Department for Business & Trade

Annual report

and accounts

2024–25

HC 1278

Department for Business and Trade

Annual Report and Accounts

2024-2025

For the period 1 April 2024 to 31 March 2025

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

Annual Report presented to the House of Commons by Command of His Majesty

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

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Foreword of the Permanent Secretary

The Department for Business and Trade is a department for growth. Only through economic growth can we create jobs, better pay and invest in the public services on which we all rely.

The Department has three roles. Firstly, ensuring the UK is a great place to do business. This includes competition policy, regulation, employment rights and active partnership, and support for businesses. Secondly, ensuring the UK is the best-connected economy through a network of trade deals supported by robust trade defence. Thirdly, in providing services directly to businesses - from Companies House and the British Business Bank, through to the Office for Investment and export promotion.

I am very proud of what the Department has achieved over the last twelve months:

- Our record-breaking International Investment Summit secured £63 billion in investment commitments, creating 38,000 new jobs. This investment spans partnerships across the infrastructure and tech sectors – and more than doubles the amount secured at the 2023 Global Investment Summit.
- We announced a boost to the National Minimum Wage and National Living Wage that gave over 3 million people a pay rise – including 1 million in hospitality and retail. This meant a £1,400 boost for those on the National Living Wage, and £2,500 for those on the National Minimum Wage for 18 to 20 year olds.

- We supported those unjustly affected by the Horizon scandal rebuild their lives, by launching the Horizon Convictions Redress Scheme and Horizon Shortfall Scheme Appeals process – ensuring postmasters are treated with dignity and respect, and justice is delivered promptly and sensitively.
- Within the first 100 days of the new government, we introduced the Employment Rights Bill, covering unfair dismissal, flexible working, bereavement leave, maternity protections, and paternity leave.
- To inform our Industrial Strategy, we published the Invest: 2035 Green Paper, setting out a 10-year plan to deliver the certainty and stability businesses need to invest in the high-growth sectors that will drive economic growth.
- We established the Industrial Strategy Advisory Council. The Council combines experts from business, academia and trade unions to inform the UK's modern Industrial Strategy to drive growth.
- The UK joined the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) which could boost UK GDP by £2 billion each year in the long run and benefiting every nation and region in the UK. UK businesses now benefit from lower tariffs and fewer barriers when selling to 3 continents – boosting trade and creating opportunities.
- We announced a new, improved deal for the Tata Steelworks in Port Talbot that lays the foundations for future investment and enhances protections for the workforce across South Wales.

I would like to thank all of our colleagues for their incredible hard work, professionalism and expertise over the last year. I look forward to continuing to deliver this agenda for Ministers, working in partnership with businesses across the country over the next year.

Gareth Davies CB

Permanent Secretary and Principal Accounting Officer

Performance Report

Performance Overview

The Performance Overview provides a summary of the Annual Report and Accounts (ARA), and achievements delivered by the Department.

Our purpose and priorities in 2024-25

Purpose

The Department for Business and Trade is a department for economic growth – supporting businesses to create the jobs, opportunities and prosperity that changes lives for communities up and down the country.

Priorities

The Department's priorities in 2024-25 were:

1. Redraw our rules to ensure businesses thrive, markets are competitive, and consumers are protected.
2. Secure investment from UK and international businesses.
3. Advise, support, and promote British businesses to grow and export.
4. Open new markets for businesses by removing barriers and striking trade deals.
5. Promote free trade, economic security and resilient supply chains.

The Department's Outcome Delivery Plan (ODP) for 2024-25 provided the above strategic priorities and performance against these is reported in this ARA. The 2024 general election resulted in new political priorities which were set out by the Secretary of State for Business and Trade as:

1. Industrial Strategy.
2. Trade Strategy.
3. Plan for Small Business.
4. Make Work Pay.

There were also a number of specific commitments contained within the Labour manifesto which the Department is responsible for delivering. The Department's Delivery Unit tracks progress of these commitments and reports this into the Cabinet Office on a regular basis.

As part of the publication of the outcome of the Spending Review in June 2025, the Department set out its three new overarching strategic priorities which replace the ODP 2024-25 outcomes. These are:

1. Make the UK the best place in the world to do business.
2. Make the UK the best-connected economy, and the best place to do business from.
3. Deliver great services for business.

These form the basis of the Department's ODP for 2025-26.

Our business model and environment

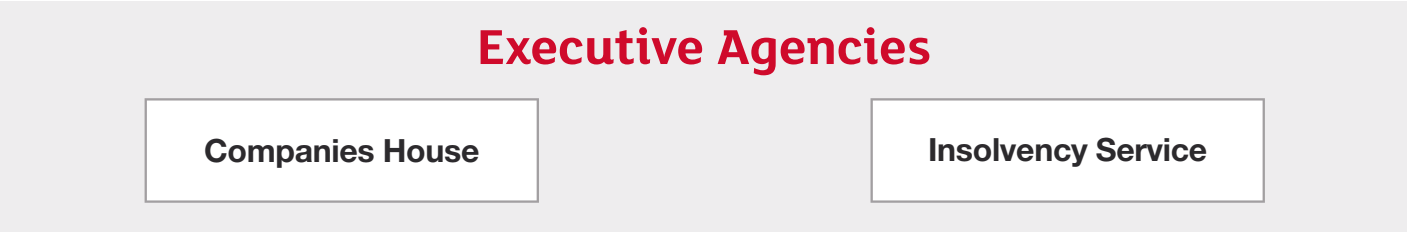
Our work is underpinned by four core values:

- Excellence – Our work matters. It makes a difference to people's lives across the country. We combine excellence with pace to maximise the impact we have.
- Connected – We actively partner with businesses across the UK and across the world. We are accessible and we help them navigate government, using our strong relationships to get things done.
- Confident – We have a distinctive perspective, informed by our work with business. We make a compelling case for what we want to do, and do not let obstacles get in the way.
- Collaborative – We are one Department, bringing together teams from across the UK and across the world. We ensure everyone is supported and can see how their work makes a difference.

Organisational structure

The diagram below represents the structure of our organisation as of 31 March 2025, with each area headed by Director Generals.

Our group



They are separate organisations but they act as an arm of the Core Department. They perform executive functions, rather than provide policy advice.

Non-Departmental Public Bodies

Advisory, Conciliation and Arbitration Service	Financial Reporting Council
British Hallmarking Council	Low Pay Commission
Central Arbitration Committee	Regulatory Policy Committee
Competition Appeal Tribunal	Office of the Small Business Commissioner
Competition Service	Trade Remedies Authority

The Department sponsors Non-Departmental Public Bodies (NDPBs) and usually sets their strategic framework. Each NDPB is a separate legal entity and operates at arm's length from ministers. However, a minister is accountable to Parliament for them.

Statutory Office Holders

Groceries Code Adjudicator	Pubs Code Adjudicator
Certification Officer	Office of the Regulator of Community Interest Companies

Other central government bodies (not yet classified)

British Business Bank plc

Wider Departmental Group (subject to audit)

Competition & Markets Authority – Non-ministerial Department	Post Office Limited – Public Corporation

The following Partner Organisations are consolidated into the Departmental Group accounts:

Companies House	**Insolvency Service**	**Advisory, Conciliation and Arbitration Service (ACAS)**
British Business Bank plc	**Competition Appeal Tribunal**	**Competition Service**
Financial Reporting Council	**Trade Remedies Authority**	**BIS (Postal Services Act 2011 Company Limited)**

The Central Arbitration Committee and the Certification Officer are also consolidated entities though they are first consolidated in the ACAS Group accounts.

The Low Pay Commission and the Regulatory Policy Committee do not produce accounts because their expenditure is included within the Core Department's and, similarly, the Office of the Regulator of Community Interest Companies does not produce accounts as its expenditure is included in that of Companies House.

Due to the turnover and net assets being immaterial to the Department's Group account as a whole, four Partner Organisations are not consolidated into the Group account. These are:

- **British Hallmarking Council**
- **Office of the Small Business Commissioner**
- **Groceries Code Adjudicator**
- **Pubs Code Adjudicator**

The Competition & Markets Authority (CMA) is a non-ministerial department and therefore is not consolidated into the Department's accounts. The Post Office Limited is not consolidated into the Department's accounts as it is classified as a public corporation, though where the Department provides funding to the Post Office Limited, such as with the Horizon redress schemes, the Department does account for such liabilities (see note 15).

A list of all consolidated entities is provided in note 21 to the Financial Statements.

The following entities in note 21 are consolidated into the Department and administered by British Business Bank plc and therefore not shown separately in the graphic above:

- **Cornwall and Isles of Scilly Investments Ltd**
- **Fleetbank Funding Limited**
- **Midlands Engine Investments Limited**
- **Northern Powerhouse Investments Limited**
- **East Midlands Early Growth Fund Limited**

The Industrial Development Advisory Board is included in the Department figures and therefore not shown separately in the graphic above. Postal Services Holding Company Limited is in liquidation and therefore not shown in the graphic above.

The Cabinet Office provide guidance regarding the types of public bodies that exist within the departmental landscape.

Key activities in 2024-25

April 2024

- The National Minimum Wage and National Living Wage have been updated, and the National Minimum Wage has been extended to include live-in domestic workers.
- Commencement of Provisions published for the following Private Members bills:
  - The Employment Relations (Flexible Working) Act 2023.
  - Protections from Redundancy (Pregnancy and Family Leave) Act 2023.
  - Carer's Leave Act 2023.
- Delivered the Paternity Leave (Amendment) Regulations 2024, allowing fathers or partners to have more flexibility when taking leave after having a baby.

May 2024

- The Digital Markets, Competition and Consumers (DMCC) Act received Royal Assent, paving the way for more tailored regulation of the biggest tech firms, and faster, more effective enforcement of competition and consumer law.

July 2024

- The Horizon Convictions Redress Scheme opened to provide swift and fair redress to postmasters with overturned convictions.
- The Low Pay Commission has been revised to ensure that future recommendations on the minimum wage take into account the current cost of living.

August 2024

- It was announced that the Strikes (Minimum Service Levels) Act 2023 will be revoked under the Employment Rights Bill to remove measures which unduly restrict workers' rights and undermine good industrial relations.

September 2024

- A new independent appeals process was announced for postmasters in the Horizon Shortfall Scheme.
- The UK sealed an ambitious Enhanced Trade Partnership with Thailand to boost trade and investment.
- A UK-Ukraine Digital Trade Agreement entered into force, allowing businesses from both countries to benefit from quicker and cheaper trade.

October 2024

- Laid the Employment Rights Bill within the first 100 days of the new Government.
- Published the Next Steps to Make Work Pay.
- Delivered the International Investment Summit that secured £63 billion of investment commitments and nearly 38,000 UK jobs.
- Assisted HM Treasury with the creation of the National Wealth Fund to unlock private sector investment.
- Published the Industrial Strategy Green Paper ('Invest: 2035'), setting our vision for a modern Industrial Strategy in a 10-year plan across eight growth-driving sectors.

November 2024

- High Streets Rental Auctions announced to allow local leaders to transform towns and village centres into thriving community spaces, to boost local economies and enhance community life.
- The Industrial Strategy Green Paper consultation period concluded, having received more than 27,000 responses.

December 2024

- The UK acceded to the CPTPP.
- Agreed a deal to secure the future of Harland & Wolff and protect UK shipbuilding jobs.
- Agreed a deal to ensure that Royal Mail remains based in the UK.
- Formation of the Industrial Strategy Advisory Council - combining experts across business and academia to support development of our Industrial Strategy.

January 2025

- UK firms boosted by new professional qualifications agreement with Switzerland.
- New Digital Markets, Competition and Consumers Act powers come into force for the Competition and Markets Authority to regulate digital markets.
- Published 'Putting Fans First' – our consultation aimed at ensuring fans have access to safe, secure and affordable tickets to major live events.

February 2025

- Launched a consultation to inform the development for a Steel Strategy, to support a thriving and competitive steel industry in the UK.

March 2025

- Published the outcomes of the measures of the Make Work Pay consultations to improve areas such as statutory sick pay, manage collective redundancies, modernise industrial relations and address zero-hour contract rules.
- Published the Chancellor's Action Plan 'New approach to ensure regulators and regulations support growth', working with HM Treasury.

Performance summary on priority outcomes

See the Performance Analysis section for more details, including metrics. For information on methodology see the statistics annex, Annex A.

The Department's five Priority Outcomes for 2024-25 are as set out at the start of the period and following the formation of the Department in February 2023. Since then, and following the General Election of July 2024, the Department's Priority Outcomes have been evolving and were replaced in 2025-26.

Priority Outcome 1: Redraw our rules to ensure businesses thrive, markets are competitive, and consumers are protected

The government has revised company reporting thresholds, resulting in annual savings of approximately £240 million for businesses.

The Economic Crime and Corporate Transparency Act 2023 has empowered Companies House to remove false information from over 100,000 companies.

The Digital Markets, Competition and Consumer Act empowered the CMA to regulate large tech firms and address "Subscription Traps" with The Data (Use and Access) Bill containing Smart Data powers to spread innovation.

The Office for Product Safety and Standards (OPSS) has tackled product safety risks associated with e-bikes, e-scooters, and lithium-ion batteries.

The National Living Wage for adults 21 and over has been increased and the Employment Rights Bill was introduced to modernise employment rights and contribute to economic growth.

Priority Outcome 2: Secure investment from UK and international businesses

In October 2024, the International Investment Summit secured £63 billion of investment commitments and nearly 38,000 UK jobs, more than doubling the previous year's commitments.

Major tech firms from the US announced investments into UK data centres.

Associated British Ports (ABP) committed to a new freight ferry terminal at the Port of Immingham, creating around 900 jobs, while Imperial College London announced investment for a new R&D campus.

Other significant investments included Blackstone's AI data centres in Northumberland, Amazon Web Services' (AWS) data centre investment in London, and Vantage's data centres in South Wales and West London.

The Secretary of State opened Saab's new campus, supporting 400 jobs, Knighthead invested in East Birmingham, creating 8,400 jobs annually, and Rolls-Royce announced an expansion of their Goodwood facility.

Priority Outcome 3: Advise, support, and promote British businesses to grow and export

The British Business Bank's (BBB) core programme has provided substantial finance to small and high-growth businesses, backing thousands across the UK.

The UK Export Academy has hosted numerous events to help businesses upskill and expand, while International Trade Advisers have supported high export potential businesses in developing their export plans and connecting them to global networks. The Department's presence

in embassies and consulates worldwide has generated demand for UK goods and services, leveraging networks and market expertise.

The Department supported businesses to deliver over 2,700 Export Wins with a combined value of almost £24 billion. This represents a 47% decrease in the number of individual wins supported and a 34% decrease in the total value of wins when compared to 2023-24. In the same period the Department supported almost £12 billion (113% increase from 2023-24) of Outward Direct Investment (ODI) Wins.[1]

In March 2025, the Department announced a revamped Board of Trade to support small businesses and boost UK exports.

The Industrial Strategy Green Paper set out a vision for a modern Industrial Strategy with a 10-year plan to drive growth and create high-quality jobs.

Priority Outcome 4: Open up new markets for businesses by removing barriers and striking trade deals

The UK joined the CPTPP in December 2024. This milestone opens new opportunities for trade and economic collaboration beyond existing bilateral agreements.

The UK also resumed free trade negotiations with the Gulf Cooperation Council, India, South Korea, and Switzerland, with promising progress in talks. In July 2024, the UK joined the first global digital trade agreement under the World Trade Organization (WTO), benefiting from fairer, faster, and cheaper trade. An Enhanced Trade Partnership was sealed with Thailand and a Digital Trade Agreement with Ukraine.

Efforts to remove trade barriers have resulted in significant gains for UK businesses, and the UK continues to challenge restrictive trade measures and influence regulatory approaches to reduce trade frictions.

Priority Outcome 5: Promote free trade, economic security and resilient supply chains

The Department has been a strong advocate for free and open trade at the WTO, G7, and G20. Building on the momentum from the WTO's 13th Ministerial Conference, the Department has emphasised the benefits of a stable trading framework for fostering growth and prosperity.

The Department has also worked to enhance the UK's economic resilience by assessing vulnerabilities in growth-driving sectors and increasing engagement with businesses on economic security. Internationally, the UK has led efforts to tackle economic security issues, including economic coercion and market-distorting practices, and has signed a Memorandum of Understanding on Supply Chain Resilience with the US and Australia.

Domestically, the Department has strengthened the UK's trade sanctions regime and led the transition of the standard individual export licence service. Additionally, the Department has implemented measures to protect the UK's steel industry and reduce import costs for businesses.

1 Department's Export Wins Service

Principal risks and context

The key risks faced by the Department in 2024-25 are summarised below. For further details on our risks, see the risk profile in the Performance Analysis.

Geopolitical impacts on trade: Risk that the UK is unable to protect its economic interests in a dynamic world where key geopolitical actors are locked in competition.

Post Office stability and viability: Risk of a failure to put Post Office Limited (POL) on a secure financial footing, leading to a significant deterioration in POL's financial position.

Acute economic shock: Risk that the Department is required to intervene on a critical sector/region, but lacks the mechanisms (policy, measures, support mechanisms, political agreement) or capacity and capability to respond effectively.

Economic challenges: There are significant challenges to growth and productivity. The Department owns four key priorities in the government's Growth Mission but does not have formal overall control over the mission. Significant cultural change is required to deliver a mission led approach and avoid siloed policy making.

The key risks summarised here are those that have been considered the most significant during the year and have a significant direct impact on delivery objectives. Where risks detailed in the Performance Analysis interact with the above issues they are identified as being high risk in nature or amber where effective mitigation has taken place during the year.

Performance Analysis

Structure of the Performance Analysis

The Performance Analysis provides a detailed narrative of our performance and includes the following sections:

- Performance on priority outcomes
- Contribution to Sustainable Development Goals
- Risks affecting delivery of our priorities
- Financial Review
- Sustainability Report
- Performance in other areas

Performance on priority outcomes

Priority Outcome 1: Redraw our rules to ensure businesses thrive, markets are competitive, and consumers are protected

Corporate governance and company law

The government legislated to revise company reporting thresholds for small, medium and large companies, taking 133,000 companies out of reporting obligations and saving business c£240 million annually. The 133,000 estimate includes: 113,000 small companies who would be reclassified as micro-sized companies which would allow them to file simpler accounts and 14,000 medium companies who would be reclassified as small companies, and 6,000 large companies that would be re-classified as medium-sized.

Since the Economic Crime and Corporate Transparency Act 2023 received royal assent, Companies House has used its new powers to remove false and misleading information from over 100,000 companies, with nearly 83,000 companies facing removal from the register over the period from 4 March 2024 to 4 March 2025. The Department has also established the legal framework for verifying the identity of all existing and future company directors and officers. This framework has enabled Companies House to begin registering authorised corporate service providers, a newly established role created to facilitate identity verification.

Consumer and competition reforms

The government legislated to give the Competition and Markets Authority (CMA) new powers for tailored competition regulation of the largest tech firms that have strategic market status. The Digital Markets, Competition and Consumer Act 2024 also strengthens the powers to enforce competition law, and guard against "Subscription Traps", where consumers are frequently misled into signing up for a subscription through a free trial or reduced-price offer. Laws relating to the promotion of competition have been improved, reducing the numbers of transactions that are subject to UK merger control.

The Data (Use and Access) Bill contains Smart Data powers that will allow government to spread Open Banking-like innovation across sectors. Smart Data is where data is sharable and portable and through the Smart Data Challenge, innovators will be supported and rewarded for developing new uses of Smart Data.

The CMA launched a review of its approach to merger remedies and published a new Mergers Charter as next steps in its plan to enhance the UK's merger control regime.

The CMA is also investigating consumer protection concerns regarding the sale of concert tickets, including how so-called 'dynamic pricing', where prices are varied depending on market demand, may have been used.

The government has committed to strengthening consumer protections to ensure that fans have access to safe, secure and affordable tickets to major events and shows. As part of fulfilling the government's manifesto commitment, the Department launched a consultation on secondary ticketing in January 2025.

Product regulation reform to protect consumers and enable business

The Office for Product Safety and Standards (OPSS) is leading a programme of action to address product safety risks associated with e-bikes, e-scooters, and lithium-ion batteries. OPSS has gathered data and developed evidence to understand the issues, and to support targeted regulatory interventions. Research commissioned by OPSS into the product safety risks of lithium-ion batteries, chargers, and conversion kits used in e-bikes and e-scooters was published in January 2025. It has significantly strengthened the evidence base, aiding in policy development and effective regulation.

In December 2024, OPSS published new statutory guidelines which clarify that lithium-ion batteries must have a safety mechanism to address the risk from thermal runaway, the primary cause of e-bike fires. This helps businesses to produce safe products which comply with safety regulations and regulators to act against unsafe ones.

OPSS has also prioritised raising consumer awareness and in October 2024 launched the government's "Buy Safe Be Safe" consumer campaign at OPSS Teddington laboratories, to highlight risks from unsafe e-bikes and to promote safe buying and charging practices.

The Department introduced its Product Regulation and Metrology Bill, which will ensure the UK is better placed to address modern day safety issues, harness opportunities that deliver economic growth, and ensure a level playing field between the high street and online marketplaces. Businesses, trade associations and consumer groups including Which?, GAMBICA and Electrical Safety First have publicly welcomed the Bill.

Labour market policies

The Department has adopted the recommendations of the Low Pay Commission, which include raising the National Living Wage (NLW) from April 2025 for workers aged 21 and over by 6.7% to £12.21 per hour, representing a cash increase of 77p per hour and a 3.1% increase in real terms. Additionally, the rates for 18-20 year olds increased by 16.3%, making

progress on closing the gap with the NLW. The rates for workers under 18 years old and apprentices increased by 18.0%.[2]

The Department is delivering on the plan to Make Work Pay and has introduced its Employment Rights Bill. The Bill is a key part of the plan, supporting employers, workers, and unions to get Britain moving forward. The plan to Make Work Pay sets out an ambitious agenda to ensure employment rights are fit for a modern economy, empower working people and contribute to economic growth. Once implemented, it will represent the biggest upgrade of workers' rights in a generation.

Improving our regulatory environment

The Department worked closely with HM Treasury, Number 10 Downing Street and other key departments to contribute towards the Chancellor's Action Plan – a new approach to ensure regulators and regulation support growth. These actions will enable a regulatory system that supports innovation and economic growth while ensuring accountability for the quality of regulations introduced, as well as the way in which independent regulators implement and enforce them. The government has committed to:

i) tackle complexity and the burden of regulation, including a commitment to reduce the administrative costs of regulation by 25% by the end of this Parliament;

ii) reduce uncertainty across our regulatory system, by simplifying duties of our key regulators, and strengthening transparency and performance, including working with the leadership of the Competition and Markets Authority to ensure its activities are swift, predictable and proportionate for businesses and investors; and

iii) challenge and shift excessive risk aversion in the system, including strengthening the model of accountability and formalising performance reviews which will be conducted by all sponsoring government departments.

The second and third Retained EU Law / Assimilated Law Reports were laid before Parliament in July 2024 and January 2025 respectively. These outlined the actions taken and government's plans to reform or remove such legislation from the UK statute book. As of 23 December 2024, 2,395 pieces of legislation had been reformed or repealed.

Performance Metrics

For information on methodology see the statistics annex, Annex A.

- The third Assimilated Law (AL) Parliamentary Report was laid before Parliament in January 2025 and captures the steps government has taken to reform or revoke AL between 24 June 2024 - 23 December 2024. As of 23 December 2024, UK government departments reported a total of 6,901 pieces of legislation, with a total of 2,395 either now having been reformed or revoked.[3]
- % of UK Consumers reporting confidence that products sold in the UK are safe (2024): 53% (7 percentage point increase from 2023).[4]
- % of SME employers that cite regulations/ red tape as a major obstacle in 2023: 41% (2 percentage point increase from 2022).[5]
- National Living Wage as a % of median earnings, UK, 21+: 67.9% in April 2025 (projected and up from 66.5% in April 2024.[6]

2 The 2025 rates came into effect on 1st April 2025, https://www.legislation.gov.uk/ukdsi/2025/9780348268492/impacts. Real-terms NLW increase calculated based on ONS CPI estimates for April 2025 [accessed July 2025], https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation
3 Assimilated Law Parliamentary Report: June 2024 to December 2024
4 https://www.gov.uk/government/publications/opss-product-safety-and-consumers-wave-8
5 https://www.gov.uk/government/collections/small-business-survey-reports
6 Low Pay Commission Report 2024, Table 11.1, https://assets.publishing.service.gov.uk/media/679ce5e8a9ee53687470a34e/Low_Pay_Commission_2024_report.pdf

Priority Outcome 2: Secure investment from UK and international businesses

Identifying and promoting UK attractiveness and strategically important investment opportunities

The Department delivered the highly successful International Investment Summit in October 2024 that secured £63 billion of investment commitments and nearly 38,000 UK jobs. This investment more than doubled the £29.5 billion committed at the 2023 Global Investment Summit.

At the Summit, four major tech firms based in the United States announced £6.3bn investment into UK data centres. Data centres store a vast amount of information and data needed to power and store the information generated by AI. ABP, the UK's largest port operator, committed £200 million to a joint investment with Stena Line to build a new freight ferry terminal at the Port of Immingham. It is expected to create around 700 jobs during construction and around 200 permanent jobs once operational. Imperial College London also announced £150 million investment to secure a new R&D campus.

Attracting and retaining high-value high-impact investment

In October 2024, the Prime Minister appointed a new Minister for Investment, to oversee a bolstered Office for Investment (OfI), and strengthen the government's offer and partnership with businesses and investors. The OfI is a joint unit of HM Treasury, the Department, and Number 10 Downing Street.

Other major investment wins for the year demonstrated our ability to attract and retain investment.

- Blackstone: £10 billion for one of Europe's largest AI data centres in Northumberland, creating 2,800 operational roles.
- Amazon Web Services (AWS): £8 billion data centre investment in London, estimated to support around 14,000 jobs.
- Vantage: Up to £12 billion to build data centres in South Wales and West London, creating over 11,500 jobs in the process.
- Schroders, Man Group and Resonance: £550 million of investment secured to tackle the housing shortage and as part of the policy to get Britain building again, with new impact investment funds announced in October 2024.
- Lonza: Expansion plan investment announced in August 2024, creating 350 new jobs and safeguarding 1,280 jobs.
- In February 2025, the Secretary of State inaugurated Saab's new campus, which develops, manufactures, and supports radar systems and the Seaeye underwater robotics portfolio, including the Giraffe 1X radar and Seaeye SR20 vehicle. This marks the completion of Saab's 2023 investment, creating up to 400 jobs and apprenticeship opportunities. The site enhances the UK's radar and underwater robotics capabilities for domestic and international markets, with potential for further growth.
- The US company Knighthead has invested £100 million into East Birmingham, showing how the government's Plan for Change is boosting jobs and opportunities in the West Midlands. The new site is estimated to create 8,400 new jobs annually in Birmingham while also supporting the wider city region and the West Midlands. The investment will pave the way for a new 60,000-seater stadium alongside a sports campus of training facilities, a new academy, and community pitches. Beyond sport, the campus plans also include leisure, commercial, and residential development.
- Rolls-Royce announced on 8 January 2025 that it is undertaking a £300 million expansion of their Goodwood facility in West Sussex to increase its Electric Vehicle (EV) production

capabilities, make the site more sustainable and create a new facility for bespoke models. The Goodwood facility employs more than 2,500 people and produces up to 28 vehicles per day. It is the largest investment in the site since its opening in 2003 and is a commitment to securing its future production in the UK.

Enhancing the UK's investment environment

The Department has worked with HM Treasury to establish the National Wealth Fund which will unlock billions of pounds of additional investment to finance projects across the UK by aligning the UK Infrastructure Bank and the BBB. The Ofl continues to run its Grids Triage Service with the Department of Energy Security and Net Zero (DESNZ), alongside its planning and skills triage service which support the highest value investments into the UK.

The Department published its Industrial Strategy Green Paper in October 2024, with publication of the Industrial Strategy and sector plans for the eight growth driving sectors following in June 2025. The Strategy's goal is to capture a greater share of internationally mobile investment in strategic sectors and spur domestic businesses to boost their investment and scale up their growth – an essential step in achieving sustainable, inclusive, and resilient growth.

The Department has also delivered a range of initiatives to maintain the UK's position as a leading location to start and grow a business. Government support of up to £21.7 billion was confirmed in October 2024 for carbon capture and storage clusters in Teesside and Merseyside (Hynet and East Coast Cluster). The projects are expected to create 4,000 new jobs, attract £8 billion in private investment, and accelerate the UK towards net zero by removing 8.5 million tonnes of carbon emissions each year.

Thousands of highly skilled jobs will be supported across the UK in the aerospace sector – with £975 million over the next 5 years for this key growth sector. In a boost for aerospace centres in places like Broughton, Filton and Derby, the government extended the Aerospace Technology Institute (ATI) Programme. The extension will speed up innovation, create job opportunities and support an industry that is a source of pride for communities across Britain.

By working with car manufacturers like Nissan, a £50 million deal has been secured between Nissan, JATCO and the Department to build a new manufacturing plant in Sunderland. This is enabled by the government's funding of the Automotive Transformation Fund, creating hundreds of jobs in the region and the wider supply chain.

Performance Metrics

For information on methodology see the statistics annex, Annex A.

- Gross Value Added of supported Foreign Direct Investment (FDI) projects (2024-25): £6.0 billion (4.9% increase from 2023-24).[7]
- Value of Department-supported Inward Capital Investment (2024-25): £28.2 billion (256.3% increase from 2023-24 – and 52.4% increase from 2022-23).[8]
- Total Number of new FDI jobs supported by the Department (2024-25): 54,196 (5.0% decrease from 2023-24).[9]
  - Of which jobs outside of London and the South East: 30,318 (2023-24 33,262).
- Number of net-zero FDI and non-FDI projects supported (2024-25): 106 projects (48.3% decrease from 2023-24).[10]
- UK inward FDI stock (as at 31 December 2023): £2.2 trillion (0.7% decrease from 31 December 2022).[11]

7 DBT inward investment results 2024 to 2025 - GOV.UK
8 DBT inward investment results 2024 to 2025 - GOV.UK
9 DBT inward investment results 2024 to 2025 - GOV.UK
10 DBT inward investment results 2024 to 2025 - GOV.UK
11 https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/bulletins/foreigndirectinvestmentinvolvingukcompanies/2023/relateddata

- Business investment as a percentage of GDP (2024-25): 9.3% (0.1 percentage point decrease from 2023-24).[12]

Equity Deals (2024-25)[13]

Stage	Number of deals (% change from previous year)	Value of deals (% change from previous year)
Seed stage deals	873 (10.5% decrease)	£1.9 billion (18.8% increase)
Venture stage deals	855 (9.0% decrease)	£5.2 billion (26.8% increase)
Growth & Established stage deals	475 (12.6% increase)	£8.0 billion (10.1% decrease)

Priority Outcome 3: Advise, support, and promote British businesses to grow and export

The Department has assisted businesses to grow and export by offering a range of business support programmes and initiatives. In 2024-25 the BBB provided £6.8bn of additional lending to nearly 28,000 small and medium sized enterprises.[14]

The UK Export Academy (UKEA) helped businesses to upskill and expand by hosting events covering topics such as: free trade agreements, border trade operating model and sector deep dives. 2024-25 saw UKEA service over 34,000 attendances from 11,400 unique businesses at 450 events. The Department's network of International Trade Advisers in the UK supported high export potential businesses to develop their export plans and connect them to networks and opportunities around the world.

Globally, the Department's presence in our embassies and consulates helped generate demand for high-quality UK goods and services, identify opportunities for UK businesses, and leverage their networks and market expertise to help UK companies succeed all over the world.

In March 2025, the Department unveiled a restructured Board of Trade as part of the government's strategy to support small businesses and enhance the UK's global exports. The government will initiate a New Call for Evidence to examine support for Small and Medium-sized Enterprises (SMEs) through access to finance. An SME summit will also be held, bringing together small firms, trade bodies, and Government to shape the SME strategy.

The Industrial Strategy Green Paper ('Invest 2035') sets out the vision for a modern Industrial Strategy with a 10-year plan. Its objective is to drive growth: taking advantage of the UK's unique strengths and untapped potential. The modern Industrial Strategy, published in June 2025, will enable the UK's already world-leading services and manufacturing sectors to adapt and grow, and take opportunities to lead in new sectors, with high quality, well-paid jobs.

The Department has formed the Industrial Strategy Advisory Council to make and publish recommendations on the development and implementation of the Industrial Strategy. It will also monitor and evaluate the impact of policies, with a strong emphasis on data and analysis.

12 https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/businessinvestment/previousReleases and https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/realtimedatabaseforukgdpybha
13 https://www.beauhurst.com/
14 Annual Report and Accounts 2025 | British Business Bank

Performance Metrics

For information on methodology see the statistics annex, Annex A.

- Rate of employment scale ups in 2023: 4.7% (0.8 percentage point increase from 2022).[15]
- Export client survey 2023-24 Satisfaction rate with International Trade Advisors (ITA): 80% (2 percentage point decrease from 2022-23).[16]
- Total Service Deliveries 2023-24: 67,724 (34.5% increase from 2022-23).[17]
- Percentage of SMEs that are happy to use external finance to help business growth (2024): 38% (5 percentage point increase from 2023).[18]
- Percentage of SMEs giving an 8-10 impact score in 2024 for access to finance as an obstacle to running their business as they would like in the next 12 months: 8% (1 percentage point increase from 2023).[19]
- Additional economic activity or Gross Value Added expected to be generated by BBB activity in 2024-25: £8.0 billion over the life of the finance deployed (31% increase from 2023-24).[20]
- Stock of finance and number of SMEs supported by Growth Guarantee Scheme (formerly Recovery Loan Scheme) in 2024-25: £6.7 billion (22% increase from 2023-24) & 34,900 (29% increase from 2023-24).[21, 22]
- UK outward FDI stock as at 31 December 2023: £1.9 trillion (0.2% decrease from 31 December 2022).[23]
- Value of supported Outward Direct Investment Wins (2024-25): almost £12 billion (113% increase from 2023-24).[24]
- Total value of UK exports in the 12 months to March 2025: £880.4 billion (up 1.4% since 12 months to March 2024).[25]
- Percentage of businesses facing barriers to exporting (2023-24).[26]
  - Cost 37% (down 2 percentage points from 2022-23).
  - Contacts 39% (down 1 percentage point from 2022-23).
  - Time 35% (no change from 2022-23).
- Percentage of businesses that agreed using ITAs helped overcome at least one exporting barrier (2023-24): 68% (no change from 2022-23).[27]
- Percentage of businesses with an annual turnover of £500,000 or more, that have exported or could export, that are aware of and utilise UK Government trade support services (2024): 72% and 45%.[28]
- Proportion of UK imports and exports utilising trade preferences for tariff reductions where available:
  - Preference Utilisation Rate (PUR) for goods imported into the UK in 2024: 87.8% (down 0.3 percentage points from 2023).[29]
  - PUR for goods exported from Great Britain to the EU in 2024: 83.2% (up 2.3 percentage points from 2023).[30]

15 https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/businessdemography/latest
16 https://www.gov.uk/government/collections/export-client-survey-ecs
17 https://www.gov.uk/government/collections/export-client-survey-ecs
18 https://www.bva-bdrc.com/sme-finance-monitor/#reports
19 https://www.bva-bdrc.com/sme-finance-monitor/#reports
20 BBB Annual Report and Accounts 2025 https://www.british-business-bank.co.uk/sites/g/files/sovrnj166/files/2025-07/bbb-annual-report-and-accounts-2025-tagged.pdf
21 https://www.british-business-bank.co.uk/about/research-and-publications/rls-iterations-1-2-performance-data-31-mar-25
22 https://www.british-business-bank.co.uk/about/research-and-publications/ggs-including-recovery-loan-scheme-iteration-3-performance-data-31-march-2025
23 https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/bulletins/foreigndirectinvestmentinvolvingukcompanies/2023/relateddata
24 Department's Export Wins Service
25 https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/bulletins/balanceofpayments/previousReleases
26 https://www.gov.uk/government/collections/export-client-survey-ecs
27 https://www.gov.uk/government/collections/export-client-survey-ecs
28 https://www.gov.uk/government/statistics/dbt-national-survey-of-registered-businesses-exporting-behaviours-attitudes-and-needs-2024
29 HMRC data excludes trade between Northern Ireland and the EU. https://www.uktradeinfo.com/trade-data/latest-bulk-data-sets/bulk-data-sets-archive/#import-data-by-preference-2022-onwards%22https://www.uktradeinfo.com/trade-data/latest-bulk-datasets/bulk-datasets-archive/:~:text=ZIP%2C%2010.9%20MB)-,Import%20data%20by%20preference%202022%20onwards,-Data%20for%20goods
30 Eurostat. Data excludes trade between Northern Ireland and the EU. https://ec.europa.eu/eurostat/api/dissemination/files/?sort=1&dir=comext%2FCOMEXT_DATA%2FPREFERENCES

Priority Outcome 4: Opening up new markets for businesses by removing barriers and striking trade deals

The UK acceded to the CPTPP on 15 December 2024, with the agreement now in force with Australia, Brunei, Chile, Japan, Malaysia, New Zealand, Peru, Singapore, and Vietnam.

The CPTPP is the UK's first trading agreement with Malaysia and Brunei, which is a significant milestone in opening up new opportunities for trade and economic collaboration. CPTPP accession will also deliver gains over and above many of the bilateral agreements that we already have with CPTPP parties. In November 2024, the UK and other CPTPP members launched an accession process for Costa Rica through an Accession Working Group. Further expansion of the agreement over time is set to bring new market access opportunities for UK businesses.

The UK formally resumed free-trade negotiations with the Gulf Cooperation Council (GCC), India, South Korea, and Switzerland. Negotiations with the GCC resumed in September 2024, and there have been ongoing dialogues at official and ministerial level since then.

Negotiations with India were relaunched in February 2025. Securing a deal with one of the fastest growing economies in the world could unlock new opportunities for businesses and consumers in all regions and nations of the UK, boost wages, and back the high-growth sectors identified in the Industrial Strategy. Following the successful relaunch of negotiations in Delhi, talks have continued at pace.

For both South Korea and Switzerland two negotiation rounds have been conducted since September 2024 with good progress being made towards upgrading existing deals.

In July 2024, the UK joined the first global digital trade agreement negotiated under the WTO. Spanning 90 countries, this new set of rules will allow the UK to benefit from fairer, faster and cheaper trade. Once the agreement enters into force, customs duties on digital content will be permanently banned, lowering costs for UK businesses and helping to protect UK consumers from online fraud.

In September 2024, the UK sealed an ambitious Enhanced Trade Partnership with Thailand to boost trade and investment and the UK-Ukraine Digital Trade Agreement entered into force, allowing businesses from both countries to benefit from quicker and cheaper trade.

