Chair, until January 25	1/1
Doug Gurr	CMA Interim Chair	0/0
Sarah Cardell	Chief Executive	1/1

The Chief Operating Officer, Chief People Officer, and the Director of Executive Office may also attend NomCo.

The Open Banking Committee

The Open Banking Committee (OBC) provided guidance on the existing governance of Open Banking conducted by the Open Banking Implementation Entity, and on the future of Open Banking, which is being developed by the Joint Regulatory Oversight Committee (comprising the CMA, the Financial Conduct Authority, the Payment Systems Regulator and His Majesty's Treasury). The OBC did not meet during 2024 to 2025 and was dissolved by the CMA Board in June 2024.

The Remuneration Committee

The Remuneration Committee (RemCo) is chaired in the interim by Martin Coleman. Other members are: Marcus Bokkerink until January 2025, and Doug Gurr thereafter, Murdoch MacLennan and Cyrus Mehta.

RemCo provides a strategic steer on reward relating to all CMA employees and makes decisions or recommendations on all aspects of remuneration for senior civil servants in the CMA, in accordance with parameters set by the Cabinet Office and/or HM Treasury. The Remuneration Committee meets at least once a year and met 5 times in 2024 to 2025.

RemCo meeting attendance 2024 to 2025

RemCo member	Role	Meeting attendance
Martin Coleman	Competition Panel Chair and Non-Executive Director	5/5
Marcus Bokkerink	CMA Chair, until January 25	5/5
Doug Gurr	CMA Interim Chair	0/0
Murdoch MacLennan	Chair of the Office for the Internal Market and Non-Executive Director	5/5
Cyrus Mehta	Non-Executive Director and Competition Panel member	5/5

The CMA Chief Executive, Chief Operating Officer, Chief People Officer and HR Director responsible for Pay and Reward may also attend RemCo.

Subsidy Advice Unit Committee

The Subsidy Advice Unit Committee was chaired by Sarah Cardell, until April 2024, and Joel Bamford thereafter. Membership was also reviewed at that time with Jessica Lennard stepping down, and Juliette Enser and Anthony Wright joining. Other members are: Kirstin Baker, Murdoch MacLennan, Cyrus Mehta, Chris Prevett, Mike Walker, and Adam Land, who replaced Rachel Merelie in October 2024, after she left the CMA.

The Subsidy Advice Unit (SAU) Committee considers strategic matters such as they relate to the SAU's subsidy control functions. These include the SAU's overall strategy (including stakeholder management) and objectives; delivery and performance; planning for the pipeline of future referrals (e.g. resource planning); regime and reputational issues; and policy and procedures. The SAU Committee meets roughly fortnightly and met 15 times in 2024 to 2025.

SAU meeting attendance 2024 to 2025

SAU member	Role	Meeting attendance
Sarah Cardell	Chief Executive	0/1
Joel Bamford	Executive Director of Mergers	13/15
Kirstin Baker	Competition Panel Inquiry Chair	13/15
Juliette Enser	Executive Director for Competition Enforcement	8/12
Adam Land	Senior Director, SAU and OIM from October 24	7/7
Jessica Lennard	Chief Strategy and External Affairs Officer	1/3
Murdoch MacLennan	Chair of the Office for the Internal Market and Non-Executive Director	10/15
Cyrus Mehta	Non-Executive Director and Competition Panel member	12/14
Rachel Merelie	Senior Director, SAU and OIM, until October 24	6/8
Chris Prevett	General Counsel	8/15
Mike Walker	Chief Economic Advisor	9/15
Anthony Wright	Senior Director Communications	7/12

Executive Committee

The Executive Committee (XCo) is chaired by Sarah Cardell and members are part of the Senior Executive Team.

XCo is the overall decision-making body for performance and delivery. It oversees and makes decisions relating to strategy, delivery and performance, portfolio and pipeline, finance and risk, staffing, organisational transformation, regime issues and reputation. XCo also oversees and advises on the delivery of an internal audit programme, and makes decisions on matters relating to the Board, including preparing for and reviewing Board meetings. It further considers and approves recommendations from its sub-committees – the People and Operations Committee and the Resourcing, Portfolio and Pipeline Committee. XCo meets weekly.

Case and Policy Committee

The Case and Policy Committee (CPC) is chaired by Sarah Cardell, and its membership includes the majority of the Senior Executive Team, Senior Directors and 2 Competition Panel Inquiry Chairs.

CPC guides the development of CMA policy across all delivery tools, and provides oversight of cases and projects, ensuring consistency of approach and offers advice on high level legal, economic or policy issues as they arise. CPC meets fortnightly.

XCo sub-committees

People and Operations Committee

The People and Operations Committee (POC) was chaired by Erik Wilson, until July 2024, and Daniel Lambauer thereafter. Members include Senior Directors from across the CMA and directors from the Corporate Services Directorate.

POC reviews proposed policies, processes and structures that set standards of conduct, drive compliance, and ensure staff and assets' safety. In December 2024, XCo assumed responsibility from POC for ensuring an effective control environment. POC previously provided cross-CMA governance and oversight to time-limited corporate projects through the POC Plus programme board, although this function was also moved to XCo in September 2024. The POC Plus programme board was formally closed in March 2025. POC usually meets monthly.

Resourcing, Portfolio and Pipeline Committee

The Resourcing, Portfolio and Pipeline Committee (RPPC) is chaired by Sarah Cardell, and its members include Executive Directors and Senior Directors from across the CMA. RPPC provides strategic direction in relation to the CMA's use of its resources in its ongoing and prospective pipeline of work.

The Advisory Committee

In September 2021, the CMA launched an Advisory Committee (AdCo) as part of its wider work on equality, diversity and inclusion and the CMA's Race Action Plan. AdCo works to improve diversity of thought at senior levels of the CMA, providing insights and advice to inform, support and constructively challenge senior decision-making. AdCo acts in an advisory capacity and has no decision-making powers, though committees must consider AdCo's advice and recommendations. It also provides advice to committees including XCo, RPPC, and POC and advice to teams and other groups where requested.

AdCo has an external and independent Chair from the Civil Service who was appointed in September 2024. AdCo's members are drawn from different areas and professions across the CMA, and from backgrounds and groups that are under-represented at senior levels.

CMA Competition Panel

Members of the CMA's independent Panel conduct inquiries and make decisions on some of the most significant, complex and high-profile investigations made by the CMA

As set out in the Act, decisions on phase 2 merger inquiries, market investigations and regulatory appeals are made by independent groups drawn from the CMA Competition Panel. Each group has at least 3 members and is led by an Inquiry Chair. Competition Panel members may also be appointed to antitrust (Competition Act 1998) case decision groups.

The groups make their decisions independently of the CMA Board. The requirement for the Group to act independently does not prevent the CMA Board from giving appropriate information in its possession to a Group and vice versa. The Board is kept informed about resourcing, efficiency, the application of CMA policy and the staff processes that support the work of the Competition Panel. Legislation requires that at least one Competition Panel member sits on the CMA Board. They are the Panel Chair, Martin Coleman, and Cyrus Mehta who joined the Board in February 2024. Kirstin Baker, an Inquiry Chair, stepped down from the Board in March 2024.

More information about each of the Competition Panel members is available on our website, and their interests are disclosed as part of the appointment process. A conflicts check is conducted, on a case-by-case basis, when Competition Panel members are assigned to inquiries and, if necessary, a publication of the disclosure of interest is made on the relevant case page.

Competition Panel Inquiry Chairs

Martin Coleman (Panel Chair and Non-Executive Director)
See Martin's biography on page 68.

Kirstin Baker CBE (Inquiry Chair)
Kirstin was appointed as an Inquiry Chair in September 2018. She was also a Non-Executive Director between 2018 and 2024.

Margot Daly (Inquiry Chair)
Margot was appointed as an Inquiry Chair in September 2021, having been a Competition Panel member since May 2020.

Richard Feasey (Inquiry Chair)
Richard was appointed as an Inquiry Chair in April 2021, having been a Competition Panel member since October 2017. He is a member of the CMA's specialist utility panel.

Stuart McIntosh[16] (Inquiry Chair)
Stuart was appointed as an Inquiry Chair in April 2018, having been a Competition Panel member since October 2017. He is a member of the CMA's specialist utility panel.

Kip Meek (Inquiry Chair)
Kip was appointed as an Inquiry Chair in November 2018.

Competition Panel members

Jo Armstrong	Ulrike Hotopp	Sir Kenneth Parker
Humphrey Battcock	Paul Hughes	Keith Richards
Robin Cohen	Colleen Keck	Stephen Rose
Maria Da Cunha	Juliet Lazarus	Karthik Subramanya
Anne Fletcher	Sheila McClelland	John Thanassoulis
Robin Foster	Frances McLeman	Mark Thatcher
Roland Green	Cyrus Mehta	David Thomas
Ashleye Gunn	Paul Muysert	Claire Whyley
Susan Hankey	Jeremy Newman	Crispin Wright

OIM Panel

The OIM Panel assists the OIM in carrying out its functions, as set out in the UK Internal Market Act.

The Office for the Internal Market (OIM) is part of the Competition and Markets Authority (CMA). The Chair of the Office for the Internal Market, Murdoch MacLennan, sits on the CMA Board.

The OIM Panel provides general support and advice to the OIM in its functions under the United Kingdom Internal Market Act 2020, and in relation to its overall portfolio (through a "Standing Task Group" consisting of all OIM Panel members) and, in some cases, on specific pieces of work (through "Project-specific Task Groups" which may be formed of smaller numbers of OIM Panel members). In addition, the CMA may authorise the OIM Panel to carry out functions under Part 4 of the United Kingdom Internal Market Act 2020 on behalf of the CMA. In such cases the OIM Panel will act independently of the CMA Board.

More information about each of the OIM Panel members is available on our website, and members' interests are disclosed as part of the appointment process. A conflicts check is conducted ahead of each meeting of the OIM Panel and, if necessary, a

16 Stuart McIntosh stepped down from the Competition Panel as a member and as an Inquiry Chair in May 2025.

publication of the disclosure of interest will be made on the relevant OIM Panel member's webpage. The Panel meets monthly.

OIM Panel members

Angharad Butler	Michael Neilson	Tim Render
Stephen Gifford	Professor Suzanne Rab	Professor Andreas Stephan
Shane Lynch		

Risk management

Strong risk management helps the CMA make better decisions. The CMA's risk management approach supports its purpose to help people, businesses and the UK economy by promoting competitive markets and tackling unfair behaviour.

In 2024 to 2025, the CMA continued to build on its existing risk management framework to ensure that it remains aligned with good practice in The Orange Book and ISO31000, as this is an integral part of the governance of the CMA. The risk management framework ensures the appropriate assessment and treatment of risks, as well as consistency of risk identification, management and reporting. The framework also helps the CMA respond to uncertainties that may affect our ability to deliver our strategic priorities. Within the CMA, risks are discussed in an open and transparent way which allows the CMA to identify and treat risks quickly and creates a culture of ownership of risk issues at all levels of the organisation.

The risk management framework requires an assessment of the current profile of any given risk and that the residual risk is clearly set out. The residual risk is an assessment of the risk after all anticipated actions have been implemented to take the inherent risk down. This requirement means that active consideration is given to mitigating actions and what their effect will be once they are applied. The residual risk levels are assessed against the Board's Risk Appetite. During 2024 to 2025, XCo and the Board reviewed the format of the risk appetite statement and will be moving to a new format in 2025 to 2026. The new format is aligned with the guidance in the Orange Book, and will simplify communication of the Board's risk appetite and inform the risk tolerance of individual risks.

The CMA's corporate risk register gives a structured assessment of impact, likelihood and velocity. The risk function is led by the Risk Compliance Lead and the Legal Director for Governance, Compliance and Risk, with oversight from the General Counsel and Chief Operating Officer. The corporate risk register is split into 2 tiers of corporate and strategic risks. The risk register is subject to regular review by XCo, ARAC and the Board. All Tier 1 and Tier 2 risks have an Executive risk owner, who is responsible for updating their risks monthly to align with XCo meetings. This update is facilitated by the Risk and Compliance Lead, who updates the corporate register for XCo to review every month. XCo also reviews the operation of the risk framework and provides oversight of changes made to the framework. The risk approach is promoted to staff across the organisation, including through the CMA intranet pages and via training.

ARAC carries out a review of the risk register and effectiveness of the risk framework and provides feedback at each of its meetings. This includes obtaining assurance that risks are being appropriately managed and that mitigating actions are effective and operating as intended. During 2024 to 2025, we began to map the organisation's sources of assurance using a 3 Lines of Defence (3LoD) model. This work will continue to be developed in 2025 to 2026 and used to identify areas for further improvement.

The Board reviews tier 1 risks monthly, considering, in particular, escalated risks. It monitors the overall risk portfolio including the mitigating actions and provides challenge where appropriate. Risk management forms a key part of the update provided by the Chief Executive at every Board meeting, when the most important risks facing the organisation are raised with the Board.

We are planning to introduce a new risk register format in 2025 to 2026. This will support us in delivering further improvements to the effectiveness of reporting to XCo, ARAC and the Board, to support their management and oversight roles during this year.

This focused work on risk has resulted in improved risk reporting and management throughout the CMA. We set out more information on risks, challenges and opportunities in the Performance Report above (see page 40).

Implementation of Government Functional Standards

GFS create a coherent, effective, and standardised approach to undertake business within government and to provide a stable basis for capability building and continuous improvement

The Government Functional Standards (GFS) refer to a published suite of management standards developed by the Cabinet Office, which have been mandated for use across central government since September 2021, including functions such as project delivery, commercial and finance.

Our assurance framework provides clear roles and accountabilities for those engaged in frontline delivery and related corporate oversight, and the use of each relevant GFS has been embedded into the organisation.

We have fully implemented the management recommendations from the Government Internal Audit Agency (GIAA) Report from May 2023, through amendments to our governance, risk, and control framework for complying with the GFS and spend controls, including a new protocol for systematic assessments of compliance with GFS and regular reporting to the Audit and Risk Assurance Committee (ARAC).

The GIAA's Functional Standards audit review report was agreed in late March 2025. A plan of action was agreed to make further improvements to ensure effective and proportionate compliance, reporting and governance arrangements for the GFS.

Compliance

A strong compliance culture is fundamental in ensuring the CMA is run as efficiently and effectively as possible, and a robust compliance framework is embedded within the CMA's management and reporting processes

Corporate Governance Code

The CMA has complied with the principles and provisions of the Corporate Governance in Central Government Departments Code of Good Practice, to the extent appropriate and in line with its statutory duties.

Conflicts of interest

The CMA's Conflicts of Interest policy sets out the process for declaring outside interests and managing any potential conflicts that may arise for Board, Competition Panel and staff members as a result of outside interests. In line with this policy, all Board, Panel and staff members declare outside interests which could give rise to conflict risks to either their managers and/or the Compliance Officer for the purposes of assessing whether conflict risk arises as a result of outside interests and, if so, how it should be managed. This policy is both robust and adheres to the relevant requirements of the Civil Service Management Code.

In April 2025, an assurance exercise was undertaken to ensure that any paid outside employment held by Senior Civil Servants at the CMA does not present a conflict of interest. This exercise, the results of which have been scrutinised by the CMA's Audit and Risk Assurance Committee, found that no CMA Senior Civil Servants held remunerated positions or wider interests that might conflict with their obligations under the CMA's Conflicts of Interest policy or the Civil Service Management Code. In accordance with the Cabinet Office's guidance on the Declaration and management of outside interests in the Civil Service, we have published online the details of 3 CMA Senior Civil Servants' remunerated outside employment, which have been agreed in accordance with the CMA's Conflicts of interest policy.

