United Kingdom
Debt Management
Office

2024-2025

Annual Report and Accounts

of the United Kingdom Debt Management Office

and the Debt Management Account

HC 1163

United Kingdom Debt Management Office
Annual Report and Accounts 2024–2025

Presented to the House of Commons pursuant to
Section 7 of the Government Resources and Accounts Act 2000
Presented to the House of Lords by Command of His Majesty

and

Debt Management Account
Annual Report and Accounts 2024–2025

Presented to Parliament pursuant to
Schedule 5A to the National Loans Act 1968

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Contents

What this document covers

This document presents the Annual Report and Accounts of the United Kingdom Debt Management Office (DMO) and the Annual Report and Accounts of the Debt Management Account (DMA) for the year ended 31 March 2025.

The **DMO** is an executive agency of HM Treasury. Its main aims are:

- to carry out the government's debt management policy of minimising its financing cost over the long-term, taking account of risk;
- to carry out the government's cash management policy of minimising the cost of offsetting the government's net cash flows over time, while operating within a risk appetite approved by ministers;
- to provide loans to local authorities for mainly capital purposes;
- to manage the funds of selected public sector bodies.

The **DMA** is one of the government's Exchequer accounts (others include the National Loans Fund and the Consolidated Fund managed by HM Treasury and the Exchange Equalisation Account managed by the Bank of England for HM Treasury). The DMA records the assets, liabilities and other transactions that arise from the DMO's debt management (except for gilts issued by the DMO, which are liabilities of the National Loans Fund), cash management and other activities that support government initiatives.

The following sections of this document apply to both the DMO and the DMA:

The following sections are specific to the DMO:

The following section is specific to the DMA:

Performance report

The purpose of the overview is to provide sufficient information to understand the United Kingdom Debt Management Office and the Debt Management Account, their purposes, key risks to the achievement of their objectives and how they have performed during the year.

Overview

Chief Executive Officer's statement

The financial year 2024-2025 was the 27th operational year for the DMO and, once again, not only did we successfully execute the second highest financing remit in the DMO's history through our core gilt sales programme, we also delivered our cash management operations, local authority lending through the PWLB lending facility and investment of public sector funds via the Commissioners for the Reduction of the National Debt (CRND).

2024-25 represented another challenging year for the DMO, with considerable volatility in international financial markets. Alongside this, the government's gilt financing requirement rose in-year to an elevated level, resulting in total gilt sales of £297.7 billion.

- The original gilt financing remit for 2024-2025 was announced on 6 March 2024 with planned gilt sales of £265.3 billion (including planned green gilt sales totalling £10.0 billion).
- Following publication of the outturn of the 2023-2024 financing requirement on 23 April 2024, planned gilt sales for 2024-2025 were increased by £12.4 billion to £277.7 billion.
- At Autumn Budget 2024, alongside the publication of the Office of Budget Responsibility's Economic and Fiscal Outlook on 30 October 2024, a further increase of £19.2 billion in planned gilt sales, to £296.9 billion, was announced. In addition, the net contribution of Treasury bills for debt financing increased to £3.0 billion from zero. Overall, the DMO's financing requirement for 2024-2025 was increased by £22.2 billion.

The outturn for gilt sales in 2024-2025 of £297.7 billion stood at £32.4 billion higher than the initial remit plan in the spring, and represented a 24.5% increase on the DMO's £239.1 billion gilt remit in 2023-2024. The outturn also included green gilt sales of £10.0 billion.

Auctions remained the DMO's primary means of selling gilts, amounting to £232.8 billion (including £19.4 billion of proceeds from the Post Auction Option Facility), and represented 78% of overall sales. The average bid/cover ratio at gilt auctions in 2024-2025 was 3.18x, higher than that recorded in 2023-2024 (2.78x).

The DMO undertook 77 gilt auctions in 2024-2025. Auctions were supplemented by eight syndicated offerings (five of conventional gilts and three of index-linked gilts) which raised £59.3 billion in nominal terms (19.9% of total gilt sales). Four gilt tenders were held during 2024-2025, raising £5.54 billion.

Gilts syndicated sales achieved significant levels of investor demand. The final conventional gilt syndication of the year, in February 2025, raised £13 billion – a record for a single DMO transaction. Alongside gilts, there was also sustained demand for Treasury bills in the year as they continued to attract considerable interest from domestic and international investors.

In 2024-2025, the DMO also continued to perform strongly in carrying out its cash management function, meeting the financial obligations of the UK government on every business day. The DMO's cash management activities resulted in trading turnover of £5.9 trillion during 2024-2025.

The PWLB lending facility has continued to fulfil its statutory function in lending to local authorities and councils on a non-discretionary basis. At 31 March 2025, the PWLB's loan assets outstanding were £110.5 billion. 1,121 new loans totalling £14.6 billion were advanced during the financial year.

During 2024-2025, the DMO again provided a cost-effective service to its clients through the fund management operations of the CRND. The market value of these funds was £91.3 billion at 31 March 2025.

In November 2024, the Chancellor of the Exchequer announced the launch of a pilot Digital Gilt Instrument

(DIGIT) issuance. As an experimental issue outside the DMO's gilt issuance programme, the DMO and HM Treasury are together exploring through DIGIT how digital ledger technology can be applied to UK government debt issuance processes.

In my first year as Chief Executive Officer, succeeding Sir Robert Stheeman on 1 July 2024, I would like to express my gratitude to DMO employees for their outstanding contribution to the DMO's achievements in 2024-2025. I also wish to convey my great thanks to all our market counterparties and other core stakeholders for their continued support for the UK government's financing programme.

Jessica Pulay
Chief Executive Officer
UK Debt Management Office
8 July 2025

Purpose and principal activities of the United Kingdom Debt Management Office

The DMO aims to be a centre of excellence for HM Treasury in the provision of policy advice on, and the delivery of, the government's financing needs, acting as a key gateway for government to the wholesale financial markets. It performs these functions primarily to support HM Treasury's objectives.

The DMO is legally and constitutionally part of HM Treasury, but as an executive agency, it operates at arm's length from ministers. The Chancellor of the Exchequer determines the policy and operational framework within which the DMO operates, but delegates to the Chief Executive Officer operational decisions on debt and cash management and day-to-day management of the office.

The responsibilities of the Chancellor and other HM Treasury ministers, the Permanent Secretary to HM Treasury and the DMO's Chief Executive Officer are set out in a published Framework Document, available on the DMO website at www.dmo.gov.uk, which also sets out the DMO's lines of accountability. The Chief Executive Officer is accountable to Parliament for the DMO's performance and operations, both in respect of its administrative expenditure and the Debt Management Account.

The DMO is given annual remits by HM Treasury for its debt management and cash management. The remits are published in the Debt Management Report just prior to the start of the financial year. The DMO conducts its operations for the forthcoming financial year within the scope of these remits and in order to meet its specified objectives and targets. These operations are performed by teams that reflect the DMO's functional activities.

The DMO conducts all its activities within a formal risk management framework, which covers all its principal risks. An assessment of these is provided in the governance statement on page 44 to 59.

Debt management

The government's debt management objective is 'to minimise, over the long-term, the costs of meeting the government's financing needs, taking into account risk, while ensuring that debt management policy is consistent with the aims of monetary policy'.[1] The DMO advises HM Treasury on the development of an appropriate debt issuance strategy.

The debt management objective is achieved by meeting the principles of openness, predictability and transparency.

The composition of debt issued is the primary means by which the government adjusts the nature and maturity of its debt portfolio. In order to determine this composition, the government takes into account, among other things, investor demand for gilts, its own appetite for risk, the shape of the yield curves and the prevailing market environment.

The DMO's main debt management activity is the issuance of gilts on behalf of the National Loans Fund. The DMO additionally issues Treasury bills for both debt and cash management purposes.

The financing remit set by HM Treasury ministers specifies the planned annual total of gilt sales in cash terms, the split between conventional and index-linked gilt sales and, within conventional gilts, the split by maturity band. The planned split of issuance by distribution method is also set out. The financing remit for 2024-2025 was initially set in March 2024 and then revised in April and October 2024.

The DMO decides the size of gilt auctions and the choice of gilts to be auctioned, together with the size and choice of gilts to be issued via syndications and any gilt tenders in accordance with the terms set out in the remit for the financial year. The DMO also decides the size and maturity breakdown of Treasury bill issuance.

The DMO publishes Operational Notices describing how it acts in the gilt and sterling money markets – copies of these documents are available on the DMO website at www.dmo.gov.uk.

[1] Debt Management Report 2024-25

In addition to gilt issuance, the DMO encourages the development of an efficient and liquid secondary market for gilts, by means that include the stewardship of the Gilt-edged Market Makers (GEMMs) system.

Under an agreement with the DMO, GEMMs provide a secondary market in all gilts, and are the point of access for institutional investors who wish to take part in the DMO's gilt auctions.

For various operational reasons, the DMO may redeem gilt holdings bought from the market by selling them back to the National Loans Fund at market rates prior to maturity.

Cash management

The DMO's cash management objective is 'to minimise the cost of offsetting the government's net cash flows over time, while operating within the government's risk appetite'.[1]

Offsetting these net cash flows for the government is achieved through a combination of bilateral transactions with market counterparties and Treasury bill issuance.

The range of instruments and operations that the DMO may use for cash management purposes, including the arrangements for the issuance of Treasury bills, are set out in the DMO's Cash Management Operational Notice and UK T-bills Information Memorandum (which is available on the DMO website at www.dmo.gov.uk).

PWLB lending facility

The PWLB lending facility is operated by the DMO on behalf of HM Treasury. It provides loans to local authorities and other specified bodies, using funding from the National Loans Fund, and collects repayments. The PWLB lending facility operates within a policy framework set by HM Treasury. The loans are primarily for capital projects.

The DMO produces a separate annual report and accounts for the PWLB lending facility.

Commissioners for the Reduction of the National Debt (CRND)

The principal function of the CRND is managing the investment portfolios of certain public funds.

The DMO produces a separate annual report and accounts for each of these funds.

Gilt purchase and sale service

The DMO offers a gilt purchase and sale service to those registered on the approved group of investors database, maintained by Computershare Investor Services PLC on behalf of the DMO. This service enables members of the public to buy and sell gilts in the secondary market.

Discount Window Facility

On 20 October 2008, the Bank of England launched the Discount Window Facility. The purpose of the Discount Window Facility is to provide liquidity insurance to the banking system. The DMO facilitates this operation by purchasing gilts issued by the National Loans Fund and lending them to the Bank of England when required.

[1] Debt Management Report 2024-25

Rochdale
via Exchange Square
3108B
Metrolink
In Barbados, rush hour is a little different
FLY NON-STOP FROM MANCHESTER THIS WINTER
Aer Lingus
BARBADOS

Key figures 2024-2025*

DMO FINANCIALS AT A GLANCE

£15.5m
Staff costs

£5.6m
Purchase of goods and services

£5.3m
Issuance and transaction costs

£1.7m
Other accounting charges

Operating expenditure: £28.1 million

Net cost of running the DMO: £20.0 million

Operating income: £8.1 million

£5.9m
Fees and charges

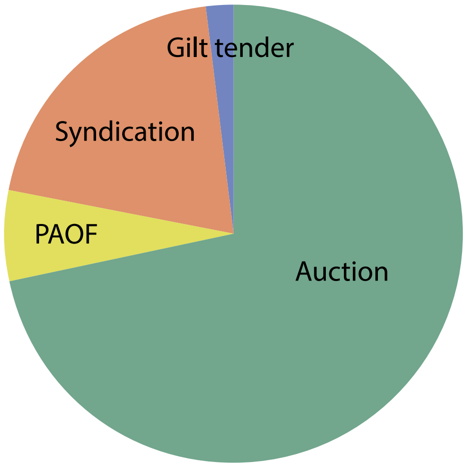
£1.4m
Recharges to the National Loans Fund

£0.8m
Gilt purchase and sales service commission

* All figures relate to the full financial year except for CRND funds under management which are as at 31 March 2025.

DEBT MANAGEMENT

Annual gilt sales: £297.7 billion



CASH MANAGEMENT

Annual turnover

£5.9 trillion

PWLB LENDING FACILITY

£14.6 billion advanced in year

1,121 loans advanced

245 local authority borrowers

CRND

Relationship of the Debt Management Account to the National Loans Fund

The National Loans Fund is the government's principal borrowing and lending account and is administered by HM Treasury. The DMA's principal role is to meet the financing needs of the National Loans Fund. These include long-term requirements (debt management), short-term requirements, and day-to-day cash needs (cash management).

In its debt management role, the DMA issues gilts on behalf of the National Loans Fund. This requires the DMA to purchase newly created gilts from the National Loans Fund, which it then sells to the market. In this way, gilts issued are liabilities of the National Loans Fund and the responsibility for paying gilt coupons and redeeming the debt on maturity lies with the National Loans Fund[1]. The DMA regularly undertakes secondary market gilt transactions in small volumes.

The DMA also issues sterling Treasury bills, which it does as part of both its debt and cash management operations.

The DMA transacts with the financial markets, on behalf of the National Loans Fund, for the purpose of managing the government's cash requirements. In this role, the DMA undertakes day-to-day borrowing and lending with the market, largely in the form of Treasury bill issuance, sale and repurchase agreements (repos), reverse sale and repurchase agreements (reverse repos), unsecured deposit taking and commercial paper purchases. The repos and reverse repos of the DMA are usually collateralised with gilts. For this purpose, the DMA holds a large gilt portfolio bought from the National Loans Fund.

Under the terms of the Finance Act 1998, the National Loans Fund made a cash advance of £6 billion to the DMA at inception in order to establish the account. Subsequent cash advances and repayments have been made from time to time as required so that at 31 March 2025, the advance was nil (31 March 2024: nil). The DMA pays interest at the Bank Rate on any advance from the National Loans Fund.

In order for the DMA to balance the daily financing needs of the National Loans Fund, the DMA actively manages its daily cashflows to ensure that the DMA is able to deposit sufficient funds with the National Loans Fund so that the National Loans Fund has a nil cash balance at the end of each day. The DMA receives interest at the Bank Rate on any daily deposit with the National Loans Fund. During the year, the DMA deposited with the National Loans Fund £434,389 million (2023-2024: £342,716 million) and the National Loans Fund returned to the DMA £440,597 million (2023-2024: £394,023 million).

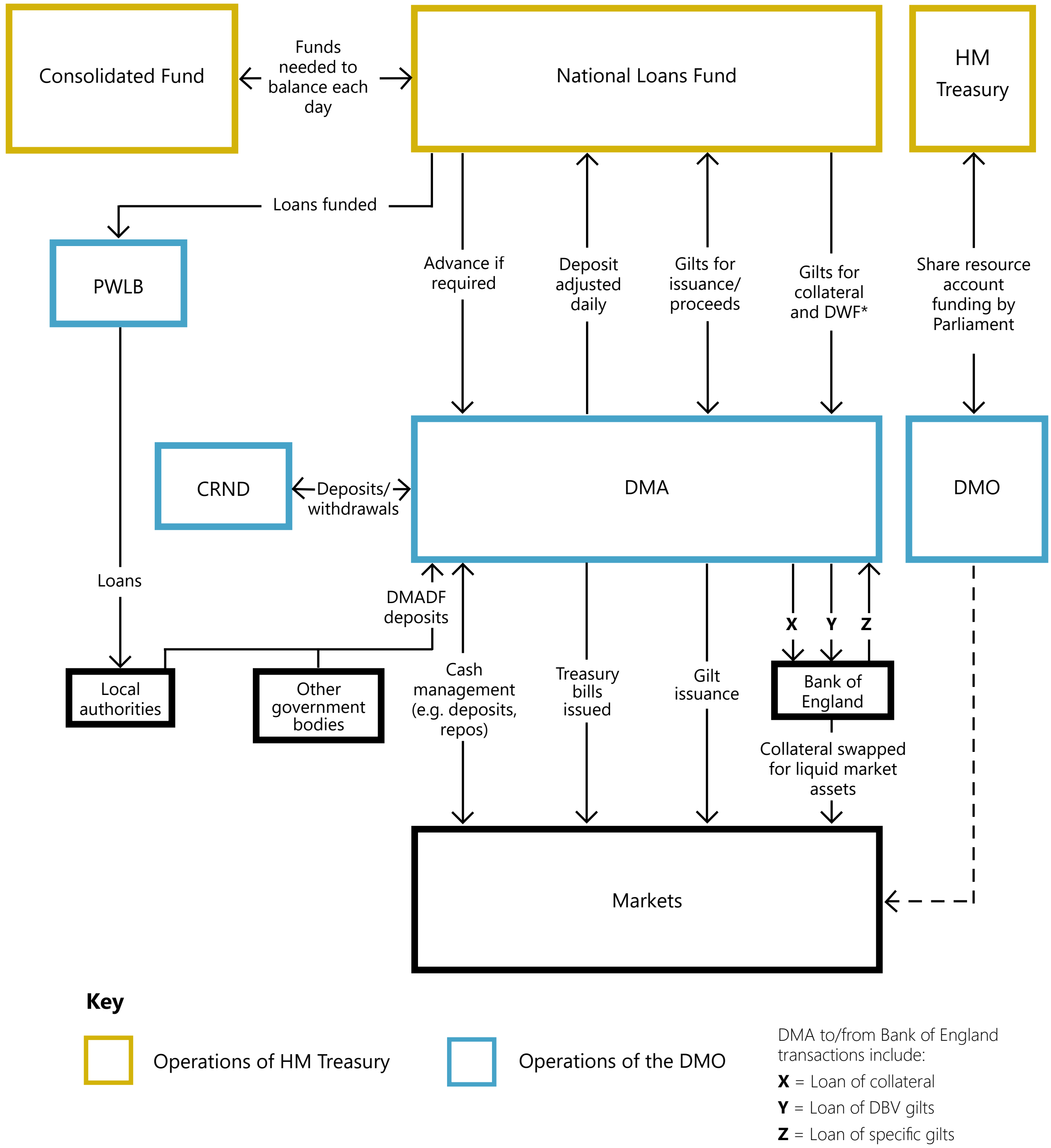
Changes in the DMA's advance from the National Loans Fund or deposit with the National Loans Fund are transactions internal to the government and do not constitute part of overall government borrowing.

Retained surpluses and deficits of the DMA are assets or liabilities of the National Loans Fund. In the case of a retained surplus, HM Treasury may make a payment from the DMA to the National Loans Fund (equal to all or part of the surplus) thereby reducing the liability of the DMA. In the case of a retained deficit, HM Treasury may make a payment to the DMA from the National Loans Fund (equal to all or part of the deficit). As at 31 March 2025, the DMA had a retained surplus of £63,800 million (31 March 2024: £63,357 million).

[1] Further information about the total stock of gilts in issue, including their maturity profile, can be found in the annual report and accounts of the National Loans Fund. A list of the gilts in issue is available on the DMO website at www.dmo.gov.uk.

Key relationships of the United Kingdom Debt Management Office and the Debt Management Account

This diagram sets out the principal relationships of the DMO and the DMA with other organisations and funds. It is intended for illustrative purposes only.



* Discount Window Facility

Note:

1. The DMO also uses the Bank of England for custody and settlement functions.

2. The Consolidated Fund is equivalent to the government's current account. Government revenue from taxes and other sources is collected daily and paid into the Consolidated Fund. Government departments draw down cash from the Consolidated Fund, subject to the limit of their annual Net Cash Requirement, to make all their payments. Any cash shortfall in the Consolidated Fund is met by a draw down from the National Loans Fund (and vice versa for any cash surplus).

Performance summary

Debt management

Debt issuance

In 2024-2025, the DMO successfully delivered its financing remit despite an ongoing challenging and volatile market backdrop. The financing requirement was at a historically elevated level at the DMO's original remit for 2024-2025 and was increased over the course of the financial year.

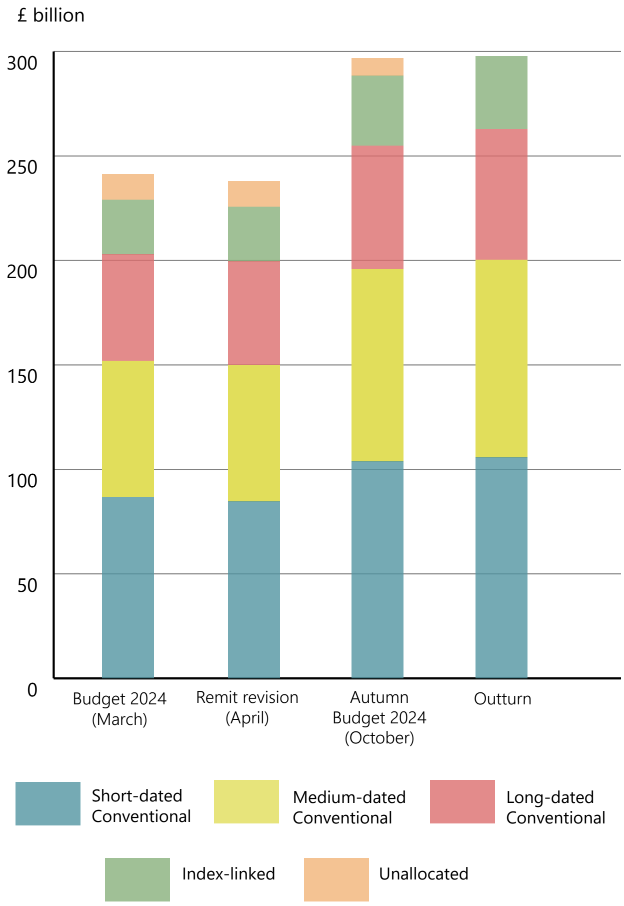
The DMO's original remit for 2024-2025, as announced in the Spring Budget on 6 March 2024, envisaged planned gilt sales of £265.3 billion (including planned green gilt sales of the existing medium and long conventional gilts, totalling £10.0 billion), to be delivered by 73 gilt auctions and seven syndications. A £10.0 billion unallocated portion of issuance was also announced, which could be used to issue any type or maturity of gilt (except green gilts) and via any issuance method. It was anticipated that Treasury bill sales for debt management purposes would make a zero net contribution towards meeting the Net Financing Requirement in 2024-2025.

The initial gilt sales plan was increased by £12.4 billion to £277.7 billion as a result of the outturn of the Central Government Net Cash Requirement (excluding NRAM Ltd, Bradford & Bingley and Network Rail) on 23 April 2024. This increase was accommodated by a combination of (i) increasing the average auction sizes of short, medium, long and index-linked auctions, (ii) adding four new gilt auctions to the schedule (of a short, medium, long and index-linked gilt), and (iii) an increase of £1 billion to the unallocated portion of issuance.

A further increase of £19.2 billion was announced to planned gilt sales on 30 October 2024, alongside the publication of the Office of Budget Responsibility's Economic and Fiscal Outlook, taking the total for 2024-2025 to £296.9 billion. This increase was accommodated primarily by an increase to the syndication programme of £13.1 billion to £50.1 billion and to the unallocated portion of issuance by £5.4 billion. Planned gilt sales via auctions were increased by £0.7 billion; however, there was no change to the planned total number of auctions in 2024-2025, which remained at 77. Planned net sales of Treasury bills for debt management purposes were increased by £3.0 billion, taking their planned net contribution to £3.0 billion.

The outturn for gilt sales in 2024-2025 was £297.7 billion (£773 million above the remit plan). This included green gilt sales of £10.0 billion.

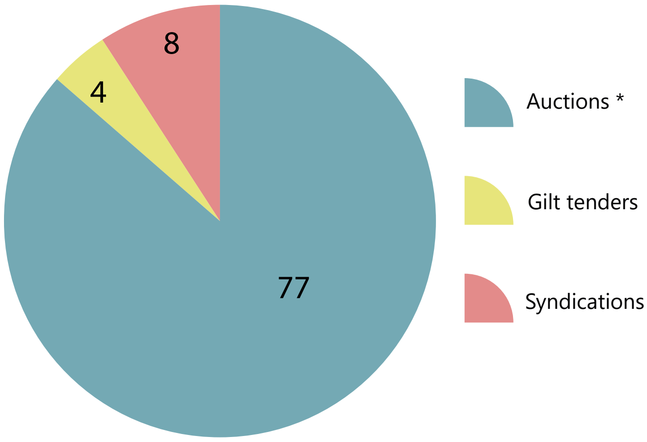
Figure 1: Gilt sales in 2024-2025



Auctions remained the DMO's primary means of selling gilts and accounted for £232.8 billion of gilt sales. This figure included £19.4 billion of proceeds from the Post Auction Option Facility, and represented 6.5% of overall gilt sales. The average bid-to-cover ratio at gilt auctions in 2024-2025 was 3.18x, an increase from 2.78x in 2023-2024.

The gilt auction programme was supplemented by eight syndicated offerings (five of conventional gilts and three of index-linked gilts) which together raised £59.3 billion (19.9% of total gilt sales). Four gilt tenders (three tenders of 0⅛% Treasury Gilt 2026, and one for the ultra-long 1⅛% Treasury Gilt 2073, were held during 2024-2025, raising £5.5 billion (1.8% of total gilt sales).

Figure 2: Gilt issuance operations by type in 2024-2025



* The Post Auction Option Facility is available following each auction, as described above.

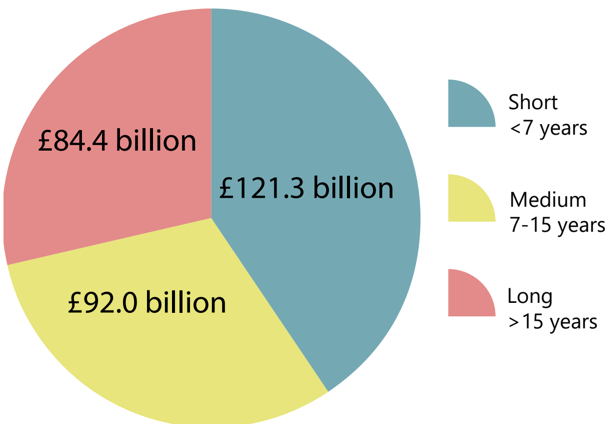
In 2024-2025, short-dated conventional gilt issuance was £105.7 billion, medium-dated conventional gilt issuance (including green gilts) was £94.8 billion and long-dated conventional gilt issuance (including green gilts) was £62.4 billion. Index-linked gilt issuance was £34.8 billion.

Average daily turnover in the gilt market in 2024-2025 was £44.0 billion, an increase of £4.8 billion (12.2%) from £39.2 billion in 2023-2024. Maintaining a deep and liquid market is a key factor in sustaining a diversified investor base.

