

# **Human Tissue Authority Annual report and accounts 2024/25**



**HC 1012**

# Human Tissue Authority

## **Annual report and accounts 2024/25**

For the period 1 April 2024 to 31 March 2025

Presented to Parliament pursuant to Schedule 2(16) of the Human Tissue Act 2004.

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# Chief Executive's foreword

I am pleased to present the Human Tissue Authority's Annual Report and Accounts (ARA) for the period 1 April 2024 to 31 March 2025.

It is the third Annual Report I have presented as the HTA's Chief Executive, and I am pleased that in 2024/25 we saw the launch of our new three year HTA strategy which stretches from 2024-2027. The strategy sets a clear direction for our organisation over the next three years, focusing on making regulation more proportionate and risk-based, supporting innovation and growth, and maintaining public confidence in the use and handling of human tissue and organs.

The publication of the new HTA strategy has been a catalyst for progress across the organisation. We continue to modernise our internal systems and ways of working, improving how we regulate, how we use data, and how we engage with the public and professionals.

As a regulator working across multiple sectors (post-mortem, human application, research, anatomy schools, public display, and organ donation and transplantation) - we continue to operate in a complex and evolving landscape. In 2024/25, we undertook 223 inspections of licensed establishments and a further 29 inspections linked to licence applications. Overall, this is an increase of some 50% over the last three years and has been achieved by taking a more bespoke and proportionate approach and concentrating available resources where they are most needed and will be most impactful by supporting establishments to meet regulatory standards and respond to risks. Our inspections, licensing activity and guidance help to ensure that dignity, quality and consent remain at the heart of all work involving human tissue.

We have strengthened our guidance to reflect current practice and evolving needs. Notably, in 2024/25 we published updated guidance on reporting incidents in the post-mortem sector, as well as updated information relating to pregnancy loss and termination - ensuring professionals are supported to handle these sensitive and important matters appropriately.

We also carried out a full review of our fee structure, publishing new fees in December 2024 to support a more transparent and sustainable funding model. Alongside this, we upgraded our Customer Relationship Management (CRM) system, which holds all our licensing information, enhancing our ability to manage data and deliver services more efficiently.

In 2024/25, we hosted an in-person conference focused on delivering the safe and trusted use of human tissue, bringing together voices from across the different sectors we regulate. We also convened a post-mortem sector forum, which explored emerging issues such as unannounced inspections and winter pressures in mortuary services.

I would like to thank my HTA staff colleagues and the Authority Members for their commitment and support throughout the year. Their expertise and dedication underpin everything we do, and I am proud of what we have achieved together.

As we look ahead, we remain focused on delivering our strategic ambitions and continuing to respond effectively to innovation and change in the sectors we regulate.

**Dr Colin Sullivan**  
**Chief Executive**

# Performance Report

# Overview

This section describes who we are and what we do. It also looks at our performance and achievements throughout 2024/25.

We are a Non-Departmental Public Body (NDPB) sponsored by the Department of Health and Social Care (DHSC), established and domiciled in England. We were established under the Human Tissue Act (HT Act) 2004 – which covers England, Wales and Northern Ireland – to regulate activities relating to the removal, storage, use and disposal of human tissue. We also provide a number of regulatory services for Scotland, which comes under separate human tissue legislation.

## Our Vision

The **safe and trusted use of human tissue**.

## Our Mission

To be an **excellent regulator** for the use of human tissue with **consent and safety**, sustaining **public** and **professional confidence**, today and in the future.

We seek to maintain **public confidence** by ensuring that the removal, storage and use of human tissue and organs is undertaken safely and ethically and with proper consent, in accordance with the provisions of the Human Tissue Act 2004, Human Tissue (Quality and Safety for Human Application) Regulations 2007 (as amended) and the Quality and Safety of Organs Intended for Transplantation Regulations 2012 (as amended).

We also have a role in maintaining **professional confidence**, making sure that human material being used by professionals has been obtained with the proper consent and is managed with appropriate care.

## How we work

- We license organisations that remove, store and use human tissue for certain activities under the Human Tissue Act (2004)
- We license organisations that carry out a range of activities associated with the use of human tissues and cells for patient treatment, as required by the Human Tissue (Quality and Safety for Human Application) Regulations 2007 (as amended)
- We license organisations undertaking organ transplants as required by the Quality and Safety of Organs Intended for Transplantation Regulations 2012 (as amended)
- We monitor and inspect or audit organisations to ensure they comply with the requirements of the legislation and our Codes of Practice
- We use our powers to take regulatory action where we identify non-compliance

- We assess living organ donations to ensure donors are protected from duress or coercion, and that no reward is offered or given
- We provide information, advice and guidance to the public and professionals about the nature and purpose of activities within our remit
- We monitor developments relating to activities within our remit and advise Government on related issues
- We work collaboratively with partners across the system and actively engage with our stakeholders
- We are open and transparent in our publications to maintain public confidence
- We are proportionate in our approach to our work.

In addition to our statutory role, we are increasingly called upon to provide advice on areas related to, but not specified in, legislation. This is especially important in areas of emerging technology and life sciences research not originally envisaged when the Human Tissue Act was enacted.

Whilst the HTA has a statutory duty to superintend compliance and an influential role in promoting good practice, public confidence in the use of human tissue cannot be safeguarded by the HTA alone. Public confidence is also dependent on the individuals and organisations that undertake activities within the HTA's remit acting within the standards and requirements of the legislation – for the safe and trusted use of human tissue.

## Our people

The HTA's non-executive Board – currently consists of 10 Members including the Chair, 9 of whom are appointed by the Secretary of State for Health and Social Care; one Member appointed by the Welsh Government's Cabinet Secretary for Health, Well-Being, and Sport and one by the Department of Health in Northern Ireland (the latter post is vacant with a selection process ongoing). Our Board members come from a diverse range of backgrounds including the commercial sector, administration and academia/research, bringing a wide range of business, commercial and public sector experience.

The Board is supported by a Senior Management Team (SMT) of five who each have extensive experience within the public sector, and in particular regulation and health and social care. The SMT are in turn supported by a team of 62 staff who bring their experience ranging from scientific and medical backgrounds to commercial and business.

## Our values



**Collaboration** – we work together to achieve a common goal, whilst seeking and valuing diverse perspectives. We share ideas and best practices, striving for excellence collectively. Through active listening and teamwork, we promote a culture of collaboration and cooperation.

**Openness** – we aim to work transparently, with integrity and accountability for our actions and decisions. Embracing change, we take responsibility and remain honest in our interactions, fostering a culture of boldness and candid communication.

**Respect** – we respect the diversity of people and value their perspectives, professionalism and skills. Fostering trust and promoting autonomy in decision-making. We will challenge unprofessional behaviour while actively listening and being respectful of others' viewpoints.

**Excellence** - we strive to deliver excellence through expertise, leadership and collaboration. We are committed to personal and professional development, coaching colleagues, and fostering a culture of learning and growth.

## Our Strategy

Our strategic approach is based on being clear about the risks we are regulating and then being proportionate and targeted in response. Our new three-year strategy (2024-2027) was launched in summer 2024. The new strategy focuses on the following four strategic themes.



### Our approach to regulation

The first of our strategic priorities allows us to look at how we can develop and adapt our approach to regulation; taking opportunities to collaborate with stakeholders; develop proportionate and bespoke tools for the regulation of human tissue and cells.

### Building public trust and confidence

This has and will continue to be a key focus; building public trust and confidence in our ability as a regulatory body. Communication and policy development are key activities we undertake to ensure our stakeholders are fully informed and that we can proactively implement changes to relevant legislation.

## **The use of data and information**

Keeping pace within the digital world that we operate in is very important. This year saw the redevelopment of our Customer Relationship Management system (CRM); an important tool which holds key data. In addition, we developed a regulatory insight model (RIMI) that allows us to make better use of available data thus improving our operational decision-making.

## **Being an efficient and effective public body**

Conducting our regulatory duty in an efficient and effective manner is important to us and also feeds into the governments' reform and efficiency programme. Ensuring that our back-office functions operate in ways that ensure good governance; stable financial position thereby allowing the Authority to operate efficiently.

## **Executive Team and staff**

Our Board and its sub-committees are supported by an internal governance structure led by the executive team who are supported by four directorates. The executive team is responsible for providing leadership to the organisation within the authority delegated by the board. The executive team:

- Develops strategic options for the board's consideration and approval
- Prepares our annual business plan for approval by the board and the Department of Health and Social Care
- Oversees delivery of the objectives set out in the business plan
- Ensures arrangements are in place to secure the proper and effective control of our resources
- Approves proposals for material changes to outputs including establishing new areas of work
- Approves expenditure and changes to policies and staff terms and conditions where these exceed delegations to individual directors
- Identifies and mitigates the strategic risks facing the HTA
- Reviews the financial position and budgets for future years

## **Staff involvement and wellbeing**

Staff all come together quarterly in-person. At these meetings, staff are kept abreast of current issues facing the HTA. These meetings also allow staff to have their say and be heard. Staff were invited to contribute to the development of our new strategy that went live in 2024/25. In addition, virtual weekly exchange calls (WEC) are conducted again allowing all staff to share updates across directorates.

In quarter two of 2024/25, we undertook a staff survey, the results of which helped develop a new people strategy, which was presented to the Board in March 2025. The response rate to the staff survey was 85.9% which was very encouraging and a good indication that the collective response is representative of the organisation as a whole. The survey was followed by staff engagement sessions with a renewed staff forum being an additional vehicle for consulting on how we can respond and enhance the staff experience.

## Key successes in 2024/25

Our 2024/25 business plan represented year one of our new three-year strategy and within our core operations we met or exceeded almost all of our key performance indicators, including our stretch target to undertake a comprehensive programme of 222 compliance assessments / inspections across the sectors that we regulate. Other notable successes include our efficient financial outturn and the stable performance of our wider support services and platforms. There were three exception areas, two where our performance matched our usual activity levels (decisions on new licence applications and our staff attrition) but fell short of our stretch targets, and one (responsiveness to enquiries / FOIs) which was adversely impacted by a technical IT issue that was beyond our control and was rectified immediately.

Completion of the change activities that we committed to for the year was similarly successful. Key projects to improve the dignity of the deceased, to make tangible and innovative changes to how we undertake our inspections, and to establish a leading edge horizon scanning and insight process were all completed successfully. Alongside this, we concluded important work to ensure we operate more efficiently and effectively. We also established a new data and technology strategy, developed a regulatory insight model and index (RIMI) to assist our decision-making driven by better use of available data, and updated our CRM platform so that it is fit for purpose. Another area of focus was the staff experience, and we invested significant time to developing a people strategy designed to ensure we are an employer of choice and have the structures in place to enable colleagues to further develop their capabilities over coming years.

We set a genuinely ambitious agenda for 2024/25 and are pleased to have delivered on it.

## Key issues challenges in 2024/25

### **Duty to Report – Human Tissue Act 2004 (Supply of Information about Transplants) Regulations 2024**

On 1<sup>st</sup> April 2024, the then Government introduced the Human Tissue Act 2004 (Supply of Information about Transplants) Regulations 2024. The Regulations provide clinicians with assurance that, under certain circumstances, they must inform us when they suspect a transplant-related crime may have taken place. Simultaneously, the new regulations also introduced a responsibility on clinicians to notify the HTA of patients who receive an organ transplant outside the UK. Work on this area continues and we continue to refer suspected cases of organ transplant-related offences to the police for investigation.

During 2024/25, we received a regular flow of cases reported under the Regulations since their introduction. The number of cases averaged 3.5 per month – almost one a week. Each case requires consideration and whether further action is required, including referral to the police. We will report the finding of a one-year evaluation of how the scheme is operating to the Board.

## **Staff Turnover**

Our staff turnover at the start of the 2024/25 business year was 31.4% and whilst reducing during the year to 26.1% it has remained above our target of 20%. As a small organisation, our turnover figures will be high if we lose a single member of staff, as this represents 2% movement in turnover. We recognise that the causes of turnover are multifaceted, and our response seeks to be alive to a variety of factors at play in a small organisation. The well-supported staff survey in the early part of the 2024/25 business year has helped inform our people strategy. An action plan has been developed to implement the various measures contained within the people strategy. We recognise that the impact of the new strategy will take a little while to affect our attrition rate. By contrast, our staff sickness rate was low throughout the year, and this points to getting beneath the figures to better understand turnover.

## **IT development**

We recognise that this is an area as a priority for investment. Cyber Security is a constant threat and whilst we have good assurances around our practices, there is a need to continue investment and modernisation within this space and thus IT remains a key focus. We need to ensure that all our core essential functions remain supported and protected, consistent with the new Cyber Assessment Framework (CAF). The strategic themes within our Digital & IT Strategy around Resilience and Availability drive forward the ambition to evaluate and deploy, where helpful, emerging technologies in a constantly changing landscape.

## **Forward look**

Looking ahead to 2025/26, there are events taking place that may have an impact on us as an organisation, and two key issues are:

### **Independent Inquiry into the issues raised by the David Fuller case, Phase 2 (final) report**

We continue to assist and support Sir Jonathan's Michael's Independent Inquiry with any advice or input required. The phase 1 report was issued in November 2023, and we await the final report, which is expected to be published in 2025. We will seek to respond to any recommendations made by the Inquiry which are accepted by government. During 2024/25, we have continued to strengthen our approach to assessing compliance with key standards relating to security, governance, and quality; and with mandatory webinar training for Designated Individuals (DI's) followed by a requirement to submit evidential compliance assessments on mortuary security and access, further, to revised guidance that we had issued in 2022 for the post mortem sector and in 2024 for the anatomy sector. Planning for any major changes required which commence in-year may be problematic as we have agreed our budget for the 2025/26 financial year, as well as our people resource requirements.

## **ALB landscape review**

The government is currently reviewing the number of Arm's Length Bodies with a view to merging, closing or bringing some of the decision-making and functions back into central government departments. The review considers ALBs against four principles:

- Ministerial policy oversight – if a policy is of national importance then Ministers should have appropriate oversight and control
- Duplication and efficiency – duplication of policy or delivery work between ALBs and Departments should be reduced or eliminated
- Stakeholder management – the fact that government needs to engage stakeholders is not a reason for an ALB to exist
- Independent advice – where there is a clear justification for independent advice or regulation it should be conducted at arm's length.

The HTA is an independent regulator currently at arm's length from its parent department, but we await the outcome of the process.

## **Strategic risks as at 31 March 2025**

The main risks we face that, should they occur, would have the greatest material effect on the functioning of the HTA as a whole are set out below.

By considering such risks, we can assess the continuing viability of our strategy and business plan against changes in circumstance and make adjustments where necessary. This does not mean we expect the risks to materialise – instead, it indicates that these are areas of risk of which we need to be aware and to consider our response in order to perform our role effectively.

Further information on our approach to managing strategic risks and our assessment can be found in the governance statement.

### **Notable regulation failure leading to public harm and/or loss of public/professional confidence in the HTA.**

This risk looks at the possibility of regulatory failures such as serious non-compliance at a licensed establishment not being identified or addressed in a timely manner. This could result in harm to the public, damage professional confidence, and the loss of trust in the HTA as an effective regulator.

We mitigate this risk through our risk-based inspection programme, proactive regulatory engagement, robust intelligence gathering and strong escalation pathways.

### **Misperception of the HTA's role and reach or poor external relationships leading to gaps in sectoral risk management**

There is a risk that the public and key stakeholders misperceive our remit, or that weak external relationships lead to gaps in risk management across the sectors we regulate. This could result in risks being poorly managed at system level.