Business Appointments

The CMA's Conflicts of Interest policy makes it clear that, when staff leave the organisation, they must comply with the requirements of the Business Appointment Rules (BARs) before they accept a new appointment outside the Civil Service. The CMA also has a dedicated BARs policy that sets out in more detail the process in place for handling applications made at different grades under the BARs. The CMA has taken steps to ensure that both policies are well publicised within the organisation, through internal communications, presentations to teams and the annual attestation process set out in the Conflicts of Interest policy.

The CMA's HR department follows a clearly defined process to ensure that BARs applications are completed by all staff before they leave the Civil Service and all applications from senior staff are considered by the Compliance Officer. Data on BARs applications is presented quarterly to the CMA's Audit and Risk Assurance Committee.

BARs Applications 2024 to 2025

In 2024 to 2025, the CMA applied the BARs to all staff leaving the Civil Service, and the CMA has been transparent in the decisions given in individual applications from senior staff, in compliance with the BARs transparency reporting requirements, details of which can be found on our website.

In addition to the BARs applications received in 2024 to 2025, and outlined below, there were 23 Conflict Check applications for transfers to Other Government Departments. There were no applications that were found to be unsuitable for the applicant to take up, and there were no breaches of the Rules.

Grade	Total Number	Number where conditions were set
AO	15	0
EO	4	0
HEO	15	0
SEO	5	0
G7	8	0
G7C	37	5
G6	2	0
G6C	18	2
PB1	6	5
PB1CS	9	4
PB2	4	0

SCS Pay Band 3 departures are considered by the CMA's Compliance Officer who then sends the application and any comments to ACOBA for advice on whether the individual can take up an appointment and, if so, whether any conditions should apply to the work that they can undertake. The Prime Minister makes the ultimate decision whether to accept the advice of ACOBA.

Where an appointment is approved, that outcome will be published on ACOBA's website. Acceptance of a new position is conditional on ACOBA approval of the application and no announcements by either the individual, the CMA or the individual's future employer are allowed before approval has been given.

Complaints and enquiries

Internal whistleblowing

The CMA's internal whistleblowing policy, known as 'Speaking Out', outlines the process to follow if a member of staff is aware of a perceived wrongdoing within the CMA, including something they believe goes against the core values in the Civil Service Code (i.e. integrity, honesty, objectivity and impartiality). The policy is available to all staff on the intranet and is highlighted to new staff during their induction programme. A programme of communications runs through the year, including blogs and involvement in the cross-Civil Service Speak Up week.

A network of staff trained as Speaking Out Advisers are available to staff who want to raise a concern but are not sure how to do so. Since 2023, we have Speaking Out Advisers in each of our office locations. The policy is part of the CMA's internal control framework and is reviewed each year. The CMA received no whistleblowing complaints during 2024 to 2025.

External whistleblowing

The CMA has a prescribed role under the Public Interest Disclosure Act 1998 for matters relating to the sale of goods or the supply of services, which adversely affect the interests of consumers; or about competition affecting markets in the UK. Under this legislation members of the public can make a 'protected disclosure' to the CMA, if it is in the public interest and relates to potential wrongdoing by their employer or ex-employer.

The CMA Whistleblower Hotline has been in operation since July 2021 and enables members of the public to make disclosures to us by phone, email or webform. In 2024 to 2025, we received 32 qualifying disclosures, of which 16 resulted in further investigation and 16 were recorded for intelligence. We publish our statistics annually and also submit a report to DBT.

Corporate complaints

The CMA takes complaints raised against it very seriously. Our complaints procedure allows for speedy informal resolution of complaints, for instance by a phone call, if that is satisfactory to the complainant, or through an escalation to an independent senior staff member if appropriate. We are committed to thorough investigation of any complaints raising serious issues about our conduct.

In 2024 to 2025, we received 6 enquiries which raised issues about our conduct, and which were treated as corporate complaints (2023 to 2024: 4). Of these 6 complaints, 4 were not upheld, and 2 were upheld and appropriate actions taken.

No complaints were made about the CMA to the Parliamentary and Health Service Ombudsman during 2024 to 2025 (2023 to 2024: none).

General correspondence

In 2024 to 2025 the CMA handled 5,734 items of written correspondence from the public, which included many reports from consumers and businesses about anti-competitive behaviour or problems in markets, some of which may lead us to scrutinise markets or investigate businesses that may be breaking the law. Many of these enquiries are discussed in weekly pipeline meetings, giving an opportunity for different teams to come together and discuss their interests in future investigations and projects.

We have a 10-day working target to reply to the written correspondence. In 2024 to 2025 we responded to 100% of the correspondence received within this KPI.

MPs letters

In 2024 to 2025 the CMA received 100 letters from MPs (not including ministerial departmental correspondence). We responded to 59% of these within our KPI of 15 working days and 80% within 20 working days (the statutory target). Our average processing time was 14 days.

Freedom of Information Act requests

Under the Freedom of Information Act 2000 (FOIA) a person who makes a request is entitled to be informed if the CMA holds information in scope of their request, and if so, to have that information communicated to them. These rights are subject to exclusions, (including a cost limit of £600 and an exclusion for vexatious requests) and exemptions as set out under the legislation. Under FOIA, the CMA must respond to requests promptly or within 20 working days. This can be extended in matters where further time is needed to conduct a public interest balancing test to apply an exemption.

We received 167 FOI requests between 1 April 2024 and 31 March 2025 and responded to 95% of these within the statutory 20 working day period. Detail on how we responded is set out below:

Number of requests granted in full	61
Number of requests where the CMA did not hold the information requested	12
Number of requests exempt because they exceeded the cost limit	10
Number of requests exempt because the request was vexatious	0
Number of requests where the CMA provided some of the information in scope but applied an exemption to other parts	29
Number of requests where the CMA applied an exemption to all parts of a request	55

Once the CMA has issued a response, the requester has the right to ask us to internally review our decision. When handling an internal review, we consider our decision afresh. In 2024 to 2025, we received and responded to 14 requests for internal reviews. In 10 of these our original decision was upheld, in 2 it was partially upheld, and information was released in the other 2.

Following an internal review, a requester can ask the Information Commissioner's Office (ICO) to consider the CMA's handling of a request. In 2024 to 2025, 2 requesters asked the ICO to do this. In one of these matters, the ICO agreed with our handling and no further action was required. In the other, we reconsidered our decision and, given the passage of time, decided to disclose the information requested in advance of the ICO decision.

Requests received under Data Protection legislation

Under data protection legislation (UK GDPR and the Data Protection Act 2018) a person has the right to access information about how the CMA has processed their data and to receive a copy of such data. A person can also ask the CMA not to process their personal data in a certain way, or at all, to erase their data, or to rectify their personal data. Requests must be responded to within one month of receipt.

In 2024 to 2025, we received 5 requests under Data Protection legislation: 3 subject access requests, 1 deletion request and 1 further request which was a combined subject access and data deletion request. We answered all requests within the statutory one-month period.

Personal Data Related Incidents

A personal data breach is a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. The CMA must inform the Information Commissioner's Office (ICO) of some breaches.

In the period between 1 April 2024 and 31 March 2025 we informed the ICO of 2 personal data breaches. The ICO did not take any action in respect of these reports and both matters have been closed.

Internal Audit

The Head of Internal Audit at the Government Internal Audit Agency provides an annual report and opinion on the systems of governance, risk management and control operating in the CMA based on the work undertaken during the year, knowledge of the business environment, and the work of others such as the National Audit Office.

In 2024 to 2025, the Head of Internal Audit provided an overall **Limited** opinion on the framework of governance, risk management and control within the CMA between 1 April 2024 and 31 March 2025.

This **Limited** opinion reflects a shift from Moderate when compared with last year. This shift is fundamentally as a result of the identification of a material weakness within the in-year financial and budgetary forecasting models.

The CMA identified a material shortfall in available funding during the year and requested that the GIAA conduct a review to identify the root cause of the funding shortfall. The Head of Internal Audit identified a significant weakness within the accuracy of the in-year financial and workforce planning and forecasting model projections, which resulted in the funding shortfall. The GIAA's work in this area resulted in a Limited assurance opinion, with a number of recommendations for improvement made. Having assessed the actions taken by management since this significant weakness was uncovered, it is the Head of Internal Audit's opinion that the root cause of the in-year financial shortfall has been addressed (design and application of staff turnover calculations within the budget setting and in year staff cost forecasting models combined with an inadequate quality and assurance controls framework). The CMA has introduced a wide range of corrective measures to address the emerging in year financial shortfall and has agreed a revised budget with His Majesty's Treasury. The Head of Internal Audit will conduct a follow up review to assess the effectiveness of the actions taken as part of the 2025 to 2026 audit plan.

Assurance activities this year confirmed that more generally there is an adequate governance, risk management and control framework in place, although the GIAA's reviews identified areas where these could be enhanced further, such as manually intensive processes and procedures, the adequacy of the planning and financial forecasting activities and management information provided to enable effective oversight and decision making.

Principal risks impacting on delivery of the strategic and organisational objectives are regularly reported and reviewed by the senior governance committees, and there is a dedicated risk lead and clear accountability for ensuring all emerging risks are identified and effectively managed. The Head of Internal Audit's assessment is that there is adequate oversight of operational performance including effective decision making.

Management have continued to demonstrate a commitment to implementing recommendations arising from the GIAA's audit reviews and revised internal governance arrangements have been introduced to ensure that there is clear accountability for all agreed actions. The status of all outstanding actions is regularly reported and monitored at Executive Committee meetings and the Audit and Risk Assurance Committee.

CMA has continued to evolve and grow in readiness for taking on new consumer enforcement powers with effect from April 2025. It has also seen changes to senior management roles within the organisation including a new Chair, Chief Operating Officer and Chief People Officer. Although the business has lost some corporate memory as a result of this change, it has provided a refreshed perspective and an opportunity for the CMA going forward.

CMA has proactively engaged with GIAA in a positive manner throughout the year, inviting the Head of Internal Audit to attend key governance committee meetings to discuss and agree emerging findings and progress the CMA audit plan during the year.

Reporting on better regulation

Better regulation aims to minimise the burdens on businesses and consumers

Part 4 of the Regulatory Enforcement and Sanctions Act 2008 requires the CMA to report on its compliance with its duty under the Act to avoid imposing or maintaining unnecessary burdens on businesses in performing regulatory functions. Where our work results in regulatory functions, it does so under competition or mergers law, which are expressly excluded from better regulation reporting controls. We have no power to make rules or otherwise impose burdens affecting businesses generally. Our interventions take place in relation to specific businesses or markets, and we intervene only in the light of clear evidence of market failure and/or breaches of law that threaten the proper working of markets.

Remuneration Report

Senior management – single total figure of remuneration (audited)

Senior management	Salary		Allowances		Bonuses[17]		Pensions[18]		Payments upon leaving[19]		Total	
	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Chris Prevett[20]	185-190	160-165	-	-	10-15	10-15	69	62	-	-	265-270	235-240
Christina Duncan[21]	135-140	-	-	-	-	-	48	-	-	-	185-190	-
Daniel Lambauer[22]	75-80	-	-	-	-	-	71	-	-	-	145-150	-
Erik Wilson CBE[23]	50-55	150-155	-	-	15-20	10-15	142	118	5-10	-	215-220	280-285
George Lusty	160-165	-	-	-	10-15	-	138	-	-	-	310-315	-
Jessica Lennard	155-160	95-100	-	-	-	-	61	45	-	-	215-220	140-145
Joel Bamford [24]	185-190	20-25	-	-	-	-	69	10	-	-	255-260	35-40
Juliette Enser [25]	160-165	-	-	-	15-20	-	113	-	-	-	290-295	290-295-
Karen Croxson[26]	165-170	-	-	-	5-10	-	62	-	-	-	235-240	-
Lucy Robbins [27]	0-5	130-135	-	0-5	-	10-15	1	52	0-5	-	5-10	200-205
Mike Walker [28]	190-195	190-195	-	-	-	5-10	70	70	-	-	260-265	270-275
Sarah Cardell [29]	215-220	220-225	-	-	15-20	10-15	32	33	-	-	265-270	265-270
Will Hayter[30]	165-170	140-145	-	-	15-20	10-15	62	55	-	-	245-250	210-215

17 The figures provided in the 2024 to 2025 column relate to the 2023 to 2024 performance year. Figures provided in the 2023 to 2024 column relate to the 2022 to 2023 performance year.

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

19 Payment upon leaving includes untaken annual leave entitled up to last date of employment, payment in lieu of notice and any exit package payments.

20 Chris Prevett's base salary for 2024 to 2025 was £175k to 180k. Salary column includes a non-consolidated amount of £5k to £10k.

21 Christina Duncan joined the CMA as Chief People Officer on 15 April 2024. Full year annual base salary in 2024 to 2025 was £140k to £145k.

22 Daniel Lambauer joined the CMA as Chief Operational Officer on 30 September 2024. Full year annual base salary in 2024 to 2025 was £145k to £150k.

23 Erik Wilson left the CMA on 31 July 2024. Payment upon leaving includes annual leave payment of £5k to 10k. Full year annual base salary in 2024 to 2025 was £155k to £160k.

24 Joel Bamford's base salary for 2024 to 2025 was £175k to £180k. Salary column includes a non-consolidated amount of £5k to £10k.

25 Juliette Enser was promoted to Executive Director, Competition Enforcement on 17 February 2025. Full year annual base salary in 2024 to 2025 was £160k to £165k.

26 Karen Croxson joined the CMA Senior Executive Team on 2 April 2024; therefore, remuneration data was not reportable for 2023 to 2024. Karen's base salary for 2024 to 2025 was £160k to £165k. Salary column includes a non-consolidated amount of £5k to £10k. Her 2024 to 2025 bonus payment has been pro-rated for the 6-month period worked in the 2023 to 2024 performance year.

27 Lucy Robbins left the CMA on 5 April 2024. Full year annual base salary in 2024 to 2025 was £145k to £150k. Payments upon leaving includes annual leave payment of £0k to £5k.

28 Mike Walker's base salary for 2024 to 2025 was £180k to £185k. Salary column includes a non-consolidated amount of £5k to £10k.

29 Sarah Cardell's base salary for 2024 to 2025 was £205k to £210k. Salary column includes a non-consolidated amount of £10k to £15k.

30 Will Hayter's base salary for 2024 to 2025 was £160k to £165k. Salary column includes a non-consolidated amount of £5k to £10k.

Accrued pension benefits

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.

Non-consolidated payments (Salary and bonus)

Bonus awards are made in the form of non-consolidated payments. Any non-consolidated payments included in this table and referred to in the footnotes which do not relate to a bonus payment, are made in instances whereby applying the 2024 to 2025 pay award individuals would exceed the pay band maximum for their grade. Any excess is therefore paid as a non-consolidated amount. The non-consolidated payments can also be applied in instances where a salary exception has been agreed with HM Treasury for a set base salary, therefore any increase resulting from the 2024 to 2025 pay award is paid as a non-consolidated amount rather than increasing the individual's base salary.

Fair pay disclosures (audited)

Scope

The scope of the Fair Pay Disclosure includes all staff on the CMA payroll on 31 March 2025 that fall into the following categories: Permanent, Fixed Term, Short Term Appointment, Loan In, Loan Out, Secondee In, Secondee Out. It also includes Agency and Seconded In staff who are not on the CMA payroll but were working for the CMA on 31 March 2025.