Table 1: Gilt issuance profile

	2025	2024	Change
Short-dated conventional	35.5%	36.2%	-0.7%
Medium-dated conventional	31.8%	29.0%	2.8%
Long-dated conventional	21.0%	22.4%	-1.4%
Index-linked	11.7%	12.4%	-0.7%
Total issuance (£bn)	297.7	239.1	

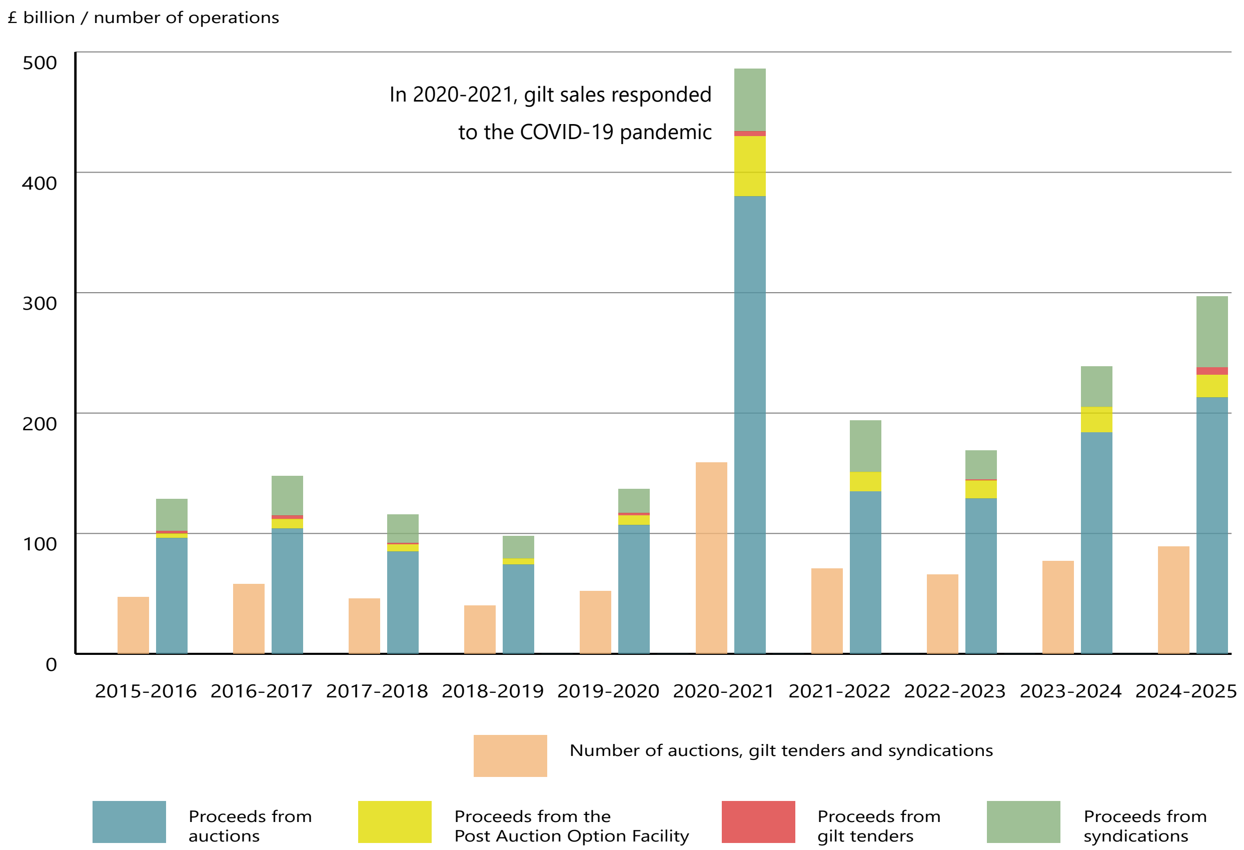
Figure 3: Maturity profile of conventional and index-linked gilts issued in 2024-2025



The DMO received its financing remit for 2025-2026 at the Spring Forecast on 26 March 2025. Planned gilt sales of £299.2 billion were announced, an increase of £1.5 billion compared to the outturn of sales in 2024-2025. Planned net sales of Treasury bills were expected to contribute £5.0 billion to debt management in 2024-2025.

At the remit revision to coincide with the publication of the 2024-2025 outturn Central Government Net Cash Requirement (excluding NRAM ltd, Bradford & Bingley, and Network Rail) on 23 April 2025, planned gilt sales in 2025-2026 were reduced by £0.1 billion to £299.1 billion and planned net sales of Treasury bills for debt management were increased by £5.0 billion.

Figure 4: Number of gilt issuance operations and proceeds



Gilt holdings

The DMA holds relatively small portfolios of gilts for debt management purposes:

- Gilt purchase and sale service: fair value of £9 million at 31 March 2025 (31 March 2024: £12 million) - these gilts are used for purchase and sale transactions with retail investors.
- Other gilt holdings: fair value of £118 million at 31 March 2025 (31 March 2023: £141 million) - this includes the residual from gilt auctions (a small amount of each gilt auction may be retained due to rounding the allotment of gilts to successful bidders) and gilts bought by the DMO in the secondary market.

Cash management

The DMO successfully delivered its cash management remit for 2024-2025. The DMO monitored and assessed its performance using a range of key performance indicators, details of which will be reported in the DMO Annual Review 2024-2025, which will be available on the DMO website at www.dmo.gov.uk.

During the year, the DMO continued to meet the government's net cash requirements. This remained challenging given ongoing stresses in sterling money markets.

The continued high value of DMA turnover during 2024-2025 is shown in Figure 5.

The DMO managed the government's net cash requirements during the year primarily by raising and investing cash in the sterling repo market.

The DMO also used weekly Treasury bill tenders to support its daily cash management activities. Throughout the year, there remained strong market demand to buy Treasury bills at tender and through bilateral agreement.

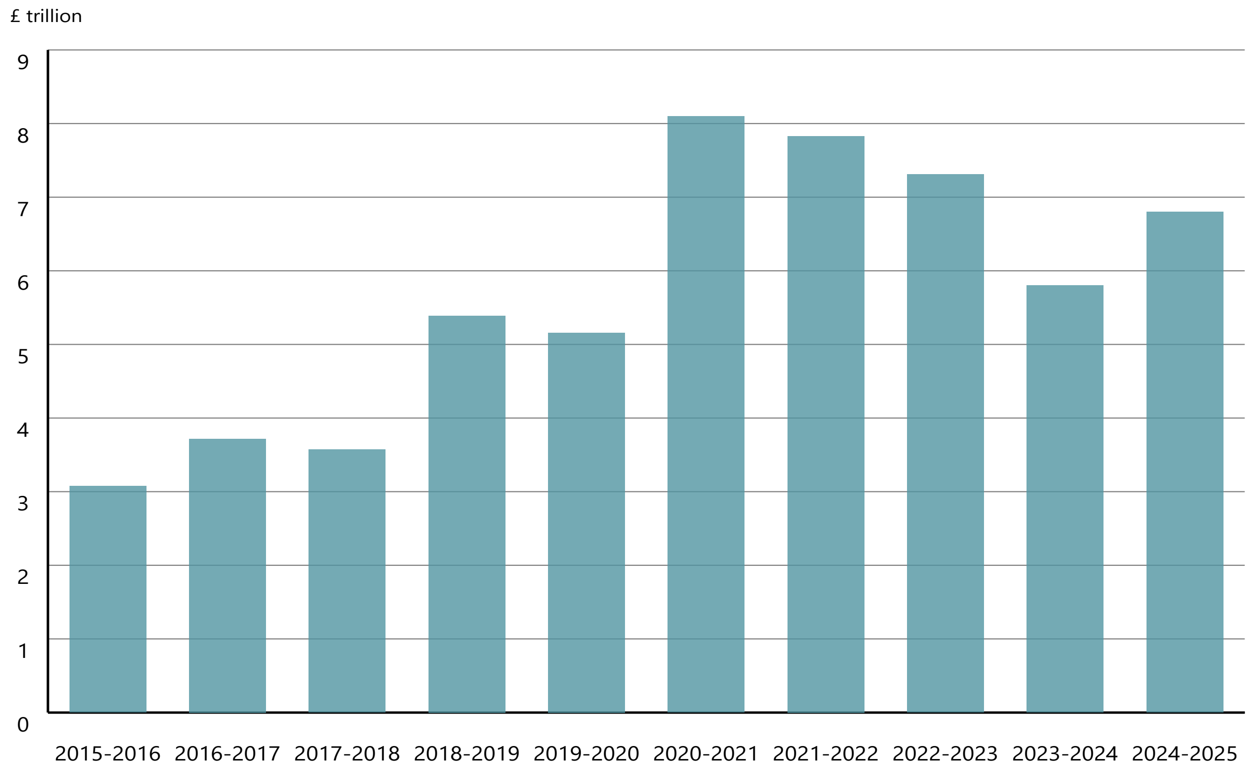
The Debt Management Account Deposit Facility (DMADF) continued to take cash deposits from local authorities and other government bodies, which can place surplus funds with the DMA for up to six months. The balance of these deposits varied throughout the year, ranging from £4.3 billion to £8.7 billion.

Additionally, the DMO traded a number of other money market instruments to ensure that the government's daily cash requirements were met.

In 2024-2025 £17,908 million (nominal) of gilt collateral was created and issued to the DMA for use in cash management operations (2023-2024: none). Additional collateral is not available for outright sale. Collateral is usually issued to the DMA to replace redeeming gilts and to maintain the overall value of the DMA's collateral pool.

During 2024-2025, the DMA held gilts for use as collateral in repo transactions. The collateral has been purchased from the National Loans Fund on various occasions since 3 February 2000. At 31 March 2025, gilts held specifically for use as cash management collateral had a carrying value of £62,235 million.

Figure 5: All DMA transactions by nominal value



PWLB lending facility

Throughout the year, the PWLB continued to provide local government finance and aimed to meet all local authorities' needs for long-term borrowing on a non-discretionary basis under a policy framework determined by HM Treasury.

During this period, the PWLB advanced 1,121 new loans to borrowers (2023-2024: 808 loans), totalling £14.6 billion (2023-2024: £11.2 billion), and the DMO recognised fee income of £5.3 million (2023-2024: £4.0 million). At 31 March 2025, the loan assets outstanding to the PWLB were £110.5 billion (31 March 2024: £103.7 billion).

Additional information on the PWLB's activities, including its Annual Report and Accounts and lending arrangements, can be found on the PWLB section of the DMO website at www.dmo.gov.uk.

CRND

During the year, the CRND continued to provide an efficient, value for money service to its clients, with the main investment objectives being to maintain sufficient liquidity to meet withdrawals and to protect the capital value of the funds under management.

This resulted in fee income for the DMO of £0.5 million (2023-2024 £0.5 million). At 31 March 2025, the market value of funds under management was £91.3 billion (31 March 2024: £100.3 billion).

Additional information on the CRND's activities can be found on the CRND section of the DMO website at www.dmo.gov.uk.

Gilt purchase and sale service

The DMO continued to offer a gilt purchase and sale service to those registered on the approved group of investors database, maintained by Computershare Investor Services PLC, on behalf of the DMO.

During 2024-2025, this service transacted 412 gilt sales (2023-2024: 328 gilt sales) with a value of £19.0 million (2023-2024: £17.7 million) and 1,456 gilt purchases (2023-2024: 1,089 gilt purchases) with a value of £186.4 million (2023-2024: £108.3 million). This resulted in fee income for the DMO of less than £1 million (2023-2024: less than £1 million).

Discount Window Facility

Under the Discount Window Facility, the DMO may lend gilts to the Bank of England for a fee, so that it may swap them with participating banks for eligible collateral. Further information on this operation, including usage data, is available on the Bank of England website at www.bankofengland.co.uk.

Asset Purchase Facility

During the year the DMO maintained its readiness to meet the funding requirements of the part of the Bank of England's Asset Purchase Facility used to purchase high-quality private sector assets. As at 31 March 2025, the DMA had no funds on deposit (31 March 2024: none) with the Bank of England in relation to the Asset Purchase Facility.

Also during 2024-2025 (as was the case in 2023-2024), the Bank of England lent to the DMA specific gilts purchased via the Asset Purchase Facility in return for other gilts of the same value in delivery by value (DBV) transactions.

Further information on these operations, including usage data, is available on the Bank of England website at www.bankofengland.co.uk.

Other performance matters

Anti-corruption and anti-bribery

The DMO maintains policies that include anti-corruption and anti-bribery rules. These are applied as reported in the governance statement on page 44 to 59. The DMO has no corruption or bribery issues to report.

Forward look

Vision

The DMO aims to be a centre of excellence for HM Treasury in the provision of policy advice on, and the delivery of, the government's financing needs, acting as a key gateway for Government to the wholesale financial markets. It performs these functions primarily to support HM Treasury's objectives.

The DMO's key business planning themes for 2025-2026

The key business planning themes for 2025-2026 remain consistent with previous years. The plan is primarily focused on the continued delivery of the DMO's debt management, cash management, local authority lending and other functions to the highest standards of quality and cost-effectiveness. The DMO fully recognises that the effective delivery of these functions and services is its overriding objective and intends to allocate resources, skills, systems and development activities accordingly.

The DMO's key themes for 2025-2026

1. Delivery of the 2025-2026 financing remit – to be achieved primarily through sales of conventional and index-linked gilts.
2. The DMO will continue to work with HM Treasury in the development of, and innovations associated with, debt management policy. In particular, the DMO is working jointly with HM Treasury to deliver a digital gilt instrument (DIGIT).
3. Delivery of the government's planned green gilt issuance programme. The DMO plans to issue £10 billion (cash) of green gilts in 2025-2026, subject to demand and market conditions.
4. Delivery of the cash management remit – this will require handling the cash consequences of, among other things, the gilt and Treasury bill programme in as an efficient and cost-effective way as possible.
5. Continuing to consult and liaise with key stakeholders - and, in particular, the Gilt-edged Market Makers - in the financial markets in which the DMO is active; and to consider further developments, innovations and enhancements to facilitate the effective delivery of the debt and cash management remits.
6. Continuing to maintain close contact with the Bank of England on operational matters relating to the Asset Purchase Facility and also liaising on conditions and developments relating to the sterling markets more generally.
7. Continuing to minimise operational risk by ensuring the DMO's business operations are fully supported by resilient, efficient and secure systems and processes, management of key supplier relationships and a comprehensive business continuity plan.
8. Continuing to seek out operational process efficiencies, particularly harnessing new technologies and other productivity tools, with the intention of further reducing cost and risk.
9. Continuing to monitor the resource and skills required to deliver the DMO's array of objectives within the budget settlement agreed with HM Treasury.

The DMO's objectives for 2025-2026

1. To develop, provide advice on and implement the government's debt management strategy.
2. To develop, provide advice on and implement the government's cash management requirements.
3. To provide advice and operational services to HM Treasury on issues relating to the management of the government's balance sheet.
4. To provide advice and operational services to government departments on wholesale markets-related issues and activities.
5. To develop and deliver its fund management responsibilities and, in particular, to provide a cost-effective service for stakeholders.
6. To provide a cost-effective lending service to local authorities through the PWLB lending facility.

7. To resource, staff and manage the DMO efficiently and cost-effectively to ensure key responsibilities are achieved.

8. To manage, operate and develop an appropriate risk and control framework.

The DMO's operational targets for 2025-2026

1. To ensure full compliance with the government's remit for the DMO (which is set out in the Debt Management Report 2025-26).

2. To ensure (i) all market sensitive announcements are timely and accurate, and (ii) wherever possible, to publish the results of gilt auctions, gilt tenders and Treasury bill tenders within 15 minutes of the close of offer.

3. To achieve accuracy, within relevant materiality tolerances, in the recording and reporting of transactions relating to the DMO, DMA, PWLB and CRND as well as meeting the required deadlines for the publication and submission for audit of their respective annual report and accounts.

4. To ensure that the DMO responds to enquiries under the Freedom of Information Act within the statutory timeframe and is compliant with all General Data Protection Regulation (GDPR) requirements.

5. To ensure that gilt and cash management activities are operated in accordance with their respective operational market notices.

6. To ensure that, for cash management purposes, target weekly balances and expected daily variations are notified according to the agreed schedule.

7. To ensure that settlement instructions to counterparties, agents and external systems are complete, accurate and timely, and that monitoring of the progress of transactions through settlement is effective, so that, where the DMO is responsible for delivering stock or cash, it settles at least 99% (by value) on the due date.

8. To process all loan applications and all early settlement applications from local authorities within five working days and two working days respectively (between the date of the agreement and the completion of the transaction).

9. To ensure that the gilt purchase and sale service is operated according to its published terms and conditions.

Planning uncertainties

In view of the scale of the debt and cash management remits, and evolving market conditions, the DMO will particularly need to retain the flexibility and capability to prioritise and to adapt quickly to changing conditions in the year ahead.

Key issues and risks

The key issues and risks facing the DMO are considered in the governance statement on page 44 to 59.

Jessica Pulay
Chief Executive Officer
UK Debt Management Office
8 July 2025

Performance analysis

Achievements against objectives

The DMO's objectives for 2024-2025 and its achievements against them are reported below.

1. **To develop, provide advice on and implement the government's debt management strategy.**

✓ The DMO provided analysis and advice to HM Treasury in connection with the preparation of its financing remit for 2024-2025 ahead of the Spring Budget 2024, which was published on 6 March 2024. The advice focused on delivery of another large DMO gilt sales remit of £265.3 billion which necessitated well-diversified issuance with large programmes at all maturities and types of gilts. Reflecting feedback on an observed change in structural gilt demand, the programme focussed on a greater absolute amount of short and particularly medium gilt issuance in 2024-25. As a result, sales of short-dated gilts were £95.3 billion and medium-dated gilts were £82.1 billion. The planned absolute amount of long-dated conventional gilt issuance, by comparison, was similar to the previous financial year, and index-linked gilt issuance was at a similar level as well. This approach also had the goal to continue to maintain a relatively long average maturity of the UK's debt.

The advice also continued to take into account the government's risk preferences, including placing a high weight on minimising near-term exposure to refinancing risk and managing inflation exposure through decisions about the appropriate balance between index-linked and conventional gilts in the financing programme.

Overall, the intention was to implement a balanced programme, but taking into account the high financing requirement, the need to be pragmatic and rely on greater access to the short and medium sectors; it is typically possible to schedule larger sized auctions in short-dated and medium-dated maturities than at longer maturities, because of the relatively lower risk and higher liquidity characteristics of shorter-dated gilts compared to long-dated conventional and index-linked gilts.

It was initially anticipated that Treasury bill sales for debt management purposes would make a zero net contribution towards meeting the Net Financing Requirement in 2024-2025.

Figure 1 (on page 18) shows the comparison of the composition of the original remit and the gilt sales outturn for 2024-2025.

The DMO successfully delivered the financing remit in 2024-2025 with gilt sales of £297.7 billion, £773 million higher than the final planned total. Net sales of Treasury bills for debt management purposes were £3.0 billion (in cash terms), in line with the revised plan of £3.0 billion announced at the Autumn Budget in November 2024.

2. **To develop, provide advice on and implement the government's cash management requirements.**

✓ The DMO successfully delivered its cash management objectives for 2024-2025, despite ongoing challenging and volatile market conditions prevalent throughout the period.

Cash management plays a critical role in successfully meeting the government's volatile daily cash needs as part of the management of the government's overall funding programme. As a consequence, turnover from cash management operations was £5.9 trillion during 2024-2025.

The DMO monitored and assessed its overall performance in meeting the government's objectives in cash management using a number of key performance indicators. A full account of cash management performance will be included in the DMO Annual Review 2024-2025, which will be available on the DMO website at www.dmo.gov.uk.

3. **To provide advice and operational services to HM Treasury on issues relating to the management of the government's balance sheet.**

✓ The DMO has continued to provide advice and analysis to HM Treasury to support the management of the wider balance sheet for the government, including in relation to achieving government's goals for the level of inflation exposure in the government's debt portfolio. As announced by the Chancellor of the Exchequer in November 2024, the DMO is working with HM Treasury on a Digital Gilt Investment (DIGIT) to explore the benefits of applying distributed ledger technology (DLT) to a sovereign debt instrument.

4. To provide advice and operational services to government departments on wholesale markets-related issues and activities.

✓The DMO has continued to provide market and operational advice to HM Treasury and other departments, including in relation to the continued implementation of the government's ongoing green financing programme, ensuring green gilt issuance aligned with the government's debt management objective and represented value for money for the Exchequer. Issuance was focussed on building up liquidity in the existing green gilts maturing in 2033 and 2053.

5. To develop and deliver its fund management responsibilities and, in particular, to provide a cost-effective service for stakeholders.

✓The DMO continued to provide a cost-effective service to client funds through the Commissioners for the Reduction of the National Debt (CRND). The DMO charged £0.5 million in 2024-2025 for services relating to the management of these funds, which had a value of £91.3 billion at 31 March 2025.

The operating cost of CRND in 2024-2025 is disclosed in the fees and charges section on page 71.

6. To provide a cost-effective lending service to local authorities through the PWLB lending facility.

✓The PWLB lending facility agreed £14.6 billion of new loans to borrowers in 2024-2025. The DMO estimates that £1.3 million of its costs were attributable in 2024-2025 for activities relating to this lending.

Full details of the PWLB's operations appear in the PWLB Report and Accounts 2024-2025.

7. To resource, staff and manage the DMO efficiently and cost-effectively to ensure key responsibilities are achieved.

✓During 2024-2025, the DMO employed an average of 135 full-time equivalent staff, of which 109 were permanent civil servants and 26 were contract staff.

The DMO's training programme, complemented by additional specialist and individual training and support for ongoing professional studies, continues to maintain and enhance the skills base of its employees to the required level.

8. To manage, operate and develop an appropriate risk and control framework.

✓The DMO continued to operate an effective risk and control framework throughout the year as detailed in the governance statement on page 44 to 59.

Performance against targets

The DMO's targets for 2024-2025 and its performance against them are reported below.

1. To ensure full compliance with the government's remit for the DMO (which is set out in the Debt Management Report 2024-25).

✓ Achieved. The DMO complied fully with the financing remit in 2024-2025. The gilt sales outturn was £297.7 billion (cash) following revisions to the remit (as referred to in the performance summary section on page 18).

Gilt sales in 2024-2025 were achieved through the conduct of 77 auctions (61 conventional – including six green – and 16 index-linked), four gilt tenders and eight syndicated offerings. Five of the syndications were for conventional gilts. The other three syndications were for index-linked gilts. All maturities of gilts continued to be eligible for syndication in 2024-2025. The Post Auction Option Facility continued, with successful auction bidders entitled to 25% of the amount allotted at the relevant auction.

It was initially anticipated (at the Spring Budget 2024) that net Treasury bill issuance for debt management purposes would make a zero contribution to meeting the Net Financing Requirement for 2024-2025. There was no change to this planning assumption following publication of the outturn Central Government Net Cash Requirement on 23 April 2024. At the Autumn Statement 2024, the DMO announced an increase in net sales of Treasury bills for debt management purposes of £3.0 billion, implying a £3.0 billion increase in the planned stock of Treasury bills for debt management purposes.

The evolution of planned and actual gilt issuance by maturity and type through 2024-2025 is presented in the table below.

Table 2: 2024-2025 Gilt sales

	Conventional gilts (£bn)			Index-linked	Unallocated	Total
	Short-dated	Medium-dated*	Long-dated**	gilts (£bn)	gilts (£bn)***	(£bn)
Planned gilt sales						
Spring Budget 2024 (March 2024)	95.3	82.1	49.0	28.9	10.0	265.3
Remit revision (April 2024)	100.7	86.0	50.0	30.0	11.0	277.7
Autumn Budget 2024 (November 2024)	103.8	92.0	59.2	33.4	8.5	296.9
Actual gilt sales						
Outturn****	**105.7**	**94.8**	**62.4**	**34.8**	**-**	**297.7**

* Includes green gilt sales of £6.67 billion.

** Includes green gilt sales of £3.31 billion.

*** The unallocated gilt sales were mainly allocated to the conventional and index-linked operations throughout the year. The unallocated pot was also drawn down to accommodate the scheduling of four gilt tenders (three for short-dated conventional gilts and one for an index-linked gilt).

**** Figures may not sum due to rounding.

2. To ensure (i) all market sensitive announcements are timely and accurate, and (ii) wherever possible, to publish the results of gilt auctions, gilt tenders and Treasury bills within 15 minutes of the close of offer.

✓(i) Mostly achieved. There were three factual errors in market sensitive material published by the DMO (2023-2024: none). There was one instance of material being published late by the DMO (2023-2024: none). There was no consequential impact on financial markets as a result of the delays. Appropriate steps have been taken to reduce the risk of such errors in the future.

✓(ii) Achieved. The release time for the 77 auctions and four gilt tenders held during 2024-2025 ranged from 2 to 7 minutes and averaged 3.0 minutes (2023-2024: 3.0 minutes). The release time for the 51 Treasury bill operations (comprising 153 Treasury bill tenders) conducted during 2024-2025 ranged from 4 to 5 minutes and averaged 4.3 minutes (2023-2024: 4.5 minutes). The published results were accurate in all cases.

Table 3: Gilt auction, gilt tender and Treasury bill operation publishing times

Publishing times	Number of gilt auctions and gilt tenders	Number of Treasury bill operations
0 - 1 minutes	-	-
1 - 2 minutes	-	-
2 - 3 minutes	55	-
3 - 4 minutes	22	5
4 - 5 minutes	2	44
5 - 10 minutes	2	2
10 - 15 minutes	-	-
Over 15 minutes	-	-

3. To achieve accuracy, within relevant materiality tolerances, in the recording and reporting of transactions relating to the DMO, DMA, PWLB and CRND as well as meeting the required deadlines for the publication and submission for audit of their respective annual report and accounts.

✓Achieved. Internal control procedures identified no significant errors. The Comptroller and Auditor General certified that the 2024-2025 annual report and accounts of the DMO, DMA, PWLB and the CRND give a true and fair view.

The annual report and accounts of the DMO and DMA were laid before Parliament on 18 July 2024. The annual report and accounts of other entities were laid where relevant.

4. To ensure that the DMO responds to enquiries under the Freedom of Information Act within the statutory timeframe and is compliant with all General Data Protection Regulation (GDPR) requirements.

✓Achieved. All of the DMO's responses to Freedom of Information Act requests were within the statutory 20 working day limit. The DMO complied with all statutory data protection requirements.

5. To ensure that gilt and cash management activities are operated in accordance with their respective operational market notices.

✓Achieved. Gilt and cash management activities were operated in accordance with their respective operational market notices.

6. To ensure that, for cash management purposes, target weekly balances and expected daily variations are notified according to the agreed schedule.

✓Achieved. All weekly targets were notified to the Bank of England according to the agreed schedule.

7. To ensure that settlement instructions to counterparties, agents and external systems are complete, accurate and timely, and that monitoring of the progress of transactions through settlement is effective, so that, where the DMO is responsible for delivering stock or cash, it settles at least 99% (by value) on the due date.

✓Achieved. Over 99.99% of trades (by value) were successfully settled on the due date where the DMO was responsible for delivering stock or cash. The majority of failed trades were due to market counterparties having insufficient securities to meet their traded obligations.

8. To process all loan applications and all early settlement applications from local authorities within five working days and two working days respectively (between the date of the agreement and the completion of the transaction).

✓Achieved. All loan applications were processed within five working days and all early settlement applications were processed within two working days.

9. To ensure that the gilt purchase and sale service is operated according to its published terms and conditions.

✓Achieved. The gilt purchase and sale service was conducted fully in line with its terms and conditions.

Financial results of the United Kingdom Debt Management Office

The DMO is financed through an allocation of HM Treasury's net funding approved by Parliament.

The DMO's net operating cost for 2024-2025 decreased by £0.7 million to £20.0 million (2023-2024: £20.7 million). The main components of net operating cost are described below.