Mitigations includes clear communication of our role, strategic stakeholder engagement, and regular horizon scanning to ensure alignment with policy and system developments.

**Inability to progress core activities due to insufficient staff capacity and capability to deliver organisational goals**

As a small specialist organisation, the HTA is exposed to the risk that insufficient capacity or capability among our staff could hinder delivery of our statutory responsibilities and strategic priorities. Our attrition which currently stands at 26.1% is above our target rate of 20% and has been an area of focus for the executive over the last business year.

Activities being undertaken to reduce this risk which is above tolerance include; recruitment to vacancies; prioritisation of organisational tasks and objectives to ensure pinch points are recognised and staff workloads remain manageable. A people strategy has been developed which covers a 3-year period. We are mindful that the effect of any actions taken may not impact immediately and therefore expectation of both staff and our board will need to be managed.

**There is a risk that the HTA has insufficient or ineffective management of its financial resources.**

The risk is that we may not have sufficient or effectively managed financial resources to support the full delivery of our functions. This includes risks around income volatility, fee recovery and external funding pressures. Previously we have been in the position where we were underspending and unable to access these funds for further investment whether that be in our staff or other resources

Actions to mitigate this risk include; strong financial governance, regular review of our budget position by both the executive and the Board; a robust licence fee model and robust debt recovery procedures.

**Failure to make use of available data, digital and technology to ensure systems are kept up to date and support the delivery of business activities.**

This risk covers our understanding and use of the data we have as well as the technology needed to manage the data.

Mitigations to reduce this risk include upgrading our Customer Relationship Management system (CRM) which holds our licensing data and communications with establishments. The finalisation of our Regulatory Insight Model (RIMI) which will assist with the use and management of our data which feeds into our risk-based approach to conducting site visits. Continued investment in digital improvements, cybersecurity and governance structures in line with our digital strategy.

## Going concern

The going concern basis of accounting for the HTA is adopted in consideration of the requirements as set out in the International Accounting Standards as interpreted by HM Treasury's Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in preparation of the financial statements, where it is anticipated that the services they provide will continue in the future.

Parliament has demonstrated its commitment to continue to fund the DHSC for the foreseeable future and the DHSC funds the HTA through grant-in-aid, which is in addition to, resourcing from licence fees from both the private and public sectors.

The level of funding from DHSC has been agreed for the next financial year, and our licence fees were agreed by the Authority in December and communicated to the sectors in quarter four of 2024/25 and we maintain a level of reserves to cover a period of 6 months.

There is no expectation that our services will not continue. Currently there is an ongoing review of Arm's Length Bodies being conducted by Cabinet Office which may impact on the HTA's remit. However, there is no proposal that would lead to the end of regulation of the sectors that procure, use human tissue. The HTA would continue to be considered a going concern.

# Performance analysis

This section considers HTA's performance against our key priorities, as set out in the Business Plan

## Measuring performance

Each year, we agree a business plan with the Department for Health and Social Care (DHSC, our sponsor department) that includes strategic aims, high level objectives and key performance indicators covering delivery of our strategic plan. We record performance against key performance indicators monthly and review achievement and action needed at the Portfolio Senior Management Team meeting. A performance report is made to the Authority for each meeting and to DHSC every quarter.

## Analysis of performance over the year: Business Plan Performance indicators 2024/25

The table below reflects the key performance indicators that are of interest to our Board.

|                                                                                                                                                                         | Target  | 2024/25 | 2023/24      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|--------------|
| <b>Approach to Regulation</b>                                                                                                                                           |         |         |              |
| 222 compliance assessments across all sectors                                                                                                                           | 222     | 223     | 226          |
| 99% of panel and non-panel cases within 10 and 5 WKD <sup>1</sup> respectively                                                                                          | 99%     | 100%    | 99%          |
| Support healthcare provision and life-sciences by decisions being reached on 90% of completed new licence applications within 90 days of the application fee being paid | 90%     | 80%     | Not measured |
| <b>Trust and Confidence</b>                                                                                                                                             |         |         |              |
| Publish two datasets per year                                                                                                                                           | 2 p.a   | 100%    | Not measured |
| Publish quarterly incidents data                                                                                                                                        | Publish | 100%    | Not measured |
| <b>Use of Information</b>                                                                                                                                               |         |         |              |
| Server downtime is less than 3% (within working hours excluding planned)                                                                                                | =<3%    | 0.4%    | Not measured |
| 100% of RTANCA (NHS cyber security alert) notifications actioned / replied to within 48 hours                                                                           | 100%    | 100%    | 100%         |

<sup>1</sup> WKD – Working days, =< - equal to or less than,

### Efficient and Effective

|                                               |       |       |              |
|-----------------------------------------------|-------|-------|--------------|
| 95% of enquiries answered within 10 WKD       | 95%   | 92.7% | 94%          |
| 100% of FOIs responded to within 20 WKD       | 100%  | 95.8% | 100%         |
| Actual spend within 1% of forecast            | =<1%  | -0.6% | Not measured |
| Debt is no more than 3% of income at year end | =<3%  | 2.2%  | 5%           |
| Attrition rate no more than 20%               | =<20% | 26.1% | 30.6%        |
| Staff sickness no more than 3%                | =<3%  | 2.3%  | 1.77%        |

Our KPIs underwent some small revisions in 2024/25 and therefore some are labelled 'not measured'.

The majority of our business plan activities and operational targets have been delivered in 2024/25.

Where some targets have been missed, these are being investigated and lessons learned will be implemented where appropriate. In particular, our decision-making around licence applications missed the 90% target (80%), this was likely due to some applications being a little more complex. The same can also be said for the number of Freedom of Information requests responded to – target missed by 4.2%.

## Financial review

Our accounts consist of the primary statements (Statement of Comprehensive Net Expenditure – SoCNE, a Statement of Financial Position – SoFP and a Statement of Cashflow – SoCF) providing summary information about our income and expenditure for the year, our assets and liabilities at the end of the financial year, and how we have managed our cashflows. Detailed notes to the statements are included which provide more information about our accounts.

Our accounts were prepared based on the standards set out in the Government Financial Reporting Manual (FReM) to give a true and fair view.

## Our funding

We are a non-departmental public body (NDPB) with around 5% (£305k) of cash funding coming through grant-in-aid (GIA) from the Department of Health and Social Care; £80k in capital funding and a small amount of non-cash cover (£119k) for notional charges such as amortisation and depreciation. Our GIA has reduced over the last three years in line with the Departments' Efficiency and Reform Review. The remaining funding (95%) comes from licence fees from both the public and private sectors including contributions from the Devolved Administrations (DAs) and secondment fees.

We set our licence fees to cover the full cost of regulatory activities and those back-office costs that are necessary to operate as a regulator.

## Our expenditure

Our total expenditure for the 2024/25 year was £5,935k (2023/24 £5,015k) an increase of 18.3%. The majority of our costs relate to staffing, which represented 73.6% of expenditure in 2024/25 (2023/24 80%).

Below is a summary of our financial position as of 31 March 2025.

|                                       | Notes | 2024/25       | 2023/24       |
|---------------------------------------|-------|---------------|---------------|
| <b>Income</b>                         |       | <b>£'000s</b> | <b>£'000s</b> |
| Licence fees                          |       | 5,271         | 4,444         |
| Other                                 | (a)   | 183           | 210           |
| <b>Total income</b>                   |       | <b>5,454</b>  | <b>4,654</b>  |
| <b>Expenditure</b>                    |       |               |               |
| Staff costs                           |       | 4,366         | 4,025         |
| Non-staff costs                       |       | 1,569         | 990           |
| <b>Total expenditure</b>              |       | <b>5,935</b>  | <b>5,015</b>  |
| <b>Net income/(expenditure)</b>       |       | <b>(481)</b>  | <b>(361)</b>  |
| Grant in aid (cash)                   | (b)   | <b>305</b>    | 703           |
| Ring-fenced Grant in aid              | (c)   | <b>120</b>    | 107           |
| <b>(Deficit)/Surplus for the year</b> |       | <b>(56)</b>   | <b>449</b>    |

The figures in the above table will differ from the SoCNE due to treatment of grant in aid and non-cash.

- (a) Other income consists of contributions from the Devolved Governments and income from secondment of a member of staff to the Human Fertilisation and Embryology Authority.
- (b) Grant in aid is treated as financing within our statutory accounts and is therefore required to be excluded from SoCNE, which is on page 63 within the financial statements and included in the Statement of Changes in Taxpayers Equity (SoCTE) on page 66.
- (c) We received cover for our non-cash expenditure which is non-cash and is not shown in the accounts.

### Financial performance

At the end of the 2024/25 financial year, we have a small deficit of £56k, a reduction on the previous year. This can be attributed to several factors, one of which is a write-off of bad debts (£88k) where establishments have gone into liquidation and the likelihood of recovering outstanding licence fees was remote.

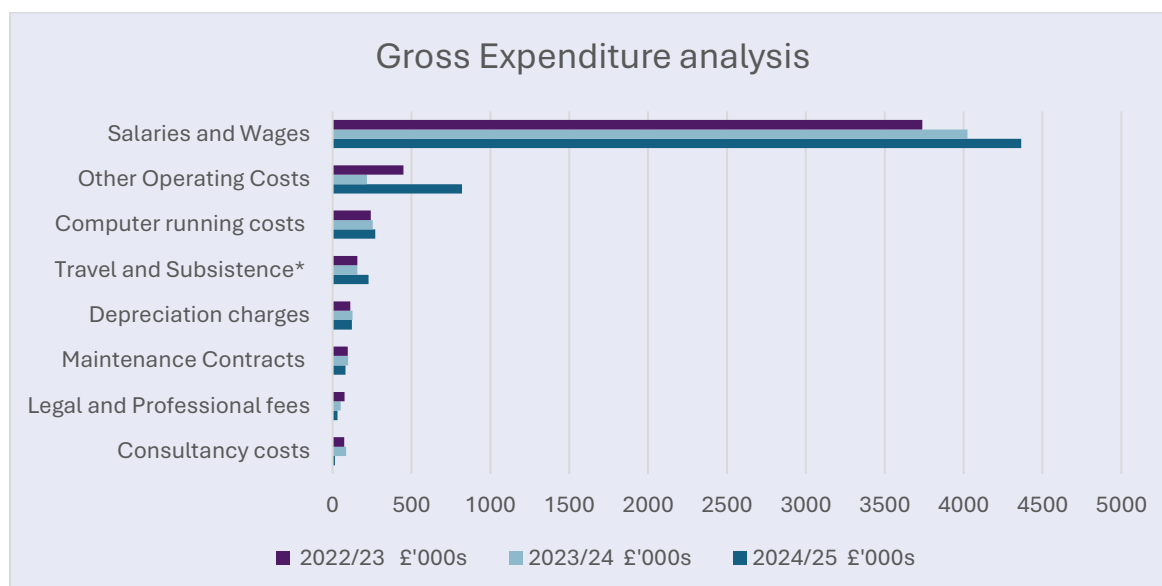
Other notable areas include the increase in our licence fee income (15%) on 2023/24 due to a reduction in grant-in-aid provision, against the increase in our staff costs (8.5%). Costs related to our website were higher this year due to the 'back-end' being out of support. Some of this work has been capitalized, with the remainder relating to hosting and maintenance. Total expenditure is higher than 2023/24 (18.5%), part of which is due to a reversal of accruals in 2023/24 (£415k) which related to our rent for which we had carried the accrual for several years. Confirmation was received at the end of 23/24 that there

would be no additional charges. Our staff costs have increased due to increases in employers' costs (National Insurance); higher pay awards (5% vs 4.5% in 2023/24) and a modest increase in headcount.

Our capital expenditure allocation for 2024/25 was £80k. We secured an additional £144k in order to cover the full cost of upgrading our CRM system which is part of our three-year IT strategy and upgrade to our website.

## Gross expenditure analysis

The graph below shows where we have spent our funding during the last three financial years.



## Other financial information

### Supplier payments

We adhere to the Better Payments Practice Code by ensuring that we pay our suppliers within 30 days of receipt of an invoice. No interest payments were made to suppliers under the Late Payment of Commercial Debts (Interest) Act 1998.

| HTA Target                                                            | 2024/25                                                                    | 2023/24                                                             |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------|
| 90% of payments made within 10 days of receipt of undisputed invoice. | <b>363 invoices received of which 341 (93.9%) were paid within 10 days</b> | 321 invoices received of which 313 (97.5%) were paid within 10 days |

| BPPC Target                                                           | 2024/25                                                                   | 2023/24                                                            |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------|
| 95% of payments made within 30 days of receipt of undisputed invoice. | <b>363 invoices received of which 363 (100%) were paid within 30 days</b> | 321 invoices received of which 321 (100%) were paid within 30 days |

## Forward financial outlook

The Authority approved our 2025/26 annual budget in December 2024. The budget sets our spending plans for the coming year. Throughout the budget-setting period, the finance team worked closely with directorates to ensure all plans were appropriately costed.

Our GIA has been agreed by the Department of Health and Social Care in January 2025. Our fees for all licenced establishments were agreed by the Authority in December 2024 and were published at the beginning of April 2025.

Expected cost pressures such as the increase in the national insurance contribution rates; pay awards and inflation has been factored into our budgets for 2025/26.

The challenge will be to ensure that we deliver our business plan and other commitments within the agreed budget and keep any surplus to a minimum.

## Sustainability Report

The HTA occupies a small area of a shared building in outer London. Our landlords provide services and encourage behaviour that meets sustainability requirements, this includes recycling, energy efficiency and other facilities. Efforts to adapt our working environment to climate change are reliant on our landlord or through our staff travel policies. Staff are encouraged to travel on HTA business in the most sustainable and cost-effective way. We are aware of the green agenda in relation to procurement and we actively use Crown Commercial Service who have sustainability factored in.

Information that is available and reportable is within the tables below. The HTA due to its size are out of scope in relation to the Government Greening Commitments and therefore is not required to prepare disclosure in line with the Taskforce on Climate Related Financial Disclosure.