Percentage change in pay

For the highest paid director, there has been a reduction of 2.2% when comparing the 2024 to 2025 mid-point of the band for total salary and allowances (£215k to £220k) to the 2023 to 2024 figure (£220k to £225k). This decrease is largely a result of a smaller non-consolidated payment being made as part of the 2024 to 2025 pay award. Conversely, there has been an increase of 40.0% to the 2024 to 2025 mid-point of the band for performance pay and bonuses (£15k to £20k) compared to 2023 to 2024 (£10k to £15k); noting that the actual percentage increase in bonus was not 40%. When considering total salary, allowances and bonuses, there has been a decrease of 2.1% overall when comparing the mid-point of the band for 2024 to 2025 (£230k to £235k) to the mid-point of the band for 2023 to 2024 (£235k to £240k).

Excluding the highest paid director, the average salary and allowances for all staff has risen by 3.6% since 2023 to 2024. Concurrently, there has been a decrease of 45.7% in average performance-related pay (PRP) and bonuses over the same period. This can be attributed to the fact that 2023 to 2024 bonus figures included the non-consolidated payment of £1,500 made to all eligible staff in June 2023 (as detailed in the Civil Service Pay Remit Guidance: Addendum Guidance 2023/24).

Pay ratios

The pay ratios show the relationship between the total pay and benefits of the highest paid director and the total pay and benefits of the remainder of the CMA workforce. Total pay and benefits include salary, allowances, non-consolidated pay, and benefits in kind. It does not include severance payments, employer pension contributions and the Cash Equivalent Transfer Values (CETV) of pensions.

During financial year 2024 to 2025, the banded full-time equivalent remuneration for the highest-paid director at the CMA ranged from £230k to £235k, compared to £235k to £240k in 2023 to 2024.

In 2024 to 2025, no staff member received remuneration in excess of the highest-paid director, which was also true in 2023 to 2024 (2023 to 2024: nil). Remuneration for staff, excluding the highest-paid director, ranged from £26.7k to £199.5k (2023 to 2024: £25.4k to £202.9k).

The table below shows the ratios between the highest paid director and their remuneration and the pay and benefits of the employee at the 25th percentile, the median and the 75th percentile.

	2024 to 2025			2023 to 2024		
	Total pay & benefits (£)	Salary (£)	Pay ratio	Total pay & benefits (£)	Salary (£)	Pay ratio
25th percentile	42,196	41,214	5.51: 1	41,777	40,356	5.68:1
Median	64,609	63,627	3.6: 1	63,106	60,481	3.76:1
75th percentile	85,819	84,837	2.71: 1	84,176	81,313	2.82:1

There has been a 0.17 decrease in the pay ratio at the 25th percentile. There has been a 0.16 decrease in the pay ratio at the 50th percentile and a 0.11 decrease in the pay ratio at the 75th percentile.

Senior management – pension benefits (audited)

	Accrued pension at pension age as at 31 March 2025	Real increase in pension and related lump sum at pension age	CETV at 31 March 2025	CETV at 31 March 2024[31]	Real increase / (decrease) in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	£000
Chris Prevett	35-40	2.5-5	470	385	38	-
Christina Duncan	5-10	2.5-5	71	31	31	-
Daniel Lambauer	40-45	2.5-5	601	540	45	-
Erik Wilson CBE	110-115	5-7.5	2,465	2,293	151	-
George Lusty	50-55	7.5-10	720	611	85	-
Jessica Lennard	5-10	2.5-5	77	31	32	-
Joel Bamford	0-5	2.5-5	58	7	36	-
Juliette Enser	40-45	5-7.5	705	594	85	-
Karen Croxson	5-10	2.5-5	82	28	40	-
Lucy Robbins	20-25	0-2.5	321	307	1	-
Mike Walker	55-60	2.5-5	932	795	53	-
Sarah Cardell	-	-	-	-	-	32
Will Hayter	45-50	2.5-5	601	511	35	-

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.

31 The pension benefits of any members affected by the public service pensions remedy which were reported in 2022-23 on the basis of **alpha** membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023/24 on the basis of PCSPS membership for the same period.

Non-Executive Board members remuneration (audited)

	2024 to 2025		2023 to 2024	
	Salary	Benefits in kind	Salary	Benefits in kind
	£000	Nearest £100	£000	Nearest £100
Cynthia Dubin	25-30	-	25-30	-
Cyrus Mehta	25-30	-	0-5	-
Dame Patricia Hodgson	25-30	-	0-5	-
Dharmesh Mistry	25-30	-	0-5	-
Doug Gurr[32]	20-25	-	-	-
Franck Dangeard	25-30	-	0-5	-
Justin Basini	25-30	-	0-5	-
Marcus Bokkerink [33]	85-90	-	105-110	-
Martin Coleman[34]	25-30	-	25-30	-
Murdoch MacLennan	25-30	-	25-30	-

All the Non-Executive Board members (NEDs) were engaged on a 30-days per year basis except for Doug Gurr and Marcus Bokkerink who were engaged to commit a minimum of 2-days per week.

The Chairman and the NEDs are not members of the Principal Civil Service Pension Scheme and they have no other pension entitlements with the CMA (2023 to 2024: nil).

Remuneration policy

The remuneration of Senior Civil Servants (SCS) is set by the Cabinet Office following independent advice from the Senior Salaries Review Body (SSRB).

The SSRB provides advice from time to time on the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975 (as amended).

32 Doug Gurr joined the CMA on 21 January 2025. Full year annual salary in 2024 to 2025 was £105k to £110k.

33 Marcus Bokkerink left the CMA on 21 January 2025. Full year annual salary in 2024 to 2025 was £105k to £110k.

34 The salary provided for Martin Coleman relates to his role as a CMA NED only. In 2024 to 2025 Martin was also employed as a CMA Panel Chair and in 2024 to 2025 earned a total remuneration of £135k to £140k for their work on the CMA Board and Panel.

In reaching its recommendations, the SSRB considers:

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

The SSRB takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

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, 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. In 2024 to 2025 no payments were made (2023 to 2024: 1).

Salary and bonuses

Salary covers both pensionable and non-pensionable amounts and includes but may not necessarily be confined to gross salaries; overtime; recruitment and retention allowances; private office allowances; other allowances (to the extent that they are subject to UK taxation); and any ex-gratia payments. This report is based on accrued payments made by the CMA.

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual.

The bonuses reported in 2024 to 2025 relate to performance in 2023 to 2024 and the comparative bonuses reported for 2023 to 2024 relate to the performance in 2022 to 2023

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 2 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.

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[35] is made up of 2 parts. 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. This is known as "rollback".

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions

35 How the public service pensions remedy affects your pension - GOV.UK

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

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.

Staff Report

Our people are key to our ability to deliver on our ambitious plans and enable us to deliver work, which drives growth and investment in the UK whilst fulfilling our core purpose to promote competition and protect consumers.

We remain committed to ensuring we are a great employer that enables all our people to contribute to our success and to thrive. As an employer, we benefit from the varied perspectives, skills, backgrounds and experiences of our people; and we are committed to providing opportunities for all colleagues to progress their career here at the CMA.

Our Values

Our Values give us a shared understanding of what it means to be part of the CMA and through our values we deliver impactful outcomes – for people, businesses and the UK economy. We are **ambitious** and **evidence-based** and always strive for **excellence**. We treat everyone with **respect** and are **collaborative** and **inclusive**. Everything we do is **underpinned by the Civil Service values**: Honesty, Integrity, Objectivity and Impartiality.

Improving our employee experience: making the CMA a great place to work

Staff engagement

The CMA participates in the Annual Civil Service People Survey. In the 2024 results, which were published in December 2024, the CMA's response rate was 65% and our engagement score was 64% (compared to 65% in the previous year).

The data analysis provides insight to support the delivery of our key employee experience priorities, and directorates are expected to consider and put in place Local Action Plans in response to feedback. We are incorporating our organisation-wide response into our broader CMA transformation programme in the next 12 months.

Equality, Diversity and Inclusion (EDI)

To deliver our Equality, Diversity and Inclusion Strategy 2020 – 2024 we have published detailed annual action plans as well as annual progress reports.

Our core strategic EDI objectives remained:

- building a diverse and inclusive workforce that reflects and understands the public we serve
- ensuring all our colleagues are valued and can contribute to our success
- empowering and enabling all colleagues to thrive and prosper

2024 to 2025 is the final delivery year of this EDI strategy and we have focussed on delivering the following:

- we commissioned an end-to-end review of our recruitment processes (including an Inclusivity Diagnostic on the impact of our hiring processes through 9 candidate diversity lenses). The review included qualitative analysis, user feedback and candidate impact research, and provided a set of actionable recommendations based on best practice from industry and academic research

- we used our diversity dashboard to measure and report on our representation for grades AO to G6 and SCS, and we set some Diversity representation ambitions (which are internal goals to build stronger representation particularly in our SCS and G6 and G7 pipelines)
- we commissioned an Inclusivity Diagnostic on the impact of our hiring processes through 9 candidate diversity lenses. The review included qualitative analysis, user feedback and candidate impact research, and provided a set of actionable recommendations based on best practice from industry and academic research. In response to the feedback, we have developed new interactive candidate packs which share more information on the CMA, the role being recruited to, and the benefits of working in our organisation. Other improvements include refreshing our LinkedIn Life pages, spotlighting areas of our work, aims and activity
- we have also continued our work to refresh our approach to performance and development and which includes new processes, policy and frameworks, as well as ensuring our managers have access to support, training and tools to enable them manage performance fairly and effectively. As part of the refreshed approach, we have developed the CMA success framework, which provides a clear guide for colleagues and managers of expectations on skills, expertise and behaviours needed for each role and grade in the organisation. This supports a more consistent approach to managing performance and development
- we have continued to develop leadership capability and awareness using panel discussions, awareness events, content and webinars, as well as supporting national inclusion and wellbeing days

In the autumn of 2024, we began work to develop the next iteration of our EDI strategy (for 2025-2028), which included reviewing both quantitative and qualitative data to enable us to be evidence based in setting our priorities.

We adopted the following principles:

- we are insight led, and evidence based
- we design interventions and actions through an understanding of the real-life experiences of the people we serve
- our plans have longevity for us to build on our progress and embed changes in the organisation
- we focus on building organisational capability to ensure that leaders and colleagues have the knowledge, skills and behaviours to create and sustain a diverse and inclusive culture

More information can be found in the CMA Diversity and Inclusion Annual Plan for 2025.

Staff policies applied for disabled staff

Candidates applying through the Disability Confident Scheme (DCS) are guaranteed an interview if their application scores the minimum acceptable level, or higher, for all elements assessed, regardless of whether there are higher scoring candidates.

We have increased the information on what kinds of reasonable adjustments are available so that during the recruitment process candidates are encouraged to tell us what changes or help they might need, so that we can make reasonable adjustments to support them equitably in their application.

We use the cross-government Workplace Adjustment Passport which aims to support the conversation between an individual and their manager about their disability, health condition or gender reassignment and any workplace adjustments that might need to be made.

Our VisAbility staff network's primary aim is to raise awareness and celebrate the abilities of staff members with either a non-visible and / or visible disability (physical and mental health) or long-term health condition. The VisAbility network partnerships with the Dyslexia Network for the benefit of their members.

Learning and Careers

The CMA’s Academy offers a wider range of learning and development opportunities supporting continued professional development and enable colleagues to develop the skills and capabilities needed to deliver in their role.

The Academy offer covers a mix of in-person and online training and development in areas of technical capabilities, leadership and people management and soft skills. Our learning offer is aligned to support the delivery of the CMA’s strategic priorities, while ensuring value for money and compliance with central government procurement guidance and spend controls.

It also oversees the CMA’s induction programme to include the Civil Service line managers programme and have evaluated the induction experience across all office locations, achieving an 86% satisfaction rate.

The Academy continues to support many colleagues to develop their professional skills though on-going professional development, memberships, conferences, and professional qualifications. We funded 125 professional body memberships for 125 colleagues and enabled 27 colleagues to attend professional conferences. We also supported applications to maintain registration through the Solicitors Regulation Authority, and applications towards professional qualifications/further study. The CMA had 22 apprentices in post at the end of March 2025, including in roles across Data, Business Administration, Commercial and Economics, continuing our commitment to build capability and develop our diverse talent pipeline.

The CMA leverages a framework of Professions to support our identification of future skills, and the Academy’s work includes consulting with Professions and cross organisational departments on development needs and strategically aligned skills assessments.

In 2024 we delivered a range of interventions on digital skills to make better use of tools, technology, and data. delivering tailored bite sized courses on Microsoft apps as well as supporting skills development in AI, data, and automation.

The Academy has enhanced learning and development communications through an accessible digital platform (Upskill) outlining monthly opportunities, resources, and signposting to key programmes available for colleagues.

Attracting talent

In 2024 the CMA concluded the headcount growth related to our new responsibilities, but we continue to need to attract talent to mitigate attrition and to ensure we build longer term talent pipelines and have the right capabilities for the future. We continued a range of recruitment outreach activities in part to support our regional growth. This has included open days, careers fairs, talks and seminars, as well as events focused on the Devolved Nations and regions:

- the Office of the Chief Economic Advisor completed a series of economics lectures at universities across England, Scotland and Wales
- Legal Services colleagues attended careers fairs at City University in London and continued to recruit entry level staff via the Government Legal Department scheme
- colleagues engaged with the Manchester University Law department, delivering a key speech to competition students. alongside a micro-placement partnership, offering short term placements with the CMA. Legal Services have also engaged with the Manchester Law Society
- we have continued to foster relationships with the Darlington Economic Campus Outreach Group, with colleagues based in Darlington taking part in local events and workshops

Wellbeing and Health & Safety

The CMA values the health, safety, and wellbeing of our colleagues as well as contractors and visitors. We continue to promote a healthy work environment provide colleagues with access to information and support services including occupational health and an Employee Assistance Programme that provides support and advice to staff on workplace, family, relationship and financial matters, as well as access to counselling services.

We ensure a comprehensive and consistent approach across all the CMA office locations. We ensure compliance is set with a minimum of standards (although the provision of some facilities such as cafés, wellness rooms, multi faith prayer rooms etc can vary from location to location).

We have a comprehensive and consistent approach across all the CMA office locations, ensuring compliance with a minimum set of standards (although the provision of some facilities such as cafés, wellness rooms, multi faith prayer rooms etc can vary from location to location).

Health and safety compliance testing has been carried out across all CMA sites, such as building inspections, safety audits, fire risk assessments, fire extinguisher inspections, lift maintenance and inspections, water risk assessments, Portable Appliance Testing, fire door inspections, and fire suppression system testing.

First aid, mental health first aid, and fire warden training has been delivered to provide cover and support for staff at all sites, with the recruitment and training requirements for persons to take up these roles being constantly reviewed.

CMA emergency evacuation plans and procedures are in place for all locations.

During 2024 to 2025, 3 accidents and 6 near misses were recorded for CMA staff, but none of these accidents met the requirements for a reportable accident (2023 to 2024: 3 accidents and 5 near misses). These figures are in keeping with the low-risk environment in which the CMA operates.

Sickness absence

The average working days lost in 2024 to 2025 due to absence per FTE employee was 5.3 days (2023 to 2024: 4.11 days). The most recently published Civil Service figure was an average of 7.8 days.

Staff turnover

The CMA's annual staff turnover rate for permanent staff in 2024 to 2025 was 8.3%, decrease of 2.1% (2023 to 2024: 10.4%).

Trade Union Facility Time

Facility Time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative.

Relevant union officials

28 staff (22.26 FTE) were relevant union officials during 2024 to 2025 (2023 to 2024: 19.46 FTE). 8 union officials spent 0% of their working hours on facility time in 2024 to 2025 (2023 to 2024: 5) and 20 union officials spent up to 50% of their working hours on facility time in 2024 to 2025 (2023 to 2024:15).

The time spent by union officials on paid trade union activities as a percentage of total paid facility time hours in 2024 to 2025 was 9.93% (2023 to 2024: 6.76%).