On market access, during the financial year 2024-25, 394 barriers were reported and 165 barriers were resolved either fully or in part. The aggregate valuation of these fully resolved barriers is estimated to be worth around £10 billion to UK businesses over five years. This included the removal of trade barriers in key sectors, such as the granting of special protected status to Scotch Whisky exports by the Brazilian Government, estimated to be worth £25 million to the industry over five years.

The UK leverages multilateral channels, including formal concerns raised in WTO committees and informal methods, to challenge trade restrictive measures that impact UK exporters. For example, we have contested Peru's discriminatory excise tax duties on pisco, a type of grape brandy. The Department takes opportunities to influence specific measures and regulatory approaches to minimise trade frictions for UK businesses.

Performance Metrics

For information on methodology see the statistics annex, Annex A.

- UK trade with countries or territories with which the UK has signed a trade agreement as a % of total UK trade in 2024: 64.3% (0.4 percentage point decrease from 2023).[31]
- Estimated long run GDP impact of the UK-Australia Free Trade Agreement (FTA) as per published impact assessment: 0.08% or £2.3 billion compared to 2035 levels.[32]
  - Estimated long term annual tariff cost reductions on UK goods exports to Australia (if exports use all available preferences): £116 million (based on historical trade flows).
- Estimated long run GDP impact of the UK-New Zealand FTA as per published impact assessment: 0.03% or £0.8 billion compared to 2035 levels.[33]
  - Estimated long term annual tariff cost reductions on UK goods exports to New Zealand (if exports use all available preferences): £17 million (based on historical trade flows).
- Estimated long run GDP impact of the UK's accession to CPTPP as per published impact assessment: £2.0 billion compared to 2040 levels.[34]
  - Estimated long term annual tariff cost reductions on UK goods exports to CPTPP (if exports use all available preferences, relative to existing bilateral trade relationships) : £119 million (based on historical trade flows).
- On market access, during the financial year 2024-25, we have resolved 165 barriers either in full or in part (5 fewer than 2023-24). The fully resolved barriers are estimated to be worth more than £10 billion to UK businesses over five years.[35]
- Number of Market Access Barriers on the Digital Market Access Service fully resolved in 2024-25: 129 (20 fewer than 2023-24).
- Number of Market Access Barriers on the Digital Market Access Service resolved in part in 2024-25: 36 (15 more than 2023-24).
- Number of Market Access Barriers reported on the Digital Market Access Service in 2024-25: 394 (107 more than 2023-24).
- The valuation of these 129 resolved barriers is estimated to be worth more than £10 billion in additional exports to UK businesses over five years.

Priority Outcome 5: Promoting free trade, economic security and resilient supply chains

The Department has been at the forefront of championing free and open trade as an essential component of economic growth, including at the WTO, G7 and G20, and has consistently pushed for progress on multilateral initiatives supporting free trade and growth objectives across multilateral fora. Building on momentum at the WTO's 13th Ministerial Conference, Ministers have set out the case for continued support for the rules-based system, the benefit that a stable trading framework has in fostering growth and prosperity, and how it can support the UK's growth priorities. This has continued work to consolidate the UK's reputation as an advocate for free trade.

The Department has worked to enhance the UK's economic resilience, including through assessing where growth-driving sectors are vulnerable to disruption. This has been key to the development of the government's Trade and Industrial Strategies.

31 https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/uktotaltradeallcountriesseasonallyadjusted
32 https://www.gov.uk/government/publications/uk-australia-fta-impact-assessment
33 https://www.gov.uk/government/publications/uk-new-zealand-fta-impact-assessment
34 https://www.gov.uk/government/publications/cptpp-impact-assessment
35 https://www.gov.uk/government/statistics/market-access-barrier-statistics-2024-to-2025

The Department has increased its engagement with businesses on economic security, including by launching the Economic Security & Resilient Growth Business Group to ensure open, two-way dialogues that support industry to mitigate key economic security risks.

The UK has also led efforts internationally to increase supply chain resilience and to tackle a range of priority economic security issues, such as economic coercion and market distorting practices. This includes the Department's role at the WTO, where we brought together representatives from the US, China, EU, India and others, to underscore the importance of aligning supply chain resilience policy with WTO rules. The Department played a leading role in economic security discussions in the G7, the Organisation for Economic Cooperation and Development and CPTPP. The Department also held a series of Economic Security Dialogues with priority partners such as Japan and Australia. The Department signed a Memorandum of Understanding on Supply Chain Resilience with the US and Australia which will strengthen analytical cooperation and address risks to critical supply chains.

The Department has been pivotal in the government's efforts to build a new economic partnership with the new US administration and to strengthen our relationship with the EU on economic security as part of our wider EU reset objectives. The Department is working closely with both partners to secure the best possible trade outcomes for UK businesses.

The Department played a key role in the UK sanctions regime, notably through launching the Office for Trade Sanctions Implementation which has strengthened the UK's implementation and enforcement of trade sanctions, maximising their impact.

On export control, the Department led the transition of the Standard Individual Export Licence service on Licensing for International Trade through a key stage of development, from private to public beta.

Domestically, the Department has led the implementation and extension of the steel safeguard measure which continues to protect the UK's steel industry from surges in imports.

To help ease import costs and increase the competitiveness of importing UK businesses, we implemented new tariff suspensions on 89 products in response to public applications, saving those applicants at least £17 million annually.

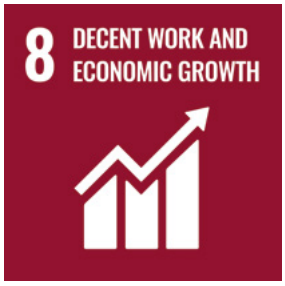
Performance Metrics

For information on methodology see the statistics annex, Annex A.

- Average time taken to complete trade remedies investigations (from initiation to publication) completed in 2024-25: 12.1 months (2023-24: 17.7 months).[36]
- Percentage of new trade remedies investigations completed within the WTO-stipulated timeframe 2024-25: 100% (2023-24: 100%).[37]

36 See annex A for further detail on trade remedies.
37 See annex A for further detail on trade remedies.

Contribution to Sustainable Development Goals

Priority outcomes	SDG Goal	Achievement
1, 2, 3, 4, 5	 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	• Secured agreement with the EU to extend the Rules of Origin for electric vehicles, which saved manufacturers and consumers up to £4.3 billion in additional costs. • The UK acceded to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. • With UK Export Finance (UKEF), secured a £50 million financing package for Ballymena manufacturer Wrightbus. • Delivered the International Investment Summit that secured £63 billion of investment commitments and nearly 38,000 UK jobs. • Assisted in the creation of the National Wealth Fund with HM Treasury to unlock private sector investment.
1, 2, 3	 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	• Published the Industrial Strategy Green Paper ('Invest: 2035'), setting our vision for a modern Industrial Strategy in a 10-year plan across eight growth-driving sectors. • Formed the Industrial Strategy Advisory Council - combining experts across business and academia to support development of our Industrial Strategy. • Launched the Advanced Manufacturing Plan with over £2 billion earmarked for the automotive industry, and £975 million for aerospace. • UKEF helped secure over £1 billion in financing for a new high-speed electric railway in Turkey, creating new export opportunities for UK businesses and supporting economic growth. • Supported life sciences manufacturing with up to £520 million funding to build resilience for future health emergencies and capitalise on the UK's world-leading research and development.

Priority outcomes	SDG Goal	Achievement
2, 3, 4	 Reduce inequality within and among countries.	• Increased the National Living Wage for workers aged 21 years and over by 6.7% to £12.21 an hour. The rates for younger workers will increase between 16.3% and 18.0%. This gave a pay rise to over 3 million workers and an eligible full-time worker will see their gross annual earnings rise by £1,400. • The Low Pay Commission has been revised to ensure that future recommendations on the minimum wage take into account the current cost of living. • The Developing Countries Trading Scheme (DCTS) has cut tariffs on products entering the UK from 65 developing countries. In 2024, £8.9 billion of UK imports used DCTS preferences. • Delivered the Paternity Leave (Amendment) Regulations 2024, allowing fathers or partners to have more flexibility when taking leave after having a baby.

Risk profile

The following risks were managed in the period from 1 April 2024 to 31 March 2025. The formulation of these risks was based on potential events that could impact the delivery of the Departmental objectives.

Key			
Risk Rating Severity of risk - a combination of impact and probability, also considering in-year improvements and trajectory of the risk.	High	Medium	Low
Change in the year	Risk Increase	Risk Decrease	Stable

Mapping to Departmental priorities

1. Redraw our rules to ensure businesses thrive, markets are competitive, and consumers are protected
2. Secure global investment from corporates and investors
3. Advise, support, and promote British businesses to grow and export
4. Open up new markets for businesses by removing barriers and striking trade deals
5. Champion free trade, economic security and resilient supply chains

Risks continuing from 2023-24		
Risk and mitigating activities	**Risk rating / in-year change**	**Departmental priorities**
1. Vulnerability to cyber threats: Risk that a cyber-attack on the Department (directly or indirectly through an attack on critical suppliers) prevents the Department from operating or impacts its operational, regulatory or legislative duties e.g. preventing proper operation of the UK border for passage of goods. • The Department has successfully built and implemented a Security Operations Centre (SOC) with great successes in threat identification and prevention. • The Cyber team is continually seeking to mature tools, people and processes in line with the government's Cyber Security Strategy and other cross-government initiatives such as GovAssure and Secure by Design.	 Risk rating remains static as mitigation continues against the evolving threat landscape.	
2. Critical import shortage (supply chain shock): Risk of a significant supply chain shock, with the result that supplies critical to our economy are unavailable. • The Department continues building effective cross-government coordination on supply chains via strong governance structures, leading to a more effective governmental response to supply chain shocks, for example, through development of a shared supply chain resilience toolkit. • The launch of a new 'Supply Chain Centre' based in the Department, that will lead government's work, in tandem with business, to build the resilience of the supply chains critical to the UK's security and prosperity, helping to secure our ability to withstand future disruption.	 Risk rating remains High (static) due to a wide range of threats to global supply chains.	

Risks continuing from 2023-24

Risk and mitigating activities	Risk rating / in-year change	Departmental priorities
3. Post Office redress delivery: Risk of failure to deliver redress sufficiently swiftly, or is not perceived to be fair. • The Department introduced the Post Office (Horizon System) Compensation Act 2024 extending legal authority to provide redress and brought forward legislation to overturn convictions through the Post Office (Horizon System) Offences Act. • The Department also introduced the Horizon Convictions Redress Scheme and launched an appeal mechanism for the Horizon Shortfall Scheme. • The Department secured funding to deliver ongoing redress, however the increased level of Horizon Shortfall Scheme applications has affected the delivery timeline.	 Risk rating remains High due to the increase in claims and the need to resolve outstanding claims.	
4. Economic challenges: The Department is not able to convene and drive a cross-government Industrial Strategy and growth narrative to have an impact that is commensurate with the scale of the challenge, government ambition and business expectations. • The Department has a core contribution to driving growth, as the voice of business in government, including using the convening power of the Industrial Strategy to tackle the issues businesses face, spurring sustainable growth and firm-level investment across all parts of the UK through innovative policy and crowding-in private investment. • The Department is fundamentally changing how it partners and co-creates policy with businesses, investors and stakeholders (e.g. business representative organisations academics, think tanks) including via the Industrial Strategy Council. • The Department has established teams for each of the new Departmental Priorities, a clear role with HM Treasury stewarding design and delivery of the Industrial Strategy across government and a new Growth Policy Unit has been established to co-ordinate cross-cutting policy on long-term enablers.	 Risk remains static due to long term nature of the challenge.	

Risks continuing from 2023-24		
Risk and mitigating activities	**Risk rating / in-year change**	**Departmental priorities**
5. Acute economic shock: Risk that the Department lacks capacity and capability to respond effectively. • The Departmental Economic Shocks team has been refocused and now supports individual sector teams to assess and respond to company level shocks. This includes providing advice, capability building (e-learning workshops), guidance and analytical support.	 Risk rating decreased due to effective mitigation.	
6. Grant management and fraud: Scale of cross-departmental change programme required to professionalise business grants scheme design and delivery (together with risks posed by existing/legacy schemes and Departmental capability gaps) leaves the Department exposed during the transformation process, including to fraud/ irregular payments. • The Department has established a centralised Grant Delivery Directorate (GDD) made up of grant delivery experts to professionalise delivery, ensuring compliance with Grant Management Standards. • To strengthen oversight over the grants portfolio the Department has formed a Grant Delivery Board to monitor the delivery and performance, meeting on a quarterly basis. • GDD is driving a wider grants transformation programme which will support improved grant capability, standardise grant processes and systems. Improving our use of AI and digitisation through a new end to end grants management system, will improve the quality and depth of reporting.	 Risk remains static, expectation is that it will reduce over 2025-26.	

Risks newly identified in 2024-25		
Risk and mitigating activities	**Risk rating / in-year change**	**Departmental priorities**
1. Geopolitical impacts on trade: Risk that the UK is unable to protect its economic interests in a dynamic world where key geopolitical actors are locked in competition. • The Department is working on internal scenario planning using analysis of geopolitical activity that would adversely impact the UK's trade and economic interests. • The Department seeks to maintain productive senior and political relationships with the US, EU and China, continuing to work with trade partners on supporting rules-based trade and diversification of supply chains.	 Risk rating remains High due to the changing geopolitical context.	
2. Post Office stability & viability: Risk of a failure to put Post Office Limited on a secure financial footing, leading to a significant deterioration in Post Office's financial position, meaning the company is ever more dependent on financial support from government. • The Department has provided increased funding in 2023-24 and 2024-25 and published a Green Paper in July 2025 on the future of the Post Office.	 Risk remains static due to commercial challenges and requirements for a longer-term budget settlement.	
3. People priorities and resilience: Risk that the Department is not able to effectively support and retain its people to deliver against its ambitious commitments. • The Department's People and Place Directorate has launched a People Strategy Delivery Plan and Redeployment Hub to improve workforce resilience and enable the department to rapidly shift its staffing resources in order to absorb new priorities at pace. • The Department's People and Place Directorate has been leading a project on capability assessment, which will align the learning and development curricular to address areas of focus.	 Risk remains static as mitigations are implemented.	

Risks newly identified in 2024-25

Risk and mitigating activities	Risk rating / in-year change	Departmental priorities
4. Climate and environment driven economic transformations: The physical effects of climate change and environmental damage combined with UK and global climate and environment policy are driving structural economic change, creating both opportunities and risks to growth. • The Department works closely with DESNZ to ensure its policy aligns with, and contributes to, delivery of the government's decarbonisation commitments and the Clean Energy Superpower Mission. • The Department works closely with Defra and other government departments through the National Adaptation Plan and Environmental Improvement Plan to ensure delivery is aligned with growth, and businesses are effectively supported.	Risk is reducing as mitigations are implemented.	

Risks closed, de-escalated or re-articulated in 2024-25

Risk and mitigating activities (during the year, before closure)	Narrative	Departmental priorities
1. Operating model effectiveness: Risk that the Department fails to implement an effective operating model that functions across the UK hubs, international network and Partner Organisations, and allows delivery of the Departmental priorities following its creation in February 2023. • Organisation Design and Change Management support and resources were established to deliver the initial implementation of the Machinery of Government change programme and the remaining workstreams. • A programme of work was established incorporating the recommendations from an external review, resulting in a reduction in the level of risk.	**De-escalated** and is now being managed at group level.	

Risks closed, de-escalated or re-articulated in 2024-25		
Risk and mitigating activities (during the year, before closure)	**Narrative**	**Departmental priorities**
2. Net-zero response: Risk that we fail to understand the economic changes from decarbonisation, and our action proves insufficient to meet Net Zero targets and/or fail to capitalise on opportunities in building the green economy. • We worked with partners across Whitehall to build our understanding of the structural economic changes, challenges and opportunities being driven by climate change.	**Closed** and replaced with new risk to reflect the structural economic impacts of climate change and the related policy responses.	
3. Fragmentation of rules-based systems: Risk that the fragmentation of the international community undermines the effectiveness of multilateral institutions and the norms and rules that are relied upon for the UK's prosperity. • The Department worked with Whitehall partners towards a modernised multilateral system through the clear articulation of our multilateral trade strategy.	**Re-articulated** to reflect wider global geopolitical changes and impact on trade.	

Financial Review

The Financial Review analyses the Department's expenditure and financial position for the year. This analysis of expenditure is focused on the Statement of Outturn against Parliamentary Supply (SOPS), rather than the Statement of Comprehensive Net Expenditure (SOCNE) and Financial Statements. These are discussed further below.

The SOPS is specific to the public sector. It reports the Department's expenditure against the control limits that Parliament has voted on. The Department is held to account on its financial performance and use of taxpayers' funds based on these limits. Departmental spend included in SOPS totalled £2,508 million. Annex C provides the Department's Core Tables which provides more granular breakdowns of spend against each budgeting currency detailed in the SOPS.

The Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adapted and interpreted by the Government Financial Reporting Manual (FReM). Net expenditure for the Departmental Group reported on this basis in the SOCNE totalled £2,152 million.

A reconciliation between the SOPS and net expenditure in the SOCNE is provided in SOPS note 2. Note 2 is considered sufficiently understandable in detailing how net expenditure is reflected in the SOPS, so no further summary is provided in the Financial Review.

Our Budget framework

The government's main measure for reporting overall public spending is Total Managed Expenditure (TME), which is a measure drawn from the national accounts. TME is the total spend in two categories: Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME).

DEL is for spending that is firm, planned and set for multi-year periods, such as grants, provision utilisation, staff pay and costs for running the Department. Spend is generally in DEL unless HM Treasury has determined that it should be in AME.

AME is for spending that is demand-led and can be difficult to forecast during the financial year or does not have an immediate impact on national fiscal aggregates, for example expenditure relating to financial asset revaluations or provision liability movements. The Department's AME expenditure includes payments relating to the Post Office Horizon redress schemes, expenditure relating to the recognition of provisions, financial guarantee liabilities, and on the Insolvency Service Redundancy Payments Service.

DEL and AME spend is split into two further categories, resource and capital.

Resource spend is current expenditure and is further split into programme and administration budgets. Programme budgets are for expenditure on front-line activities, such as our assistance for energy intensive industries, subsidies for specific Post Office activities, and funding our international teams supporting UK exports and inward investment (note 4.1 in the accounts). Administration budgets capture any expenditure not classified as programme including the administrative costs of running the Department.

Capital spend is expenditure on buying or creating assets, where the benefits from the asset extend beyond the current financial year. Examples of this include new property, plant and equipment, financial investments, certain research and development expenditure, capital grants and payments relating to the Post Office Horizon redress schemes.

Variance of outturn to budget

	Outturn £m	Budget £m	Variance £m
Resource DEL	1,632	1,780	148
Capital DEL	952	1,508	556
Total DEL	**2,584**	**3,288**	**704**
Resource AME	211	1,087	877
Capital AME	(287)	1,562	1,849
Total AME	**(76)**	**2,649**	**2,726**

Explanations for the key variances from budget are as follows, split by budget line headings from the SOPS. The variances detailed below explain the associated variances in the Core Tables disclosed in Annex C also, as the content of these tables reflects the outturn positions detailed above.

Total Managed Expenditure (TME)

The Department has managed all budget types within Parliamentary control totals and had a £3,430 million underspend at the end of the financial year. These were driven by a combination of outturn being lower than forecast, volatility inherent in calculating provision balances and contingency funding that was not utilised.

Resource DEL

The outturn on Resource DEL was £1,632 million, an underspend of £148 million, against a budget of £1,780 million. This was primarily due to:

- **£70 million** of contingency held for various financial risks that did not materialise.
- **£33 million** relating to various Energy Intensive Industries compensation schemes where the value of claims were less than expected and conditions were not met.
- **£16 million** relating to Companies House where planned activity and expenditure had not materialised for the year.

Capital DEL

The outturn on Capital DEL was £952 million, an underspend of £556 million against a budget of £1,508 million. This was primarily due to:

- **£320 million** lower expenditure for the British Business Bank, relating to the timing of investment drawdowns and the level of realised income from investments. The initial budget for BBB was on the high end of the forecast range, which is volatile due to the nature of the UK economic environment and the public markets, with a period of high inflation putting pressure on the economy.
- **£115 million** relating to various grant schemes, with utilisation of these schemes less than originally anticipated.

Resource AME

The outturn Resource AME was £211 million, an underspend of £877 million, against a budget of £1,087 million. The underspend is primarily due to:

- **£752 million** for Post Office redress provisions following a reduction in the expected provision for future years and unwinding of the provision through making redress payments. This includes:

- Additional in-year commitments not requiring provisions to be recognised at the balance sheet date.
- Higher than expected amounts of redress paid during the year.
- Remaining provision estimates decreasing more than expected at the balance sheet date for example because of a higher than expected uptake in fixed sum offers under the Horizon Convictions Redress Scheme.

- **£116 million** resulting from the outturn value of British Business Bank's Enterprise Capital Funds investments being higher, and the associated 'loan commitment' loss provision lower, than the values forecast when the budget was set.

Capital AME

The Department's full year Capital AME outturn was (£287 million), an underspend of £1,849 million, against a budget of £1,562 million. The underspend was primarily due to:

- **£969 million** for the Post Office Working Capital Facility, resulting from an outturn of (£69 million) compared to a budget of £900 million. This underspend relates to two factors:
  - Net repayment of (£69 million) during the year compared to a potential additional drawdown of up to £209 million.
  - £691 million of additional budget requested for the facility above the maximum potential outturn of £209 million.

  Post Office can draw down up to £950 million via the facility, but the budget outturn will reflect the net amount of draw down or repayments made during the year.

- **£869 million** relating to measurement of financial guarantee liabilities. The outturn on these liabilities is uncertain prior to the reporting date as it will include the impact of future macroeconomic conditions as forecast at the reporting and the credit status of the underlying loans at that date.

Comparison of expenditure to previous years recognised in the SOPS

The Department was formed on 7 February 2023 following the Machinery of Government change and has reported financial outturn figures since 1 April 2023. Figures for 2025-26 below are planned; figures for years prior to 2025-26 are outturn (figures prior to 2023-24 show indicative outturns as if the Department had existed in those years). The below figures and trend analysis help explain key movements between financial years in the Core Tables detailed in Annex C also.

Year	Total DEL (£m)	Resource DEL (£m)	Capital DEL (£m)	Total AME (£m)	Resource AME (£m)	Capital AME (£m)
2025-26	3,563	2,035	1,528	1,376	(454)	1,830
2024-25	**2,584**	**1,632**	**952**	**(76)**	**211**	**(287)**
2023-24	2,851	1,783	1,068	31	1,170	(1,139)
2022-23	1,544	1,387	157	1,727	410	1,317
2021-22	7,177	6,418	759	(3,599)	(1)	(3,598)
2020-21	22,742	21,255	1,487	9,323	(10,395)	19,718
2019-20	2,047	1,755	292	406	372	34

There was a significant increase in spending in 2020-21 in response to the COVID-19 pandemic. This was primarily because of funding provided to small and medium sized businesses through various grants, provisions for grants and loan guarantees. This funding continued through 2021-22 at a more limited rate, before reducing further in 2022-23.

In 2021-22, Capital AME had a (£3,598 million) credit outturn due to downward revaluation of the COVID-19 financial guarantees following their inception in 2020-21. Movements in Capital AME in 2023-24 and 2024-25 resulted from movements in valuation of the COVID-19 financial guarantees and, for 2024-25 only, payments on provisions relating to Post Office Horizon redress schemes which were reclassified from Resource DEL to Capital AME from April 2024. The increase in Resource AME in 2023-24 resulted from upwards remeasurement of the provision liabilities relating to the Post Office Horizon redress schemes.

The increase in DEL spending in 2023-24 largely relates to the Post Office redress schemes and drawdowns and investments performance of financial commitments undertaken by the British Business Bank.

The recently published Spending Review 2025 document provides information about the spend on the Department's priorities in future years on pages 85 and 86, paragraphs 5.97 to 5.106 of the document.

Financial position

Assets and liabilities

The table below shows the value of assets and liabilities for the Departmental Group.

Date	Assets (£m)	Liabilities (£m)	Net Assets/ Liabilities (£m)
31-Mar-25	**9,785**	**(7,507)**	**2,278**
31-Mar-24	10,980	(12,232)	(1,252)
31-Mar-23	8,772	(13,842)	(5,070)

The Department is in a net asset position as of 31 March 2025. The most significant balances impacting the Department's financial position are:

Assets

- Investments and loans – £7.5 billion (2023-24: £7.2 billion): This largely comprises investments held by the Department and by British Business Bank to help deliver various programmes supporting access to finance for small and medium sized enterprises.
- Cash – £1.7 billion (2023-24: £2.9 billion).

Liabilities

- Financial guarantees – £3.4 billion (2023-24: £6.4 billion): This relates primarily to guarantees issued during the COVID-19 pandemic. £2.3 billion of claims were paid during the year.
- Provisions – £1.5 billion (2023-24: £1.8 billion): £0.7 billion reduction in liability due to utilisation of Post Office redress provisions with remaining liabilities for redress increased by £0.4 billion. This reflects the progress made in paying redress, not a reduction in the Department's forecast of the total to be paid out.
- Trade payables and other liabilities: £1.2 billion (2023-24: £2.4 billion) issued from the Consolidated Fund for Supply but not spent at year end and £0.7 billion (2023-24: £0.8 billion) of accruals.

Sustainability Report

The Department adheres to several objectives, including the Greening Government Commitments (GGCs) framework aimed at minimising energy usage, water consumption, paper usage, travel, and waste management.

This report details the sustainability performance of estate-related activities, focusing on areas such as waste generation, energy and water usage, and paper consumption. Additionally, the report encompasses the Department's travel and procurement practices for goods and services, including ICT and digital.

Governance, Reporting Scope & Data Validation

Sustainability performance reporting figures cover the Core Department and four[38] Partner Organisations within scope – as determined by the Department for Environment Food & Rural Affairs (Defra) criteria.[39] Combined these represent 33 sites.

The performance of the Department and its Partner Organisations during the 2024-25 financial year is detailed in this report, following the transfer of assets to the Department and measured against an adjusted 2017-18 Departmental baseline. While the sustainability reporting has not undergone external validation, the Department's internal data analysis team has conducted thorough data validation checks. To quantify greenhouse gas emissions, activity data such as distance travelled, fuel consumption, and waste disposal have been converted into carbon emissions. The greenhouse gas conversion factors utilised in this report are sourced from the government's environmental impact reporting requirements for businesses.

Throughout 2024-25, the Government Property Agency (GPA) was responsible for managing and maintaining the Department's property estate portfolio, however, overall accountability for sustainability remained with the Department's executive team.

The Department has recruited a dedicated Sustainability Engagement Manager to encourage action from colleagues across the Department to reduce consumption and improve sustainability, increase discussion and events, and enhance communication between sites and sustainability teams. The Department operates a Green Network that brings together colleagues to discuss environmental issues in meetings and staff awareness campaigns.

Governance frameworks, practices, and arrangements are being established. The Department does not have a dedicated corporate environmental sustainability board. Instead, agreement is being sought for the Place Programme Board to serve as the primary forum to oversee the Department's sustainability and Net Zero goals and objectives. When necessary, this board will report sustainability metrics and targets to the Executive Committee (ExCo). The Department plans to develop a Net Zero strategy and action plan in 2025-26, subject to transformation funding, to establish an accurate baseline for setting reduction targets, with the goal of reaching net zero by 2050.

38 The Department's GGC family comprises: 1) Advisory, Conciliation & Arbitration Service (ACAS), 2. Insolvency Service, 3. Companies House, 4. Competition and Markets Authority (CMA) and 5. Financial Reporting Council (FRC). FRC's figures will be published separately in their own Annual Report and Accounts.

39 Occupying above 500m2 floor space and with more than 50 FTE staff.

Greening Government Commitments & Mitigating Climate Change

The GGCs provide a framework for government departments to reduce their impacts on the environment. The Department's strategy for sustainability is to improve its performance against the GGCs. The current cycle, with a 2017-18 baseline, ended 31 March 2025.[40] In 2025, the Department will collaborate with Defra to establish a new framework spanning from 2025 to 2030. This new framework will introduce a new reporting mechanism and reset the baseline year to 2025-26.

Climate Change Adaptation

Throughout 2024-25, GPA continued to develop a Climate Change Adaptation Risk Assessment and their Climate Change Adaptation Action Plan, following the Office for Government Property Framework. The outcomes from this work have been documented in a comprehensive GPA strategy report. As GPA oversees the Department's property portfolio, the Department will collaborate with them in 2025-26 to evaluate the progress made on addressing climate change risks within our estate. The Department will implement any necessary actions highlighted in our climate change action plan and integrate these actions into business continuity plans for locations vulnerable to flooding and power outages.

The Department's performance data on sustainability helps assess climate-related risks and opportunities, adhering to the GGC reporting methodology, which is verified by Defra. Significant steps have been taken to streamline our property and IT estates, making the Department more efficient and less carbon intensive.

Nature Recovery and Biodiversity Plan

The GPA has recently published a Nature Recovery and Biodiversity Annex to the Workplace Design Guide. This annex includes a range of initiatives to enhance biodiversity and nature recovery, particularly in new constructions and when refurbishing outdoor areas.

Waste Production & Promoting Resource Efficiency

The Department continued to encourage colleagues to reduce the amount of waste produced. The Department is supported by GPA's commitment to reduce waste with a specific focus area on the circular economy. The Department's offices managed by GPA, offer a range of waste bins to ensure segregation of waste and encourage recycling. At the current time the GPA does not break down the types of waste to enable us to report further than is already mentioned in the figures below, this includes limited financial data. The Department will work with GPA to improve this data to enable us to better report as part of the GGC 2025-2030 framework.

Water Use

Water use continues to be monitored and measured where the utility is managed by GPA and data provided to clients. These utilities tend to have manual meters, so efforts are underway to move from manual meters to automated meters to gain more insight into water usage. The GPA does not currently report on indirect water use but the Department will work with GPA to improve this reporting over the coming year.

Consumer Single-Use Plastics Initiatives

The Department has successfully phased out a broad array of consumer single-use plastics, including items like plastic cutlery and cups, and remains committed to identifying plastic-free alternatives. The GPA continues to collaborate

40 Further details can be found at: https://www.gov.uk/government/publications/greening-government-commitments-2021-to-2025/greening-government-commitments-2021-to-2025

with its supply chain to explore further reductions in single-use plastic usage. The Department will work with the GPA to introduce several reuse schemes in the coming year.

Sustainable Construction

The GPA released an updated version of the Net Zero and Sustainability Annex design guide. This guide outlines the sustainability goals for both new construction projects and major refurbishments carried out for clients. It addresses carbon emissions from both construction and operational phases and incorporates BREEAM (Building Research Establishment Environmental Assessment Methodology) targets. The Department does not hold any significant natural capital or landholdings having fully on-boarded with GPA.

Sustainable Procurement

Most of the Department's procurement activities focus on services, which typically involve short supply chains with minimal sustainability impacts. For sectors with potentially higher impacts—such as IT (excluding laptops), catering, and facilities—procurement was handled on behalf of the Department.

The Department maintains a current sustainable procurement policy applicable to expenditures exceeding £10,000, aligned with the Government's Net Zero Strategy. The policy mandates the use of the Prioritisation Tool in category strategy development and encourages the Flexible Framework, integrating all sustainability-related commercial policies including carbon reduction plans and social value considerations.

The Commercial team completed the UK government-endorsed CIPS ethical procurement training, which includes modules on sustainable procurement.

Minimising Environmental Impact from ICT and Digital Services

The Department's primary ICT services are delivered under a master shared services agreement with Integrated Corporate Services (ICS), part of the Department for Energy Security and Net Zero (DESNZ). The Department's commercial team oversees this agreement to ensure compliance with government procurement standards, including Social Value and GGCs. For hardware acquisitions, the Department requires suppliers to meet EU Green Public Procurement Criteria, ISO 14000 environmental standards, and the mandates of the Greening Government: ICT and Digital Services Strategy 2020–2025.

The majority of the Department's cloud hosting expenditure is with Amazon Web Services (AWS), which has committed to powering all data centres with renewable energy by 2025. In 2023, Amazon reported that all electricity used by its operations, including AWS data centres, was matched with 100% renewable energy.

Remaining cloud services are provided through Google Cloud Platform, which is fully powered by renewable energy, and Microsoft Azure, which has pledged to achieve 100% renewable energy usage by 2025. Office 365 services are managed on the Department's behalf by ICS.

Travel

The Department has achieved a 31% reduction in domestic official business travel emissions (Scope 3) compared to the 2017–18 baseline—successfully meeting the government-wide target of a 30% reduction by 2025. The Department continues to track the distance covered by both domestic and international business flights to better understand and minimise associated emissions. Staff are required to consider environmental sustainability, including carbon impact, when arranging travel in accordance with the Department's travel and expenses policy. The Department does not currently own, hire or lease cars.

Summary of performance

Below is a summary of performance against the GGC quantitative targets which relate to estate and travel activities across the Department and the four Partner Organisations within scope. The significant variation in building use and changes to the Department's and Partner Organisations' estate portfolio following the creation and transfer of assets into the Department, means that comparisons of performance data with previous years is not applicable. Consequently, only financial and non-financial sustainability data for the financial years, 2023-24, 2024-25 and the adjusted 2017-18 baseline, have been provided in this report.

As a newly established department following the Machinery of Government change in 2023, The Department has agreement from Defra to establish a new Department for Business and Trade 2017-18 baseline using former data from the Department for Business, Energy & Industrial Strategy (BEIS) and Department for International Trade (DIT), comprised of:

- 100% of DIT's 2017-18 baseline target (unless otherwise stated).
- 25% of former BEIS's 2017-18 baseline targets.
- Eligible Partner Organisation's 2017-18 baseline targets.
- Greenhouse Gas Emissions, Energy Consumption and Financial Costs.

Greenhouse Gas Emissions, Energy Consumption and Financial Costs

	Greenhouse gas (GHG) emissions	2017-18	2023-24	2024-25
Non-financial indicators (tCO_2e)	Total Gross Scope 1 (Direct) GHG emissions	736	375	334
	Total Gross Scope 2 (Energy indirect) emissions	5,193	1,895	1,422
	Total Gross Scope 3 (Domestic official business travel) emissions	1,507	1,037	1,284
	Total emissions – Scope 1, 2 & 3	7,436	3,307	3,040
Non-financial indicators (kWh)	Electricity: non-renewable	13,967,623	7,721,804	4,900,374
	Electricity: renewable	474	0	186
	Gas	2,718,139	2,038,812	1,782,195
	Other energy sources	2,684,935	1,857,311	1,376,666
	Total Energy	19,371,171	11,617,927	8,059,421
Financial indicators (£000)	Expenditure on energy	793,000	862,050	3,122,400
	Expenditure on official business travel excluding domestic air travel	9,214,000	5,822,912	9,857,560
	Expenditure on domestic air travel	197,000	165,786	182,018
	Expenditure on international air travel	N/A	4,027,276	3,281,209

Travel

Air[41]		2017-18	2023-24	2024-25
km	**UK domestic – start and end in the UK**	1,380,422	1,207,922	1,281,006
	International – short haul – international, start or end in the UK[42]			
	Unknown	32,294	3,788	12,226
	Economy	3,037,709	2,685,738	2,624,856
	Business	421,000	277,678	275,038
	International – long haul – international, start or end in the UK			
	Economy	6,971,211	6,697,906	6,707,327
	Premium economy	3,128,483	3,788,568	2,288,341
	Business	6,491,956	6,993,214	5,330,166
	International – wholly international, start and end overseas[43]			
	Economy	-	1,830,313	1,932,857
	Premium economy	-	91,447	86,666
	Business	-	3,503,066	3,548,882
Rail				
km	UK domestic	8,794,394	11,106,996	14,085,651
	International (Eurostar)	575,850	304,634	275,090
Total kms		**30,833,319**	**38,491,270**	**38,448,106**

Waste Production

			2017-18	2023-24	2024-25
Non-financial indicators (tonnes)	Hazardous waste		0	0	22
	Non-hazardous waste	Landfill	442	12	128
		Reused/recycled	620	328	736
		Composted	12	14	9
	Incinerated with energy from waste		136	151	61
	Incinerated without energy recovery		0	10	0
	Total waste		1,210	515	956
Financial indicators (£000)	Expenditure on waste disposal		N/A	N/A	N/A

41 Air travel:
UK domestic - start and end in the UK
International - short/long haul - international, start or end in the UK
International - wholly international, start and end overseas

42 Reliable DIT data on international short haul flights for 2017-18 is not available, therefore 2022-23 DIT flight data has been incorporated into the 2017-18 baseline as comparable data to 2023-24 activity.

43 International flights were not recorded under the 2017-18 baseline.

Single Use Plastics

Consumer Single Use Plastics (CSUPs) Number of items 2024-25[44]	2023-24	2024-25
	19,750	24,942

Paper Use

		2017-18	2023-24	2024-25
Non-financial indicators	A4 Reams Equivalent	29,240	9,169	10,659
Percentage reduction from baseline year		0	68.63%	63.54%

Water Consumption and Financial Costs

		2017-18	2023-24	2024-25
Non-financial indicators	Total consumption (m^3)	56,239	32,958	18,884
Financial indicators	Total supply costs (£)	37,000	14,425	57,848

44 Consumer single-use plastics were not recorded under the 2017-18 baseline.

Task Force on Climate-related Financial Disclosures (TCFD) Compliance Statement

The Department has reported on climate-related financial disclosures in line with HMT's TCFD-aligned disclosure application guidance,[45] which adapts the framework for the UK public sector. The Department considers climate to be a principal risk and has complied with the TCFD Phase 1 disclosure recommendations regarding governance. The Department plans to provide the recommended disclosures for all relevant areas in future reporting periods, in accordance with the central government implementation timetable.

The Department acknowledges it is not yet fully compliant with all Phase 2 requirements, such as performance metrics. The Department notes in the governance, reporting scope and data validation section of the Sustainability Report, that governance arrangements have been a work in progress. Accordingly, the focus has been to develop appropriate processes through which to develop and report against an action plan in 2025-26. However, summary content on broader risk management has been provided, along with emissions reporting through GGC. Although full compliance remains the ambition for future years, this represents a reasonable foundation for further progress.

The Department supports the TCFD initiative and has also engaged with initiatives like the Greening Government Commitments. The Department has focused on establishing risk management practices compliant with the Orange Book throughout the year.

This effort included adding "Climate and Environment Driven Economic Transformation" to the Strategic Risk Register, leading to updates being provided to the Department's Audit and Risk Assurance Committee (ARAC). Currently, climate-related risks are managed under the same governance structures as all other departmental risks. The ExCo, along with its sub-committees, ARAC, and a central Risk Management Team, is responsible for risk management. The structures by which the Department is governed and risks are managed, is set out in more detail in the Governance Statement.