## Summary of performance

| Activity                              | 2024/25      | 2023/24      | 2024/25                               | 2023/24                               |
|---------------------------------------|--------------|--------------|---------------------------------------|---------------------------------------|
| Total tCO <sub>2</sub> e <sup>2</sup> | Km travelled | Km travelled | Tonnes CO <sub>2</sub> e <sup>2</sup> | Tonnes CO <sub>2</sub> e <sup>2</sup> |
| Car Hire                              | 29,943       | 36,240       | 5.31                                  | 5.94                                  |
| Flights                               | 21,196       | 21,097       | 2.28                                  | 3.40                                  |
| Rail                                  | 63,613       | 144,034      | 4.17                                  | 5.11                                  |

| Financial information          | 2024/25 | 2023/24 | 2024/25 | 2023/24 |
|--------------------------------|---------|---------|---------|---------|
|                                | Rail    | Rail    | Air     | Air     |
| Expenditure                    | £74,566 | £55,492 | £8,968  | £9,029  |
| Number of transactions/flights | 986     | 750     | 44      | 29      |



Dr Colin Sullivan

**Accounting Officer****10 July 2025**

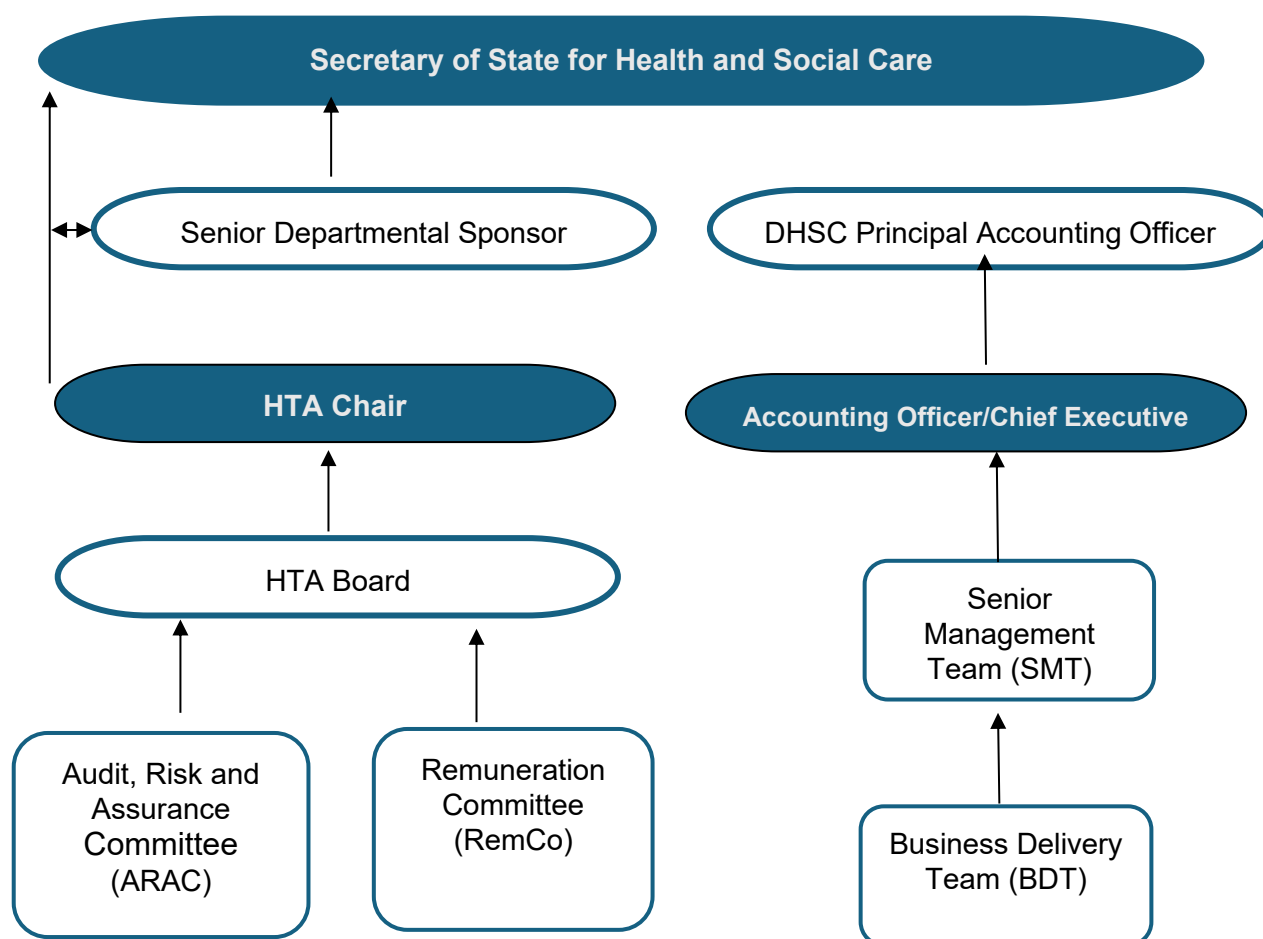
# Accountability Report

# Corporate Governance Report

## Directors Report

### Governance Structure

The diagram below depicts the governance and risk management structure, with the following sections describing the role of the Board, committees and the SMT.



During 2024/25 the Authority comprised 10 Members including our Chair appointed through an open public process. At 31 March 2025, we had a Board of 10 Members. Below is a list of Board Members during 2024/25. Biographies for each existing member can be found on our website <https://www.hta.gov.uk/about-hta/meet-our-board-and-executive-team>.

| Name                              | Appointment Dates |                  |
|-----------------------------------|-------------------|------------------|
|                                   | From              | To               |
| Lynne Berry (Chair) <sup>2</sup>  | 18 November 2019  | 17 November 2025 |
| Mhairi Anderson                   | 1 December 2023   | 30 November 2026 |
| Tom Chakraborti                   | 1 April 2022      | 31 March 2025    |
| Professor Gary Crowe <sup>2</sup> | 1 September 2019  | 1 September 2025 |
| Helen Dodds                       | 1 April 2022      | 31 March 2025    |
| Ellen Donovan <sup>2</sup>        | 1 April 2021      | 31 March 2027    |
| Andy Greenfield <sup>3</sup>      | 1 April 2022      | 31 March 2028    |
| David Lewis <sup>3</sup>          | 1 April 2022      | 31 March 2028    |
| David Lock KC                     | 1 December 2023   | 30 November 2026 |
| Jessica Watts                     | 1 December 2023   | 30 November 2026 |

Members of the Authority are appointed for a set period, not exceeding three years and may be reappointed but may not serve for a total period exceeding six years. In the event of early termination there is no contractual provision for compensation.

## Senior Management Team

Our Accounting Officer (Chief Executive) and Directors during the 2024/25 financial year and at 31 March 2025, are set out below.

| Name                                | Position                                                 | Joined/Resigned         |
|-------------------------------------|----------------------------------------------------------|-------------------------|
| Dr Colin Sullivan                   | Chief Executive                                          | N/a                     |
| Nicolette Harrison                  | Director of Regulation                                   | N/a                     |
| Louise Dineley                      | Director of Data, Technology and Development             | N/a                     |
| Tom Skrinar                         | Director of Resources                                    | (Resigned 31/12/2024)   |
| Katrina Leighton-Hearn <sup>4</sup> | Director of Finance and Resources                        | (Joined 01/12/2024)     |
| Katherine Towner                    | Interim Director of Finance                              | (10/02/25 – 31/03/2025) |
| John McDermott                      | Deputy Director for Performance and Corporate Governance | N/a                     |

<sup>2</sup> Lynne Berry, Gary Crowe and Ellen Donovan were each serving a second three-year term during the reporting period.

<sup>3</sup> Andy Greenfield and David Lewis were each appointed for a second three-year term at the end of the reporting period

<sup>4</sup> For a very short period Katherine Towner was employed to cover Katrina Leighton-Hearn during a period of absence.

## Register of Interest

We maintain a register of interests and require all Board members and staff declare any company directorships and other significant interests held by them or their close family and friends which may conflict with their HTA responsibilities.

Members also declare their interest in any items being discussed at Board and Audit, Risk and Assurance Committee (ARAC) meetings. The Chair decides whether there is a conflict of interest and whether the member concerned should remain involved in the discussion.

Members' interests are published on our website <https://www.hta.gov.uk/about-hta/committees-and-working-groups/authority-board>

## Our Auditors

The Comptroller and Auditor General is the external auditor for the HTA's accounts. The external auditor's remuneration in 2024/25 was £45,000. No fees were incurred for non-audit work.

## Personal data related incidents

Arrangements for data security and any personal data-related incidents are set out in the annual governance statement.

## Statement of the Authority and Accounting Officer's responsibilities

Under the Human Tissue Act 2004, the Secretary of State has directed the HTA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the HTA and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Authority and the Accounting Officer are required to comply with the requirements of the Government Financial Reporting Manual prepared by HM Treasury, and in particular to:

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

The Accounting Officer of the DHSC has appointed the Chief Executive as Accounting Officer for the Human Tissue Authority with responsibility for preparing the HTA's accounts and for transmitting them to the Comptroller and Auditor General.

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 safeguarding the HTA's assets, are set out in the Accounting Officers' Memorandum, issued by the DHSC and in Managing Public Money published by HM Treasury.

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

### **Accounts direction**

The Annual Accounts have been prepared and issued by the HTA, under directions given by the Secretary of State for Health and Social Care, with the approval of HM Treasury, in accordance with Schedule 2 (paragraph 16) of the Human Tissue Act 2004. The Accounts report the resources that have been used by the HTA to deliver its objectives. These Annual Accounts have been prepared in accordance with the guidance set out in the Financial Reporting Manual (FReM) 2024/25.

### **Authority statement**

The Senior Management Team (SMT) of the HTA has reviewed and contributed to this document. The Audit, Risk and Assurance Committee (ARAC), on behalf of the Authority, has reviewed the Annual Report and Accounts.

# Governance statement

The purpose of the Governance Statement is to explain the composition and organisation of the Authority's governance structures and how they support the achievement of its objectives. It sets out the governance structures, risk management and internal control processes that have been operating during the year and provides an assessment of the effectiveness of these arrangements.

## Scope of responsibility

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the HTA's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. As the Accounting Officer, I am also responsible for ensuring that the HTA is administered prudently and economically and that resources are applied efficiently and effectively.

The system of control was in place throughout the year ending 31 March 2025 and up to the point of signing the accounts.

## Governance framework

The HTA is an independent regulator established in 2005, following events in the 1990s that revealed incidents of removal and retention of human organs and tissue without consent. The legislation that established the HTA not only addressed this issue but also updated and brought together other laws that relate to human tissue and organs. The HTA was established by the Human Tissue Act 2004 as an arm's length body of the Department for Health and Social Care and is overseen by a Board appointed by the DHSC Secretary of State, and with one member selected by the Health Minister of Wales and another by the Northern Ireland Department of Health.

The DHSC Permanent Secretary nominates a Senior Departmental Sponsor (SDS) who acts as the HTA's designated, consistent point of contact within the Department. The SDS acts as the link at executive level between the HTA and the senior officials of the Department and Ministers. The SDS also supports the Permanent Secretary in holding the HTA to account and in providing assurance on its performance.

A Departmental sponsor team supports the SDS by undertaking the principal day-to-day liaison between the Department and the HTA.

## Our Board

We are governed by a Board that is our corporate decision-making body. The Board is responsible for setting strategic direction of the HTA and is the ultimate decision-making body for matters of HTA wide strategic, regulatory or reputational significance. Effective governance facilitates the delivery of HTA's purpose, and strategy. The Board is committed, through its governance framework, to appropriate decision making at the correct level within the HTA making sure there is accountability, long term value and fulfilling our purpose of furthering the interests of our stakeholders.

**Board members and Committee attendance during the financial 2024/25 year**

(meetings available / meetings attended)

|                                | Board                | Audit, Risk and Assurance | Remuneration Committee |
|--------------------------------|----------------------|---------------------------|------------------------|
| <b>Number of meetings held</b> | <b>5<sup>5</sup></b> | <b>3</b>                  | <b>4</b>               |
| Lynne Berry                    | 4                    | 1 <sup>6</sup>            | 3                      |
| Mhairi Anderson                | 5                    | N/A                       | 4                      |
| Tom Chakraborti                | 5                    | N/A                       | 4                      |
| Gary Crowe                     | 5                    | 3                         | N/A                    |
| Helen Dodds                    | 5                    | 3                         | N/A                    |
| Ellen Donovan                  | 4                    | N/A                       | 4                      |
| Andy Greenfield                | 5                    | N/A                       | N/A                    |
| Dave Lewis                     | 5                    | 2                         | 3                      |
| David Lock                     | 4                    | N/A                       | N/A                    |
| Jessica Watts                  | 5                    | 3                         | N/A                    |

**Board Administration**

The administration for the Board is the responsibility of the Deputy Director for Performance and Corporate Governance, supported by the Board Secretary (and Private Office Lead), who maintains and keeps up to date the main procedures and policies of the Board, corporate records, and terms of reference of the Board Committees. The Deputy Director for Performance and Corporate Governance also maintains the HTA's Corporate Governance Framework.

**Highlights of board meetings in 2024-25**

During the 2024/25 financial year the Board considered key strategic issues and routine business planning and horizon scanning; topics included:

- Chief Executive's Report detailing current issues
- Performance Report covering all functions across the business and KPIs
- Review of the Strategic Risk Register
- Our new Digital & IT Strategy covering the period 2024-27
- Living our organisational values: Reflections on recent reports into managing the personal impact of regulatory decisions.

<sup>5</sup> Includes as workshop for board members held in November 2024

<sup>6</sup> Lynne Berry attended this meeting as an observer only

- An update on HTA activities to increase protections for the dignity of the deceased. This relates mainly to the Post mortem sector and referred to the aftermath of the discovery of the offending within a licensed establishment.
- Agreement to review the Police Referral and Warrants Policy which became necessary due to significant changes made to aspects of our work in Organ Donation and Transplantation.
- Reports detailing experience of operating under the new Duty to Report Regulations.
- Audit, Risk and Assurance and Remuneration Committee Chair's Reports
- 2025/26 Budget and Fees and revisions to funding model for the Devolved Governments.
- Proposal to undertake an initial review of our Codes of Practice, starting in 2025/26
- The final version of our 3-year People Strategy
- The final version of our 2025/26 Business Plan
- Horizon scanning reports which summarise key developments relevant to the HTA.

### **Meeting of the Board held in public**

The board meets formally four times a year with one meeting conducted in public.. The meeting held in public is open to any members of the public to observe via live stream using Teams. In 2024/25 this occurred at our September meeting. It is normally held in June, but we put it back, as the June meeting was during the pre-election period for the 2024 General Election.

### **Workshops**

In addition to the formal meetings, the Board holds an informal strategy event in November each year.

### **Board effectiveness**

The Board is committed to the highest standards of corporate governance and in line with good practice, reviews its effectiveness annually. In Quarter 4 of 2024/25, the Private Office overseen by the HTA Chair undertook a light touch Board Effectiveness Review (BER). The review focused on the Board dynamic, the Board's balance of skills and experience, along with how these can be best deployed and developed.

A questionnaire and skills self-assessment was completed by all Board members. The results have been considered by the HTA Chair. The HTA Chair drew from separate reviews of ARAC and RemCo, overseen by those Committees' chairs; input from SMT; and other sources. Together, these insights have informed a Board Effectiveness Review Action Plan (BERAP) for the year ahead (2025/26).

There were no serious or immediate Board or Committee effectiveness concerns highlighted from the review. Generally, the Board and its committees work well and the relationship with the Executive is broadly one of constructive challenge. However, there are some areas noted as having room for improvement or requiring continued work to sustain progress. The findings from the review have informed a Board Effectiveness Review Action Plan (BERAP) with actions to be implemented in 2025/26 to sustain and further develop existing good practice as we approach a change of Board and ARAC leadership.

## Board sub-committees

To help our board fulfil its duties, it is supported by two sub-committees – audit, risk and assurance committee (ARAC) and the remuneration committee (RemCo).

### Audit, Risk and Assurance Committee (ARAC)

This committee advises the Accounting Officer and Board on risk management, corporate governance and assurance arrangements. It is made up of four non-executive directors. Individuals from the HTA DHSC Sponsor Team and Government Internal Audit Agency (GIAA) are invited and regularly attend the committee. The National Audit Office and KPMG, as external auditors for the HTA, also attend each meeting. The committee meets three times a year.

The audit, risk and assurance committee agrees the annual internal audit plan. The plan is designed to systematically review different areas of the business and provide assurance to the executive team and the ARAC that any identified weaknesses in controls, are addressed and strengthened.

The committee has private sessions with the internal audit provider – GIAA, and external auditors KPMG and the NAO, without the HTA executives being present. Both internal and external auditors have direct access to the committee chair if they wish to raise anything which they feel is not appropriate to raise directly with the executive.