The percentage of the total pay bill in 2024 to 2025 spent on paying employees who were relevant union officials for facility time was 0.071% (2023 to 2024: 0.056%).

Off-payroll engagements

Off-payroll worker engagements, earning £245 per day or greater, as of 31 March 2025.

Number of existing engagements as of 31 March 2025	
Of which, no. that existed:	52
Less than 1 year	29
For between 1 and 2 years	11
For between 2 and 3 years	8
For between 3 and 4 years	4
For 4 or more years	-

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

Number of temporary off-payroll workers engaged during the year ended 31 March 2025	
Of which:	41
Not subject to off-payroll legislation	29
Subject to off-payroll legislation and determined as in-scope of IR35	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	12
No. of engagements reassessed for compliance or assurance purposes during the year	-
Of which: No. of engagements that saw a change to IR35 status following review	-

Any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025.

Number of on and off-payroll board members engaged during the year ended 31 March 2025	
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements	3

Off-payroll workers are typically engaged either through commercial contracts to deliver expert services or as temporary agency workers to fill hard to recruit roles, provide temporary cover for key roles or to deliver urgent and time critical projects.

Staff costs (audited)

Staff costs comprise:

	2024 to 2025			2023 to 2024
	Permanently employed staff	Others[36]	Total	Total
	£000	£000	£000	£000
Wages and salaries	75,262	1,840	77,102	69,128
Social security costs	9,138	-	9,138	7,796
Pension costs	20,228	-	20,228	17,174
Sub total	**104,628**	**1,840**	**106,468**	**94,098**
Other staff costs	326	-	326	611
Recoveries of income in respect of outward secondments	(14)	-	(14)	(16)
Total	**104,940**	**1,840**	**106,780**	**94,693**

The total wages and salaries for 2024 to 2025 have increased compared to 2023 to 2024. This is reflective of the annual pay award that has been applied as well as a slight increase in the number of people employed.

Staff numbers (audited)

The number of staff (FTE) at 31 March 2025 and the average number of staff (FTE) during the year:

	At year-end		Average for year	
	2024 to 2025	2023 to 2024	2024 to 2025	2023 to 2024
	Number	Number	Number	Number
Permanent staff	1,025.9	955.8	994.2	884.6
Others[37]	104.2	131.8	131.3	123.9
Total[38]	1,130.2	1,087.7	1,125.5	1,008.6

The 2024 to 2025 year-end figure is 42.5 FTE higher than the year-end figure for 2023 to 2024.

36 Wages and salaries of Others comprises of agency and temporary staff.

37 Others includes loans in, secondments in, fixed term contracts and agency workers. The CMA has no ministers or special advisers.

38 Total figure differs from published workforce management information as the total in the CMA annual report and accounts includes individuals not on payroll.

Staff composition

The composition, by grade, of staff engaged on a contract of employment[39], at 31 March 2025 by grade:

	2024 to 2025		2023 to 2024	
	Male	Female	Male	Female
SCS3 (Director)	0.0	1.0	0.0	1.0
SCS2 (Director)	16.66	16.4	12.9	11.9
SCS1 (Director)	51.51	52.13	60.2	51.9
Grade 6	131.96	123.2	127.1	113.3
Grade 7	151.37	152.68	138.6	141.9
SEO	63.4	47.38	54.6	42.3
HEO	99	107.41	92.0	103.7
EO	33.96	40.49	27.5	43.6
AO	14	17	17.0	18.0
Total	561.9	557.7	529.9	527.5

Staff on loan

In 2024 to 2025, the total number of loans used by the CMA was 56 (2023 to 2024: 77). The majority of loans have been with the Legal services and Office of the Chief Economic Adviser (OCEA) directorates, with 39 loans in. Legal services had 14 loans in, and OCEA had 12 loans in, mainly Economists.

The driving force for utilising loans is proactively sourcing staff with the relevant knowledge and experience, but also an understanding of ways of working in the Civil Service, in order to complement external recruitment campaigns. Some loans have resulted from specialist knowledge requirements for our casework, and a way to source staff at pace. By utilising staff members from both within and outside the CMA, we have been able to build experience and expertise within business areas, as well as upskilling staff who ultimately return to their home department. The same is true for staff returning to CMA from loans elsewhere.

39 Staff composition data differs from the number of people employed data as it only includes persons employed on a contract of employment and excludes secondees and agency workers.

	Outward staff loans 2024 to 2025		Inward staff loans 2024 to 2025	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
SCS3 (Director)	0	0	0	0
SCS2 (Director)	0	0	0	0
SCS1 (Director)	0	2	0	0
Grade 6	0	5	1	6
Grade 7	3	1	4	20
SEO	0	1	0	2
HEO	1	2	2	4
EO	2	0	0	0
AO	0	0	0	0
Total	**6**	**11**	**7**	**32**

Expenditure on consultancy

In 2024 to 2025, the CMA spent £1.15 million on consultancy (2023 to 2024: £1.80 million). The decrease in expenditure reflects the completion of programmes such as the review of the CMA's approach to performance development and reward (PDRR) whilst we continue to invest in the CMA's digital transformation.

Exit packages (audited)

Exit packages are paid, where applicable, in accordance with the terms of the Civil Service Compensation Scheme. Exit costs are accounted for in full when a commitment has been made by the CMA and are paid in the year of departure.

No exit packages were paid in 2024 to 2025 (2023 to 2024: 1).

Exit packages in 2023 to 2024 were as follows:

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10k	0	0	0
£10k to £25k	0	0	0
£25k to £50k	0	0	0
£50k to £100k	0	0	0
£100k to £150k	0	1	1
£150k to £200k	0	0	0
Total	0	1	1

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. The table above shows the total cost of exit packages agreed and accounted for in 2023 to 2024. £100k to £150k exit costs were paid in 2023 to 2024, the year of departure.

Statement of Outturn against Parliamentary Supply (SOPS)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the CMA 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 the CMA has spent against our 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 the CMA exceed the limits set by their Supply Estimate, called control limits, its accounts will receive a qualified opinion.

The format of the SOPS mirrors the Supply Estimate to enable comparability between what Parliament approves and the final outturn.

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

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

The SOPS and the Supply Estimate are compiled in line with HM Treasury's budgeting framework. An explanation of the budgeting framework and key terms is provided in the Directors' report: Financial Review section of the Corporate Governance Report, beginning on page 61. 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.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The Director's report: financial review, in the Corporate Governance Report, provides a summarised discussion of outturn against the Supply Estimate and functions as an introduction to the SOPS disclosures.

Summary tables – mirrors part 1 of the estimates

Summary table 2024 to 2025

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Please refer to the Supply Estimates: a guidance manual for detail on the control limits voted by Parliament

	2024 to 2025									2023 to 2024
	Outturn			Estimate			Outturn vs Estimate, saving/ (excess)			Outturn
Type of spend	SOPS Note	Voted	Non-voted	Total	Voted	Non-voted	Total	Voted	Total	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Departmental Expenditure Limit										
Resource	1.1	137,523[40]	-	137,523	152,636	-	152,636	15,113	15,113	123,059
Capital	1.2	6,501	-	6,501	8,120	-	8,120	1,619	1,619	6,330
Total		144,024	-	144,024	160,756	-	160,756	16,732	16,732	129,389
Annually Managed Expenditure										
Resource	1.1	(15,739)	-	(15,739)	27,000	-	27,000	42,739	42,739	18,157
Capital	1.2	274	-	274	2,000	-	2,000	1,726	1,726	(345)
Total		(15,465)	-	(15,465)	29,000	-	29,000	44,465	44,465	17,812
Total Budget										
Resource	1.1	121,784	-	121,784	179,636	-	179,636	57,852	57,852	141,216
Capital	1.2	6,775	-	6,775	10,120	-	10,120	3,345	3,345	5,985
Total Budget Expenditure		128,559	-	128,559	189,756	-	189,756	61,197	61,197	147,201
Non-Budget Expenditure										
Total Budget and Non-Budget		128,559	-	128,559	189,756	-	189,756	61,197	61,197	147,201

40 In the Directors' report: financial review on page 61, the Resource DEL outturn, excluding depreciation, is £137.53 million less £11.08 million (SOPS table 3), totalling £126.45 million. This is against a Resource DEL budget, excluding depreciation, of £152.63 million less £14.46 million (SOPS table 3), totalling £138.17 million, resulting in a Resource DEL underspend of £11.72 million.

Net cash requirement 2024 to 2025

		2024 to 2025			2023 to 2024
Item	SOPS Note	Outturn	Estimate	Outturn vs Estimate: savings/(excess)	Outturn
		£000	£000	£000	£000
Net Cash Requirement	3	141,148	151,299	10,151	120,383

Administration costs 2024 to 2025

		2024 to 2025			2023 to 2024
Type of spend	SOPS Note	Outturn	Estimate	Outturn vs Estimate: savings/(excess)	Outturn
		£000	£000	£000	£000
Administration costs	1.1	26,373	32,721	6,348	24,349

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 to 2025

SOPS 1 Outturn detail, by Estimate Line

SOPS 1.1 Analysis of resource outturn by Estimate Line

	2024 to 2025									2023 to 2024
Type of spend (Resource)	Resource outturn							Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total
	Administration			Programme			Outturn total	Net total		
	Gross	Income	Net	Gross	Income	Net				
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limit (DEL)										
Voted: A Competition Promotion	26,567	(194)	**26,373**	113,709	(2,559)	**111,150**	**137,523**	**152,636**	**15,113**	123,059
Annually Managed Expenditure (AME)										
Voted: B Competition Promotion	-	-	-	(15,739)	-	**(15,739)**	**(15,739)**	**27,000**	**42,739**	18,157
Total Resource	**26,567**	**(194)**	**26,373**	**97,970**	**(2,559)**	**95,411**	**121,784**	**179,636**	**57,852**	**141,216**

SOPS 1.2 Analysis of capital outturn by Estimate line

	2024 to 2025						2023 to 2024
	Outturn			Estimate			Outturn
Type of spend: (Capital)	Gross	Income	Net Total	Total	Net total compared to Estimate	Net total compared to Estimate, adjusted for virements[41]	Net
	£000	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limit (DEL)							
Voted: A	6,501	-	**6,501**	**8,120**	**1,619**	**1,619**	**6,330**
Annually Managed Expenditure (AME)							
Voted: B	274	-	**274**	**2,000**	**1,726**	**1,726**	**(345)**
Total Capital	6,775	**-**	**6,775**	**10,120**	**3,345**	**3,345**	**5,985**

41 There were no virements in 2024 to 2025.

SOPS 2 Reconciliation of outturn to net operating expenditure

Item	Note	2024 to 2025 Outturn £000	2023 to 2024 Outturn £000
Total Resource outturn	SOPS 1.1	121,784	141,216
Add: Research included within capital budget outturn[42]		524	777
Less: Discounting of capitalised dilapidation provision for IFRS 16 Leases		(16)	(515)
Net operating expenditure / (income) for the year	SOCNE	122,292	141,478

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework. This reconciliation bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.

Research spend, within scope of the European system of regional and national accounts 2010 (ESA 10), scores in the capital budget (in the DEL element) and the capitalisation of dilapidation provisions, for leases within scope of IFRS 16, also scores in the capital budget (in the AME element). However, both are accounted for as expenditure in the SOCNE.

There was a moderate decrease in ESA 10 expenditure in 2024 to 2025 compared to 2023 to 2024, primarily due to the postponement of the Enterprise Resource Planning (ERP) project during the final quarter of the year.

42 The European system of regional and national accounts 2010 (ESA).

SOPS 3 Reconciliation of net resource outturn to net cash requirement

	Note	Outturn	Estimate	2024 to 2025 Outturn vs Estimate: saving/(excess)	2023 to 2024 Outturn
	Note	£000	£000	£000	£000
Total Resource outturn	**SOPS 1.1**	**121,784**	**179,636**	**57,852**	**141,216**
Total Capital outturn	**SOPS 1.2**	**6,775**	**10,120**	**3,345**	**5,985**
Adjustments to remove non-cash items:					
Depreciation (including asset impairment and loss on disposal)	4	(11,076)	(14,462)	(3,386)	(11,052)
New provisions and adjustments to previous provisions	4	15,756	(29,000)	(44,756)	(18,898)
Other non-cash items	4,5	(605)	-	605	(602)
Adjustments to reflect movements in working balances:					
Increase/(decrease) in receivables	10	3,017	-	(3,017)	602
(Increase)/decrease in payables	12	3,545	5,005	1,460	(5,067)
(Increase)/decrease in lease liabilities	13	3,489	-	(3,489)	5,231
Increase/(decrease) in lease receivables	11	(36)	-	36	(35)
Increase/(decrease) to be surrendered to the Consolidated Fund		(1,591)	-	1,591	1,917
Use of provisions	12,14	90	-	(90)	1,086
Net cash requirement		**141,148**	**151,299**	**10,151**	**120,383**

As noted in the introduction to the SOPS above, outturn and the Estimate 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.

The table below reconciles the net cash requirement of £141.15 million in SOPS 3 to the Statement of Cashflow (SOCF) on page 124.

		2024 to 2025	2023 to 2024
	Note	£000	£000
Net cash outflow from operating activities		131,446	109,642
Net cash outflow from investing activities		4,215	5,366
Payment of lease liabilities		5,525	5,413
Receipt of lease liabilities		(38)	(38)
Net cash requirement	**SOCF**	**141,148**	**120,383**
Net cash requirement	**SOPS 3**	**141,148**	**120,383**

SOPS 4 Income payable to the Consolidated Fund

SOPS 4.1 Analysis of income payable to the Consolidated Fund

During 2024 to 2025 there was no relevant income (for example, income outside the ambit of the Supply Estimate or excess cash) payable to the Consolidated Fund (2023 to 2024: nil).

SOPS 4.2 Consolidated Fund income

Full details of income collected as agent for the Consolidated Fund is reported in the CMA's 2024 to 2025 Trust Statement of these financial statements, beginning at page 151.

Parliamentary accountability disclosures

Losses and special payments (audited)

In 2024 to 2025 there were no reportable losses (2023 to 2024: nil) and no reportable special payments (2023 to 2024: nil).

Contingent liabilities not required to be disclosed under IAS 37 (audited)

In addition to contingent liabilities disclosed in the financial statements in Note 17, the CMA is also required to disclose liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability or a contingent liability otherwise outside the scope of IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), such as financial guarantees.

There were no remote contingent liabilities in 2024 to 2025 (2023 to 2024: nil).

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

The FReM 6.7.1 (g) requires departments to include a reconciliation of contingent liabilities reported in the Supply Estimate and those reported in the accounts.

Quantifiable Contingent Liabilities (CL):			
Description of CL	**Supply Estimate (£000)**	**Amount disclosed in ARA (£000)**	**Variance (Estimate – Amount disclosed in ARA) (£000)**
The CMA is currently engaged in litigation activity which is not disclosed on the grounds that it may be prejudicial to legal privilege and the outcome of the litigation.	Up to 33,000	Up to 38,597	(5,597)

The £5.60 million variance is attributed to updated adverse cost estimates in ongoing cases and the emergence of new cases which have introduced potential financial obligations that may arise depending on the outcomes of the legal proceedings. Further information can be found in Note 17 on page 150.

Special severance payments (audited)

In 2024 to 2025 there were no special severance payments (2023 to 2024: nil).

Gifts (audited)

In 2024 to 2025 there were no reportable gifts (2023 to 2024: nil).

Fees and charges (audited)

In 2024 to 2025 there were no reportable fees and charges (2023 to 2024: nil).