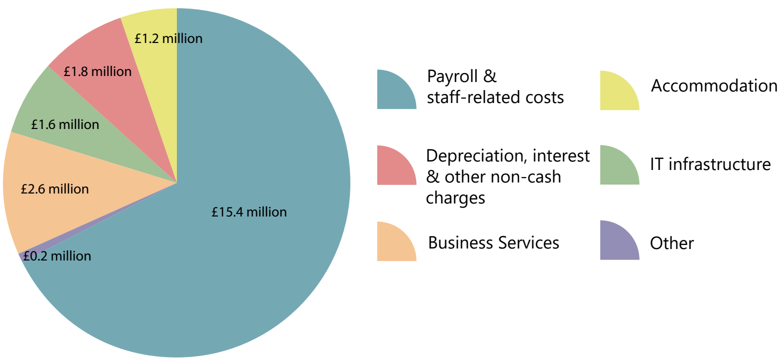
Administration costs

Administration expenditure primarily includes payroll and staff-related costs, IT infrastructure, accommodation, business and information services, and depreciation.

Figure 6: Administration expenditure and income

In 2024-2025, **gross administration expenditure increased by £1.0 million** to £22.8 million (2023-2024: £21.8 million). The increase was largely due to higher staff costs. Other expenditure during 2024-2025 also increased slightly mainly due to higher costs for business and information services, and accommodation.

Figure 7: Gross administration expenditure in 2024-2025



Administration income

Income received by the DMO principally comprised fees charged for issuing new loans to PWLB customers and for the provision of fund management services to government clients of CRND.

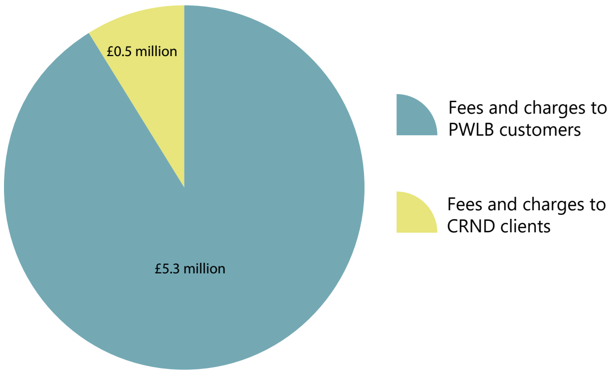
During 2024-2025, **administration income increased by £1.3 million** to £5.8 million (2023-2024: £4.5 million).

The increase was mainly due to higher fee income arising from PWLB lending.

Demand for new borrowing is influenced by factors including the need for capital finance, changes in prevailing interest rates, the expectation of future interest rate levels, borrowers' eligibility for a concessionary rate, and one-off initiatives. Additional information on PWLB activities can be found on the PWLB section of the DMO website at www.dmo.gov.uk.

Other income during 2024-2025 was largely consistent with the prior year.

Figure 8: Administration income in 2024-2025



Programme costs

Programme expenditure covers the DMO's trading and gilt issuance activities. These include settlement and custodial charges, brokerage fees and the cost of acting as an agent for the National Loans Fund in issuing government backed securities.

During 2024-2025, **gross programme expenditure decreased by £0.2 million** to £5.3 million (2023-2024: £5.5 million). This decrease resulted mainly from lower settlement and custodial charges due to lower trading activity being required to meet the DMO's debt and cash management remit.

Figure 9: Programme expenditure and income

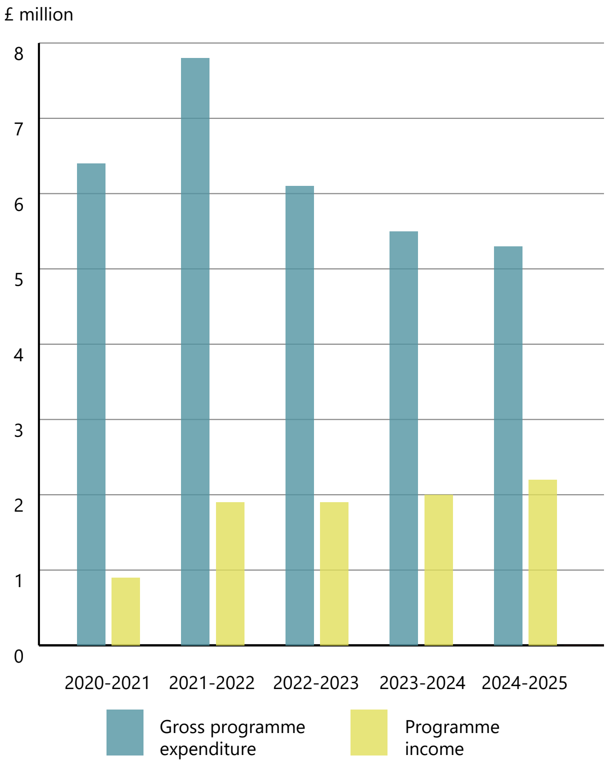
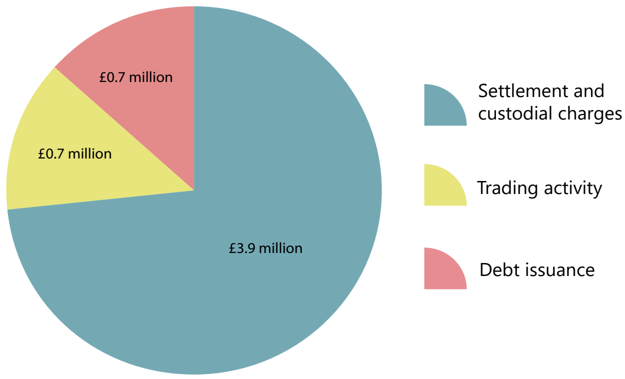


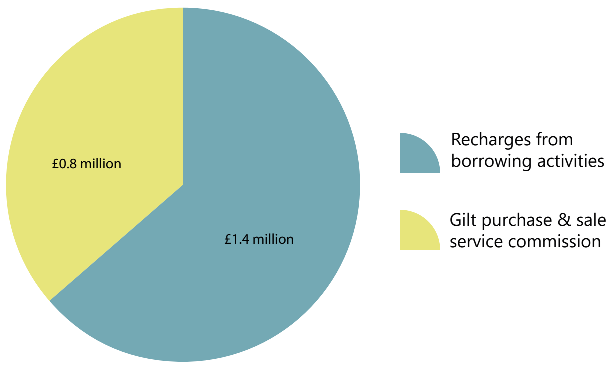
Figure 10: Gross programme expenditure in 2024-2025



Programme income

During 2024-2025, **programme income increased by £0.2 million** to £2.2 million (2023-2024: £2.0 million). This was mainly due to higher levels of commission received from Computershare Investor Services PLC due to higher secondary market trading activity in the gilt purchase and sale service. Recoveries in respect of the cost of acting as an agent for the National Loans Fund were lower than the previous year.

Figure 11: Programme income in 2024-2025



Statement of financial position

At 31 March 2025, the DMO's statement of financial position showed a deficit. This is a product of the relationship between the DMO and HM Treasury as its parent department. The DMO is an executive agency operating at arm's length from ministers, but its funding is an allocation of the total voted by Parliament to HM Treasury. The DMO has no operating capital or cash of its own; its liabilities are paid by HM Treasury. The deficit therefore reflects the DMO's net operating funding at that date rather than operating performance or solvency. IFRS 16 Leases has been applied from 1 April 2022 and resulted in significant new right-of-use assets and liabilities. These arise from the DMO leasing buildings for use as office accommodation and data centres.

Financial results of the Debt Management Account

Statement of comprehensive income

The DMA's operations for the financial year 2024-2025 gave rise to **net interest income of £443 million** (2024: £345 million), **other gains of less than £1 million** (2024: other gains of £3 million) and **fee expense of less than £1 million** (2024: less than £1 million). This resulted in a statement of comprehensive income **surplus for the year of £443 million** (2024: £348 million).

The below table is a breakdown of the DMA's surplus for the year, showing the gains and losses arising from the different asset and liability types held by the DMA during the year. Income net of associated cost of funds shows the net income from cash management operations relative to the government's marginal cost of funds, the Bank Rate. Other income shows the gross income for the remaining assets in the DMA. Other expense shows the gross expense for the remaining liabilities in the DMA.

Table 4: Breakdown of the DMA surplus

	£m
Income net of associated cost of funds	
Cash management	49
Other income	
Collateral pool gilts	1,804
Discount Window Facility gilts	3,736
Net deposit at National Loans Fund (part not allocated to cost of funds associated with cash management)	3,029
Income from other assets	6
Other expense	
Deposits from CRND funds	(4,671)
Treasury bills (not part of cash management)	(3,510)
	443

Net interest income: £443 million

Interest income was generated mainly by the DMA's holding of collateral gilts for cash management operations (£1,804 million) and involvement in the Discount Window Facility (£3,736 million) and reflected the yields available when they were purchased from the National Loans Fund. The DMA historically funded its purchase of such gilts with an advance from the National Loans Fund, which incurred interest at the Bank Rate. This advance (and associated interest) was fully repaid in April 2023 and this facility has remained unused throughout this financial year.

The DMA did not seek to achieve a particular yield by timing its purchases of gilts for use as collateral or for lending to the Bank of England to facilitate the Discount Window Facility. As a result, the net interest income from these operations did not reflect the performance of the DMA. The interest income which arose from these operations was internal to government, so the government received nil net interest income from these operations.

Interest income was also generated by the DMA's cash and balances at the Bank of England as well as its deposit at the National Loans Fund, which both earned interest at the Bank Rate, and by loans and advances to financial counterparties, which yielded money market rates. Interest expense was also generated by deposits taken from other government departments, which incurred interest at rates related to the Bank Rate, by deposits from financial counterparties and by Treasury bills in issue, which generally incurred money market rates.

Relative to the government's marginal cost of funds, cash management operations achieved a net interest surplus. Details of the DMO's cash management performance will be included in the DMO Annual Review 2024-2025, which will be available on the DMO website at www.dmo.gov.uk.

Other gains and losses: less than £1 million gain

Changes in the value of cash management assets resulted in net income of less than £1 million (2023-2024: net income of £3 million).

Fee expense: less than £1 million

The DMA incurred a fee expense of less than £1 million (2024: less than £1 million) due to the Bank of England lending to the DMA specific gilts purchased via the Asset Purchase Facility in return for other gilts of the same value.

Composition of the statement of financial position (see figure 13)

At 31 March 2025, the DMA held investment securities classified as held at amortised cost, which comprised gilts held for use as collateral and gilts held to facilitate the Discount Window Facility. These assets had a carrying value of £160,280 million at 31 March 2025 (31 March 2024 £163,033 million). This decrease was principally due to redemptions in the gilt collateral pool (with a nominal value of £16,062 million) offset by collateral created in the year.

The lending and borrowing that the DMA engaged in, as part of its cash management operations, varied in response to the funding requirements of the National Loans Fund, which reflected the government's daily cash flows. Loans and advances to financial counterparties, securities held for trading, and deposits by financial counterparties were actively managed to meet these funding requirements. This resulted in significant daily variations in the DMA's deposit at the National Loans Fund. As at 31 March 2025, securities held for trading were £5,987 million (31 March 2024: £5,940 million), loans and advances to financial counterparties were £26,086 million (31 March 2024: £30,697 million), deposits by financial counterparties were £18,040 million (31 March 2024: £24,715 million), and the DMA deposit at the National Loans Fund was £78,386 million (31 March 2024: £72,139 million).

During the year, the DMA issued Treasury bills by weekly tender with a nominal value of £284,000 million (see figure 12) (2023-2024: £250,000 million). Treasury bills still in issue at 31 March 2025 had a carrying value of £95,630 million (31 March 2024: £86,133 million). The change in Treasury bills in issue was planned for the DMO to meet its debt and cash management remit for 2024-2025.

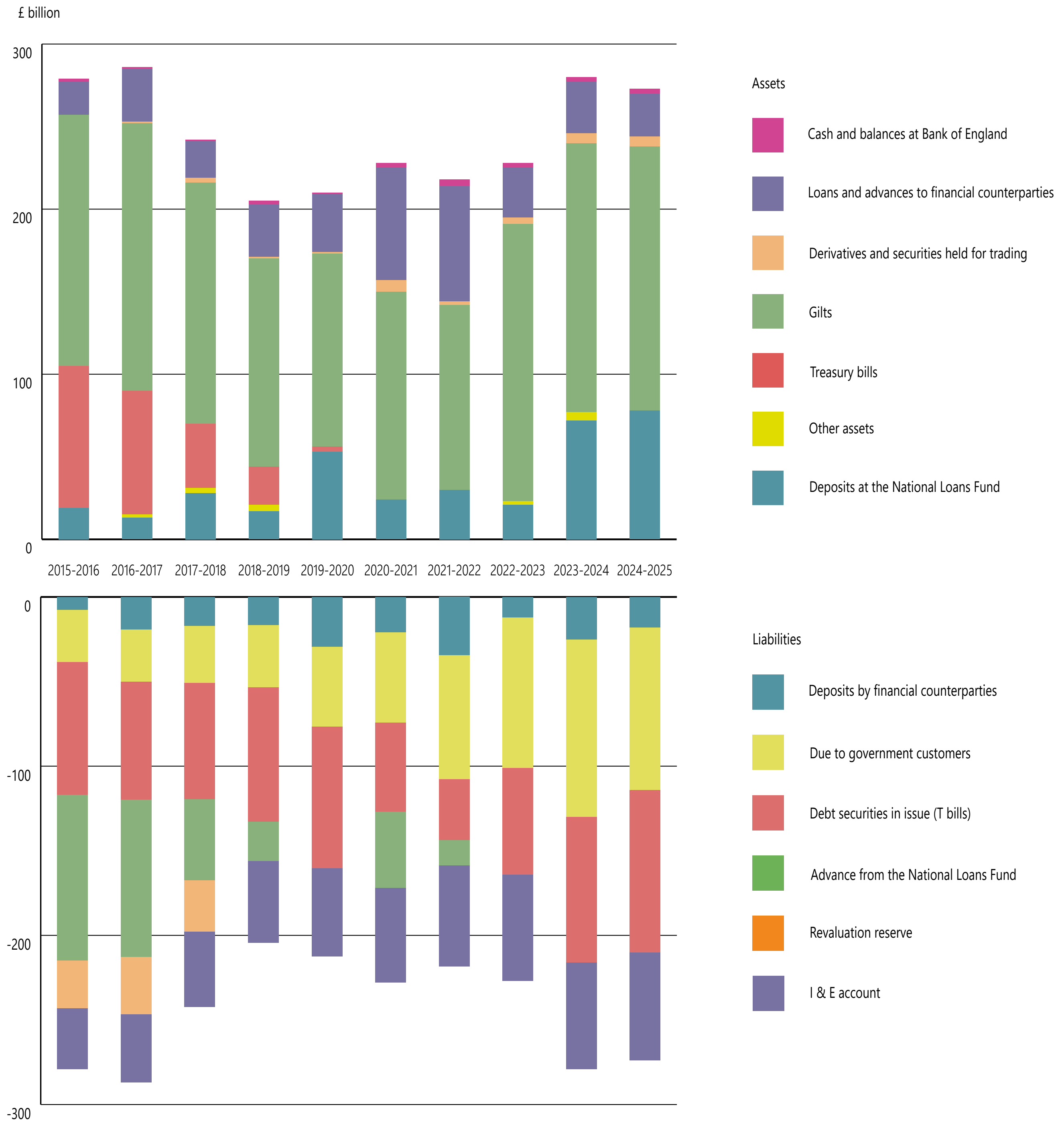
The DMA also received deposits from government customers throughout the year. This liability due to government customers was £96,093 million at 31 March 2025 (31 March 2024: £105,139 million). The decrease was primarily due to a net decrease of £8,996 million in deposits from the Commissioners for the Reduction of the National Debt.

Long-term expenditure trends

Since the function of the DMA is primarily to manage the government's debt and cash requirements, it has no long-term expenditure trends, only expenses from interest payments related to liabilities for funding the debt and cash needs of the government.

Figure 12: Treasury bill issuance by weekly tender

Figure 13: Assets and liabilities of the DMA



Sustainability report

Sustainability

The Greening Government Commitments set out the key requirements for eligible government entities to improve the sustainability of their operations by, among other things, reducing consumption of fossil fuels and other finite resources. Since 2021, the DMO has been required to include reporting on sustainability in its annual report and accounts. The Department for Environment, Food and Rural Affairs (DEFRA) sets the target commitments for eligible government entities, for which performance is assessed against the baseline for 2017-2018. The sustainability targets set by DEFRA are the same for all government departments, and their executive agencies, except for emissions reduction targets which are set individually for each department. For each sustainability theme, the targets comprise a headline target and subsidiary targets that are intended to help to inform delivery of the headline target. The headline targets are set out in the reporting below, except for *Nature recovery – making space for thriving plants and wildlife* which is not applicable to the DMO.

In 2023, HM Treasury issued reporting guidance for government entities relating to the recommendations of the Taskforce for Climate-related Financial Disclosure. However, they do not apply to the DMO due to its small size.

Separately from activities relating to the sustainability of the DMO's own estate and operations (reported below), the DMO also plays a role in the UK government's wider sustainability strategy by managing the sale of green gilts. Since the launch of the Green Financing Programme in June 2021, the UK government has raised financing by the sale of green gilts, for projects such as zero-emission buses, offshore wind, and schemes to decarbonise homes and buildings. In 2024-2025, the DMO raised £10.0 billion (cash) by the sale of green gilts, bringing the total raised since the first green gilt issuance in September 2021 to £45.8 billion.

Reducing greenhouse gas (GHG) emissions

There are three types of emissions included in the scope of public sector emissions reporting under the Greening Government Commitments targets: scope 1 (emissions from fuel burnt in boilers or engines owned or controlled by the entity), scope 2 (emissions from electricity or heating purchased from suppliers) and, for business travel only, scope 3 (emissions from assets not controlled by the entity). The DMO has no scope 1 emissions. The DMO has scope 2 emissions comprising electricity and gas purchased to run its systems and heat its estate.

Table 5: Energy usage, cost and CO_2 emissions - GHG scope 2 emissions (purchased energy)

	2018		2022	2023	2024	2025
Electricity energy usage (MWh)	620		317	322	341	349
Electricity cost (£000)	134		50	116	147	118
Gas energy usage (MWh)	283		137	93	87	61
Gas cost (£000)	9		9	14	12	8
Total CO_2 emissions (tCO_2e)	270		97	79	87	83
Comparison against 2017-2018 baseline			**-64%**	**-71%**	**-68%**	**-69%**

Key activities influencing the profile of DMO electricity and gas use since 2017-2018 have been the DMO's move to new, more energy efficient office accommodation, and outsourcing of its data centres to a specialist provider in 2020-2021.

Table 6: Travel, cost and CO_2 emissions - GHG scope 3 emissions (business travel)

	2018	2022	2023	2024	2025
Total cost of business travel (£000)	30	1	25	26	16
Total distance of international flights (km)	139,000	11,000	75,000	114,000	69,000
Total CO_2 emissions (tCO_2e)	30	1	12	18	11
Comparison against 2017-2018 baseline		**-97%**	**-61%**	**-39%**	**-64%**

The DMO's scope 3 emissions for business travel are predominantly driven by international air travel. DMO staff undertook no domestic flights in 2024-2025 (2024: zero).

The DMO's aggregate total CO_2 emissions (including both scope 2 and scope 3 emissions) during 2024-2025 were 69% below emissions in the baseline year 2017-2018. The target for the DMO was to reduce overall emissions by 69% by March 2025 compared to the baseline year 2017-2018.

Minimising waste and promoting resource efficiency

The target for the DMO was to reduce the overall amount of waste generated by 15% from the 2017-2018 baseline. The DMO's total waste in 2024-2025 was approximately 4 metric tonnes (2024: 3 metric tonnes) of which around two thirds (2024: two thirds) was recycled. Though the DMO did not measure (or have a robust method for estimating) its waste for the baseline year 2017-2018, the DMO considers that the overall waste in 2024-2025 would represent a reduction of more than 15% (compared to 2017-2018) due to an increase in homeworking.

Paper consumption

The target was to reduce the government's paper use by at least 50% from the 2017-2018 baseline. The move to hybrid working brought about by the COVID-19 pandemic has resulted in a very significant reduction in paper use by the DMO as staff have become more accustomed to using electronic versions of documents that they would have printed previously.

Table 7: Paper consumption

	2018	2022	2023	2024	2025
A4 equivalent (reams)	630	140	180	190	240
Comparison against 2017-2018 baseline		**-78%**	**-71%**	**-70%**	**-62%**

Use of water

The target was to reduce water use by at least 8% from the 2017-2018 baseline. The DMO does not have a water meter measuring use of water for its areas in the multi-occupancy building in which it is located. Estimation of water use for the purposes of cost recharging by the DMO's landlord is by reference to its floor space. The DMO did not record its water use in the baseline year 2017-2018 and does not have a robust method of estimating its water use at that time. Nonetheless, it is likely that its water use has reduced by more than the target 8% since 2017-2018 due to increased working from home and the introduction of some water-use efficiency processes.

Consumer single use plastics

The target was to remove all consumer single use plastics from the government estate. Though its use of consumer single use plastics has been very low for many years, the DMO does not expect to remove all such items in the short term.

Sustainable procurement

The DMO's procurement procedures are aligned with the government's guidance on sustainability aspects of procurement, including aspects around carbon emission reduction, social value, waste reduction and engagement with SMEs.

DMO business cases for procurement of services or supplies include considerations around sustainability in relation to the delivery of the contract. Sustainability considerations are then reflected as specific requirements to the suppliers and form part of the tender evaluation process ensuring that potential suppliers meet relevant sustainability standards as applicable. Once the contract is awarded, the monitoring of these aspects continue via the DMO's contract management governance processes. This requires suppliers to provide information on various aspects of the contract, including sustainability developments as agreed in the terms of the contract.

Climate change adaption

The DMO has not developed a climate change adaption strategy, but it will seek to apply developments secured by wider government in this area as they occur in due course.

Reducing environmental impacts from ICT and digital

In 2020-2021, the DMO reduced the environmental impact of its use of ICT and digital technology by completing the outsourcing of its data centres to a specialist provider. This has been a significant influence in reducing the DMO's GHG scope 2 emissions as set out in table 5. The reduced electricity required to run the DMO's ICT and digital technology is likely to have been brought about by two main factors: the DMO replaced ICT systems with more energy-efficient upgrades and outsourced its data centres to purpose-built facilities with more efficient air conditioning.

Other environmental impacts from ICT and digital relevant to the DMO include minimising waste to landfill and promoting reuse. The DMO did not dispose of any ICT hardware in 2024-2025. The DMO followed good practice in environmental disposal of ICT hardware in 2023-2024.

Jessica Pulay
Chief Executive Officer
UK Debt Management Office
8 July 2025

Accountability report

The accountability report comprises three sections: a **corporate governance report**, a **remuneration and staff report**, and a **parliamentary accountability and audit report**. The **corporate governance report** includes the following information: the responsibilities of the Accounting Officer; the composition, responsibilities and actions of the Advisory Board and the Audit and Risk Committee and how they have supported the Accounting Officer and enabled the objectives of the DMO; and the key risks faced by the DMO and how it seeks to manage them. The **remuneration and staff report** states the remuneration of the members of DMO's Advisory Board, details of the DMO's remuneration policy and information on the overall staffing profile and cost. The **parliamentary accountability and audit report** includes a formal opinion by the DMO's external auditor to certify that the financial statements give a true and fair view of the state of the DMO's and DMA's affairs for the year and that they have been prepared in accordance with all relevant rules.

These three sections contribute to the DMO's accountability to Parliament and comply with best practice in relation to corporate governance norms and codes for central government departments. In particular, the **corporate governance report** seeks to do so by describing the key mechanisms the DMO employs to ensure it maintains high standards of conduct and performance. This includes the statement of Accounting Officer's responsibilities, which describes their accountability to Parliament for the DMO's use of resources and compliance with rules set by HM Treasury to ensure best practice in financial management. The governance statement reflects the applicable principles of the Corporate Governance Code for Central Government Departments. The **remuneration and staff report** complies with best practice in remuneration reporting, as adopted for government reporting by HM Treasury. The **parliamentary accountability and audit report** confirms that expenditure and income of the DMO and borrowings and investments of the DMA have been applied to the purposes intended by Parliament and confirms that information in the parliamentary accountability disclosures has been audited and approved by external auditors

Corporate governance report

Directors' report

Name of Chief Executive Officer and Advisory Board

The members of the DMO's Advisory Board are considered to be its directors. The authority and responsibilities of the Advisory Board are set out in the governance statement on page 44 to 59.

- **Dame Sue Owen**
  Non-executive Chair of the DMO's Advisory Board
- **Jessica Pulay**
  Chief Executive Officer (from 1 July 2024)

  Co-Head of Policy and Markets (until 30 June 2024)
- **Sir Robert Stheeman** (until 30 June 2024)
  Chief Executive
- **Jo Whelan**
  Deputy Chief Executive and Co-Head of Policy and Markets
- **Jim Juffs**
  Chief Operating Officer
- **Paul Canty** (from 2 January 2025)
  Co-Head of Policy and Markets
- **Ruth Curtice** (until 20 December 2024)
  Non-executive HM Treasury representative
- **Stephen Farrington** (from 24 February 2025)
  Non-executive HM Treasury representative
- **Paul Fisher**
  Non-executive Director
- **Martin Egan**
  Non-executive Director
- **Gary Admans** (from 2 June 2025)
  Non-executive Director

Jessica Pulay
Chief Executive Officer
UK Debt Management Office
8 July 2025

Directors' conflicts of interest

In 2024-2025, no material conflicts of interest have been declared by Advisory Board members.

Reporting of personal data related incidents

The DMO had no protected personal data related incidents during 2024-2025.

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the DMO to prepare for each financial year a statement of accounts in the form and on the basis set out in the accounts direction on page 95.

Under Schedule 5A of the National Loans Act 1968, HM Treasury has directed the DMO to prepare for each financial year a statement of accounts for the DMA in the form and on the basis set out in the accounts direction on page 136.

Both accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the DMO and the DMA, and of their income and expenditure, statement of financial position and cash flows for the financial year.

In preparing both accounts, the Accounting Officer is required to:

- observe the relevant 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 have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis; and
- confirm that the annual report and accounts as a whole are fair, balanced and understandable, and take personal responsibility for the annual report and accounts and the judgements required for determining they are fair, balanced and understandable.

In addition, in preparing the accounts of the DMO, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM). The Accounting Officer is required to prepare the DMA accounts in accordance with applicable accounting standards and be consistent with the relevant requirements of the FReM.

HM Treasury has appointed the Chief Executive Officer as Accounting Officer of the DMO and the DMA.

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 DMO's and the DMA's assets, are set out in Managing Public Money published by HM Treasury.

Disclosure to auditors

The Comptroller and Auditor General is responsible for auditing the DMO and the DMA accounts, as specified by the Government Resource Accounts Act 2000 and the National Loans Act 1968 respectively.

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 DMO's and the DMA's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the DMO's and the DMA's auditors are unaware.