During the 2024-25 financial year, internal audit services were provided by the GIAA. The GIAA team operates to Public Sector Internal Audit Standards and the internal audit plan included the following five reviews. There was one review that received an opinion of limited assurance.

- HR Shared Services: contract management – the three high-rated recommendations highlighted the following:
  - A lack of a detailed review of the SLA to address inconsistencies in effective dates and terms
  - Establishing a clear financial framework; a clearly defined and up-to-date budget for HR services.
  - Availability of KPI datasets for performance review

All of the above are being addressed in quarter two of the 2025/26 alongside the medium recommendation.

There were 3 recommendations that were not accepted by management; 2 within Functional Standards and 1 within the Licensing audit.

| Business area                             | Assurance rating | Recommendations made |           |           |
|-------------------------------------------|------------------|----------------------|-----------|-----------|
|                                           |                  | High                 | Medium    | Low       |
| Data Security and Protection Toolkit 2024 | Moderate         | -                    | 1         | -         |
| Functional Standards                      | Moderate         | -                    | 4         | 3         |
| HR Shared Services – contract management  | Limited          | 3                    | 1         | 0         |
| Licensing                                 | Moderate         | -                    | 2         | 8         |
| Payroll and Expenses                      | Moderate         | -                    | 2         | 3         |
| <b>Total recommendations</b>              |                  | <b>3</b>             | <b>10</b> | <b>14</b> |

### Committee activities

The work of the ARAC follows an agreed annual work programme, with the committee allocating its time in 2024/25 to the following key topics:

- Annual Report and Accounts
- assurance reports from internal audit
- risk management
- other control reports, policies and procedures (fraud, whistleblowing)
- cyber security (IT, physical security)
- DSP/CAF<sup>7</sup> updates

Areas of particular focus for the committee in 2024/25 were:

- deep dive reviews of high rated risks to scrutinise risk management arrangements, and challenge actions where appropriate
- updates on progress of internal audit reviews and management responses
- Government Functional Standards GovS:13 Fraud, Fraud Risk Assessment
- Review of the ARAC Handbook and Terms of Reference
- Information governance – Senior Information Risk Officer's assessment of the management of information across the business including compliance with the National Cyber Security Centre (NCSC) Minimum Cyber Security Standards 2018
- Cyber Security dashboard (including operational review, cyber security performance and IT operating risks, IT Digital Strategy, IT systems/applications and Network and infrastructure and other areas).
- Cyber Assurance Framework (CAF) compliance progress reports
- Health and Safety management updates and progress of actions from an internal audit review from 2023/24
- a review of the strategic risk register at every meeting and updates provided by the executive about current risks facing the HTA and any emerging risks.
- Functional Standards – reports on the approach taken to review compliance with the standards and plans for an internal audit review in Quarter 4 of 2024/25.

<sup>7</sup> CAF is the Cyber Assurance Framework which is the next iteration of DSPT

- Review and approval of Internal Audit Plan for 2025/26
- Committee effectiveness

### **Remuneration Committee (RemCo)**

This committee has the formal role of agreeing the remuneration strategy on behalf of the board. In addition, the committee has been designated as a suitable forum to offer informal support and act as a sounding board to the Chief Executive on the wider culture and people issues.

The remuneration committee met four times in 2024/25. It agreed the allocation of the 2024/25 consolidated pay awards for staff within the framework set by the Department of Health and Social Care; reviewed the results of the staff survey conducted between May and June 2024 and discussed the findings and initial responses from the executive; received updates on the HR Shared Services provision; updates on improvements to HR policies; updates on implementation of the staff forum; received EDI reports and the final version of the People Strategy.

### **Corporate Governance**

We have a Framework Agreement with the DHSC which defines the critical elements of our relationship with them as an Arm's Length Body. The way in which we work with the DHSC and how we discharge our accountability responsibilities effectively is outlined in the agreement. The Senior Departmental Sponsor (SDS) at the DHSC meets with the CEO for a formal accountability meeting every quarter and informally during the year. The SDS also meets with the Chair on a regular basis and agrees and monitors delivery against her annual objectives. In addition, SMT members meet with other DHSC Sponsor Teams at quarterly intervals and as issues require. Representatives from DHSC are also present as observers at Board meetings of the Authority and at the ARAC.

The operational objectives that help us deliver our corporate strategy are set out in our annual business plan. This document is approved by DHSC, and monitoring information is submitted to them on a quarterly basis. Along with formal meetings with the SDS and other officials, this provides assurance to DHSC that the delivery of our objectives is on track.

Our system of corporate governance complies with the requirements of the 'Corporate governance in central Government departments: code of good practice,' in so far as they relate to ALBs. It is designed to ensure that sufficient oversight of operational matters is held by our Board and ARAC, while allowing for clear accountability and internal control systems at Executive level. The HTA is compliant with the provisions of the code with the following exceptions:

- 4.7 – in place of the Permanent Secretary, the HTA Chair and Chief Executive share this responsibility.
- 4.11 – in place of the Board Secretary, the HTA Chair and Chief Executive and the Private Office Lead take responsibility, and
- 5.5 – the Head of Internal Audit only attends the Audit, Risk and Assurance Committee meetings.

## Performance management

Our performance management framework links closely to risk management. It includes periodic reporting at different levels of granularity in performance packs to the Board, the SMT and some of our committees.

The performance reporting covers:

- financial and non-financial information, key risks and issues,
- business plan delivery
- other work, such as delivery of specific projects

Our performance framework and individual performance indicators are kept under periodical review to ensure they remain meaningful and effective and support transparent governance. Our performance reports included in meeting papers are published on our website and can be found at <https://www.hta.gov.uk/about-the-HTA/our-board-and-committees/authority-board>

## Quality of data used by the Board

The papers on which the Board (and its committees) rely on are subject to a rigorous internal assurance process overseen by the relevant member of the SMT. Feedback from members of the Board, and the annual review of committees, suggest the papers are of good quality and accuracy.

## Risk management framework

The audit, risk and assurance committee provides an independent and objective view of the arrangements for the management of risk. It advises the Board on the co-ordination and prioritisation of risk management across the HTA and advises the Board on the effectiveness of the internal control system.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks. It can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on a continuous review of process designed to identify and prioritise the risks to achievement of organisational aims and objectives.

Our risk management policy defines risk, outlines roles and responsibilities for managing risks and explains how risks are categorised, assessed, escalated and de-escalated. It uses the 5x5 risk scoring matrix in line with HM Treasury guidance (Orange Book).

## Risk appetite

The Board has ultimate responsibility for risk management including decisions affecting our risk profile. The Board approves the risk management policy and determines the risk appetite (this is the extent to which we would tolerate known risks, in return for benefits expected from a particular action or set of actions).

Both the risk management policy and appetite statement are being reviewed by the Board in early 2025/26. This review will take into account recommendations from HM Treasury's Orange book which was updated in November 2024.

At each of its meetings our audit, risk and assurance committee reviews the strategic risk register at each of its meetings and will undertake deep-dive discussion on any one of the strategic risks.

Directors in conjunction with their teams, are also responsible for ensuring risks in their directorates are managed following our risk management policy – this includes identifying, assessing and updating operational risk registers which are monitored by the Business Delivery Team (BDT). The BDT reviews operational risk registers periodically and escalates risks that are increasing in threat level, to the senior executive team for consideration of inclusion in the strategic risk register.

Our key strategic risks are detailed in the performance report on pages 15-16.

### **Information governance**

We have an established information governance structure:

- the Director of Finance and Resources is the Senior Information Risk Officer (SIRO) with responsibility for the system of safeguarding and protecting personally identifiable information, confidential, and sensitive data;
- the information governance lead is the Records Management & Information Governance Lead;
- our Director of Data Technology and Development is our Caldicott Guardian;
- directors and heads of service are Information Asset Owners (IAOs) where relevant

A framework is in place that brings together all key policies, procedures and controls, including:

- Data Protection and Privacy policy;
- Records Management Policy,
- Freedom of Information Policy,
- Information Security Policy.

Regular reporting to senior management and the Audit, Risk and Assurance Committee where appropriate and training (mandatory) to raise awareness. Where appropriate, information risks are included in operational risk registers.

To strengthen our cyber resilience, we have recruited an IT Technical Security Officer. We also provide a comprehensive Cyber Security dashboard to ARAC at each meeting providing assurance that cyber security controls are sufficient to prevent information security threats.

Data security risks are managed and monitored within the overall risk management framework, HMG Security Policy Framework, overseen by the Information governance lead to ensure security threats are followed up and appropriately managed. We are committed to strengthening cyber security controls through the Cyber Assessment Framework and the National Data Guardian's *Data Security Standards*.

Any data recorded on the HTA's digital platforms are subject to specific legislative provisions, the Data Protection Act 2018 (DPA) and Freedom of Information (FOI) Act 2000. User access is strictly controlled, and trial logs are kept for security checks and audit purposes. Requests for information are handled in full compliance with both the Data Protection Act and the Freedom of Information Act.

Any operational requirements to deviate from the HTA security policy regarding data security require SIRO agreement.

In the 2024/25 financial year there were 13 potential data breaches reported for investigation, none of which were judged to be of sufficient gravity to report to the Information Commissioners Office (ICO). The SIRO report which is presented to the Audit, Risk and Assurance Committee at the June meeting includes information on data breaches.

All employees are required to complete annual information security and records management training. Staff training compliance as of March 2025 was 82% (2023/24:86% ) respectively.

This year also saw us complete our Data Security Toolkit where 13 assertions were reviewed across the 10 National Data Guardian Standards and received a moderate assessment. There were no standards rated as 'Unsatisfactory' and the Confidence Level in the veracity of our self-assessment and submission was medium.

### **Counter fraud, bribery and corruption**

Quarterly submissions are made to the DHSC Anti-Fraud Unit (DHSC AFU) in compliance with the government counter fraud functional standard GovS 013: counter fraud.

There were no losses due to fraud identified in 2024/25. The DHSC AFU conduct a formal peer review assessment, the last one was in 2023/24 where we met 11 of the 12 mandatory requirements, the last requirement was partially met and related to Outcome based metrics. We are working towards strengthening these.

This year, we took part in the Government's National Fraud Initiative (NFI) to improve our counter fraud investigatory activity. We were notified of one data match which was investigated and concluded that that it was a stakeholder who had dual roles and was not related to mis-payment errors or any indication of fraud.

We are members of the of the ALB Counter Fraud Liaison Group which provides a forum for the health ALB counter fraud leads to share their knowledge and also provides specialist expertise, if required, to investigate suspected fraud.

### **Government Functional Standards**

There are 14 functional standards, of which 9 are applicable to the HTA. In Quarter 3 of 2024/25, the Corporate Services function undertook a review of all 14 standards to ascertain if there had been any changes since the last review. Self-assessment toolkits have been shared with Function and Support Leads who completed the self-assessments. Our Senior Management Team (SMT) agreed the annual self-assessment approach and the development of action plans where leads felt it was necessary. This approach was endorsed by the audit, risk and assurance committee and have added Functional Standards as a standing agenda item in anticipation of the internal audit review of functional standards that was undertaken in Q4 of 2024/25. The audit opinion given was 'moderate' with 4 medium and 3 low level recommendations. Management responses have been agreed, and plans are being developed in response to the recommendations.

### **Whistleblowing**

Our staff are encouraged to speak up and raise any concerns where something does not feel or look right. Our procedures for raising concerns are accessible to all staff. We offer several avenues for staff to raise concerns including the use of external whistleblowing hotlines. To support the whistleblowing policy, we have Freedom to Speak Up Champions;

one who is a member of staff, and the other is the Audit, Risk and Assurance committee Chair. The staff Freedom to Speak UP champion meets with ARAC Chair prior to each audit committee meetings.

### **Pensions**

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the scheme regulations are complied with. This includes ensuring that deductions from salary, employer contributions and payments into the scheme are in accordance with rules, and that member pension scheme records are accurately updated in accordance with the timescales detailed in regulations.

### **Internal Audit**

In 2024/25, Internal Audit has provided assurance over the HTA's core business activities with individual reviews performed across operational, financial and other risk areas; all informed by the HTA's risk areas, risk assessment and independent view of our risk profile. The Head of Internal Audit's opinion is based solely on the assessment of whether controls in place support the achievement of management's objectives as set out in the 2024/25 Internal Audit Plan and individual Assignment Reports.

### **Head of Internal Audit Opinion**

In accordance with the requirements of the UK Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide the Accounting Officer with her annual opinion of the overall adequacy and effectiveness of the organisation's risk management, control, and governance processes.

Their opinion is based on the outcomes of the work that Internal Audit has conducted throughout the course of the reporting year. There have been no undue limitations on the scope of the internal audit work and the appropriate level of resource has been in place to enable the function to satisfactorily complete the work planned.

In summary, the overall opinion given to the Accounting Officer was moderate.

### **Accounting Officer's conclusion**

The governance arrangements detailed in the statement aim to support the Human Tissue Authority to maximise our understanding and use all of the available information about the quality and effectiveness of our systems, to help us improve services and satisfy assurance requirements about the effectiveness of our systems of internal control.

Based on my review, I am not aware of any significant control issues, and I am content that appropriate arrangements are in place for the discharge of all statutory functions for which the Human Tissue Authority is responsible. In summary, I am satisfied that the framework of governance, risk management and system of internal controls are adequate and have been effectively maintained throughout 2024/25.

# Remuneration and Staff Report

The remuneration and staff report provides details of the remuneration (including any non-cash remuneration) and pension interests of board members and the directors who regularly attend board meetings. The content of the tables are subject to audit.

## Senior staff remuneration

The remuneration of the chair and non-executive directors is set by the Secretary of State for Health and Social Care. The salaries of the staff employed on NHS conditions and terms of service are subject to direction from the Secretary of State for Health and Social Care.

The remuneration of the chief executive and all executive senior managers (ESMs) is first subject to independent job evaluation and then approved by HTA's remuneration committee (RemCo) with additional governance oversight from the DHSC remuneration committee. Any salary in excess of £150,000 requires both Secretary of State and DHSC remuneration committee approval. The remuneration of the executives and senior managers is detailed in the table on pages 41-42.

Membership of the remuneration committee and its work can be found on page 30.

## Performance appraisal

A personal objective-setting process that is aligned with the business plan is agreed with each member of staff annually and all staff are subject to an annual performance appraisal.

## Policy on duration of contracts, notice periods and termination payments

### Terms and conditions: non-executive directors and chair

Below are the terms and conditions for the chair and non-executive directors.

### Statutory basis for appointment

The chair and non-executive directors of non-departmental public bodies (NDPBs) within the health sector, hold a statutory office under the Health and Social Care Act 2012. Their appointment does not create any contract for services or of service between them and the Secretary of State for Health and Social Care or between them and the HTA.

### Employment law

The appointments of the chair and non-executive directors of the HTA are not within the jurisdiction of employment tribunals. There is also no entitlement for compensation for loss of office through employment.

## **Reappointments**

The chair and non-executive directors are eligible for reappointment at the end of their period of office, which is currently 3 years, but they have no right to be reappointed. The Department of Health and Social Care (DHSC) will have a view as to who should be appointed to the office.

## **Termination of appointment**

A chair or non-executive director may resign by giving notice in writing to the Secretary of State for Health and Social Care, otherwise their appointment will terminate on the date set out in their appointment letter unless terminated earlier in accordance with schedule 2 to the Human Tissue Act.

## **Remuneration**

Under the Act, the chair and non-executive directors are entitled to be remunerated by the HTA for as long as they hold office. There is no need for provision in HTA's annual accounts for the early termination of any non-executive director's appointment.