Signed for and on behalf of the CMA

Sarah Cardell

Chief Executive and Principal Accounting Officer

7 JULY 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 Competition and Markets Authority for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Department's

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

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

In my opinion, the financial statements:

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

Opinion on regularity

In my opinion, in all material respects:

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (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 2014*. I am independent of the Competition and Markets Authority 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. In applying the Ethical Standards, I have considered the potential implications for my audit arising from the decision of one of my Executive Directors to accept a role as Chief Operating Officer of the Competition and Markets Authority from 30 September 2024. I am satisfied that the appropriate safeguards have been implemented to protect my and the NAO team's independence and objectivity throughout the audit.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Competition and Markets Authority'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 Competition and Markets Authority'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 Competition and Markets Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

- the parts of the Parliamentary 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 Competition and Markets Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- adequate accounting records have not been kept by the Competition and Markets Authority 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 Remuneration and Staff Report and Parliamentary 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 Competition and Markets Authority from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Competition and Markets Authority'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 Competition and Markets Authority 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 Competition and Markets Authority's accounting policies.
- inquired of management, those charged with governance, including obtaining and reviewing supporting documentation relating to the Competition and Markets Authority'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 Competition and Markets Authority's controls relating to the Competition and Markets Authority's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money.
- inquired of management, and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations;
    - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Competition and Markets Authority 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 Competition and Markets Authority's framework of authority and other legal and regulatory frameworks in which the Competition and Markets Authority 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 Competition and Markets Authority. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2024, Employment Law, Tax Legislation, The Enterprise and Regulatory Reform Act 2013 and the Subsidy Control Act 2022.

Audit response to identified risk

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

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

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

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

Other auditor's responsibilities

I am required to obtain 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 **Date**

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Financial statements

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Statement of Comprehensive Net Expenditure (SOCNE) for the year ended 31 March 2025

	Note	2024 to 2025	2023 to 2024
		£000	£000
Operating income	5	(2,753)	(5,757)
Total operating income		**(2,753)**	**(5,757)**
Staff costs	3	106,780	94,693
Purchase of goods and services	4	18,265	52,542
Total operating expenditure		**125,045**	**147,235**
Net operating expenditure / (income) for the year		**122,292**	**141,478**
Other comprehensive net expenditure			
Actuarial net loss / (gain) on by-analogy pension scheme	14	26	(12)
Comprehensive net expenditure / (income) for the year		**122,318**	**141,466**

The notes on pages 126-150 form part of these Financial Statements.

Statement of Financial Position (SOFP) as at 31 March 2025

	Note	2024 to 2025	2023 to 2024
		£000	£000
Non-current assets			
Property, plant, and equipment	6	26,736	30,274
Right-of-Use assets	7	39,446	42,218
Intangible assets	8	4,169	2,845
Lease receivables	11	221	257
Total non-current assets		**70,572**	**75,594**
Current assets			
Trade and other receivables	10	8,539	5,522
Lease receivables	11	35	35
Cash and cash equivalents	9	1,248	2,839
Total current assets		**9,822**	**8,396**
Total assets		**80,394**	**83,990**
Current liabilities			
Trade and other payables	12	(14,215)	(17,760)
Lease Liabilities	13	(5,016)	(4,942)
Provisions	14	(5,776)	(14,023)
Total current liabilities		**(25,007)**	**(36,725)**
Total assets less current Liabilities		**55,387**	**47,265**
Non-current liabilities			
Lease Liabilities	13	(34,294)	(37,857)
Provisions	14	(8,697)	(15,980)
Total non-current liabilities		**(42,991)**	**(53,837)**
Total assets less (liabilities)		**12,396**	**(6,572)**
Taxpayers' equity and reserves			
General fund		12,396	(6,572)
Total equity		**12,396**	**(6,572)**

The notes on pages 126-150 form part of these Financial Statements.

Sarah Cardell

Chief Executive and Principal Accounting Officer

7 JULY 2025

Statement of Cash Flow (SOCF) for the year ended 31 March 2025

	Note	2024 to 2025	2023 to 2024
		£000	£000
Cash flows from operating activities			
Net operating income/(expenditure)	SOCNE	(122,292)	(141,478)
Adjustments for non-cash transactions	4,5	(4,545)	29,893
Adjustment for non-cash interest of lease liabilities	4	452	481
(Increase)/Decrease in trade and other receivables	10	(3,017)	(602)
Increase/(Decrease) in trade and other payables	12	(3,545)	5,067
Movements in payables relating to items not passing through the SOCNE		1,591	(1,917)
Use of provisions	10,14	(90)	(1,086)
Net cash (outflow) from operating activities		**(131,446)**	**(109,642)**
Cash flows from investing activities			
Purchase of property, plant, and equipment	6	(2,092)	(4,200)
Purchase of intangible assets	8	(2,139)	(1,192)
Proceeds from disposal of non-financial assets		16	26
Net cash (outflow) from investing activities		**(4,215)**	**(5,366)**
Cash flows from financing activities			
Financing from the Consolidated Fund (supply)		139,557	122,300
Payment of lease liabilities		(5,525)	(5,413)
Receipts from lease receivables		38	38
Net cash flow from financing activities		**134,070**	**116,925**
Net increase/(decrease) in cash and cash equivalents in the year, before adjustment for payments to the Consolidated Fund		**(1,591)**	**1,917**
Payments of amounts due to the Consolidated Fund		-	-
Net Increase/(Decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the Consolidated Fund		**(1,591)**	**1,917**
Cash and cash equivalents at the beginning of the year	9	**2,839**	**922**
Cash and cash equivalents at the end of the year	**9**	**1,248**	**2,839**

The notes on pages 126-150 form part of these Financial Statements.

Statement of Changes in Taxpayers' Equity (SOCTE) for the year ended 31 March 2025

	Note	General Fund
		£000
Balance at 31 March 2023		**14,387**
Net Parliamentary Funding		
Drawn down Supply		122,300
Deemed Supply		922
Unspent Supply repayable to the Consolidated Fund	9	(2,839)
Non-cash charges – auditors' remuneration	4	124
Net operating expenditure for the year		(141,478)
Actuarial (loss)/gain on pension liability	14	12
Balance at 31 March 2024		**(6,572)**
Net Parliamentary Funding		
Drawn down Supply		139,557
Deemed Supply		2,839
Unspent Supply repayable to the Consolidated Fund	9	(1,248)
Non-cash charges - auditors' remuneration	4	138
Net operating expenditure for the year		(122,292)
Actuarial (loss)/gain on pension liability	14	(26)
Balance at 31 March 2025		**12,396**

The notes on pages 126-150 form part of these Financial Statements.

Notes to the Financial Statements

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2024 to 2025 Government Financial Reporting Manual (FReM), issued by HM Treasury, and the Government and Resource Accounts Act 2000. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted and/or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the CMA selects the accounting policy which is judged to be most appropriate for the purpose of giving a true and fair view.

In addition to the primary statements prepared under IFRS, the FReM also requires the CMA to prepare a Statement of Outturn against Parliamentary Supply and supporting notes analysing the net resource outturn and capital outturn against control totals voted by Parliament through the Estimate. These are included within the Parliamentary Accountability section of this document.

In common with other government departments, the financing of the CMA's future service provision and liabilities are to be met by future grants of Supply from the Consolidated Fund and the application of future income, approved annually by Parliament. Parliament has authorised spending for 2025 to 2026 in the central government Main Supply Estimate and there is no reason to believe that future approvals will not be made. It has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

1.1 Accounting convention

These accounts have been prepared on an accruals basis under the historical cost convention, except for those financial instruments that are measured at amortised cost, as explained in the accounting policies below, and as determined by the relevant accounting standards and the accounts direction issued by HM Treasury.

1.2 Provisions and Contingent Liabilities

The CMA recognises provisions in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Recognition and valuation of provisions rely on the application of professional judgement, historical experience, and other factors expected to influence future events. Provisions are calculated using the best available information, but the actual outcomes of items provided for may differ from expectations.

Where the time-value of money is material, the provision is discounted to its present value using HM Treasury's standard discount rate (currently a nominal rate of 5.15% for post-employment benefit liabilities and a nominal rate of 4.03% for short term general provisions). Each year, the financing charges in the SOCNE include the adjustments to amortise one year's discount and restate liabilities to current price levels.

Contingent liabilities are not recognised as liabilities in the SOFP but are disclosed in the notes to the accounts.

The CMA also discloses (if applicable) within our accountability report, for Parliamentary reporting and accountability purposes, certain statutory and non-statutory contingent liabilities outside the scope of IAS 37 which have been reported to Parliament in accordance with the requirements of Managing Public Money.

1.3 Standards issued but not yet effective

IFRS 17 Insurance Contracts was issued in May 2017 and applies to the public sector for annual reporting periods beginning on or after 1 January 2025. IFRS 17 establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts within the scope of the standard.

The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance, and cash flows. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts.

The CMA does not currently have any insurance contracts which are in scope of either IFRS 4 or IFRS 17, however, this position will be reassessed in 2025 to 2026 when the standard becomes effective in the public sector.

IFRS 18 Presentation and Disclosure in Financial Statements was issued in April 2024 and replaces IAS 1 Presentation of Financial Statements. IFRS 18 aims to improve financial reporting by: requiring an entity to present 2 newly defined subtotals in the statement of profit or loss; requiring an entity to disclose management-defined performance measures; and adding new principles for the aggregation and disaggregation of items.

This standard is not yet effective in the public sector and an adoption date has not been set.

There are no other IFRS or IFRIC interpretations not yet effective that would be expected to have a material impact on the CMA.

1.4 Income

IFRS 15 Revenue from Contracts with Customers applies to income received by the CMA. Income recognised consists principally of:

- Regulatory Appeals; and
- Appeal costs reimbursed (relating to recovered legal costs)

Regulatory appeals

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

This core principle is delivered in a 5-step model framework: [IFRS 15:IN7]

The 5-step model has been clarified to reflect the nuances between different types of references made to the CMA and the regulators involved.

- step 1 – **Identify the contract with a customer** - This condition is satisfied when a third party challenges a regulatory decision by a sector regulator and the issue is referred to the CMA, or if a third party appeals directly to the CMA (depending on the sector and relevant statute). This fits the definition of a contract under the FReM adaption of IFRS 15.

- step 2 – **Identify the performance obligations in the contract** - which are for the CMA to act as an expert tribunal and to decide on the underlying case. The recovery of costs becomes enforceable at either: per financial year (for Ofwat redeterminations); or at a point in time (for all other appeals/references) in accordance with contractual obligations committed to by parties in step 1.

- step 3 – **Determine the transaction price** - which is the cost incurred by the CMA acting as an expert tribunal, as quantified either: per financial year (by the price of the CMA's performance per financial year, determined and agreed by Ofwat); or at a point in time (for all other appeals/references) by the cumulative price of the CMA's performance, determined and consulted upon by all parties, as quantified in the final costs order.

- step 4 – **Allocate the transaction price to the performance obligations** in the contract after steps 2 and 3 have been actioned.

- step 5 – **Revenue is recognised** - when the CMA considers that it is probable that it will collect the recovery of costs that it is entitled to either: per financial year (for interim invoices for water redeterminations) in line with the CMA's progress towards completely satisfying its performance obligations; or at a point in time - when the timeframe to appeal the CMA's decision has elapsed or the appeal process has been concluded.

Appeal costs reimbursed

Income from appeal costs reimbursed is recovered from parties who have unsuccessfully appealed a legal decision made by the CMA. The CMA accounts for income that relates to the recovery of the internal element of these costs and any external costs (disbursements) that were not previously offset from Competition Act 1998 (CA98) fine income on the CMA's Trust Statement.

The income recognition point for legal cost reimbursements is when a Court or Tribunal judgment is handed down stating that the appeal has been dismissed, the CMA's decision is being upheld, and it is agreed or ordered by the Court or Tribunal that the appellant should pay the CMA all or a proportion of the CMA's costs in the appeal case.

1.5 Pensions

Pension benefits are provided through civil service pension arrangements as detailed in the Remuneration Report.

The CMA recognises the expected pension costs on a systematic and rational basis over the period during which it benefits from employees' service by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the CMA recognises the contributions payable for the year.

The CMA has a separate scheme for the previous Chairs and Directors General of the Office of Fair Trading, which is analogous to the PCSPS. A legacy pension provision has been recorded for the future costs of benefits under this scheme.

1.6 Leases

The CMA as a lessee

The CMA's material leases relate to property rentals for office space. IFRS 16 Leases provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset meets the IFRS 16 criteria to be classified as of 'low value'.
The CMA's initial assessment of a lease term considers the likelihood of exercising break clauses or extension options, when applicable. This estimate of the lease term impacts the lease liability and right-of use asset valuations.

The CMA has determined low value to be £5,000, in accordance with the capitalisation threshold for assets. For leases of 12 months or less duration and leases of low value assets, the lease payments are recognised as an expense on a straight-line basis over the lease term.

IFRS 16 requires that assets and liabilities will be recognised initially at the discounted value of the minimum lease payments over the expected lease term. The CMA applies HM Treasury's discount rate as the incremental borrowing rate when calculating the discounted value (4.81% for leases recognised in 2025).
After initial recognition, right of use assets are depreciated on a straight-line basis over the expected lease term. The lease liabilities are increased when interest is recognised and decreased when cash lease payments are made.

The CMA conducts a further assessment of the lease terms if there is a significant event or significant change of circumstances. If, for example, the CMA decides to exercise the break clause in a lease agreement, the lease liability will be updated to reflect the remaining discounted cash lease payments, and the right-of-use asset will be depreciated to this new end date and depreciation will be accelerated.

The CMA does not have any peppercorn leases.

The CMA as a lessor

The CMA is the lessor in one agreement that sub-lets part of the Cabot's office space to the Groceries Code Adjudicator (GCA) and which is classified as a finance sub-lease in scope of IFRS 16.

1.7 Property, plant, and equipment

Property, plant, and equipment are held at depreciated historical cost as a proxy for current value, as this realistically reflects consumption of the asset. Assets lives are within the following ranges:

Leasehold improvement costs (including dilapidation assets)	Over the remainder of the lease term
Information technology	2 to 6 years
Furniture, fittings, and fixtures	5 to 10 years

The CMA capitalises expenditure of £5,000 (inclusive of VAT) or more for both individual and grouped assets where the estimated useful life is over 12 months, and the CMA controls the asset. Where significant purchases of individual assets, which are separately beneath the capitalisation threshold, arise in connection with a single project, they are treated as a grouped asset.

The values of these assets are reviewed for impairment for events or changes in circumstances that indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount.

There is uncertainty in relation to estimated useful lives of non-current assets; these are reviewed as at the reporting date and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, or legal or other limits on their use.

1.8 Intangible assets

Intangible assets comprise of the development of Information Technology (IT) platforms for use across the CMA, other software and software licences capitalised at cost. Assets lives are within the following ranges:

Software	2 to 5 years
Software licences	2 to 5 years (licence term)

The CMA's capitalisation criteria and impairment reviews for intangible assets is analogous to the policy for property, plant and equipment.

Development costs that are directly attributable to the design and testing of software are capitalised when they meet the criteria specified in IAS 38 Intangible Assets (as adapted by the FReM). Expenditure which does not meet the criteria is expensed as incurred.

1.9 Assets under construction

Assets under construction represent costs incurred in developing both tangible and intangible assets. Upon completion and when these assets are available for use, the relevant value of these assets are transferred to the appropriate asset class and depreciated (or amortised) according to the relevant accounting policy. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred.

1.10 Depreciation and amortisation

The CMA depreciates right-of-use assets under IFRS 16 on a straight-line basis over the useful life of the asset.

Property, plant, and equipment and intangible assets are depreciated and amortised (respectively) at rates calculated to write down their value, less any estimated residual value, on a straight-line basis over their estimated useful lives. Where a change in asset life is determined, the asset is depreciated or amortised over its remaining assessed life on a straight-line basis using accelerated depreciation.