LONDON
BRIDGE
CITY

Governance statement

Scope of responsibility

Ministerial responsibility for the United Kingdom Debt Management Office (DMO) was vested as follows:

Responsible Minister	Duration	Post
Bim Afolami	13 November 2023 – 5 July 2024	Economic Secretary to the Treasury and City Minister
Tulip Siddiq	9 July 2024 – 14 January 2025	Economic Secretary to the Treasury and City Minister
Emma Reynolds	14 January 2025 - present	Economic Secretary to the Treasury and City Minister

The DMO's Chief Executive Officer and Accounting Officer is responsible to HM Treasury ministers for the overall operation of the Agency in accordance with its Framework Document and Dear Accounting Officer letter.

On 28 September 2023, it was announced that Sir Robert Stheeman, the Accounting Officer of the DMO and the Debt Management Account (DMA), would be retiring on 30 June 2024 and an open recruitment process for a successor commenced in late December 2023. On 16 April 2024, Jessica Pulay was announced as the new Accounting Officer of the DMO and DMA, and commenced this role on 1 July 2024.

The Accounting Officer is responsible for the DMA and the DMO. Accountability is subject to the overall responsibility of the Permanent Secretary of HM Treasury in their capacity as Accounting Officer for that organisation. In exercising responsibilities for the DMA, the Accounting Officer pays due regard to the consequences for the National Loans Fund and will consult the Permanent Secretary if they consider that any actions taken could have implications for them in their role as National Loans Fund Accounting Officer.

The Commissioners for the Reduction of the National Debt (CRND) is a separate business entity within the DMO. Responsibility for the reports and accounts of CRND lies with the Secretary and Comptroller General of CRND. The Secretary and Comptroller General of CRND is responsible for maintaining a sound system of internal control that supports the delivery of the entity's agreed policies, objectives and targets. The Accounting Officer is responsible for the wider DMO control framework within which the CRND is managed. The Secretary and Comptroller General of CRND takes assurance from the Accounting Officer as to the continued sound maintenance of this framework in relation to their own control responsibilities. The PWLB lending facility is operated by the DMO on behalf of HM Treasury. The facility provides loans to local authorities, and other specified bodies, from the National Loans Fund, operating within a policy framework set by HM Treasury. Prior to 25 February 2020, PWLB loans were provided by the Public Works Loan Commissioners. Following a government consultation in 2016 the Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020 abolished the Commissioners and transferred their statutory powers to HM Treasury. The PWLB lending facility then became a function within the DMO.

The Accounting Officer pays due regard to the objectives set by HM Treasury ministers for the government's debt and cash management in exercising specific responsibilities for debt and cash management. This includes ensuring that all activities of the DMA are conducted in a manner that provides value for money. The Accounting Officer has put arrangements in place to ensure there is a proper evaluation of the balance between cost and risk in the DMO's operations, taking into account any cost, risk or other strategic objectives, parameters or guidelines agreed with HM Treasury.

The Accounting Officer is responsible to the Chancellor of the Exchequer and accountable to Parliament for the DMO's use of resources in carrying out its functions, as set out in the Framework Document and Managing Public Money. During 2024-2025, a new Framework Document was in the process of being drafted and is expected to come into effect during 2025-2026.

The DMO is subject to the highest standards of corporate governance and is guided by the Corporate Governance Code for central government departments (the Code) and the principles laid down in that Code. The Accounting Officer confirms that the DMO has complied with the principles which cover:

- Parliamentary accountability;
- The role of the Board;
- Board composition;
- Board effectiveness; and
- Risk management.

The DMO does not conduct any part of its business with, or through, arm's length bodies (ALBs) and therefore the DMO has not applied principle six which covers departmental governance arrangements with ALBs.

Advisory Board

The Accounting Officer was supported during 2024-2025 by the Advisory Board (the Board) which, in addition to the Accounting Officer, comprised:

- Dame Sue Owen
  Non-executive Chair - Dame Sue was a civil servant for 30 years, including 14 years at HM Treasury. Amongst other things, Dame Sue worked on fiscal policy and debt management policy at HM Treasury. Dame Sue has previously held senior roles at the Foreign and Commonwealth Office, Department for International Development and Department for Work and Pensions. Most recently Dame Sue served as the Permanent Secretary at the Department for Digital, Culture Media and Sport, from 2013 to 2019. Dame Sue has other current roles, including non-executive director at Pantheon International plc and Serco plc.
- Jessica Pulay
  DMO Chief Executive Officer and Accounting Officer (from 1 July 2024) Co-Head of Policy and Markets (until 30 June 2024)
- Sir Robert Stheeman (until 30 June 2024)
  DMO Chief Executive and Accounting Officer
- Jo Whelan
  Deputy Chief Executive and Co-Head of Policy and Markets
- Jim Juffs
  Chief Operating Officer
- Paul Canty
  Co-Head of Policy and Markets (from 13 January 2025)
- Ruth Curtice (until 20 December 2024)
  Non-executive HM Treasury representative
- Stephen Farrington (from 24 February 2025)
  Non-executive HM Treasury representative
- Paul Fisher
  Non-executive Director - During a 26-year career at the Bank of England, Paul Fisher served as a member of the Monetary Policy Committee from 2009 to 2014, the interim Financial Policy Committee from 2011 to 2013 and the Prudential Regulation Authority (PRA) Board from 2015 to 2016. Paul has a number of current roles including Chair of the London Bullion Market Association.
- Martin Egan
  Non-executive Director - Martin Egan has 37 years of experience in financial markets. Most of Martin's career was spent at BNP Paribas in various roles including Managing Director Global Co-Head Primary and Secondary Credit, Vice Chairman of the Global Markets Client Board, and Chair of BNPP UK Ltd. Martin was also Chair of the Diversity and Inclusion Network at BNPP UK. Earlier in his career Martin held roles at JP Morgan Ltd., UBS Investment Bank and Credit Suisse First Boston. Martin was also the Chair of the Board of the International Capital Market Association from May 2017 to May 2018, and a member of the Board for another five years before that.

The Economic Secretary to HM Treasury, or such other Minister as may be responsible for the UK Debt Management Office, in consultation with the Non-executive Chair of the Advisory Board and the Accounting Officer, appoints Non-executive Board members. Non-executive directors have fixed terms defined in their contract of service. All non-executive board members including the Non-executive Chair will receive an induction on joining and have access to additional information and training where it is considered necessary for the effective discharge of their duties.

The primary role of the Board is to advise the Accounting Officer on any key decisions affecting the DMO. The Board's responsibility, as defined within its written Terms of Reference, operates in support of the Chief Executive Officer in the achievement of the DMO's objectives. Specifically, the Board:

- Reviews and provides constructive advice on how the DMO manages and delivers its core activities, objectives and key strategic projects over the course of each financial year;
- Monitors and advises on the development of key policies and business initiatives, including major strategic projects, taking account of key risks and advising whether there are adequate mitigations in place;
- Monitors and advises on the DMO's control environment and financial position, taking due account of the role and recommendations made to the Accounting Officer by the DMO's Audit and Risk Committee;
- Promotes the DMO's core values and ethos, providing support to ensure that all DMO activities are conducted in an appropriate and fair manner and command respect both internally and externally; and
- Advises and provides constructive challenge to ensure that the decision-making and risk-management processes in the DMO are fit for purpose and robust.

An executive sub-committee of the Board generally meets weekly and supports the Accounting Officer on operational decisions.

The Terms of Reference for the Advisory Board were set out on its formation in June 2022. The Board's effectiveness was reviewed in November 2024, after the new Accounting Officer was established in the role. Overall, the review found that the Advisory Board had been very effective in fulfilling its responsibilities.

2024-2025 Board activities

Board meetings were held regularly throughout 2024-2025. In addition to regular agenda items, including progress against the remit, risk management and staffing, the Board paid particular attention to the following matters during the year:

- Strategic priorities and workplan;
- Recruitment, retention and remuneration;
- Budget in the context of the Spending Review;
- People survey results;
- Strategic partners;
- Advisory Board Terms of Reference and future board arrangements;
- Market challenges;
- High level risks;
- NAO report on government borrowing;
- Inflation linked gilts;
- Redemption management;
- GEMM performance;
- Stakeholder themes, strategic priorities and high level including cyber risks;
- Retail investment in gilts;
- Digital gilt instrument;
- Compliance matters;
- Business continuity arrangements;
- Framework document.

Board, as well as Audit and Risk Committee, attendance is outlined in the table below:

Table 8: Board attendance and Audit and Risk Committee attendance

	Advisory Board		Audit and Risk Committee	
	Possible	Actual	Possible	Actual
Dame Sue Owen	6	6		
Jessica Pulay	6	6		
Sir Robert Stheeman	1	1		
Jo Whelan	6	6		
Jim Juffs	6	6		
Paul Canty	2	2		
Ruth Curtice	4	4		
Stephen Farrington	1	1		
Paul Fisher	6	6	5	5
Martin Egan	6	6	5	5
Rodney Norman	n/a	n/a	5	5

Audit and Risk Committee

The Accounting Officer was supported during 2024-2025 by the Audit and Risk Committee (formerly the Audit Committee) on matters relating to risk, internal control and governance. The Audit and Risk Committee covers the activities of the DMO, DMA, CRND and PWLB lending facility. The members of the Audit and Risk Committee during 2024-2025 were:

- Paul Fisher (Chair)
- Martin Egan
- Rodney Norman
  Audit and Risk Committee member - Rodney Norman was Finance Director of NS&I until 2018. Prior to that Rodney was the Treasury Accountant at HM Treasury. This was preceded by a career in the City where he qualified as a Chartered Accountant with PWC and was Finance Director of the Banking Division of Close Brothers. Rodney is currently a non-executive member of the Audit and Risk Committee of the Army. Rodney has previously been a senior advisor to the Bank of England and a non-executive director of a variety of organisations including the Pension Protection Fund, where he was also a member of its Risk and Audit Committee and chaired the Nominations Committee.

Audit and Risk Committee meetings are typically attended by the Accounting Officer, the Co-Head of Policy and Markets, the Chief Operating Officer, the Head of Internal Audit, Head of Finance, the Head of Risk, and the National Audit Office.

The Committee's overall objective is to give advice to the Accounting Officer on:

- The overall processes for risk, control and governance and the governance statement;
- Management assurances and appropriate actions to follow from internal and external audit findings, risk analysis and reporting undertaken;
- The financial control framework and supporting compliance culture;
- Accounting policies and material judgements, the accounts and the annual report and management's letter of representation to the external auditors;
- Whistleblowing arrangements for confidentially raising and investigating concerns over possible improprieties in the conduct of the DMO's business;
- Processes to protect against money laundering, fraud and corruption; and
- The planned activity and results of both internal and external audits.

During the period under review the Audit and Risk Committee paid particular attention to the following areas:

- Cyber security response plans and business continuity arrangements;
- Results of cyber security reviews and tests;
- Succession planning and key dependency risks;
- Documentation of roles and responsibilities and authorisations and delegations;
- Personnel and building security risks;
- Risk management framework;
- Credit and market risk policies;
- Personal dealing policy;
- Whistleblowing policy;
- High level risks, principal risks and uncertainties;
- Procurement processes and controls;
- Finance processes;
- Business critical models;
- PWLB lending facility activities;
- User access rights and permissions;
- Critical spreadsheets;
- Cash management margin calls;
- Governance and controls over cash management;
- Post Auction Option Facility (PAOF);
- Operating models for debt and cash management activities;
- Civil Service Commissioners recruitment principles;
- IT controls over patching updates;
- SWIFT attestation;
- PWLB lending facility/DMADF booking of counterparty instructions; and
- Changes to internal auditing standards.

The Audit and Risk Committee covers a regular programme of agenda items, together with other current topics, and receives updates from the Internal Audit function and external auditors. The Audit and Risk Committee met four times during the year to consider its regular agenda and there was one additional ad-hoc meeting to discuss preparations to sign the Annual Report and Accounts 2023-2024 ahead of the departure of the DMO's former Chief Executive, Sir Robert Stheeman.

Other committees

The Accounting Officer and the Board have also been informed by the following operational committees throughout the period under review:

Debt Management Committee

The Debt Management Committee meets to commission and review the DMO's advice and recommendations to HM Treasury on the debt financing remit at the Budget and any revisions at the Spring Statement. The Debt Management Committee also ensures evidence-based arguments are available to support the quarterly issuance strategy decision-making process of the DMO.

It is also the main forum used to commission and review advice on debt management policy or market-related issues as they arise during the year.

The Debt Management Committee met 14 times in 2024-2025.

Cash Management Committee

The Cash Management Committee meets to agree the cash management strategy, taking account of the Exchequer forecast; the DMO's remit; market conditions; risk limits; and any dealing parameters for the Treasury bill programme.

The Cash Management Committee also reviews performance measures relating to dealing.

The Cash Management Committee met regularly (typically every fortnight) throughout 2024-2025.

Fund Management Review Committee

The Fund Management Review Committee reviews the performance of the government funds under the management of the CRND, including any reporting on compliance activities undertaken in relation to the funds.

The Fund Management Review Committee met four times in 2024-2025.

Business Delivery Committee

The Business Delivery Committee reviews the status of the delivery of DMO's business and work plan as a collective cross-functional body, resolving emerging issues in a timely way, and agreeing priorities to ensure the plan stays on track. The most significant initiatives monitored by the Business Delivery Committee during the year were the trading system upgrade, infrastructure upgrades, and the IT strategy.

The Business Delivery Committee met regularly (typically weekly) throughout 2024-2025.

Risk committees

The Accounting Officer is informed by three risk committees covering credit and market risk, operational risk and risk controls. More detail on the roles, responsibilities and activities of these committees can be found in the sections below.

The application of Government Functional Standards was mandated for all government departments and arm's-length bodies from 2021–2022. Following the publication of new standards and amendments to existing standards, the DMO commenced a review this year to ensure continued compliance with all relevant standards.

Risk management and internal control

The Accounting Officer is responsible for maintaining a sound system of internal control that supports the achievement of the DMO's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Managing Public Money document.

The system of internal control is based upon what the Accounting Officer, with the support of the Board, considers to be appropriate, taking account of the DMO's activities, the materiality of risks inherent in those activities and the relative costs and benefits of implementing specific controls to mitigate those risks. The risk appetite (or tolerance) of the DMO is ultimately the responsibility of the Accounting Officer and is determined after consideration of the nature of risks faced by the DMO, the likely outcome should these risks materialise, and the costs of mitigating such risks. The DMO's position differs from that of a commercial organisation, in that it must always be in a position to transact the underlying business required to meet its remit. As a result, the risks associated with this activity cannot be avoided and the system of internal control can only provide reasonable assurance against failure to achieve aims and objectives.

The risk and control framework

The Board has designed and put in place a formal risk management framework covering all the activities conducted and overseen by the DMO. This framework helps ensure that the Accounting Officer is appropriately informed and advised of any identified risks and also allows the management of risks to be monitored. The framework covers both regular operations and new business initiatives, and evolves as the range and nature of the DMO's activities change. The framework is supported by a clear 'three lines of defence' model:

- First line of defence

Day-to-day management of risk is the responsibility of management staff within business areas. The DMO considers effective risk management to be central to its operations and fosters a risk aware culture in which all members of staff, including Board members, are encouraged to understand and own the risks that are inherent in those operations. In particular, the DMO seeks to promote an environment in which staff feel comfortable to identify new risks and changes in previously identified risks, as well as weaknesses, so that these may be assessed and appropriate mitigating actions put in place.

Mitigating actions typically include segregation of duties, staff training, clear lines of management delegation and reporting and robust business continuity arrangements.

The DMO employs certain business critical models which enable it to perform market analysis and model the impact of different issuance strategies on the government's debt portfolio. The DMO has put in place a robust quality assurance framework for the models that it uses which extends to cover validation of results and any changes in approach. An independent review of one of the business critical models in March 2025 provided assurance on the modelling and identified recommendations for further enhancements of which the priority changes will be progressed in 2025-2026.

- Second line of defence

Oversight of risk is provided by the Board and risk committees, whose role is to provide regular and systematic scrutiny of risk issues which lie within their remit, and to support the Accounting Officer in exercising their overall responsibility for risk management.

The DMO considers that the principal risks it faces arise in three broad areas: credit risk, market risk and operational risk. It has established committees to meet regularly to review the changing risk pattern for each of these areas and to set up appropriate responses. The work of these committees is described in more detail below.

Credit and Market Risk Committee

The Credit and Market Risk Committee (CMRC) meets on a regular basis, with more frequent meetings held when required, for example during times of market stress. Credit risk may increase under volatile market conditions, however, transactions are fully collateralised, significantly mitigating this risk. The CMRC monitors and reviews the management of market, credit, and liquidity risk. It sets limits across a range of exposures including counterparties, countries and instruments held as collateral as well as setting absolute limits on net daily flows across the DMA.

The CMRC has advised the Accounting Officer and the Board, during the year, on significant current and emerging risk issues, including risks arising from heightened volatility in financial markets. The CMRC met six times during 2024-2025.

Operational Risk Committee

The Operational Risk Committee (ORC) meets regularly to monitor operational risks and to review significant risk issues. The ORC is responsible for reviewing risk incidents identified through the DMO's risk incident reporting process, and for considering whether planned mitigating actions are appropriate. The ORC also reviews and tracks the progress of actions identified by Internal Audit. The ORC's scope includes issues relating to information risk, IT security, business continuity, anti-fraud and key supplier risks.

The ORC has advised the Accounting Officer and the Board, during the year, on significant operational risk concerns, significant risk issues and trends as well as actions to mitigate such risks. This year, the ORC focussed on business continuity, information security, cyber security, physical security and personnel security. The ORC also reviewed contingency planning scenarios. The ORC met eight times during 2024-2025.

Controls Group

The Controls Group meets periodically to review issues affecting the DMO's system of internal control and to analyse material changes to the control environment. The Controls Group recommends actions to management to implement changes where appropriate. The Controls Group consists of representatives from Finance, Risk, Compliance and Internal Audit.

The Controls Group has advised the Accounting Officer, the Board and senior management on any significant risk concerns stemming from the introduction of new business activities as well as risks relating to other change management activities. The Controls Group has also advised the Accounting Officer on suitable mitigating actions where appropriate.

During the year the Controls Group reviewed key project change proposals including the escalation process of incidents, trading process enhancements, IT strategy and the trading system upgrade implementation.

Risk Management Unit

The risk committees are supported by the DMO's Risk Management Unit (RMU) which ensures key risk issues arising from these committees are communicated to the Accounting Officer and senior management on a regular basis, with additional ad-hoc reporting if an emerging issue requires it. The RMU also supports the formal risk reporting processes with defined outputs, including regular detailed risk reports which are reviewed by the Board and senior management.

As well as supporting the risk committee structure, the RMU provides control advice on risks. As part of the second line of defence the RMU is separate from, and independent of, the DMO's trading operations. The RMU conducts risk analysis and provides market, credit and operational risk capability for the DMO.

The identification, monitoring and mitigation of operational risk is facilitated by the RMU via quarterly consultations with heads of business units and functional teams. Significant risk issues are assessed for materiality and probability of occurrence. New risks, and risks to which exposure is increasing, are highlighted and actions are taken to ensure effective management of all risks. The DMO has Senior Risk Owners (SROs) who undertake a cross-functional moderation process to promote better prioritisation of operational risks across the organisation. The RMU maintains a central exception log to record all risk incidents raised, to identify control weaknesses and assign actions to improve controls. RMU continued to carry out compliance awareness training to all staff, throughout the year.

- Third line of defence

The Internal Audit function is the third line of defence and provides the Accounting Officer with independent and objective assurance on the overall effectiveness of the DMO's system of internal control. It does this through a risk-based work programme which is presented to and approved by the Audit and Risk Committee at the start of each year. All audits review the processes in place and where necessary raise findings relating to control weaknesses and management actions are agreed to mitigate any risks and enhance the control structure. Progress against agreed management actions is monitored on a regular basis to ensure issues highlighted by internal audit and any delays are escalated for attention. The function is independent of the DMO's trading activities and operations and has a direct reporting line to the Accounting Officer as well as the chair of the Audit and Risk Committee. The work of Internal Audit includes assessing the effectiveness of both control design and control performance. With its independence and overall remit, Internal Audit provides a third line of defence against the risks that might prevent the DMO delivering its objectives.

Risk policies and procedures

The DMO's risk policies reflect the high standards and robust requirements which determine the way risks are managed and controlled. The Accounting Officer, with the support of the Board, ensures that policies are regularly reviewed to reflect any changes in the DMO's operations and/or best practice. In 2024-2025, this included policies relating to health & safety, spreadsheet control, anti-fraud, personal dealing, gifts & hospitality, and anti-money laundering.

Staff are asked to confirm that they have read and accepted the DMO's rules on personal dealing and the DMO's policy on the use of information systems and technology, and that they are aware of, and will continue to keep up to date with, the DMO's policies on whistleblowing, anti-fraud, anti-money laundering and information security. The DMO ensures that this exercise is undertaken on an annual basis which helps staff to maintain a good level of awareness of the DMO's policies in these areas. All members of staff have job descriptions which include reference to the specific key risks they are expected to manage.

Managers in each business function are responsible for ensuring that the operations within their area are compliant with all plans, policies, procedures and legislation.

During 2024-2025 no concerns were raised by staff under the DMO's whistleblowing policy.

Key developments

- Geopolitical conflicts

Risks arise from ongoing geopolitical conflicts. The DMO continued to closely monitor actual and potential effects on activities, markets, counterparties and suppliers.

The DMO continued to work with partners across government to ensure all necessary steps were taken to maintain cyber security defences and also assurances were received from some strategic partners regarding their own arrangements, with details of the assurances put in place to mitigate against any disruption or impact. Internal assessments considered potential accounting or disclosure impacts and any effects through legal and regularity changes.

- Budgetary constraints

Risks to effective delivery of the DMO's objectives arise from the constraints associated with pressures on public sector spending. As a result, effective budgetary control continues to be a critical element of financial management of the DMO.

The DMO continues to face particular challenges due to the nature of its role. First, it faces specific additional cost increases for certain third-party services it requires in order to undertake its role in the financial markets. Second, it competes for recruitment of suitably skilled staff with private sector banks and other financial institutions which are not subject to the same remuneration constraints as the DMO. Notwithstanding these exogenous cost pressures, the DMO's core objectives are non-discretionary, so it would be challenging to deprioritise certain objectives in order to reduce costs.

Risk profile

The Accounting Officer and the Board believe that the principal risks and uncertainties facing the DMO are outlined in the table below, together with the key actions taken to manage and mitigate them:

Principal risks and uncertainties	Mitigation and management
Economic and market conditions	
Economic and market conditions could adversely affect the DMO's ability to deliver HM Treasury's financing Remit or its cash management objective.	The DMO continually monitors conditions in the gilt and cash markets as well as wider economic conditions. In 2024-2025, inflation continued to decline towards central bank targets, though core price pressures remained persistent. In response, major central banks, including the Bank of England, shifted from tightening to easing. The Bank cut its policy rate for the first time since pandemic-driven lows, reflecting softer economic momentum and stabilising inflation expectations. However, uncertainty about the pace of future rate cuts remains, with geopolitical risks and global financial stability concerns still in play. Despite geopolitical tensions, liquidity in the gilt market improved in 2024, aided by lower volatility and more accommodative monetary conditions. Bid-offer spreads in key maturities, such as 10- and 30-year gilts, narrowed, signalling deeper and more efficient markets. In late 2024 and early 2025, sovereign bond markets were principally characterised by developments around the US election and by the on-going trends in UK and broader G7 fiscal policy and inflation. Since these factors are outside the DMO's control, mitigating activities are intended to anticipate potential impacts so as to put the DMO in a position to respond appropriately. The DMO maintains regular contact with its primary dealers, known as the Gilt-edged Market Makers (GEMMs), and gilt investors which helps it to gather market intelligence on an ongoing basis. In addition, the DMO undertakes internal research with the objective of developing a more detailed understanding of the investor base and potential demand for gilts. The DMO also receives information on market conditions through its consultation meetings at which representatives from GEMMs and investors are invited to give their views on the market's preferences for the issuance of individual gilts in the forthcoming period. Furthermore, the DMO gains valuable market insights from other major sovereign issuers through bilateral relationships and through its membership of intergovernmental forums on public debt.

Principal risks and uncertainties	Mitigation and management
	To help ensure that liquidity in the gilt market is maintained in all market conditions, the GEMMs are required by the DMO to make effective two-way prices to their client in all gilts for which they are recognised as a market maker. To ensure competitive pricing in its cash operations, the DMO maintains relations with a wide range of money market counterparties, and cash management is conducted through a diversified set of money market instruments to minimise cost whilst operating within agreed credit and market risk limits. There is a strong preference in favour of using the lowest risk products, counterparties and issuers from the set of suitable or available ones, to ensure that the DMO only deals with highly creditworthy counterparties and issuers. Work continued to identify and evaluate potential enhancements to cash management activities to ensure greater resilience and future-proofing against liquidity risks. The DMO actively tracks relevant regulatory initiatives and developments, and maintains close contact with regulators and HM Treasury, providing expert advice on the potential impacts of regulation on its markets and operations. In 2024-2025, the DMO continued to issue green gilts, which were first launched in 2021-2022, helping to finance projects that will be critical in ensuring the government can meet its climate and environmental goals, including its commitment to reach Net Zero greenhouse gas emissions by 2050. In line with the government's reporting commitments, the third annual allocation report was published on 17 October 2024. This report details how funds raised via issuance of green gilts and sales of retail Green Savings Bonds in financial year 2023-2024 have been allocated to eligible green expenditures. The next impact report is scheduled to be published in autumn 2025 and will provide environmental impact and social co-benefit estimates for the expenditures which received financing in the financial years 2022-2023 and 2023-2024.

Principal risks and uncertainties	Mitigation and management
IT systems and infrastructure	
The DMO relies on a number of IT and communications systems to conduct its operations effectively and efficiently. In particular, certain systems are central to the DMO achieving its internal target for the release of accurate data, including auction results, to the market. Failure to achieve these targets could result in markets acting on inaccurate information which could cause significant reputational damage.	During the year the DMO has progressed additional initiatives to further strengthen the resilience and security of its IT network and infrastructure. Strategic roadmap priorities were reviewed and the DMO carried out an internal health-check. The DMO has in place structured business continuity arrangements to ensure it is able to continue market operations in the event of an internal or external incident that threatens business operations. Arrangements to support critical operations were in place throughout the year with a core team in the office, support teams working from the recovery suite and staff working from home. Assessment of business continuity needs is also a specific requirement for new projects and major business initiatives.
IT and data security	
The DMO could be the subject of an external attack on its IT systems and infrastructure. Through its activities the DMO gathers, disseminates and maintains sensitive information, including market sensitive information. The DMO seeks to ensure the highest standards of data protection and information management.	The DMO continues to work to maintain the required level of protective security covering physical, personnel and information security and is particularly aware of the growing threat posed by cyber security risk. IT and Cyber security risks continued to be a specific area of focus in 2024-2025 and the DMO's Cyber Security team have been enhancing the preventative, detective, and response security controls, alongside cyber security awareness training. Risks to data and information held by the DMO are owned and managed by designated Information Asset Owners. The DMO has a Senior Information Risk Owner (SIRO) who is responsible for the information risk policy and the assessment of information risks. The SIRO is a member of the Board and provides advice to Board members on the management of information risks. The DMO has upgraded its monitoring and alerting systems throughout the infrastructure, providing improved visibility and enhancing the response to potential incidents. This year the DMO again undertook internal and independent testing to ensure defences remained robust against the changing landscape of cyber-attacks. This year the DMO observed a global IT outage that disrupted the financial markets, reinforcing the importance of contingency planning and mitigating third party supplier risk.