## **Conflict of interests**

The Code of Conduct for Board Members of Public Bodies published by the Cabinet Office applies to NDPB boards. The Code requires chairs and board members to declare, on appointment, any business interests, positions of authority in a charity or voluntary body in health and social care, and any connection with bodies contracting for NHS services. These must be entered into the HTA's register of interest, which is available to the public. Any changes should be declared as they arise.

## **Terms and conditions of the HTA executive team**

### **Basis of appointment**

All executive directors and other directors who are members of the executive team, are appointed on a permanent basis under a contract of service at an agreed annual salary with eligibility to claim allowances for travel and subsistence costs, at rates set by HTA, for expenses incurred on its behalf. Appointments may be made on an interim basis to cover vacancies or for other operational reasons, with agreed arrangements for travel and subsistence costs. During 204/25, there was one director appointed on an interim basis.

### **Termination of appointment**

Directors who are members of the executive team have to give three months' notice of contract termination. There is no provision for compensation included in the HTA's annual accounts for the early termination of any executive director's contract of service in 2024/25.

### **Terms and conditions of HTA staff**

The HTA provides for staff salaries to be uplifted annually in August. Any uplifts are in line with HM Treasury pay guidance and approved by the HTA's Remuneration Committee and by DHSC .

**Single total figure of remuneration – board members' and directors' remuneration (subject to audit).**

| Board                                 |       | 2024/25                                    |                                                |                                                  |                                       |                         | 2023/24                                    |                                                |                                                  |                                       |                         |
|---------------------------------------|-------|--------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------------------------------|-------------------------|--------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------------------------------|-------------------------|
| Name                                  | Title | Salary and allowances<br>(bands of £5,000) | All taxable benefits total to the nearest £100 | Performance pay and bonuses<br>(bands of £5,000) | Pension Benefits to the nearest £1000 | Total (bands of £5,000) | Salary and allowances<br>(bands of £5,000) | All taxable benefits total to the nearest £100 | Performance pay and bonuses<br>(bands of £5,000) | Pension Benefits to the nearest £1000 | Total (bands of £5,000) |
|                                       |       | £'000                                      | £                                              | £'000                                            |                                       | £'000                   | £'000                                      | £                                              | £'000                                            |                                       | £'000                   |
| Lynne Berry                           | Chair | 40-45                                      | 200                                            | 0                                                | 0                                     | 40-45                   | 40-45                                      | 0                                              | 0                                                |                                       | 40-45                   |
| Mhairi Anderson                       | NED   | 5-10                                       | 1800                                           | 0                                                | 0                                     | 5-10                    | 0-5 (Fye 5-10)                             | 0                                              | 0                                                |                                       | 0-5                     |
| Tom Chakraborti                       | NED   | 5-10                                       | 100                                            | 0                                                | 0                                     | 5-10                    | 5-10                                       | 0                                              | 0                                                |                                       | 5-10                    |
| Professor Gary Crowe <sup>8</sup>     | NED   | 10-15                                      | 2500                                           | 0                                                | 0                                     | 10-15                   | 10-15                                      | 900                                            | 0                                                |                                       | 10-15                   |
| Helen Dodds                           | NED   | 5-10                                       | 300                                            | 0                                                | 0                                     | 5-10                    | 5-10                                       | 400                                            | 0                                                |                                       | 5-10                    |
| Ellen Donovan                         | NED   | 5-10                                       | 1600                                           | 0                                                | 0                                     | 5-10                    | 5-10                                       | 600                                            | 0                                                |                                       | 5-10                    |
| Andy Greenfield                       | NED   | 5-10                                       | 400                                            | 0                                                | 0                                     | 5-10                    | 5-10                                       | 200                                            | 0                                                |                                       | 5-10                    |
| David Lewis                           | NED   | 5-10                                       | 1600                                           | 0                                                | 0                                     | 5-10                    | 5-10                                       | 500                                            | 0                                                |                                       | 5-10                    |
| David Lock KC                         | NED   | 5-10                                       | 100                                            | 0                                                | 0                                     | 5-10                    | 0-5 (Fye 5-10)                             | 0                                              | 0                                                |                                       | 5-10                    |
| Jessica Watts                         | NED   | 5-10                                       | 500                                            | 0                                                | 0                                     | 5-10                    | 0-5 (Fye 5-10)                             | 0                                              | 0                                                |                                       | 0-5                     |
| Professor Deborah Bowman <sup>9</sup> | NED   | N/A                                        | N/A                                            | N/A                                              | N/A                                   | N/A                     | 0-5(Fye 5-10)                              | 0                                              | 0                                                |                                       | 0-5                     |

<sup>8</sup> Professor Gary Crowe is the Chair of the Audit, Risk and Assurance Committee and receives a higher allowance

<sup>9</sup> Professor Deborah Bowman resigned from the Board on 30/11/2023

| Directors                            |                         | 2024/25                                    |                                                |                                               |                                       |                         | 2023/24                                 |                                                |                                               |                                       |                         |
|--------------------------------------|-------------------------|--------------------------------------------|------------------------------------------------|-----------------------------------------------|---------------------------------------|-------------------------|-----------------------------------------|------------------------------------------------|-----------------------------------------------|---------------------------------------|-------------------------|
| Name                                 | Title                   | Salary and allowances<br>(bands of £5,000) | All taxable benefits total to the nearest £100 | Performance pay and bonuses (bands of £5,000) | Pension Benefits to the nearest £1000 | Total (bands of £5,000) | Salary and allowances (bands of £5,000) | All taxable benefits total to the nearest £100 | Performance pay and bonuses (bands of £5,000) | Pension Benefits to the nearest £1000 | Total (bands of £5,000) |
|                                      |                         | £'000                                      | £                                              | £'000                                         |                                       | £'000                   | £'000                                   | £                                              | £'000                                         |                                       | £'000                   |
| Dr Colin Sullivan                    | Chief Executive Officer | 135-140                                    | 200                                            | 5-10                                          | 35,000                                | 175-180                 | 140-145                                 | 0                                              | 5-10                                          | 31,000                                | 175-180                 |
| Louise Dineley                       | Director                | 110-115                                    | 0                                              | 0                                             | 6,000                                 | 115-120                 | 105-110                                 | 0                                              | 0                                             | 0                                     | 105-110                 |
| Nicolette Harrison                   | Director                | 110-115                                    | 0                                              | 0                                             | 31,000                                | 140-145                 | 105-110                                 | 0                                              | 0-5                                           | 14,000                                | 120-125                 |
| Katrina <sup>10</sup> Leighton-Hearn | Director                | 20-25 (Fye 105-110)                        | 0                                              | 0                                             | 12,000                                | 30-35 (Fye 115-120)     | N/A                                     | N/A                                            | N/A                                           | N/A                                   | N/A                     |
| Katherine Towner <sup>11</sup>       | Interim Director        | 30-35(Fye 180-185)                         | N/a                                            | N/a                                           | N/a                                   | 30-35                   | N/a                                     | N/a                                            | N/a                                           | N/a                                   | N/a                     |
| Tom Skrinar <sup>12</sup>            | Director                | 30-35 (Fye 90-95)                          | 0                                              | 0                                             | 103,000                               | 135-140                 | 25-30 (Fye 90-95)                       | 0                                              | 0                                             | 140,000                               | 165-170                 |
| Richard Sydee <sup>13</sup>          | Director                | N/A                                        | N/A                                            | N/A                                           | N/A                                   | N/A                     | 10-15 (Fye 95-100)                      | 0                                              | 0                                             | 2,000                                 | 10-15                   |
| John McDermott                       | Deputy Director         | 90-95                                      | 400                                            | 0                                             | 27,000                                | 115-120                 | 85-90                                   | 0                                              | 0                                             | 6,000                                 | 90-95                   |

<sup>10</sup> Katrina Leighton-Hearn joined on 1 December 2024

<sup>11</sup> Katherine Towner was employed as Interim Director of Finance and Resources during February and March 2025 through an agency

<sup>12</sup> Tom Skrinar was 0.5Fte who worked for HFEA for 50% of his time, the secondment was terminated on 31/12/2024

<sup>13</sup> Richard Sydee was 0.5Fte who worked for HFEA for 50% of his time resigned on 16 June 2023

## PENSION COSTS

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years.”

An outline of these follows:

### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025, is based on valuation data as at 31 March 2023, updated to 31 March 2025 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience), and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

### Pension Benefits – Senior Management Team (Subject to audit)

| Officer                | Real increase in pension at age 60 (a) | Real increase in pension lump sum at age 60 (b) | Total accrued Pension at 31/03/25 (c) | Lump sum at age 60 at 31/03/25 (d) | CETV at 31/03/25 (e) | Real increase in CETV as funded by employer 2024/25 | CETV at 31/03/24 |
|------------------------|----------------------------------------|-------------------------------------------------|---------------------------------------|------------------------------------|----------------------|-----------------------------------------------------|------------------|
| Dr Colin Sullivan      | 2.5-3                                  | 0                                               | 5-10                                  | 0                                  | 155                  | 29                                                  | 102              |
| Louise Dineley         | 0-2.5                                  | 0                                               | 40-45                                 | 100-105                            | 869                  | 8                                                   | 794              |
| Nicolette Harrison     | 0-2.5                                  | 0                                               | 15-20                                 | 0                                  | 271                  | 29                                                  | 214              |
| Katrina Leighton-Hearn | 0-2.5                                  | 0                                               | 10-15                                 | 0                                  | 37                   | 0                                                   | 38               |
| Tom Skrinar            | 5-7.5                                  | 0                                               | 25-30                                 | 0                                  | 501                  | 52                                                  | 398              |
| John McDermott         | 0-2                                    | 0                                               | 15-20                                 | 0                                  | 224                  | 14                                                  | 186              |

### Cash Equivalent Transfers

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital 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 (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with SI 2008 No.1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

### Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension because of inflation and contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### Fair pay disclosure (subject to audit)

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid director / member in their organisation against the 25th percentile, median and the 75th percentile of remuneration of the organisation's workforce. Total remuneration of the employee at the 25th percentile, median and 75th percentile is further broken down to disclose the salary component.

The banded annualised remuneration of the highest paid individual in the Human Tissue Authority in the financial year 2024-25 was £180k-£185k (2023-24, £145k-£150k). The relationship to the remuneration of the organisation's workforce is disclosed in the table below:

|                             |                                                  | Financial years      |                      |
|-----------------------------|--------------------------------------------------|----------------------|----------------------|
|                             |                                                  | 2024-25              | 2023-24              |
|                             | Remuneration banding for highest paid individual | £180,000 to £185,000 | £145,000 to £150,000 |
| 25 <sup>th</sup> percentile | Total remuneration                               | £36,974              | £46,000              |
|                             | Salary component                                 | £36,974              | £44,266              |
|                             | Total remuneration ratio                         | 4.94                 | 3.21                 |
| Median percentile           | Total remuneration                               | £50,474              | £48,070              |
|                             | Salary component                                 | £50,474              | £46,338              |
|                             | Total remuneration ratio                         | 3.62                 | 3.07                 |
| 75 <sup>th</sup> percentile | Total remuneration                               | £62,339              | £50,523              |
|                             | Salary component                                 | £62,339              | £49,221              |
|                             | Total remuneration ratio                         | 2.93                 | 2.92                 |

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

In 2024/25, the highest paid individual was an interim director for 7 weeks whose contract ended on 31 March 2025. Once extrapolated for the year, no employee would have received remuneration in excess of the highest paid individual (2023-24: nil). Remuneration ranged from £8k to £182k (2023-24: £8k to £150k) which includes payments to non-executive directors. There were no other employees who received remuneration in excess of the highest paid director.

Other information about pay includes:

- Of the senior management team, 3 received a 5% consolidated inflationary pay award
- 1 received a non-consolidated 5% pay award to cover inflation.
- Our average staff numbers have increased from 54.5 in 2023/24 to 56.9 in 2024/25

**Percentage change in remuneration of the highest paid individual (subject to audit)**

| Director                        | 2024/25  | 2023/24  | Change |
|---------------------------------|----------|----------|--------|
| Salary and allowances mid-point | £182,500 | £147,500 | 23.7%  |
| Performance pay and bonuses     | 0        | 5-10     | (100%) |

The table above shows the mid-point of the salary band of the highest paid individual and their performance pay. In 2024/25 the highest paid staff member did not receive a consolidated pay award; however, a non-consolidated bonus was paid for the first time in 2023/24 to the then highest paid individual.

The table below shows the average percentage change in pay from the previous financial year in respect of HTA staff excluding the highest paid individual.

| Staff                   | 2024/25 | 2023/24 | Change |
|-------------------------|---------|---------|--------|
| Salaries and allowances | £49,258 | £49,626 | (1%)   |

In line with Cabinet Office guidelines, HTA staff received a flat pay award of 5% during the reporting year. The average performance pay award per Fte has decreased from £1,424 in 2023/24 to £1,064 in 2024/25.

**Staff numbers and related costs (subject to audit)**

|                                                   | Permanently employed staff | Board Members | Temporary staff | Total 2024/25 | Total 2023/24 |
|---------------------------------------------------|----------------------------|---------------|-----------------|---------------|---------------|
|                                                   | £'000                      | £'000         | £'000           | £'000         | £'000         |
| Wages and salaries                                | 3,176                      | 118           | 69              | 3,363         | 3,128         |
| Social security costs                             | 356                        | 5             | 0               | 361           | 361           |
| Pension costs                                     | 642                        | 0             | 0               | 642           | 536           |
| <b>Subtotal</b>                                   | <b>4,174</b>               | <b>123</b>    | <b>69</b>       | <b>4,366</b>  | <b>4,025</b>  |
| Less recoveries in respect of outward secondments | (59)                       | 0             | 0               | (59)          | (81)          |
| <b>Total net costs</b>                            | <b>4,115</b>               | <b>123</b>    | <b>69</b>       | <b>4,307</b>  | <b>3,944</b>  |

### Average number of persons employed

The average number of whole-time equivalent persons employed (excluding non-executive directors) during the year was as follows:

| Employment        | Permanently Employed staff | 2024/25 Total | 2023/24 Total |
|-------------------|----------------------------|---------------|---------------|
| Directly employed | 56.9                       | 56.9          | 54.5          |

During the year, one staff member was on secondment to the HFEA for half their time and the figures include the shared Director of Resources from the HFEA who was 0.5Fte for most of the year. As at 31 March 2025, the HTA employed 60 staff (2023/24, 54).

The total number of temporary staff utilised in 2024/25 was 5 not included in the above table.

### Staff

Our staff turnover for 2024/25 was at 26.1% which included planned leavers. Excluding planned leavers, our turnover was 22.8%.

### Sickness and absences

During the year ended 31 March 2025, the total number of whole-time equivalent days (WTE) lost to sickness absence was 268 (2023/24: 347 days). This information is disclosed in accordance with the Financial Reporting Manual (FReM).

### Consultancy expenditure

For the year ended 31 March 2025, the spend on consultancy services which includes legal fees, technical and HR consultancy was £121,834 (2023/24: £255,163).

### Equality and diversity

The HTA is fully committed to equality of opportunity for both current and prospective employees and in the recruitment of working group members. We expect everyone who works for or with the HTA, or applies to work for the HTA, to be treated fairly and valued equally.

Our values seek to make it clear that we are fully committed to providing equal opportunities for all staff. Any form of discrimination against people, because of their race, disability, gender, gender identity, religion/belief, age, sexual orientation or any other protected characteristic is prohibited within the HTA, and we seek to ensure that the Authority abides by all statutory regulations regarding human rights and discrimination.