All staff are tasked with identifying risks that could affect the Department's objectives. The Department employs both a 'bottom up' and 'top down' approach to risk identification. Management teams, heads of units, project/programme managers, and other managers should identify risks to their objectives during delivery planning or project management. Risk registers should be reviewed regularly during performance monitoring to identify any new risks. Reporting has been conducted on an exceptions basis throughout 2024-25, and we aim to enhance this compliant approach with more proactive measures in 2025-26, while also meeting the additional TCFD requirements for risk management, metrics, and targets.

45 https://assets.publishing.service.gov.uk/media/675b13b16b80200babaa80fe/TCFD-aligned_disclosure_Application_Guidance.pdf

Performance in other areas

For information on methodology see the statistics annex, Annex A.

The Department has a Responsible Business Conduct (RBC) Team which delivers the government's agenda on Responsible Business. The Department supports businesses to adopt responsible and sustainable practices in global supply chains to minimise the risk of societal harms such as modern slavery and environmental degradation, whilst providing appropriate access to remedy to address societal harms in supply chains where they occur.

Part of the RBC team is the UK National Contact Point. The UK National Contact Point is responsible for:

- raising awareness of the Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.
- Implementing a non-judicial complaints mechanism to assess instances of alleged non-adherence to the Guidelines.

The OECD guidelines are a set of standards intended to promote responsible business conduct by enterprises based in the 52 adhering states. They cover a range of issues including those related to:

- human rights
- environment
- employment
- bribery
- disclosure of company information
- supply chain management
- taxation

The Department's Commercial team has a policy statement and guidance on the main actions that Commercial Leads and Sponsorship Leads must undertake for all applicable procurements and sponsorship agreements to mitigate the risk of modern slavery happening in government supply chains. It also outlines the requirements for each procurement where an initial risk assessment using the modern slavery prioritisation tool has produced a low, medium, or high-risk outcome for the contract.

The Department uses its contracts to motivate suppliers to tackle any modern slavery risks head on; while terminating contracts with suppliers where modern slavery is prevalent in the supply chain is not the Department's initial response, it remains an option available. The Department will work with suppliers to address any human rights risks found in the supply chain to help the abolition of modern slavery across the world.

Post Office

The Department has provided an additional £104.5 million of funding across 2023-24 and 2024-25 to support the Post Office in the development of a replacement to the Horizon IT System and to allow necessary investment into the current system whilst that replacement is developed. The Department also provided £218.6 million of further funding in 2023-24 and 2024-25 to ensure that the company could continue to deliver redress and fully input into the Post Office Horizon Inquiry.

The Department has taken action to ensure that fair redress is made available to postmasters impacted by the Horizon scandal:

- Introduced an upfront offer of £600,000 redress, announced in 2023-24, for all postmasters whose convictions are overturned which has helped increase the number of full and final settlements reached.
- Introduced an upfront offer of £75,000, redress for Group Litigation Order (GLO) claimants, also announced in 2023-24, which had secured prompt redress for 155 people by 31 March 2025.[46]
- Commissioning regular reports on the progress of the GLO scheme from the independent case managers.

46 https://www.gov.uk/government/publications/post-office-horizon-financial-redress-data-for-2025

- Publishing monthly transparency data on GOV.UK on the progress of claims across all schemes.

This action has resulted in many claims being settled:

- Almost £900 million has been paid to over 6,200 claimants across the lifetime of the four Post Office Horizon schemes by 31 March 2025.[47] Data on redress relating to the Horizon Shortfall Scheme, Group Litigation Order, Overturned Convictions and Horizon Convictions Redress Scheme is published on a monthly basis on gov.uk.[48]

Fraud detection, prevention, and estimates

The Department continued to develop its strategic response to fraud and the ability to prevent, detect and pursue fraud wherever it arises. The Department regularly submits fraud and error data to the Public Sector Fraud Authority (PSFA), and the data for 2023-24 and 2024-25 will be published in the government's Cross-Government Fraud Landscape Annual Report.

The Department works with the Insolvency Service who investigate serious cases of fraud, and tackle misconduct linked with directors of companies and those in bankruptcy. The Department also works with the Public Sector Fraud Authority, the British Business Bank, and Companies House to take action against fraudsters, and lenders take appropriate action to minimise exposure to financial crime.

COVID-19 Bounce Back Loan Scheme

The COVID-19 Bounce Back Loan Schemes (BBLS) opened in May 2020 and closed in March 2021. The loan guarantee scheme helped to facilitate access to debt finance and guaranteed private sector lenders' credit losses from eligible claims under the scheme. The total value of loans under the BBLS issued by lenders was £46.5 billion and as of 31 March 2025 the value of loans settled under the Government guarantee was £10.9 billion. The majority of loans are either fully repaid or repaying on schedule (68.8% by volume as of 31 March 2025).

The estimate of total lifetime loss to government due to fraud and error in the BBLS is estimated to be 9.7% of loans, a reduction from the initial central estimate of 11.15% of loans. Lenders are responsible for undertaking recovery action in the first instance, whether fraud or otherwise, and are expected to use all appropriate means at their disposal to recover outstanding Bounce Back Loans in line with their existing practices, contractual and regulatory obligations. Lender recovery activity is monitored via the British Business Bank through a series of processes, including data analytics, reviews of facilities under the guarantee, and a programme of regular audit. At 31 March 2025 BBB has removed government guarantees in relation to £451 million of BBLS loans, for example where facilities have been found to be ineligible for the scheme.

The Department has focussed on detecting fraud through its data and analytics programme, and to tackle fraud through lenders and enforcement partners. For the other loan schemes – Coronavirus Business Interruption Loan Scheme (CBILS), Coronavirus Large Business Interruption Loan Scheme (CLBILS) and Recovery Loans Scheme (RLS) – the Department's judgement remains that there is a normal level of fraud and error.

47 https://www.gov.uk/government/publications/post-office-horizon-financial-redress-data-for-2025
48 https://www.gov.uk/government/publications/insolvency-service-enforcement-outcomes-management-information/insolvency-service-enforcement-outcomes-2024-25

The BBLS was designed to deliver rapid support to businesses affected by the COVID-19 pandemic. The risks to the taxpayer of prioritising speed was recognised at the time, as noted by the Ministerial Direction requested by the then BEIS Permanent Secretary. The BBLS guaranteed 100% of loans of up to £50,000 at a fixed interest rate of 2.5% per annum, and it used a simplified application process based on self-certification.

BBLS recoveries

The majority of BBLS funds recovered are presently returned to the lender, regardless of whether there has been a claim under the government guarantee. Where funds are paid back to the lender this will either be returned to government (where a guarantee claim has been paid out) or kept by the lender (where the guarantee has not been paid).

Future Fund suspected fraud assessment

The Future Fund (FF) was set up in May 2020 as an emergency measure to support early-stage, equity-backed UK businesses that were facing difficulties due to a significant reduction in the availability of equity finance during the COVID-19 pandemic. It was deployed at pace by the BBB on behalf of the Core Department and open to applications from May 2020 to January 2021. The scheme was subject to Ministerial Direction, due primarily to the Department's Accounting Officer and BBB having concerns about value for money.

The scheme provided equity investment of up to £5 million per business, subject to at least matched funding from private investors. In total, £1.14 billion was deployed originally to 1,190 companies, with the scheme sitting on the Department's Statement of Financial Position. BBB provide a case study regarding the benefits of funding received from the FF, on page 37 of BBB's 23-24 ARA.

BBB has employed a range of actions to enhance its processes to detect and make enquiries into suspected fraud over the life of the scheme, alongside its three lines of defence assurance process. These have included;

- Ongoing performance monitoring.
- Third party source checks employed to match investee company information.
- Bringing know your customer and anti-money laundering checks in house, thereby delivering significant first line of defence benefits.
- The implementation of an initial enquiry process through which high risk cases are considered, providing comprehensive and end to end documented reviews.
- The creation of a risk dashboard to feed the initial enquiry and watchlist processes.
- Enhanced due diligence checks at specific points in the lifecycle of the investments.
- Refinement of measures that led to categorisation of suspected fraud.
- Internal and external audits of the processes maintained.

These activities and processes have enabled the Department to conclude in each year since the inception of FF that no material level of fraud above that already identified as suspected fraud, exists within the population. To date 3.9% of investments (47) have been categorised as suspected fraud, amounting to 7% of the total loan value at inception of the scheme at £79.5 million.

Civil enforcement outcomes by the Insolvency Service

There were 967 Insolvent Disqualifications in 2024-25, of which 737 (76%) related to allegations of COVID-19 financial support scheme abuse (predominantly BBLS).[49]

Of the 131 Bankruptcy and Debt Relief Restrictions Orders and Undertakings, 87 (66%) related to COVID-19 financial support scheme abuse (predominantly BBLS).[50]

49 https://www.gov.uk/government/publications/insolvency-service-enforcement-outcomes-management-information/insolvency-service-enforcement-outcomes-2024-25
50 https://www.gov.uk/government/publications/insolvency-service-enforcement-outcomes-management-information/insolvency-service-enforcement-outcomes-2024-25

Criminal prosecutions by the Insolvency Service

In 2024-25, 33 defendants were convicted of COVID-19 related misconduct.

COVID-19 Business Support Irregular Payments

The Department continues its efforts to identify further cases through ongoing engagement with Local Authorities. In 2024-25, the Department launched a Pathfinder project to retest the statistical estimate and consider further ways of checking and identifying irregular payments. These are payments made due to error, non-compliance or fraud. This project is expected to conclude at the end of 2025.

The BEIS 2022-23 Annual Report and Accounts highlighted an estimated potential loss of £1.03 billion in irregular payments awarded by Local Authorities across the eight schemes. Of this most recent estimated loss, the Department has identified irregular payments of £64.3 million (as of 31 March 2025), comprising of the following:

- £45.2 million successfully recovered and returned to the Department (of which £8.8 million was recovered in 2024-25).
- £0.5 million successfully recovered by Local Authorities but not yet repaid to the Department.
- £18.6 million referred to the Department as debt where the Local Authority has not been able to recover, and which the Department is now pursuing.

COVID-19 Business Support Grants in England were paid to businesses by the relevant Local Authority. Where Local Authority assurance was post-payment and it identified a grant had been awarded incorrectly (outside of the scheme eligibility criteria), then the Local Authority is required to attempt recovery. Only after the Local Authority has completed the minimum recovery action is an irregular payment notified to the Department. If recovery is successful then the Local Authority must return all recovered funds in full to the Department. Where recovery is unsuccessful the Local Authority must refer the resulting debt to the Department for agreement on next steps, including the options to start formal litigation through the courts to recover the irregular payment or to record the debt as unrecoverable if it is accepted that there is no realistic prospect of recovery.

The Department continued to work in partnership with the National Investigation Service (NATIS) to investigate fraudulent activity within COVID-19 Business Grant Schemes, recovering funds and supporting prosecutions. There have been 11 ongoing investigations during the year 2024-25. The other matters section of the Governance Statement covers the transfer of work from NATIS to the Insolvency Service.

Estimation of fraud and error

Further content regarding fraud estimates and the accounting impact of the estimates disclosed in the Performance Report, are detailed in the Department's Other Parliamentary disclosures and note 16 of these accounts.

Gareth Davies CB
Permanent Secretary and Principal Accounting Officer

11 September 2025

Accountability Report

Purpose of the Accountability Report

The Accountability Report sets out how the Department meets the key accountability requirement to Parliament. It comprises the three reports below.

The Corporate Governance Report

- provides names of Ministers and Directors with oversight for the Department
- explains the governance structures in place and activities during the year

The Staff and Remuneration Report

- presents staff numbers and costs, and other employee matters
- discloses the remuneration of our Ministers and Directors

The Parliamentary Accountability and Audit Report

- presents the Department's expenditure against the budgets set by Parliament
- presents the auditor's report and opinion on the Financial Statements

Corporate Governance Report

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000 (GRAA), HM Treasury has directed the Department for Business and Trade to prepare, for each financial year, consolidated resource accounts detailing resources acquired, held or disposed of, and the use of resources, during the year by the Department (inclusive of its executive agencies) and its sponsored non-departmental public bodies and other arm's-length public bodies designated by order made under the GRAA by Statutory Instrument 2024 no 1323 (together known as the 'Departmental Group', consisting of the Core Department and sponsored bodies listed in note 21 to the accounts). The accounts are prepared on an accruals basis and must give a true and fair view of the situation of the Department and Departmental Group, and of the income and expenditure, statement of financial position and cash flows of the Departmental Group for the financial year.

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

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process.
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental and other arm's-length public bodies.
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts.
- prepare the accounts on a going concern basis.
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

HM Treasury has appointed the permanent head of the Department as Accounting Officer of the Department for Business and Trade. The Accounting Officer of the Department has also appointed the chief executives (or equivalents) of its sponsored non-departmental and other arm's length public bodies as accounting officers of those bodies.

The Accounting Officer of the Department is responsible for ensuring appropriate systems and controls are in place to ensure any grants the Department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation

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

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding the assets of the Department or non-departmental or other arm's length public body for which the accounting officer is responsible, are set out in Managing Public Money published by HM Treasury.

Accounting Officer's confirmation

As Accounting Officer, I have taken all the steps I ought to have taken, to make myself aware of any relevant audit information and to establish that the Department for Business and Trade's auditor is aware of that information. So far as I am aware, there is no relevant audit information of which the auditor is unaware. I also confirm that this annual report and accounts is fair, balanced and understandable.

Gareth Davies CB

Permanent Secretary and Principal Accounting Officer

11 September 2025

Report of the Lead Non-Executive Director

The 2024-25 financial year was an eventful one, with a change of government taking place in July 2024. Following this change, the Department moved quickly to re-orient itself to the Secretary of State's priorities, with a renewed focus on delivering a new mission-driven Industrial Strategy, supporting small businesses, resetting our trade relations, championing British exports, and making work pay.

The Department has achieved several notable successes during the 2024-25 financial year including, (prior to my appointment), the introduction of a new Employment Rights Bill within 100 days of the new government being formed. Great progress was also made in commencing the development of the new Industrial and Trade Strategies, as well as the Plan for Small Business, all of which were published in the first few months of 2025-26.

In support of this re-orientation and transformation of the Department, the Secretary of State decided to appoint a new Board of Non-Executives. All vacancies were advertised in August 2024. Eight new Non-Executives, including myself, whose skills and experiences aligned with the Secretary of State's priorities were appointed in December 2024, following an open competition.

Following this, Ministers and officials in the Department re-established and refreshed governance structures at pace including the Departmental Board, which met within a week of new non-executives being appointed. The Audit and Risk Committee held its first meeting within a month of the new Chair John Latham assuming the role.

As the Governance Statement outlines in more detail, we will continue to improve the governance of the Department. In 2025-26, the Board will guide the development of and monitor delivery against delivery plans. Our aim will be to challenge and support the Department teams in the execution of the plans developed to deliver on the Secretary of State's priorities. These are all aimed at supporting and enabling stronger and more sustainable economic growth.

Outside of Board meetings, the Non-Executives have also been working to develop effective informal relationships with Ministers and officials in the Department, with a particular focus on pairings between Non-Executives and Ministers and officials that make best use of Non-Executives' experiences.

Non-Executives also worked constructively with a range of senior officials including Directors General to support and scrutinise the development of the Department's Spending Review bid during late 2024-25 and early 2025-26, alongside supporting the preparations for its outcome. We welcomed efforts to transform the Department into a leaner and more technology-enabled organisation.

We have also taken the opportunity to hold informal briefings with officials on several important topics, enabling us to provide constructive feedback and challenge.

I would like to thank the Secretary of State for his leadership of the Department and the warm welcome he provided to us as we joined the Department, as well as his openness to our feedback and scrutiny, to help him and his team to deliver.

I would also like to thank my Non-Executive colleagues, Ministers and officials for their time and commitment during the 2024-25 financial year and beyond, as we began to deliver on the Government's agenda. I would also like to express our thanks and appreciation to Karina McTeague, who provided valuable continuity and leadership as Chair of the Audit and Risk Assurance Committee, including scrutiny of last year's Annual Report and Accounts during the first nine months of this financial year.

Paul Drechsler
Lead Non-Executive Director
(from 12 December 2024)

Directors' Report

The Directors' Report covers the period from the start of the year to 31 March 2025. It provides names and ministerial titles of those who served as ministers. It also provides names of non-executive directors and executive directors. Dates of when those serving joined or left the relevant post during the financial year, is also provided.

Ministers	
The Rt Hon Jonathan Reynolds MP Secretary of State for Business and Trade and President of the Board of Trade	*From 5 July 2024*
The Rt Hon Douglas Alexander MP Minister of State (Minister for Trade Policy and Economic Security)	*From 6 July 2024*
Baroness Poppy Gustafsson of Chesterton CBE Minister of State (Minister for Investment)	*From 10 October 2024*
Sarah Jones MP Minister of State (Minister for Industry)	*From 8 July 2024*
Justin Madders MP Parliamentary Under-Secretary of State (Minister for Employment Rights, Competition and Markets)	*From 9 July 2024*
Gareth Thomas MP Parliamentary Under Secretary of State (Minister for Services, Small Business and Exports)	*From 9 July 2024*
Baroness Jones of Whitchurch Parliamentary Under-Secretary of State for the Future Digital Economy and Online Safety, and Parliamentary Under-Secretary of State (Minister for Legislation)	*From 9 July 2024*
Rt Hon Kemi Badenoch MP Secretary of State for Business and Trade and President of the Board of Trade	*To 5 July 2024*
Rt Hon Greg Hands MP Minister of State (Minister for Trade Policy)	*To 5 July 2024*
Kevin Hollinrake MP Minister of State (Minister for Enterprise, Markets & Small Business)	*To 5 July 2024*
Lord Dominic Johnson of Lainston CBE Minister of State (Minister for Investment and for Regulatory Reform)	*To 5 July 2024*
Alan Mak MP Parliamentary Under Secretary of State (Minister for Industry and Economic Security)	*To 5 July 2024*
Lord Offord of Garvel CVO Parliamentary Under Secretary of State (Minister for Exports)	*To 5 July 2024*

Non-executive directors

Paul Drechsler Lead NED, Board, Nominations and Governance Committee (NGC) Chair	*From 12 December 2024*
John Latham Board, Audit and Risk Assurance Committee (ARAC) Chair	*From 12 December 2024*
Iain Anderson Board	*From 12 December 2024*
Katharine Braddick Board	*From 12 December 2024*
Mike Clancy Board	*From 12 December 2024*
Nita Clarke Board, NGC	*From 12 December 2024*
Roni Savage Board	*From 12 December 2024*
David Sayer* Board, ARAC	*From 12 December 2024*
Stephen Hill Lead NED, Board, NGC Chair	*To 12 August 2024*
Karina McTeague** Board, ARAC Chair	*To 31 January 2025*
Sir Stephen O'Brien Board, ARAC	*To 12 August 2024*
Peter Fleet Board, ARAC	*To 12 August 2024*
Lord Kamall Board	*To 12 August 2024*
Rob Leeming Board	*To 12 August 2024*
Robert Gillespie Board	*To 12 December 2024*

*David Sayer became an ARAC member on 24 April 2025.
**Karina McTeague remained as ARAC Chair to provide leadership to ARAC's scrutiny of the 2023-24 Annual Report and Accounts, leaving the Department on 31 January 2025.

Executive directors

Gareth Davies CB Permanent Secretary	
Sir Crawford Falconer 2nd Permanent Secretary	*To 31 December 2024*
David Bickerton	
Amanda Brooks	
Joanna Crellin	
Caleb Deeks	
Kate Joseph	
Gavin Lambert	
Sam Lister	*From 11 November 2024*
Tim Reid	
Jaee Samant	*From 06 January 2025*
Ceri Smith	
Tara Smith	
Isobel Stephen	*From 24 February 2025*
Ben Cropper	
Nathan Phillips	
Bidesh Sarkar	
Jon Tunney	
Becky Woodward	

Conflicts of interest

Board members are required to declare personal or business interests which may influence (or be perceived to influence) their judgement, when performing their duties. The Department has an established conflicts of interest procedure, including declaring interests at the start of board meetings. No conflicts of interests were declared during board meetings in 2024-25.

Register of board members' interest are published on gov.uk.

Governance Statement

Overview

The Governance Statement sets out how the Department was governed by management during the year. It provides an outline of our governance structure, a summary of the board and committee activities, and a risk assessment.

Our governance structure

Nominations and Governance Committee
senior level talent, succession planning and effectiveness of governance

Departmental Board
advising on strategic and operational leadership for the Department

Audit and Risk Assurance Committee
assurance of audit, risk and control functions

Executive Committee
sets the strategic direction of the Department and manages the day-to-day running of the Department's resources, policies, and programmes

People and Operations Committee
considers all aspects of the workplace environment

Performance and Risk
monitors the management of risks and reviews performance against targets

Investment Committee
approvals of key investment proposals and projects

Shadow People and Operations Committee
staff advisory body

Departmental Board

Role

The Departmental Board (the Board) provides strategic and operational leadership of the Department, from which the Executive Committee (ExCo) derives its vision to deliver. The Board met twice in 2024-25 in December and March. A planned meeting in June 2024 was cancelled based on Cabinet Office advice that boards should not meet during the July 2024 General Election pre-election period.

Following the General Election, the new Secretary of State decided to refresh the non-executive membership of the Board, to appoint new non-executives who brought experience aligned to the Department's new priorities. The reconstituted Board met for the first time in December 2024 and has established a rhythm of quarterly meetings.

Key areas of discussion

- Secretary of State's priorities for the Department.
- Business and delivery planning.
- Spending Review 2025 and the Department's inputs.
- Joint working between ministers, non-executives and directors general and operating between formal meetings.
- Updates from the Subcommittee Chairs providing assurance that key operational and functional risks and issues are being effectively managed within the Department.

Meeting attendance (at 31 March 2025 (from 12 December 2024))	
Total number of meetings held	**2**
x/x = number attended /number eligible to attend	
Ministers	
The Rt Hon Jonathan Reynolds MP	2/2
Justin Madders MP	1/2
Senior officials / executive directors	
Gareth Davies	2/2
Tara Smith	2/2
Non-executive directors	
Paul Drechsler	2/2
John Latham	1/2
Iain Anderson	2/2
Katharine Braddick	2/2
Mike Clancy	2/2
Nita Clarke	2/2
Roni Savage	2/2
David Sayer	2/2

Note: The core membership of the board is listed above, with the principle that Ministers, Director Generals, and Non-executive Directors would be invited to any substantive board discussions, as required.

Compliance with the corporate governance code

The Nominations and Governance Committee reviewed the Department's governance and its compliance with the 'Corporate Governance in Central Government Departments: Code of Good Practice' (the Code) for the 2024-25 financial year in July 2025. The Committee noted that an internal audit of governance arrangements found that its structure was well designed and in line with Government guidance, as of the end of the 2024-25 financial year.

There had been disruption to the Department's governance during 2024-25 as a result of the decision to refresh the non-executive membership of the Departmental Board immediately following the formation of the new Government in July 2024. This meant there was a period of four months when the Department did not have functioning non-executive governance and thus was not in compliance with the Code. The Committee noted that the Department had moved to address governance gaps following these changes, with non-executive governance structures re-established as soon as practicably possible and with both the Board and its subcommittees once again fully operational as of the end of the 2024-25 financial year. Executive governance also continued uninterrupted throughout this period.

The Committee also noted that there were three specific areas where the Department should explain its compliance with the Code:

- As a result of the disruption to non-executive governance described above, and advice that the Departmental Board should not meet during the pre-election period for the July 2024 General Election, the Departmental Board met only twice in 2024-25, but had re-established a quarterly meeting rhythm going into 2025-26.
- There was a period of seven months where ARAC operated under interim arrangements under which its scope was limited to providing scrutiny and assurance to the finalisation of the 2023-24 Annual Report and Accounts. These arrangements ended following the successful completion of this objective.
- The Board had agreed to delay its Board Effectiveness Evaluation until the autumn of 2025, to enable governance structures to embed and mature before assessing their effectiveness, meaning no Board Effectiveness Evaluation took place for 2024-25.

Board appointments

The Secretary of State decided to refresh the non-executive membership of the Departmental Board in July 2024. Previous non-executives left the Department on 12 August 2024, with Karina McTeague remaining, as the Audit and Risk Assurance Committee's (ARAC) Chair, to provide leadership of the scrutiny of the Department's 2023-24 Annual Report and Accounts, leaving the Department on 31 January 2025.

An open competition to recruit new non-executives was held in line with Office for the Commissioner for Public Appointments guidelines between August and October 2024. The Secretary of State appointed eight[51] new non-executives to the Board on 12 December 2024. Alongside this, the Secretary of State, as Chair, reconstituted the Board with Justin Madders as a ministerial member, and Gareth Davies and Tara Smith as the senior officials.

At the end of 2024-25, the Board's gender diversity was at 33% and members with ethnic minority backgrounds also at 17%.

The Department's Secretariat provided a comprehensive secretariat service to the Board and committees. This ensured the effective and efficient administration of the Board and its activities.

Nominations and Governance Committee

Role

The Nominations and Governance Committee (NGC) is an advisory committee of the Board. It provides assurance on the Department's strategies and plans for talent, succession, and capability management of senior staff. It also considers the processes that support the Department's public appointments and governance arrangements.

51 Seven of the eight non-executives had applied through the open competition, with one (Nita Clarke) appointed without competition.

Key areas of discussion

- Senior talent, succession planning and capability.
- Effectiveness of governance arrangements.
- Public appointments.

Meeting attendance	
Total number of meetings held	**1**
x/x = number attended /number eligible to attend	
Executive directors	
Gareth Davies	1/1
Non-executive directors	
Paul Drechsler Chair *From 12 December 2024*	1/1
Nita Clarke *From 12 December 2024*	1/1

Note: The Chief People Officer is a standing attendee at NGC

Note: Stephen Hill was Non-executive Chair until to 12 August 2024 and Karina McTeague was a non-executive member to 12 December 2024. The NGC did not meet in 2024-25 prior to the General Election.

Note: During August 2024, Gareth Davies and Karina McTeague reviewed the Department's compliance with the Code for 2023-24 in correspondence, and approved language for the 2023-24 Annual Report and Accounts.

Audit and Risk Assurance Committee

Role

The Audit and Risk Assurance Committee (ARAC) is an advisory committee of the Board and provides advice and assurance to the Board and accounting officer on matters of risk, control and governance.

In line with Principle 3 of the Audit Committee Handbook: ARAC supported the Board and accounting officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report.

Following the decision by the Secretary of State to refresh the non-executive membership of the Board in July 2024, the incumbent Chair of ARAC, Karina McTeague, remained in position beyond the one month notice period for departing non-executives, to provide leadership to ARAC until completion of the 2023-24 ARA. During this period, ARAC comprised of Karina McTeague, and three Independent Members, Sharon Dean, Hanif Barma and Jim Watson. ARAC met four times during this period and its sole focus was the 2023-24 ARA, with its terms of reference temporarily amended accordingly. These arrangements ran until the 2023-24 ARA was laid before Parliament on 30 January 2025.

John Latham took over as ARAC Chair on 1 February 2025 and ARAC reverted to providing advice and assurance to the Board and accounting officer across all matters of governance, risk and control, giving due to consideration to arrangements for the whole of the 2024-25 period.

During June 2025, an ARAC effectiveness review was undertaken that examined ARAC's effectiveness in the first few months under new leadership. The review was conducted in line with the ARAC Handbook and comprised informal conversations between the Chair and key stakeholders, and desk research by the Secretariat. Findings from the review included that ARAC members should undertake a short programme of topical deep dives in Autumn 2025, and that members should undertake informal lead roles on areas that ARAC covers.

Key areas of discussion

- The management of Departmental risk, appetite and the risk management framework.
- The preparation of the ARA.
- The work of internal and external audits.
- Directors general group and director-level management of risk and assurance.
- Compliance, including business appointment rules.
- Partner Organisation risk and assurance, including engagement with partner organisations.

- Regular standing discussions with the Accounting Officer, Chief Operating Officer and Chief Financial Officer.

Meeting attendance	
Total number of meetings held	**8***
x/x = number attended /number eligible to attend	
Members	
John Latham *From 1 February 2025*	1/1
Hanif Barma	8/8
Sharon Dean	8/8
David Sayer**	
Jim Watson	8/8
Karina McTeague *To 31 January 2025*	7/7
Sir Stephen O'Brien *To 12 August 2024*	3/3
Peter Fleet *To 12 August 2024*	3/3

Note: Standing/ regular attendees include Permanent Secretary, Chief Financial Officer, Financial Audit Director, National Audit Office (NAO), Value for Money Audit Director (NAO) and Government Internal Audit Agency (GIAA)

* Of ARAC's 8 meetings, 4 were solely focused on assurance of the 2023/24 Annual Report and Accounts, under the temporarily amended terms of reference.

** David Sayer became an ARAC member on 24 April 2025. He attended the meeting 24 February 2025 as an observer, ahead of being formalised as a member.

Executive Committee

Role

ExCo is responsible for the day-to-day management of the Department and the delivery of its strategic objectives. ExCo is the forum to discuss key cross-cutting issues impacting the entire organisation.

In addition to the fortnightly formal ExCo meetings, ExCo members met informally, monthly, for strategic discussions led by Directors General and held away days to support the development of the ExCo leadership team. Staff engagement has continued to be a focus for ExCo with informal meetings held in a range of the Department's UK locations.

Key areas of discussion

- Secretary of State priorities: Industrial Strategy, Make Work Pay, Plan for Small Business and Trade Strategy.
- Key Departmental risks, mitigation and appetite.
- Fiscal events, including Spending Review, strategic and business planning.
- Departmental finances.
- Employee engagement, including pay, People Survey action plan and People Strategy.
- Departmental resilience and preparedness.
- Economic growth.
- Location and estates strategy.
- Business and cross-Whitehall engagement.

Meeting attendance	
Total number of meetings held	**20**
x/x = number attended /number eligible to attend	
Executive directors	
Gareth Davies CB	13/20
Sir Crawford Falconer *To 31 December 2024*	12/14
David Bickerton*	11/14 and 2/3*
Amanda Brooks	16/20
Joanna Crellin**	14/18**
Caleb Deeks / Gavin Lambert	19/20
Kate Joseph	15/20
Sam Lister *From 11 November 2024*	8/8
Tim Reid	13/20
Jaee Samant *From 6 January 2025*	6/6
Ceri Smith	16/20
Tara Smith	19/20
Isobel Stephen / Joanna Crellin** *From 24 February 2025*	2/2**
Ben Cropper	16/20
Nathan Phillips	19/20
Bidesh Sarkar	19/20
Jon Tunney	17/20
Becky Woodward	17/20

*David Bickerton moved to a part time working pattern from January 2025 and since then has attended two out of possible three meetings.

** From 24 February 2025 Isobel Stephen and Joanna Crellin job shared

Executive Committee sub-committees: Performance and Risk Committee

Role and discussions during the year

The Performance and Risk Committee is a delegated committee of ExCo. It monitors the overall performance of the Department and reviews the Departmental approach to risk management, focusing on overarching risks, and escalating to ExCo as appropriate.

Key areas of discussion

- Risk framework and risk appetite statement.
- Monitoring of departmental risks, including deep dives into Principal Departmental Risks.
- Monitoring of the Department's Management Information (MI) data.
- Review of performance in relation to the Departmental Delivery Plan.
- Review of Partner Organisation risk and assurance.
- Approach to and strengthening of monitoring and evaluation.
- Financial performance oversight.
- Sub-committee effectiveness review.

Performance and Risk Committee Co-Chairs

Tara Smith
Co-Chair, Performance and Risk Committee (from July 2023)

David Bickerton
Co-Chair, Performance and Risk Committee (until January 2025)

Joanna Crellin/ Isobel Stephen (job share)
Co-Chair, Performance and Risk Committee (from March 2025)

Executive Committee sub-committees: Investment Committee

Role

Investment Committee is a delegated committee of ExCo. It considers investment decisions related to high value (£20 million and above) or high-risk projects and programmes in the Department's portfolio.

Key areas of focus

- Approval of business cases for programmes within the Department's portfolio including onboarding and offboarding programmes.
- Consideration of investment elements for inclusion as part of the Department's Spending Review submission.
- Deep dives into complex or technical programmes within the portfolio.
- Sub-committee effectiveness review.

Investment Committee Co-Chairs

Amanda Brooks CBE
Co-Chair, Investment Committee

Ceri Smith
Co-Chair, Investment Committee
(to February 2025)

Sam Lister
Co-Chair, Investment Committee (from March 2025) Executive Committee sub-committees: People and Operations Committee

Executive Committee sub-committees: People and Operations Committee

Role

People and Operations Committee is a delegated committee of ExCo. It is supported by a Shadow People and Operations Committee which is comprised of staff from across the Department who bring the employee voice to the committee's considerations. It considers matters relating to all aspects of the workplace environment and following an expansion to its remit in October 2024, those operational matters that impact on our people. This includes the Department's strategic, policy, and operational approach to human resources, diversity and inclusion, the employment lifecycle and the Department's estates strategy.

Key areas of discussion

- The Department's People Strategy and its implementation.
- People Survey results and actions.
- Pay and benefits, reward and recognition.
- Inclusive values and culture.
- Places for Growth.
- Sub-committee effectiveness review.

People and Operations Committee Co-Chairs

Caleb Deeks/Gavin Lambert (job share)
Co-Chair, People and Operations Committee

Joanna Crellin
Co-Chair, People Committee
(until February 2025)

Kate Joseph
Co-Chair, People and Operations Committee
(from March 2025)

Risk management

Following the establishment of the Department's Risk Management Policy and Framework the focus in 2024-25 has been on further embedding the effective use of risk management in the Department in line with the Orange Book principles.

An essential part of governance and leadership

Risk management is the responsibility of the ExCo supported by its sub-committees, ARAC and an established central Risk Management Team.

The most significant risks to the Department are monitored through the Department's Principal Register on a monthly basis at the Performance and Risk Committee and termly by the ExCo. The Principal Risk Register has been in place throughout the year and refreshed through an annual risk session with the ExCo to ensure that it continues to reflect both the operating landscape and the delivery plans in support of the Departmental Priorities. Specific risks are monitored to ensure the necessary oversight at either the ExCo or one of the ExCo's sub-committees, as part of a wider agenda item or a specific risk deep dive review. Operational risk registers are maintained at Directorate, and Programme and Project level, with key risks escalated to Director General, sub-committee, or Principal level registers, as necessary.

The Risk Appetite Statement encourages officials with responsibility for risk management to consider strategic priorities and objectives when identifying, assessing and planning the management and mitigation of risk. As part of an agreed risk reporting cycle, risk is a standing agenda item in committees, and also as part of Director General Senior Leadership Team meetings.

The Risk Management Team is responsible for implementation of the risk management framework endorsed by the Performance and Risk Committee. The team, along with other functional leads, provide scrutiny and advice on risk registers for relevant committees, working closely with risk owners to support the strengthening of risk handling and reporting. It conducts (as a minimum) an annual Departmental risk workshop with ExCo to identify and articulate key risks and to thereafter monitor delivery against mitigation plans.

An integral part of all organisational activities

Risk management is integral and embedded into Departmental activities including delivery planning, policy making, project and programme approvals and implementation, security and information management, public body delivery, financial management, cyber security and counter fraud activities.

Collaborative and informed

The Risk Management Team works collaboratively across the Department, including engaging with colleagues in public bodies sponsor teams, governance, performance delivery, project delivery, finance and assurance to ensure risk knowledge is consistently shared and adopted across the Department. The Department regularly works with other departmental Heads of Risk and government Heads of Function to inform mitigation and reporting to the Civil Service Board on common cross-departmental risks.

Structured to include identification, treatment, monitoring, and reporting

Risks are identified and recorded by all directorates, using a central risk register tool. A comprehensive suite of policy and guidance documents have been developed and are accessible on the Departmental Intranet and a central Risk SharePoint site to support and enable staff in effectively recording and updating risk information. There is an established network of Risk Leads for each Director General group and directorate, who act as champions in supporting the recording, monitoring and reporting of risks and mitigations, and the escalation to relevant governance bodies.

Compliance

The Department has reviewed our practices against the five Orange Book principles using the HM Treasury Risk Control Framework to assess the Department's position and available evidence. An internal audit was also conducted on the operational effectiveness of our risk management framework, which reported good progress and an overall 'moderate' rating.

Areas of progress included embedding good practice through the establishment of regular Risk Network meetings, providing training pathways, and guidance to support and build capability in Risk Leads across the Department.

While complying with the five principles, our assessment of risk management maturity recognises that there is scope to build additional evidence and improve the integration of risk management and further refine our processes.

The Department plans to make continuous improvements in these areas, measuring progress against the Risk Control Framework and an internally developed risk improvement plan. Our plans include:

- Focussed support to teams including regular reviews of risk reports, and highlighting areas for further development to support insightful risk discussions.
- Further sharing of good practice and building capability through the network of Risk Champions and promoting training opportunities.
- Regular reviewing the risks managed by Partner Organisations, and strengthening assurance on the identification and escalation of critical risks.
- Further development of key processes and documentation, including the Risk Policy and Framework, Risk Appetite Statement, and supporting guidance and reporting tools.

Governance of the Department's Partner Organisations

The Department's Partner Organisations are public bodies which deliver services, provide advice or undertake regulation on behalf of the Department. They are separate from the Department and have operational independence to deliver in line with ministerial and government priorities.

The Department sponsors 19 Partner Organisations each governed by a Framework Document. These set out the organisation's objectives, key roles and responsibilities and the relationship with the Department.

The majority of the Department's Partner Organisations are governed by their own independent boards and have their own governance and internal assurance structures. Where Partner Organisations' produce their own annual report and accounts these provide further information on internal governance and assurance processes.

In addition to the role of sub-committees described above, the Department obtained assurance on the governance of its Partner Organisations in 2024-25 through:

- Active promotion and support to sponsor teams in applying the Cabinet Office's Sponsorship Code of Good Practice and the Corporate Governance Code. Compliance is tested through the Department's Partnership Assurance Framework.
- Formal risk escalation processes and reporting into Performance and Risk Committee as appropriate.
- Providing assurance to the executive board on the Core Department's relationship with its bodies.
- Government Internal Audit Agency review of sponsorship capability with the Department then responding to recommendations to further enhance assurance of the Department's public bodies.
- Review of Partner Organisation governance statements.

Government Internal Audit Agency

A key source of independent assurance for the Department is its internal audit function, which is delivered by the Government Internal Audit Agency (GIAA). This year, the internal audit programme comprised 25 individual audits, covering UK and overseas activity.