Principal risks and uncertainties	Mitigation and management
Reliance on third parties	
A number of the operational systems and services on which the DMO relies are provided or supported by third party suppliers.	To mitigate the risk of failure of a key third party supplier the DMO undertakes regular corporate risk assessments of each key supplier to assess a range of factors including its financial strength and operational capacity, including the reliance on sub-contractors. The DMO has dedicated contract owners who meet regularly with key suppliers and monitor performance against the agreed Service Level Agreements, where appropriate. The procurement manager and the vendor management group have been working to embed consistent standards of supplier management across account managers by improving visibility of key contracts and continually sharing best practice. The DMO has introduced enhanced monitoring for critical suppliers (i.e. strategic partners) that focuses on risk, strategic services, relationship and corporate aspects. Scrutinised areas include inherent risks, scenario analysis, assessment of supply chain risks including fourth parties, monitoring and assessing residual risks, and mitigation planning. External consultancy work assisted with the approach. The DMO sought assurance that its key suppliers and strategic partners follow National Cyber Security Centre (NCSC) guidance on cyber security. This year, further work was undertaken to explore alternative arrangements where over-reliance on particular key suppliers has been identified. Work has commenced to align the DMO procurement policies and procedures with the new procurement legislation and to ensure it remains up to date with the Government Functional Standard GovS 008: Commercial and Commercial Continuous Improvement Assessment Framework. The Procurement Bill received Royal Assent on 26 October 2023. It will now be referred to as the Procurement Act 2023 and came into force on 24 February 2025.

Principal risks and uncertainties	Mitigation and management
Transaction processing	
The DMO relies on its operational processes to successfully execute a significant number of high value transactions on a daily basis. Reliance on the accurate execution of processes exposes the DMO to operational risk arising from process breakdowns and human error.	A key component of the DMO's control framework is the segregation of duties to ensure independent checking and reconciliation, and to avoid concentration of key activities or related controls on individuals or small groups of staff. In particular, segregation of duties takes place between front and back office activities. All teams have documented procedures for their main activities and there are clearly defined authorisation levels for committing the DMO externally. The RMU conduct regular control and compliance testing, providing the executive sub-committee of the Board with assurance on the effectiveness of operational controls and compliance with the relevant Financial Conduct Authority and Prudential Regulation Authority rules in the dealing and settlement areas. The DMO also maintains a strong audit and control environment which includes a well embedded incident reporting procedure. This promotes the early identification and resolution of risk incidents and provides visibility to the Accounting Officer and the Board. The continued focus has been on enhanced compliance monitoring over transaction processing, to provide assurance over controls standards during remote working. During the year, operational support refresher training was provided to relevant staff to increase resilience in support roles. There were also further enhanced controls implemented for oversight of market interactions. This year, the DMO completed the upgrade of a key trading system and worked on the implementation of a new dealing platform. An IT failure at an external counterparty to the DMO resulted in contingency procedures being invoked to ensure successful completion of all processes.

Principal risks and uncertainties	Mitigation and management
People risk	
The DMO relies on maintaining a sufficiently skilled workforce at all levels of the organisation to operate effectively and efficiently, ensuring delivery of its strategic objectives. The DMO is exposed to an increased risk of operational failure if it is unable to compete for, and retain, sufficiently skilled staff over time. Competition for skilled staff is generally against employers from the private financial services sector who have historically offered higher remuneration packages that are not subject to public sector remuneration policies.	DMO recruitment activity helps ensure that individuals with the appropriate level of skill and experience are appointed at all levels within the organisation. This helps mitigate the level of human error which could result in process failures. The DMO follows the Civil Service Commission's recruitment principles and selection process to ensure vacancies are filled on merit on the basis of fair and open competition. Challenges with recruitment and retention were again identified this year and were reviewed by the Advisory Board. These include pay, length of time to hire and staff turnover, particularly in more junior roles. The DMO is taking action to target these areas and seeing signs of greater stability in the workforce. The DMO has a formal performance appraisal process and all staff are given clear and achievable objectives. Progress is reviewed against these regularly. The DMO's Training and Development policy is designed to help ensure that staff have the right skills to meet its objectives. Induction training is provided to all new employees. Staff are encouraged to engage in activities which promote development and the DMO provides regular training opportunities and support for professional studies to enhance the skills base of its employees. The DMO also provides cross-training for different roles to help improve staffing flexibility and reduce turnover pressure. Teams are encouraged to ensure cross-skilling of staff to support resilience. Succession planning activities continued to identify key person risks and mitigations, with a focus on establishing deputies to provide resilience. Salaries are benchmarked annually to equivalent private sector pay levels in order to keep management aware of any significant disparities that are developing. The DMO has a policy to recognise those staff who have performed well in their roles through the payment of one-off non-consolidated performance related awards. Any awards are assessed annually by the DMO Performance Review Team. They are determined by individual performance and criteria associated with the DMO's performance management process, which are also aligned to the policy for public sector pay.

Principal risks and uncertainties	Mitigation and management
	Risks to our people are considered by an internal security group and include safety and physical, cyber and personnel security. This includes activity within the physical building and external factors. Risks from our people are also considered. As well as risks resulting from under-skilled or under resourced teams, the DMO considers insider risk, both intentional and accidental. Addressing the threat of insider risk requires a multi-disciplinary approach encompassing cyber security, human resources, line management and robust risk controls. In addition, the DMO has continued to benchmark Personnel Security to identify the level of competence and areas for development. The DMO will continue to increase its security culture, building on screening and monitoring of the workforce, insider risk assessment and management, investigation and disciplinary processes. A Staff Council has met regularly throughout the year and enabled an open exchange of ideas and views between management and staff representatives. Staff Council was consulted to discuss the future hybrid working arrangements. This has been an effective conduit for wider communication and consultation with all staff. On an annual basis all DMO staff are given the opportunity to take part in the Civil Service People survey. Any issues raised via this route, with suggested mitigating action if required, are considered by the Accounting Officer and the Board. The organisation has placed greater emphasis on undertaking key person risk analysis for succession planning. This year, HR organised management development training across the organisation to support the management group. The DMO is a disability confident employer.

Review of effectiveness

I have reviewed the effectiveness of the system of internal control and confirm that an ongoing process designed to identify, evaluate and prioritise risks to the achievement of the DMO's aims and objectives has been in place throughout 2024-2025. This review included an assessment of any material risk and control issues identified and reported during the relevant period.

I took over as Accounting Officer from 1 July 2024. Sir Robert Stheeman was Accounting Officer from 1 April 2024 to 30 June 2024. I am writing this statement reflecting on the work the DMO has undertaken during 2024-2025 and with due regard to the transfer of Accounting Officer responsibilities during this period. My review has been informed by the advice of the risk committees and the Advisory Board, of which I was a member throughout 2024-2025, the work of the internal auditors and the executive managers within the DMO, who have been delegated responsibility for the development and maintenance of the internal control framework. It has also been informed by comments made by the external auditors in their management letter and other relevant reports.

In my role as Accounting Officer, I have been advised on the implications of the result of my review, regarding the effectiveness of the system of internal control, by the Board, and the Audit and Risk Committee.

In 2024-2025, no ministerial directions were given and no material conflicts of interest have been declared by Board or Audit and Risk Committee members in the Register of Interests.

In my opinion, the DMO's system of internal control was effective throughout the financial year and remains so on the date I sign this statement.

Jessica Pulay
Chief Executive Officer
UK Debt Management Office
8 July 2025

Remuneration report and staff report

The DMO has a Performance Review Team, which during 2024-2025 comprised:

- **Jessica Pulay**
  Chief Executive Officer (from 1 July 2024; Co-Head of Policy and Markets until 30 June 2024)
- **Sir Robert Stheeman**
  Chief Executive (until 30 June 2024)
- **Dame Sue Owen**
  Non-executive Chair of Advisory Board
- **Jo Whelan**
  Deputy Chief Executive and Co-Head of Policy and Markets
- **Jim Juffs**
  Chief Operating Officer
- **Paul Canty**
  Co-Head of Policy and Markets (from 2 January 2025)
- **Paul Fisher**
  Non-executive Director
- **Martin Egan**
  Non-executive Director

The Performance Review Team is responsible for overseeing the DMO's delegated pay arrangements and ratifying the DMO's Pay Remit submission to HM Treasury and its subsequent implementation. Pay progression takes into account individual performance, job size, external market comparators and public sector pay policy and affordability.

Remuneration policy

Senior DMO staff

The Chief Executive Officer is a member of the Senior Civil Service, employed by HM Treasury and included in HM Treasury's appraisal arrangements. Remuneration is set by HM Treasury in accordance with the Senior Salaries Review Body's Report.

Further information about the work of the Review Body can be found at www.gov.uk/government/organisations/office-of-manpower-economics.

Salaries of the Deputy Chief Executive, Chief Operating Officer and Co-Head of Policy and Markets are set internally in accordance with the DMO's delegated pay arrangements by the Chief Executive Officer and the non-executive director members of the Performance Review Team.

Non-executive directors

The Chief Executive Officer, in discussion with the non-executive Chair of the DMO's Advisory Board, determines the remuneration of the non-executive directors. Remuneration is reviewed annually taking account of external market comparators and public sector pay policy and affordability, but the DMO reserves the right not to make adjustments.

Contracts

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

Unless otherwise stated below, the officials covered by this report hold appointments that 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.

Senior DMO staff

Sir Robert Stheeman, the Chief Executive until 30 June 2024, was contracted to 30 December 2024.

The appointments of the Deputy Chief Executive, the Chief Operating Officer and Co-Head of Policy and Markets have been made in accordance with the provisions of the Civil Service Commissioners' Recruitment Code. The employment contract for each requires a 3-month termination period.

Non-executive directors

Paul Fisher was contracted for an initial 3-year period from 1 December 2016. His contract has since been extended three times and is due to end on 30 November 2025.

Dame Sue Owen was appointed on 1 June 2022 for an initial 3-year period as the Non-executive Chair of the DMO's Advisory Board. Her contract has been extended and is due to end on 31 May 2028.

Martin Egan was contracted for a 3-year period from 2 May 2023. His contract is due to end on 1 May 2026.

The employment contracts for Paul Fisher, Dame Sue Owen and Martin Egan are subject to 4-week or 5-week early termination notice period. Contracts will automatically terminate on the date stated unless an extension has been agreed. As office holders there is no provision for compensation for early termination.

Remuneration received including pension benefits

In accordance with the requirements of the Companies Act 2006 and Statutory Instrument 2013 No. 1981, the following table includes pension benefits. The amounts shown in the table relate to the remuneration received in the relevant financial year. Performance related payments reported in 2024-2025 and 2023-2024 relate to performance in the year prior to payment of the remuneration, so 2023-2024 and 2022-2023 respectively.

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.

Table 9: Remuneration of senior DMO staff and non-executive directors

		Salary £000	Performance related payments £000	Total payments excl. sale of annual leave £000	Sale of annual leave* £000	Accrued pension benefits** £000	Total including sale of annual leave and pension benefits £000
Senior DMO staff							
Jessica Pulay - Chief Executive Officer (from 1 July 2024); Co-Head of Policy and Markets (to 30 June 2024)	2024-2025	190 - 195	15 - 20	205 - 210	-	74	280 - 285
	2023-2024	170 - 175	15 - 20	185 - 190	-	65	250 - 255
Sir Robert Stheeman - Chief Executive (to 30 June 2024; contracted to 31 December 2024)***	2024-2025	150 - 155	-	150 - 155	0 - 5	-	155 - 160
	2023-2024	190 - 195	5 - 10	200 - 205	10 - 15	-	210 - 215
Jo Whelan - Deputy Chief Executive and Co-Head of Policy and Markets****	2024-2025	130 - 135	10 - 15	140 - 145	-	79	220 - 225
	2023-2024	125 - 130	10 - 15	135 - 140	5 - 10	60	205 - 210
Jim Juffs - Chief Operating Officer	2024-2025	175 - 180	15 - 20	195 - 200	-	109	305 - 310
	2023-2024	170 - 175	15 - 20	185 - 190	5 - 10	43	240 - 245
Paul Canty - Co-Head of Policy and Markets (from 2 January 2025)*****	2024-2025	35 - 40	-	35 - 40	-	16	55 - 60
	2023-2024	-	-	-	-	-	-
Non-executive directors							
Dame Sue Owen	2024-2025	20 - 25	-	20 - 25	-	-	20 - 25
	2023-2024	20 - 25	-	20 - 25	-	-	20 - 25
Paul Fisher	2024-2025	15 - 20	-	15 - 20	-	-	15 - 20
	2023-2024	15 - 20	-	15 - 20	-	-	15 - 20
Martin Egan (From 2 May 2023)	2024-2025	15 - 20	-	15 - 20	-	-	15 - 20
	2023-2024	15 - 20	-	15 - 20	-	-	15 - 20
Paul Richards - (to 30 April 2023) ******	2024-2025	-	-	-	-	-	-
	2023-2024	0 - 5	-	0 - 5	-	-	0 - 5

(This disclosure has been audited.)

* Periodically, the DMO allows staff to exchange a portion of their leave for remuneration when operational demands during the year suggest that some staff may be unable to take their full allocation of leave.

** For Jessica Pulay, Jo Whelan, Jim Juffs and Paul Canty the value of pension benefits accrued during the year is calculated as:

- The real increase in pension multiplied by 20; plus
- The real increase in any lump sum; less
- The contributions made by the individual.

The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

For some older pension schemes the increase in pension due to extra service may not be sufficient to offset the effect of inflation so that, in real terms, the pension value can reduce.

*** Sir Robert Stheeman's full year equivalent salary for 2024-2025 was in the range £200,000 to £205,000. He chose not to be covered by the civil service pension arrangements during 2024-2025.

**** The salary disclosed for Jo Whelan reflects part-time hours and is calculated on a pro rata basis from a full-time equivalent of 0.72 in 2024-2025 (2023-2024: 0.72). Her full-time salary was in the range £180,000-£185,000 (2023-2024: £170,000-£175,000).

***** Paul Canty's full year equivalent salary for 2024-2025 was in the range £155,000 to £160,000.

****** Paul Richards's full year equivalent salary for 2023-2024 was in the range £15,000 to £20,000.

'Salary' includes gross salary, overtime and any other allowance to the extent that it is subject to UK taxation. For Jessica Pulay, Jo Whelan and Jim Juffs, 'salary' also includes a non-consolidated award in 2023-2024.

The DMO is not responsible for the remuneration of any Ministers or the non-executive HM Treasury representative (Ruth Curtice to 27 November 2024 and Stephen Farrington from 24 February 2025), who is an employee of HM Treasury.

Performance related payments

The payment of performance related awards are assessed annually by the Performance Review Team. These one-off payments are determined by individual performance and criteria associated with the DMO's performance management process and are aligned to the policy for public sector pay.

Remuneration multiples

Government organisations are required to disclose the relationship between the remuneration of the highest-paid member of staff and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

Table 10.1: Remuneration multiples

	2025 £000	2024 £000	Change
Chief Executive Officer			
Salary and allowances	195-200	200-205	(2%)
Performance pay and bonuses	15-20	5-10	133%
Average remuneration of other DMO employees			
Salary and allowances	67,325	66,593	1%
Performance pay and bonuses	5,584	4,814	16%

Jessica Pulay was appointed as the Chief Executive Officer on 1 July 2024. The performance pay and bonuses she received in 2024-2025 relate to her performance in 2023-2024 when she was Co-Head of Policy and Markets.

Table 10.2: Remuneration multiples - Chief Executive Officer : other DMO employees

	25th percentile	Median	75th percentile
2025			
Other DMO employees:			
Salary and allowances	£46,400	£59,025	£81,857
Total remuneration	£50,250	£63,802	£89,904
Ratio of total remuneration of Chief Executive Officer : other DMO employees	4.3 : 1	3.4 : 1	2.4 : 1
2024			
Other DMO employees:			
Salary and allowances	£45,333	£58,346	£80,448
Total remuneration	£47,511	£61,606	£86,712
Ratio of total remuneration of Chief Executive : other DMO employees	4.5 : 1	3.4 : 1	2.5 : 1

(This disclosure has been audited.)

Salary and allowances as defined for the purposes of this report includes salary and sale of annual leave. Total remuneration, as defined for the purpose of this report, includes salary, non-consolidated performance-related pay, and sale of annual leave. Neither includes severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Remuneration ratios are largely consistent with the prior period and there are no material variances to note.

As at 31 March 2025 (and 31 March 2024), no DMO employee received total remuneration in excess of the Chief Executive Officer and total remuneration of DMO staff ranged from £34,000 (to the nearest £000) to £200,000-205,000 (2023-2024: £32,000 to £210,000-215,000).

Pension benefits

Table 11: Pension benefits of senior DMO staff

	Accrued pension and related lump sum at pension age 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	Real increase in CETV
	£000	£000	£000	£000	£000
Jessica Pulay	40-45	2.5-5	660	541	56
Jo Whelan	50-55	2.5-5	1,072	993	71
Jim Juffs	60-65	5-7.5	1,357	1,241	100
- plus lump sum	145-150	5-7.5			
Paul Canty	5-10	0-2.5	77	64	10

(This disclosure has been audited.)

CETV is an abbreviation for 'Cash Equivalent Transfer Value'. This measure of value is explained on page 64.

Sir Robert Stheeman chose not to be covered by the civil service pension arrangements during 2024-2025.

The non-executive directors are not entitled to any pension benefits.

Civil service pensions

Pension benefits are provided through the civil service pension arrangements.

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

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation.

Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.

Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for members of classic, premium, classic plus, nuvos and alpha.

Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32 per cent. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (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 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

Further details about the civil service pension arrangements can be found on the website www.civilservicepensionscheme.org.uk.

The Cash Equivalent Transfer Value (CETV)

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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024.

Staff numbers and related costs

Table 12: Staff costs

	Permanent staff		Others		Total	
	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000
Staff costs						
Salaries	8,651	8,475	3,458	3,175	12,109	11,650
Social security costs	1,069	1,021	56	41	1,125	1,062
Other pension costs	2,146	1,993	118	77	2,264	2,070
	11,866	**11,489**	**3,632**	**3,293**	**15,498**	**14,782**
Amounts charged to capital	-	-	(48)	(52)	(48)	(52)
Total net costs	**11,866**	**11,489**	**3,584**	**3,241**	**15,450**	**14,730**
Average number of full-time equivalent persons employed by the DMO	109	109	26	25	135	134
Of which, staff employed on capital projects	-	-	1	1	1	1

(This disclosure has been audited.)

Staff numbers in 2024-2025 and 2023-2024 include one full-time equivalent senior civil servant (grade SCS 2).

The heading 'Others' includes interim staff employed either via recruitment agencies, on a fixed term contract, or via inward secondments from other bodies.

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Permanent staff costs reported for 2024-2025 did not include any exit costs for staff (2023-24: £nil). Where the DMO has agreed early retirements, the additional costs are met by the DMO and not by the civil service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the reported staff costs.

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS), known as 'alpha', are unfunded multi-employer defined benefit schemes, but the DMO is unable to identify its share of the underlying assets and liabilities. The PCSPS's Actuary valued the scheme as at 31 March 2020 and details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk/about-us/resource-accounts/).

For 2024-2025, employer contributions of £2,217,116 (2023-2024: £2,024,639) were payable to the civil service pension schemes at a rate of 28.97 per cent (2023-2024: at one of four rates in the range 26.60 per cent to 30.30 per cent, based on salary bands) of pensionable pay. The scheme's Actuary usually reviews employer contributions every four years following a full scheme valuation.

The contribution rates are set to meet the cost of the benefits accruing during 2024-2025 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £44,944 (2023-2024: £43,779) were paid to one or more of the panel of appointed stakeholder pension providers. Employer contributions are age-related and range from 8.0 per cent to 14.75 per cent of pensionable pay (2023-2024: 8.0 per cent to 14.75 per cent of pensionable pay). Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £1,628, 0.5 per cent of pensionable pay (2023-2024: £1,581, 0.5 per cent of pensionable pay), were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the partnership pension providers at 31 March 2025 were £12,218 (31 March 2024: £4,934). Contributions prepaid at that date were £nil (31 March 2024: £nil).

Male / female staff breakdown

The number of male and female staff at the DMO at 31 March 2025 was:

Table 13: Male / female breakdown

	Male	Female
Advisory Board members	4	3
Employees	86	31
Total	**90**	**34**

Employees do not include contractors employed through agencies. (No Advisory Board members are employed through agencies.)

Off-payroll engagements

Off-payroll arrangements are engagements where staff, either self-employed or acting through an intermediary company, are paid by invoice rather than via payroll.

The DMO contracts with some staff off-payroll. These are typically specialists whom the DMO requires for temporary assignments.

The tables below show off-payroll engagements by the DMO during the year. There have been no board members and/or senior officials with significant financial responsibility engaged off-payroll between 1 April 2024 and 31 March 2025.

Table 14: Off-payroll engagements at 31 March 2025

Total off-payroll engagements for more than £245 per day as at 31 March 2025:	14
Of which, have an engagement duration of:	
Less than 1 year	7
Between 1 & 2 years	1
Between 2 & 3 years	0
Between 3 & 4 years	1
Over 4 years	5

Table 15: Off-payroll engagements during the year

Total engagements between 1 April 2024 and 31 March 2025 for more than £245 per day:	25
Of which, have been assessed as:	
Within IR35	25
Outside IR35	0
Number of off-payroll engagements who have transferred to the DMO payroll during the year	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements for which IR35 status changed as a result of the assessment	0

Equal opportunities

The DMO is an equal opportunities employer. Policies are in place to ensure that no job applicant or member of staff receives less favourable treatment on grounds of gender, gender re-assignment, marital or family status, colour, racial origin, sexual orientation, age, background, religion, disability, trade union membership or by any other condition or requirement.

Employee relations

A Staff Council has met regularly throughout the year and enabled an open exchange of ideas and views between management and staff representatives and has been effective as a conduit for wider communication and consultation with all staff. Union arrangements also continue for staff transferred to the DMO in 2002 under TUPE principles. Staff may join a trade union of their choice.

Improving good practice and investment in people

The DMO's training and development policy aims to ensure that its staff have the right skills to meet its objectives. The DMO provides targeted training and support for professional studies to enhance the skills base of its employees.

Staff turnover

Staff turnover for the period was 9.8 per cent (2023-2024: 13.8 per cent). The turnover figure is calculated as the number of leavers within the period divided by the average number of staff in post during the period.

Staff engagement

The annual Civil Service People Survey measures employee engagement. The survey is designed to ensure that employees are committed to their organisation's goals and values, motivated to contribute to organisational success, and are able to enhance their own sense of wellbeing. The survey is used to generate a headline indicator of the overall level of employee engagement and nine indicators of the factors that influence engagement.

The survey result for the DMO's headline level of employee engagement in 2024 was 77 per cent (2023: 75 per cent), the fourth highest in the civil service for participating organisations. The civil service benchmark, the median score of all participating organisations, was 64 per cent (2023: 64 per cent). Employee response rate for the DMO was 68 per cent. The overall response rate across the civil service was 61 percent.

Staff sickness absence

Recorded working days lost due to DMO staff sickness absence in 2024-2025 were 611 or 2.3 per cent of the total available (2023-2024: 581 or 2.2 per cent of the total available).

Diversity and inclusion

The DMO has a diverse workforce and is committed to inclusivity.

The DMO has policies that cover its recruitment process. In order to attract a more diverse talent pool, job adverts are worded to reduce the risk of unintended cultural barriers to entry. The DMO accommodates flexible working patterns to encourage people with caring responsibilities to apply. Briefing sessions for hiring managers and interview panels are conducted to ensure that recruitment is fair and open. The DMO guarantees an interview for disabled applicants who meet the minimum role requirements.

The DMO is committed to inclusion and has conducted training to reinforce the need and benefits of a diverse workforce. The DMO value of being scrupulously fair is applied to support equality and equity in activities such as the performance appraisal processes. Revisions of our objective setting processes include individual objectives relating to diversity and inclusion. The DMO is working to partner with HM Treasury staff networks to enable members of staff to join groups of interest. Colleagues have joined the HM Treasury Carers Network and female members of staff can join HM Treasury's Women's Network. The DMO celebrates religious festivals and respects religious holidays and working requirements.

The DMO does not set formal targets for the cultural diversity of its staff. Nonetheless, in early 2024, 47 per cent of DMO staff identified as coming from culturally diverse backgrounds (prior year: 46 per cent). In the DMO's 2024 employee engagement survey, 90 per cent of staff considered that the DMO respected different cultures (prior year: 85 per cent) and 87 per cent considered that the DMO was committed to creating a diverse and inclusive workplace (prior year: 86 per cent).

Social, community and human rights issues

The DMO has no social, community or human rights issues to report, which are relevant to understanding its business.

Health and Safety

The DMO is committed to complying with health and safety at work legislation. The DMO follows procedures and maintains policies that aim to achieve higher standards than the legal requirements.

Annually, the DMO undergoes an independent health and safety audit. There were no issues during 2024-2025.

Expenditure on consultancy

Expenditure on consultancy by the DMO in 2024-2025 was £61,000 (2023-2024: £101,000).

Jessica Pulay
Chief Executive Officer
UK Debt Management Office
8 July 2025

Parliamentary accountability and audit report

Regularity of expenditure

The expenditure and income of the DMO have been applied to the purposes intended by Parliament.

The above statement has been audited.

Remote contingent liabilities

Neither the DMO nor the DMA had any remote contingent liabilities as at 31 March 2025.

The above statement has been audited.

Government functional standards

The DMO follows the applicable government functional standards. The government functional standards promote best practice by government entities in the delivery of common functional activities. Further information about the government functional standards can be found at https://www.gov.uk/government/collections/functional-standards.

Certificate and report of the Comptroller and Auditor General

The certificate and report of the Comptroller and Auditor General for each of the DMO and the DMA can be found preceding the accounts on page 73 to 76 and page 97 to 100 respectively.

Fees and charges

This analysis of fees and charges received by the DMO is provided as specified by the FReM and not for the disclosure requirements of IFRS 8 Operating Segments.

Table 16: Fees and charges

	CRND £000	PWLB £000	Gilt purchase and sale service £000
Full cost	519	1,320	343
Income	(511)	(5,324)	(795)
Deficit / (surplus)	8	(4,004)	(452)

Financial objective and performance:

- **CRND:** To invest and manage certain public funds and charge, where statute permits, an administrative cost calculated on a full-cost recovery basis. CRND also carries out other miscellaneous statutory functions for which there is no provision for recovering costs. This objective was achieved in full.
- **PWLB:** To advance loans, primarily to local authorities, at a fee rate that is set by statute. This objective was achieved in full.
- **Gilt purchase and sale service:** To operate a gilt purchase and sale service for retail investors in the secondary market and charge the appropriate transactional cost as defined by statute. This objective was achieved in full.

The DMA received no material fees or charges during the year.