We periodically monitor our performance in this area with reports discussed at Remuneration Committee and management meetings. Any new policies, and those subject to review, are considered from an equality impact assessment perspective. We recognise that ensuring equality of opportunity and treatment is everybody's responsibility and, as a

small organisation in relation to some protected characteristic groupings, we have met with other Health ALBs to discuss how best to share resources and initiatives to support Equality, Diversity and Inclusion (EDI) activity.

### Equality information for staff which excludes Board members

|                         | 31 March 2025<br>(number) | 31 March 2025<br>(%) | 31 March 2024<br>(number) | 31 March 2024<br>(%) |
|-------------------------|---------------------------|----------------------|---------------------------|----------------------|
| <b>Gender</b>           |                           |                      |                           |                      |
| Female                  | 40                        | 67%                  | 34                        | 63%                  |
| Male                    | 20                        | 33%                  | 20                        | 37%                  |
| <b>Total</b>            | <b>60</b>                 |                      | <b>54</b>                 |                      |
| <b>Age distribution</b> |                           |                      |                           |                      |
| 18-29                   | 1                         | 2%                   | 1                         | 2%                   |
| 30-39                   | 14                        | 23%                  | 12                        | 22%                  |
| 40-49                   | 23                        | 38%                  | 25                        | 46%                  |
| 50-59                   | 18                        | 30%                  | 11                        | 20%                  |
| 60+                     | 4                         | 7%                   | 5                         | 9%                   |
| <b>Total</b>            | <b>60</b>                 |                      | <b>54</b>                 |                      |
| <b>Time in service</b>  |                           |                      |                           |                      |
| 0-4 years               | 39                        | 65%                  | 32                        | 59%                  |
| 5-9 years               | 12                        | 20%                  | 14                        | 26%                  |
| 10-19 years             | 9                         | 15%                  | 8                         | 15%                  |
| <b>Total</b>            | <b>60</b>                 |                      | <b>54</b>                 |                      |
| <b>Ethnicity</b>        |                           |                      |                           |                      |
| Asian                   | 3                         | 5%                   | 4                         | 7%                   |
| Black                   | 4                         | 7%                   | 3                         | 6%                   |
| Other                   | 1                         | 2%                   | 1                         | 2%                   |
| White                   | 50                        | 83%                  | 41                        | 76%                  |
| Undisclosed             | 2                         | 3%                   | 5                         | 9%                   |
| <b>Total</b>            | <b>60</b>                 |                      | <b>54</b>                 |                      |

### Disabled employees

We have a specific policy of inviting to interview any candidate with a disability who meets essential criteria. Support is provided for all staff who have, or develop, a disability including making any reasonable adjustments to the workplace or work processes and having advice available through the occupational health service. We keep abreast of any changes in the law or any tribunal rulings that may impact on our policies. The latest is the consideration of menopause symptoms as a disability.

Disability - of the 60 staff (2023/24: 54) who declared in 2024/25, 3 (2023/24:5), reported themselves as disabled, 44 (2023/24:33) reported no disability and 13 (2023/24:16) did not disclose.

## Trade Unions

Under the Facility Time Publication Requirements Regulations of 2017, the HTA is required to disclose the number of staff, cost and time spent on facility time by an employee who is a relevant union official if it meets certain criteria.

The HTA does not employ any staff who devote time to a trade union.

## Off-payroll assurance statement

The HTA seeks to ensure that any engagements of more than six months in duration, for more than a daily rate of £245, include contractual provisions that allow us to seek assurance regarding the income tax and National Insurance Contribution obligations of the person engaged, and to terminate the contract if that assurance is not provided.

For all new off-payroll engagements, or those that reached six months duration, between 1 April 2024 and 31 March 2025, for more than £245 per day and that last for longer than six months. There were no staff who met this criteria. We employed an interim Finance Director for a period of 2 months to cover a leave of absence.

|                                                                                           |   |
|-------------------------------------------------------------------------------------------|---|
| Number of existing engagements as of 31 March 2024                                        | 1 |
| Of which....                                                                              |   |
| No. assessed as caught by IR35                                                            | 0 |
| No. assessed as not caught by IR35                                                        | 1 |
| No. engaged directly (via PSC contracted to department) and are on the department payroll | 0 |
| No. of engagements reassessed for consistency/assurance purposes during the year          | 0 |
| No. of engagements that saw a change to IR35 status following the consultancy review      | 0 |

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

|                                                                                                                                                                                |    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year                                  | 0  |
| Total no. of individuals on payroll and off-payroll that have been deemed “board members, and/or senior officials with significant responsibility,” during the financial year. | 17 |

## Exit packages (subject to audit) 2024/25

There were no exit packages for the 2024/25 financial year.

| Exit package cost band | No. of compulsory redundancies | Cost of compulsory redundancies | No. of other departures | Cost of other departures | Total # of exit packages | Total cost of exit packages | No. of departures where special payments have been made | Cost of special payment element included in exit packages |
|------------------------|--------------------------------|---------------------------------|-------------------------|--------------------------|--------------------------|-----------------------------|---------------------------------------------------------|-----------------------------------------------------------|
|                        | #                              | £                               | #                       | £                        | #                        | £                           | #                                                       | £                                                         |
| Less than £10,000      | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| £10,000-£25,000        | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| £25,001-£50,000        | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| £50,001-£100,000       | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| £100,001-£150,000      | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| £150,001-£200,000      | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| >£200,000              | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| <b>Totals</b>          | <b>0</b>                       | <b>0</b>                        | <b>0</b>                | <b>0</b>                 | <b>0</b>                 | <b>0</b>                    | <b>0</b>                                                | <b>0</b>                                                  |

| Type of Other Departures                                            | No. of Agreements | Total value of Agreements £000s |
|---------------------------------------------------------------------|-------------------|---------------------------------|
| Voluntary redundancies including early retirement contractual costs | 0                 | 0                               |
| Mutually agreed resignations (MARS) contractual costs               | 0                 | 0                               |
| Early retirements in the efficiency of the service contracts        | 0                 | 0                               |
| Contractual payments in lieu of notice                              | 0                 | 0                               |
| Exit payments following Employment Tribunals or court orders        | 0                 | 0                               |
| Non-contractual payments requiring HMT approval                     | 0                 | 0                               |
| <b>Total</b>                                                        | <b>0</b>          | <b>0</b>                        |

## 2023/24

| Exit package cost band | No. of compulsory redundancies | Cost of compulsory redundancies | No. of other departures | Cost of other departures | Total # of exit packages | Total cost of exit packages | No. of departures where special payments have been made | Cost of special payment element included in exit packages |
|------------------------|--------------------------------|---------------------------------|-------------------------|--------------------------|--------------------------|-----------------------------|---------------------------------------------------------|-----------------------------------------------------------|
|                        | #                              | £                               | #                       | £                        | #                        | £                           | #                                                       | £                                                         |
| Less than £10,000      | 0                              | 0                               | 1                       | 3,205                    | 1                        | 3,205                       | 0                                                       | 0                                                         |
| £10,000-£25,000        | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| £25,001-£50,000        | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| £50,001-£100,000       | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| £100,001-£150,000      | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| £150,001-£200,000      | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| >£200,000              | 0                              | 0                               | 0                       | 0                        | 0                        | 0                           | 0                                                       | 0                                                         |
| <b>Totals</b>          | <b>0</b>                       | <b>0</b>                        | <b>1</b>                | <b>3,205</b>             | <b>1</b>                 | <b>3,205</b>                | <b>0</b>                                                | <b>0</b>                                                  |

| Type of Other Departures                                            | No. of Agreements | Total value of Agreements<br>£000s |
|---------------------------------------------------------------------|-------------------|------------------------------------|
| Voluntary redundancies including early retirement contractual costs |                   |                                    |
| Mutually agreed resignations (MARS) contractual costs               |                   |                                    |
| Early retirements in the efficiency of the service contracts        |                   |                                    |
| Contractual payments in lieu of notice                              | 1                 | 3                                  |
| Exit payments following Employment Tribunals or court orders        |                   |                                    |
| Non-contractual payments requiring HMT approval                     |                   |                                    |
| <b>Total</b>                                                        | <b>1</b>          | <b>3</b>                           |

# Parliamentary accountability and audit report

## Accountability (the details below are subject to audit)

The purpose of the parliamentary accountability and audit report is to bring together the key parliamentary accountability documents within the Annual Report and Accounts.

### Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are thus subject to special control procedures compared with the generality of payments.

There were no losses or special payments over £300,000, either individually or in aggregate, made in 2024/25 (2023/24: nil).

### Fees and charging and cost allocation

We set our licence fees to recover the full cost regulating six sectors (Anatomy, Post-Mortem, Public Display, Research, Human Application and Organ Donation and Transplantation). In addition, regulatory services are provided to the Devolved Governments.

The table below provides an analysis of charging for licensable activities. The income differs from that in the financial statements as it only includes income related to regulatory activities thus excluding grant-in-aid. The surplus generated in 2023/24 was due to a release of a long-standing accrual for rent that was confirmed would not be charged.

| Financial Year | Total income from regulatory activities | Costs allocated to licensing activities | Surplus/(Deficit) on activities |
|----------------|-----------------------------------------|-----------------------------------------|---------------------------------|
|                | £'000s                                  | £'000s                                  | £'000s                          |
| 2024/25        | 5,370                                   | (5,539)                                 | (169)                           |
| 2023/24        | 4,547                                   | (4,237)                                 | 310                             |

In addition, there are elements of our work that do not relate directly to the cost of regulating the six sectors, such as the Living Organ Donation approvals and supporting the DHSC on policy related matters. The DHSC and devolved administrations contribute to the funding of these activities through the provision of Grant-in-aid

We confirm that we have complied with the cost allocation and charging requirements as set out in HM Treasury's guidance.

### Remote Contingent liabilities

A contingent liability arises where an event has taken place that gives an entity a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the body. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not

probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. In accordance with IAS 37, contingent liabilities are not recognised in the balance sheet but disclosed in a note to the Accounts.

There are no known remote contingent liabilities. There is a contingent liability as disclosed in the financial statements on pages 82-83.



**Dr Colin Sullivan**  
**Accounting Officer**

**10 July 2025**

# THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT, THE NORTHERN IRELAND ASSEMBLY AND THE SENEDD CYMRU

## Opinion on financial statements

I certify that I have audited the financial statements of the Human Tissue Authority for the year ended 31 March 2025 under the Human Tissue Act 2004.

The financial statements comprise the Human Tissue Authority'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 Human Tissue Authority's 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 Human Tissue Authority's affairs as at 31 March 2025 and its net other expenditure for the year then ended; and
- have been properly prepared in accordance with the Human Tissue Act 2004 and Secretary of State 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 the terms of my contract and had regard to Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom* (2024). My responsibilities under ISAs (UK) 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 Human Tissue Authority in accordance with the

ethical requirements that are relevant to my audit of the financial statements in the UK. I have fulfilled my other ethical responsibilities in accordance with these requirements.

My staff and 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 Human Tissue Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

## **Other Information**

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate 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 parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with Secretary of State directions issued under the Human Tissue Act 2004:

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 Secretary of State directions made under the Human Tissue Act 2004; 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 Human Tissue Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- adequate accounting records have not been kept by the Human Tissue Authority or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the 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 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 Authority and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Authority and the Accounting Officer are 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 my audit;
- providing the C&AG with unrestricted access to persons within the Human Tissue Authority from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Human Tissue Act 2004;
- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions, directions issued under the Human Tissue Act 2004; and
- assessing the Human Tissue Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Human Tissue Authority will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Human Tissue Act 2004.

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 Human Tissue Authority's accounting policies;

- inquired of management, the Human Tissue Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Human Tissue Authority's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Human Tissue Authority's controls relating to the Human Tissue Authority's compliance with the Human Tissue Act 2004 and Managing Public Money;
- inquired of management, the Human Tissue Authority's head of internal audit and those charged with governance whether:
  - they are 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 Human Tissue Authority for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals and complex transactions. 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 Human Tissue Authority's framework of authority and other legal and regulatory frameworks in which the Human Tissue Authority operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Human Tissue Authority. The key laws and regulations I considered in this context including the Human Tissue Act 2004, Managing Public Money, employment law and pensions legislation.

### **Audit response to identified risk**

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

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

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

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

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

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

## **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, in all material respects, 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**

**17 July 2025**

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

# Financial statements

## Statement of Comprehensive Net Expenditure for the twelve months ended 31 March 2025

|                                                                     |      | 2024/25        | 2023/24        |
|---------------------------------------------------------------------|------|----------------|----------------|
|                                                                     | Note | £'000s         | £'000s         |
| <b>Income from sale of goods and services</b>                       |      |                |                |
| Revenue, from contracts with customers                              | 4    | (5,271)        | (4,444)        |
| Other operating income                                              | 4    | (183)          | (210)          |
| <b>Total operating income</b>                                       |      | <b>(5,454)</b> | <b>(4,654)</b> |
| <b>Expenditure</b>                                                  |      |                |                |
| Staff costs <sup>14</sup>                                           |      | <b>4,366</b>   | 4,025          |
| Purchase of goods and services                                      | 3    | <b>1,011</b>   | 946            |
| Other operating expenditure                                         | 3    | <b>382</b>     | (135)          |
| Non-cash items                                                      | 3    | <b>170</b>     | 173            |
| <b>Total operating expenditure for the year ended 31 March 2025</b> |      | <b>5,929</b>   | <b>5,009</b>   |
| <b>Net operating expenditure</b>                                    |      | <b>475</b>     | <b>355</b>     |
| Finance expense                                                     | 3    | <b>6</b>       | 6              |
| <b>Comprehensive net expenditure for the year</b>                   |      | <b>481</b>     | <b>361</b>     |

There are no items of expenditure that should be shown as Other Comprehensive Expenditure. All items of income and expense arise from continuing activities.

Notes 1 to 13 on pages 67 to 83 form part of these financial statements.

<sup>14</sup> Details are within the Remuneration and staff report

## Statement of Financial Position as at 31 March 2025

|                                              |      | 31-Mar-25    | 31 Mar-24    |
|----------------------------------------------|------|--------------|--------------|
|                                              | Note | £'000s       | £'000s       |
| <b>Non-current assets</b>                    |      |              |              |
| Property, plant and equipment                | 5    | 78           | 99           |
| Right of Use Asset                           | 5    | 545          | 579          |
| Intangible assets                            | 6    | 223          | 0            |
| <b>Total non-current assets</b>              |      | <b>846</b>   | <b>678</b>   |
| <b>Current assets:</b>                       |      |              |              |
| Trade and other receivables                  | 8    | 202          | 279          |
| Cash, and cash equivalents                   | 9    | 4,312        | 4,501        |
| <b>Total current assets</b>                  |      | <b>4,514</b> | <b>4,780</b> |
| <b>Total assets</b>                          |      | <b>5,360</b> | <b>5,458</b> |
| <b>Current liabilities</b>                   |      |              |              |
| Trade and other payables                     | 10   | 540          | 405          |
| Lease liability                              | 11   | 105          | 114          |
| <b>Total current liabilities</b>             |      | <b>645</b>   | <b>519</b>   |
| <b>Total assets less current liabilities</b> |      | <b>4,715</b> | <b>4,939</b> |
| <b>Non-current liabilities</b>               |      |              |              |
| Lease liability                              | 11   | 441          | 489          |
| <b>Total Non-current liabilities</b>         |      | <b>441</b>   | <b>489</b>   |
| <b>Total assets less total liabilities</b>   |      | <b>4,274</b> | <b>4,450</b> |
| <b>Taxpayers' Equity</b>                     |      |              |              |
| I&E Reserve                                  |      | 4,274        | 4,450        |
| <b>Total equity</b>                          |      | <b>4,274</b> | <b>4,450</b> |

Notes 1 to 13 on pages 67 to 83 form part of these financial statements.