Based on the outputs from this audit programme, an overall 'Moderate' assurance opinion has been provided for 2024-25. This is an improved position on 2023-24 where GIAA provided a 'Limited' overall opinion. This reflected the context within which the Department had operated since its creation in February 2023 and the journey the Department took to form itself including transferring staff and corporate records, setting up financial and corporate processes, and establishment of its framework of governance, risk management and control.

The Department has responded firmly and effectively to last year's opinion, taking a project management approach to address the themes highlighted for attention (Machinery of Government Change; Capacity and Capability; Governance; Strategy and Business Planning; and First Line and Second Line).

GIAA has concluded that there has been a positive trajectory of travel towards implementation of a more robust framework of governance, risk management and control. The Department has exerted significant effort to address areas highlighted by GIAA for development as well as ensuring historical recommendations are addressed.

In the spirit of supporting continuous improvement within the Department, GIAA has provided some feedback on areas for development which will allow risk, control and governance arrangements to be sustained and improved. These include ensuring consistent application of the risk management framework and building out governance structures and processes. The Department will continue to address these issues systematically and work with GIAA to ensure continuous improvement through 2025-26.

Other matters

The National Investigation Service

The National Investigation Service (NATIS) was initially commissioned to investigate fraud cases related to COVID-19 financial support schemes, specifically the Bounce Back Loan Scheme in September 2020. Their role involved scrutinising fraudulent claims, identifying the perpetrators, and recovering misappropriated funds. However, recent developments have led to a significant transition in responsibilities.

The Department has decided to transfer the majority of ongoing fraud investigation cases from NATIS to the Insolvency Service (INSS). A proportion of cases (approximately 25%) have been assessed as not viable to transfer as they lack sufficient evidence to progress. Therefore, the recommendation is that those cases should be closed. 50% of cases will be transferred as within the INSS remit. Of the remaining 25% serious and complex cases INSS have indicated they will take on a portion of those which go beyond their historical remit. However, in their assessment there remains a number of these cases which it may be more appropriate for other agencies to take on, which the Department and INSS will agree in due course.

Minister Thomas released a written ministerial statement on 15 May 2025 confirming this position. This decision follows the discovery of significant irregularities in NATIS's financial recovery reports and governance processes, which were identified by a newly formed team in the Department, specifically looking at COVID-19 related counter fraud issues, and corroborated by the Government Internal Audit Agency (GIAA). Given the material discrepancies and governance failures, the Secretary of State concluded that moving towards ending the contract with NATIS was necessary. The INSS, which has a proven track record in handling complex fraud cases related to COVID-19 financial support schemes, will take over these cases. The transition aims to ensure continuity in investigations and maintain high standards of governance and accountability.

The GIAA has completed a stage 2 audit into NATIS recovery figures. It has verified that £7.2 million of recoveries are directly attributed to active investigations by NATIS. NATIS had previously claimed £23 million of recoveries. GIAA has reported that, although its stage 1 review identified significant governance issues within NATIS, there is no indication of purposeful misrepresentation and that NATIS has been open and transparent.

The adjustment to NATIS-related recoveries reflects a refined assessment of what can be directly attributed to NATIS's enforcement efforts. However, it does not impact the overall COVID loan recoveries achieved by the Department in collaboration with its stakeholders.

Qualified opinions on financial statements and regularity in relation to Horizon redress

The Comptroller and Auditor General (C&AG) qualified his opinion on the Department's 2023-24 Financial Statements, being unable to obtain sufficient appropriate audit evidence in relation to the provision estimates made for the HSS, to support an unmodified opinion. A qualified opinion in this regards remains on the Department's 2024-25 Financial Statements.

With the mailout to postmasters ongoing and the extent of the mailout being revised during the audit period, The Department recognises that high levels of uncertainty remain in the provision modelling. The C&AG considers that given the passage of time since the first letters were sent by Post Office Limited, the provision for the year ended 31 March 2025, should have been informed by a more detailed analysis of the progress and results of the mailout exercise as it progresses. The Department does not dispute that more detailed and thorough analysis and segmentation of the mailout cohort could have been procured. This work while improving the accuracy of the provision calculation, may have taken focus away from providing redress for those affected. The Department anticipates that the progression of the mailout, combined with the increasing volume of claims processed and paid will be such that this will be a less significant issue for the Department for the 2025-26 financial year.

Details of the provisions for these schemes and the other Horizon redress schemes are set out in Note 15 to the account.

The qualification in regard to regularity for 2023-24 related to the Department breaching its Resource Annually Managed Expenditure control total. This was due to an increase in the amount expected to pay to fund payments made by the Post Office under the Horizon Shortfall Scheme announced after the Supplementary Estimate Process had been completed. As a result, the Department exceeded its Resource Annually Managed Expenditure control total leading to a qualification of the C&AG's opinion on regularity. The Department has underspent against all of its control totals for 2024-25 so no qualified opinion regarding breach of control totals will be given on the 2024-25 accounts.

The Department's 2023-24 ARA, published on 30 January 2025, incorporates the C&AG's Certificate and Report to the House of Commons on the Department's accounts. On the same day NAO made a press release regarding the qualified opinion issued on the account.

Qualified opinion on regularity with respect to levels of suspected fraud in Future Fund

The Department set up the FF to support UK businesses during the COVID-19 pandemic. FF lent £1,137 million to 1,190 businesses during the pandemic. The number of companies within the portfolio has increased from 1,190 to 1,193 due to three demergers. It was deployed at pace by the BBB on behalf of the Core Department. It was open to applications from May 2020 and closed in January 2021.

The qualification arising within the 2024-25 ARA relates to the value of suspected fraud since inception of the fund, which now stands at 7% (equating to £79.5 million) of the total value lent through the fund. There is suspected

fraud detected in 3.9% of the total number of investments (equating to 47 investments) within the scheme.

The assessment and management of fund investments that are categorised as suspected fraud has been enhanced since inception of the scheme. The performance in other areas section of the Performance Report provides further detail in this regard. These enhancements have directly contributed to the increasing percentages of suspected fraud also. Moreover, the steps taken to detect and enquire into suspected fraud enables the Department to conclude that there is not a material level of undetected fraud within the fund. Prior adjustments made to investment carrying values relating to suspected fraud in FF have not been reported in the ARA previously having not constituted material amounts for the Department or its predecessor.

National Audit Office and the Public Accounts Committee

The Department contributed to several National Audit Office (NAO) reports, including 'The UK border: Implementing an effective trade border' published on 20 May 2024. This report is cross-cutting across the Department, the Department for Environment, Food and Rural Affairs (Defra), HM Revenue and Customs (HMRC) and Home Office and explores the impact and cost of new arrangements and future risks and opportunities.

On 12 February 2025, the Public Accounts Committee (PAC) published a report entitled 'Tax evasion in the retail sector'. While HMRC led on this response, the Department provided support in responding to a number of recommendations relating to small businesses regarding the Insolvency Service and Companies House which fall in the Department's remit.

On 26 February 2025, PAC published a report entitled, 'Excess votes 2023-24'. While HMT led on the response, the Department provided support in responding to one of the recommendations relating to the Post Office Horizon Shortfall Scheme which falls in the Department's remit.

On 12 March 2025, the NAO published a report on 'Supporting the UK's priority industry sectors'. This report examines whether the Department is well-positioned to secure impact from its support for priority industry sectors, including how it works with other departments and delivery partners to do so. This report also covers how the Department's support for industry has been operating since bringing together the business functions of the BEIS and DIT. The report made seven recommendations.

The Department undertakes work to follow up recommendations from NAO reports, and updates are published in the NAO's Recommendations tracker at https://www.nao.org.uk/recommendations-tracker/.

The Department provides responses to the PAC after each hearing via the HM Treasury minutes process, and twice a year via the HM Treasury minutes progress updates.

These are published on gov.uk https://www.gov.uk/government/collections/treasury-minutes and https://www.gov.uk/government/collections/treasury-minutes-progress-on-implementing-recommendations-of-public-accounts-committee

Functional Standards

The Functional Standards set expectations for improved and consistent ways for functions to work across government. This includes the planning, delivery and assurance of functional work, along with support for continuous improvement and professional development.

The Department fully supports the embedding of functional standards, and as part of the annual assurance process all functional leads have completed a high-level self-assessment of how well they are meeting the requirements of their functional standard. Further, more detailed assessments have been undertaken against a number of the standards, with others pending. Areas for improvement have been identified and, where appropriate, reflected in business plans for 2025-26. In order to further strengthen our alignment with the relevant standards over the coming years, specific functions will be considered for review as part of our annual Internal Audit plans.

Project assurance

The Department's Major Change Portfolio (MCP) brings together the Department's largest, most complex, high-risk, novel, and contentious initiatives. As of 20 February 2025, the MCP comprised 29 initiatives with a projected whole-life cost of approximately £32 billion. By 31 March 2025, eight programmes are expected to exit the MCP - either concluding, transitioning to business as usual, or being transferred to the oversight of Department's Grants Board. The programmes on the MCP are instrumental in advancing the Department's overarching mission to deliver economic growth. Of these, the Post Office Strategic Transformation Portfolio (STP) and the Automotive Transformation Fund (ATF) are currently part of the Government Major Projects Portfolio.

To ensure robust governance and continuity throughout the project lifecycle, the MCP has been fully integrated into the Department's Investment Committee. This integration strengthens strategic alignment, enhances oversight, and supports the successful delivery of the Department's most critical change initiatives.

Quality assurance of analytical models

The Department employs analytical models to inform policy making, evaluation and operations. As recommended by the Macpherson Review, the Department maintains a list of business-critical models (BCM) and analyses. The Department reviews and quality assures these models to ensure they are fit for purpose and comply with the government's Analytical Quality Assurance (AQUA) Book, as well as assessing for risk and scale. Those that were assessed as high in risk (financial, reputational, frequency of decision, legal and operational) and large in scale were defined as business-critical. Each business-critical model has a Senior Responsible Owner (SRO) accountable for quality assurance as it is constructed and used and there are central frameworks to continuously monitor and ensure appropriate quality assurance is applied. The Department also require partner organisation's undertaking modelling to provide assurances that they have AQUA Book compliant quality assurance processes.

The GIAA report set out a number of recommendations to improve the governance of BCMs in the Department. Work is underway to implement the agreed actions. As a first action in response to the report, the list of BCMs has been reviewed and updated, to provide an accurate and current record of those models within the Department as of August 2025. Over the coming months, work will focus on implementing new governance processes and ensuring all models are supported by the required documentation. Under these new governance arrangements, the Department's quality assurance network will work with Model SROs to provide guidance and promote best practice.

The GIAA highlighted that the Department lacks visibility over the governance arrangements for BCMs managed within Partner Organisations. In response, these organisations will be providing assurances to the Department about their BCM processes that they have in place under the new governance arrangements. Based on their responses, a decision will be made on whether they will continue with their own processes or opt to align with the Department's processes going forward.

Management of outside interests

Register of interests for directors

See the Directors' Report on page 55.

Process for managing outside interests

In line with Cabinet Office guidance, the Department maintains a central record of any personal or financial interests held by Senior Civil Service (SCS) staff that may be of relevance to their role. The Department has published internal procedures which are used to report relevant outside interests, including any outside

employment, work or appointment that is paid or otherwise remunerated. Each year SCS are asked to review their own compliance with the Department's policy and procedures. The SCS conflicts of interests report has identified no cases where approving managers have reported outside interests conflicting with staff responsibilities as civil servants. Details of SCS who have declared outside employment, work or appointments (paid or otherwise remunerated) are published on GOV.UK in accordance with Cabinet Office transparency rules.

In line with the current Declaration of Interests policy for special advisers, all special advisers have declared any relevant interests, or confirmed they do not consider they have any relevant interests. The Permanent Secretary has considered these returns and the following relevant interests are set out in public:

Name	Interest
Sonia Zvedeniuk (Until May 2024)	Local Councillor for the Chelsea Riverside Ward in the Royal Borough of Kensington and Chelsea
Sophia Kewell	Holds a position on the London Pension Fund Authority Board Is recused from any discussions affecting delivery of Osaka 2025
Finn McGoldrick	Local Councillor for Norcot Ward for Reading Borough Council

Business appointment rules (BAR)

The Department has a clear conduct policy in place that applies to all staff and incorporates the principles of the Civil Service Code and Civil Service Management Code. Staff in the Department are reminded of their obligations under these codes as well as the need to comply with the Cabinet Office's BAR when leaving the Civil Service. Information on applications made under the BAR are reported to the ARAC, including any rule breaches and any applications that have been referred to the Advisory Committee on Business Appointments (ACOBA). All advice given on applications from SCS members of staff are published at Business appointment rules – GOV.UK

In line with Cabinet Office guidance, the Department also maintains a central record of any personal or financial interests held by SCS staff that may be of relevance to their role. The Department has procedures which are used to report relevant outside interests, including any outside employment, work or appointment that is paid or otherwise remunerated. Each year SCS are asked to review their own compliance with the Department's policy and procedures. The SCS conflicts of interests report has identified no cases where approving managers have reported outside interests conflicting with staff responsibilities as civil servants. Details of SCS who have declared outside employment, work or appointments (paid or otherwise remunerated) are published on GOV.UK in accordance with Cabinet Office transparency rules.

To ensure awareness, the Department includes information on Business Appointment Rules in staff contracts, leaver checklists and Departmental intranet pages.

In 2024-25, there were 4 exits from the Civil Service at Senior Civil Service (SCS) level assessed. There were no breaches of the rules during the year.

The table below reflects the BAR applications received from 2024-25:

Grade	Number of BAR applications assessed by the Department over the year	Number of BAR applications where conditions were set	Number of applications found to be unsuitable for the applicant to take up
HEO	1	1	0
SEO	1	1	0
G7	2	2	0
G6	0	0	0
SCS pay band 1	1	0	0
SCS pay band 2	3	3	0
Special advisers	0	0	0
Total	**8**	**7**	**0**

Ministerial directions

There were no ministerial directions during 2024-25.

Effectiveness of our whistleblowing arrangements

The Department encourages its employees to speak up and raise a concern when they believe there may have been wrongdoing or if something does not feel, look or sound right. This is reinforced through staff communications during the year. Through participation in the annual cross-government Speak Up Week campaign, the Department promoted the importance of raising a concern through whistleblowing training sessions led by Nominated Officers who are trained to offer impartial advice and support outside of management chains.

The Department's procedures for raising concerns are accessible to all employees on a dedicated page that provides names and contact details for all Nominated Officers, UK-based and overseas. The Department's Raising a Concern / Whistleblowing policy was updated in October 2023. A self-assessment whistleblowing health-check was last completed in April 2025.

In 2024-25, there were no whistleblowing concerns raised by its employees.

The 2024 People Survey highlighted for the Department:

- 73% are confident that if they raised a concern under the Civil Service Code it would be investigated properly. This is a 2% improvement on the 2023's survey results, and 3% lower than the Civil Service benchmark.
- 67% stated they were aware of how to raise a concern. This is a 1% improvement on the 2023 survey results, and 3% lower than the Civil Service benchmark.

The Department continues to raise awareness and work with our staff to ensure colleagues feel safe to raise any concerns.

Data protection and Personal data incidents

In 2024-25 there were a total of 101 reported data breaches and 14 near miss events within the Department (104 data breaches were reported in 2023-24). Four of these data breaches met the threshold for reporting to the Information Commissioner's Office (ICO). The reportable breaches concerned accidental and unauthorised disclosures of information, and the incorrect application of access controls and anonymisation. Technical and organisational measures have

subsequently been taken to mitigate against a re-occurrence. No further regulatory action has been taken in these instances.

The Department includes the functions of two Executive Agencies as part of its controllership; the Insolvency Service (excluding Official Receiver Offices & the Office of the Adjudicator) and Companies House (excluding the functions of the Registrar). These functions reported 205 data breaches and five data breaches respectively.

The Department's Data Protection Team is responsible for managing reported data incidents in the Department including the assessment of data breaches for reportability to the ICO. All members of staff are required to undertake mandatory data protection training upon arrival into the Department, which is completed annually thereafter.

Freedom of Information, ICO and Complaints to the Parliamentary Ombudsman

In 2024-25, the Department handled 17 Information Commissioner's Office (ICO) complaint cases regarding the handling of Freedom of Information requests submitted under the Freedom of Information Act 2000 (FOIA). The Department has so far responded to 15 of the ICO complaints, 5 of which have resulted in the Department's position being upheld or partially upheld by the ICO. 4 were closed informally following consultation with the Commissioner. At the end of 2024-25, 6 were awaiting decision notice by the ICO and 2 were currently active pending a Departmental response to the ICO.

In a case from 2017, the Information Commissioner made an application to appeal to the Supreme Court. Permission was granted in 2024, and a hearing took place in January 2025. The Department is currently awaiting the decision of the Supreme Court.

In a case originating from 2020, the complainant appealed the ICO decision notice which was issued in the department's favour. The appeal was heard at the First Tier Tribunal in 2024. The First-Tier Tribunal dismissed the complainant's appeal.

The Department had a stated aim to provide a full response to any corporate complaint within 20 working days. In 2024-25, the Department received 23 complaints, 10 of which were responded to within 20 working days. A further 12 were responded to outside 20 working days (1 was open and overdue at the reporting date).

If the complainant is not satisfied with the outcome of the Department's response to their complaint, they can ask for a review of the decision. In 2024-25, 6 reviews were requested.

If the complainant is not satisfied with the outcome of their complaint, following a review, they have the right to ask their local Member of Parliament (MP) to refer it to the Parliamentary and Health Service Ombudsman (PHSO). The PHSO only accepts complaints that have been through the Department's internal complaints process.

In 2024-25, no complaints were investigated by the PHSO concerning the Department.

Performance in Responding to Correspondence

The Department reports statistics on correspondence from MPs and Peers to the Cabinet Office which publishes them as part of its transparency requirements at; https://www.gov.uk/government/publications/data-on-responses-to-correspondence-from-mps-and-peers-2024

The Department does not currently collate performance statistics on responding to correspondence from the public.

Accounting Officer's conclusion

I have considered the evidence that supports this Governance Statement, including from the Department's governance structures and the independent assurance provided by ARAC.

Overall, noting the above, I am satisfied that the Department has set up an appropriate system of governance, risk management and control during this reporting period. While temporary changes to governance arrangements following the general election as outlined above were not in compliance with the Code, I am satisfied that these matters were resolved quickly and in advance of year-end. Effective plans are in place to continue to strengthen the system following the Machinery of Government changes that established the Department, including implementing those improvements recommended through the 2023-24 audit processes.

Gareth Davies CB
Permanent Secretary and Principal Accounting Officer

11 September 2025

Staff Report

Staff numbers

The average number of fulltime equivalent (FTE) persons employed during the year (from 1 April 2024 to 31 March 2025) was as follows. These tables have been subject to audit.

							2024-25	2023-24
	Permanent employed staff	Others	Ministers	Special advisers	Overseas – UK based staff	Overseas – locally engaged staff	Total	Total
Core Department	5,445	479	7	4	190	1,346	7,471	7,186
Agencies	3,398	151	-	-	-	-	3,549	3,082
Non departmental public bodies (NDPBs)	2,180	60	-	-	-	-	2,240	2,179
Total	**11,023**	**690**	**7**	**4**	**190**	**1,346**	**13,260**	**12,447**
Of which								
Core Department and agencies	8,843	630	7	4	190	1,346	11,020	10,268
NDPBs and other designated bodies	2,180	60	-	-	-	-	2,240	2,179
Total	**11,023**	**690**	**7**	**4**	**190**	**1,346**	**13,260**	**12,447**

The average number of staff is calculated by summing the FTE at the end of each month within the period and dividing this by the number of months in the period. 'Permanently Employed' includes permanent Civil Servants (including those on fixed term contracts) working in the UK. 'Other Staff' includes agency staff, specialist contractors, Cabinet Office Fast Streamers working on Departmental objectives, inward secondees and Ministry of Defence staff working on Departmental objectives. Average FTE figures include special advisers. Special advisers are temporary Civil Servants. To improve efficiency, the administration of staff costs for all special advisers across government is managed by the Cabinet Office, with corresponding budget cover transfers. Therefore, all special adviser costs are reported in the Cabinet Office Annual Report and Accounts. Special advisers remain employed by the respective department of their appointing Minister.

Number of senior civil service staff by band (FTE)

Range	2024-25	2023-24
SCS1	238.0	**219.2**
SCS2	59.8	**58.2**
SCS3	8.4	**8.4**
SCS4	1.0	**2.0**
Total	**307.2**	**287.8**

Costs of workforce engaged in delivering the Department's objectives

The cost of people engaged in delivering the Department's objectives is disclosed in the following tables. The Department is recharged the full costs of all Foreign, Commonwealth and Development Office (FCDO) staff overseas and at Departmental headquarters who spend more than 50% of their role on Departmental objectives.

This table has been subject to audit.

Staff costs (Group)

	2024-25						2023-24
	Permanently employed, UK-based, working in UK	Permanently employed, UK-based, working overseas	Locally employed staff overseas	Ministers	Others	Total	Total
	£m	£m	£m	£m	£m	£m	£m
Wages and salaries	573	18	57	-	-	648	587
Social security costs	63	1	-	-	-	64	60
Other pension costs	140	3	7	-	-	150	129
Agency and temporary staff	-	-	-	-	54	54	49
Compulsory redundancies	-	-	-	-	-	-	1
Recoveries from outward secondments	(3)	-	-	-	-	(3)	(2)
Total staff costs	**773**	**22**	**64**	**-**	**54**	**913**	**824**
Of which:							
Core Department and agencies	595	22	64	-	52	733	657
NDPBs and other designated bodies	178	-	-	-	2	180	167
Total staff costs	**773**	**22**	**64**	-	**54**	**913**	**824**

1. Other staff total includes Fast Streamers, Agency Staff, MoD staff working on Departmental objectives, inward secondees and specialist contractors.
2. There are no costs relating to special advisers. Special advisers are temporary Civil Servants. To improve efficiency, the administration of staff costs for all special advisers across government is managed by the Cabinet Office, with corresponding budget cover transfers. Therefore, all special adviser costs are reported in the Cabinet Office Annual Report and Accounts. Special advisers remain employed by the respective Department of their appointing Minister.
3. Total net costs of Ministers £216,923 (2023–24: £171,169).

Principal Civil Service Pension Scheme

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "Alpha" – are unfunded multi-employer defined benefit schemes but the Department is unable to identify its share of the underlying assets and liabilities. The latest actuarial valuation undertaken for the Scheme was completed in September 2023 as of 31 March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation, available here:

http://www.civilservicepensionscheme.org.uk/knowledge-centre/resources/resource-accounts/

For 2024-25, employers' contributions of £80,638,565 were payable to the PCSPS (2023-24: £111,261,293) at 28.97% of pensionable earnings. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024-25 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £713,146 (2023-24: £847,854) were paid to Legal and General Mastertrust. Employer contributions are age-related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £26,949 (2023-24: £24,745), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were 2024-25 £713,146 (2023-24: £5,837). Contributions prepaid at that date were £nil (2023–24: £nil).

The Department expects pension contributions in 2025-26 to be similar to those in 2024-25, with changes in contributions due to future pay awards.

Ill-health retirement

In 2024-25, 2 individuals (2023-24: 3) across the Department retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £13,181 (2023-24: £51,642).

Staff composition

The following table reports workforce gender diversity for the Department as of 31 March 2025.

	2024-25		2023-24	
Workforce diversity[1]	**Number**	**%**	**Number**	**%**
All employees	**5,624**		**5,215**	
Female	2,805	50%	2,589	50%
Male	2,819	50%	2,626	50%
Senior Civil Servants[2]	**307**		**286**	
Female	149	49%	134	47%
Male	158	51%	152	53%
Senior Officials[3]	**10**		**12**	
Female	5	50%	4	33%
Male	5	50%	8	67%

1. This table includes diversity data for all Civil Servants (including SCS) on the Department's payroll and UK based Civil Servants (including SCS) working overseas for the Department that have given this information in their records. This excludes special advisers, Ministers, local staff overseas and staff employed by other government departments such as those from MoD and those on some Civil Service Fast Stream programmes who are employed by the Cabinet Office.
2. Senior Civil Servants include Directors and Deputy Directors.
3. Senior Officials refers to members of the Departmental Board (including Permanent Secretary and Directors General) who are Executives of the Department at 31 March 2025 – this does not include Ministers or non-executive directors.

Sickness absence

The average working days lost through recorded sickness absence, per staff year is disclosed below. This relates to the Department's Civil Servants working in the UK and all UK based staff and Local Staff working overseas (excluding MoD), agency staff, specialist contractors and inward secondees.

Disclosures for the Department's executive agencies can be found in their annual report and accounts.

Sickness absence	2024-25	2023-24
Average working days lost	3.6	3.6

The table below shows the top 3 reasons for recorded sickness absence in the period ending 31 March 2025:

	2024-25	2023-24
Absence category	**Total (%)**	**Total (%)**
Mental Health	21%	27%
Respiratory System (inc. Colds)	21%	19%
Unspecified	10%	8%

Health and safety

The Permanent Secretary and ExCo remain committed to providing a positive safety culture. The Department is dedicated to ensuring the provision of working environments and activities that are safe for colleagues, visitors and those directly affected by its activities. The Department operates a Health, Safety and Wellbeing Committee that meets quarterly to monitor health and safety performance and consult with representatives from our Trades Unions and business units. The Department has continued to maintain and build on its positive health and safety culture this year through its expansion of the Department's Health and Safety Network and delivery of health and safety leadership training to each of its senior health and safety champions. Focus has been applied on ensuring all colleagues have the health and safety information they need to work safely through the delivery of a new health and safety portal that centralises and simplifies arrangements.

Wellbeing

The Department strives to provide a working environment which supports a healthy workforce, where employees feel psychologically safe, resilient and able to thrive at work. The Department operates a Health and Wellbeing Steering Group to discuss health and wellbeing with Departmental representatives and builds engagement though the Health and Wellbeing Network.

The Department provides a comprehensive health and wellbeing programme for employees at individual and team levels. The Department's focus is on how to improve wellbeing systemically, developing an understanding of the current and longer-term health and wellbeing trends to support employee wellbeing and maintain resilience.

Health and Wellbeing support for colleagues includes access to mental health first aiders, an employee assistance programme, webinars, online resources on an A-Z range of wellbeing topics and tailored support for a specific health and wellbeing issues, for example mental health, physical health, financial wellbeing and domestic abuse. Line managers are supported to develop confidence in employee wellbeing through online resources such as online learning, stress risk assessments, wellbeing conversation starters and mental health action plans. Prompting open dialogue with colleagues throughout the year helps to inform underlying wellbeing issues and action plans to address them.

Staff turnover

Departmental staff turnover as of March 2025 was 10.2% (2023-24: 15.5%).

The turnover figure is calculated as the number of leavers over a 12-month period divided by the average number of staff in post over the period.

The definition of leavers includes all UK Civil Service exits from the Department including retirements, resignations, death in service, end of contracts, dismissals, transfers to other government departments, end of loans and secondments, outward loans and secondments or other exit in accordance with the published Departmental turnover guidance and is Core Department only.

People Survey staff engagement scores

The People Survey is an annual Civil Service survey which looks at Civil Servants' attitudes to, and experiences of, working in government departments. The Department uses the survey to monitor levels of staff engagement and identify where areas of additional focus might be needed.

The Departmental response rate for the 2024 survey was 81% – significantly higher than the overall response rate for the Civil Service of 61%. The Department's overall engagement index score is 63%. This score assesses the extent to which the Department's employees are committed to the Departments goals and values, and are motivated to contribute to our success. Further details on our People Survey results can be found at the following website:

https://www.gov.uk/government/publications/civil-service-people-survey-2024-results/civil-service-people-survey-2024-results-highlights

Diversity and inclusion

Diversity and Inclusion is embedded into the Department's People Strategy 2024-2028 through the 'Culture and Values' pillar and in the Diversity and Inclusion Framework 2024-2028, which launched in April 2024 and sits underneath the People Strategy.

An evaluation has been undertaken on the impact of the Framework in its first six months. In addition, the Department has developed a new one-year action plan to form part of this Diversity and Inclusion Framework, setting out new commitments to be delivered over 2025-26. The Department has also reported its progress in tackling the gender pay gap in its Gender Pay Gap report published in November 2024, which includes actions the Department is taking to continue to close the pay gap.

Staff policies applied for disabled staff

The Department is a Level 3 Disability Confident Leader. This allows disabled candidates to use the guaranteed interview scheme when applying for roles in the Department in addition to accessing reasonable adjustments to ensure full and fair consideration of applications for employment. For disabled staff working in the Department, support is available through "DisNET", the staff network run by and for disabled staff, which includes a number of subnetworks to support colleagues with a disability or long-term health condition, as well as through the Neurodiversity Network. Disabled staff are supported to develop their careers through talent programmes such as Beyond Boundaries, which includes ringfenced places for staff with a disability. The Department has a Disability Leave Policy which provides time off for treatment, rehabilitation and assessment. In 2024 the Department launched Disability Confident training sessions, open to all staff and delivered on a quarterly basis. In January 2025, the Department launched a tailored version of the Disability Confident training for line managers, to further build line manager's confidence and capability in supporting staff with a disability and long-term health condition.

Staff redeployments

The number of staff redeployed (on loan) into the Department from other government departments (OGDs) and the number of staff redeployed (on loan) out of the Department into OGDs as of 31 March 2025 is shown below.

The number of redeployments does not include staff from the Government Legal Department (GLD). This is because the Department pays an agreed annual set fee to GLD for legal services provided to the Department by their staff and this annual fee does not directly equate to wages and salaries.

The average duration of staff redeployments into the Department from OGDs is 1 year. The average duration of staff redeployments out of the Department into OGDs is 1.4 years.

Grade	2024-25				2023-24			
	Redeployments into the Department		Redeployments out of the Department		Redeployments into the Department		Redeployments out of the Department	
	Short term (less than 6 months)	Long term (6 months or longer)	Short term (less than 6 months)	Long term (6 months or longer)	Short term (less than 6 months)	Long term (6 months or longer)	Short term (less than 6 months)	Long term (6 months or longer)
AO	-	2	-	-	-	2	-	1
EO	2	8	1	4	3	4	2	7
Fast Stream	3	104	1	2	4	102	-	6
HEO	6	28	7	31	5	40	7	28
SEO	4	40	8	36	9	9	18	31
G7	6	37	17	52	15	17	18	40
G6	3	19	5	13	10	14	2	14
SCS1	4	12	1	13	5	11	3	12
SCS3	-	-	-	1	-	1	1	-
SPAD	-	3	-	-	-	5	-	-
Unspecified	-	-	-	-	-	1	-	1
Grand Total	**28**	**253**	**40**	**152**	**51**	**206**	**51**	**140**

The following table shows the programme and administration classification of the cost of staff on short-term loan for the Department both as a home and host department with reference to the work performed.

Grade	2024-25				2023-24			
	Redeployments into the Department		Redeployments out of the Department		Redeployments into the Department		Redeployments out of the Department	
	Short term (less than 6 months)		Short term (less than 6 months)		Short term (less than 6 months)		Short term (less than 6 months)	
	Administration £000	Programme £000	Administration £000	Programme £000	Administration £000	Programme £000	Administration £000	Programme £000
EO	12	8	2	1	11	8	7	5
Fast Stream	17	12	3	2	18	13	-	-
HEO	13	9	29	20	18	12	24	17
SEO	14	10	30	21	50	35	97	68
G7	54	37	115	80	104	73	95	66
G6	31	22	30	21	77	54	11	7
SCS1	36	25	12	8	56	39	18	12
SCS3	-	-	-	-	-	-	28	19
Total	**177**	**123**	**221**	**153**	**334**	**234**	**280**	**194**

Reporting of Civil Service and other compensation schemes – exit packages

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972. Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Exits disclosed in 2024-25 and 2023-24 include exits of locally employed staff (non-Civil Servants) overseas. Overseas redundancy payments are determined in line with local employment law and the terms of the specific local contract of employment. Other departures relating to Ministers are not disclosed as this table. These tables have been subject to audit.

	2024-25			2023-24		
	Number of compulsory redundancies	Number of other departures agreed	Total	Number of compulsory redundancies	Number of other departures agreed	Total
Less than £10,000	7	9	16	5	1	6
£10,000 – £25,000	1	9	10	-	3	3
£25,000 – £50,000	1	7	8	2	3	5
£50,000 – £100,000	3	6	9	4	3	7
£100,000 – £150,000	-	1	1	1	-	1
Total number	**12**	**32**	**44**	**12**	**10**	**22**
Of which						
Core Department and Agencies	**6**	**30**	**36**	**9**	**9**	**18**
NDPBs and other designated bodies	**6**	**2**	**8**	**3**	**1**	**4**
Total number	**12**	**32**	**44**	**12**	**10**	**22**
Total cost (£)	**284,897.00**	**978,919.00**	**1,263,816.00**	**563,262.61**	**397,470.62**	**960,733.23**
Of which						
Core Department and Agencies	**262,368.00**	**948,240.00**	**1,210,608.00**	**546,866.11**	**359,470.62**	**906,336.73**
NDPBs and other designated bodies	**22,529.00**	**30,679.00**	**53,208.00**	**16,396.50**	**38,000.00**	**54,396.50**
Total cost (£)	**284,897.00**	**978,919.00**	**1,263,816.00**	**563,262.61**	**397,470.62**	**960,733.23**

Consultancy and temporary staff expenditure

The Departmental Group's expenditure on consultancy in 2024-25 was £44 million (2023-24: £37 million (reclassified)). During the course of preparing the 2024-25 ARA the Department identified costs misallocated between consultancy costs and other professional and legal services in the prior year. The prior year figures have therefore been reclassified with the appropriate classification of costs in 2023-24.

The consultancy expenditure for Core Department was £20 million (2023-24: £16 million (reclassified)), executive agencies was £2 million (2023–24: £3 million (reclassified)) and the consultancy expenditure relating to arm's length bodies was £22 million (2023-24: £18 million).

For temporary staff (contingent labour) overall spend for the group was £54 million (2023-24: £49 million), of which £28 million (2023-24: £23 million) was the Core Department, £24 million (2023-24: £24 million) was in the Department's executive agencies, and £2 million (2023-24: £2 million) was in NDPBs.

The increase is largely due to inflation.

Off-payroll engagements

HM Treasury requires all departments to publish details of off-payroll engagements and the assurances sought that the correct tax is being paid.

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

	Core Department	ALBs	Total
No. of existing engagements as of 31 Mar 2025	216	425	**641**
Of which, no. that existed for			
Less than 1 year:	121	145	**266**
between 1 and 2 years:	50	143	**193**
between 2 and 3 years:	19	106	**125**
between 3 and 4 years:	9	16	**25**
4 or more years:	17	15	**32**

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

	Core Department	ALBs	Total
No. of temporary off-payroll workers engaged during the year ended 31 March 2025	310	630	**940**
Of which:			
Not subject to off-payroll legislation:	2	236	**238**
Subject to off-payroll legislation and determined as in-scope of IR35	280	166	**446**
Subject to off-payroll legislation and determined as out-of-scope of IR35	28	228	**256**
Number of engagements reassessed for compliance or assurance purposes during the year	12	131	**143**
Number of engagements that saw a change to IR35 status following a review	4	-	**4**

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025

	Core Department	ALBs	Total
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year[1]	-	2	2
Total no. of individuals on payroll and off-payroll that have been deemed "board members and/or senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements.	2	45	47

1. The 2 off-payroll engagements disclosed are former members of the Competition Appeal Tribunal (CAT), whose experience was required by CAT to provide complex specialist training. These engagements have been agreed for 24 months and 12 months, of which 12 months and 6 months (respectively) have fallen between 1 April 2024 and 31 March 2025.

Trade Union facility time

The Trade Union Act 2016 introduced a number of reforms to Britain's industrial relations framework, which are set out in the Trade Union and Labour Relations (Consolidation) Act 1992 ("the 1992 Act"). The aim of the Trade Union Act 2016 is to modernise the UK industrial relations framework to better support an effective and collaborative approach to industrial relations, balancing the interests of Trade Unions with interests of the wider public sector.

These facility time regulations help fulfil these objectives by ensuring that relevant employers publish facility time data to promote transparency and public scrutiny of this information. The regulations provide a framework for open and transparent monitoring.

In the Department, there are three trade unions that are officially recognised and represented: PCS, Prospect and FDA. The tables below relate to the Core Department only.

Table 1: Relevant union officials

Number of employees who were relevant union officials during the relevant period (1 April 2024 - 31 March 2025)	Full-time equivalent employee number
18	18

Table 2: Percentage of time spent on facility time as of 31 March 2025

Percentage of time	Number of employees
0% of working hours	5
1 - 49% of working hours	13

Table 3: Percentage of pay bill spent on facility time

Total cost of facility time (£)	71,754
Total pay bill (£m)	509
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.01%

Table 4: Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	None

Remuneration Report

Overview

The Remuneration Report sets out the remuneration policy and the amounts awarded to Departmental Ministers and Senior Officials. Just like the Staff Report, it is fundamental to demonstrating transparency and accountability to Parliament.

Remuneration policy

Ministers

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

Senior Officials

The Senior Salaries Review Body (SSRB) provides independent advice to the Prime Minister on the remuneration of SCS. The review body considers economic considerations such as local variations in labour markets and funds available to departments. Further information about the work of the review body can be found at: https://www.gov.uk/government/organisations/review-body-on-senior-salaries.

Following the Government's acceptance of the SSRB's recommendations in 2024-25, the Cabinet Office set the central SCS pay framework and award. This was followed closely by the Department. The guidance can be found at: https://www.gov.uk/government/publications/guidance-on-the-senior-civil-service-pay-award-202425/practitioner-guidance-on-the-2024-25-senior-civil-service-pay-framework-html.

Senior official appointments

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

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

Further information about the work of the Civil Service Commission can be found at: (www.civilservicecommission.org.uk).

Ministers – single total figure of remuneration

The table below shows each component, and the single total figure of remuneration for each minister in 2024-25 and 2023-24 where applicable.

Where ministers have moved to or from another department during the year, details of any remuneration relating to their subsequent or prior roles will be in that department's remuneration report.

Ministers who transfer from another department continue being paid at the appropriate rate of pay with effect from the first day of the month following the date of appointment. Former ministers who transfer to other departments are paid at their current rate of pay up to the end of the month. Any increase in ministers' salaries on transfer from the date of appointment is paid by their new department. This table has been subject to audit.