(The above section on fees and charges has been audited.)

Jessica Pulay
Chief Executive Officer
UK Debt Management Office
8 July 2025

Accounts of the United Kingdom Debt Management Office

Year ended 31 March 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 Debt Management Office for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Debt Management Office'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 Debt Management Office's affairs as at 31 March 2025 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

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

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

Conclusions relating to going concern

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

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- 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 Debt Management Office 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 Debt Management Office or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Debt Management Office 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 Debt Management Office'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 Debt Management Office 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 Debt Management Office's accounting policies.
- inquired of management, the Debt Management Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Debt Management Office'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 Debt Management Office's controls relating to the Debt Management Office's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money;
- inquired of management, the Debt Management Office's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- 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 Debt Management Office for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals. 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 Debt Management Office's framework of authority and other legal and regulatory frameworks in which the Debt Management Office 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 Debt Management Office. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000 and Managing Public Money.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- I performed general expenditure testing which included consideration of the regularity of expenditure; and
- I performed remuneration report testing, including consideration of whether pay increases and pay awards were in line with Cabinet Office controls.

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

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
11 July 2025

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

Statement of comprehensive net expenditure

For the year ended 31 March 2025

	Note	2025 £000	2024 £000
Staff costs	2	15,450	14,730
Purchase of goods and services	3	5,595	5,351
Issuance and transaction costs	4	5,337	5,453
Depreciation and impairment charges	6	1,636	1,687
Provision movement	10	24	(49)
Total operating expenditure		**28,042**	**27,172**
Operating income	5	(8,085)	(6,497)
Net operating expenditure		**19,957**	**20,675**
Finance expenditure	9	47	56
Net expenditure		**20,004**	**20,731**

All income and expenditure are derived from continuing operations.

The notes on page 82 to 94 form part of these accounts.

Statement of financial position

As at 31 March 2025

	Note	2025 £000	2024 £000
Non-current assets			
Property, plant and equipment	6(i)	5,505	6,460
Intangible assets	6(ii)	4,585	4,934
Trade and other receivables	7	31	41
Total non-current assets		**10,121**	**11,435**
Current assets			
Trade and other receivables	7	1,495	1,244
Cash and cash equivalents		1	1
Total current assets		**1,496**	**1,245**
Total assets		**11,617**	**12,680**
Current liabilities			
Trade payables and other liabilities	8	(4,475)	(4,556)
Total current liabilities		**(4,475)**	**(4,556)**
Total assets less current liabilities		**7,142**	**8,124**
Non-current liabilities			
Provisions for liabilities	8	(492)	(468)
Contract liabilities	8	(13,437)	(14,541)
Total non-current liabilities		**(13,929)**	**(15,009)**
Total net liabilities		**(6,787)**	**(6,885)**
Taxpayers' equity			
General fund		**(6,787)**	**(6,885)**

The notes on page 82 to 94 form part of these accounts.

Jessica Pulay
Chief Executive Officer
UK Debt Management Office
8 July 2025

Statement of cash flows

For the year ended 31 March 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Net operating cost		**(19,957)**	**(20,675)**
Adjustment for non-cash transactions			
Depreciation and amortisation of fixed assets	6	1,636	1,687
Provision movement in year	10	24	(49)
Auditors' fee	3	80	77
		1,740	**1,715**
Adjustment for movements in working capital other than cash			
(Increase) / Decrease in receivables		(242)	48
(Decrease) / Increase in current payables		(115)	53
(Decrease) in contract liabilities		(199)	(109)
Plus movement in payables relating to items not passing through the statement of comprehensive net expenditure	8	(43)	-
		(599)	**(8)**
Net cash outflow from operating activities		**(18,816)**	**(18,968)**
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(271)
Purchase of intangible assets		(131)	(52)
Net cash outflow from investing activities		**(131)**	**(323)**
Cash flows from financing activities			
Cash flow from leases		(1,075)	(1,070)
Funding from HM Treasury		20,022	20,361
Net cash inflow from financing activities		**18,947**	**19,291**
Cash and cash equivalents at the beginning of the year		**1**	**1**
Cash and cash equivalents at the end of the year		**1**	**1**

The notes on page 82 to 94 form part of these accounts.

Statement of changes in taxpayers' equity

For the year ended 31 March 2025

	Note	General Fund £000
Balance at 1 April 2023		**(6,592)**
Funding from HM Treasury		20,361
Comprehensive net expenditure for the year		(20,731)
Non-cash auditors' remuneration	3	77
Balance at 31 March 2024		**(6,885)**
Funding from HM Treasury		20,022
Comprehensive net expenditure for the year		(20,004)
Non-cash auditors' remuneration	3	80
Balance at 31 March 2025		**(6,787)**

The notes on page 82 to 94 form part of these accounts.

Notes to the accounts

For the year ended 31 March 2025

1 Statement of accounting policies

(i) Basis of preparation

The accounts have been prepared in accordance with the 2024–2025 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply UK adopted international accounting standards as adapted or interpreted for the public sector. The accounts have been prepared on an accruals basis under the historical cost convention and have been prepared in accordance with the Accounts Direction given by HM Treasury on page 95, under the legislative authority of the Government Resources and Accounts Act 2000.

Where the FReM permits a choice of accounting policy, the most appropriate policy for providing a true and fair view has been selected. The DMO's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Certain IFRS have been issued or revised, but are not yet effective. Those issues or revisions expected to be relevant in subsequent reporting periods are:

- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

  These have been amended by *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)* to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. Application is required for reporting periods beginning on or after 1 January 2026. The DMO expects to apply these revisions to IFRS 9 and IFRS 7 in 2026-2027. The application of these revisions, which affect specific issues relating to derecognition of certain financial liabilities, classification of certain financial assets and specific disclosures, are not expected to materially alter the presentation of the financial statements of the DMO.

  These have been amended by *Annual Improvements to IFRS Accounting Standards — Volume 11*. Application is required for reporting periods beginning on or after 1 January 2026. The DMO expects to apply these revisions to IFRS 9 and IFRS 7 in 2026-2027. The application of these revisions, which address a small number of very specific issues relating to IFRS 9 and IFRS 7, are not expected to materially alter the presentation of the financial statements of the DMO.

- IFRS 18 Presentation and Disclosure in Financial Statements, which is a new standard issued by the International Accounting Standards Board. Application is required for reporting periods beginning on or after 1 January 2027. The DMO expects to apply IFRS 18 in 2027-2028. The application of IFRS 18, which replaces IAS 1 'Presentation of Financial Statements', aims at improving how entities communicate in their financial statements. This will likely alter the presentation of the financial statements of the DMO.

(ii) Other comprehensive expenditure

No statement of other comprehensive expenditure has been prepared as all income and expenditure is reported in the statement of comprehensive net expenditure.

(iii) Operating expenditure

Staff costs include salaries, pension costs and national insurance costs incurred by the DMO, and the cost of agency staff. Purchase of goods and services includes all external expenditure other than expenditure classified as issuance and transaction costs. Issuance and transaction costs are financial market-related costs. They include banking, settlement, brokerage, clearing, custodial, and Computershare gilt purchase and sale costs.

(iv) Operating income

Operating income is analysed between administration and programme income in accordance with the definitions in the Consolidated Budgeting Guidance 2024-2025.

Operating income is recognised by the following criteria:

- cost recoveries on a full-cost basis for services provided to external clients;
- recovery of the direct costs when acting as an agent for the National Loans Fund; and
- fees set by statute and received from PWLB borrowers in so far as it relates to performance obligations of the DMO that have been delivered in the reporting period.

Full cost recovery income is charged on the basis of staff-time and all direct external costs incurred for a given service, plus an apportioned share of overheads such as accommodation and IT infrastructure. This income is charged for an agreed annual activity.

The DMO applies IFRS 15 Revenue from Contracts with Customers which requires an entity to 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. The DMO's income typically relates to services provided in the period to which the income is received or charged, so the application of IFRS 15 has no effect on income recognised for a given period. The only significant exception is PWLB fee income.

With respect to the treatment of PWLB fee income under IFRS 15, in providing lending services to PWLB borrowers, the DMO is considered to be the agent of HM Treasury. In this way, HM Treasury, rather than the PWLB borrowers, is deemed to be the customer of the DMO although the relevant consideration is the fee paid to the DMO by the PWLB borrowers.

Fees are paid by PWLB borrowers on initial agreement of each loan and the fee value is determined by reference to the loan value and type. Except for some loans with very long maturities, most PWLB fee income for each loan is recognised in the period in which the loan is issued. With respect to services provided to HM Treasury, the remainder of the fee income on each loan is considered to relate to subsequent management of the loan by the DMO, comprising activities such as reconciliation of interest repayments, and maintaining appropriate computer systems to monitor the loan repayment as part of a portfolio of similar loans. Such deferred income is reported as a contract liability representing outstanding performance obligations for which payment has been received.

The proportion of loan fee income deferred for recognition in years subsequent to the year of issue varies according to the duration of the loan and is spread evenly over the years to maturity such that an equal portion is recognised each year. This reflects the DMO's estimate of the transfer of services over the life of the loan.

The proportion of fee income recognised in the period of issue relative to fee income recognised in each subsequent period to maturity is based on the DMO's assessment of the relative effort based on the average annual issuance of new loans and the entire portfolio of open loans.

The proportion of the fee associated to each loan that is expected to be recognised in future years have not been increased to reflect inflation. While the DMO will be exposed to inflation-driven cost pressures over the period of the loans, technology-driven efficiency improvements have tended to negate the most significant effects of inflation on the running costs of delivering the services to HM Treasury.

Similarly, the DMO does not consider that there is a significant financing component to the contract such that the effects should be presented separately. This is because the DMO considers that HM Treasury would not pay a materially different amount for future performance obligations if they were sold as stand-alone services at the time of service delivery.

The PWLB lending fee rate is determined by HM Treasury. The last inflation-driven increase in PWLB lending fees was more than 30 years ago. The performance obligations of the DMO to HM Treasury with respect to a single loan are considered to be satisfied when the loan matures. If a loan is repaid early, then all residual fee income associated with that loan that has not yet been recognised is recognised in the period of cancellation.

Future changes to estimates of the potential effect of inflation on the annual cost of providing PWLB services may have a significant effect on the valuation of the contract liability for future PWLB performance obligations. An assumption around increased costs would not influence the total fee receivable, but could change assumptions about the rate at which the DMO would expect to recognise income over the life of each loan. By way of illustration, had a 2 per cent annual increase been applied to the base costs for delivering the service without any assumption of moderating efficiency savings, the total PWLB contract liability would increase from £10.2 million to £12.2 million (an increase of 19 per cent). PWLB income recognised in 2024-2025 would not change materially.

Management estimates of the relative resource effort required to deliver PWLB services with respect to each new loan in its year of initial execution and in each subsequent year is also influential in determining the value of the contract liability. By way of illustration, a 25 per cent increase in the estimate of relative resource effort to manage each trade in the year of agreement compared to each subsequent year of its total duration (from 45:1 to 56:1) would decrease the PWLB contract liability from £10.2 million to £9.0 million (a decrease of 12 per cent). PWLB income recognised in 2024-2025 would not change materially. Conversely, a 25 per cent decrease in the estimate of relative resource effort to manage each trade in the year of agreement compared to each subsequent year of its total duration (from 45:1 to 34:1) would increase the PWLB contract liability from £10.2 million to £11.8 million (an increase of 16 per cent), while PWLB income recognised in 2024-2025 would not change materially.

(v) Non-current assets

Assets acquired for ongoing use with a purchase cost in excess of £5,000 are capitalised. Profits or losses arising on the disposal of fixed assets are calculated by reference to the carrying value of the asset.

Any property, plant and equipment or intangible assets that are currently in-use, for which the value is high and / or the useful economic life is long, are revalued. Currently, the DMO has no assets that meet these criteria.

Software licence purchases and internally developed software that meet the capitalisation criteria are classified as intangible assets.

Where an asset is in the process of being developed, the capitalised costs are classified as assets under construction.

(vi) Depreciation and amortisation

Depreciation is provided on a straight-line basis, calculated on revalued amounts to write off assets over their estimated useful lives. The useful lives of fixed assets have been estimated as follows upon initial recognition and are reviewed annually:

- Information technology — between 3 and 8 years
- Plant and machinery — between 5 and 15 years
- Furniture and fittings — 15 years
- Software licences — between 4 and 15 years (licence duration where relevant)
- Internally generated software — between 3 and 20 years

(vii) Impairment of non-current assets

In accordance with IAS 36 Impairment of Assets, impairments represent a permanent reduction in the service potential of non-current assets. All assets are assessed annually for indications of impairments. Where an impairment is identified it is recognised in the statement of comprehensive net expenditure to the extent that it cannot be offset against the revaluation reserve. In the event of a reversal of a previous impairment charge, the amount is recognised in the statement of comprehensive net expenditure to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised in this statement. The remaining amount would be recognised in the revaluation reserve.

(viii) Notional charges

Certain costs are charged on a notional basis and included in the accounts. Notional costs are charged to the statement of comprehensive net expenditure and recorded as a movement on the general fund. Notional costs comprise auditors' remuneration and lease interest.

(ix) Value added tax

Value added tax (VAT) on purchases is charged to the statement of comprehensive net expenditure, to the extent that it is irrecoverable and included under the heading relevant to the type of expenditure. Where VAT is recoverable in respect of DMO expenditure, it is recovered by HM Treasury. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

(x) Foreign exchange

Transactions with external suppliers that are denominated in foreign currencies are translated into sterling at the rates of exchange applicable when the liability is paid.

(xi) Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and of the Civil Service and Other Pension Scheme (CSOPS), known as alpha, which are described in the remuneration report and staff report. The defined benefit schemes are unfunded. The DMO recognises as an administration cost the monthly charges made by the PCSPS to contribute to the schemes. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the DMO recognises the contributions payable for the year.

(xii) Employee benefits

The DMO has provided for the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The measurement of this expected cost, which is in accordance with IAS 19 Staff Benefits, is based on salaries and employers' contributions in respect of national insurance liabilities.

(xiii) Leases

The DMO recognises a right-of-use asset and a lease liability for all leases with a term greater than 12 months, except those for low value assets. The lease liability represents the present value of the outstanding lease payments, while the right-of-use asset represents the DMO's authority to utilise the underlying leased asset over the agreed lease term. Lease liabilities are measured at the present value of the lease payments, using an incremental borrowing rate at the lease commencement date. This gives rise to a lease interest which is recorded in the statement of comprehensive net expenditure as finance expenditure. Right of use assets are measured at cost, which comprises the initial measurement of the lease liability, lease payments made at or before the commencement date and any initial direct costs incurred. Right of use assets are depreciated over the shorter of the asset's useful life and the lease term. For short-term leases or leases for which the underlying asset is of low value, the DMO recognises the lease payments associated with those leases as an expense on a straight-line basis.

(xiv) Financial assets

On initial recognition, financial assets (comprising trade and other receivables, and cash and cash equivalents) are classified as loans and receivables. Loans and receivables are assets with fixed or determinable repayments that are not quoted in an active market. Loans and receivables are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest method. De-recognition of financial assets only occurs when the obligation is settled.

(xv) Financial liabilities

On initial recognition, financial liabilities (comprising trade payables and other liabilities) are classified as financial liabilities held at amortised cost. These are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless stated otherwise. Financial liabilities are derecognised when the obligation is discharged.

2 Staff related costs

	2025 £000	2024 £000
Permanent staff costs	11,866	11,489
Temporary staff costs	3,584	3,241
Total staff costs	**15,450**	**14,730**

For 2024-2025 there were no exit costs for permanent staff members (2023-2024: nil).

Further information is included in the remuneration report and staff report on page 60 to 68.

3 Purchase of goods and services

	2025 £000	2024 £000
Business and information services	1,947	1,848
IT & telecommunications	1,573	1,529
Accommodation related costs	1,205	1,110
Legal services	347	300
Consultancy	61	101
Recruitment	61	84
Auditors’ fee	80	77
Training	78	75
Travel, subsistence & hospitality	38	45
Printing & stationery	35	35
Other costs	170	147
Total purchase costs	**5,595**	**5,351**

£80,000 (2023-2024: £77,000) of the external auditors’ fee relates to audit work.

4 Issuance and transaction costs

Issuance and transaction costs arise from DMA, CRND and PWLB transaction costs, gilt issuance as an agent for the National Loans Fund, and Computershare gilt purchase and sale service costs. These costs are classified as programme costs, and programme income for corresponding revenue, within annually managed expenditure (AME).

	2025 £000	2024 £000
DMA, CRND and PWLB transaction costs		
Settlement and custodial charges	3,903	4,004
Brokerage	620	662
	4,523	**4,666**
Gilt issuance costs		
Stock Exchange listing fees	755	728
Gilt purchase and sale service costs	59	59
	5,337	**5,453**

5 Operating income

	2025 £000	2024 £000
Administration income		
Revenue from contracts with customers		
Fees and charges to PWLB customers	5,324	4,020
Fees and charges to CRND clients	511	469
Rentals and other accommodation related income - internal to government	8	8
	5,843	**4,497**
Other operating income		
Other income	4	-
	5,847	**4,497**
Programme income		
Revenue from contracts with customers		
Recharges to the National Loans Fund	1,443	1,506
Gilt purchase and sale service commission	795	494
	2,238	**2,000**
	8,085	**6,497**

6 Non-current assets

(i) Property, plant and equipment

2024-2025	Buildings £000	Information Technology £000	Furniture and fittings £000	Plant and machinery £000	Total £000
Cost or valuation					
At 1 April 2024	5,915	1,569	2,175	11	9,670
Additions	158	-	-	-	158
Disposals	-	-	-	-	-
At 31 March 2025	**6,073**	**1,569**	**2,175**	**11**	**9,828**
Depreciation					
At 1 April 2024	1,547	1,072	580	11	3,210
Charged in year	792	176	145	-	1,113
Disposals	-	-	-	-	-
At 31 March 2025	**2,339**	**1,248**	**725**	**11**	**4,323**
Net book value at 31 March 2025	**3,734**	**321**	**1,450**	**-**	**5,505**

2023-2024	Buildings £000	Information Technology £000	Furniture and fittings £000	Plant and machinery £000	Total £000
Cost or valuation					
At 1 April 2023	5,915	2,164	2,175	11	10,265
Additions	-	271	-	-	271
Disposals	-	(866)	-	-	(866)
At 31 March 2024	**5,915**	**1,569**	**2,175**	**11**	**9,670**
Depreciation					
At 1 April 2023	759	1,716	435	11	2,921
Charged in year	788	222	145	-	1,155
Disposals	-	(866)	-	-	(866)
At 31 March 2024	**1,547**	**1,072**	**580**	**11**	**3,210**
Net book value at 31 March 2024	**4,368**	**497**	**1,595**	**-**	**6,460**

Buildings are right-of-use assets financed by leases. All other property, plant and equipment assets are owned by the DMO.

(ii) Intangible assets

2024-2025	Software licences £000	Internally generated software £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 April 2024	6,578	2,761	-	9,339
Additions	-	-	174	174
Transfers on completion	-	-	-	-
Disposals	-	-	-	-
At 31 March 2025	**6,578**	**2,761**	**174**	**9,513**
Amortisation				
At 1 April 2024	2,316	2,089	-	4,405
Charged in year	435	88	-	523
Disposals	-	-	-	-
At 31 March 2025	**2,751**	**2,177**	**-**	**4,928**
Net book value at 31 March 2025	**3,827**	**584**	**174**	**4,585**

2023-2024	Software licences £000	Internally generated software £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 April 2023	6,646	3,201	137	9,984
Additions	-	-	52	52
Transfers on completion	-	189	(189)	-
Disposals	(68)	(629)	-	(697)
At 31 March 2024	**6,578**	**2,761**	**-**	**9,339**
Amortisation				
At 1 April 2023	1,951	2,619	-	4,570
Charged in year	433	99	-	532
Disposals	(68)	(629)	-	(697)
At 31 March 2024	**2,316**	**2,089**	**-**	**4,405**
Net book value at 31 March 2024	**4,262**	**672**	**-**	**4,934**

All intangible assets are owned by the DMO.

7 Trade and other receivables

	2025 £000	2024 £000
Amounts falling due within one year		
Prepayments	1,296	737
Accrued income	184	415
Other receivables	15	92
	1,495	**1,244**
Amounts falling due after more than one year		
Prepayments	31	41
	1,526	**1,285**

8 Trade payables and other liabilities

	2025 £000	2024 £000
Amounts falling due within one year		
Taxation and social security	528	510
Accruals and trade payables	2,421	2,557
Contract liabilities	592	539
Lease liabilities	934	950
	4,475	**4,556**
Amounts falling due after more than one year		
Provisions for liabilities - note 10	492	468
Contract liabilities	9,603	9,854
Lease liabilities	3,834	4,687
	13,929	**15,009**
	18,404	**19,565**

Reflected within the amounts falling due within one year is an increase of £43,000 (2023-2024: £nil) of capital expenditure payables and accruals, which is an adjustment to the movements in working capital recorded in the statement of cash flows.

9 Lease disclosures

IFRS 16 leases has been applied from 1 April 2022. The DMO recognises a right-of-use asset and a lease liability for all leases with a term greater than 12 months, except those for low value assets.

The DMO's right-of-use assets result from its leasing of buildings for use as office accommodation and data centres.

The carrying value of the DMO's right-of-use assets at the end of the reporting period, along with the value of additions and depreciation during 2024-2025 are reported in note 6.1.

The DMO's lease liability at the reporting date was £4,768,000 (2023-2024: £5,637,000). The lease liability represents the present value of the outstanding lease payments.

The DMO's highest value right-of-use asset relates to the lease for its office accommodation. This lease agreement terminates on 16 June 2035. There is a break clause option to terminate the lease five years early on 16 June 2030. The earlier date has been used to determine the value of the right-of-use asset and the lease liability on the basis that this represents the non-cancellable lease period and that it is not reasonably certain that DMO will maintain the lease to 16 June 2035. The break clause, for which 12 months notice must be given, will not be activated if the DMO determines that continuation of the lease continues to represent the best value option in 2029. If there was no lease break clause, the lease liability would be approximately 97% greater at the reporting date.

Maturity profile of lease liability

	2025 £000	2024 £000
Falling due		
Within one year	934	950
Between one and five years	3,834	3,758
Between five and ten years	-	929
	4,768	**5,637**

Other lease disclosures in relation to right-of-use assets

	2025 £000	2024 £000
Total cash outflow for leases	1,075	1,070
Interest expense on lease liabilities	47	56

Short-term leases and leases of low value assets

The DMO recognises the lease payments associated with those leases as an expense on a straight-line basis.

	2025 £000	2024 £000
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets	6	3

10 Provisions

	Total £000
Balance at 1 April 2023	**517**
Change in discount rate	(49)
Balance at 31 March 2024	**468**
Change in discount rate	24
Balance at 31 March 2025	**492**

All provisions relate to dilapidation costs for the DMO's current building lease.

11 Related party transactions

HM Treasury

The DMO is an executive agency of HM Treasury. HM Treasury is a related party.

During the year HM Treasury continued to provide several support services to the DMO, including purchase order processing, invoice processing and payment, payroll processing, some financial accounting services and physical and IT security. The total recharge paid by the DMO was £177,876 (2023-2024: £137,066).

In addition, the DMO has undertaken various transactions with HM Treasury in relation to the recharge of accommodation expenditure initially incurred by the DMO, and to the cost of providing various related services during 2024-2025.

HM Treasury has utilised floor space leased by the DMO under the terms of a Service Level Agreement (SLA) which was effective from 26 March 2021. The total recharge received by the DMO under the agreement was £8,000 (2023-2024: £8,000).

National Loans Fund

The DMO may recover from the National Loans Fund certain direct costs of borrowing that it incurs due to the DMA's role meeting the financing needs of the National Loans Fund. The DMO recognised as income £1,443,000 (2023-2024: £1,506,000) of direct costs of borrowing recovered from the National Loans Fund.

Commissioners for the Reduction of the National Debt

Commissioners for the Reduction of the National Debt (CRND) is an entity within the DMO that performs a fund management service for a small number of public sector clients. CRND client mandates are kept distinct from other DMO business. CRND client mandates require the bulk of the funds to be invested in gilts or with the DMA. The DMO received payment from Court Funds Investment Account and Northern Ireland Courts and Tribunals Service Investment Account for fund management services of £100,000 and £55,000 respectively (2023-2024: £94,000 and £52,000). For other funds managed by CRND for which a fee is charged, the DMO invoices the client department for the service, rather than transferring the fee from the fund itself.

PWLB lending facility

Although the powers, duties, assets and liabilities of the PWLB lending facility are owned by HM Treasury, the DMO administers this function on behalf of HM Treasury. The DMO recognised income of £5,324,000 (2023-2024: £4,020,000) in respect of its administration of the PWLB lending facility.

Bank of England

The Bank of England provides the DMA with banking and settlement agency services, the costs of which are borne by the DMO.

Ministers and Advisory Board

During the year, no Minister or DMO Advisory Board member has undertaken any material transactions with the DMO.

Details of compensation for senior DMO staff and non-executive directors can be found in the Remuneration Report section of the Accountability Report.

12 Financial instruments

All cash requirements of the DMO are met through the Parliamentary Estimate process. In these circumstances, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the DMO's expected purchase and usage requirements. Therefore, at 31 March 2025, the DMO had no material exposure to liquidity risk, credit risk, interest rate risk or currency risk.

All material assets and liabilities were denominated in sterling.

13 Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the Accounting Officer authorises the accounts for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

There are no reportable events to disclose after the reporting period.

Accounts Direction given by the Treasury in accordance with section 7(1) and 7(2) of the Government Resources and Accounts Act 2000

1. The UK Debt Management Office ("the executive agency") shall prepare accounts for the year ended 31 March 2025 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual ("the FReM") issued by HM Treasury which is in force for 2024-25.

2. The accounts shall be prepared in respect of the executive agency so as to:

   (a) give a true and fair view of the state of affairs as at 31 March 2025 and of the income and expenditure (or, as appropriate, net resource outturn), changes in taxpayers' equity and cash flows of the executive agency for the financial year then ended; and

   (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

3. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.

Kev Pertaub
Deputy Director, Government Financial Reporting
His Majesty's Treasury
19 May 2025

Accounts of the Debt Management Account

Year ended 31 March 2025

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Debt Management Account for the year ended 31 March 2025 under the National Loans Act 1968.

The financial statements comprise the Debt Management Account's:

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in net funding by National Loans Fund 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 Debt Management Account's affairs as at 31 March 2025 and its surplus for the year then ended; and
- have been properly prepared in accordance with the National Loans Act 1968 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

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

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

Conclusions relating to going concern

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

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the National Loans Act 1968; and
- 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 Debt Management Account 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 Debt Management Account 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
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Debt Management Account 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 National Loans Act 1968;
- preparing the annual report in accordance with HM Treasury directions issued under the National Loans Act 1968; and
- assessing the Debt Management Account'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 Debt Management Account 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 National Loans Act 1968.