Depreciation and amortisation are charged to the SOCNE from the month following that in which the asset is available for use.

1.11 Financial instruments

The CMA does not hold any complex financial instruments within scope of IFRS 9 Financial Instruments and those held are comprised of trade receivables and payables. Receivables are measured at amortised cost.

IFRS 9's Expected Credit Loss (ECL) model for the assessment of impairment for financial assets does not materially impact these accounts. The CMA predominantly has trade receivables held for collecting cash in the normal course of business and therefore utilises the 'simplified' approach permitted by IFRS 9 which eliminates the need to calculate a 12-month ECL. If the credit risk of a trade receivable increases significantly and is not considered low, a full lifetime ECL is recognised.

1.12 Cash and Cash Equivalents

Cash in the SOFP represents the balance held with the Government Banking Service. The CMA does not hold cash equivalents as defined in paragraph 6 of IAS 7 Statement of Cash Flows.

1.13 Value Added Tax

Many activities of the CMA are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant resource expenditure category or included in the capitalised purchase costs of non-current assets. Where output tax is charged, or input tax is recoverable, the amounts are stated net of VAT.

2. Statement of operating costs by operating segment

2.1 Analysis by operating segment

The CMA recognised ten reportable segments within our management accounts with the following breakdown of total gross expenditure:

	Total gross expenditure 2024 to 2025	Total gross expenditure (re-presented) 2023 to 2024
	£000	£000
Corporate Services**	24,480	23,893
Digital Markets Unit	6,614	4,872
Office for the Internal Market - Subsidy Advice Unit	4,661	8,420
Competition Enforcement	12,520	12,974
Legal Service	31,436	24,304
Consumer Protection and Markets	11,614	9,048
Mergers	7,242	6,562
Data, Technology and Insight	18,257	14,580
Office of Chief Economic Advisor	16,066	13,171
Strategy, Communications and Advocacy	7,903	4,443
Balance at 31 March	**140,793**	**122,267**

In 2024 to 2025 the CMA implemented the following structural changes:

- the Consumer function has moved from the Enforcement to the Consumer Protection and Markets (CPM) directorate. CPM has also incorporated the Markets and Regulatory Appeals functions from the former Markets, Remedies and Regulation (MMR) directorate.

- the former Remedies Business and Financial Analysis (RBFA) function has been dispersed into Mergers and Markets and the new Strategic, Business, and Financial Analysis (SBFA) function has been created in the Data, Technology & Insight directorate

- the new Subsidy Advice Unit (SAU) and the Office for the Internal Market (OIM) joint directorate consolidates the CMA's expertise in subsidy and market oversight reporting to the Executive Director, Mergers
- A Data, Technology & Insights (DTI) directorate has been created. It has 2 main functions: strategic insight, analytics and AI; and technology and digital operations. Structurally, DTI brings together the former Data, Technology and Analytics (DaTA) Unit, previously part of the Office of the Chief Economic Advisor, as well as Technology and Business Services (TBS), from Corporate Services. DTI also houses the CMA's new Strategic Business and Financial Analysis function.
- Members of the former Policy and International function, along with several members of the DMU, moved from Legal Service to Strategy, Communications and Advocacy (SCA) to create new International and Public Policy functions. A new stakeholder engagement function was also created

Following the structural changes in 2024 to 2025, the CMA strengthened operational capability over the course of the year in order to deliver on our strategic objectives. This has led to increased year-on-year increases in spend across Mergers and CPM. DTI spend has also increased due to increased investment in the Digital Transformation Programme.

Spend within the Digital Markets Unit has increased due to the growth and expansion of its activities in support of the Digital Markets, Competition and Consumer Act 2024 (DMCCA). The increase in the OCEA spend is largely due to the expansion of the Microeconomic Unit which has undertaken a number of new projects over the past 12 months.

Strategy, Communications and Advocacy (SCA) directorate cost increases are driven by the transfer of functions and individuals with technical capability in key areas, along with increased capacity to service significantly growing levels of stakeholder engagement.

The significant increase in expenditure within Legal Service relates to litigation costs for cases that were settled in 2024 to 2025. These costs were subsequently offset against (CA98) income recognised in the Trust Statement which meant the CMA's supply funding was not used to cover these costs (see table 2.2 below). Note 4 provides further context on the litigation offset mechanism.

**Corporate Services' total gross expenditure of £24.48 million is analysed as follows:

	Total gross expenditure 2024 to 2025	Total gross expenditure (re-presented) 2023 to 2024
	£000	£000
Premises	7,635	7,242
Information Technology	55	234
Staff and other non-staff costs	16,790	16,417
Balance at 31 March	**24,480**	**23,893**

The above stated Corporate Services spend had been re-presented for 2023 to 2024 allowing for change in reporting structure of Technology Business Services (TBS) that is now a part of the DTI directorate. This has resulted in significantly lower expenditure across Information Technology (e.g. c£4.59 million in 2023 to 2024) and staff and other non-staff costs (c£4.01 million in 2023 to 2024) as this expenditure has moved out of Corporate Services.

The increase in Corporate Services' total gross expenditure continues to be driven by increases in staff and other non-staff costs due to continued effort to support the CMA's growth and future shape.

2.2 *Reconciliation between operating segments and SOCNE*

	2024 to 2025	2023 to 2024
	£000	£000
Total gross expenditure reported for operating segments	**140,793**	**122,267**
Reconciling items:		
Income	(2,753)	(5,757)
Litigation offset	(11,779)	(5,406)
Depreciation and non-cash items	(3,969)	30,374
Total net expenditure per the SOCNE	**122,292**	**141,478**

3. Staff costs

Total staff costs at 31 March 2025 were £106.78 million (2023 to 2024: £94.69 million), comprising: £77.10 million salaries and wages; £9.14 million social security; £20.23 million staff pension costs; and £0.31 million for other staff costs. Refer to staff costs note in the Staff Report, beginning on page 103 for more detailed information.

4. Expenditure

	2024 to 2025	2023 to 2024
	£000	**£000**
Rent (operating leases)	314	316
Rates	1,839	1,628
Utilities	1,172	967
Maintenance	110	(19)
Other Premises Costs	271	69
Service Charge	1,847	3,132
Net premises costs	**5,553**	**6,093**
Research expenditure	**617**	**808**
Litigation Costs	-	-
Hire of plant and machines	-	4
Professional services	4,352	4,056
Training	1,582	1,753
Publicity and campaigns	39	368
Travel and subsistence	767	1,019
Recruitment	777	1,096
Telecommunications	169	316
IT (including maintenance)	5,590	4,544
Printing, copying, and mailing	125	175
Publications	1	136
Facilities Management	2,109	1,295
Other expenditure	554	378
Total purchase of goods and services	**16,065**	**15,140**
Non-cash items		
Depreciation of property, plant and equipment	5,760	5,174
Depreciation of right-of-use assets	4,573	4,899
Depreciation of intangible assets	801	748
Loss / (profit) on disposal of tangible and intangible assets	(58)	231

Apprenticeship Levy – training	120	124
Provisions – amounts provided for in year	5,810	25,838
Non-cash provision utilisation	(8,813)	-
Auditors’ remuneration and expenses	138	124
Provisions - amount not required, written back	(12,995)	(6,234)
Provisions - changes to discounting	(79)	(762)
Borrowing cost (unwinding of discount)	321	(122)
Interest costs of right-of-use assets	452	481
Total non-cash items	**(3,970)**	**30,501**
Total costs	**18,265**	**52,542**

In 2024 to 2025, we reviewed fixed costs invoices and reclassified them under Facilities Management, whereas in 2023 to 2024, they were categorised under Service Charge. This resulted in a total variance decrease of £0.47 million across these 2 categories. The decrease is primarily due to a £0.14 million decrease in Property and FM Project Management (PFM) Works, driven by lower manned guarding costs, and a £0.19 million decrease in PFM, mainly reflecting the completion of refurbishment projects in the Manchester and Darlington offices in 2023 to 2024.

Expenditure on professional services increased by £0.30 million in 2024 to 2025 as we continued to invest in our Digital Transformation Programme.

During 2024 to 2025, the CMA sought to deliver savings in discretionary areas of the non-staff budget. This is the primary reason for a:

- £0.17 million decrease in training expenditure.
- £0.25 million decrease in travel & subsistence.
- £0.32 million decrease in recruitment.

Expenditure on ICT (including maintenance) has increased by £1.05 million in 2024 to 2025 as we have continued to invest in our digital capabilities to ensure the resilience of the CMA’s ICT infrastructure to sustain the organisation going forwards. Expenditure on Facilities Management increased by £0.81 million in 2024 to 2025 due to the expansion of our office locations in Manchester and Darlington.

The CMA has HM Treasury approval to offset 100% of qualifying litigation costs using CA98 penalty income collected in the Trust Statement. In 2024 to 2025, the CMA collected sufficient CA98 penalty income to fully offset net litigation costs of £11.78 million, which results in a net zero effect on the total purchase of goods and services in these financial statements. The net litigation costs include £8.81 million of costs paid to 4 pharmaceutical companies. The liability for this case had been provided for in 2023 to 2024. In 2024 to 2025, the CMA utilised this provision and has recorded it as a non-cash cost as the litigation costs were paid in full using CA98 penalty income collected, not from the CMA's net cash requirement. In addition to the provision utilisation, non-cash expenditure on provisions not required (written back) significantly decreased by £6.76 million in 2024 to 2025 when cases were settled.

Refer to note 14 on page 146 for more detail on the changes to provisions.

Non-cash expenditure on auditor's remuneration and expenses represents £0.12 million (2023/24: £0.11 million) for the audit of these accounts and £0.02 million (2023/24: £0.01 million) for the audit of the Trust Statement. This totals £0.14 million (2023/24: £0.12 million).

5. Income

	2024 to 20/25	2023 to 20/24
	£000	£000
Recovery of accommodation costs	71	-
Appeal costs reimbursed	1,571	1,939
Regulatory appeals	823	3,686
Other income	165	5
Total income (cash items)	**2,630**	**5,630**
Non-cash items:		
Apprenticeship Levy – notional grant	120	124
Interest received: Derecognised right-of-use asset	3	3
Total income	**2,753**	**5,757**

In 2024 to 2025 the CMA accounted for £1.57 million of appeal cost reimbursements in 5 legal cases (2023 to 2024: 4 cases) which comprised:

- £1.12 million for internal legal costs; and
- £0.45 million for external legal costs that had not previously been offset from CA98 penalty income.

The CMA also accounted for £0.82 million of regulatory appeal cost recovery in 2 cases (2023 to 2024: £3.69 million relating to 4 regulatory appeals) which comprised:

- £0.47 million for costs in a financial resilience appeal
- £0.35 million for costs in an OFWAT redetermination

Please refer to note 1.4 for information in relation to the CMA's 5-step model framework for recognising regulatory appeal revenue.

The CMA offers training programmes for apprentices in a range of roles across the department and various professions. As at 31 March 2024, the CMA had 115 apprentice new starts. This increased by a further 10 apprentice starts throughout 2024 to 2025, with a total of 125 apprentices having started in the CMA by 31 March 2025. The CMA receives a notional grant for the cost of training apprentices which results in a net zero effect on these financial statements. Refer to note 4 on page 135 for the associated expenditure.

6. Property, plant, and equipment

	Leasehold improvements	Information technology	Furniture and fittings	Assets under construction	2024 to 2025 Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2024	28,867	13,114	4,316	3,088	49,385
Additions	410	401	18	1,463	2,292
Disposals	(142)	(968)	-	-	(1,110)
Reclassification	3,329	727	507	(4,551)	12
Impairments	-	-	-	-	-
At 31 March 2025	**32,464**	**13,274**	**4,841**	**-**	**50,579**
Depreciation					
At 1 April 2024	8,457	8,784	1,870	-	19,111
Charged in year	2,878	2,356	526	-	5,760
Disposals	(112)	(916)	-	-	(1,028)
Reclassification	-	-	-	-	-
Impairments	-	-	-	-	-
At 31 March 2025	**11,223**	**10,224**	**2,396**	**-**	**23,843**
Carrying amount at 31 March 2025	**21,241**	**3,050**	**2,445**	**-**	**26,736**
Carrying amount at 31 March 2024	**20,410**	**4,330**	**2,446**	**3,088**	**30,274**

In 2024 to 2025, the CMA reclassified £4.55 million of spend from tangible assets under construction to leasehold improvements, IT hardware and furniture and fittings for 2 new properties occupied by the CMA. The total capital costs for both properties, captured under additions, £0.18 million, and reclassifications, were:

- £3.35 million for One New Bailey, Manchester, which was occupied in May 2024;
- £1.38 million for The Vantage, Belfast, which was occupied in September 2024.

The £0.41 million total of leasehold improvement additions includes an increase to the Cabot dilapidation asset of £0.20 million. This is a non-cash transaction and has been excluded from the purchase of property, plant and equipment total captured in the SOCF, page 124.

The CMA spent £0.40 million on IT assets, such as networking equipment, servers and mobile phones to ensure that its staff had suitable technology to continue to work effectively and efficiently from home and in the CMA's offices.

The CMA disposed of £1.10 million of assets which included:

- £0.97 million of IT hardware, including networking equipment;
- £0.13 million of leasehold improvements for Erskine House, Belfast, which was vacated in January 2025.

The IT hardware that was disposed had either:

- reached the end of their useful economic lives and had been fully depreciated. It was determined that these assets would not generate future economic benefits and were disposed; or
- not reached the end of their useful economic life but were disposed as they were replaced by improved hardware

	Leasehold improve-ments	Information technology	Furniture and fittings	Assets under construction	2023 to 2024 Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2023	28,693	12,485	4,279	360	45,817
Additions	100	1,072	12	3,091	4,275
Disposals	(240)	(445)	(8)	-	(693)
Reclassification	314	2	33	(363)	(14)
Impairments	-	-	-	-	-
At 31 March 2024	**28,867**	**13,114**	**4,316**	**3,088**	**49,385**
Depreciation					
At 1 April 2023	6,538	6,485	1,460	-	14,483
Charged in year	2,151	2,591	432	-	5,174
Disposals	(232)	(292)	(8)	-	(532)
Reclassification	-	-	(14)	-	(14)
Impairments	-	-	-	-	-

At 31 March 2024	**8,457**	**8,784**	**1,870**	**-**	**19,111**
Carrying amount at 31 March 2024	**20,410**	**4,330**	**2,446**	**3,088**	**30,274**
Carrying amount at 31 March 2023 (re-presented)	22,155	6,000	2,819	360	31,334

7. Right-of-use assets

	Buildings	**Total**	**Total**
	2024 to 2025	**2024 to 2025**	**2023 to 2024**
	£000	**£000**	**£000**
Cost or valuation			
At 1 April	51,186	51,186	51,635
Additions	1,836	1,836	257
Disposals	(78)	(78)	(706)
Reclassifications	-	-	-
At 31 March	**52,944**	**52,944**	**51,186**
Depreciation			
At 1 April	8,968	8,968	4,296
Depreciation charged in year	4,573	4,573	4,899
Disposals	(43)	(43)	(227)
Reclassifications	-	-	-
At 31 March	**13,498**	**13,498**	**8,968**
Carrying amount at 31 March	**39,446**	**39,446**	**42,218**

The 2024 to 2025 right-of-use asset additions of £1.84 million were:

- £1.12 million for a lease modification to One New Bailey. Manchester, as management’s expectation on the lease term was updated, resulting in an increase to the right-of-use asset and liability
- £0.63 million due to a new lease in scope of IFRS 16 Leases which came ‘on balance sheet’ in 2024 to 2025 and relates to the Vantage, Belfast; and
- £0.09 million due to capitalised dilapidation provision increases, following an independent external valuation assessment (see note 14)

The 2024 to 2025 right-of-use asset cost disposals of £0.08 million was in relation to the office space at Erskine House, Belfast, which was vacated in January 2025 before the end of the lease term agreement. The right-of-use asset residual value was removed from the SOFP, resulting in a loss on disposal recognised in Note 4.