	2024-25				2023-24			
Ministers	**Salary (£)[1]**	**Full year equivalent salary if different (£)**	**Pension Benefits[2] (£ to nearest £1,000)**	**Total (£ to nearest £1,000)**	**Salary (£)[1]**	**Full year equivalent salary if different (£)**	**Pension Benefits[2] (£ to nearest £1,000)**	**Total (£ to nearest £1,000)**
Secretary of State								
Jonathan Reynolds MP *(from 5 July 2024)*	49,903	67,505	13,000	63,000	-	-	-	-
Rt Hon Kemi Badenoch MP[3,4] *(until 5 July 2024)*	34,660	67,505	-	35,000	67,505	-	-	68,000
Ministers of State								
The Rt Hon Douglas Alexander MP *(from 6 July 2024)*	23,334	31,680	6,000	29,000	-	-	-	-
Sarah Jones MP[5] *(from 8 July 2024)*	-	-	-	-	-	-	-	-
Baroness Poppy Gustafsson CBE[6] *(from 10 October 2024)*	-	-	-	-	-	-	-	-
Lord Dominic Johnson of Lainston CBE[7] *(until 5 July 2024)*	-	-	-	-	-	-	-	-
Kevin Hollinrake MP[8] *(until 5 July 2024)*	16,266	31,680	2,000	18,000	22,375	-	6,000	28,000
Rt Hon Greg Hands MP[9] *(until 5 July 2024)*	16,266	31,680	2,000	18,000	10,560	31,680	3,000	14,000
Nusrat Ghani MP	-	-	-	-	31,680	-	9,000	40,000
Nigel Huddleston MP	-	-	-	-	21,120	31,680	5,000	26,000
Earl of Minto	-	-	-	-	-	-	-	-
Parliamentary Under-Secretaries of State								
Justin Madders MP *(from 9 July 2024)*	16,300	22,375	4,000	21,000	-	-	-	-
Gareth Thomas MP *(from 9 July 2024)*	16,300	22,375	4,000	21,000	-	-	-	-

	2024-25				2023-24			
Ministers	**Salary (£)[1]**	**Full year equivalent salary if different (£)**	**Pension Benefits[2] (£ to nearest £1,000)**	**Total (£ to nearest £1,000)**	**Salary (£)[1]**	**Full year equivalent salary if different (£)**	**Pension Benefits[2] (£ to nearest £1,000)**	**Total (£ to nearest £1,000)**
Baroness Jones of Whitchurch[10] *(from 9 July 2024)*	-	-	-	-	-	-	-	-
Alan Mak MP[11] *(until 5 July 2024)*	11,788	22,375	1,000	13,000	-	-	-	-
Lord Offord of Garvel[12] *(until 5 July 2024)*	-	-	-	-	-	-	-	-
Maria Caulfield MP[13] *(until 5 July 2024)*	-	-	-	-	-	-	-	-
Stuart Andrew MP[14] *(until 5 July 2024)*	-	-	-	-	-	-	-	-

Notes

1. Salary information excludes employers' national insurance contributions. None of the Ministers of the Department received benefits in kind during the year. Ministers in the House of Commons are remunerated on a different basis to those in the House of Lords as explained in notes to the remuneration report.
2. The value of pension benefits accrued during the year is calculated as (real increase in pension multiplied by 20) less (contributions made by the individual). Real increase excludes increases due to inflation or any increase or decrease due to transfer of pension rights.
3. The Rt Hon Kemi Badenoch MP also served as President of the Board of Trade and Minister for Women and Equalities for the Equality Hub. She left under severance terms on 5 July 2024 and received a compensation payment of £16,876. This payment is included in the remuneration disclosed in this table.
4. The Rt Hon Kemi Badenoch MP opted out of the pension scheme in December 2022.
5. Sarah Jones MP is Minister of State at both the Department and Department for Energy Security and Net Zero (DESNZ), who she is paid by. Please refer to DESNZ accounts for full details.
6. Baroness Poppy Gustafsson CBE did not draw a ministerial salary or pension benefits.
7. Lord Dominic Johnson of Lainston CBE did not draw a ministerial salary or pension benefits.
8. Kevin Hollinrake MP previously served as Parliamentary Under Secretary of State at the Department and was appointed as Minister of State on 26 March 2024. He left under severance terms on 5 July 2024 and received a compensation payment of £7,920. This payment is included in the remuneration disclosed in this table.
9. The Rt Hon Greg Hands MP left under severance terms on 5 July 2024. He received a compensation payment of £7,920. This payment is included in the remuneration disclosed in this table.
10. Baroness Jones is paid by HM Treasury in her role as Baroness in Waiting (Government Whip). Please refer to the HM Treasury ARA for full details.
11. Alan Mak MP was paid by HM Treasury until 31 March 2024. Please refer to the HM Treasury ARA for full details for remuneration from 2023-24. He left under severance terms on 5 July 2024 and received a compensation payment of £5,593. This payment is included in the remuneration disclosed in this table.
12. Lord Offord of Garvel did not draw a ministerial salary or pension benefits.
13. Maria Caulfield MP was paid by Department of Health and Social Care (DHSC). Please refer to DHSC accounts for full details.
14. The Rt Hon Stuart Andrew MP was paid by Department for Culture, Media and Sport (DCMS). Please refer to DCMS accounts for full details.

Ministers – pension benefits

The table below shows the pension entitlements for each minister. This table has been subject to audit.

Ministers	Pension benefits at age 65 as at 31 March 2025 £'000	Real increase in pension at age 65 £'000	CETV at 31 March 2025 £'000	CETV at 31 March 2024 £'000	Real increase in CETV £'000
Secretary of State					
Jonathan Reynolds MP *(from 5 July 2024)*	0-5	0-2.5	12	-	7
Rt Hon Kemi Badenoch MP[1] *(until 5 July 2024)*	-	-	-	-	-
Ministers of State					
The Rt Hon Douglas Alexander MP *(from 6 July 2024)*	0-5	0-2.5	7	-	5
Sarah Jones MP[2] *(from 8 July 2024)*	-	-	-	-	-
Baroness Poppy Gustafsson CBE[3] *(from 10 October 2024)*	-	-	-	-	-
Lord Dominic Johnson of Lainston CBE[4] *(until 5 July 2024)*	-	-	-	-	-
Kevin Hollinrake MP *(until 5 July 2024)*	0-5	0-2.5	13	11	2
Rt Hon Greg Hands MP *(until 5 July 2024)*	5-10	0-2.5	144	141	1
Nusrat Ghani MP	-	-	-	29	-
Nigel Huddleston MP	-	-	-	29	-
Earl of Minto	-	-	-	-	-
Parliamentary Under-Secretaries of State					
Justin Madders MP *(from 9 July 2024)*	0-5	0-2.5	5	-	3
Gareth Thomas MP *(from 9 July 2024)*	5-10	0-2.5	175	166	3
Baroness Jones of Whitchurch[5] *(from 9 July 2024)*	-	-	-	-	-

Ministers	Pension benefits at age 65 as at 31 March 2025 £'000	Real increase in pension at age 65 £'000	CETV at 31 March 2025 £'000	CETV at 31 March 2024 £'000	Real increase in CETV £'000
Alan Mak MP *(until 5 July 2024)*	0-5	0-2.5	2	1	1
Lord Offord of Garvel[6] *(until 5 July 2024)*	-	-	-	-	-
Maria Caulfield MP[7] *(until 5 July 2024)*	-	-	-	-	-
Stuart Andrew MP[8] *(until 5 July 2024)*	-	-	-	-	-

Notes

1. Rt Hon Kemi Badenoch MP opted out of the pension scheme in December 2022.
2. Sarah Jones MP is Minister of State at both the Department and DESNZ, who she is paid by. Please refer to DESNZ accounts for full details.
3. Baroness Poppy Gustafsson CBE did not draw a ministerial salary or pension benefits.
4. Lord Dominic Johnson of Lainston CBE did not draw a ministerial salary or pension benefits.
5. Baroness Jones is paid by HM Treasury in her role as Baroness in Waiting (Government Whip). Please refer to HM Treasury accounts for full details.
6. Lord Offord of Garvel did not draw a ministerial salary or pension benefits.
7. Maria Caulfield MP was paid by DHSC. Please refer to DHSC accounts for full details.
8. Rt Hon Stuart Andrew MP was paid by DCMS. Please refer to DCMS accounts for full details.

Senior Officials – single total figure of remuneration

Senior Officials are defined in alignment with the requirements of the Financial Reporting Manual (FReM). Senior Official salaries and pension benefits in 2024-25 and 2023-24 were as follows. This table has been subject to audit.

	2024-25					2023-24				
Senior Officials	**Salary[1] £000**	**Full year equivalent salary if different £000**	**Bonus £000**	**Pension[2] (£000 to nearest £1,000)**	**Total £000**	**Salary[1] £000**	**Full year equivalent salary if different £000**	**Bonus £000**	**Pension[2] (£000 to nearest £1,000)**	**Total £000**
Senior Officials										
Gareth Davies CB Permanent Secretary and Accounting Officer	180-185	-	-	85	265-270	170-175	-	10-15	142	325-330
Tara Smith Director General, Chief Operating Officer	145-150	-	-	174	320-325	100-105	140-145	0-5	67	165-170
Gavin Lambert[3] Director General, Competition, Markets and Regulatory Reform Group	95-100	135-140	5-10	47	145-150	90-95	130-135	-	89	180-185
Caleb Deeks[4] Director General, Competition, Markets and Regulatory Reform Group	95-100	135-140	5-10	48	150-155	90-95	130-135	-	33	125-130
Ceri Smith Director General, Strategy and Investment	165-170	-	-	146	310-315	155-160	-	-	72	230-235
Amanda Brooks CBE Director General, Trade Policy Implementation & Negotiations	145-150	-	10-15	73	230-235	140-145	-	15-20	98	250-255
Joanna Crellin Director General, Domestic and International Markets and Exports	145-150	-	5-10	70	220-225	140-145	-	5-10	90	235-240

Senior Officials	2024-25					2023-24				
	Salary[1] £000	Full year equivalent salary if different £000	Bonus £000	Pension[2] (£000 to nearest £1,000)	Total £000	Salary[1] £000	Full year equivalent salary if different £000	Bonus £000	Pension[2] (£000 to nearest £1,000)	Total £000
Katherine Joseph Director General Economic Security and Trade Relations	130-135	-	0-5	135	270-275	5-10	125-130	-	1	10-15
Sam Lister Director General, Industrial Strategy *(from 11 November 2024)*	60-65	150-155	-	24	80-85	-	-	-	-	-
Jaee Samant Director General, Business Group *(from 6 January 2025)*	35-40	155-160	-	37	70-75	-	-	-	-	-
Isobel Stephen[5] Director General, Domestic and International Markets and Exports *(from 24 February 2025)*	5-10	135-140	-	-	5-10	-	-	-	-	-
Niall Mackenzie Interim Director General, Domestic and International Markets and Exports *(until 14 April 2024)*	5-10	125-130	5-10	14	25-30	45-50	125-130	0-5	90	140-145
Andrew Mitchell Director General, Domestic and International Markets and Exports	-	-	-	-	-	90-95	145-150	5-10	78	170-175
Crawford Falconer[6] Chief Negotiation Advisor and Second Permanent Secretary *(until 31 December 2024)*	330-335	405-410	15-20	-	350-355	285-290	-	15-20	-	305-310
David Bickerton[7] Director General, Business Group *(until 6 January 2025)*	115-120	150-155	-	54	170-175	145-150	-	-	57	200-205
Tim Reid[8] UKEF Chief Executive	-	-	-	-	-	-	-	-	-	-

	2024-25					2023-24				
Senior Officials	**Salary[1] £000**	**Full year equivalent salary if different £000**	**Bonus £000**	**Pension[2] (£000 to nearest £1,000)**	**Total £000**	**Salary[1] £000**	**Full year equivalent salary if different £000**	**Bonus £000**	**Pension[2] (£000 to nearest £1,000)**	**Total £000**
Bidesh Sarkar Chief Financial Officer	140-145	-	5-10	55	205-210	135-140	-	10-15	54	200-205

Notes

1. Salary information excludes employers' national insurance contributions. Departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where officials have moved to or from a similar senior role in another department during the year, details of any remuneration relating to their subsequent or prior roles will be in that department's remuneration report.
2. The value of pension benefits accrued during the year is calculated as (real increase in pension multiplied by 20) plus (real increase in any lump sum) less (contributions made by the individual). Real increase excludes increases due to inflation or any increase or decrease due to transfer of pension rights.
3. Gavin Lambert's FTE is 0.7
4. Caleb Deeks' FTE is 0.7
5. Isobel Stephen is on secondment to the Department and is paid through UK Research and Innovation (UKRI) payroll, and then costs are charged to the Department. FTE is 0.7. Please refer to UKRI accounts for details of remuneration prior to 24 February 2025.
6. Crawford Falconer left under severance terms on 31 December 2024. He received a compensation payment (banding of 70-75) and a payment for untaken annual leave; both have been included in the remuneration disclosed in this table. He was a member of the Partnership pension scheme. The employer contributions to his Partnership pension in 2024-25 were £15,800 (to the nearest £100).
7. David Bickerton's role in the Department changed to Chief Strategic Business Adviser at 6 January 2025. The remuneration for 2024-25 disclosed relates to the period up to that date in his role as Director General, Business Group. FTE is 0.62.
8. Tim Reid is paid by UKEF. Please refer to UKEF accounts for full details.

Senior Officials – pension benefits

The table below shows the pension entitlements for each Senior Official for 2024-25. This table has been subject to audit.

	Accrued pension at pension age as at 31 March 2025 and related lump sum £000	Real increase in pension and related lump sum at pension age[1] £000	CETV at 31 March 2025[2] £000	CETV at 31 March 2024[2] £000	Real increase in CETV £000	Employer contribution to partnership pension account Nearest £100
Senior Officials						
Gareth Davies CB Permanent Secretary and Accounting Officer	75-80	5-7.5	1,454	1,328	60	-
Tara Smith Director General, Chief Operating Officer	40-45	7.5 - 10	806	621	149	-
Gavin Lambert Director General, Competition, Markets and Regulatory Reform Group	40-45 plus a lump sum of 100-105	2.5-5 plus a lump sum of 0-2.5	820	754	32	-
Caleb Deeks Director General, Competition, Markets and Regulatory Reform Group	50-55	2.5-5	856	791	30	-
Ceri Smith Director General, Strategy and Investment	90-95	7.5-10	1,726	1,535	122	-
Amanda Brooks CBE Director General, Trade Policy Implementation & Negotiations	70-75 plus a lump sum of 50-55	2.5-5 plus a lump sum of 0-2.5	1,495	1,379	55	-
Joanna Crellin Director General, Domestic and International Markets and Exports	60-65	2.5-5	1,103	1,007	47	-
Katherine Joseph Director General Economic Security and Trade Relations	35-40	5-7.5	717	569	115	-
Sam Lister Director General, Industrial Strategy *(from 11 November 2024)*	45-50	0-2.5	731	700	15	-

	Accrued pension at pension age as at 31 March 2025 and related lump sum £000	Real increase in pension and related lump sum at pension age[1] £000	CETV at 31 March 2025[2] £000	CETV at 31 March 2024[2] £000	Real increase in CETV £000	Employer contribution to partnership pension account Nearest £100
Jaee Samant Director General, Business Group *(from 6 January 2025)*	70-75 plus a lump sum of 180-185	0-2.5 plus a lump sum of 0-2.5	1,692	1,619	34	-
Isobel Stephen[3] Director General, Domestic and International Markets and Exports *(from 24 February 2025)*	35-40 plus a lump sum of 95-100	0-2.5	797	794	-	-
Niall Mackenzie Interim Director General, Domestic and International Markets and Exports *(until 14 April 2024)*	55-60 plus a lump sum of 160-165	0-2.5 plus a lump sum of 0-2.5	1,453	1,433	16	-
Andrew Mitchell Director General, Domestic and International Markets and Exports	-	-	-	-	-	-
Crawford Falconer Chief Negotiation Advisor and Second Permanent Secretary *(until 31 December 2024)*	-	-	-	-	-	15,800
David Bickerton Director General, Business Group *(until 6 January 2025)*	5-10	2.5-5	112	54	42	-
Tim Reid[4] UKEF Chief Executive	-	-	-	-	-	-
Bidesh Sarkar Chief Financial Officer	50-55	2.5-5	875	759	39	-

Notes

1. In some cases, the increase in pension and lump sum can be negative which means a real decrease has occurred. This is because the increase in pension (due to extra service or pay increases) may not be sufficient to offset the increase in inflation, resulting in a real terms reduction.
2. Where Senior Officials joined or left during the year, their CETV opening or closing amounts are as of their joining or leaving dates. See Notes to the Remuneration report for explanation of CETV.
3. Isobel Stephen is on secondment to the Department and is paid through UKRI payroll, and then costs are charged to the Department. Please refer to UKRI accounts for details of remuneration prior to 24 February 2025.
4. Tim Reid is paid by UKEF. Please refer to UKEF accounts for full details.

Non-executive Board Members – fee entitlements

Below are the annual fees plus expenses paid to the Non-executive Board Members of the Department. The total amounts due for the year to each person were in the ranges set out below. This table has been subject to audit.

	2024-25		2023-24	
	Fee entitlement £000	Full year equivalent if different £000	Fee entitlement £000	Full year equivalent if different £000
Paul Drechsler *(from 11 December 2024)*	5-10	20-25	-	-
John Latham *(from 11 December 2024)*	5-10	20-25	-	-
Iain Anderson *(from 11 December 2024)*	0-5	15-20	-	-
Katherine Braddick *(from 11 December 2024)*	0-5	15-20	-	-
Aderonke Savage *(from 11 December 2024)*	0-5	15-20	-	-
David Sayer *(from 11 December 2024)*	0-5	15-20	-	-
Ishika Nita Clarke *(from 11 December 2024)*	0-5	15-20	-	-
Michael Clancy *(from 11 December 2024)*	0-5	15-20	-	-
Stephen Hill OBE *(until 12 August 2024)*	5-10	20-25	15-20	20-25
Robert Leeming *(until 12 August 2024)*	5-10	15-20	10-15	15-20
Lord Kamall *(until 12 August 2024)*	5-10	15-20	10-15	15-20
Peter Fleet *(until 12 August 2024)*	5-10	15-20	10-15	15-20
Sir Stephen O'Brien[1] *(until 12 August 2024)*	5-10	15-20	20-25	15-20
Karina McTeague *(until 31 January 2025)*	15-20	20-25	15-20	20-25

Notes

1. The fees paid to Sir Stephen O'Brien for 2023-24 included pay corrections backdating to 2022-23.

Fair pay disclosures (Pay Multiples)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. Total remuneration in this section includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions, in line with HM Treasury guidance on providing this disclosure.

The narrative below outlines the relationship during the year ended 31 March 2025 between the remuneration of the Department's highest-paid Director and the remuneration of the workforce across the Core Department and its 2 agencies, The Insolvency Service and Companies House.

The banded total remuneration of the highest-paid Director (SCS4) in 2024-25 was £350,000 – £355,000 (2023-24: £305,000 - £310,000).

For the purpose of calculating the pay ratios, the full year equivalent salary of the highest-paid Director has been derived (£405,000 to £410,000), with bonus earned added to this (£15,000 to £20,000). However, severance payments have been excluded (£70,000 to £75,000) in line with HM Treasury guidance on fair pay disclosures. This results in the highest-paid Director being calculated at the £350,000 - £355,000 band.

This total remuneration figure was 7.7 times the median total remuneration of the workforce, which was £46,061 (2023-24: £45,318).

In 2024-25, no employees received remuneration more than the highest-paid Director (2023-24: 0). Remuneration ranged from £10,000 - £15,000 to £350,000 – £355,000 (2023-24: £15,000 – £20,000 to £305,000 – £310,000).

The median pay ratio for the relevant financial year is consistent with the pay and reward policies for the entity's employees taken as a whole. The increases and decreases when comparing to previous Department disclosures are a representation of changes in the distribution of the workforce.

	Total pay and benefits		Salary	
	2024-25	2023-24	2024-25	2023-24
25th percentile pay ratio	**10.1**	9.0	**8.7**	8.5
Median pay ratio	**7.7**	6.8	**6.7**	6.4
75th percentile pay ratio	**5.7**	5.1	**5.1**	4.8
25th percentile remuneration	**£35,055**	£34,264	**£34,631**	£33,828
Median remuneration	**£46,061**	£45,318	**£45,436**	£44,760
75th percentile remuneration	**£61,493**	£60,106	**£60,723**	£59,356

The ratios are calculated by taking the mid-point of the banded remuneration of the highest-paid Director and calculating the ratio between this and the lower quartile, median and upper quartile remuneration of the Department's staff. This ratio is based on the Full-Time Equivalent salaries of staff in post on 31 March 2025, on an annualised basis.

The Department's highest-paid Director's total remuneration in 2024-25 increased by 14.8% compared to their total remuneration in 2023-24. This was driven by payment in 2024-25 for unused annual leave, without which, the increase would have been 4.7%. The percentage change from 2023-24 to 2024-25 for the Department's highest-paid Director was 5.2% for salary and allowance, and 0.0% for performance pay and bonuses payable. The percentage change from 2023-24 to 2024-25 for the employees of the Department and agencies taken as a whole was 1.4% for salary and allowances, and 9.0% for performance pay and bonuses payable.

Country Based Staff (CBS) are employed locally by British Diplomatic Missions overseas. Data on local staff salaries is not held centrally, and salary payments are paid in local currency and are based upon local market conditions. CBS salaries are subject to individual countries' taxation and social security arrangements and adhere to local law of the country. The variation of arrangements plus differences in rates of pay and local purchasing power would distort the pay multiple calculation and would hinder meaningful comparisons with other organisations. CBS salaries are therefore excluded from the pay multiple calculation.

The pay multiple disclosures have been subject to audit.

Notes to the Remuneration Report

The information in the remuneration report relates solely to the Core Department except for the fair pay disclosure, which relates to the Core Department and arm's length bodies (ALBs) which are staffed by individuals on the Department's payroll and covered by the Department's pay arrangements only.

All other ALBs are excluded. Similar information relating to chief executives and most senior managers of the agencies and other bodies of the Departmental family is given in the individual annual reports and accounts of the relevant bodies.

Single total figure of remuneration

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

In respect of ministers in the House of Commons, departments bear only the cost of the additional Ministerial remuneration; the salary for their services as an MP (£91,346 from 1 April 2024) and various allowances to which they are entitled are borne centrally.

However, the arrangement for ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the department and is therefore shown in full in the figures above.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HMRC as a taxable emolument. There are no benefits in kind to be disclosed in relation to Department for Business and Trade Ministers or Senior Officials for 2024-25.

Bonuses

The Department operates a fully in-year reward and recognition system for staff below SCS (known as 'delegated grades') to acknowledge exceptional performance and contributions to the organisation using a range of cash and non-cash awards within the available budget.

Performance management for SCS employees across the Civil Service, follows the Cabinet Office SCS performance management policy:

Senior Civil Service: performance management - GOV.UK

SCS bonuses are reported in the year in which they become payable. These are based on performance levels attained and are made as part of the appraisal process. As such, SCS bonuses reported in 2024-25 includes year-end bonuses

related to performance in 2023-24, and SCS bonuses reported in 2023-24 includes year-end bonuses related to performance in 2022-23. Bonuses given to senior officials are shown in the remuneration tables.

This disclosure has been subject to audit.

Pension benefits

Ministerial pensions

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

http://qna.files.parliament.uk/ws-attachments/170890/original/PCPF%20MINISTERIAL%20SCHEME%20FINAL%20RULES.doc

Those ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report). A new MP's pension scheme was introduced from May 2015, although members who were MPs and aged 55 or older on 1 April 2013 have transitional protection to remain in the previous MPs' final salary pension scheme.

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

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

Ministerial pensions - the Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 and 2024-25 CETV figures.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total Ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Ministerial pensions - the real increase in the value of the CETV

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

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements.

Pension schemes:

The alpha Pension Scheme

From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha.

Previous Principal Civil Service Pension arrangements

Prior to this date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has 4 sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

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

Alpha transition

When alpha was introduced, existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015 until retirement*. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022.

*This changed under the remedy programme and all active members regardless of age moved into alpha as of 1 April 2022.

Remedy

In 2018, the Court of Appeal judged that the difference in treatment during the 2015 pension reforms (alpha transition) between those closer to retirement and everyone else, was unlawful age discrimination. Because of this, eligible members with relevant service between the 'impacted period' 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). These members will be given a deferred choice upon retirement around the treatment of their benefits within the impacted period.

All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

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

From 1 April 2022 the defined benefit arrangement is alpha for all active members. All active member in PCSPS were moved into alpha on this date.

Pension contributions and benefits:

Employee contributions are salary-related and range between 4.6% and 8.05% for members of alpha. Employer contributions are now at a single rate of 28.97% as of 1 April 2024 (previously salary-related and ranged between 26.6% and 30.3% for 2023-24.

In alpha a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.32% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

In alpha, the accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. In partnership, the pension is not guaranteed as the value is based on contributions paid and investment returns.

Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the 2 schemes, but note that part of that pension may be payable from different ages.

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

Civil Service Pensions – Cash Equivalent Transfer Values (CETV)

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member because of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HMT published updated guidance on 27 April 2023; this guidance has been used in the calculation of 2023-24 and 2024-25 CETV figures.

Civil Service Pensions – Real increase in CETV

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

Parliamentary Accountability Report

Statement of Outturn against Parliamentary Supply (audited information)

Overview

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Department to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

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

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

The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

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

The non-voted budget comprises expenditure financed from the National Insurance Fund. Non-voted expenditure does not require Parliamentary authority but is included within budgets set by HM Treasury for completeness.

Estimates and outturn spend are disclosed gross (gross expenditure and income) for activities of the core Department and net for the activities of the Departmental Group's arm's length bodies.

The supporting notes on pages 108 to 114 detail the following:

- SOPS 1: Outturn by estimate line, providing a more detailed breakdown.
- SOPS 2: Reconciliation of outturn to net operating expenditure, to tie the SOPS to the financial statements.
- SOPS 3: Reconciliation of outturn to net cash requirement.
- SOPS 4: Amounts of income to the Consolidated Fund.

The SOPS and estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 36, in the Financial Review section of the Performance Report.

Further information on the public spending framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The Financial Review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures. The Core Tables in Annex C provide a further detailed breakdown of outturn in each budgeting currency across a number of financial years.

Summary table, 2024-25

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on gov.uk, for detail on the control limits voted by Parliament. Significant variances between Outturn and the Estimate are explained in the Financial Review on pages 36-39.

								2024-25 £000		2023-24 £000
Type of spend		**Outturn**			**Estimate**			**Outturn vs Estimate: saving/(excess)**		**Prior year outturn**
	SoPS Note	**Voted**	**Non-Voted**	**Total**	**Voted**	**Non-Voted**	**Total**	**Voted**	**Total**	**Total**
Departmental Expenditure Limit										
Resource	1.1	1,632,390	-	1,632,390	1,780,349	-	1,780,349	147,959	147,959	1,782,829
Capital	1.2	951,666	-	951,666	1,508,348	-	1,508,348	556,682	556,682	1,068,399
Total DEL		2,584,056	-	2,584,056	3,288,697	-	3,288,697	704,641	704,641	2,851,228
Annually Managed Expenditure										
Resource	1.1	(242,832)	453,453	210,621	607,250	480,000	1,087,250	850,082	876,629	1,640,108
Capital	1.2	(286,897)	-	(286,897)	1,562,201	-	1,562,201	1,849,098	1,849,098	(1,138,905)
Total AME		(529,729)	453,453	(76,276)	2,169,451	480,000	2,649,451	2,699,180	2,725,727	501,203
Total Budget										
Resource	1.1	1,389,558	453,453	1,843,011	2,387,599	480,000	2,867,599	998,041	1,024,588	3,422,937
Capital	1.2	664,769	-	664,769	3,070,549	-	3,070,549	2,405,780	2,405,780	(70,506)
Total budget Expenditure		2,054,327	453,453	2,507,780	5,458,148	480,000	5,938,148	3,403,821	3,430,368	3,352,431
Non-budget Expenditure		150,053	-	150,053	150,053	-	150,053	-	-	-
Total budget and Non-budget		**2,204,380**	**453,453**	**2,657,833**	**5,608,201**	**480,000**	**6,088,201**	**3,403,821**	**3,430,368**	**3,352,431**

Net cash requirement 2024-25

	SoPS Note	Outturn £000	Estimate £000	2024-25 Outturn vs Estimate, saving / (excess) £000	2023-24 Outturn £000
Net cash requirement	3	5,310,053	8,031,560	2,721,507	6,138,867

Administration costs 2024-25

	SoPS Note	Outturn £000	Estimate £000	2024-25 Outturn vs Estimate, saving / (excess) £000	2023-24 Outturn £000
Administration costs	1.1	440,904	475,058	34,154	390,300

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

Prior period adjustments (non-budget)

The Department has Prior Period Adjustments (PPAs) resulting from restatement of 2022-23 balances reported as comparative amounts in the Department's first set of accounts (for 2023-24). It is proper for the Department to seek parliamentary authority for the provision that should have been sought previously. They were included as non-budget amounts within voted Supply in the 2024-25 Estimate as this represented the first opportunity to seek such authority. Although the adjustments were non-budget in the 2024-25 Estimate, the relevant budget impacts had these adjustments been included in the accounts of the predecessor department in 2022-23 are shown below.

PPA Description	Resource / Capital	DEL / AME	Amount £'000
Derecognise provision in BEIS core accounts not meeting IFRS recognition criteria (cost of administration of future British Shipbuilders compensation claims)	Resource	DEL	1,000
Restatement: Derecognise provision in BEIS core accounts not meeting IFRS recognition criteria (cost of administration of future British Shipbuilders compensation claims)	Resource	AME	4,000
Change in allocation of carried interest on investments held by British Business Investment Limited (part of British Business Bank group)	Resource	AME	8,057
Revaluation of investments held by BIS (Postal Services Act 2011) Company Limited not included in BEIS 2022-23 accounts because of timing difference between authorisation of the latter accounts and those of the Company	Resource	AME	16,967
Revaluation of investments held by Fleetbank Funding Limited not included in BEIS 2022-23 accounts because of timing difference between authorisation of the latter accounts and those of the Company	Capital	DEL	120,029
Total			**150,053**

Notes to the SOPS, 2024-25 (audited information)

SOPS 1. Outturn detail, by Estimate Line

SOPS 1.1 Analysis of resource outturn by section

Type of spend (Resource)	Resource Outturn							Estimate			2024-25 £000	2023-24 £000
	Administration			Programme			Total	Total	Virements	Total inc. virements	Outturn vs Estimate: saving/ (excess)	Prior year outturn total
	Gross	Income	Net	Gross	Income	Net						
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limits (DEL)												
Voted expenditure												
A DBT – Department for Business and Trade (DEL)	424,031	(6,650)	417,381	1,392,624	(312,917)	1,079,707	**1,497,088**	1,644,016	-	**1,644,016**	146,928	1,663,237
B DBT – Arm's Length Bodies (ALB) (Net) (DEL)	23,523	-	23,523	111,779	-	111,779	**135,302**	136,333	-	**136,333**	1,031	119,592
Total voted DEL	447,554	(6,650)	440,904	1,504,403	(312,917)	1,191,486	**1,632,390**	1,780,349	-	**1,780,349**	147,959	1,782,829
Total spending in DEL	**447,554**	**(6,650)**	**440,904**	**1,504,403**	**(312,917)**	**1,191,486**	**1,632,390**	**1,780,349**	**-**	**1,780,349**	**147,959**	**1,782,829**

Type of spend (Resource)	Resource Outturn							Estimate			2024-25 £000	2023-24 £000
	Administration			Programme			Total	Total	Virements	Total inc. virements	Outturn vs Estimate, saving/ (excess)	Prior year outturn total
	Gross	Income	Net	Gross	Income	Net						
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in Annually Managed Expenditure (AME)												
Voted expenditure												
C DBT – Department for Business and Trade (AME)	-	-	-	(65,375)	(106,087)	(171,462)	**(171,462)**	596,874	-	**596,874**	768,336	983,559
D DBT – Arm's Length Bodies (ALB) (Net) (AME)	-	-	-	(71,370)	-	(71,370)	**(71,370)**	10,376	-	**10,376**	81,746	186,436
Total voted AME	-	-	-	(136,745)	(106,087)	(242,832)	**(242,832)**	607,250	-	**607,250**	850,082	1,169,995
Non-voted expenditure												
E DBT – Department for Business and Trade (AME)	-	-	-	501,700	(48,247)	453,453	**453,453**	480,000	-	**480,000**	26,547	470,113
Total non-voted AME	-	-	-	501,700	(48,247)	453,453	**453,453**	480,000	-	**480,000**	26,547	470,113
Total spending in AME	**-**	**-**	**-**	**364,955**	**(154,334)**	**210,621**	**210,621**	**1,087,250**	**-**	**1,087,250**	**876,629**	**1,640,108**
Total Resource	**447,554**	**(6,650)**	**440,904**	**1,869,358**	**(467,251)**	**1,402,107**	**1,843,011**	**2,867,599**	**-**	**2,867,599**	**1,024,588**	**3,422,937**

SOPS 1.2 Analysis of capital outturn by estimate line

Type of spend (Capital)	Outturn			Estimate			2024-25 £000	2023-24 £000
	Gross	Income	Net	Total	Virements	Total inc. virements	Outturn vs Estimate: saving/ (excess)	Prior year outturn total
	£000	£000	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure								
A DBT – Department for Business and Trade (DEL)	494,558	(2,075)	**492,483**	585,661	-	**585,661**	93,178	614,196
B DBT – Arm's Length Bodies (ALB) (Net) (DEL)	459,183	-	**459,183**	922,687	-	**922,687**	463,504	454,203
Total voted DEL	953,741	(2,075)	**951,666**	1,508,348	-	**1,508,348**	556,682	1,068,399
Total spending in DEL	**953,741**	**(2,075)**	**951,666**	**1,508,348**	**-**	**1,508,348**	**556,682**	**1,068,399**
Spending in Annually Managed Expenditure (AME)								
Voted expenditure								
C DBT – Department for Business and Trade (AME)	(288,061)	-	**(288,061)**	1,561,921	(884)	**1,561,037**	1,849,098	(1,138,905)
D DBT – Arm's Length Bodies (ALB) (Net) (AME)	1,164	-	**1,164**	280	884	**1,164**	-	-
Total voted AME	(286,897)	-	**(286,897)**	1,562,201	-	**1,562,201**	1,849,098	(1,138,905)
Total spending in AME	**(286,897)**	**-**	**(286,897)**	**1,562,201**	**-**	**1,562,201**	**1,849,098**	**(1,138,905)**
Total capital	**666,844**	**(2,075)**	**664,769**	**3,070,549**	**-**	**3,070,549**	**2,405,780**	**(70,506)**

The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on gov.uk.

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.

Significant variances between outturn and estimate are explained in the Financial Review.

SOPS 2: Reconciliation of outturn to net operating expenditure

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

		2024-25	2023-24
	SOPS note	Outturn total	Prior year outturn total
		£000	£000
Total resource outturn	**1.1**	**1,843,011**	**3,422,937**
Add:			
Capital expenditure – Grants and subsidies		452,536	585,663
Capital income		(500)	(110,072)
Capital expenditure (net) – Research and development		12,021	14,277
Capital expenditure (net) – Financial guarantees		(817,393)	(1,222,436)
Non-budget income payable to Consolidated Fund		(7,311)	(12,401)
Total		(360,647)	(744,969)
Less:			
Resource credits-Financial guarantee utilisation (calls)		9,174	2,741
Resource credits-Trade credit reinsurance		-	12,541
Resource credits-Provisions with Capital utilisation		660,593	44
Total		669,767	15,326
Net operating expenditure for the period in Consolidated Statement of Comprehensive Net Expenditure		**2,152,131**	**2,693,294**

Capital and non-budget items under 'Add' are not included in the resource budget outturn but are reported in the Statement of Comprehensive Net Expenditure (SOCNE).

Resource credits under 'Less' are budget-only amounts, not included in the SOCNE. These are for items which had been scored to the resource budget as Annually Managed Expenditure (AME) in prior reporting periods and have been reversed in the resource budget in the current reporting period to reflect the reduction in the associated liability arising from utilisation which is also scored to budgets. They relate to liabilities where the AME reversal is not offset in the resource budget by a resource debit from utilisation, for those provision and financial guarantee liabilities where utilisation scores to capital. The amount for Trade Credit Reinsurance in 2023-24 relates to write-back of the claims liability for which there was no offsetting debit to budgets for utilisation.

SOPS 3: Reconciliation of net resource outturn to net cash requirement

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

	SOPS note	Outturn total	Estimate	Outturn vs Estimate: saving / (excess)
		£000	£000	£000
Total Resource Outturn	1.1	1,843,011	3,017,652	1,174,641
Total Capital Outturn	1.2	664,769	3,070,549	2,405,780
Adjustments for ALBs				
Remove voted resource and capital		(524,279)	(1,069,676)	(545,397)
Removal of intra-group transactions		87,326	-	(87,326)
Grant in aid		95,617	1,062,234	966,617
Other funding to ALBs (share purchase and loans)		512,843	-	(512,843)
Interest income from ALBs		(25,953)	-	25,953
Adjustments to remove non-cash items				
Asset depreciation and revaluation charges		(208,357)	(46,058)	162,299
New provisions and adjustments to previous provisions		(355,366)	(838,565)	(483,199)
Prior Period Adjustments		-	(150,053)	(150,053)
Financial guarantee expense		699,726	-	(699,726)
Lease RoU asset additions and remeasurements		(3,274)	-	3,274
Non-cash-Capitalised provisions		(70)	-	70
Other non-cash items		37,177	(42,586)	(79,763)
Adjustments to add non-budget cash items				
Financial guarantee calls		2,276,221	-	(2,276,221)
Other non-budget cash items		(7,311)	-	7,311
Adjustments to reflect movements in working balances				
Increase / (decrease) in receivables		(215,413)	-	215,413
(Increase) / decrease in payables		205,838	3,118,000	2,912,162
Use of provisions		685,444	390,063	(295,381)
Total		**5,767,949**	**8,511,560**	**2,743,611**
Removal of non-voted budget items				
Other adjustments		(457,896)	(480,000)	(22,104)
Total		**(457,896)**	**(480,000)**	**(22,104)**
Net cash requirement		**5,310,053**	**8,031,560**	**2,721,507**

The difference of £2,722 million between the net cash requirement of £8,032 million authorised in the Estimate and outturn of £5,310 million arises from a) underspends against budget as described in the Financial Review in the Performance Analysis report in the Annual Report and b) over-estimation by £556 million of the cash requirement relating to movements in receivables and payables, including in relation to 'Financial guarantee calls' and 'Use of provisions'.