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 Debt Management Account's accounting policies.
- inquired of management, the Debt Management Account's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Debt Management Account'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 Debt Management Account's controls relating to the Debt Management Account's compliance with the National Loans Act 1968 and Managing Public Money;
- inquired of management, the Debt Management Account's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- 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 Debt Management Account 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 Debt Management Account's framework of authority and other legal and regulatory frameworks in which the Debt Management Account 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 Debt Management Account. The key laws and regulations I considered in this context included the National Loans Act 1968 and Managing Public Money.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- 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 considered the Debt Management Account's financing remit and whether the issuance of Treasury bills in year is in line with this; and
- I considered whether the Debt Management Account has operated under the objectives per Section 1(2) of Schedule 5A of the National Loans Act 1968.

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

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
11 July 2025

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

Statement of comprehensive income

For the year ended 31 March 2025

	Note	2025 £m	2024 £m
Interest income	2	11,557	10,058
Interest expense	3	(11,114)	(9,713)
Net interest income		**443**	**345**
Other gains and losses	4	-	3
Fees	5	-	-
Surplus for the year		**443**	**348**

All income and expenditure arose from continuing operations.

The notes on page 106 to 135 are an integral part of these accounts.

Statement of financial position

As at 31 March 2025

	Note	2025 £m	2024 £m
Assets			
Cash and balances at the Bank of England		3,231	2,619
Other assets	10	14	4,917
Derivative financial instruments	8	-	-
Loans and advances to financial counterparties	6	26,086	30,697
Securities held for trading	7	5,987	5,940
Investment securities:			
UK government gilts for use as collateral subject to sale and repurchase agreements		13,290	24,040
UK government gilts for use as collateral not pledged		48,945	45,293
		62,235	**69,333**
Other UK government gilts		98,045	93,700
	9	**160,280**	**163,033**
Total assets before deposit at National Loans Fund		**195,598**	**207,206**
Deposit at National Loans Fund		78,386	72,139
Total assets		**273,984**	**279,345**
Liabilities			
Deposits by financial counterparties	11	18,040	24,715
Due to government customers	12	96,093	105,139
Other liabilities	14	421	1
Treasury bills in issue	13	95,630	86,133
Total liabilities before funding by the National Loans Fund		**210,184**	**215,988**
Advance from National Loans Fund		-	-
Income and expenditure account		63,800	63,357
Total funding by National Loans Fund		**63,800**	**63,357**
Total liabilities		**273,984**	**279,345**

The notes on page 106 to 135 are an integral part of these accounts.

Jessica Pulay
Chief Executive Officer
UK Debt Management Office
8 July 2025

Statement of cash flows

For the year ended 31 March 2025

	Note	2025 £m	2024 £m
Net cash (outflow) / inflow from operating activities	15	**(5,945)**	**38,108**
Investing activities			
Interest received on investment securities		5,622	5,418
Sales of investment securities		17,843	4,620
Purchases of investment securities		(15,165)	(1)
Net cash from investing activities		**8,300**	**10,037**
Financing activities			
Interest received on deposit at National Loans Fund		4,465	2,484
Interest paid on advance from National Loans Fund		-	(12)
Increase in net funding by National Loans Fund		434,389	342,716
Decrease in net funding by National Loans Fund		(440,597)	(394,023)
Net cash used in financing activities		**(1,743)**	**(48,835)**
Increase / (Decrease) in cash		**612**	**(690)**
Cash at the beginning of the year		**2,619**	**3,309**
Cash at the end of the year		**3,231**	**2,619**

The notes on page 106 to 135 are an integral part of these accounts.

Statement of changes in net funding by National Loans Fund

For the year ended 31 March 2025

	Deposit at National Loans Fund £m	Advance from National Loans Fund £m	Income and expenditure account £m	Total funding by National Loans Fund £m	Net funding /(lending) £m
At 31 March 2023	**20,654**	**12**	**63,009**	**63,021**	**42,367**
Surplus for year	-	-	348	348	348
Change in advance from National Loans Fund	-	(12)	-	(12)	(12)
Change in deposit at National Loans Fund	51,485	-	-	-	(51,485)
At 31 March 2024	**72,139**	**-**	**63,357**	**63,357**	**(8,782)**
Surplus for year	-	-	443	443	443
Change in advance from National Loans Fund	-	-	-	-	-
Change in deposit at National Loans Fund	6,247	-	-	-	(6,247)
At 31 March 2025	**78,386**	**-**	**63,800**	**63,800**	**(14,586)**

Each day, the DMA deposits any surplus cash with the Bank of England. The DMA receives interest on this deposit at the Bank Rate.

A DMA surplus or deficit is an asset or liability respectively of the National Loans Fund. HM Treasury may pay from the DMA to the National Loans Fund all or part of any DMA surplus. In the case of a retained deficit, HM Treasury may pay all or part of the deficit to the DMA from the National Loans Fund.

The notes on page 106 to 135 are an integral part of these accounts.

Notes to the accounts

For the year ended 31 March 2025

1 Accounting policies

(i) Basis of preparation

The accounts have been prepared in accordance with the Accounts Direction given by HM Treasury. The accounts are consistent with relevant requirements of the Government Financial Reporting Manual and are in accordance with UK adopted international accounting standards as adapted or interpreted for the public sector context. The accounts have been prepared under the historical cost convention, except for re-measurement at fair value of financial assets held for trading, and all derivative contracts. In particular, the following standards have been applied:

- IAS 1 Presentation of Financial Statements (revised 2007)
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events After the Reporting Period
- IAS 21 The Effects of Changes in Foreign Exchange Rates
- IAS 24 Related Party Disclosures
- IAS 32 Financial Instruments: Presentation
- IAS 36 Impairment of Assets
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- IFRS 7 Financial Instruments: Disclosures
- IFRS 9 Financial Instruments
- IFRS 13 Fair Value Measurement
- IFRS 15 Revenue from Contracts with Customers

Certain IFRS have been issued or revised, but are not yet effective. Those issues or revisions expected to be relevant in subsequent reporting periods are:

- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

  These have been amended by *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)* to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. Application is required for reporting periods beginning on or after 1 January 2026. The DMA expects to apply these revisions to IFRS 9 and IFRS 7 in 2026-2027. The application of these revisions, which affect specific issues relating to derecognition of certain financial liabilities, classification of certain financial assets and specific disclosures, are not expected to materially alter the presentation of the financial statements of the DMA.

  These have been amended by *Annual Improvements to IFRS Accounting Standards — Volume 11*. Application is required for reporting periods beginning on or after 1 January 2026. The DMA expects to apply these revisions to IFRS 9 and IFRS 7 in 2026-2027. The application of these revisions, which address a small number of very specific issues relating to IFRS 9 and IFRS 7, are not expected to materially alter the presentation of the financial statements of the DMA.

- IFRS 18 Presentation and Disclosure in Financial Statements, which is a new standard issued by the International Accounting Standards Board. Application is required for reporting periods beginning on or after 1 January 2027. The DMA expects to apply IFRS 18 in 2027-2028. The application of IFRS 18, which replaces IAS 1 'Presentation of Financial Statements', aims at improving how entities communicate in their financial statements. This will likely alter the presentation of the financial statements of the DMA.

A separate income statement, as required by the accounts direction, has not been presented as the content would be identical to the statement of comprehensive income. A statement of comprehensive income is required by IAS 1.

(ii) Financial assets

During the year, the DMA has invested in financial assets which have been recognised and measured according to the following categories: financial assets held at fair value through profit or loss, financial assets held at amortised cost. These categories are described in more detail below.

On initial recognition, the DMA classifies financial assets according to the categories above. Financial assets are derecognised when the rights to receive cash flows from them have expired or where the DMA has transferred substantially all the risks and rewards of ownership. Loaned securities are not derecognised.

In accordance with IFRS 9, it is not necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses, and changes in those expected credit losses, are continually assessed and valued at each reporting date. DMO management assess at the end of each reporting period whether there is any objective evidence that financial assets are materially impaired and hence whether any reduction in the carrying amount of these assets needs to be recognised. As directed by the FReM, the DMA does not assess its assets with any of: Government Exchequer Funds, the Bank of England or core central government departments, for impairments categorised as stage-1 (12 month expected credit losses) and stage-2 (lifetime expected credit losses) under IFRS 9. This is in accordance with the FReM's IFRS 9 adaptations, as recorded in its 'Interpretations and adaptations for the public sector context.' The results of this impairment review are detailed in Note 19.

(a) Financial assets held at fair value through profit or loss

Debt securities are classified as held for trading if they have been acquired principally for the purpose of selling in the short-term, or if they are part of a portfolio of identified financial instruments that are managed together and for which there is the intention of short-term profit-taking. These financial assets are recognised on trade date, when the DMA enters into contractual arrangements with counterparties to purchase securities, and are derecognised when the DMA enters into contractual arrangements to sell them or when they are redeemed. Following initial recognition, fair values are re-measured, and changes therein are recognised as other gains and losses.

The treatment of derivatives is described in section (iv).

(b) Financial assets held at amortised cost

Debt securities are classified as held at amortised cost if they have been acquired with the intention to hold the security to collect contractual cash flows of principal and interest only, rather than to sell the assets prior to their contractual maturity to realise changes in fair value. These financial assets are recognised on trade date, when the DMA enters into contractual arrangements with counterparties (primarily the National Loans Fund) to purchase securities.

Following initial recognition, debt securities are subsequently measured at amortised cost using the effective interest rate method.

Also included within this category are loans and advances and other assets. Loans and advances to financial counterparties comprise deposits and reverse sale and repurchase agreements, where the DMA purchases securities and agrees to sell them back at a specified time and price. Securities pledged to the DMA as collateral via reverse repos are not included on the statement of financial position. Other assets comprise amounts due from counterparties.

These assets are recognised at settlement date. If the transaction is regular way (where a transaction settles within a timeframe established by convention in the market) then no change in fair value is recognised between trade date and settlement date. If the transaction is non-regular way, a derivative is recognised at trade date. Both regular way and non-regular way transactions are recognised from settlement date, and are derecognised when borrowers repay their obligations. Following recognition as loans and receivables such assets are subsequently measured at amortised cost using the effective interest rate method.

The fair value of financial assets and liabilities measured at amortised cost is not disclosed where the carrying value is a reasonable approximation of the fair value due to these assets and liabilities being held only for the short-term.

(iii) Financial liabilities

The DMA classifies financial liabilities, on initial recognition, in the following categories: financial liabilities held at fair value through profit or loss, and financial liabilities held at amortised cost. These two categories of liability held by the DMA are described in more detail below.

All financial liabilities are recognised initially at fair value. Financial liabilities are derecognised when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

(a) Financial liabilities held at fair value through profit or loss

This category comprises derivatives, the treatment of which is described in section (iv).

(b) Financial liabilities held at amortised cost

Following initial recognition, deposits by financial counterparties, amounts due to government customers, and Treasury bills in issue are measured at amortised cost using the effective interest rate method. Deposits by financial counterparties include sale and repurchase agreements, where the DMA sells securities and agrees to buy them back at a specified time and price. Securities that are pledged by the DMA as collateral via sale and repurchase agreements remain on the statement of financial position.

Deposits by financial counterparties and amounts due to government customers are recognised on settlement date. If the transaction is regular way (where a transaction settles within a timeframe established by convention in the market) then no change in fair value is recognised between trade date and settlement date. If the transaction is non-regular way, a derivative is recognised at trade date. Both regular way and non-regular way transactions are recognised from settlement date, and are derecognised when obligations are repaid.

Treasury bills in issue are recognised on trade date, when the DMA enters into contractual arrangements with counterparties to sell securities, and are derecognised when redeemed.

(iv) Derivatives

The DMA may enter into forward foreign exchange contracts, forward starting sale and repurchase agreements, forward starting reverse sale and repurchase agreements, and forward starting deposits.

Forward foreign exchange contracts are used to hedge the risk arising from movements in foreign exchange rates.

Forward starting sale and repurchase agreements, reverse sale and repurchase agreements, and deposits are used as part of the DMO's cash management operations.

Derivatives are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

All derivatives are classified as held at fair value through profit or loss. They are initially measured at fair value when the DMA enters into contractual arrangements with counterparties and are subsequently re-measured at fair value. All changes in the fair values of derivatives are recognised in the statement of comprehensive income as they arise. These changes are reported as other gains and losses except where derivatives are managed in conjunction with foreign currency denominated sale and repurchase agreements, in which case the changes are reported in interest income within reverse sale and repurchase agreements.

The DMA does not apply hedge accounting.

(v) Determination of fair value

The fair value of a financial instrument on initial recognition is normally the transaction price.

Following initial recognition, the fair values of financial instruments that are quoted in active markets are based on mid prices for assets and liabilities. Such instruments are classified as level 1 in the fair value hierarchy defined by IFRS 7.

When active market prices for specific instruments are not available, fair values are determined by using valuation techniques that refer to relevant observable market data. Such instruments are classified as level 2 in the fair value hierarchy defined by IFRS 7.

If the fair value of a financial asset becomes negative, it is recorded as a financial liability until its fair value becomes positive.

(vi) Offsetting financial assets and financial liabilities

Financial assets and liabilities (including derivatives) are off-set and the net amount reported in the statement of financial position only when there is a legally enforceable right to off-set the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. When the DMA holds Treasury bills that it has issued, no financial asset or liability is disclosed, as no external transaction has occurred, so neither a financial asset nor liability exists.

(vii) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised in interest income and interest expense in the statement of comprehensive income using the effective interest rate method of allocating interest over the relevant period. Interest income and expense is recognised from settlement date.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the instrument. When calculating the effective interest rate, cash flows are estimated considering all contractual terms of the financial instrument. The calculation includes all amounts paid or received that are an integral part of the effective interest rate, such as premiums or discounts on acquisition or issue.

(viii) Other gains and losses

Other gains and losses includes changes in the fair value of financial instruments measured at fair value through profit or loss, (excluding interest income on securities held for trading), and, if they occur, would include gains or losses realised on the disposal of financial instruments classified as held at amortised cost.

(ix) Transaction costs

Transaction costs are paid and accounted for by the DMO.

(x) Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities are retranslated into sterling at the rates prevailing at the end of the reporting period.

Forward foreign exchange contracts are used to hedge the risk arising from movements in foreign exchange rates. These derivatives are accounted for at sterling fair value using the rates prevailing at the end of the reporting period.

Exchange differences arising on settlement, and those arising on retranslation, are recognised in interest income along with the interest income arising from the related reverse sale and repurchase agreement.

2 Interest income

	2025 £m	2024 £m
Cash and balances at the Bank of England	109	112
Loans and advances to financial counterparties:		
Reverse sale and repurchase agreements	1,117	1,502
Deposits	152	143
	1,269	**1,645**
Securities held for trading:		
UK government gilts	2	4
Other securities	126	211
	128	**215**
Investment securities:		
UK government gilts	5,546	5,424
Deposit at National Loans Fund	4,505	2,662
	11,557	**10,058**

3 Interest expense

	2025 £m	2024 £m
Deposits by financial counterparties:		
Sale and repurchase agreements	(889)	(827)
Deposits	(285)	(199)
	(1,174)	**(1,026)**
Due to government customers:		
Deposits	(4,976)	(4,874)
Treasury bills in issue	(4,964)	(3,813)
Advance from National Loans Fund	-	-
	(11,114)	**(9,713)**

4 Other gains and losses

	2025 £m	2024 £m
Change in the fair value of securities held for trading and held at year end:		
UK government gilts	-	-
Other securities	-	3
	-	**3**

5 Fees

The DMA incurred a fee expense of less than £1 million (2024: less than £1 million) due to the Bank of England lending to the DMA specific gilts purchased via the Asset Purchase Facility in return for other gilts of the same value.

6 Loans and advances to financial counterparties

	2025 £m	2024 £m
Reverse sale and repurchase agreements:		
Due in not more than 3 months	22,921	23,493
Due in more than 3 months but not more than 1 year	1,155	5,193
	24,076	**28,686**
Fixed term deposits:		
Due in not more than 3 months	2,010	2,011
	26,086	**30,697**

These assets are held at amortised cost in accordance with the accounting policy in Note 1.

Reverse sale and repurchase agreements are valued daily. The DMA returns collateral to the provider of collateral, or requests additional collateral, depending on whether the value of the collateral has risen or fallen.

7 Securities held for trading

	2025 £m	2024 £m
UK government gilts	9	12
Other securities	5,978	5,928
	5,987	**5,940**

Maturity analysis	2025 Nominal £m	2025 Fair value £m	2024 Nominal £m	2024 Fair value £m
Due within 1 year:				
In not more than 3 months	3,850	3,819	5,700	5,682
In more than 3 months but not more than 1 year	2,201	2,159	251	248
	6,051	**5,978**	**5,951**	**5,930**
Due after 1 year:				
In more than 1 year but not more than 5 years	3	3	3	4
In more than 5 years	6	6	6	6
	9	**9**	**9**	**10**
	6,060	**5,987**	**5,960**	**5,940**

These assets are held at fair value through profit or loss in accordance with the accounting policy in Note 1.

8 Derivative financial instruments

	2025 Asset £m	2025 Liability £m	2024 Asset £m	2024 Liability £m
Unsettled reverse sale and repurchase agreements	-	-	-	-
Unsettled sale and repurchase agreements	-	-	-	-

Maturity analysis	2025 Nominal £m	2025 Fair value £m	2024 Nominal £m	2024 Fair value £m
Due within 1 year:				
In not more than 3 months	20,000	-	8,000	-

These assets are held at fair value through profit or loss in accordance with the accounting policy in Note 1.

9 Investment securities

Maturity analysis	2025 Nominal £m	2025 Carrying value £m	2025 Fair value £m	2024 Nominal £m	2024 Carrying value £m	2024 Fair value £m
Due within 1 year:						
In not more than 3 months	2,026	2,023	2,017	1,803	1,809	1,807
In more than 3 months but not more than 1 year	5,098	5,056	5,029	13,930	16,189	16,040
	7,124	**7,079**	**7,046**	**15,733**	**17,998**	**17,847**
Due after 1 year:						
In more than 1 year but not more than 5 years	31,050	31,529	31,008	30,675	31,383	30,795
In more than 5 years	116,567	121,672	101,274	106,158	113,652	101,372
	147,617	**153,201**	**132,282**	**136,833**	**145,035**	**132,167**
	154,741	**160,280**	**139,328**	**152,566**	**163,033**	**150,014**

These assets are held at amortised cost in accordance with the accounting policy in Note 1.

10 Other assets

	2025 £m	2024 £m
Due from counterparties	14	4,917

These assets are held at amortised cost in accordance with the accounting policy in Note 1.

At 31 March 2025, other assets of £13 million related to interest receivable on deposits with counterparties and £1 million related to unsettled security sales. At 31 March 2024, other assets of £4,910 million related to unsettled Treasury Bill sales, £5 million related to interest receivable on deposits with counterparties and £2 million related to other unsettled security sales.

All amounts are due in not more than 3 months.

11 Deposits by financial counterparties

	2025 £m	2024 £m
Sale and repurchase agreements:		
Due in not more than 3 months	12,999	19,178
Due in more than 3 months but not more than 1 year	270	1,345
	13,269	**20,523**
Fixed term deposits:		
Due in not more than 3 months	4,771	4,192
	18,040	**24,715**

These liabilities are held at amortised cost in accordance with the accounting policy in Note 1.

Sale and repurchase agreements are valued daily. The holder of collateral returns collateral to the DMA, or requests additional collateral, depending on whether the value of the collateral has risen or fallen.

12 Due to government customers

Counterparty analysis	2025 £m	2024 £m
Commissioners for the Reduction of the National Debt:		
Call notice deposits	91,211	100,207
Other government counterparties:		
Fixed term deposits	4,882	4,932
	96,093	**105,139**

Maturity analysis	2025 £m	2024 £m
In not more than 3 months:		
Fixed term deposits	4,491	4,406
Call notice deposits	91,211	100,207
In more than 3 months but not more than 1 year:		
Fixed term deposits	391	526
	96,093	**105,139**

These liabilities are held at amortised cost in accordance with the accounting policy in Note 1.

Call notice deposits are repayable on demand.

13 Treasury bills in issue

	2025 £m	2024 £m
Carrying value		
Due in not more than 3 months	57,748	54,143
Due in more than 3 months but not more than 1 year	37,882	31,990
	95,630	**86,133**
Fair Value	**95,644**	**86,150**

These liabilities are held at amortised cost in accordance with the accounting policy in Note 1.

14 Other liabilities

	2025 £m	2024 £m
Due to counterparties	421	1

These liabilities are held at amortised cost in accordance with the accounting policy in Note 1.

At 31 March 2025, other liabilities of £421 million related to unsettled securities. All unsettled securities have since settled. At 31 March 2024, other liabilities of £1 million related to unsettled securities.

All amounts are due in not more than 3 months.

15 Analysis of cash flow

Reconciliation of operating surplus to net cashflow from operating activities	2025 £m	2024 £m
Operating surplus	**443**	**348**
Less investment revenues:		
Interest on investment securities	(5,546)	(5,424)
Less financing costs:		
Interest income on deposit at National Loans Fund	(4,505)	(2,662)
Interest expense on advance from National Loans Fund	-	-
	(4,505)	**(2,662)**
Decrease / (Increase) in loans and advances to financial counterparties	4,611	(1,172)
Increase in securities held for trading	(47)	(2,246)
Decrease / (Increase) in other assets	4,903	(2,448)
(Decrease) / Increase in deposits by financial counterparties	(6,675)	12,307
(Decrease) / Increase in amounts due to government customers	(9,046)	16,534
Increase in Treasury bills in issue	9,497	22,964
Increase / (Decrease) in other liabilities	420	(93)
Net cash (outflow) / inflow from operating activities	**(5,945)**	**38,108**

16 Fair value hierarchy

IFRS 7 defines three classifications of fair value measurement, using a fair value hierarchy. At 31 March 2025 the DMA held assets and liabilities in level 1 and level 2 of the fair value hierarchy, as defined in note 1 (v), and as shown below.

	Quoted market price Level 1		Using observable inputs Level 2		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Assets held at fair value:						
Securities held for trading	9	12	5,978	5,928	5,987	5,940
Derivative financial instruments	-	-	-	-	-	-
Assets held at amortised cost:*						
Investment securities	139,328	150,014	-	-	139,328	150,014
Liabilities held at amortised cost:*						
Treasury bills in issue	95,644	86,150	-	-	95,644	86,150

* The fair value of other financial assets and liabilities held at amortised cost are not disclosed in the table above since their fair value is materially the same as their carrying value due to the short duration of these assets and liabilities.

There were no transfers between level 1 and level 2 in the year.

17 Gilt issuance

	2025 £m	2024 £m
Nominal value of gilts issued on behalf of National Loans Fund *	307,069	253,363
Proceeds paid to National Loans Fund (excluding accrued interest)	297,673	239,081
Nominal value of gilts created for use as collateral	17,908	-

* This excludes gilts issued for short periods to facilitate the DMA's special and standing repo facilities.

During the year, there were no uncovered gilt auctions (2024: none).

Gilts issued by the DMA on behalf of the National Loans Fund have no impact on the financial statements of the DMA (as the DMA does not make a gain or loss from this activity and the resultant gilt liabilities are recognised by the National Loans Fund).

During the year, £17,908 million (nominal) of gilts (2024: none) were created by the National Loans Fund and sold to the DMA for use as collateral in its cash management operations. Specific gilts issued in this way are not available to the repo market until three months after their creation. However, during this period, these gilts may be used in delivery by value (DBV) transactions.

18 Related party transactions

HM Treasury

The DMO is an executive agency of HM Treasury. As the DMO controls the DMA, HM Treasury is regarded as a related party of the DMA.

During the year, the DMA had a significant number of material transactions with the following entities, for which HM Treasury is regarded as the parent department or sponsor, and which are regarded as related parties:

Commissioners for the Reduction of the National Debt

Commissioners for the Reduction of the National Debt (CRND) is an entity within the DMO that performs a fund management service for a small number of public sector clients. The Secretary and Comptroller General of the CRND is also the Deputy Chief Executive of the DMO. CRND client mandates are kept distinct from other DMO business. CRND client mandates require the bulk of the funds to be invested in gilts or with the DMA. Surplus cash in CRND client accounts is regularly deposited with the DMA.

National Loans Fund

The DMA's principal role is to meet the financing needs of the National Loans Fund. At the end of each day, any surplus balance on the DMA (less a varying target float) is returned to the National Loans Fund as a deposit. This is the means by which the DMA balances the daily financing needs of the National Loans Fund. Under the terms of the Finance Act 1998, the National Loans Fund made a cash advance of £6 billion to the DMA at inception in order to establish the account. Subsequent cash advances and repayments have been made from time to time.

Bank of England

The Bank of England provides the DMA with banking and settlement agency services, the costs of which are borne by the DMO. The DMA stands ready to lend gilts to the Bank of England in relation to the Bank of England's Discount Window Facility. The DMA also lent gilts to the Bank of England in delivery by value (DBV) transactions, and borrowed specific gilts of the same value. Additionally, the DMA is able to call upon the Bank of England for an overdraft facility if, on a given business day, an operational or market event results in the DMA facing the prospect of being overdrawn at the Bank of England.

Financial institutions

During the year, the government held interests in a number of financial institutions whose share capital was either wholly owned or partially owned by HM Treasury, including NatWest Group plc. The government's investments are managed by UK Financial Investments Limited, which is wholly owned by the government. As a result, NatWest Markets plc and National Westminster Bank plc, which were part of NatWest Group plc, were regarded as related parties.

In addition, the DMA has had various transactions with other government entities. Most of these transactions have been with the following entities, which are regarded as related parties:

Various departments, public corporations, other central government bodies, and local authorities

Various government departments, public corporations, other central government bodies, and local authorities may enter into money market transactions with the DMA or deposit cash with the Debt Management Account Deposit Facility (DMADF).

Ministers and DMO Advisory Board

During the year, no minister or DMO Advisory Board member has undertaken any transactions with the DMA.

Details of compensation for senior DMO staff and non-executive directors can be found in the Remuneration Report section of the Accountability Report.

At 31 March 2025, amounts due to or from related parties (and others) were:

	Related Parties					Others	
	Central govt £m	Local govt £m	Financial counterparties £m	Other public bodies £m	Govt total £m	External bodies £m	Total £m
Assets							
Cash and balances at the Bank of England	3,231	-	-	-	**3,231**	-	**3,231**
Other assets	-	-	-	-	**-**	14	**14**
Derivative financial instruments	-	-	-	-	**-**	-	**-**
Loans and advances to financial counterparties	2,010	-	-	-	**2,010**	24,076	**26,086**
Securities held for trading	9	-	-	-	**9**	5,978	**5,987**
Investment securities:							
UK government gilts for use as collateral	62,235	-	-	-	**62,235**	-	**62,235**
Other UK government gilts	98,045	-	-	-	**98,045**	-	**98,045**
Deposit at National Loans Fund	78,386	-	-	-	**78,386**	-	**78,386**
Liabilities							
Deposits by financial counterparties	-	-	-	-	**-**	18,040	**18,040**
Due to government customers	91,608	4,475	-	10	**96,093**	-	**96,093**
Other liabilities	-	-	-	-	**-**	421	**421**
Advance from National Loans Fund	-	-	-	-	**-**	-	**-**

Treasury bills issued by the DMA have been excluded from the list of liabilities in the above table since these Treasury bills are traded in a secondary market and so the initial counterparty with whom the DMA transacted is not necessarily reflective of whom the DMA is due to pay on redemption of the Treasury bill.