The financial statements were signed on behalf of the Human Tissue Authority by:



Dr Colin Sullivan  
Accounting Officer

10 July 2025

## Statement of Cash Flows for the twelve months to 31 March 2025

|                                                                 |       | 2024/25 | 2023/24 |
|-----------------------------------------------------------------|-------|---------|---------|
|                                                                 | Note  | £'000s  | £'000s  |
| <b>Cash flows from operating activities</b>                     |       |         |         |
| Net operating expenditure                                       | SoCNE | (481)   | (361)   |
| Adjustment for depreciation and amortisation                    | 3     | 123     | 126     |
| Loss on disposal of fixed assets                                | 3     | 4       |         |
| Interest paid on Lease liabilities                              | 3     | 6       | 6       |
| Movement in Lease liabilities                                   |       | 0       | (22)    |
| Decrease/(Increase) in trade and other receivables              | 8     | 77      | (103)   |
| (Decrease) in trade payables                                    | 10    | (109)   | (338)   |
| Net cash (outflow)/inflow from operating activities             |       | (380)   | (692)   |
| <b>Cash flows from investing activities</b>                     |       |         |         |
| Purchase of property, plant and equipment                       | 5     | 0       | (30)    |
| Net cash outflow from investing activities                      |       | 0       | (30)    |
| <b>Cash flows from financing activities</b>                     |       |         |         |
| Grants from sponsor department                                  | 1.7   | 305     | 703     |
| Capital repayments made under lease liabilities                 |       | (108)   | (85)    |
| Interest payments made under lease liabilities                  |       | (6)     | (6)     |
| Net financing                                                   |       | 191     | 612     |
| <b>Net decrease in cash and cash equivalents in the period</b>  |       | (189)   | (110)   |
| <b>Cash and cash equivalents at the beginning of the period</b> | 9     | 4,501   | 4,611   |
| <b>Cash and cash equivalents at the end of the period</b>       |       | 4,312   | 4,501   |

Notes 1 to 13 on pages 67 to 83 form part of these financial statements.

## Statement of Changes in Taxpayers' Equity for the twelve months to 31 March 2025

|                                              | Note | I&E Reserve<br>£'000s |
|----------------------------------------------|------|-----------------------|
| <b>Balance at 1 April 2023</b>               |      | <b>4,108</b>          |
| Changes in taxpayers' equity for 2023/24     |      |                       |
| Net Expenditure                              |      | (361)                 |
| Total recognised expense for 2023/24         |      | (361)                 |
| Grant from sponsor department                |      | 703                   |
| <b>Balance at 31 March 2024</b>              |      | <b>4,450</b>          |
| Changes in taxpayers' equity for 2024/25     |      |                       |
| Net Expenditure                              |      | (481)                 |
| <b>Total recognised expense for 2024//25</b> |      | <b>(481)</b>          |
| Grant from sponsor department                | 1.7  | 305                   |
| <b>Balance at 31 March 2025</b>              |      | <b>4,274</b>          |

Notes 1 to 13 on pages 67 to 83 form part of these financial statements

## Notes to the accounts

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### 1. Statement of accounting policies

These financial statements have been prepared pursuant to the Human Tissue Act 2004, Schedule 2 (paragraph 16) and in accordance with the Financial Reporting Manual (FReM). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Human Tissue Authority (HTA) for the purposes of giving a true and fair view has been selected. The particular policies adopted by the HTA for the year ended 31 March 2025 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### 1.1 Going concern

The going concern basis of accounting for the HTA is adopted in consideration of the requirements set out in the International Accounting Standards as interpreted by HM Treasury's 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 they provide will continue in the future.

#### 1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets at fair value to the extent required or permitted under the 2024-25 FReM as set out in accounting policies

#### 1.3 Non-current assets

Non-current assets are property, plant and equipment and intangible assets including the costs of acquiring or developing computer systems and software. Only items or groups of related items costing £5,000 or more are capitalised. Items costing less are treated as revenue expenditure in the year of acquisition.

All property, plant and equipment and intangible assets held by the HTA at 31 March 2025 are carried in the Statement of Financial Position at depreciated historical cost. The depreciated or amortised historical cost is used as a proxy for fair value, for the classes of assets listed below, since the useful life over which the asset class is depreciated or amortised is considered to be a realistic reflection of the consumption of that asset class. Depreciation and amortisation are provided on a monthly basis from the date of deemed economic benefit, at rates calculated to write off the costs of each asset evenly over its expected useful life.

## Plant and Equipment

|                             |               |
|-----------------------------|---------------|
| Information Technology      | 4 years       |
| Furniture and fittings      | 3 or 5 years  |
| Refurbishment Costs         | 5 or 10 years |
| Right of Use Assets (Lease) | Lease term    |

## Intangible assets

|                        |         |
|------------------------|---------|
| Information Technology | 5 years |
| Websites               | 3 years |

### 1.4 Assets under Development

These are the costs related to the upgrade of HTA systems whether that be the hardware or applications that are yet to be deployed. These assets are not depreciated. They are depreciated from the point they come into use.

### 1.5 Impairments

The simplified approach to impairment, in accordance with IFRS 9, measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (stage 1). For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2).

An assessment of all of the HTA's financial assets has resulted in movement in the value of the impairment of receivables. In carrying out the assessment of licence fee debtors, account is taken of the sector, economic climate (past and future) and previous losses and the impact of COVID-19. A default rating (weighted) is applied to debts aged over a period of 28, 42 and 56 days.

DHSC provides a guarantee of last resort against debts of its arm's length bodies and NHS bodies and as such the HTA does not recognise stage 1 or 2 losses against these bodies.

This year has seen a reduction in our impairments as the value of those debts outstanding excluding NHS and arm's length bodies is considerably lower than in previous years. This is largely due to robust credit control processes.

### 1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the HTA accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from those estimates. The estimates and underlying

assumptions are reviewed annually. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future period. The judgements that management has made in the process of applying HTA's accounting policies and that may have significant effect on the amounts recognised in the financial statements are:

IFRS 9: expected credit losses (ECL) – an impairment review was conducted where historical debtor information, current economic climate, profile of the sector is taken into account. A weighting is applied to each debt according to the number of days outstanding. This results in a provision (expected credit loss) for these outstanding amounts. Excluded from this review are NHS debtors (see note 1.5).

In preparing these financial statements, the HTA has made judgements regarding the identification and disclosure of contingent liabilities in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. During the reporting period, the HTA considered a matter which could give rise to a potential liability. This matter is subject to ongoing review and uncertainty, and no provision has been made in the accounts. Based on the current assessment, including legal advice where appropriate, the likelihood of a material outflow of resources cannot be determined with sufficient certainty at this stage. Accordingly, the matter has been disclosed as a contingent liability in Note [X] to the accounts. This area remains subject to ongoing monitoring and is considered a key source of estimation uncertainty due to the potential implications for the HTA's operations and responsibilities.

## **1.7 Grant-in-aid**

Grant-in-aid (GIA) received is used to finance activities and expenditure which support the statutory and other objectives of the HTA. Grant-in-aid is treated as financing and credited to the income and expenditure reserve, because it is regarded as contributions from a controlling party.

## **1.8 Leases**

### **Scope and classification**

Contracts that convey the right to use an asset in exchange for consideration are classified as leases and are accounted for in accordance with IFRS 16 leases. The HTA has one lease which is for its offices at 2 Redman Place, Stratford.

Low value contracts defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items, and contracts with a term shorter than twelve months are expensed.

### **Recognition and initial measurement**

At the commencement of a lease (or the IFRS effective dates) HTA recognises a right-of-use asset and a lease liability. The lease is measured as the payments for the remaining lease term net of irrecoverable value added tax, discounted either by the rate implicit in the

lease, or where this cannot be determined, HTA's incremental cost of borrowing rate. For the HTA, the incremental cost of borrowing is the rate advised by HM Treasury for that financial year. The lease term is as reflected in the lease agreement. The liability is presented within note 11.

The right-of-use asset is initially measured at the value of the liability. The liability is adjusted for the accrued interest and repayments.

Expenditure includes interest and straight-line depreciation. Lease payments reduce the lease liability. If applicable, rental payments for leases of low value items or shorter than twelve months are expensed. The HTA does not currently have low value items or leases shorter than twelve months.

The asset is subsequently measured using the fair value model. The HTA considers the cost model to be a reasonable proxy for this. The liability is adjusted for the accrued interest and repayments.

### **Lease remeasurement**

In accordance with IFRS 16, the HTA has reviewed its lease liabilities during the reporting period. A remeasurement of the lease liability was undertaken following a contractual rent increase that took effect from 1 August 2024.

The increase in lease payments required an adjustment to the lease liability and a corresponding increase to the right-of-use (ROU) asset. This remeasurement was accounted for in line with IFRS 16.42(b), as it related to a change in lease payments resulting from a contractual rent adjustment rather than a lease modification or change in scope.

As a result of the remeasurement:

- The lease liability decreased by £11k and the right-of-use asset was adjusted by the same amount;
- No gain or loss was recognised in the Statement of Comprehensive Net Expenditure at the remeasurement date.

The remeasured amounts are being depreciated and amortised over the remaining lease term in line with our accounting policies. The discount rate used in the remeasurement remained unchanged (0.95%), as there was no change in the lease term or underlying risk profile.

## **1.9 Income**

Our main source of income takes the form of fees for licences from establishments who have human tissue on their premises and fixed fees from devolved administrations, for work on policies and approval of living donor transplants.

Under IFRS 15 and the 5-step model:

- There is a contractual arrangement between the HTA and its establishments as per IFRS 15 and the 5-step model. The underlying legislation is deemed to enforce contractual obligations on both parties, and thus these arrangements are viewed as contracts under the standard.
- Performance obligations exist between the HTA and those establishments, within the private and public sectors it regulates. The establishments must maintain standards in line with our Codes of Practice and submit details of activities being undertaken. The HTA if satisfied grants a licence.
- Transaction price (licence fee) is chargeable for the granting of licences and for ongoing regulation. The cost of ongoing regulation is based on the sector, type of activity undertaken by each establishment.
- The transaction price is allocated to the obligation on the HTA to regulate the establishments and grant a licence.
- Income is recognised over time across the financial year to which the licence relates.

Other income received by HTA relates to seconded staff. Income is recognised on an accruals basis, with the performance obligation deemed to be the point at which these goods or services are delivered.

### **1.10 Employee benefits**

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

### **1.11 Pensions**

Past and present employees are covered by the provisions of the NHS Pensions Scheme (NHSPS). Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying Scheme's assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the HTA of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

### **1.12 Financial assets**

Financial assets are recognised when HTA becomes party to the financial instrument contract or, in the case of contract receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired, or the asset has been transferred.

### 1.13 Financial liabilities

Financial liabilities are recognised on the statement of financial position when HTA becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been paid or expired.

### 1.14 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents would be investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 1.15 IFRS issued but not yet effective

The Treasury FReM (as adapted by the DHSC GAM) does not require the following Standards and Interpretations to be applied in 2024/25. The application of the Standards as revised would not have a material impact on the accounts in 2024/25, were they applied in that year.

IFRS 17 - Insurance Contracts, applicable for accounting periods beginning on or after 1 January 2021. This Standard has not yet been adopted by the FReM which is expected to be from April 2025. The HTA does not have any assets or liabilities recognised as insurance contracts, and therefore this standard will have no impact on the HTA's financial statements.

IFRS 18 - Presentation and Disclosure in Financial Statements - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

IFRS 19 – Subsidiaries without Public Accountability, applicable for accounting periods beginning on or after 1 January 2027. The HTA is not a subsidiary entity and does not prepare group accounts; therefore, IFRS 19 is not expected to have any impact on our financial statements.

### 1.16 Provisions

Provisions are recognised when the HTA has a present legal or constructive obligation as a result of a past event, it is probable that the HTA will be required to settle the obligation, and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where the expenditure does not materialise or the best estimate crystallises, the provision is released.

### **1.17 Contingent Liabilities**

A contingent liability arises where an event has taken place that gives an entity a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the body.

Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. In accordance with IAS 37, contingent liabilities are not recognised in the balance sheet but disclosed in a note to the Accounts.

## **2. Analysis of Net Expenditure by Segment**

Under the definition of IFRS 8 the HTA is a single operating segment whose objectives are the licensing and inspection of premises involved in the storage and use of human tissue for purposes such as research, patient treatment, post-mortem examination, teaching and public exhibitions. The HTA also gives approval for organ and bone marrow donations from living people.

The HTA charges fees for its licensing activities which, along with Grant-in-aid from the DHSC, its sponsoring body, are applied in pursuit of these objectives.

**3. Other Expenditure**

|                                                 |     | <b>2024/25</b> | 2023/24 |
|-------------------------------------------------|-----|----------------|---------|
|                                                 |     | <b>£'000s</b>  | £'000s  |
| <b>Staff Costs</b>                              |     |                |         |
| Salaries and wages                              |     | <b>3,363</b>   | 3,128   |
| Social security costs                           |     | <b>361</b>     | 361     |
| Pension                                         |     | <b>642</b>     | 536     |
|                                                 |     | <b>4,366</b>   | 4,025   |
| <b>Purchase of goods and services</b>           |     |                |         |
| Computer running costs                          |     | <b>271</b>     | 255     |
| Staff recruitment, training and welfare         |     | <b>154</b>     | 97      |
| Consultancy                                     |     | <b>15</b>      | 85      |
| Office and administration costs                 |     | <b>22</b>      | 21      |
| Maintenance Contracts                           |     | <b>82</b>      | 97      |
| Travel and Subsistence                          |     | <b>227</b>     | 157     |
| Conferences and Events                          |     | <b>1</b>       | 0       |
| Stationery and publications                     |     | <b>28</b>      | 17      |
| Shared Services                                 |     | <b>73</b>      | 73      |
| Auditors Renumeration                           | (a) | <b>108</b>     | 92      |
| Legal and Professional fees                     |     | <b>30</b>      | 52      |
|                                                 |     | <b>1,011</b>   | 946     |
| <b>Other operating costs</b>                    |     |                |         |
| Accommodation costs                             | (b) | <b>184</b>     | (316)   |
| Project costs                                   |     | <b>188</b>     | 171     |
| Telecommunications                              |     | <b>10</b>      | 10      |
|                                                 |     | <b>382</b>     | (135)   |
| <b>Non-cash items</b>                           |     |                |         |
| Depreciation and amortisation                   | 5,6 | <b>123</b>     | 126     |
| Bad debt write-off                              | (c) | <b>88</b>      | 0       |
| Movement in impairment for expected credit loss | 8   | <b>(45)</b>    | 47      |
| Loss on disposal of non-current assets          |     | <b>4</b>       | 0       |
| Lease interest                                  |     | <b>6</b>       | 6       |
|                                                 |     | <b>176</b>     | 179     |
| <b>Total other expenditure</b>                  |     | <b>5,935</b>   | 5,015   |

**Notes**

|                         |            |    |
|-------------------------|------------|----|
| (a) Internal Audit fees | <b>63</b>  | 53 |
| External Audit fees     | <b>45</b>  | 39 |
|                         | <b>108</b> | 92 |

(b) The significant prior year negative value against our accommodation costs is due to an accrual for rent c£415k for the period ended March 2020, for our previous offices of 151 Buckingham Palace Road which the HTA vacated in late 2020, that were written off by the managing agents and has therefore been reversed.