SOPS 4: Amounts of income to the Consolidated Fund

SOPS 4.1 – Analysis of income payable to the Consolidated Fund

In addition to the income retained by the Department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

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

	2024-25		2023-24	
	Outturn total		Outturn total	
	Accruals	Cash basis	Accruals (restated)	Cash basis (restated)
	£000	£000	£000	£000
Cash surrenderable to the Consolidated Fund	87,351	*78,119*	98,703	*97,809*
Total amount payable to the Consolidated Fund	**87,351**	***78,119***	**98,703**	***97,809***

SOPS 4.2 – Consolidated Fund Income

Consolidated Fund income shown in note SOPS 4.1 above does not include amounts collected by the Group where it was acting as agent for the Consolidated Fund rather than as principal. Total amounts collected as agent for the Consolidated Fund are shown in the table below. These had been reported in note SOPS 4.1 in prior years but are now reported in this new note SOPS 4.2

The amounts comprise a) penalties levied by the Department on employers for non-payment of employment tribunal awards, ACAS mediation settlements, and 'aggravated breach' amounts levied by Employment Tribunals on employers and b) the proceeds of financial sanctions imposed under the Financial Reporting Council's Audit Enforcement Procedure.

	2024-25	2023-24
	Outturn total	Outturn total (restated)
	£000	£000
Fines and penalties	9,790	36,197
Total amount payable to the Consolidated Fund	**9,790**	**36,197**
Balance held at the start of the year	36,197	1,079
Payments into the Consolidated Fund	(36,197)	(1,079)
Balance held on trust at the end of the year	**9,790**	**36,197**

Other Parliamentary disclosures (audited information)

Losses statement

	2024-25		2023-24	
	Core Department and agencies	Departmental Group	Core Department and agencies (restated)	Departmental Group (restated)
Total number of losses	**9,401**	**10,711**	**15,964**	**16,018**
Redundancy Payments Service (RPS) receivable impairment - £m	452	452	455	455
COVID-19 loan guarantee schemes - £m	28	28	248	248
Future Fund loan scheme - £m	26	26	(1)	(1)
Other losses - £m	15	23	-	-
Total value of losses - £m	**521**	**529**	**702**	**702**

Losses over £300,000 – Core Department

COVID-19 loan guarantee schemes

Losses in relation to 734 facilities (2023-24: 6,167) relate to the fraud related settled claims for various COVID-19 schemes (Coronavirus Business Interruption Scheme (CBILS), Recovery Loan Scheme (RLS), Bounce Back Loan Scheme (BBLS)). The total value of the losses is £28 million (2023-24: £248 million).

The volume and value of losses originally reported in the 2023-24 Annual Report and Accounts has been restated due to the identification of additional suspected fraud facilities and post-settlement removal of ineligible guarantees. We have reflected these additional losses within the table above, but for clarity, the original figures reported in the 2023-24 accounts and the now revised figures are:

Number of losses reported in 2023-24: 5,661 (2023-24 Revised figure: 6,167)

Value of losses reported in 2023-24: £227 million (2023-24 Revised figure: £248 million)

Future Fund

FF is a convertible loan scheme, administered by BBB on behalf of the Department, which provided vital financial support to reach early-stage companies impacted by the COVID-19 pandemic. The scheme closed to new applications in 2021. FF lent £1,137 million to 1,190 businesses during the pandemic (the number of companies within the portfolio has increased from 1,190 to 1,193 since then due to three demergers). At March 2025, there remained 94 companies at loan stage, having taken advantage of an option to extend beyond the initial 3-year term. BBB manage equity stakes in 676 companies, 89 companies had either exited for cash or had made repayment of the loan note and 334 companies have entered administration, insolvency or another formal insolvency process.

The Department has several fraud prevention measures in place. At inception of the loans, 'Know Your Customer' checks and anti-impersonation checks were undertaken, with ongoing monitoring reviews conducted at intervals proportionate to the risks associated with the portfolio companies. It also undertakes an annual fraud risk assessment, which considers risks in a comprehensive manner and with actions taken to mitigate the risks.

The Department continues monitoring portfolio companies using several pre-defined detection sources that indicate irregularities or red flags within the operations and in the communications received from investee companies and investors. Data is reviewed on a regular basis and any suspicious activity is followed up and reviewed internally through a three-lines-of-defence framework.

Where concerns are substantiated, the Department applies a robust enforcement strategy. This includes measures such as demanding repayment in the event of default, engaging with insolvency practitioners, and referring cases to law enforcement agencies.

FF in-year fair value adjustments related to potential fraud loss from cases where there is the suspicion of fraud are detailed in the below table for the current and prior year.

In the below table, the net increase of four cases of suspected fraud in the prior year occurred in December 2023. As part of the enhancements made in the approach taken to defining suspected fraud in 2023-24, three companies were re-categorised out of suspected fraud and seven were added to the categorisation. While the net position was an increase of 4 instances of suspected fraud, the value of the loan adjustments against this movement was a net decrease of loan adjustments.

	31 March 2025	31 March 2024
Instances of suspected fraud	18	4
Fair value adjustment for suspected fraud	£25.9m	(£0.9m)

Following internal enquiries the Department can take one or more of a number of steps arising from loans made to companies which have been flagged as suspected fraud including:

- where appropriate, issuing an Event of Default and pursuing repayment including, where necessary, via compulsory winding up and the appointment of an Insolvency Practitioner.
- Pursuing a claim for damages in the civil courts.
- Referring the company/individuals to enforcement authorities.

Recoverability of losses would be dependent on a number of factors including the availability of assets which can be realised for the benefit of creditors and the cost of any recovery activities.

Post Office suppliers settlement

Losses includes £6.8 million for a Post Office agreement with suppliers relating to e-disclosure issues on the Post Office Horizon IT Inquiry, in relation to remediation work required to address disclosure issues.

IR35 Off-payroll Legislation

A settlement was paid to HMRC for erroneous management of IR35 on income tax and insurance applicable to contractors in financial years 2017-18 to 2023-24. The amount of loss is £5.8 million (2023-24 - £0).

Losses over £300,000 – Agencies

Insolvency Service - Claims abandoned

6,766 losses relate to the Redundancy Payment Service (RPS) receivable impairment: The RPS receivable impairment for 31 March 2025 is £452 million (31 March 2024: £455 million). The RPS receivable loss relates to the impairment loss on Redundancy Payments Service included during the year. Most of the redundancy payments made from the National Insurance Fund (NIF) are in respect of employees of insolvent companies. Repayment of debt is recovered from the sale of the assets of the insolvent company, and as such most of the debt is irrecoverable. HMRC records the impairment of the RPS receivable in NIF accounts. Dividends

from insolvencies can take many years to come to fruition, hence it is difficult to evaluate individual debtor losses within a given financial year. However, work is being performed to enable the value of all those debts which reached final loss stage to be estimated in the future.

Insolvency Service – One Constructive loss

During 2022-23 and 2023-24, Insolvency Service invested £0.6 million of capital funding in the design and early development of a digital portal to support the Report to Creditors (RTC) and the Proof of Debt (POD) process. Following a recent review of priorities within Insolvency Service, including the evolving technical landscape, changing user requirements and a revaluation of the original benefits, it was agreed that the most appropriate accounting treatment at this stage is to impair the full value. This approach ensures compliance with financial reporting standards whilst also preserving future flexibility. Should elements of the work be taken forward at a later date, a proportional reversal of the impairment may be applied. The work completed has provided valuable design insight that can inform and accelerate future service development.

Special payments

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

	2024-25		2023-24	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
Total number of special payments	43	52	24	25
Total value of special payments - £m	**<£1 million**	**<£1 million**	**<£1 million**	**<£1 million**

Special payments over £300,000

The total special payments incurred by the Departmental Group at 31 March 2025 were £306,000 (2023-24: £140,000). These relate to honorarium fees paid for NED appointments incurred by the Core Department totalling £64,261 (2023-24: £116,000) and several compensation and ex-gratia payments made by the Departmental group. There were no individual special payments above £300,000.

Special severance payment

There was one special severance payment made in the year. The amount paid is not disclosed as doing so would conflict with the Department's legal obligation under the Data Protection Act 2018.

Gifts

Managing Public Money requires departments to disclose gifts in their ARA if the total value exceeds £300,000. Individual gifts with a value of more than £300,000 should be disclosed separately. During 2024-25, the Core Department did not give any reportable gifts above £300,000.

Fees and charges

Agencies

An analysis of income from services provided to external and public sector customers is as follows:

	2024-25			2023-24		
Income stream	Income £000	Full Cost £000	Surplus/ (deficit) £000	Income £000	Full Cost £000	Surplus/ (deficit) £000
Companies house: Registration activities	217,450	189,981	27,559	86,204	87,849	(1,645)
Insolvency service: Administration income	53,588	61,491	(7,903)	65,748	63,263	2,485

Insolvency Service administration income

The objective of the fees is to cover the cost of the work carried out by the Official Receiver teams. Measurement of the objective is based on the portfolio of cases received in each financial year, with any excess receipts treated as excess income due to the Consolidated Fund. During 2024-25 this objective was not achieved, as the income recognised, excluding the excess income recognised in relation to historical cases was insufficient to cover the cost of the Official Receiver service.

Companies House

Companies House charge a range of fees for services which are calculated on a cost recovery basis. Operating on a cost recovery basis is the policy objective. In May 2024 the objective of this approach was widened to provide Companies House and the Insolvency Service with sufficient resources to enable them to raise increased funding enabling increases in compliance and enforcement activity.

Companies House is currently operating at a surplus linked to movement in the commencement date of mandatory identity verification of directors and people with significant control. This surplus will be transferred to the Consolidated Fund.

Remote contingent liabilities (audited information)

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

Unquantifiable Remote Contingent Liabilities – Core Department and Group

British Steel

British Steel Limited was placed into compulsory liquidation in May 2019. The Government indemnified the Official Receiver for actions he undertakes as liquidator and claims and proceedings that are made against him personally in relation to his appointment. The indemnity does not extend to any costs which may legitimately be charged to the company in liquidation. The indemnity was provided in May 2019 and may be terminated by the Government not giving less than 14 days' notice.

Jingye Group officially acquired the business and assets of British Steel in March 2020. The Official Receiver remains indemnified whilst he finalises remaining liquidation matters.

Financial Reporting Council funding

A guarantee has been provided to the Financial Reporting Council stating that, if the Council's general voluntary funding from external sources falls sufficiently for the Core Department to have to consider making legislation, to activate the statutory levy under section 17 of the Companies (Audit, Investigations and Community Enterprise) Act 2004, the Core Department will make such a grant to cover the Council's cost as is sufficient to meet the preconditions in those levy raising powers provided the requisite funding has not been made available through another grant.

Statutory indemnities

- Indemnities have been given to bankers of the Insolvency Service against certain liabilities arising in respect of non-transferable 'account payee' cheques due to insolvent estates and paid into the Insolvency Service's account.
- Indemnities have been provided to certain insolvency administrators, including the Official Receiver, relating to actions undertaken in respect of administration of specified companies.

Legal costs

- A remote contingent liability exists in relation to various ongoing legal cases, both within the Core Department and wider Departmental Group. The cases range from bankruptcy and insolvency matters to judicial reviews. The costs are dependent on the outcome of cases which currently cannot be reliably estimated.
- Under an agreement with the Financial Reporting Council, if the amount held in the Council's legal costs fund falls below £1 million in any year, an additional grant will be made to cover legal costs subsequently incurred in that year.

Indemnities against personal liability

- Indemnities have been given to the directors appointed by the Core Department to wholly owned subsidiaries. These indemnities are against personal liability following any legal action against the companies.
- An indemnity has been provided to the Chair of the Post Office Horizon IT Inquiry in respect of any liabilities he may incur as a result of holding, or having held, this position.

Reconciliation of contingent liabilities included in the Supply Estimate to the accounts (unaudited)

A reconciliation of differences between contingency liabilities reported in the Supply Estimates and those report in the ARA are set out below. Further detail on the contingent liabilities can found be in note 19 Contingent Liabilities and in the Supplementary Estimates 2024-25.

Quantifiable Contingent Liabilities

Description	Amount per supply estimate £000s	Amount disclosed in ARA £000s	Variance £000s
Paid in capital subscription for the Common Fund for Commodities (CFC) – Government is committed to the payment of a subscription in the form of Promissory Notes to be redeemed on request by the Fund.	2,240	2,240	-
Callable capital subscription for CFC – Government is committed to the payment of a subscription to the Fund.	1,960	1,960	-
Dilapidation liability for leased property – The Department is obligated to reimburse the Government Property Agency (GPA) for any dilapidations incurred during the Department's tenure on property leased through the GPA when the underlying lease agreements between GPA and its landlords expire. The Department also has a possible obligation to pay for any dilapidations which arose before the former DIT's lease agreements with GPA came into effect. The amount disclosed is the reasonable worst-case scenario.	3,800	3,800 Disclosed within Note 15 Provisions	-
Shipbuilding Credit Guarantee Scheme (SCGS) – Maximum expected risk exposure to the Department in respect of guarantees issued under the Shipbuilding Credit Guarantee Scheme.	500,000	-	Not disclosed in the ARA as there were no guarantees at 31 March 2025.
Project Lilac - funding of the Official Receiver. Funding for the Official Receiver to perform their duty in the event of insolvency of a specific trading company.	10,000	-	Disclosed under Other Parliamentary Disclosures in the Statutory Indemnities section.

Unquantifiable Contingent Liabilities

Description	Included in the supply estimate	Disclosed in ARA	Variance
Under section 9 of the British Aerospace Act 1980, the government is liable to discharge any outstanding liability of BAE Systems plc which vested in the company on 1 January 1981 in the event of its being wound up other than for the purpose of reconstruction or amalgamation.	Unquantifiable	- This is not disclosed in the ARA as this liability expired in 2020 and was erroneously included within the supply estimates. The original liability was in respect of BAE's pension scheme, and as currently there are no active members of the BAE pension scheme that also were part of it in 1980, this liability is reduced to nil and therefore has expired.	-
Indemnities have been given to bankers of the Insolvency Service against certain liabilities arising in respect of non-transferable "account payee" cheques due to insolvent estates and paid into the Insolvency Service's account.	Unquantifiable	Unquantifiable	-
A contingent liability exists in relation to ongoing legal cases. The cost is dependent on the outcome of cases which currently cannot be reliably estimated.	Unquantifiable	Unquantifiable	-
Under an agreement with the Financial Reporting Council (FRC), if the amount held in their legal costs fund falls below £1 million in any year, an additional grant will be made to cover legal costs subsequently incurred in that year.	Unquantifiable	Unquantifiable	-

Description	Included in the supply estimate	Disclosed in ARA	Variance
Indemnities have been given to the directors appointed by the Core Department to wholly owned subsidiaries. These indemnities are against personal liability following any legal action against the companies.	Unquantifiable	Unquantifiable	-
Indemnities have been provided to the Official Receiver relating to actions undertaken in respect of administration of specified companies.	Unquantifiable	Unquantifiable	-
An indemnity has been provided to the Chair of the Post Office Horizon IT Inquiry in respect of any liabilities he may incur as a result of holding, or having held, this position.	Unquantifiable	Unquantifiable	-
The Department has historically strongly supported Post Office Limited (POL) and the Post Office network as it provides vital public services to millions of customers across the United Kingdom. Significant funding has already been provided and committed to POL to ensure its policy objectives have been met, including mitigating risks arising from certain legacy claims connected with the Horizon IT system. While working with POL to transition to a self-funded model, the Department intends to continue to develop solutions to support POL in settling its liabilities as they fall due, subject to HM Treasury consent and subject to the application of the Subsidy Control Act 2022, where such liabilities threaten the ability of POL to continue to provide its vital public services. As such there is a possible likelihood that, should unexpected liabilities arise within POL that threatens its ability to function as a going concern, the Department would provide funding to settle some or all of these theoretical liabilities.	Unquantifiable	Unquantifiable Disclosed in note 19 Contingent Liabilities.	-

Description	Included in the supply estimate	Disclosed in ARA	Variance
Financial Reporting Council funding: A guarantee has been given to the Financial Reporting Council that, if the Council's general voluntary funding from external sources falls sufficiently for the Department to have to consider making legislation to activate the statutory levy under section 17 of the Companies (Audit, Investigations and Community Enterprise) Act 2004, the Department will make such a grant to cover the Council's costs as is sufficient to meet the preconditions in those levy raising powers provided the requisite funding has not been made available through another grant.	Unquantifiable	Unquantifiable	-
Insolvency Service - Legal Cases: Due to the nature of the work undertaken by the Agency, there are a number of ongoing legal cases giving rise to contingent liabilities. The legal cases included as contingent liabilities all relate to possible obligations where the Agency has issued civil and criminal proceedings through the courts, and the outcome is dependent on court rulings and findings. Further details cannot be disclosed, as in accordance with IAS 37 (paragraph 92), the Agency considers that disclosure of values for any contingent liability connected to legal proceedings could seriously prejudice ongoing litigation.	Unquantifiable	Unquantifiable	-
Others: There are a number of potential liabilities for the Department in respect of claims from suppliers, employees and third parties which depend on actual or potential proceedings. The timing and amounts of any liabilities are uncertain.	Unquantifiable	Unquantifiable	-

Regularity of expenditure (audited information)

The Department ensures that the concept of regularity is understood and complied with in all its operational activities. It ensures compliance with HM Treasury's Managing Public Money (MPM).

Further to the below references to significant transactions relating to the regularity of the Department's expenditure, the Losses and Special Payment tables and associated narrative disclosed earlier in this report, provides additional content in this regard, alongside demonstrating the Department's compliance with MPM.

Regularity of expenditure (audited information)

COVID-19 loan guarantees

The Department's work on recovering funds due to fraud is provided in the fraud and error section in the performance report.

As a result of the COVID-19 pandemic, the Department entered into loan guarantee agreements with accredited lenders, providing support to businesses under:

- the Bounce Back Loan Scheme
- the Coronavirus Business Interruption Loan Scheme
- the Coronavirus Large Business Interruption Loan Scheme
- the Recovery Loan Scheme

Key information relating to the estimations and analysis of fraud and loss regarding these schemes is detailed in note 16 to these accounts.

Detection and disclosure of Future Fund suspected fraud

The FF was set up in May 2020 as an emergency measure to support early-stage, equity-backed UK businesses that were facing difficulties due to a significant reduction in the availability of equity finance during the COVID-19 pandemic. It was deployed at pace by the BBB on behalf of the Core Department. It was open to applications from May 2020 and closed in January 2021. The scheme was subject to Ministerial Direction, due to the Department's Accounting Officer and BBB having concerns about value for money.

The work undertaken across the life of the scheme to identify and manage the levels of suspected fraud is detailed in fraud and error section of the Performance Report. The level of fair value adjustments made to investments categorised as suspected fraud in the current and previous financial year is detailed in the Department's losses note. For each financial year for which the fund has existed a paper has been developed to detail the actions taken in regard to fraud risk, enabling the Department to conclude that there aren't material levels of suspected fraud in the FF portfolio not already identified. Prior adjustments made to investment carrying values relating to suspected fraud in FF have not been reported in the ARA previously having not constituted material amounts for the Department or its predecessor.'

Gareth Davies CB
Permanent Secretary and Principal Accounting Officer

11 September 2025

The Certificate of the Comptroller and Auditor General to the House of Commons

Qualified opinion on financial statements

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

- 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 group financial statements is applicable law and UK adopted international accounting standards.

In my opinion, except for the possible effects of the matters described in the *Basis for qualified opinion on the financial statements* section below, the financial statements:

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

Qualified opinion on regularity

In my opinion, except for the effects of matters described in the *Basis for qualified opinion on regularity* section below, in all material respects:

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

Basis for qualified opinion on the financial statements

A provision for the Horizon Shortfall Scheme of £743 million, as shown within Note 15 Provisions, has been included in the Statement of Financial Position for the Department and its Group at 31 March 2025. I have been unable to obtain sufficient appropriate audit evidence over the carrying value of this provision at 31 March 2025, and the accuracy of the related expenditure for the year, due to the Department having obtained insufficient justification from Post Office Limited for the claim volume and claim value estimates submitted by Post Office Limited and used by the Department in the preparation of the provision estimate. Consequently, I have been unable to determine whether any adjustments to these amounts is necessary.

While I have not been able to reliably quantify the impact of this matter as explained below, I consider the impact of these issues to be potentially material in terms of the valuation of these liabilities, and the accuracy of related expenditure.

My assessment of the matters giving rise to qualified opinions

Provision Measurement – Horizon Shortfall Scheme	
Matter giving rise to qualification	The Department has recognised a provision of £743m at 31 March 2025 in respect of this commitment to fund Post Office Limited's Horizon Shortfall Scheme (as disclosed in Note 15 to the financial statements). The Department has additionally recognised £43 million of expected future scheme settlements as accruals because an offer has been made to the claimant and the settlement value is less uncertain (as disclosed in Note 13 to the financial statements). I qualified my opinion on the Department's financial statements prepared for the year ended 31 March 2024 because I was unable to obtain sufficient appropriate audit evidence in relation to the provision estimates made for the Horizon Shortfall Scheme to support an unmodified opinion. The Department's provision for the Horizon Shortfall Scheme continues to be based on estimates made by Post Office Limited of the number of potential additional claims expected under the Horizon Shortfall Scheme and the value at which those claims will be settled. The mail-out to former postmasters, which commenced after the re-opening of the scheme to new applicants and the introduction of the £75,000 Fixed Sum Offer, is ongoing and there is currently no deadline by which individuals must respond. Post Office Limited anticipates that approximately 32% of individuals written to will submit an eligible application under the scheme and that around 90% of those applying will accept the fixed sum offer. As of May 2025, Post Office Limited has sent letters to approximately 18,500 current and former postmasters, with a further 15,500 letters planned to be sent. Of those who have applied since 28 March 2025, 99% have accepted the fixed sum offer. Significant estimation uncertainty remains and small changes to the claim volume and value assumptions applied could lead to material changes to the value of the provision, as disclosed in Note 15.
Scope of my work	The scope of my work included: • evaluating the reasonableness of assumptions made by the Department of the number of additional claims under the Horizon Shortfall Scheme and the value and which future claims will settle, by reference to current scheme rules and scheme administration practices, and taking into account the progress of Post Office Limited's mail-out to former postmasters. • sample testing of case input data used within the provision models to ensure that amounts claimed, offers made, and amounts paid were accurately recorded; • assessing the operation and mathematical integrity of the provision model; and • evaluating management's related disclosures.

Provision Measurement – Horizon Shortfall Scheme	
Why I was unable to obtain sufficient appropriate evidence	I am of the view that management should have sought better justification from Post Office Limited for its claim volume and value estimates prior to using them in the Department's financial statements. Given the passage of time since the first letters were sent by Post Office Limited, I expected that that Department's provision for the year ended 31 March 2025 would have been informed by a more detailed analysis of the progress and results of the mailout exercise. No such analysis has been provided for my review. It is possible, that if performed, such analysis would lead to a materially different estimate and as such I have not been able to obtain sufficient, appropriate evidence to support an unmodified opinion. Management have not provided sufficient basis for key assumptions or evidence of appropriate challenge of the assumptions set by Post Office Limited in valuing the Horizon Shortfall Scheme provision. The key assumptions have a material impact on the provision and therefore I limited the scope of my audit opinion in relation to this Scheme.

Basis for qualified opinion on regularity

The Future Fund is a convertible loan scheme which provided financial support to companies during the COVID-19 pandemic. The scheme opened in May 2020 and closed to new applicants in January 2021, lending £1,137m to 1,190 businesses. At 31 March 2025, there remained 94 companies at the loan stage, and 676 post-conversion equity positions.

As disclosed in the Performance Analysis and Parliamentary Accountability Report sections of the Annual Report, the Department has now categorised 3.9% by volume and 7% (£79.5 million) by value of investments made under the Future Fund scheme as suspected fraud and has referred these cases to relevant authorities. While some future recovery may be possible from this cohort, the investments are being carried at nil value in the Statement of Financial Position.

Losses due to fraud are irregular. Of the cumulative recognised losses of £79.5m due to suspected fraud since the inception of the scheme, £25.9m has been recognised in the financial year ended 31 March 2025. I consider both the losses recognised in the current financial year and the cumulative value of losses to be material and have qualified my regularity opinion in this respect. The Department continues to monitor portfolio companies for indications of any further irregularities.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the Department and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

Framework of authorities	
Authorising legislation	Government Resources and Accounts Act 2000
Parliamentary authorities	Supply and Appropriations Act
HM Treasury and related authorities	Managing Public Money

Conclusions relating to going concern

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

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

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

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

Overview of my audit approach

Key audit matters

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

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

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed around the following areas because they did not have a significant effect on the overall audit strategy or allocation of resources in the audit and because my work has not identified any matters to report: Post Office related liabilities (other than those relating to the redress schemes); Repayable Launch Investments; the British Shipbuilders Provision; the Companies House accounts direction or financial instrument disclosures. Except as it relates to the key audit matters that I have otherwise reported, I have also not included information relating to the work I have performed in response to the presumed risk of management override of controls in the core department or the departmental group, which I identified as a significant risk in accordance with the requirements of ISA (UK) 240 The Auditor's Responsibility Relating to Fraud in an Audit of Financial Statements. For these areas, my work has not identified any matters to report.

The key audit matters were discussed with the Audit and Risk Committee; their report on matters that they considered to be significant to the financial statements is set out on pages 60-61.

The following were included as key audit matters in my prior year report, but are not included as such in this year's report:

- First year production of the department's financial statements.
- Fair value measurement of Repayable Launch Investments – whilst I have continued to assess this as an area of significant risk of material misstatement due to the estimation uncertainty inherent in estimating future cash flows that will be received under these contracts, following work I performed in the prior year to assess the appropriateness of the Department's valuation method, I no longer consider this to be a key audit matter.

Provision Measurement – Post Office Redress Schemes

Refer to Note 15 Provisions

Description of risk

As at 31 March 2025 the Department has recognised:

- A provision of £859 million in respect of its commitment to fund future settlements under redress schemes administered by Post Office Limited (of which £743 million relates to the Horizon Shortfall Scheme, £83 million relates to the Overturned Conviction Scheme and the remainder relates to the Suspension Remuneration Review and Post Office Process Review Schemes); and
- Provisions totalling £405 million for future settlements under postmaster redress schemes that, at that date, were delivered by the Department (of which £368 million relates to the Horizon Conviction Redress Scheme and £37 million relates to the Group Litigation Order Scheme).

The amounts recognised as provisions are additional to the £78 million of future scheme settlements that have been recognised as accruals because the Department considers the settlement value more certain.

I qualified my opinion on the Department's financial statements prepared for the year ended 31 March 2024 because I was unable to obtain sufficient appropriate audit evidence in relation to the provision estimates made for the Horizon Shortfall Scheme and the Horizon Conviction Redress Scheme to support an unmodified opinion.

I have included my assessment of risks relating to the measurement of the provision for the Horizon Shortfall Scheme in the Basis for Qualified Opinion on the Financial Statements section of this certificate. As such, these do not form part of this Key Audit Matter.

On 9 July 2025 the Chair of the Post Office Horizon IT Inquiry published the first volume of his final report which focuses on the human impact of the Horizon scandal and redress. In his report the Chair makes a number of recommendations to ensure 'full and fair' compensation is delivered to sub-postmasters affected by the Horizon scandal. HM Government and/or the Department was asked to provide a written response to these recommendations by 10 October 2025. It is possible that the Government's response to the Inquiry's recommendations will have a material impact on the value and timing of future payments across the Horizon redress schemes.

The Horizon Conviction Redress Scheme

Within the provision for the Horizon Conviction Redress Scheme there remains uncertainty in respect of the potential number of claimants, the proportion of claimants that will choose the £600,000 Fixed Sum Offer, the value of claims that will be submitted by those expected to request a detailed assessment, and the amount at which these claims will be settled. By 29 August 2025, 484 individuals had applied under the Horizon Conviction Redress Scheme, of which 442 had submitted a full and final claim, of which 427 had settled, with all settled claims being at the Fixed Sum Offer (this includes individuals who had applied under the Overturned Conviction Scheme whose claims are now being managed under the Horizon Conviction Redress Scheme.)

Overturned Conviction and Group Litigation Order Schemes

There remains uncertainty attached to the value of future settlements. Within the Overturned Conviction Scheme this is most so for applicants who have not yet submitted a particularised claim for detailed assessment.

Provision Measurement – Post Office Redress Schemes	
How the scope of my audit responded to the risk	In relation to the risk of material misstatement in the Department's provisions for funding Post Office redress schemes I have performed the following procedures: • I evaluated the design and implementation of controls by the Department over the valuation of the provision; • I evaluated the reliability of management's estimates of the number of additional claims expected and the value at which open and future claims will settle by reference to current scheme rules and scheme administration practices; • I evaluated management's assessment of the impact of the Post Office Horizon IT Inquiry Report on the measurement of provisions for Horizon Redress Schemes; • I tested a sample of case input data used within the provision models to ensure that amounts claimed, offers made, and amounts paid were accurately recorded; • I have assessed the operation and mathematical integrity of the provision model; and • I have evaluated management's related disclosures.
Key observations	I am satisfied that I have obtained sufficient appropriate evidence that the inputs, assumptions and methods used by the Department in its provisions for all Post Office redress schemes other than the Horizon Shortfall Scheme are appropriate in the context of the materiality threshold I have applied in my audit and I am satisfied that these are accurately reflected in the financial statements.

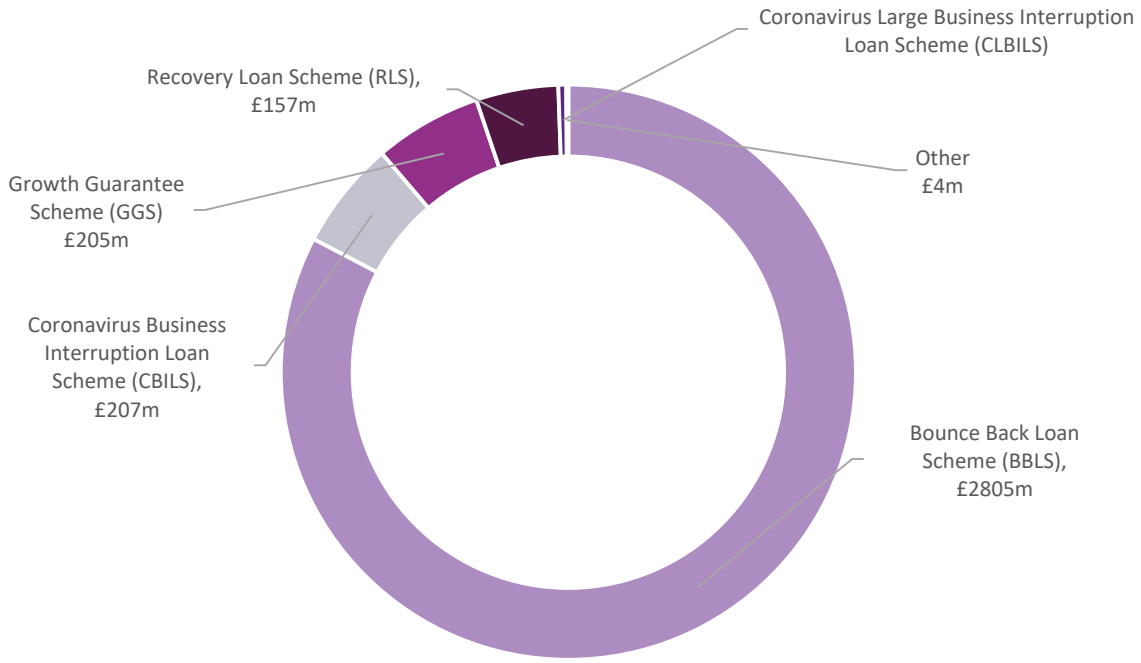
Measurement of financial guarantees (including related fraud and error)

Refer to Note 16 Financial guarantee and loan commitment liabilities as at 31 March 2025 £3.4 billion (2023-24: £6.4 billion)

Description of risk

The Department provides financial guarantees under a number of schemes. The majority of these were launched in response to the COVID-19 pandemic (Bounce Back Loans Scheme (BBLS), Coronavirus Business Interruption Loan Scheme (CBILS), Coronavirus Large Business Interruption Loan Scheme (CLBILS) and Recovery Loan Scheme (RLS)). Another (Growth Guarantee Scheme, GGS) was launched after the pandemic, to replace the legacy Enterprise Financial Guarantee Scheme. I consider there to be a significant risk to the measurement of the liability in relation to these 5 schemes. The Department measures the guarantee schemes at the Lifetime Expected Credit Loss (ECL) for each facility.

Financial Guarantee Schemes liabilities as at 31 March 2025



The Department's estimated liability for future claims by lenders under the terms of the guarantee schemes continues to be material to the financial statements. Liability measurement is underpinned by significant estimation and judgements by management and its experts. The modelling of ECLs on underlying loans in the schemes is complex due to the large number of data inputs and calculations required to forecast the expected credit loss. Lenders keep key data up to date within the lender portal, this forms the core data used in the model. Some of the other inputs into the ECL are driven by macroeconomic assumptions which are inherently difficult to accurately predict. The Department has applied a material Post Model Adjustment (PMA) to the ECL for the CBILS scheme at 31 March 2025 to account for the probability of a no-loss outcome (cure). The Department applied a similar PMA to the BBLS scheme at 31 March 2024, which is no longer needed due to relevant amendments being made to the underlying model.

When BBLS was introduced, it was subject to an estimated material level of fraud. Management's estimate of the level of fraud is a key, highly judgemental assumption in the model given the inherent challenges associated with identifying cases of fraud and forming an extrapolated estimate.

Measurement of financial guarantees (including related fraud and error)	
How the scope of my audit responded to the risk	I performed the following procedures to address the significant risk in the valuation of the Financial Guarantees ECL and the risk of fraud and error within the schemes: • I updated my understanding of controls and processes of the lender portal, including walkthroughs to assess the adequacy of controls within the lender portal; • Using the work of an auditor's expert I reviewed the model methodology and assumptions underpinning the 5 schemes, the cures PMA and appropriateness of having no other PMAs; • I assessed management's accounting treatment of the COVID-19 Financial Guarantees ECL; • I assessed management's estimate of the fraud rate within BBLS; • I completed substantive testing on the lender portal to ensure data reconciles with data provided by commercial lenders via lender circularisations; and • I have evaluated management's related disclosures, including their accuracy, completeness and compliance with accounting standards.
Key observations	The valuation of the financial guarantees liability, including assumptions in relation to fraud and error within the schemes, is appropriate. I did not identify any material misstatements. However, I draw attention to the disclosures made in notes 1.26 and 16 to the financial statements concerning the measurement of the Department's liability under the Bounce Back Loan guarantee scheme. As described in note 16, the guarantee liability recognised in these financial statements is the present value of the amount that the Department expects to pay to lenders to settle claims made in accordance with scheme rules, which has been measured in accordance with the lifetime expected credit loss requirements of IFRS 9 as adapted by HM Treasury's Government Financial Reporting Manual (FReM). As note 16 describes, the measurement of the guarantee liability is highly sensitive to assumptions regarding probability of default, and loss given default, with particular sensitivity to assumptions regarding the rate of fraud and error occurrence and associated loss. The Department has taken into account all reasonable and supportable information at the reporting date in estimating the guarantee liability recognised in the financial statements, however, as disclosed in note 16, there are a number of additional risk indicators for which the Department is unable to quantify the impact on the liability due to current data limitations. My opinion is not modified in respect of this matter.

Future Fund – fair value of unlisted equities

Refer to Note 10 Investments and loans in the private sector – Future Fund investments as at 31 March 2025: £610 million (2023-24: £799 million)

Description of risk

The Future Fund was launched in May 2020 to provide support to companies facing financial difficulties due to the COVID-19 pandemic in the form of convertible loan notes (CLNs). At 31 March 2025, the Department held 94 convertible loan notes (CLNs) and 641 post-conversion equity holdings under the scheme. All scheme assets are classified and held by the Department as fair value through profit and loss financial assets. The post-conversion equity, which has an estimated fair value of £599 million, is material to the financial statements.

The fair value measurement of unlisted equity investments is inherently difficult and can involve the application of significant judgement. The department values converted equity positions using a calibrated Price of Recent Investment (PORI) approach in which an Average Price per Share (APPS) is derived from observable market parameters (such as recent funding rounds and conversion events) and then adjusted for market and company specific factors. Whilst some calibration adjustments are applied automatically based on pre-determined parameters, others are based on management judgement and are highly subjective. Calibration adjustments are determined using company specific information that is self-reported by investee companies.

How the scope of my audit responded to the risk	In relation to the risk of material misstatement in the fair value measurement of Future Fund investments, I performed the following procedures: • I evaluated the design and implementation of processes and controls relevant to the valuation and disclosure of scheme assets. This includes checks undertaken on the information submitted by investee companies, and quality review of the judgements applied in the valuation of asset; • Using the work of an auditor's expert I reviewed the department's approach to valuing its post-conversion equity investments and assessed the reasonableness of valuation inputs and assumptions it had applied. This included a detailed review of the calibration adjustments applied by the department for a sample of equities; • For a sample of converted equity positions, I tested the accuracy of the data used by the department in its valuation; and • I have evaluated management's related disclosures, including their accuracy, completeness and compliance with accounting standards.
Key observations	I consider the inputs, assumptions and methods used by the Department to estimate the fair value of its post-conversion equity investments within the Future Fund Scheme to be appropriate. I did not identify any material misstatements.

Group fair value measurement of investments in funds

Refer to Note 10 Investments and loans in the private sector as at 31 March 2025 – investment funds: £4.4 billion (31 March 2024: £3.9 billion).

Description of risk

British Business Bank (BBB) holds a significant volume of investments in funds which are classified and measured at fair value through profit and loss for financial reporting purposes (£3.8 billion at 31 March 2025) and are consolidated into the Departmental Group financial statements. The Departmental Group financial statements also consolidate investments in funds including material funds held by Midlands Engine Investments Limited, Northern Powerhouse Investments Limited (Regional Funds), which are administered by BBB but which do not form part of the BBB group.

The valuation of the investments in funds is derived from the Limited Partnership Agreements where each fund manager is required to provide fund valuations for the underlying fund assets at fair value. Some of these are non-coterminous audited valuations or unaudited fund manager valuations which means there is a risk that the valuations do not comply with guidance or that methods, judgements or assumptions used in determining the fair value of fund assets are not appropriate. Fair value measurement of funds holding significant private equities also typically carry higher levels of estimation uncertainty than funds that invest mainly in debt instruments, and that estimation uncertainty can become even higher in periods of economic uncertainty.