19 Credit risk

Credit risk is the risk that a counterparty, or security issuer, will fail to discharge a contractual obligation resulting in financial loss to the DMA. Credit risk is monitored daily by the DMO's Risk Management Unit.

Exposure is primarily to financial counterparties, non-UK sovereign-related entities and central clearing counterparties. Intra-government balances are not considered to give rise to credit exposure.

Activities of the DMA that give rise to credit risk include:

- placing cash deposits;
- providing collateral for borrowings;

- exchanging cash and stock in buying and selling financial assets; and
- entering into derivative contracts.

The risk management framework employed during the year to manage credit risk was the same as in the prior year. The DMO continued to analyse financial markets, in particular how credit conditions, regulatory developments, market liquidity and market volatility might affect the DMA's risk profile.

(i) Credit risk limits and measurement

The DMO's policy is to deal only with highly creditworthy counterparties and issuers. Credit exposure is controlled by the application of limits for each counterparty and issuer that are approved by the Credit and Market Risk Committee. These limits are set for both individual entities and groups of related entities. Separate limits are set for different transaction types.

Credit risk measurement takes into account both current fair value and a risk weighting based on an estimate of potential future changes in value; in measuring credit exposure, different risk weightings are applied to different transaction types. The DMO monitors the DMA's exposure against limits on a daily basis and breaches are reported to the Credit and Market Risk Committee.

The Credit and Market Risk Committee reviews the concentrations of the DMA's credit exposure to counterparty groups and countries on a regular basis.

The DMO analyses the creditworthiness of potential counterparties and security issuers using various information sources including the information provided by three external credit assessment institutions: Standard and Poor's, Moody's Investors Service, and Fitch Ratings. Information from these sources is monitored continuously for changes.

The DMA transacts only with counterparties who meet a minimum credit rating requirement, and purchases securities issued only by issuers who meet such a requirement. Each counterparty and issuer must meet this requirement for each external credit rating available at the time the transaction is entered into. An internal ratings methodology is applied to counterparties that are not rated externally, for example in the case of funds managed by certain asset managers.

(ii) Other risk mitigation policies

In addition to the use of credit limits, exposure to credit risk is managed through other specific control and mitigation measures, as outlined below.

(a) Settlement processes

Transactions in financial assets (gilts, Treasury bills and commercial paper) are settled primarily through the CREST, Euroclear, or Clearstream systems, making use of settlement and custody accounts operated by the Bank of England on the DMO's behalf.

The CREST and Euroclear systems are owned by Euroclear Bank S.A., which had a Standard and Poor's credit rating of AA at 31 March 2025 (31 March 2024: credit rating of AA). The Clearstream system is owned by Clearstream Banking S.A., which had a Standard and Poor's credit rating of AA at 31 March 2025 (31 March 2024: credit rating of AA).

Wherever possible, trades are settled as delivery versus payment, with simultaneous exchange of cash and stock, or settlement whereby the DMA receives cash or stock from the counterparty before delivering stock or cash in return.

Daily settlement limits are also used to control settlement risk.

(b) Collateral

The DMA takes stock collateral when entering reverse sale and repurchase contracts to reduce its exposure to credit losses.

Collateral is required to be in the form of securities issued or guaranteed by the government or certain other governments in the rest of Europe with a long-term rating equal to or above AA- (Standard and Poor's), Aa3 (Moody's), and AA- (Fitch). Other highly-rated securities may be accepted from time to time. Collateral is held in the CREST, Euroclear or Clearstream systems.

The DMA also pays and receives cash collateral that arises from margin calls under certain derivative contracts and repo and reverse repo contracts novated to central clearing counterparties.

(c) Netting agreements

The DMO further restricts the DMA's exposure to credit losses by entering into master netting arrangements with counterparties. These arrangements do not result in an off-set of assets and liabilities in the statement of financial position. However, if a default occurs, all outstanding transactions with the counterparty are terminated and settled on a net basis.

Netting agreements normally incorporate collateral terms, including provision for additional margin to be called in response to changes in fair values of underlying transactions.

(iii) Impairment and provisioning policies

Counterparties and issuers are monitored for deterioration of credit worthiness, disappearance of a liquid market or late settlement. Collateral is valued on a daily basis.

As at 31 March 2025, in accordance with the impairment policy for IFRS 9 disclosed in Note 1, DMO management assessed that there was no material impairment of its financial assets (31 March 2024: none).

There were no assets whose terms had been renegotiated in the year (31 March 2024: none).

No credit related losses were incurred by the DMA during the year (2024: none), and no provisions were considered necessary at 31 March 2025 (31 March 2024: none).

(iv) Gross exposure to credit risk before collateral held or other credit enhancements

Credit risk exposures on statement of financial position assets at 31 March were:

	Internal to government		External to government Financial counterparties		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Cash and balances at the Bank of England	3,231	2,619		-	3,231	2,619
Other assets	-	-	14	4,917	14	4,917
Derivative financial instruments	-	-	-	-	-	-
Loans and advances to financial counterparties:						
Fixed term deposits	2,010	2,011		-	2,010	2,011
Reverse repos	-	-	24,076	28,686	24,076	28,686
Securities held for trading	9	12	5,978	5,928	5,987	5,940
Investment securities:						
UK government gilts for use as collateral	62,235	69,333	-	-	62,235	69,333
Other UK government gilts	98,045	93,700	-	-	98,045	93,700
Deposit at National Loans Fund	78,386	72,139	-	-	78,386	72,139
Total gross exposure	**243,916**	**239,814**	**30,068**	**39,531**	**273,984**	**279,345**

The external to government balances above represent credit risk exposure without taking into account any collateral held or other credit enhancements attached. The exposures set out above are based on the carrying value, as reported in the statement of financial position.

The DMA has not issued any financial guarantees. Under the terms of its membership of a central clearing counterparty, and in common with other members, the DMA contributes to a mutualised fund that is available to support the clearing service should other sources of financial protection be exhausted due to a member default.

(v) Collateral

(a) Sale and repurchase agreements (repos) and reverse sale and repurchase agreements (reverse repos)

Repos and reverse repos with collateral backing were as follows:

Settled transactions:

	2025 £m	2024 £m
Carrying value*		
Reverse repos (within loans and advances to financial counterparties)	24,076	28,686
Repos (within deposits by financial counterparties)	13,269	20,523
Fair value of securities collateral		
Net fair value of collateral	10,774	9,465
Collateral shortfall (excluding Bank of England)	95	48
Collateral surplus (excluding Bank of England)	61	1,349

* Carrying value per the statement of financial position.

Collateral shortfall and surplus represent the total margin call expected to be made (shortfall) or received (surplus) subject to individual contractual thresholds on the first business day following 31 March 2025.

Unsettled transactions:

	2025		2024	
	Unsettled value £m	Weighted average days to settlement	Unsettled value £m	Weighted average days to settlement
Reverse repos	2,429	1	3,613	2
Repos	2,501	1	2,877	2

All reverse repos and repos are with financial counterparties and central clearing counterparties. Collateral surplus and shortfall have been calculated at the level of individual counterparties. Collateral equal to the value of the unsettled cash amounts is taken upon settlement.

Based on the risk tiers defined for table (vi), at 31 March 2025 the unsettled reverse repos and repos transactions were with counterparties in Tier 2 to Tier 3.

(vi) Analysis by credit rating

The credit rating tiers below are based on the external long-term rating of the counterparty (or issuer for securities). If this is not available, where possible the DMO will use the most appropriate of (a) a long-term rating of the parent entity or (b) an internally assessed rating, based on an internal score card and review, approved by the Credit and Market Risk Committee. If neither (a) nor (b) are appropriate, balances are categorised as unrated. A credit rating of Tier 1 is aligned with entities with an external rating of AAA, Tier 2 is aligned with an external rating of AA+ to AA-, Tier 3 is aligned with an external rating of A+ to A-, and Tier 4 is aligned with an external rating of BBB+ to BBB-.

At 31 March 2025	Tier 1 £m	Tier 2 £m	Tier 3 £m	Tier 4 £m	Unrated £m	Total £m
Assets						
Cash and balances at the Bank of England	-	3,231	-	-		3,231
Other assets	-	13	-	-	1	14
Derivative financial instruments*	-	-	-	-	-	-
Loans and advances to financial counterparties:						
Fixed term deposits	-	2,010	-	-	-	2,010
Reverse repos**	507	16,846	6,539	184	-	24,076
Securities held for trading	3,646	2,332	-	-	-	5,978
	4,153	**24,432**	**6,539**	**184**	**1**	**35,309**
Liabilities						
Deposits by financial counterparties:						
Repos	-	12,513	756	-	-	13,269

At 31 March 2024	Tier 1 £m	Tier 2 £m	Tier 3 £m	Tier 4 £m	Unrated £m	Total £m
Assets						
Cash and balances at the Bank of England	-	2,619	-	-	-	2,619
Other assets	-	960	3,896	1	60	4,917
Derivative financial instruments*	-	-	-	-	-	-
Loans and advances to financial counterparties:						
Fixed term deposits	-	2,011	-	-	-	2,011
Reverse repos**	192	20,968	7,043	483	-	28,686
Securities held for trading	3,087	2,841	-	-	-	5,928
	3,279	**29,399**	**10,939**	**484**	**60**	**44,161**
Liabilities						
Deposits by financial counterparties:						
Repos	-	20,454	69	-	-	20,523

* Derivative financial instruments are shown net of any derivative liability for each counterparty.

** Includes exposure to non-bank financial counterparties.

UK government gilts, Treasury bills and deposits with the National Loans Fund have been excluded, as they are respectively issued by and deposited with the government.

At 31 March 2025, other assets of £13 million related to interest receivable on deposits with counterparties and £1 million related to unsettled security sales. At 31 March 2024, other assets of £4,910 million related to unsettled Treasury Bill sales, £5 million related to interest receivable on deposits with financial counterparties and £2 million related to other unsettled security sales.

(vii) Concentration of exposures

Credit exposures at 31 March by geographical region, based on the country of domicile of the ultimate parent entities of the counterparty or (for trading assets) issuer were:

At 31 March 2025	United Kingdom £m	Rest of Europe £m	North America £m	Asia-Pacific £m	Total £m
Assets					
Cash and balances at the Bank of England	3,231	-	-	-	3,231
Other assets	13	-	-	1	14
Derivative financial instruments*	-	-	-	-	-
Loans and advances to financial counterparties:					
Fixed term deposits	2,010	-	-	-	2,010
Reverse repos	20,147	272	3,657	-	24,076
Securities held for trading	-	5,978	-	-	5,978
	25,401	**6,250**	**3,657**	**1**	**35,309**
Liabilities					
Deposits by financial counterparties:					
Repos	13,163	9	-	97	**13,269**

* Derivative financial instruments are shown net of any derivative liability for each counterparty.

At 31 March 2024	United Kingdom £m	Rest of Europe £m	North America £m	Asia-Pacific £m	Total £m
Assets					
Cash and balances at the Bank of England	2,619	-	-	-	2,619
Other assets	673	640	3,604	-	4,917
Derivative financial instruments*	-	-	-	-	-
Loans and advances to financial counterparties:					
Fixed term deposits	2,011	-	-	-	2,011
Reverse repos	24,274	252	4,160	-	28,686
Securities held for trading	-	5,928	-	-	5,928
	29,577	**6,820**	**7,764**	**-**	**44,161**
Liabilities					
Deposits by financial counterparties:					
Repos	20,381	-	142	-	20,523

* Derivative financial instruments are shown net of any derivative liability for each counterparty.

UK government gilts, Treasury bills and deposits with the National Loans Fund have been excluded, as they are respectively issued by and deposited with the government.

(viii) Concentration of exposures - analysis by credit rating

The credit rating tiers below have the same basis as those used in note 19 (vi) on page 124.

Geographical regions are based on the country of domicile of the ultimate parent entity of the counterparty or (for trading assets) issuer.

Cash and balances at the Bank of England, securities held for trading, derivatives, other assets, reverse repos and repos were:

	United Kingdom		Rest of Europe		North America		Asia- Pacific		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Tier 1	507	192	3,646	3,087	-	-	-	-	4,153	3,279
Tier 2	34,516	45,984	2,332	2,841	-	1,027	97	-	36,945	49,852
Tier 3	3,357	3,237	281	892	3,657	6,879	-	-	7,295	11,008
Tier 4	184	484	-	-	-	-	-	-	184	484
Unrated	-	60	-	-	-	-	1	-	1	60
	38,564	**49,957**	**6,259**	**6,820**	**3,657**	**7,906**	**98**	**-**	**48,578**	**64,683**

UK government gilts, Treasury bills and deposits with the National Loans Fund have been excluded, as they are respectively issued by and deposited with the government.

20 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and other price risk.

The DMA's exposure is primarily to interest rate risk. Derivatives have exposure to interest rate and currency risk. Non-derivative assets and liabilities have exposure to interest rate risk only.

The DMO manages the DMA's exposure to market risk with the daily monitoring and reporting of interest rate risk arising from the cash management portfolio of assets and liabilities.

The scope of market risk monitoring excludes interest rate risk arising from cash at the Bank of England, gilts and Treasury bills for use as collateral or for lending to the Bank of England, Treasury bills issued by tender, amounts due to the funds managed by CRND and all balances with the National Loans Fund. Intra-government balances are not considered to give rise to market risk across the government as a whole.

(i) Market risk measurement

The primary sensitivity analysis techniques used to measure and monitor market risk are outlined below.

Interest rate risk arises from the DMA's activity of addressing its cash flow profile throughout the year. Interest rate risk limits are in place, expressed in present value of a basis point (rather than value at risk) terms.

The Credit and Market Risk Committee reviews the DMA's market risk exposure regularly and the Cash Management Committee reviews certain aspects fortnightly.

(a) Value at risk

Value at risk (VaR) is a method which estimates the potential mark to market loss over a time horizon given a level of confidence. The DMO uses a time horizon of one day and a confidence level of 90 per cent and anticipates no portfolio changes over the time horizon. VaR is calculated daily on the basis of exposures outstanding at the close of business. If a portfolio has a one-day 90 per cent VaR of £1 million, it can be expected to lose more than £1 million on only one trading day out of 10. Calculation of the worst possible loss is outside the scope of VaR and measures are inherently limited in their ability to measure certain risks and to predict losses, particularly those associated with highly volatile market conditions. For interest rate risk, the DMO uses a historic simulation model. Assumptions as to how data will be distributed are based on historical data. Historical returns are simulated using current positions and then ranked to determine the 90th percentile. Additionally, stress-testing is performed for the cash management portfolio to describe the possible scenarios falling outside the 90 per cent confidence limits.

The DMO uses VaR measures as analytical information to help understand the risk profile of the cash management operation.

(b) Present value of a basis point

Present value of a basis point (PV01) is a standard sensitivity measure used to measure sensitivity to a 0.01 per cent parallel shift in interest rates when all other risk factors are held constant. The parallel shift in interest rates has been defined as the movement in the relevant zero coupon curve used to estimate fair value. The impact on yield curves of other factors, including extreme events, is outside the scope of PV01. As well as monitoring the total PV01, in order to understand concentrations in exposure, interest rate exposure by time-bucket and product class is reviewed weekly.

Interest rate limits set in PV01 terms were in place throughout the year and the prior year. Limits used operationally are set lower than those agreed with HM Treasury, in order to safeguard against breach of the latter should an operational error arise. Monitoring against these limits is performed daily and any breaches are reported to the Credit and Market Risk Committee.

(ii) VaR summary

VaR is calculated daily for cash management exposures.

(a) Interest rate risk and currency risk – cash management

	2025 £m	2024 £m
VaR at 31 March	(0.58)	(0.39)
The range of end-of-day VaR in the year ended 31 March was:		
Most negative	(1.40)	(6.10)
Average	(0.73)	(2.09)
Least negative	(0.20)	(0.09)

Exposures to risk from trading and non-trading activities are measured together as they arise from economic environments that are not significantly different.

(iii) Interest rate risk

The DMA enters primarily into cash and securities contracts at fixed interest or discount rates.

The exceptions to this at 31 March 2025 were: index-linked gilts, with a carrying value of £5,275 million (31 March 2024: £8,000 million); the deposit at the National Loans Fund, with a carrying value of £78,386 million (31 March 2024: £72,139 million); and call notice deposits from customers, with a carrying value of £91,211 million (31 March 2024: £100,207 million). The index-linked gilts are linked to the General Index of Retail Prices in the UK (RPI).

(a) Interest rate risk profile

The DMA's interest rate risk profile based on the earliest possible repayment date at 31 March was:

Fixed rate instruments	Weighted average interest rate		Weighted average period		Statement of financial position carrying value	
	2025	2024	2025	2024	2025	2024
	%	%	Years	Years	£m	£m
Assets*	3.72	3.91	11.72	11.11	187,078	191,670
Liabilities (before funding by National Loans Fund)	4.49	5.21	0.19	0.19	118,552	115,779

Floating rate instruments	Statement of financial position carrying value	
	2025	2024
	£m	£m
Assets*	83,661	80,109
Liabilities (before funding by National Loans Fund)	91,211	100,208

* This excludes cash and balances at the Bank of England.

The DMA is charged interest on the advance from the National Loans Fund at the Bank Rate.

(b) Interest rate sensitivity – PV01 summary

Interest rate risk - cash management

	2025 £m	2024 £m
PV01 at 31 March	0.26	0.31
The range of end-of-day PV01 in the year ended 31 March was:		
Most positive	1.05	0.31
Average	0.55	(0.40)
Least positive / (Most negative)	0.08	(1.05)

PV01 is the change in present value of an asset or liability for a 1 basis point change in the nominal yield curve used to value the asset or liability. A negative PV01 therefore indicates a decrease in value if rates rise or a gain if rates drop.

(iv) Currency risk

The DMA may enter into transactions with instruments denominated in euros, for diversification purposes, with currency risk hedged via foreign exchange swaps.

A currency risk limit constrains the extent to which the DMO may incur a net exposure to foreign currency movements when it enters into a foreign exchange transaction. The policy in force during the year (and during the prior year) was to match all foreign exchange cash flows. Such hedging is monitored daily and any breaches are reported to the Credit and Market Risk Committee.

No such transactions took place during the year, or in the prior year.

The DMA has no foreign operations and hence no structural foreign exchange exposures.

21 Liquidity risk

Liquidity risk is the risk that the DMA will encounter difficulty in meeting its obligations associated with financial liabilities.

The DMO manages the DMA's liquidity primarily by:

- monitoring cash flows to ensure that daily cash requirements are met;
- holding sufficient financial assets for which there is an active market and which can readily be sold or used as collateral against cash borrowings; and
- arranging the issue of Treasury bills and gilts to raise funds.

Management does not expect customers to call amounts repayable on demand simultaneously or without notice.

The DMA and the National Loans Fund are under common influence. It is not expected that liabilities of the DMA to the National Loans Fund would be required to be paid without warning.

Maturity analysis of assets and liabilities at 31 March 2025

	On demand £m	Up to 1 month £m	1-3 months £m	3-6 months £m	6-9 months £m	9-12 months £m	1-2 years £m	2-5 years £m	Over 5 years £m	Total £m
Assets										
Cash and balances at the Bank of England	3,231	-	-	-	-	-	-	-	-	3,231
Other assets	-	14	-	-	-	-	-	-	-	14
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Loans and advances to financial counterparties	-	14,384	10,547	611	525	19	-	-	-	26,086
Securities held for trading	-	1	3,818	2,159	-	-	1	2	6	5,987
Investment securities	-	-	2,023	2,949	368	1,739	5,215	26,314	121,672	160,280
Total assets before deposit at National Loans Fund	**3,231**	**14,399**	**16,388**	**5,719**	**893**	**1,758**	**5,216**	**26,316**	**121,678**	**195,598**
Deposit at National Loans Fund	78,386	-	-	-	-	-	-	-	-	78,386
	81,617	**14,399**	**16,388**	**5,719**	**893**	**1,758**	**5,216**	**26,316**	**121,678**	**273,984**
Liabilities										
Deposits by financial counterparties	-	16,632	1,138	-	270	-	-	-	-	18,040
Due to government customers	91,211	3,794	697	391	-	-	-	-	-	96,093
Other liabilities	-	421	-	-	-	-	-	-	-	421
Treasury bills in issue	-	21,146	36,602	37,387	-	495	-	-	-	95,630
Total liabilities before funding by National Loans Fund	**91,211**	**41,993**	**38,437**	**37,778**	**270**	**495**	**-**	**-**	**-**	**210,184**

Maturity analysis of assets and liabilities at 31 March 2024

	On demand £m	Up to 1 month £m	1-3 months £m	3-6 months £m	6-9 months £m	9-12 months £m	1-2 years £m	2-5 years £m	Over 5 years £m	Total £m
Assets										
Cash and balances at the Bank of England	2,619	-	-	-	-	-	-	-	-	2,619
Other assets	-	4,917	-	-	-	-	-	-	-	4,917
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Loans and advances to financial counterparties	-	23,642	1,863	4,165	188	839	-	-	-	30,697
Securities held for trading	-	5,682	-	248	-	-	1	3	6	5,940
Investment securities	-	1,809	-	5,316	-	10,873	5,874	25,509	113,652	163,033
Total assets before deposit at National Loans Fund	**2,619**	**36,050**	**1,863**	**9,729**	**188**	**11,712**	**5,875**	**25,512**	**113,658**	**207,206**
Deposit at National Loans Fund	72,139	-	-	-	-	-	-	-	-	72,139
	74,758	**36,050**	**1,863**	**9,729**	**188**	**11,712**	**5,875**	**25,512**	**113,658**	**279,345**
Liabilities										
Deposits by financial counterparties	-	15,583	7,786	484	46	816	-	-	-	24,715
Due to government customers	100,207	3,323	1,083	526	-	-	-	-	-	105,139
Other liabilities	-	1	-	-	-	-	-	-	-	1
Treasury bills in issue	-	16,955	37,188	31,990	-	-	-	-	-	86,133
Total liabilities before funding by National Loans Fund	**100,207**	**35,862**	**46,057**	**33,000**	**46**	**816**	**-**	**-**	**-**	**215,988**

(i) Maximum cumulative flow

A daily liquidity risk limit constrains the extent to which the DMO may leave an expected cash flow to be dealt with on the day it occurs.

The liquidity risk limit is measured by the Maximum Cumulative Flow over one day, which is the maximum permitted amount of any net expected cash inflow or outflow for the following day, assuming normal operating conditions.

A limit was in place throughout the year and acted as a liquidity risk trigger. Limits used operationally are set lower than those agreed with HM Treasury, in order to safeguard against breach of the latter should an operational error arise. These limits are monitored daily and any breaches are reported to the Credit and Market Risk Committee.

(ii) Non-derivative cash flows

The contractual undiscounted cash flows of the DMA's liabilities, other than the cash flows under derivative contracts, including interest that will accrue to these liabilities, were:

At 31 March 2025	On demand £m	0-6 months £m	7-12 months £m	Total flows (not-discounted £m	Adjustment for discount £m	Carrying Value* £m
Deposits by financial counterparties	-	17,781	277	**18,058**	(18)	**18,040**
Due to government customers	91,211	4,896	-	**96,107**	(14)	**96,093**
Other liabilities	-	421	-	**421**	-	**421**
Treasury bills in issue	-	96,104	514	**96,618**	(988)	**95,630**
Total non-derivative liabilities before funding by National Loans Fund	**91,211**	**119,202**	**791**	**211,204**	**(1,020)**	**210,184**

* Carrying value per the statement of financial position.

At 31 March 2024	On demand £m	0-6 months £m	7-12 months £m	Total flows (not-discounted £m	Adjustment for discount £m	Carrying Value* £m
Deposits by financial counterparties	-	23,919	899	**24,818**	(103)	**24,715**
Due to government customers	100,207	4,955	-	**105,162**	(23)	**105,139**
Other liabilities	-	1	-	**1**	-	**1**
Treasury bills in issue	-	87,120	-	**87,120**	(987)	**86,133**
Total non-derivative liabilities before funding by National Loans Fund	**100,207**	**115,995**	**899**	**217,101**	**(1,113)**	**215,988**

* Carrying value per the statement of financial position.

At 31 March 2025 there were no liabilities that the DMA intended to repay before maturity (31 March 2024: none).

Management expects actual undiscounted cash flows in relation to liabilities to be the same as contractual undiscounted cash flows, except in the case of amounts repayable on demand.

The DMA holds deposits at the Bank of England and other financial assets for which there is a liquid market and that can be readily sold to meet liquidity needs.

(iii) Derivative cash flows

The contractual undiscounted cash flows of the DMA's assets and liabilities under derivative contracts were:

(a) Derivatives settled on a gross basis

	0-6 months		Total undiscounted flows	
	2025 £m	2024 £m	2025 £m	2024 £m
Unsettled reverse sale and repurchase agreements, unsettled sale and repurchase agreements and deposits:				
Outflow	20,000	8,000	20,000	8,000
Inflow	-	-	-	-

Carrying values are shown in note 8.

(b) Derivatives settled on a net basis

At 31 March 2025 the DMA held no derivatives settled on a net basis (31 March 2024: none).

At 31 March 2025 there were no derivative contracts that the DMA intended to terminate before maturity (31 March 2024: none). Management expects actual undiscounted cash flows in relation to derivatives to be the same as contractual undiscounted cash flows.

22 Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the Accounting Officer authorises the accounts for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

Accounts Direction given by HM Treasury under the National Loans Act 1968

1. This direction applies to the United Kingdom Debt Management Office.

2. The United Kingdom Debt Management Office shall prepare accounts for the Debt Management Account (the Account) for the year ending 31 March 2012 and each subsequent financial year, which give a true and fair view of the state of affairs of the Account at the reporting date, and of its income and cash flows for the year then ended.

3. The accounts shall be prepared in accordance with applicable accounting standards, and shall be consistent with relevant requirements of the extant Government Financial Reporting Manual.

4. The accounts shall present an income statement, a statement of comprehensive income, a statement of financial position, a statement of cash flows, and a statement of changes in net funding by National Loans Fund. The statement of financial position shall present assets and liabilities in order of liquidity.

5. The notes to the accounts shall include disclosure of assets and liabilities, and of income and expense, relating to other central government funds including the National Loans Fund.

6. The report shall include:

i a brief history of the Account, and its statutory background;

ii an outline of the scope of the Account, its relationship to HM Treasury and other central funds, and its management arrangements;

iii information on targets set by HM Treasury and their achievement;

iv a management commentary, including information on financial performance and financial position, which reflects the relationship between the Account and other central funds; and

v a governance statement.

7. This accounts direction shall be reproduced as an appendix to the accounts.

8. This accounts direction supersedes all previous Directions issued by HM Treasury.

Chris Wobschall
Deputy Director, Assurance and Financial Reporting Policy, HM Treasury
23 March 2012

This publication is available in electronic form on the United Kingdom Debt Management Office (DMO) website: www.dmo.gov.uk.

All the DMO's publications and a wide range of data are available on its website including:

- the Annual Review, which covers the main developments for the financial year;
- the Quarterly Review, which summarises the DMO's gilt and money market operations over the given quarter;
- press releases;
- gilt auction announcements and gilt auction results; and
- Treasury bill tender results.

Alternatively, the DMO can be contacted at:

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