(c) We have written off bad debts (£88,491) pertaining to 7 establishments. These establishments had either gone into liquidation or receivership.

**4. Income**

|                                      | <b>Notes</b> | <b>2024/25</b> | <b>2023/24</b> |
|--------------------------------------|--------------|----------------|----------------|
|                                      |              | <b>£'000s</b>  | <b>£'000s</b>  |
| <b>Revenue from contracts</b>        |              |                |                |
| Licence Fee Income                   |              | <b>(5,271)</b> | (4,444)        |
| Income from devolved administrations |              | <b>(124)</b>   | (123)          |
|                                      |              | <b>(5,395)</b> | (4,567)        |
| Other Operating income               | 4.1          | <b>(59)</b>    | (87)           |
| <b>Total Income</b>                  |              | <b>(5,454)</b> | (4,654)        |

The HTA's remit is to regulate the removal, storage, use and disposal of human organs and tissue from the living and deceased. In accordance with section 16, schedule 3, paragraph 2 (4) (f) and paragraph 13 of the Human Tissue Act 2004, the HTA may grant licences to other organisations and charge fees for those licences.

**4.1 Other Operating Income**

|                                  | <b>2024/25</b> | <b>2023/24</b> |
|----------------------------------|----------------|----------------|
|                                  | <b>£'000s</b>  | <b>£'000s</b>  |
| Other income – Outward secondees | <b>(59)</b>    | (81)           |
| Other income – miscellaneous     | <b>0</b>       | (6)            |
|                                  | <b>(59)</b>    | (87)           |

Other income - outward secondees relates to a single member of staff who worked for another organisation part-time.

## 5. Property, Plant and Equipment

|                                        | Information<br>Technology<br>Hardware | Right of<br>Use<br>Asset | Total        | Of which<br>Leases<br>within<br>DHSC<br>Group |
|----------------------------------------|---------------------------------------|--------------------------|--------------|-----------------------------------------------|
| Cost or valuation                      | £'000s                                | £'000s                   | £'000s       | £'000s                                        |
| <b>At 1 April 2024</b>                 | <b>269</b>                            | <b>749</b>               | <b>1,018</b> | 749                                           |
| Additions                              | 19                                    | 0                        | 19           | 0                                             |
| Disposals                              | (59)                                  | 0                        | (59)         | 0                                             |
| Remeasurement                          | 0                                     | 51                       | 51           | 51                                            |
| <b>At 31 March 2025</b>                | <b>229</b>                            | <b>800</b>               | <b>1,029</b> | 800                                           |
| <b>Depreciation/amortisation</b>       |                                       |                          |              |                                               |
| <b>At 1 April 2024</b>                 | <b>170</b>                            | <b>170</b>               | <b>340</b>   | 170                                           |
| Charge for the year                    | 37                                    | 85                       | 122          | 85                                            |
| Disposals                              | (56)                                  | 0                        | (56)         | 0                                             |
| <b>At 31 March 2025</b>                | <b>151</b>                            | <b>255</b>               | <b>406</b>   | 255                                           |
| <b>Net book value at 31 March 2025</b> | <b>78</b>                             | <b>545</b>               | <b>623</b>   | 544                                           |
| Assets owned by the HTA                | 78                                    | 0                        | <b>78</b>    | 0                                             |
| Assets leased by the HTA               | 0                                     | 545                      | <b>545</b>   | 545                                           |
| <b>Net book value at 31 March 2024</b> | <b>99</b>                             | <b>579</b>               | <b>678</b>   | 579                                           |

|                                        | Information<br>Technology<br>Hardware | Right of<br>Use<br>Asset | Total        | Of which<br>Leases<br>within<br>DHSC<br>Group |
|----------------------------------------|---------------------------------------|--------------------------|--------------|-----------------------------------------------|
| Cost or valuation                      | £'000s                                | £'000s                   | £'000s       | £'000s                                        |
| <b>At 1 April 2023</b>                 | <b>239</b>                            | <b>727</b>               | <b>966</b>   | 727                                           |
| Additions                              | 30                                    | 0                        | 30           | 0                                             |
| Adjustments/transfers                  | 0                                     | 22                       | 22           | 22                                            |
| <b>At 31 March 2024</b>                | <b>269</b>                            | <b>749</b>               | <b>1,018</b> | 749                                           |
| <b>Depreciation/amortisation</b>       |                                       |                          |              |                                               |
| <b>At 1 April 2023</b>                 | <b>129</b>                            | <b>85</b>                | <b>214</b>   | 85                                            |
| Charge for the year                    | 41                                    | 85                       | 126          | 85                                            |
| <b>At 31 March 2024</b>                | <b>170</b>                            | <b>170</b>               | <b>340</b>   | 170                                           |
| <b>Net book value at 31 March 2024</b> | <b>99</b>                             | <b>579</b>               | <b>678</b>   | 579                                           |
| Assets owned by the HTA                | 99                                    | 0                        | <b>99</b>    | 0                                             |
| Assets leased by the HTA               | 0                                     | 579                      | <b>579</b>   | 579                                           |
| <b>Net book value at 31 March 2023</b> | <b>110</b>                            | <b>642</b>               | <b>752</b>   | 642                                           |

**5a. Carrying value of right of use asset split by counterparty**

**£'000s**

|                  |            |
|------------------|------------|
| Leased from DHSC | 545        |
|                  | <u>545</u> |

## 6. Intangible Assets

|                                 | Information Technology | Information Technology CRM Dynamics | Assets Under Development | Total  |
|---------------------------------|------------------------|-------------------------------------|--------------------------|--------|
| Cost or valuation               | £'000s                 | £'000s                              | £'000s                   | £'000s |
| At 1 April 2024                 | 1,132                  | 0                                   | 0                        | 1,132  |
| Additions                       | 0                      | 115                                 | 110                      | 225    |
| As at 31 March 2025             | 1,132                  | 115                                 | 110                      | 1,357  |
| Amortisation                    |                        |                                     |                          |        |
| At 1 April 2024                 | 1,132                  | 0                                   | 0                        | 1,132  |
| Charged in year                 | 0                      | 2                                   | 0                        | 2      |
| At 31 March 2025                | 1,132                  | 2                                   | 0                        | 1,134  |
| Net book value at 31 March 2025 | 0                      | 113                                 | 110                      | 223    |

All assets are owned by the HTA

The gross cost of our new Customer Relationship Management(CRM) system is £115k and its net book value is £113k. It is an enhancement to the internally generated CRM.

|                                 | Information Technology | Information Technology CRM Dynamics | Assets Under Development | Total  |
|---------------------------------|------------------------|-------------------------------------|--------------------------|--------|
| Cost or valuation               | £'000s                 | £'000s                              | £'000s                   | £'000s |
| At 1 April 2023                 | 1,132                  | 0                                   | 0                        | 1,132  |
| As at 31 March 2024             | 1,132                  | 0                                   | 0                        | 1,132  |
| Amortisation                    |                        |                                     |                          |        |
| At 1 April 2023                 | 1,132                  | 0                                   | 0                        | 1,132  |
| At 31 March 2024                | 1,132                  | 0                                   | 0                        | 1,132  |
| Net book value at 31 March 2024 | 0                      | 0                                   | 0                        | 0      |

7. Financial instruments

IFRS 7 Financial Instruments Disclosure requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk at the HTA than would be typical of the listed companies to which IFRS 7 mainly applies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the HTA in undertaking activities.

Liquidity risk

The HTA receives the majority of its income from annual licence fees payable by establishments mainly in the public sector. Other revenue resource requirements are financed by a grant from the DHSC. These, together with a robust debt recovery, cash flow forecasting and payment process, ensure that the HTA is not exposed to significant liquidity risk.

Market and interest rate risk

At 31 March 2025, the HTA’s financial liabilities carried nil rates of interest. The HTA’s financial assets relate to receivables and cash balances held at 31 March 2025 within the Royal Bank of Scotland bank account and Barclays commercial current account, which are not interest bearing. Interest on cash balances are set by the banks. The HTA is therefore not exposed to significant interest-rate risk.

Credit risk

The HTA receives most of its income from licence fees from within both the NHS and non-NHS market. It has in place and operates a fit for purpose credit control policy and, where applicable, provides for the risk of debts not being discharged by those establishments it licenses. The HTA is therefore not exposed to significant credit risk.

The age of outstanding debtors for both NHS and non-NHS at 31 March 2025 was:

|                                       | £’000s |
|---------------------------------------|--------|
| Invoices not past due (up to 28 days) | 0      |
| Invoices due 29-60                    | 0      |
| Past due over 61 days                 | 141    |

Currency risk

The HTA is principally a domestic organisation with the great majority of transactions, assets and liabilities being UK and sterling based. HTA has no overseas operations. HTA therefore has low exposure to currency rate fluctuations.

**Financial instruments held by the HTA**

|                                                          | <b>Receivables<br/>and other<br/>financial<br/>assets<br/>31-Mar-25</b> |
|----------------------------------------------------------|-------------------------------------------------------------------------|
| <b>By category</b>                                       |                                                                         |
| <b>Financial assets measured at amortised costs</b>      | <b>£'000s</b>                                                           |
| Contract receivables (net of provisions)                 | 106                                                                     |
| Other receivables/Contract assets                        | 17                                                                      |
| Cash at bank and in hand                                 | 4,312                                                                   |
| <b>Total at 31 March 2025</b>                            | <b>4,435</b>                                                            |
| Contract receivables (net of provisions)                 | 185                                                                     |
| Other receivables                                        | 7                                                                       |
| Cash at bank and in hand                                 | 4,501                                                                   |
| <b>Total at 31 March 2024</b>                            | <b>4,693</b>                                                            |
| <b>Financial liabilities</b>                             |                                                                         |
|                                                          | <b>Other financial<br/>liabilities<br/>31-Mar-25</b>                    |
| <b>By category</b>                                       |                                                                         |
| <b>Financial liabilities measured at amortised costs</b> | <b>£'000s</b>                                                           |
| Contract payables                                        | 154                                                                     |
| Other payables                                           | 24                                                                      |
| Accruals                                                 | 362                                                                     |
| <b>Total at 31 March 2025</b>                            | <b>540</b>                                                              |
| Contract payables                                        | 36                                                                      |
| Other payables                                           | 116                                                                     |
| Accruals                                                 | 253                                                                     |
| <b>Total at 31 March 2024</b>                            | <b>405</b>                                                              |

As at 31 March 2025, none of the HTA's liabilities carried a floating rate of interest.

**Fair values**

The fair value of the financial assets and liabilities was equal to book value.

**8. Trade receivables and other current assets**

|                                            | <b>31-Mar-25</b> | 31-Mar-24 |
|--------------------------------------------|------------------|-----------|
|                                            | <b>£'000s</b>    | £'000s    |
| <b>Amounts falling due within one year</b> |                  |           |
| Contract receivables                       | <b>141</b>       | 265       |
| Impairments for credit losses              | <b>(35)</b>      | (80)      |
| Other Receivables                          | <b>3</b>         | 7         |
| Prepayments                                | <b>79</b>        | 87        |
| Contract assets                            | <b>14</b>        | 0         |
|                                            | <b>202</b>       | 279       |

**Amounts falling due after one year:**

There are no debtors falling due after more than one year.

**9. Cash and cash equivalents**

|                                                 | <b>£'000s</b> |
|-------------------------------------------------|---------------|
| Balance at 1 April 2024                         | 4,501         |
| Net change in cash and cash equivalent balances | (189)         |
| <b>Balance at 31 March 2025</b>                 | <b>4,312</b>  |

|                                      | <b>31-Mar-25</b> | 31-Mar-24 |
|--------------------------------------|------------------|-----------|
|                                      | <b>£'000s</b>    | £'000s    |
| The following balances were held at: |                  |           |
| Commercial banks                     | 61               | 1,295     |
| Government Banking Services          | 4,251            | 3,206     |
|                                      | <b>4,312</b>     | 4,501     |

The cash balances as at 31 March 2025 carried a floating rate.

**10. Trade payables and other current liabilities**

|                                            | <b>31-Mar-25</b><br><b>£'000s</b> | 31-Mar-24<br>£'000s |
|--------------------------------------------|-----------------------------------|---------------------|
| <b>Amounts falling due within one year</b> |                                   |                     |
| Contract payables                          | 154                               | 36                  |
| Other payables                             | 24                                | 116                 |
| Accruals                                   | 362                               | 253                 |
|                                            | <b>540</b>                        | <b>405</b>          |

There are no contract payables falling due after more than one year.

**11. Lease Liabilities**

|                                   | <b>Property, plant and equipment (Buildings)</b><br><b>£'000s</b> |
|-----------------------------------|-------------------------------------------------------------------|
| Lease obligations at 1 April 2024 | <b>603</b>                                                        |
| Additions                         | 0                                                                 |
| Disposals                         | 0                                                                 |
| Lease remeasurement               | 51                                                                |
| Payments                          | (114)                                                             |
| Interest                          | 6                                                                 |
| <b>At 31 March 2025</b>           | <b>546</b>                                                        |

Obligations for the following periods comprise:

|                                               | <b>Right of Use Asset (Lease)</b><br><b>£'000s</b> |
|-----------------------------------------------|----------------------------------------------------|
| <b>Payable:</b>                               |                                                    |
| Not later than one year                       | 105                                                |
| Later than one year not later than five years | 398                                                |
| Later than five years                         | 58                                                 |
| Less interest element                         | (15)                                               |
| <b>Present value of obligations</b>           | <b>546</b>                                         |

**12. Contingent Liabilities**

The HTA has a contingent liability related to a pre-action letter received in May 2025 relating to purported liability for matters arising from its regulatory remit. The arguments

raised are novel and have not previously been tested before the courts. As such, the HTA is considering the position and taking legal advice. Whilst that advice is being taken, the HTA is not in a position to assess whether it has committed any wrongdoing giving rise to liability. No financial figure was referred to in the pre-action letter and so there is no clear attributable quantum. Given the novel nature of the case there is not a clear precedent with which a reliable valuation would be able to be placed on any liability at this time and therefore the Authority would not be able to reliably value the risk associated with the claim at the time of preparing the accounts. Accordingly, it has not recognised a provision for this contingency.

### 13. Related party transactions

During the period none of the Department of Health and Social Care Ministers, HTA Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the HTA.

The Department of Health and Social Care is regarded as a related party. During the year HTA has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department, including:

#### Organisations

NHS Blood and Transplant (NHS BT)  
Human Fertilisation and Embryology Authority (HFEA)  
Care Quality Commission (CQC)

#### Non-executive Directors

|           |                                             |
|-----------|---------------------------------------------|
| Doug Gurr | Accounting Officer – Natural History Museum |
|-----------|---------------------------------------------|

Below are details of our Board Members who are regarded as related parties as they have interests in establishments that hold an HTA licence.

#### Board Members

|             |                                                                                     |
|-------------|-------------------------------------------------------------------------------------|
| Lynne Berry | Chair of the Court of Governors and Pro Chancellor of the University of Westminster |
|-------------|-------------------------------------------------------------------------------------|

### 14. Events after the reporting period

In accordance with the requirements of International Accounting Standard 10, reports after the accounting period are considered up to the date the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

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