How the scope of my audit responded to the risk	In relation to the risk of material misstatement in the valuation of the investments held in the BBB Group and Regional Funds I have performed the following procedures: • I have evaluated the design and implementation of the controls applied by BBB over the valuation processes for financial assets. This included attendance at key internal meetings where I observed management's review and challenge of valuations provided by fund managers; • I have considered the governance arrangements in place and the process undertaken by management to review and challenge the valuations prior to their inclusion in the accounts; • I have performed detailed procedures to enable me to gain assurance from the work of the fund managers. This has included comparison of the most recent audited accounts of the fund against the fund manager valuation report for the same period and consideration of additional evidence where the accounting period of the fund and BBB are not coterminous. I considered the overall competence, capability and objectivity of the fund managers, as well as the scope of their work and its relevance to the accounts and my opinion; and • I have evaluated management's related disclosures, including their accuracy, completeness and compliance with accounting standards.
Key observations	Based on the evidence I obtained, I found that the investment valuations provided by fund managers are a reliable basis for estimating the fair value of the BBB group and regional funds investments in funds. While completing my work, I did not identify any material misstatements.

Application of materiality

Materiality

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

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

	Departmental group	Department parent
Materiality	£73 million	£35 million
Basis for determining materiality	Approximately 1% of Group investment assets of £7,468 million	Approximately 1.1% of gross expenditure (adjusted for the remeasurement of provisions and financial guarantee liabilities) of £3,207 million
Rationale for the benchmark applied	The Department is responsible for supporting business to create jobs, opportunities and prosperity across the country. Whilst the form of support to business is varied, the making of investments is the most significant financial intervention at the Departmental Group level. This includes the activities of British Business Bank plc in developing and managing finance programmes which enhance the working of financial markets and improve access to finance for smaller businesses. Overall, due to the public interest in these investments as they are a key policy objective of the Departmental Group, I have judged investment assets to be the area of most interest to users of the Group financial statements.	The Core Department dominates the financial statements for the parent. The Core Department's main activities result in grant expenditure in line with their policy objective. I have judged that gross expenditure is the area of most interest to users of the financial statements.

Performance Materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 75% of Group materiality for the 2024-25 audit (2023-24: 65%), an increase on the prior year given this is no longer a new engagement.

Other Materiality Considerations

Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the Related Parties note in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

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

Error Reporting Threshold

I agreed with the Audit and Risk Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences reported to the Audit and Risk Committee would have increased net assets by £20 million.

Audit scope

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

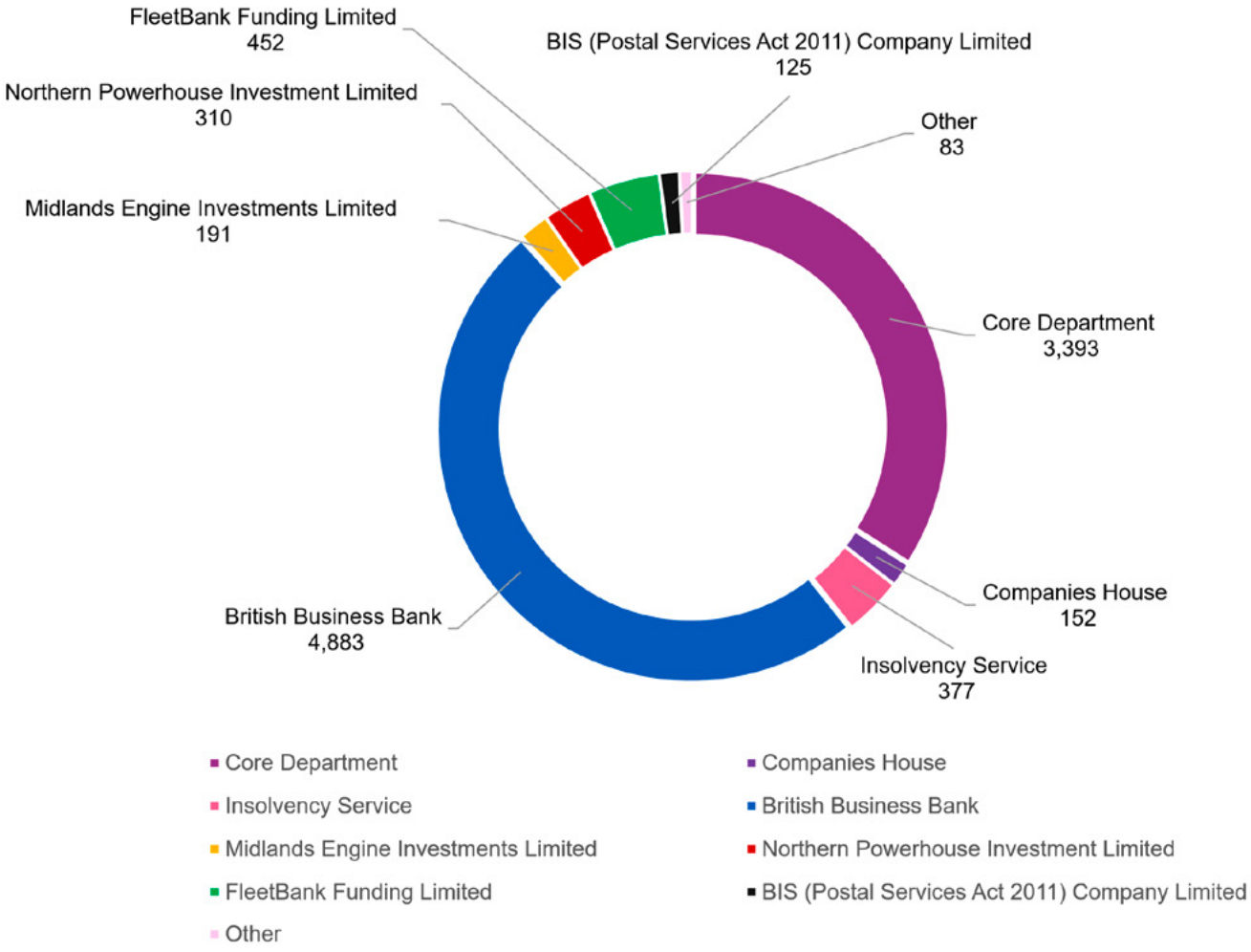
The Department for Business and Trade has total group operating expenditure of £2.8bn, total assets of £9.8bn, and total liabilities of £7.5bn. The group's largest components are the Core Department and the British Business Bank. The Core Department is responsible for the majority of grant spend in 2024-25. It also holds most of the group's liabilities, including financial guarantee liabilities and provisions for Post Office compensation schemes. The British Business Bank, together with the Regional Funds it administers, hold most of the group's investment assets

In applying ISA 600 revised 'Special Considerations – Audits of Group Financial Statements (including the Work of Component Auditors)' I have deemed that some classes of transactions, balances and disclosures at the British Business Bank, Midlands Engine Investments Limited, Northern Powerhouse Investments Limited, Insolvency Service, Companies House, the Advisory, Conciliation and Arbitration Service, Fleetbank Funding Limited, BIS (Postal Services Act 2011) Company Limited and the Financial Reporting Council are relevant to my group audit. Consequently, I have used the work of the relevant component auditors to obtain the necessary assurances to support my group audit opinion.

I have audited the full financial information of the Core Department, as well as the Group consolidation. As group auditor, I have gained assurance from the auditors of the components in scope of my review and engaged regularly on the group significant risks, such as the valuation of investments in funds.

This work covered substantially all of the Group's assets and net expenditure, and together with the procedures performed at group level, gave me the evidence I needed for my opinion on the group financial statements as a whole.

Gross assets of individual components of the DBT group (as at 31 March 2025 - £m)



Other Information

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

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

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

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

As stated under Basis for qualified opinion on the financial statements, I have been unable to obtain sufficient and appropriate evidence that the provision recognised by the Department and Departmental Group as at 31 March 2025 for the Horizon Shortfall Scheme is free from material misstatement. Where other information refers to these balances it may be materially misstated for the same reasons.

Opinion on other matters

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

In my opinion, except for the possible effects of the matters described in the *basis for qualified opinion on the financial statements* section of my certificate, based on the work undertaken in the course of the audit:

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

Matters on which I report by exception

Except for the possible effect of matters described in the *basis for qualified opinion on the financial statements* section of my certificate, in the light of the knowledge and understanding of the Department and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

Arising solely from the limitation on the scope of my work relating to the provision for the Horizon Shortfall Scheme, referred to above:

- I have not received all the information and explanations that I require for my audit; and
- Adequate accounting records have not been kept by the Department and its Group or returns adequate for my audit have not been received from branches not visited by my staff.

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

- 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 Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Department and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;

- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Department and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Department and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Department and its Group's accounting policies, key performance indicators and performance incentives.
- inquired of management, the Department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Department and its Group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Department and its Group's controls relating to the Department's compliance with the Government Resources and Accounts Act 2000, and Managing Public Money;

- inquired of management, the Department's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- 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 Department and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates (including the valuation of the Department's liability for loan guarantee schemes, and the Post Office compensation schemes), and external fraud against the Future Fund. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Department and Group's framework of authority and other legal and regulatory frameworks in which the Department and Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Department and its Group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2024, employment law, tax and pensions legislation, the Industrial Development Act 1982, the Coronavirus Act 2020, and the Higher Education and Research Act 2017.

I considered the Department's assessment of the level of fraud and error and the regularity of expenditure in: the financial guarantee schemes; the Future Fund; the Post Office compensation schemes; and the department's grant schemes.

Audit response to identified risk

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

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

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

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

Other auditor's responsibilities

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

Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

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

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

Gareth Davies
Comptroller and Auditor General

11 September 2025

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

The Report of the Comptroller and Auditor General to the House of Commons

Introduction

1. The Department for Business and Trade (the Department) is responsible for supporting business to create jobs, opportunities and prosperity across the country. The Secretary of State is the sole shareholder in Post Office Limited, whose principal objective is to provide retail post office services through a national network of branches. Post Office Limited has undertaken to make payments to individuals (postmasters and former postmasters) in four schemes to compensate:

   (i) those who had been wrongly convicted of fraud, theft and false accounting, later overturned by the court (compensation for Overturned Convictions (OC)),

   (ii) those who were affected by financial discrepancies related to previous versions of Post Office's Horizon IT system (the Horizon Shortfall Scheme (HSS)),

   (iii) postmasters who were not previously paid during a period of suspension (Suspension Remuneration Review (SRR)); and

   (iv) those who were impacted by operational and policy issues separate to the Horizon schemes (Post Office Process Review compensation (PPR)).

   As the sole shareholder in Post Office Limited, the Secretary of State has undertaken to provide funding to Post Office Limited to support compensation payments for approved claims under the schemes to the extent that the company is unable to fund them without adverse impact on its services to the public.

The Department is also separately responsible for delivering schemes to:

(v) provide additional compensation for members of the group litigation Alan Bates and other v Post Office Limited given the extent to which court-awarded compensation was consumed by the claimants' legal costs (Group Litigation Order (GLO) Scheme); and to

(vi) compensate individuals who had their convictions overturned by the Post Office (Horizon System) Offences Bill and equivalent Scottish legislation (Horizon Conviction Redress Scheme (HCRS)).

2. This Report sets out why I have limited the scope of my audit opinion over the value of provision recognised by the Department and Departmental Group for the Horizon Shortfall Scheme.

Provision for Horizon Shortfall Scheme

3. Between its launch on 1 May 2020 and its closure to new applicants in March 2021, the Post Office received 2,417 eligible scheme applications under the HSS. In October 2022 the government announced that additional funding would be provided so that eligible claimants could receive financial redress and the scheme re-opened for applications. Then on 13 March 2024 the government announced that a £75,000 Fixed Sum Award would be available as a voluntary option to individuals in the scheme. Under the revised scheme rules:

- individuals can choose to accept the Fixed Sum Award and bypass the full assessment process, or opt for full assessment by an independent advisory panel; and
- those who had previously settled their claims for less than the Fixed Sum Award would have their redress topped up to £75,000.

4. In Autumn 2024 the Post Office began the process of writing to current and former postmasters who have not yet applied to the scheme to invite them to apply if they wish to but haven't yet done so. The letter explains that there will be a closing date for the scheme in the future (but does not specify the closing date because this has not yet been determined by the Post Office). The letter also explains the option to apply for a £75,000 Fixed Sum Award instead of submitting a detailed claim for full assessment. As of May 2025, Post Office Limited has sent letters to approximately 18,5000 current and former postmasters, with a further 15,500 letters planned to be sent.

5. The Post Office advised the Department in December 2024 that it anticipated a response rate of approximately 25%-30% to the mass mail out and that the majority of new claimants would accept the Fixed Sum Offer, but that due to the early stage of the process, with limited data on which to base this estimate, the eventual outcome could vary significantly from these assumptions.

6. Whilst I considered it reasonable that the Department had prepared its prior year provision using claim volume and value estimates prepared by the Post Office, given that the mail-out to postmasters was in its early stages, I was unable to obtain sufficient appropriate audit evidence of the number of potential additional claims expected under the Horizon Shortfall Scheme and the value at which those claims will be settled, to support an unmodified opinion.

7. Given the passage of time since the first letters were sent by the Post Office in its mailout, I expected that that Department's provision for the year ended 31 March 2025 would have been informed by a detailed analysis of the progress and results of the mailout exercise in progress. No such analysis has been provided for my review. For example, I have not seen any evidence of the Department asking Post Office Limited

to analyse letters sent (or to be sent) and responses received by date sent or by claimant characteristic.

8. In preparing its accounts for the year ended 31 March 2025, the Department, on advice from the Post Office, has assumed that:

   - the current response rate of 32% will be the final response rate; and that
   - the proportion of claimants submitting a detailed claim for assessment (rather than accepting the Fixed Sum Offer) will increase from the 1% observed as at 30 June 2025 to approximately 10% for future claimants.

   Whilst it is possible that a detailed analysis of the mailout exercise, if performed, would evidence the appropriateness of the assumptions applied, it is also possible that such analysis might point to other assumptions being more appropriate.

9. For these reasons I concluded that I have not obtained sufficient, appropriate evidence in respect of the Department's provision for the Horizon Shortfall Scheme to support an unmodified opinion, when considering current scheme rules and scheme administration practices.

10. In April 2025 the Department announced and opened a new Horizon Shortfall Scheme Appeals process. As of 29 August 2025, 225 separate entity registrations have been received, of which 213 have been confirmed as eligible, and 149 claims have transitioned from Post Office's Dispute Resolution Process. The Department has not made any provision for the expected costs of this new appeals process in these financial statements as details of the scheme were not announced until after 31 March 2025.

Provision for the Horizon Conviction Redress Scheme

11. On 13 March 2024 the government introduced legislation to automatically overturn Horizon-related convictions. At the same time, it was announced that those who have their convictions overturned by the legislation would be eligible for compensation through a new Horizon Conviction Redress Scheme to be managed by the Department for Business and Trade. The Post Office (Horizon System) Offences Bill and Post Office (Horizon System) Offences (Scotland) Bill were subsequently passed in May 2024.

12. At the time of forming my opinion on the Department's financial statements for the year ended 31 March 2024, only 176 claims had been received under the scheme. I therefore reported that there was an inherent lack of scheme-specific data against which I could evaluate the reasonableness of management's assumptions in respect of the proportion of claimants who would choose the Fixed Sum Offer and the average value of settlements for claimants expected to submit a full claim for detailed assessment. In the period since I issued my prior year report, significantly more claims have been received under the scheme. By 29 August 2025, 484 individuals had applied under the Horizon Conviction Redress Scheme, of which 442 had submitted a full and final claim, of which 427 had settled (with all settled claims being at the Fixed Sum Offer). I understand that no full claims through the detailed assessment process have yet been received.

13. As at 29 August 2025, 82% of applicants to the Horizon Conviction Redress Scheme had accepted the Fixed Sum Offer. In making its provision estimate at 31 March 2025, the Department has assumed that a similar proportion of future applicants will accept the Fixed Sum Offer (rather than submit a particularised claim for detailed assessment). I consider this assumption reasonable in the context of available information.

14. The Department has assumed that the average settlement for those submitting a detailed claim under the Horizon Conviction Redress Scheme will be equal to the average of the settlements reached in respect of the 8 particularised claims in the Overturned Conviction Scheme settled to date. This is significantly less than the average settlement value that the Department has assumed for particularised claims made under the Overturned Convictions Scheme over the lifetime of that scheme. The Department's rationale for not using the assumed value for particularised claims made under the Overturned Convictions scheme is that unsettled claims in OC are on average higher and do not represent expected claims coming into OC. It follows that management is of the view that the circumstances of those submitting particularised claims under HCRS will be more aligned with those who have already agreed settlements under the Overturned Conviction Scheme, rather than those who have yet to agree a settlement. The Department does not have access to data to evidence to support this assumption – whilst data on potential future claimants is held by the Ministry of Justice (and equivalent authorities in Northern Ireland and Scotland), confidentiality restrictions apply such that detailed data is not available to the Department to inform its provision estimate. I consider the assumption that the Department has applied in making its estimate to be reasonable in this context, although I note that other equally reasonable assumptions could have been applied which would result in a materially different provision estimate.

The Post Office Horizon IT Inquiry, Volume 1 Report

15. On 9 July 2025 the Chair of the Post Office Horizon IT Inquiry published the first volume of his final report which focuses on the human impact of the Horizon scandal and redress. In his report the Chair makes a number of recommendations to ensure 'full and fair' compensation is delivered to sub-postmasters affected by the Horizon scandal. HM Government and/or the Department was asked to provide a written response to these recommendations by 10 October 2025.

16. The provision estimates for Horizon related redress schemes included in these financial statements have not been adjusted for actions that the Department has, or could, announce in response to the recommendations of the Inquiry Report. On 8 July 2025, Ministers announced that they accepted 3 of the report recommendations, including that full government response to the report should be issued by 10 October 2025. The nature of the accepted recommendations is such that that they are not expected to have a material impact on the timing and value of future scheme settlements recognised as provisions in these financial statements. It is possible that future announcements will have a material impact on the timing and value of the Department's liabilities for Post Office redress schemes. The impact of future announcements will be reflected in financial statements prepared for future periods.

Financial Statements

Consolidated Statement of Comprehensive Net Expenditure

for the period ended 31 March 2025

		31 March 2025		31 March 2024	
	Note	Core Department and agencies £m	Departmental Group £m	Core Department and agencies £m	Departmental Group £m
Revenue from contracts with customers	6	(471)	(572)	(534)	(616)
Loan interest	6	(39)	(204)	(36)	(204)
Total operating income		**(510)**	**(776)**	**(570)**	**(820)**
Staff costs	3	733	913	657	824
Grants and subsidies	4.4	1,093	999	1,202	1,107
Other operating expenditure	4.1	1,173	1,270	1,102	1,143
Provision expense	4.3	280	229	1,301	1,321
Financial Guarantees expense	4.3	(814)	(814)	(1,224)	(1,224)
Net remeasurement of financial assets not held at fair value	4.2	21	63	27	70
Net remeasurement of financial assets at fair value	4.2	146	76	20	123
Other depreciation, impairment and revaluation expense	4.2	41	50	44	53
Total operating expenditure		**2,673**	**2,786**	**3,129**	**3,417**
Net operating expenditure		**2,163**	**2,010**	**2,559**	**2,597**
Finance expense	5	79	142	23	96
Net expenditure for the year		**2,242**	**2,152**	**2,582**	**2,693**

	Note	31 March 2025 Core Department and agencies £m	31 March 2025 Departmental Group £m	31 March 2024 Core Department and agencies £m	31 March 2024 Departmental Group £m
Other comprehensive income and expenditure					
Net (gain)/loss on:					
Items that will not be reclassified to net operating expenditure:					
Revaluation of intangible assets		-	-	(3)	(3)
Items that may be reclassified subsequently to net operating expenditure:					
Total other comprehensive net income and expenditure		**-**	**-**	**(3)**	**(3)**
Comprehensive net expenditure for the year		**2,242**	**2,152**	**2,579**	**2,690**

‘Core Department and agencies’ comprise: the Core Department, Companies House and Insolvency Service.

‘Departmental Group’ comprises: the Core Department and agencies and the bodies listed within note 21 ‘Entities within the Departmental boundary’.

All operations are continuing.

Further analysis of staff costs can be found in the staff note in the accountability report on page 79. The notes on pages 149 to 251 form part of these accounts.

Consolidated Statement of Financial Position

at 31 March 2025

		31 March 2025		31 March 2024	
	Note	Core Department and agencies £m	Departmental Group £m	Core Department and agencies £m	Departmental Group £m
Non-current assets					
PPE and ROU asset	7	130	152	146	164
Intangibles	8	98	99	86	87
Investments and loans in the Public Sector	9	4,713	31	4,321	38
Investments and loans in the Private Sector	10	1,166	6,567	1,358	6,364
Trade and other receivables	11	77	78	80	81
Total non-current assets		**6,184**	**6,927**	**5,991**	**6,734**
Current assets					
Trade and other receivables	11	294	273	506	522
Investments and loans in the Public Sector	9	779	679	748	748
Investments and loans in the Private Sector	10	52	191	44	44
Cash and cash equivalents	12	1,313	1,715	2,519	2,932
Total current assets		**2,438**	**2,858**	**3,817**	**4,246**
Total assets		**8,622**	**9,785**	**9,808**	**10,980**
Current liabilities					
Trade and other payables	13	(2,082)	(2,140)	(3,434)	(3,490)
Financial Guarantee and Loan Commitment Liabilities	16	(3,394)	(3,433)	(6,376)	(6,431)
Provisions for liabilities and charges	15	(1,222)	(1,223)	(881)	(882)
ROU Liability	14	(18)	(22)	(14)	(18)
Total current liabilities		**(6,716)**	**(6,818)**	**(10,705)**	**(10,821)**
Non-current assets plus/ less net current assets/ liabilities		**1,906**	**2,967**	**(897)**	**159**

	Note	31 March 2025 Core Department and agencies £m	31 March 2025 Departmental Group £m	31 March 2024 Core Department and agencies £m	31 March 2024 Departmental Group £m
Non-current liabilities					
Trade payables and other liabilities	13	-	(17)	(1)	(50)
Provisions for liabilities and charges	15	(262)	(264)	(925)	(927)
Financial guarantees, loan commitment liabilities	16	-	(140)	-	(174)
Deferred tax liability	13.1	-	(153)	-	(134)
ROU Liability	14	(98)	(115)	(113)	(126)
Total non-current liabilities		**(360)**	**(689)**	**(1,039)**	**(1,411)**
Total assets less liabilities		**1,546**	**2,278**	**(1,936)**	**(1,252)**
Taxpayers' equity and other reserves					
General fund		1,670	2,402	(1,813)	(1,129)
Revaluation reserve		(124)	(124)	(123)	(123)
Charitable funds		**-**	**-**	**-**	**-**
Non-controlling interests		**-**	**-**	**-**	**-**
Total equity		**1,546**	**2,278**	**(1,936)**	**(1,252)**

Core Department and agencies comprise: the Core Department, Companies House and Insolvency Service. 'Departmental Group' comprise: the Core Department and agencies, and the bodies listed within Note 21 'Entities within the Departmental boundary'.

The notes on pages 149 to 251 form part of these accounts.

Gareth Davies CB
Permanent Secretary and Principal Accounting Officer

11 September 2025

Consolidated Statement of Cash Flows

for the period ended 31 March 2025

		2024-25		2023-24	
	Note	Core Department and agencies £m	Departmental Group £m	Core Department and agencies (restated) £m	Departmental Group (restated) £m
Cash flows from operating activities					
Net expenditure		(2,242)	(2,152)	(2,582)	(2,693)
Adjustments for non-cash transactions		(480)	(708)	(29)	(162)
Asset depreciation and revaluation charges	4.2	208	189	91	246
(Increase) / decrease in trade and other receivables	11	215	252	85	33
Increase / (decrease) in trade and other payables	13	(1,353)	(1,383)	2,255	2,217
Movements in payables relating to items not passing through SoCNE		1,161	1,119	(1,721)	(1,780)
Increase / (decrease) in deferred tax liability	13.1	-	19	-	(26)
Cash outflow on provision settlement	15	(618)	(618)	(64)	(65)
Cash outflow on financial guarantee claims	16	(2,282)	(2,282)	(3,822)	(3,822)
Cash receipts relating to dividend and interest income	6	37	196	36	189
Purchase of financial assets		(731)	(1,666)	(881)	(1,576)
Realisation of financial assets		366	1,307	70	914
Net cash outflow from operating activities		**(5,719)**	**(5,727)**	**(6,562)**	**(6,525)**

	Note	2024-25 Core Department and agencies £m	2024-25 Departmental Group £m	2023-24 Core Department and agencies (restated) £m	2023-24 Departmental Group (restated) £m
Cash flows from investing activities					
Purchase of property, plant and equipment	7	(6)	(7)	(8)	(9)
Disposal of property, plant and equipment	7	-	2	3	3
Purchase of intangible assets	8	(29)	(29)	(23)	(22)
Net cash outflow from investing activities		**(35)**	**(34)**	**(28)**	**(28)**
Cash flows from financing activities					
Financing from the Consolidated Fund (supply)		4,089	4,089	7,889	7,889
Net funding from the National Insurance Fund (RPS)		458	458	465	465
Advance from the Contingencies Fund		-	-	3,663	3,663
Repayment to the Contingencies Fund		-	-	(3,663)	(3,663)
Repayment of lease liabilities		(14)	(18)	(14)	(18)
Net financing		**4,533**	**4,529**	**8,340**	**8,336**
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**(1,221)**	**(1,232)**	**1,750**	**1,783**
Receipts payable to the Consolidated Fund		88	88	134	134
Payment of amounts due to the Consolidated Fund		(73)	(73)	(199)	(199)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**(1,206)**	**(1,217)**	**1,685**	**1,718**

	Note	2024-25 Core Department and agencies £m	2024-25 Departmental Group £m	2023-24 Core Department and agencies (restated) £m	2023-24 Departmental Group (restated) £m
Cash and cash equivalents at the beginning of the period		**2,519**	**2,932**	**834**	**1,214**
Cash and cash equivalents at the end of the period		**1,313**	**1,715**	**2,519**	**2,932**

The notes on pages 149 to 251 form part of these accounts.

Re-presentation of Consolidated Statement of Cash Flows

Prior year figures have been re-presented to reflect changes in presentation elsewhere in the accounts and to reclassify certain transactions between lines for an improved presentation.

	Core Department and agencies £m	Departmental Group £m
Adjustments for non-cash transactions		
Value reported in 2023-24 accounts	182	(60)
Adjustment for equity investment by the Core Department in BBB in 2023-24 for which cash had been provided to BBB in 2022-23, reported against 'Adjustments for non-cash transactions' in 2023-24 accounts, now reported against 'Purchase of financial assets'	(60)	-
Reclassification to accruals of the Core Department's Post Office Horizon redress provisions (note 13), excluded from 'Increase / (decrease) in trade and other payables' in 2023-24 accounts, now included, with non-cash impact included in 'Adjustments for non-cash transactions'	(151)	(151)
Difference between transaction values of loans issued by The Start-Up Loans Company and fair values at initial recognition (note 4.2) reported against 'Adjustments for non-cash transactions' in 2023-24 accounts, now reported against 'Purchase of financial assets'	-	49
Value reported in 2024-25 accounts	(29)	(162)

	Core Department and agencies	Departmental Group
	£m	£m
Increase / (decrease) in trade and other payables		
Value reported in 2023-24 accounts	2,101	2,059
Reclassification to accruals of the Core Department's Post Office Horizon redress provisions (note 13), excluded from 'Increase / (decrease) in trade and other payables' in 2023-24 accounts, now included, with non-cash impact included in 'Adjustments for non-cash transactions'	151	151
Movement on lease liabilities included in note 13 'Trade and other payables' in 2023-24 accounts, now reported separately in SoFP, removed from Statement of Cash Flows	3	7
Value reported in 2024-25 accounts	2,255	2,217
Movements in payables relating to items not passing through SoCNE		
Value reported in 2023-24 accounts	(1,718)	(1,773)
Movement on lease liabilities included in note 13 'Trade and other payables' in 2023-24 accounts, now reported separately in SoFP, no longer needs to be reversed against Movements in payables relating to items not passing through SoCNE'	(3)	(7)
Value reported in 2024-25 accounts	(1,721)	(1,780)
Purchase of financial assets		
Value reported in 2023-24 accounts	(941)	(1,238)
Adjustment for equity investment by the Core Department in BBB in 2023-24 for which cash had been provided to BBB in 2022-23, reported against 'Adjustments for non-cash transactions' in 2023-24 accounts, now reported against 'Purchase of financial assets'	60	-
Difference between transaction values of loans issued by The Start-Up Loans Company and fair values at initial recognition (note 4.2) reported against 'Adjustments for non-cash transactions' in 2023-24 accounts, now reported against 'Purchase of financial assets'	-	(49)
Re-presentation of loans held by Fleetbank Funding Limited to show gross amounts of additions and repayments (note 10)	-	(289)
Value reported in 2024-25 accounts	(881)	(1,576)
Realisation of financial assets		
Value reported in 2023-24 accounts	70	625
Re-presentation of loans held by Fleetbank Funding Limited to show gross amounts of additions and repayments (note 10)	-	289
Value reported in 2024-25 accounts	70	914

Additionally, line 'Cash receipts from the National Insurance Fund (RPS)' is now reported under 'Cash flows from financing activities' rather than 'Cash flows from operating activities'.

Consolidated Statement of Changes in Taxpayers' Equity

for the period ended 31 March 2025

		Core Department and agencies			Departmental Group		
	Note	General fund	Revaluation reserve	Total	General fund	Revaluation reserve	Total
		£m	£m	£m	£m	£m	£m
Balance at 1 April 2023		(5,801)	(124)	**(5,925)**	(4,946)	(124)	**(5,070)**
Net parliamentary funding – drawn down		7,889	-	**7,889**	7,889	-	**7,889**
Net parliamentary funding – deemed		696	-	**696**	696	-	**696**
Funding from the National Insurance Fund (Redundancy Payment Service)		465	-	**465**	465	-	**465**
Net Parliamentary funding – surplus cash repayable		(2,446)	-	**(2,446)**	(2,446)	-	**(2,446)**
Income payable to the Consolidated Fund		(37)	-	**(37)**	(97)	-	**(97)**
Comprehensive net expenditure for the year		(2,582)	3	**(2,579)**	(2,693)	3	**(2,690)**
Auditors' remuneration	4.1	1	-	**1**	1		**1**
Transfers between reserves		2	(2)	**-**	2	(2)	**-**
Balance at 31 March 2024		**(1,813)**	**(123)**	**(1,936)**	**(1,129)**	**(123)**	**(1,252)**
Balance at 1 April 2024		(1,813)	(123)	**(1,936)**	(1,129)	(123)	**(1,252)**
Net parliamentary funding – drawn down		4,089	-	**4,089**	4,089	-	**4,089**
Net parliamentary funding – deemed		2,446	-	**2,446**	2,446	-	**2,446**

		Core Department and agencies			Departmental Group		
	Note	General fund	Revaluation reserve	Total	General fund	Revaluation reserve	Total
		£m	£m	£m	£m	£m	£m
Funding from the National Insurance Fund (Redundancy Payment Service)		458	-	**458**	458	-	**458**
Net Parliamentary funding – surplus cash repayable		(1,225)	-	**(1,225)**	(1,225)	-	**(1,225)**
Income payable to the Consolidated Fund		(45)	-	**(45)**	(87)	-	**(87)**
Comprehensive net expenditure for the year		(2,242)	-	**(2,242)**	(2,152)	-	**(2,152)**
Non-cash adjustments							
Auditors' remuneration	4.1	1	-	**1**	1	-	**1**
Movements in reserves							
Transfers between reserves		1	(1)	**-**	1	(1)	**-**
Other movements		-	-	**-**	-	-	**-**
Balance at 31 March 2025		**1,670**	**(124)**	**1,546**	**2,402**	**(124)**	**2,278**

The notes on pages 149 to 251 form part of these accounts.

Notes to the Accounts

1. Accounting policies, judgments, and estimates

1.1 Basis of accounting

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adapted and interpreted by the HM Treasury 2024-25 Government Financial Reporting Manual (FReM) and as set out in the Accounts Direction to the Department pursuant to section 5(2) of the Government Resources and Accounts Act 2000. Where the FReM permits a choice of accounting policy, the policy selected is that judged to be most appropriate to the particular circumstances of the Core Department and its consolidated entities (the Departmental Group) for the purpose of giving a true and fair view. The policies adopted by the Departmental Group are described below; they have been applied consistently to items considered material to the Financial Statements.

1.2 Going concern

In common with other government departments, the financing of the Group's future service provision and liabilities are to be met by future grants of Supply and the application of future income, approved annually by Parliament. There is no reason to believe the resources required to settle the Department's liabilities will not be forthcoming. It has therefore been considered appropriate to adopt a going concern basis for the preparation of these Financial Statements.

1.3 Accounting convention

These Financial Statements have been prepared on an accruals basis under the historical cost convention, modified to measure property, plant and equipment, intangible assets and financial instruments at fair value as determined by the relevant accounting standards as interpreted and adapted by the FReM. Shares in consolidated bodies held by the Core Department are carried at historical cost less any impairment.

1.4 Presentational currency

The Financial Statements are presented in pounds sterling, the functional currency of the Departmental Group. Transactions denominated in other currencies are translated into sterling at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated at the rates prevailing at the reporting date. Values are rounded to the nearest million pounds (£m) unless the FReM requires a lower threshold.

1.5 Basis of consolidation

The Group's Financial Statements consolidate the balances of the Core Department and bodies designated for consolidation as listed in note 21, excluding transactions and balances between them.

The consolidated bodies prepare accounts in accordance with either the FReM, or the Companies Act 2006 (for limited companies). For those bodies that do not prepare accounts in accordance with the FReM, adjustments are made upon consolidation if necessary where differences would have a significant effect on the accounts.

The Core Department and its designated bodies are all domiciled in the UK. The Department's principal place of business is Old Admiralty Building, London SW1A 2BL.

1.6 New accounting standards adopted in the year and FReM changes

These Financial Statements for the year ended 31 March 2025 are prepared in accordance with IFRS as adapted or interpreted by the HM Treasury 2024-25 FReM, where the requirements are appropriate and do not contradict with the Companies Act 2006.

No new accounting standards have been adopted in these Financial Statements.

1.7 Applicable accounting standards issued but not yet adopted

IFRS 17 'Insurance Contracts'

IFRS 17 'Insurance Contracts' replaces IFRS 4 'Insurance Contracts', which requires reporters to identify insurance contracts and, for those contracts, recognise an insurance contract liability. The insurance contract liability is calculated as the present value of future insurance cashflows (the fulfilment cash flows) plus a subsequent risk adjustment. The new standard is generally effective from 1 January 2023 and was adopted in the UK public sector from 1 April 2025.

The Department has assessed the impact of the standard on its current contracts and contingent liabilities, and does not expect IFRS 17 to have an impact on the Department at present.

HM Treasury non-investment asset thematic review conclusions

As of 1 April 2025 the requirements in the FReM in respect of classification and revaluations of property, plant and equipment have changed. The FReM makes reference to holding assets for their operational capacity – assets held for their primary objective of delivering front line services or back-office functions, rather than making references to service potential and the distinction between specialised and non-specialised assets. Where entities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, entities revalue their assets every five years with annual indexation applied to assets during the four intervening years. Where entities cannot obtain indices without undue cost or effort, entities revalue those assets using a quinquennial revaluation with a desktop revaluation in year 3. This change is not expected to have a material impact on the Department's future accounts

From 1 April 2025 the requirements in the FReM in respect of the valuation basis for intangible assets will change. The option to measure intangible assets using the revaluation model will be withdrawn, with the cost model employed prospectively for the measurement of intangible assets. The carrying values of intangible assets measured by the previously prescribed revaluation basis per the FReM up to 1 April 2025, will be considered deemed historical cost. This change is not expected to have a material impact on the Department's future accounts.

1.8 Operating income

Operating income relates directly to the operating activities of the Departmental Group and includes income from contracts with customers and grants.

Revenue from contracts with customers

The Group recognises income in accordance with IFRS 15 'Revenue from contracts with customers'. Income is measured at the fair value of the consideration received or receivable amount and is recognised in the SOCNE following the performance of contractual obligations, where amounts can be reliably measured and it is probable that economic benefits will flow to the Group.

Where consideration is received prior to the transfer of goods and services, the amounts are recorded as contract liabilities. Where goods or services have been transferred to a customer but the right to the associated consideration is conditional on something other than the passage of time, the amount is recorded as a contract asset. An unconditional right to consideration is reported as a receivable. Standard payment terms apply to the majority of contracts with non-variable payments due in 30-60 days.

RPS income

RPS Income represents the Insolvency Service's recovery of payments to claimants (ex-employees) made under para 182 of the Employment Rights Act 1996. The Agency's performance obligation is to make payments to the claimants following completion of substantive processes to validate each claim against HMRC rules. As soon as the performance obligation is satisfied through making such a payment, the agency can recover this amount from the employer under para 189 of the Act and immediately charges the employer. The amount recoverable from the insolvent employer is variable and dependent on insolvency proceedings, which may take several years. The amount recoverable is therefore estimated in line with historical recovery rates over time and reassessed at each year end.

Case administration fee income

Administration Fees represent the largest stream within Case Administration Income recognised by the Insolvency Service. Administration fees are charged to the insolvent estate at the date of insolvency based on the type of case and the cost of service. The performance obligation is the delivery of Official Receiver (OR) duties. As recoveries are dependent on assets within each insolvent estate, a variable transaction price is determined and allocated to the performance obligation, which is satisfied over time. Accordingly, revenue is recognised progressively in line with the cost of resources applied to the processing of cases by the OR. The period of performance of the OR's duties on cases, i.e. the satisfaction of performance obligations, can vary between less than 1 month and more than 3 years for more complex cases. The Agency uses reasonable estimates of activity across a 3-year period based on historical case data to recognise Administration Fee income. Other streams within Case Administration Fee income are recognised in line with the accounting policies set out within the Agency accounts.

Regulatory income

Companies House recognises revenue from regulatory services in accordance with IFRS 15 'Revenue from Contracts with Customers'. A contract is established when a company submits a statutory filing along with the required fee, with the fixed transaction price per legislation allocated to each filing. The performance obligation is fulfilled at the point of filing. Revenue is recognised at a point in time when the transaction is registered, which is materially the same time as filing. Regulatory income is primarily driven by company filings, including confirmation statements, incorporations and dissolutions.

Grant income

Government grant income is recognised in line with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' when there is reasonable assurance that a) the Departmental Group will comply with any associated conditions and b) the grant will be received. The Group acts as the principal in awarding funding from the European Structural Investment Fund (ESIF) and the European Regional Development Fund (ERDF). The Group bears the risks and rewards associated with awarding grant funding onto grant applicants for these schemes. Therefore, in line with IAS 20 income from these funds has been recognised as income.