8. Intangible assets

	Software and software licences	Assets under construction	Total	Total
	2024 to 2025	2024 to 2025	2024 to 2025	2023 to 2024
	£000	£000	£000	£000
Cost or valuation				
At 1 April	5,193	802	5,995	5,638
Additions	-	2,234	2,234	1,192
Disposals	(270)	-	(270)	(849)
Reclassification	1,106	(1,121)	(15)	14
At 31 March	**6,029**	**1,915**	**7,944**	**5,995**
Depreciation				
At 1 April	3,150	-	3,150	3,167
Charged in year	801	-	801	748
Disposals	(176)	-	(176)	(779)
Reclassification	-	-	-	14
At 31 March	**3,775**	**-**	**3,775**	**3,150**
Carrying amount	**2,254**	**1,915**	**4,169**	**2,845**

In 2024 to 2025, the CMA reclassified £1.12 million of spend from intangible assets under construction to software. This reclassification comprised:

- £0.52 million for the Mergers Data Management System that captures statistics for MI reporting and enables the CMA to manage resources effectively
- £0.29 million for Nuix Co-redaction that further streamlines and enhances the security related to a disclosure process on CA98 cases; and
- £0.31 million for enhancements to user-facing portals that have gone-live

The CMA disposed of £0.27 million of software. These assets had either:

- reached the end of their useful economic lives and had been fully depreciated. It was determined that these assets would not generate future economic benefits and were disposed; or
- not reached the end of their useful economic life but were disposed as they were replaced by improved software solutions

9. Cash and cash equivalents

	2024 to 2025	2023 to 2024
	£000	£000
Balance at 1 April	2,839	922
Net change in cash and cash equivalent balances	(1,591)	1,917
Balance at 31 March	**1,248**	**2,839**
The balance at 31 March was held at		
Government Banking Service	1,248	2,839
Balance at 31 March	**1,248**	**2,839**

10. Trade and other receivables

Amounts falling due within one year

	2024 to 2025	2023 to 2024
	£000	£000
Trade receivables (gross)	76	260
Impairment allowance	-	-
Trade receivables (net)	**76**	**260**
Deposits and advances	22	35
Other receivables	411	179
VAT	233	176
Prepayments and accrued income	7,797	4,872
Total	**8,539**	**5,522**

The decrease in trade receivables (net) of £0.18 million is attributed to the receipt from 2 Regulatory Appeals invoices which were issued by the CMA in March 2024 in connection with the Energy License modification appeal.

The increase in other receivables of £0.23 million is predominantly due to monies owed from the CMA's trust bank account to offset qualifying litigation costs. The CMA will make an intra-account transfer in 2025 to 2026.

The increase in prepayments and accrued income of £2.93 million is predominantly due to accrued income for recovered legal costs and regulatory appeal income that we expect to receive in 2025 to 2026.

No trade and other receivables fall due after more than one year.

11. Lease Receivables

A maturity analysis of lease receivables within scope of IFRS 16 Leases, based on undiscounted gross cashflows, is reported in the table below.

	2024 to 2025	2023 to 2024
	£000	**£000**
Maturity analysis – contractual cashflows: undiscounted		
Less than one year	38	38
One to 5 years	125	127
More than 5 years	104	141
Total lease receivables: undiscounted	**267**	**306**

Amounts recognised in the SOFP

	2024 to 2025	2023 to 2024
	£000	**£000**
Lease Receivables: current receivables	35	35
Lease Receivables: non-current receivables	221	257
Total lease receivables: discounted	**256**	**292**

The lease receivables (both current and non-current) are part of the Cabot floor space that is sub-let to the Groceries Code Adjudicator.

12. Trade and other payables

Amounts falling due within one year

	2024 to 2025	2023 to 2024
	£000	£000
Trade payables	12	407
Accruals and deferred income	7,396	8,615
Taxation and social security	2,364	3,150
VAT	25	46
Other payables	3,170	2,703
Amounts issued from the Consolidated Fund for supply but not spent at 31 March:	1,248	2,839
Consolidated Fund extra receipts due to be paid to the Consolidated Fund – received	-	-
Total	**14,215**	**17,760**

The decrease in accruals and deferred income of £1.22 million is predominantly due to 2 material invoices from 2 suppliers that were accrued in 2023 to 2024 and paid in 2024 to 2025.

Amounts issued from the Consolidated Fund for supply, but not spent at 31 March, has decreased by £1.59 million. In practice, this closing cash position is not payable to the Consolidated Fund. It will be deducted from the CMA's 2025 to 2026 net cash requirement that can be drawn down from the Consolidated Fund in the next financial year and classified as 'deemed supply'.

13. Lease Liabilities

A maturity analysis of lease liabilities within scope of IFRS 16 Leases, based on undiscounted gross cashflows, is reported in the table below. Liquidity risk is the possibility that the CMA may be unable to meet our obligations from lease liabilities to be settled with cash. As the CMA is allowed to draw down cash from the Consolidated Fund and, if necessary, make a Contingencies Fund advance[43] request to HM Treasury for additional cash, our liquidity risk is low.

43 A Contingencies Fund advance is required to meet commitments until the Supplementary Estimate receives Royal Assent, at which point the CMA will be able to draw down the cash from the Consolidated Fund in the usual way, to repay the Contingencies Fund advance.

	2024 to 2025	2023 to 2024
	£000	£000
Maturity analysis – contractual cashflows: undiscounted		
Less than one year	5,597	5,528
One to 5 years	16,090	16,790
More than 5 years	19,546	22,697
Total lease liabilities: undiscounted	**41,233**	**45,015**

Amounts recognised in the SOFP

	2024 to 2025	2023 to 2024
	£000	£000
Lease Liabilities: current liabilities	5,016	4,942
Lease Liabilities: non-current liabilities	34,294	37,857
Total lease liabilities: discounted	**39,310**	**42,799**

Leases are discounted at a single nominal rate for leases, which for the full 2025 calendar year is 4.81% (2024: 4.72%), promulgated in HM Treasury Public Expenditure System papers.

Movement in lease liabilities

	Buildings	Total
	£000	£000
Total discounted liabilities at 1 April 2024	42,799	42,799
Discounted additions in the year	625	625
Rent reviews and changes in lease terms	982	982
Interest in the year	452	452
Disposals in the year	(23)	(23)
Repayments in the year	(5,525)	(5,525)
Total discounted liabilities at 31 March 2025	**39,310**	**39,310**

14. Provisions for liabilities and charges

					2024 to 2025
	Legacy pensions	Dilapidations	Legal	Staff Exit	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2024	891	6,218	22,894	-	30,003
Provided in year	43	290	376	5,391	6,100
Provisions not required written back	-	(26)	(12,969)	-	(12,995)
Provisions utilised in the year	(83)	(7)	(8,813)	-	(8,903)
Changes in discount rate	-	2	(6)	(75)	(79)
Borrowing costs (unwinding of discount)	-	2	319	-	321
Actuarial loss/(gain)	26	-	-	-	26
Balance at 31 March 2025	**877**	**6,479**	**1,801**	**5,316**	**14,473**

					2023 to 2024
	Legacy pensions	Dilapidations	Legal	Staff Exit	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2023	943	6,543	4,717	-	12,203
Provided in year	38	199	25,779	-	26,016
Provisions not required written back	-	(112)	(6,122)	-	(6,234)
Provisions utilised in the year	(78)	(8)	(1,000)	-	(1,086)
Changes in discount rate	-	(399)	(363)	-	(762)
Borrowing costs (unwinding of discount)	-	(5)	(117)	-	(122)
Actuarial loss/(gain)	(12)	-	-	-	(12)
Balance at 31 March 2024	**891**	**6,218**	**22,894**	**-**	**30,003**

The legacy pensions provision was discounted by the Government Actuary's Department using rates reported in note 14.2 on page 148.

The CMA discounted the dilapidations and legal provisions to their values using the latest HM Treasury rates as the time value of money resulted in a material difference.

The HM Treasury rates are presented below:

HM Treasury Rates		2024 to 2025	2023 to 2024
CPI (Consumer Price Index) Inflation	Year 1	2.60%	3.60%
	Year 2	1.80%	1.80%
	Into perpetuity	2.00%	2.00%
Nominal Discount Rate	Short term (Years 1-5)	4.03%	4.26%
	Medium term (Years 6-10)	4.07%	4.03%
	Long term (Years 11-40)	4.81%	4.72%
	Very long term (Years 41-100)	4.55%	4.40%

The change in discount rates has resulted in a minimal change to the dilapidations provision of £nil million (2023 to 2024: £0.40 million); an increase in legal provisions of £0.02 million (2023 to 2024: £0.16 million) and a decrease in staff exit provision of £0.08 million.

14.1 Analysis of expected timing of cash flows

	Legacy pensions	Dilapidations	Legal	Staff Exit	Total 2024 to 2025
	£000	£000	£000	£000	£000
Not later than one year	83	6	371	5,316	**5,776**
Later than one year and not later than 5 years	332	503	1,430	-	**2,265**
Later than 5 years	462	5,970	-	-	**6,432**
Balance at 31 March 2025	**877**	**6,479**	**1,801**	**5,316**	**14,473**

	Legacy pensions	Dilapidations	Legal	Staff Exit	Total 2023 to 2024
	£000	£000	£000	£000	£000
Not later than one year	78	2	13,943	-	**14,023**
Later than one year and not later than 5 years	312	538	8,951	-	**9,801**

Later than 5 years	501	5,678	-	-	**6,179**
Balance at 31 March 2024	**891**	**6,218**	**22,894**	-	**30,003**

14.2 Legacy pensions

This provision relates to the previous Chairmen and Directors General of the former Office of Fair Trading, one of the CMA's predecessor bodies.

An actuarial valuation was carried out by the Government Actuary's Department as at 31 March 2025.

The financial assumptions used in the calculation of the liability as at 31 March 2025 were as follows:

- the gross rate used to discount scheme liabilities was 5.15% per annum (2023 to 2024: 5.10% per annum)
- the gross rate of increase for pensions in payment and deferred pensions was 2.65% per annum (2023 to 2024: 2.55% per annum); and
- in nominal terms, these assumptions implied price inflation of 2.65% per annum (2023 to 2024: 2.55% per annum)

Other amounts disclosed to explain the change in provision are:

	2024 to 2025	2023 to 2024
	Total	Total
	£000	£000
Interest cost	43	38
Actuarial loss	26	(12)
Total	**69**	**26**
Benefits paid	(83)	(78)
Decrease in provision	**(14)**	**(52)**

14.3 Dilapidations

This provision is an estimate of the future expenditure required to return the CMA's office space, being utilised in each building we occupy, to its original condition at the end of the lease term.

The key considerations in calculating this provision are:

- the CMA's intention to occupy the office space until either the end date of each lease agreement or to a break option date in each lease agreement; and
- the office space will be well maintained, and only minor repairs will be required

In March 2025, the CMA reassessed the appropriateness of the dilapidations provision for all properties that it occupies and has subsequently increased this provision by £0.29 million, prior to discounting, using an independent external valuation assessment. This increase includes properties within scope of IFRS 16 Leases resulting in an increase to leasehold improvements additions by £0.20 million for the Cabot in note 6, page 138, and to the right-of-use asset additions by £0.09 million for all other IFRS 16 properties in note 7, page 140.

14.4 Legal

Regulatory decisions by the CMA may be subject to appeal. Appeals against the CMA's decisions may give rise to liabilities for legal costs.

While there is still inherent uncertainty in ongoing appeals, the CMA has determined, based on legal advice received, that an outflow of resources embodying economic benefits is more likely than not to occur in some cases.

Due to uncertainties in other ongoing appeals, in terms of the likelihood of CMA success, the timing of proceedings and the amount of the potential cost liability, the CMA has recognised other appeals as contingent liabilities in note 17 on page 150 as they do not satisfy IAS 37 criteria to recognise a provision.

14.5 Provision for Voluntary Exit Scheme (VES) – Workforce Reduction

As of 31 March 2025, a £5.39 million VES provision, prior to discounting, has been recognised, which is part of a workforce reduction plan. The VES has been formally communicated to staff and approved for implementation in 2025 to 2026. The provision represents the CMA's commitment to facilitating voluntary exits for eligible employees, based on the expectation that staff will accept offers made under the scheme. Since the scheme has been formally announced, and the CMA has no realistic ability to withdraw from its commitments without significant reputational and operational consequences, the provision meets the recognition criteria under IAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

15. Capital and other commitments

15.1 Capital commitments

At the end of 2024 to 2025, the CMA had capital commitments amounting to £0.29 million (2023 to 2024: £0.42 million) for services related to IT.

Commitments under operating leases

The future lease payments for one property (2023 to 2024: three) that the CMA occupies, Thanet House, London, which is outside the scope of IFRS 16, is recorded in the table below.

	2024 to 2025	2023 to 2024
	£000	£000
Total future minimum lease payments under operating leases are given in the table below for each of the following periods:		
Not later than one year	44	430
Later than one year and not later than 5 years	-	46
Later than 5 years	-	-
Total	**44**	**476**

16. Related Party Transactions

The CMA has transactions with other government departments and central government bodies. Our main dealings were with the Government Property Agency, OFWAT and the Office of Communication (OFCOM). Except for remuneration found in the Remuneration Report section of the Accountability Report, no Board member, key manager, or related party has undertaken any material transaction with the CMA during the year. Information regarding Board Members' Register of Interests can be found in the Directors' Report under the Register of Interests section.

The CMA sublets part of our office premises at the Cabot to the Groceries Code Adjudicator, sponsored by the Department for Business and Trade. The CMA also leases premises within Government Hubs from other government departments, such as HMRC, as part of our increased presence across the 4 nations.

17. Contingent liabilities

There is a possibility of a transfer of material economic benefits to third parties where the CMA is involved in active litigation. The legal cases included as contingent liabilities all relate to legal proceedings through the courts, and the outcomes are dependent on court rulings and findings.

The CMA's estimate of adverse costs in ongoing litigation cases is £38.60 million after discounting. Further information can be found in the Parliamentary accountability disclosures on page 113.

18. Events after the reporting period

In accordance with the requirements of IAS 10 Events after the Reporting Period, events are considered up to the date on which the financial statements are authorised for issue, which is interpreted as the same date the accounts are certified by the Comptroller and Auditor General. There are no subsequent events to report.

A separate Trust Statement is maintained for fees collected under the Enterprise Act 2002 (amended 2013) and fines collected under the Competition Act 1998. These revenues are payable to the Consolidated Fund.

Statement of Accounting Officer's responsibilities

HM Treasury has directed the CMA to prepare for each financial year a Trust Statement in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the CMA Trust Statement account and our revenue and expenditure and cash flows for the financial year.

HM Treasury has appointed the Chief Executive of the CMA as the Principal Accounting Officer with overall responsibility for preparing the Trust Statement and for transmitting it to the Comptroller and Auditor General.

In preparing the Trust Statement, the Accounting Officer is required to comply with the requirements of the FReM and, in particular, to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the accounts; and
- prepare the Trust Statement on a going concern basis

I have taken all necessary steps to make myself aware of information relevant to the audit of this Trust Statement account, and to ensure that my auditors are informed. So far as I am aware there is no relevant information of which my auditors are unaware.

I confirm that this Trust Statement as a whole is fair, balanced, and understandable and I take personal responsibility for the Trust Statement and the judgements required for determining that it is fair, balanced, and understandable.

Signed for and on behalf of the CMA

Sarah Cardell
Chief Executive and Principal Accounting Officer

7 JULY 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 Competition and Markets Authority Trust Statement for the year ended 31 March 2025 under the Exchequer and Audit Department Act 1921.

The financial statements comprise: Competition and Markets Authority Trust Statement's

- Statement of Financial Position as at 31 March 2025;
- Statement of Revenue, Statement of Other Income and Expenditure, and for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the Competition and Markets Authority Trust Statement's affairs as at 31 March 2025 and its net revenue for the Consolidated Fund for the year then ended; and
- have been properly prepared in accordance with the Exchequer and Audit Department Act 1921 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Competition and Markets Authority 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. In applying the Ethical Standards, I have considered the potential implications for my audit arising from the decision of one of my Executive Directors to accept a role as Chief Operating Officer of the Competition and Markets Authority from 30 September 2024. I am satisfied that the appropriate safeguards have been implemented to protect my and the NAO team's independence and objectivity throughout the audit.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Competition and Markets Authority Trust Statement'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 Competition and Markets Authority Trust Statement'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 Competition and Markets Authority Trust Statement is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Exchequer and Audit Departments Act 1921.

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 Exchequer and Audit Department Act 1921;
- 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 Competition and Markets Authority Trust Statement and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- adequate accounting records have not been kept by the Competition and Markets Authority Trust Statement 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 Competition and Markets Authority Trust Statement 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 Exchequer and Audit Department Act 1921;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Exchequer and Audit Department Act 1921; and
- assessing the Competition and Market Authority Trust Statement'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 Competition and Market Authority Trust Statement 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 Exchequer and Audit Department Act 1921.

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 Competition and Markets Authority Trust Statement's accounting policies.
- inquired of management, and those charged with governance, including obtaining and reviewing supporting documentation relating to the Competition and Markets Authority Trust Statement'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 Competition and Markets Authority Trust Statement's controls relating to the Competition and Markets Authority Trust Statement's compliance with the Exchequer and Audit Department Act 1921 and Managing Public Money;
- inquired of management and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations;
    - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Competition and Markets Authority Trust Statement 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 Competition and Markets Authority Trust Statement's framework of authority and other legal and regulatory frameworks in which the Competition and Markets Authority Trust Statement 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 Competition and Markets Authority Trust Statement. The key laws and regulations I considered in this context included Exchequer and Audit Department Act 1921, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2024, The Enterprise Act and Competition Act 1998.

Audit response to identified risk

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

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

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

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies **Date**

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Statement of Revenue, Other Income and Expenditure (SoROIE) for the year ended 31 March 2025

	Note	2024 to 2025	2023 to 2024
		£000	£000
Revenue			
Fines and penalties income			
Penalties imposed under the Competition Act 1998		126,700	7,080
Interest earned on penalties imposed under the Competition Act 1998		2,503	768
Total fines and penalties income		**129,203**	**7,848**
Merger fees			
Fees received under the Enterprise Act 2002		3,680	3,360
Total merger fees		**3,680**	**3,360**
Administrative penalties			
Penalties imposed under the Enterprise Act 2002[44]		1,525	2,585
Total administrative penalties		**1,525**	**2,585**
Total revenue		**134,408**	**13,793**
Expenditure			
CA98 Penalty offset for litigation costs	2	(10,741)	(4,508)
Debts written off or otherwise impaired[45]	3.2	53	1,053
Total expenditure[46]		**(10,688)**	**(3,455)**
Net revenue for the Consolidated Fund	**6**	**123,720**	**10,338**

The notes on pages 161-166 form part of this Trust Statement.

44 The CMA may impose financial 'administrative' penalties on a person (including a company) that: (i) fails to comply with information request/evidence gathering powers under ss26, 26A, 27, 28 or 28A

45 Debts written off or otherwise impaired is a positive amount predominantly due to a net decrease in the ECL impairment provision of £0.1 million during the year. Refer to note 3.2 on page 161 for more detail.

46 The CMA's notional audit fee for the Trust Statement is £15,500 (2023/24: £14,000). Refer to note 4 on page 135 to 137 for further information.

Statement of Financial Position (SOFP) as at 31 March 2025

	Note	2024 to 2025	2023 to 2024
		£000	£000
Non-current assets			
Receivables	3.1	9,437	5,671
Total non-current assets		**9,437**	**5,671**
Current assets			
Receivables	3.2	92,041	3,594
Cash and cash equivalents	4	28,191	19,470
Total current assets		**120,232**	**23,064**
Total assets		**129,669**	**28,735**
Current liabilities			
Payables	5	(292)	(64)
Total current liabilities		**(292)**	**(64)**
Total assets less liabilities		**129,377**	**28,671**
Total assets less current liabilities		**129,377**	**28,671**
Represented by:			
Balance on Consolidated Fund account	**6**	**129,377**	**28,671**

The notes on pages 161-166 form part of this Trust Statement.

Sarah Cardell
Chief Executive and Principal Accounting Officer
7 July 2025

Statement of Cash Flows for the year ended 31 March 2025

	Note	2024 to 2025	2023 to 2024
		£000	£000
Net cash flow from operating activities	A	31,735	43,939
Cash paid to the Consolidated Fund	6	(23,014)	(29,235)
Increase in cash in the year		**8,721**	**14,704**

Notes to the Statement of Cash Flows

A: Reconciliation of Net Cash Flow to movement in Net Funds	Note	2024 to 2025	2023 to 2024
		£000	£000
Net revenue for the Consolidated Fund		123,720	10,338
(Increase)/Decrease in non-cash assets		(92,213)	33,537
Increase/(Decrease) in liabilities		228	64
Net cash flow from operating activities		**31,735**	**43,939**

B: Analysis of Changes in Net Funds	Note	2024 to 2025	2023 to 2024
		£000	£000
Increase in cash in the year	4	8,721	14,704
Net funds at 1 April (net cash at bank)		19,470	4,766
Net funds at 31 March (closing balance)		**28,191**	**19,470**

The notes on pages 161-166 form part of this Trust Statement.

Notes to the Trust Statement

1. Statement of accounting policies

The CMA acts as an agent responsible for collecting merger fees and Competition Act 1998 (CA98) penalties on behalf of the Consolidated Fund. These financial statements provide an account of the collection of revenues, which by law or convention are payable into the Consolidated Fund, where the CMA undertakes the collection and acts as agent rather than principal. The legislative requirement is set out in the Exchequer and Audit Departments Act 1921.

These financial statements have been prepared in accordance with the 2024 to 2025 FReM and the Accounts Direction issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public-sector context. Where the FReM permits a choice of accounting policy, the CMA selects the accounting policy which is judged to be most appropriate to the particular circumstance for the purpose of giving a true and fair view.

The policies adopted by the CMA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

These financial statements have been prepared on a going concern basis.

1.1 Accounting convention

The Trust Statement has been prepared on an accruals basis in accordance with the historical cost convention.

1.2 Significant judgements and estimates

In calculating accrued income for enforcement and other services, judgements and estimates are made on the status of underlying activities. A provision for anticipated irrecoverable amounts is included. In addition to this, in calculating the Expected Credit Loss (ECL) required by IFRS 9 Financial Instruments, judgements and assumptions are made on the future economic conditions and the impact these conditions may have on credit risk. Based on our findings, we consider the credit risk level to be low and therefore adopt the simplified approach when calculating the ECL. A provision for an impairment allowance is then recognised.

Please refer to note 1.4 (Receivables) on page 162 for further information. Other judgements and estimates that have a significant risk of causing any material adjustment to the carrying value of assets and liabilities within the next financial year are addressed in this Trust Statement.

1.3 Revenue recognition

Fees and penalties are measured in accordance with IFRS 15 Revenue from Contracts with Customers. Merger fee revenue is recognised once the CMA has investigated the intended merger and has issued its decision. Fines and penalties revenue is recognised when the fine and / or penalty is imposed and a decision letter sent to the entity concerned; and, either when the timeframe of 2 calendar months for an entity to appeal the decision has elapsed; or when the entity has settled with the CMA on the fine and / or penalty imposed and the possibility of an appeal is considered remote.

This approach is consistent with IFRS 15 and the FReM adaptation for evaluating how much income is recognised and when it is recognised under FReM 11.3.9.

Fees and penalties are measured at the fair value of amounts received or receivable, net of any repayments.

1.4 Receivables

IFRS 9 Financial instruments includes requirements for classification, recognition and measurement, impairment and derecognition of financial instruments.

Under IFRS 9, allowances are made for credit losses on an ECL basis.

In line with IFRS 9's simplified approach to impairment, we have recognised a loss allowance at an amount equal to lifetime ECLs from initial recognition of the receivables. These have been estimated by reference to past default experience, adjusted for the expected impact of current and future economic conditions.

Receivables are reviewed periodically for all outstanding CA98 penalties to determine recoverability and to assess any allowance for uncollectible amounts measured in accordance with IFRS 9. The impairment allowance serves to reduce the receivable in the Statement of Financial Position but also reduces the balance on the Consolidated Fund account. The creation of this impairment allowance, and any subsequent movement, or any write-offs which have not been previously provided for, are included in the SoROIE.

If a party has been offered the option to pay their penalty by instalments and subsequently defaults on their payments for any reason – for example, if they enter into administration - every step is taken to pursue the debt. However, usually the outstanding balance is fully impaired until such time as the recovery process has been completed, at which time any unused allowance is released. This also applies where a penalty is imposed on an entity that has entered into administration or does so before any payment of the penalty can be made.

1.5 Value Added Tax (VAT)

Merger fees and CA98 penalties are outside the scope of VAT.

2. CA98 penalty offset for litigation costs

The CMA has approval to fully offset its own litigation costs against CA98 penalties income. The litigation costs offset of £10.74 million in 2024 to 2025 marks a significant increase compared to the prior year's offset of £4.51 million primarily due to judgements ruled by the Competition Appeals Tribunal (CAT) during the financial year. On 23 May 2024, the CAT overturned CMA's infringement decision in relation to 4 pharmaceutical entities and annulled the fines against the companies. The CMA settled and paid in full £8.81 million of legal costs to the pharmaceutical companies in 2024 to 2025.

3. Receivables

3.1 Non-current receivables

	2024 to 2025	2023 to 2024
	£000	£000
Amounts falling due after more than one year		
Competition Act 1998 penalties receivable	9,437	5,671
Total	**9,437**	**5,671**

3.2 Current receivables

	2024 to 2025	2023 to 2024
	£000	£000
Amounts falling due within one year		
Competition Act 1998 penalties receivable	5,693	3,760
Competition Act 1998 penalties accrued income	85,300	-
Less impairment allowance	(757)	(938)
Net Competition Act 1998 penalties	**90,236**	**2,822**
Merger fees receivables	610	420
Less impairment allowance	(91)	(263)
Net Merger fees	**519**	**157**
Amount owed from CMA Main Account	1,006	55
Accrued income	280	560
Total	**92,041**	**3,594**

On 20 December 2024, the CAT issued a judgement upholding the CMA's decision finding that 2 suppliers of demolition and asbestos removal services had breached competition law by taking part in bid rigging, in the form of cover bidding. In accordance with the CMA's accounting policy, £19.94 million of CA98 penalties have been recognised as owing from the 2 suppliers in 2024 to 2025. Of the £19.94 million, £6.53 million was received during 2024 to 2025.

The large increase in current receivables in 2024 to 2025 is predominantly due to the £85.30 million that the CMA recognised in relation to CA98 penalties accrued income. This accrued income is in connection with decisions that were issued by the CMA in February and March 2025.

On the 21 February 2025, the CMA issued 5 separate infringement decisions under the Competition Act 1998 after investigating suspected anti-competitive arrangements in relation to UK government bonds. 4 banks have settled and agreed to pay fines totalling £104.46 million. One bank alerted the CMA to its participation in the unlawful conduct under the CMA's leniency policy and benefits from immunity from any fine. As at 31 March 2025, CMA have received payment of £23.40 million in connection with the fines issued and £81.06 million is recorded as a receivable. Please refer to the case page for further information.

On the 21 March 2025, the CMA issued an infringement decision to 4 companies after investigating anti-competitive arrangements in relation to the purchase of freelance services supporting the production and broadcasting of sports content in the UK. The 4 companies have settled and agreed to pay fines totalling £4.24 million. Please refer to the case page for further information.

The treatment for recognising the accrued income aligns with our revenue recognition policy, please refer to note 1.3 on page 162 for further information.

The merger fees impairment provision of £0.09 million has decreased from the prior year as the CMA received monies in relation to merger fees that had been outstanding for over 6 months and were accounted for as doubtful debts in the prior year. On receipt of the monies, the doubtful debts totalling £0.17 million were reversed in 2024 to 2025.

In line with IFRS 9 and the 2024 to 2025 FReM, the CMA's assessment of ECLs applied against both current and non-current receivables resulted in a decrease in the impairment provision of £0.07 million using an average rate of 0.71% for Competition Act 1998 penalties and a rate of 0.14% for Merger fees. This loss rate is estimated using historic data on the receivables written off or fully impaired, for example, due to administration or dissolution of an entity, as a proportion of the total net receivable at the reporting date.

While every effort is made to recover debts, due to the uncertain nature of entity liquidations, a loss allowance is made for the full amount of the debt at the time an entity enters into administration.

Debts written off or otherwise impaired in 2024 to 2025 is £0.05 million as reported in the SoROIE. This is the sum of £0.17 million which relates to reversals of doubtful debts in connection with merger fees that were overdue but have been recovered during the year minus £0.12 million net increase to the ECL impairment provision in 2024 to 2025.

4. Cash and cash equivalents

	2024 to 2025	2023 to 2024
	£000	£000
Balance held at Government Banking Service at 1 April	19,470	4,766
Net change in cash balances	8,721	14,704
Balance held at Government Banking Service at 31 March	**28,191**	**19,470**

The increase in cash balance is due to an increase in the collection of high value penalties received in 2024 to 2025 in comparison to 2023 to 2024.

The CMA will transfer this closing balance to HM Treasury in the 2025 to 2026 financial year. See note 6 which reflects the opening balance held at the Government Banking Service at 1 April 2024 paid to the Consolidated Fund in 2024 to 2025.

5. Payables

	2024 to 2025	2023 to 2024
	£000	£000
CA98 Penalties offset for litigation costs	292	64
Total	**292**	**64**

6. Balance on the Consolidated Fund account

	2024 to 2025	2023 to 2024
	£000	£000
Balance on Consolidated Fund account at 1 April	28,671	47,568
Net revenue for the Consolidated Fund	123,720	10,338
Less amount paid to the Consolidated Fund	(23,014)	(29,235)
Balance on Consolidated Fund account at 31 March	**129,377**	**28,671**

7. Events after the reporting period

In accordance with the requirements of IAS 10 Events after the Reporting Period, events are considered up to the date on which the Trust Statement are authorised for issue, which is interpreted as the same date they are certified by the Comptroller and Auditor General.

Non-adjusting events

The CMA imposed a penalty, and a decision letter was sent on 1 April 2025 to car manufacturers and industry bodies after they admitted to breaking competition law. The parties involved agreed, and have paid, penalties totalling £77.69 million. Please refer to the case page for further information.

On 8 May 2025 the UK Court of Appeal upheld the CMA's £99 million fine against 3 pharmaceutical companies for excessive pricing of liothyronine tablets. The court rejected appeals and reinstated the original fine against one pharmaceutical company that had been reduced by the Competition Appeal Tribunal (CAT). Total fines that the CMA can expect to receive following the High Court ruling is £114.8 million in addition to ongoing post judgement interest. To date, the CMA have received £60.64 million from one pharmaceutical company. Please refer to the case page for further information.

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