1.9 Grants payable

Grants payable are recognised when the grant recipient has performed the activity that creates an entitlement to the grant under the terms of the scheme and include estimates for claims not yet received. Where an intermediary acts as agent in distributing the grant on behalf of the Department, grants payable are recognised when the grant recipient becomes entitled to the grant.

1.10 Grant-in-aid and intra group transactions

Financing to the Department's Executive Agencies and Arm's-Length Bodies (ALBs) through grant-in-aid payments is reported on a cash basis in the period in which payments are made.

All grant-in-aid transactions between the Department and its Executive Agencies are fully eliminated within the Core and Agencies reporting. All grant-in-aid transactions between the Department and its ALBs are fully eliminated within the Departmental Group.

In 2023-24 the Core Department processed cash expenditure payments and receipts on behalf of the Trade Remedies Authority (TRA). Consequently, notional grant-in-aid was recorded in the Core Department's SOCNE at an amount equal to the expenditure and liabilities incurred on the TRA's behalf. This transaction was eliminated within the Departmental Group. This notional transaction is not required as of the 2024-25 financial year as TRA migrated to its own ledger from 1 April 2024.

The Core Department also supplies services to the TRA under several Memorandum of Understandings (MoUs). The intra-group revenues and costs arising from the service provision under these MoUs are eliminated on consolidation.

1.11 Staff costs

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

1.12 Taxation

The Core Department and its agencies are not liable for corporation tax by way of Crown exemption. Some consolidated bodies are subject to corporation tax on taxable profits. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to HMRC, based on tax rates and laws that are enacted or substantively enacted by the reporting date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits in future years will be available against which deductible temporary differences can be utilised.

Value Added Tax (VAT)

The net amount due from HMRC in respect of VAT is included within receivables in the Statement of Financial Position (SOFP).

Income and expenditure are shown net of VAT where output tax is charged, or input tax is recoverable.

Irrecoverable VAT is charged to the SOCNE and included under the relevant expenditure category. Irrecoverable VAT on the purchase of an asset is included in additions.

1.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and other short term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and have an original maturity of three months or less.

1.14 Property, plant, and equipment (PPE)

The cost of a tangible item is recognised as a property, plant and equipment asset if:

- it is expected to be used during more than one reporting period,
- it is probable that future economic benefits associated with the item will flow to the Group,
- the cost of the item can be measured reliably and
- the value of the asset at initial recognition, on an individual or asset pool basis, exceeds a threshold which ranges from £500 to £10,000 across the Departmental Group.

Subsequently, PPE is carried at fair value except for assets under construction which are held at cost less impairment. Assets that have short useful lives or are of low value are carried at depreciated historical cost less impairment as a proxy for fair value. Non-specialist land and buildings are measured at current value in existing use using professional valuations. Specialist land and buildings are measured at depreciated replacement cost which represents the present value of the asset's remaining service potential.

Depreciation of PPE

PPE assets are depreciated to estimated residual values. This is done on a straight-line basis over their estimated useful lives, given in the table below. Residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. Freehold and long leasehold land are not depreciated.

PPE	Estimated useful life
Freehold buildings	10 – 60 years
Leasehold improvements	10 – 25 years or shorter of remaining useful life or outstanding term of lease
Computer equipment	3 – 5 years
Plant and machinery	3 – 5 years
Office machinery (included in plant and machinery), furniture, fixtures and fittings	2 – 11 years

1.15 Intangible non-current assets

An identifiable non-monetary asset without physical substance is capitalised under IAS 38 'Intangible assets' if:

- it is expected to be used during more than one reporting period,
- it is probable that the expected future economic benefits attributable to the item will flow to the Group,
- the cost of the item can be measured reliably and
- the value of the asset at initial recognition, on an individual or asset pool basis, exceeds a threshold which ranges from £500 to £10,000 across the Departmental Group.

There are no active markets for the majority of the Group's intangible non-current assets which are valued at the lower of depreciated replacement cost and value in use. Intangible non-current assets are revalued annually at the beginning of each financial year with reference to appropriate indices, in accordance with the FReM.

Revaluation gains are recognised through Other Comprehensive Expenditure and credited to the Revaluation Reserve. A portion of the Revaluation Reserve balance is transferred annually to the General Fund to cover additional amortisation recognised within the SOCNE due to revaluation.

Amortisation of intangible non-current assets

Amortisation of intangible assets is charged to the SOCNE on a straight-line basis when the assets are available for use. This allocates the carrying amounts of the intangible assets over their estimated useful economic lives.

They are depreciated on a straight-line basis over the following periods:

Software licences	3 – 10 years
Internally developed software	Up to 10 years
Website development costs	2 – 5 years

1.16 Impairment of PPE and Intangible non-current assets

The Department reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset (the higher of fair value less costs to sell and value in use) is estimated to determine the extent of any impairment loss. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

1.17 Leases

Recognition and measurement

Where a contract is, or contains, a lease of an identifiable and tangible underlying asset, the right to use that asset over the term of the lease is capitalised (as a 'right-of-use asset') together with a liability (the 'lease liability') for the payments to be made in exchange for that right. The definition of a 'lease' in the applicable standard (IFRS 16 'Leases') as a contract that conveys the right to control the use of an identified asset for a period in exchange for consideration has been expanded

by the FReM to include agreements between central Government entities that are not legally enforceable and those with low or nil consideration ('peppercorn' leases).

As mandated by the FReM, leases are not capitalised where:

- the underlying asset, when new, had a value of less than £10,000 or the lease term is 12 months or less.

Measurement of right-of-use assets

Initial recognition

Measurement of the right-of-use asset at initial recognition is at cost, which comprises:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the lease commencement date less any lease incentives received.
- Any initial direct costs.
- An estimate of restoration costs that will be incurred at the end of the lease term.

Subsequent measurement

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

- The lease term is long and the contract does not include provision for updates for market conditions (rent reviews) or there is a long period of time between those updates.
- The valuation of the underlying asset is likely to fluctuate significantly due to changes in market prices.

Depreciation of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis from commencement date to the earlier of the end of:

- Useful life of the right-of-use asset, assessed as the same as the class of PPE asset to which the lease relates, or
- Lease term.

Impairment of right-of-use assets

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

Measurement of lease liabilities

Initial measurement

At the commencement date, the Departmental Group measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are discounted using either:

- The interest rate implicit in the lease,
- HM Treasury discount rate where interest rates implicit in the lease cannot be readily determined, or
- Another discount rate where the Departmental Group determines it more accurately represents the interest rate.

At the commencement date, lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the term not paid at the commencement date:

- Fixed payments, including any in-substance fixed payments less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date, for example, payments linked to a consumer price index or a benchmark interest rate.
- Amounts expected to be payable by the Departmental Group under residual value guarantees.
- The exercise price of a purchase option if the Departmental Group is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease if the lease term reflects the Departmental Group exercising the option to terminate the lease and the Departmental Group is reasonably certain to exercise this option.

1.18 Financial instruments

Financial assets and financial liabilities are recognised in the SOFP when the Department becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured initially at fair value plus transaction costs unless measured at fair value through profit or loss in which case transaction costs are charged to Net expenditure for the year.

Fair value is determined by reference to quoted prices where an active market exists for the instrument; otherwise, it is determined using generally accepted valuation techniques including discounted estimated cash flows. While the best evidence of fair value at initial recognition is normally transaction price, this may not be the case where the Departmental Group enters arrangements to achieve policy objectives. An assessment is made at initial recognition as to whether transaction price is indicative of the fair value of the instrument or whether fair value needs to be otherwise estimated.

Other than for financial guarantees, where the fair value of an instrument differs from transaction price at initial recognition, it is determined using generally accepted valuation techniques, including discounted estimated cash flows. The instrument is recognised at the fair value thus estimated, provided this would not result in a gain or profit, in accordance with an adaptation to IFRS 9 specified by the FReM. The difference between transaction price and fair value is recognised in the SOCNE. This adaptation has been applied to Start up loans issued by the BBB (note 4.2). Further information is given in note 1.19 and note 1.26.

The Department and its consolidated bodies enter into financial instrument contracts in furtherance of policy objectives rather than specifically to generate future income and cash flows and these contracts are treated as part of operating activities and not investing activities.

Financial assets

Classification and measurement of financial assets

The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Under IFRS 9, the requirement for classifying and measuring financial assets is that:

Loans and other debt instruments are classified as either amortised cost, FVTOCI (fair value through other comprehensive income) or FVTPL (fair value through profit or loss), dependent on the business model and cash flow characteristics of the financial assets.

Investments in equity instruments of entities outside the Departmental boundary are classified as FVTPL, unless an irrevocable election is made on initial recognition to recognise subsequent changes in fair value in Other Comprehensive Income (OCI) – the election is only available to equity instruments that are not held for trading.

Investments in equity instruments of entities within the departmental boundary are accounted for in line with IAS 27 at historical cost less any provision for impairment.

Categories of financial asset

Financial assets are categorised as one of the following:

Amortised cost are financial assets whose contractual cash flows are solely payments of principal and interest and the objective of the business model is to hold financial assets to collect contractual cash flows only. They are initially recognised at fair value and thereafter at amortised cost using the effective interest method less any impairment – the effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

FVTOCI are either:

- Debt instruments whose cash flows are solely payments of principal and interest and the business model of which is to hold for both collecting contractual cash flows and selling.
- Equity instruments that are neither held for trading nor contingent consideration recognised in a business combination, as the Departmental Group has made an irrevocable election at initial recognition.

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

All financial assets that do not meet the criteria for classification to be recognised and measured at amortised cost and FVTOCI are recognised and measured at FVTPL. Transaction costs and any subsequent movements in the valuation of the asset are recognised in net expenditure for the year.

Impairment of financial assets

Financial assets other than equity instruments and other instruments held at FVTPL are assessed for impairment at each reporting date using the expected credit loss (ECL) model. This 3-stage model is based on the level of credit risk as follows:

- Stage 1: For financial assets with low credit risk or assets that have not had a significant increase in credit risk since initial recognition, 12-month ECL are recognised and interest revenue is calculated on the gross carrying amount of the asset without the reduction of credit allowance.
- Stage 2: For financial assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment, lifetime ECL are recognised and interest revenue is calculated on the gross carrying amount of the asset.
- Stage 3: For financial assets that have objective evidence of impairment at the reporting date, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount net of credit allowance.

For long term trade receivables, contract assets which do not contain a significant financing component and lease receivables within the scope of IFRS 16 'Leases', a simplified approach is applied and impairment is measured at lifetime ECL.

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

The impairment methodology is detailed in the financial instruments note 18.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive future cash flows have expired or are transferred and the risks and rewards of ownership have been substantially transferred or when there is considered to be no reasonable expectation of recovering the contractual cash flows in accordance with the Group's credit risk policies. Gains and losses on derecognition of financial assets are recognised in the SOCNE.

Financial liabilities

Classification and measurement of financial liabilities

The Departmental Group's financial liabilities excluding some financial guarantees (see 1.19) are initially recognised at fair value including directly attributable transaction costs; they are subsequently measured at amortised cost using the effective interest rate method, except for:

- Financial liabilities at fair value through profit or loss, which is applied to other financial liabilities designated as such at initial recognition.

- Financial guarantee contracts and loan commitments, see note 1.19 below for details of their measurement.

Derecognition of financial liabilities

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires. Any gain or loss on derecognition is recognised in the SOCNE.

1.19 Financial guarantees and loan commitments

Financial guarantee contract liabilities

A guarantee liability is recognised when a lender makes an offer of a loan facility to a borrower which meets the eligibility criteria of the relevant scheme. Eligible businesses apply to lenders accredited under the schemes for loans, with the Department assuming all or part of the credit risk incurred by lenders up to set limits per borrower and within specific allocations to each lender, which were set by the British Business Bank. Guarantee liabilities are derecognised when the Department is no longer exposed to potential lender claim on the guarantee, that is either a) when a lender claim has been approved by the Department for payment, b) on expiry of the guarantee without lender claim including where a loan facility has not been drawn down by the borrower within the offer period or c) if a guarantee is no longer considered to meet the eligibility criteria of the relevant scheme such that the guarantee is no longer effective. Amounts due to the Department as recovered by lenders from defaulted borrowers following derecognition of the guarantee liability are recognised on an accruals basis and offset against financial guarantees expense in the SOCNE.

Other than as described below, guarantee liabilities are measured as required by IFRS, at fair value at initial recognition and subsequently remeasured at the higher of a) the amount of loss allowance determined in accordance with IFRS 9 and b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 ‘Revenue from Contracts with Customers’.

In accordance with a FReM adaptation of IFRS 9, where the Department issues a financial guarantee below fair value and where no active market or observable equivalent exists such that an estimate of fair value can be made that would require recognition under IFRS 9, the guarantee is measured, at initial recognition and at the reporting date, at an amount equal to lifetime expected credit loss (ECL) as measured in accordance with the requirements of IFRS 9. As the rate intrinsic to the financial guarantee cannot be reliably determined, the HM Treasury financial instrument rate has been used to calculate the present value of expected credit losses.

See note 16 for additional details on the measurement of ECL for financial guarantees.

Loan commitments at below market rate

Loan commitments are recognised when the Department is party to the contractual provisions. An entity within the Departmental boundary, British Business Finance Limited (BBFL), accepts a lower than market rate of return from Enterprise Capital Fund investments to encourage private sector investors to invest alongside. Although a positive return is expected from these investments, this return is less than that required by the private sector. BBFL has, at initial recognition, elected to irrevocably designate the liability related to these loan commitments as measured at fair value through profit or loss because the group of financial assets and financial liabilities is managed, and its performance is evaluated on a fair value basis, in accordance with a documented investment strategy, and information is provided internally

on that basis to key BBFL management personnel. When a commitment is drawn, the loan commitment is released and a separate fair value adjustment on the resulting investment is recognised in gains/losses on investments in the Group SOCNE, to reflect the difference between the fair value and the amount drawn.

1.20 Pensions

The accounting for each of the Departmental Group's pension plans is dependent on its nature.

Unfunded defined benefit pension schemes

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

Defined contribution pension schemes

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

More information about the Departmental Group's pension schemes can be found in the accounts of the consolidated entities, including in note 3 for the Core Department, and of the pension schemes themselves.

1.21 Provisions

A provision is recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation (legal or constructive) that can be reliably measured, and which results from a past event. Where the time value of money is material, the provision is measured at present value using discount rates prescribed by HM Treasury. The discount rates used are set out in note 15.

Significant provisions for the Department relate to Post Office Redress Schemes and British Shipbuilders. These are discussed in more detail in note 1.26 and note 15. For redress schemes, the provisions are recorded as utilised at the point that an offer is made, at which point the liability is recognised as an accrual.

1.22 Contingent liabilities

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

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

1.23 Third party assets

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

1.24 Trade and other receivables

The receivables are held to collect contractual cash flows and do not contain significant financing components. They are held at amortised cost less an allowance for expected credit losses.

The loss allowance is determined by applying a simplified approach equalling the lifetime expected credit losses. An allowance is made for potentially irrecoverable receivables based on regular reviews of all outstanding amounts.

See note 18 for additional details on the measurement of expected credit losses.

1.25 Trade and other payables

Trade and other payables are recognised at fair value, which represent liabilities for goods and services provided to the Department prior to the financial year end that are unpaid. Trade and other payables are non-interest bearing and the carrying value approximates their fair value.

1.26 Judgements, estimates and assumptions

Preparation of Financial Statements requires management to make judgements, estimates and assumptions based on experience and expected events that affect the reported amounts of assets and liabilities, income and expenditure. In accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', revisions to accounting estimates are recognised prospectively. Revisions of the estimates and assumptions below could cause material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key accounting judgements and estimates applied in these statements are described below.

Fair value of Future Fund (note 10)

The value of each Future Fund equity investment is determined using the Adjusted Price Per Share (APPS) methodology, which is grounded in the Price of Recent Investment (PoRI) approach. APPS is calculated from observable market data such as recent funding rounds and conversion events.

While APPS provides the most reliable estimate at the time of a financing event, its accuracy may diminish as time passes without subsequent events. To reflect evolving market conditions and company performance, the APPS-based valuation is further adjusted based on factors including revenue generation, cash depletion, and broader market trends. These adjustments are triggered by predefined thresholds, informed by management judgment regarding the significance and impact of these indicators.

Together, the use of APPS under the PoRI framework, supported by structured review and oversight, ensures the fair value of each equity holding is updated to reflect both the most recent transaction and any material developments since that time. At 31 March 2025, the majority of the CLNs had been converted to equity, so significant judgements arises in the post-conversion unlisted equity holdings valuations. Further details of the fair value measurement of the Future Fund scheme are set out in note 10.

Fair value of Repayable Launch Investments (note 10, 18)

The econometric model used to estimate future cash flows from Repayable Launch Investments (RLI) includes a number of forecasting assumptions to estimate future receipts of income in accordance with the condition of each specific RLI agreement. Further detail on the fair value measurement of the RLI are discussed in note 10.

Fair value of debt and equity funds included within FVTPL investment valuations (note 10, 18)

The future returns from FVTPL fund investments are inherently uncertain and will depend on a range of factors including the manager's success in originating lending and investment opportunities, costs and fees, how the manager exercises discretion in trading off equity against debt components in loan structures, credit and warrant/equity performance, and prevailing market conditions.

The values of the Group's investments in FVTPL debt and equity funds are based on the fund net asset values (NAVs). In general, the fund's investments in underlying portfolio companies do not have observable market inputs which can be used for the purposes of measuring fair value and are therefore valued using Level 3 inputs as defined by IFRS 13. The managers of the funds apply valuation methodologies in compliance with IFRS or other recognised accounting standards such as UKGAAP. Most of the Group's investment funds apply IFRS valuation methodologies or apply the International Private Equity and Venture Capital (IPEV) Valuation Guidelines.

BBB are provided with NAVs on a quarterly basis from the managers of the funds. These NAVs are reviewed by BBB and the Department with particular scrutiny given to the valuation methodologies adopted by the fund managers, ensuring that they are appropriate and consistent with IFRS, IPEV or other relevant valuation guidelines, as well as taking into account known items in respect of the underlying portfolio companies.

Redundancy Payments Service (RPS) receivable (note 11)

There is uncertainty in the estimate of the amount to be realised by the Insolvency Service from sale of assets of insolvent employers. The receivable is based on a calculation of historical recovery trends and current expenditure. Further detail on the RPS receivable is discussed in note 11.

Financial guarantees (note 16)

The liability for each individual guarantee is measured using modelling techniques with overlay adjustments, based on management judgement, applied to the total model liability estimates for each scheme if considered necessary to ensure reported liability values reflect all relevant reasonable and supportable information.

The liabilities for the Bounce Back Loan Scheme (BBLS), Coronavirus Business Interruption Loan Scheme (CBILS), Recovery Loan Scheme (RLS) and Growth Guarantee Scheme (GGS) are subject to significant estimation uncertainty relating primarily to estimates of probability of default of the underlying loans and recoveries from borrowers' post claim, and uncertainty over forward macroeconomic conditions. Post model adjustments (PMAs) are included in the measurement to account for aspects which the underlying models cannot model. Further information can be found in note 16.

Provisions (note 15)

Provision discount rates set by HM Treasury are updated annually and have a material effect on liabilities. There are other significant uncertainties in relation to measurement of the liabilities reported in note 15, in particular in relation to the Post Office Redress Schemes, and British Shipbuilders. These are discussed further below:

Post Office Redress Schemes provisions (note 15)

The Core Department has undertaken to provide an amount of funding to the Post Office to support payments made to individuals (postmasters and former postmasters) under the Horizon redress schemes. The valuation of these provisions is management's best estimate of the most likely outcome of potential future payments. The provisions require significant estimates and assumptions to be made including the number of eventual claimants, distribution across heads of loss and assessments of loss of earnings. The Department considers that a provision should be de-recognised and an accrual recognised at the point an offer has been made from the Post Office to the claimant.

In addition to funding the Post Office Limited redress schemes, the Department is delivering additional schemes to provide additional redress for other groups of victims affected by the Horizon scandal: The Group Litigiation Order (GLO) and the Horizon Conviction Redress Scheme (HCRS). These provisions have a level of estimation uncertainty but represent the Department's best estimate of the future liability at the reporting date. For GLO, the component of the provision relating to settlements outside the fixed sum offer, reflects an average of the offers made to date, excluding unrepresentative high offers made in relation to high-profile cases. For HCRS, while the Department has been able to refine its expectations regarding the take up of the fixed sum offer, there is little additional information on which to refine its assessment of the expected settlements outside the fixed sum offer.

The Department announced on 3 March 2025 that it would also take over the provision of redress through the Overturned Convictions (OC) scheme on 3 June 2025. This has now taken place. Further detail on the Post Office redress scheme provisions are discussed in note 15.

Where the Department's commitments or obligations with the Post Office, such as those included in the Letter of Support provided by the Department, have been judged not to constitute a provision, the nature of the arrangement is disclosed in the relevant area of these accounts. There are unquantifiable contingent liabilities disclosed in note 19.

British Shipbuilders provision (note 15)

The British Shipbuilders provision uses indicative future liabilities to the Department for future personal injury compensation claims. These future claims are judgemental and are based on an independent third-party actuarial forecast. The provision requires a number of estimates and assumptions to be made, including the long-term latency periods of the disease claims considered, the number of claims expected to be filed in the year, and the estimate of future inflation on the damages awarded. The latest actuarial report is as of 31 March 2024. Further information can be found in note 15.

2. Statement of net operating expenditure by segment (Group)

	2024-25		2023-24	
	Gross expenditure	Income	Gross expenditure (restated)	Income (restated)
	£m	£m	£m	£m
Business Group	1,166	(37)	2,113	(25)
Competition, Markets and Regulatory Reform	1,273	(433)	1,197	(307)
Strategy and Growth	43	-	42	-
Office for Investment Group	67	-	38	-
Economic Security and Trade Relations	76	-	60	-
Trade Policy, Implementation and Negotiations	58	-	61	-
Domestic and International Markets and Exports	(364)	(305)	(627)	(470)
Corporate Services	312	-	273	(1)
Grants Delivery	196	-	260	(16)
Overseas	101	(1)	96	(1)
Total	**2,928**	**(776)**	**3,513**	**(820)**

Prior year figures have been restated to reflect changes in the Group structure in 2024-25. Strategy and Investment Group has been replaced by Strategy and Growth & Office for Investment groups. £95 million of expenditure and (£1 million) of income reported against Strategy and Investment Group in 2023-24 has been restated as follows:

- £13 million of expenditure and (£1 million) of income against the existing Business Group.
- £42 million of expenditure against new group Strategy and Growth.
- £38 million of expenditure against new group Office for Investment Group.
- £2 million of expenditure against existing group Trade Policy, Implementation and Negotiations.

Operating Segments are determined in accordance with IFRS 8 Operating Segments based on what information is presented for decision making purposes to the Chief Operating Decision Maker (CODM) who is the Accounting Officer.

The Accounting Officer receives financial information at aggregate level as well as information on outcomes relating to each group. These are measured on the same basis as for financial reporting purposes in the SOCNE.

Business Group

Business Group is the front door between government and UK businesses. It acts as the government's centre of expertise on every sector of the economy in collaboration with other government departments. It leads on upgraded Departmental business engagement and the Post Office and supports businesses facing shocks.

Significant items within Business Group's expenditure include:

- Grant expenditure of £686 million (2023-24: £726 million) primarily in relation to subsidies provided to Post Office Limited and grants for the Aerospace Technology Institute and Advanced Propulsion Centre (note 4.4).
- £358 million (2023-24: £1,330 million) expense relating to movement on Post Office redress scheme and other provisions (note 15).

Competition, Markets and Regulatory Reform Group (CMRR)

CMRR exists to enable enterprise to flourish in a way that benefits all – businesses, workers, consumers – through policy, delivery and regulation that is pro-growth, proportionate and effective. Expenditure for 2024-25 includes £491 million (2023-24: £505 million) incurred by Insolvency Service on the RPS (note 4.1).

Income comprises primarily fees, levies and other charges collected by bodies other than the Core Department:

- £202 million (2023-24: £80 million) by Companies House (see note 6 for explanation of increase).
- £103 million (2023-24: £120 million) by Insolvency Service.
- £69 million (2023-24: £57 million) by the Financial Reporting Council.

Office for Investment

Office for Investment leads on investment strategy and promoting the UK as a great destination for corporate and institutional investment. It is also responsible for planning and delivering the UK's presence at the Osaka Expo 2025 on behalf of the whole of government.

Strategy and Growth

Strategy and Growth group is the strategic centre of the Department, responsible for the planning, analysis and facilitation of work to drive long-term, sustainable economic growth by encouraging businesses to invest and grow, domestically and internationally, primarily through the Industrial Strategy. The group supports ministers' day-to-day work, including in Parliament, and provides a range of capabilities for the Department, including industrial and economic policy; economists, statisticians, social and operational researchers; and science, technology and environmental expertise. Through the Communication and Marketing Directorate, it is responsible for articulating the Department's mission, vision and objectives, and developing and delivering evidence led, outcome-based communication and marketing.

Economic Security and Trade Relations (ESTR)

ESTR is responsible for removing market access barriers, championing the rules-based international trading system, and operating the UK's trading system.

Trade Policy, Implementation and Negotiations (TPIN)

TPIN works to balance the UK's regulatory sovereignty and trade liberalisation, ensuring coherence between the UK's domestic policy approach and its international economic priorities.

Domestic and International Markets and Exports (DIME)

DIME is focused on advising, supporting, and promoting UK businesses to grow and export in both domestic and international markets.

Included within DIME's expenditure is amounts related to measurement of financial guarantee liabilities and post-call recoveries of (£814 million) (2023-24: (£1,224 million)) (notes 4.3 and 16).

Income comprises primarily:

- £121 million (2023-24: £119 million) of investment income reported by British Business Bank.
- £101 million (2023-24: £153 million) of premium fees from financial guarantees issued by the Core Department.
- £67 million (2023-24 £73 million) of interest income relating to ENABLE funding loans issued by Fleetbank Funding Limited.

Corporate Services

Corporate Services is the home of the Department's operations function, providing the tools and resources colleagues need to deliver efficiently in their roles. This includes the OneHMG Platform and Centrally Managed Resource charges which are accounted for centrally and are not apportioned out, including the Apprenticeship Levy and employee holiday pay accrual.

Grants delivery

Management and payment of some grants is centralised in a grants delivery team.

Overseas

A network of over 1,500 staff in more than 100 countries provide expert advice in support of UK exports and investment and the implementation of free trade agreements. The network is divided into nine regions, each led by a Trade Commissioner responsible for delivering a Regional Trade Plan. Expenditure includes amounts paid to the Foreign, Commonwealth and Development Office for their delivery of the overseas infrastructure used to deliver these objectives.

3. Staff costs

	2024-25			2023-24
	Permanently employed staff	Others	Total	Total
	£m	£m	£m	£m
Wages and salaries	648	54	702	636
Social security costs	64	-	64	60
Other pension costs	150	-	150	129
Compulsory Redundancies	-	-	-	1
Sub total	**862**	**54**	**916**	**826**
Less recoveries in respect of outward secondments	(3)	-	(3)	(2)
Total net costs	**859**	**54**	**913**	**824**
Of which				
Core Department and agencies	681	52	733	657
NDPBs and other designated bodies	178	2	180	167
Total net costs	**859**	**54**	**913**	**824**

See the staff report and remuneration report for further information on staff costs and numbers.

4. Operating Expenditure

4.1. Other Operating Expenditure

	2024-25		2023-24	
	Core and Department agencies	Departmental Group	Core Department and agencies (restated)	Departmental Group (restated)
	£m	£m	£m	£m
Funding Paternity, Adoption and Shared Parental Leave policy	119	119	88	88
Service charge to FCDO for services to support overseas activities	64	65	63	63
Enforcement costs of employment related policies	35	35	35	35
Advertising and publicity	24	29	29	34
Events	51	52	27	28
Professional and international subscriptions	12	13	11	12
Finance, HR, IT and support costs	79	90	70	82
Travel and subsistence costs	22	24	20	23
Training and other staff costs	14	19	13	19
Rentals and accommodation	39	47	29	36
Legal and professional costs	132	141	110	113
Consultancy costs	23	44	19	37
Research and development	14	15	16	16
Gain or loss on disposal of assets	-	1	1	1
Other purchase of goods and services cost	16	43	26	60
Redundancy payments service	491	491	505	505
Other operating expenditure	38	42	40	(9)
Total	**1,173**	**1,270**	**1,102**	**1,143**

Core Department

Consultancy costs

The Department has reclassified the consultancy costs for 2023-24 following an internal review of account codes that led to a re-allocation of costs between consultancy costs and other professional and legal services. As a result, the consultancy expenditure for Core Department was £20 million (2023-24: £16 million (reclassified)), executive agencies was £2 million (2023-24: £3 million (reclassified)) and the consultancy expenditure relating to arm's length bodies was £22 million (2023-24: £18 million).

Departmental Group

Redundancy Payments Service

Redundancy payments are made to employees whose employers have failed to make payments or who were insolvent. Redundancy Payment Service (RPS) claims are financed from the National Insurance Fund. They are processed and approved by the Insolvency Service (INSS), an agency of the Department.

RPS expenditure in 2024-25 totalled £491 million (2023-24: £505 million). The decrease in RPS expenditure in 2024-25 was primarily driven by a reduction in the volume of redundancy claims. The number of claims submitted by individuals fell to c.70,000 (2023-24: c.86,000).

Audit Fees

Audit fees are included under the heading 'Legal and Other Professional Services'.

During the year the Core Department did not purchase any non-audit services from its auditor, the National Audit Office. The non-cash auditors' remuneration for the period was £990,000.

	31 March 2025			31 March 2024		
	Core Department	Agencies	Other POs in Departmental Group	Core Department	Agencies (restated)	Other POs in Departmental Group
	£	£	£	£	£	£
Core Department	990,000	-	-	1,600,000	-	-
Companies House[(a)]	-	82,900	-	-	84,723	-
Insolvency Service[(b)]	-	251,500	-	-	236,000	-
Other POs in Departmental Group	-	-	1,163,100	-	-	953,300
Total NAO audit services	**990,000**	**334,400**	**1,163,100**	**1,600,000**	**320,723**	**953,300**
Non-NAO audit services	**-**	**-**	**31,737**	**-**	**-**	**31,737**
Total audit services	**990,000**	**334,400**	**1,194,837**	**1,600,000**	**320,723**	**985,037**

Audit service fees are shown net of VAT.

(a) Included within the Companies House audit fee is £20,725 (2023-24: £21,181) for the year end external audit of the Companies House Trust Statement.

(b) The £251,500 Insolvency Service audit fee includes £206,000 (2023-24: £198,000) for the year end external audit of their accounts, as well as £46,000 (2023-24: £38,000) to audit the White Paper Insolvency Services Account.

4.2. Depreciation, impairment and revaluation charges

	2024-25		2023-24	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
	£m	£m	£m	£m
Depreciation of tangible assets	24	32	26	34
Amortisation of intangible assets	15	16	16	17
Impairment of tangibles and intangibles	2	2	2	2
Net remeasurement of financial assets not held at fair value	21	63	27	70
Net remeasurement of financial assets at fair value	146	76	20	123
Total	**208**	**189**	**91**	**246**

Depreciation

Depreciation charges relate to property, plant and equipment, including right of use assets, and amortisation charges relate to intangible assets. More details on these assets are presented in note 7 and note 8.

Net remeasurement of financial assets not held at fair value

The amount of £21 million for 'Core Department and agencies' includes £18 million of impairment of equity investments in the regional funds (Midlands Engine, Northern Powerhouse and Cornwall and Isles of Scilly) (2023-24: £27 million).

Group remeasurements include an amount of £57 million (2023-24: £49 million) representing the difference at initial recognition between the transaction values of loans issued by The Start-Up Loans Company and the fair values at which they were recognised. Inclusion of these differences at initial recognition reflects the difference between the contractual interest rate of the loans of 6% and higher rates that would more closely reflect credit risk. Further details about the loans can be found in note 10.

Net remeasurement of financial assets at fair value

Net remeasurement of financial assets at fair value' represents net expenditure arising from the change in value of financial assets measured at fair value. Of the total of £146 million net remeasurement for 'Core Department and agencies' for 2024-25 (2023-24: £20 million), a £153 million loss (2023-24: £7 million gain) relates to movement in the value of assets for which measurement is not based on observable market data, and which has not been realised in cash.

The amount of £146 million for 'Core Department and agencies' in 2024-25 (2023-24: £20 million) is driven by investments held by the Core Department and relates primarily to:

- Fair value gains on Repayable Launch Investments assets of £51 million (2023-24: gains of £70 million).
- Fair value losses on Future Fund assets of £159 million (2023-24: losses of £42 million).
- Fair value losses on funding provided to BBB for The Start Up Loans Company (SULCo) of £32 million (2023-24: loss of £50 million). This eliminates upon consolidation. The Department provides funding to BBB for the purpose of extending loans at below market rates to entrepreneurs unable to obtain finance elsewhere. On expiry of the funding period (31 March 2027), SULCo will repay to the Department the amount of cash held in its bank accounts representing capital and interest repayments from their borrowers. The Department's investment will be reduced by any unrecovered amounts.

Within the Departmental Group, the British Business Bank recognised total fair value gains on financial assets held at fair value of £177m (2023-24: losses of £49m). Of this, £84 million (2023-24: £29 million) relates to recognised fair value gains.

The disclosure includes fair value movement on investment funds held across the Group.

Further details of these financial assets are detailed in notes 9 and 10.

4.3 Provisions and Financial Guarantees expense

	2024-25		2023-24	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
	£m	£m	£m	£m
Changes in price levels	2	2	(11)	(11)
Increase/(decrease) in provisions	278	277	1,312	1,312
Increase/(decrease) in loan guarantees plus amounts recovered post call	(814)	(814)	(1,224)	(1,224)
Increase/(decrease) in loan commitment liabilities	-	(50)	-	20
Total increase/(decrease) in Provisions and Financial Guarantees expense	**(534)**	**(585)**	**77**	**97**

Movements in provisions are detailed within note 15. Movements in loan guarantees are detailed within note 16.

Amounts recovered subsequent to loan guarantee call

These are amounts recovered from borrowers and/or lenders of amounts that had previously been paid out in guarantee claims. Recoveries are from defaulted borrowers or from lenders where claims were later identified as invalid, as they were subsequently repaid by the borrower, or where claims have been paid on guarantees that were ineligible for cover.

In 2024-25 a total of £113 million was recovered after the loan guarantee call, compared to £119 million in 2023-24.

4.4 Grants and subsidies

	2024-25		2023-24	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
	£m	£m	£m	£m
Grant-in-aid	96	-	95	-
Capital Grants – large items				
Automotive Transformation Fund (ATF)	9	9	144	144
Exceptional Regional Growth Fund (eRGF)	35	35	30	30
Steel infrastructure	15	15	-	-
Revenue Grants – large items				
Aerospace Technology Institute (ATI)	180	180	173	173
Advanced Propulsion Centre (APC)	69	69	80	80
Automotive Transformation Fund (ATF)	28	28	23	23
Centre for Connected and Autonomous Vehicles (CCAV)	24	24	18	18
Citizens Advice	42	42	39	39
Help to Grow	21	21	22	22
Consumer advocacy for Energy, Post and cross-sector	20	20	18	18
Exceptional Regional Growth Fund (eRGF)	6	6	15	15
Other Local Government growth hubs	12	12	12	12
European Structural and Investment Fund	-	-	10	10
National Trading Standards (NTS)	13	13	12	12
Subsidies				
Energy Intensive Industries (EII) Compensation Scheme	140	140	232	232
Subsidies to Post Office Limited in support of Horizon Inquiry & Redress Schemes	138	138	80	80
Subsidies to Post Office Limited to support normal function	88	88	50	50

	2024-25		2023-24	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
	£m	£m	£m	£m
Subsidies to Post Office Limited to support corporation tax relating to redress schemes	32	32	-	-
Subsidies to Post Office Limited for Network Investment	20	20	90	90
Subsidies to Post Office Limited to support New Branch IT	65	65	40	40
Subsidies to Post Office Limited for Transformation Programme	11	11	-	-
Other Grants				
Other grants	29	31	19	19
Total grants and subsidies	**1,093**	**999**	**1,202**	**1,107**

Aerospace Technology Institute (ATI)

The ATI Programme offers funding for research and technology development in the UK to maintain and grow the UK's competitive position in civil aerospace. During the year, grants of £180 million (2023-24: £173 million) were paid out under the scheme.

Automotive Transformation Fund (ATF)

The ATF is delivered by the Department in partnership with the Advanced Propulsion Centre (APC), Innovate UK and partners. It supports the creation of an internationally competitive electric vehicle supply chain in the UK. The ATF offers funding for capital and associated industrial research projects that support the industrialisation of a high value, electrified automotive supply at scale in the UK. During the year, the Department provided £37 million (2023-24: £167 million) grant funding for the ATF, £69 million (2023-24: £80 million) for the APC and £24 million (2023-24: £18 million) for the Centre for Connected and Autonomous Vehicles (CCAV). The scheme is set to close on 9 July 2025, at which point it will be replaced by the DRIVE35 scheme.

Energy Intensive Industries (EII) Compensation Scheme

The Department provides EII to support businesses who are at a significant disadvantage from the cost of renewable and low carbon policies, and increased energy costs. During the year, subsidies of £140 million (2023-24: £232 million) were paid.

Post Office Limited

During 2024-25 the Department paid subsidies totalling £354 million (2023-24: £260 million) to Post Office Limited (other funding from the Department to Post Office Limited is set out in the relevant sections of the Financial Statements). Of this total, £20 million (2023-24: £90 million) was provided to enable Post Office Limited to maintain a network of outlets in order to meet the Network Access Criteria, and to provide the Services of Public Economic Interest (SPEI) Services across that network in accordance with the Postal Services Act 2000. £88 million (2023-24: £50 million) was provided to enable the Post Office to continue providing a National Network of Post Offices across the UK and to provide services of Public Economic Interest across the network. A further £65 million of additional subsidy (2023-24: £40 million) was

provided to support the Horizon replacement Programme and £138 million (2023-24: £80 million) was provided to support the Post Office remediation unit in delivering redress and responding to the statutory inquiry. A further £32 million subsidy (2023-24: nil) was provide for the additional corporation tax liabilities arising from funding provided by the Department for redress payments, and £11 million (2023-24: nil) to support Post Office Limited in their Transformation Programme.

COVID-19 Grant Recoveries

Other grants include recoveries and expenditure from various COVID-19 grants. During the year the Department recovered a net £9 million (2023-24: £24 million net expenditure) of COVID-19 grants that were paid in previous years.

5. Finance expense

	2024-25		2023-24	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
	£m	£m	£m	£m
Unrealised foreign exchange rate gains/losses	-	21	-	19
Interest payable and similar charges	-	42	-	53
Unwinding of discount on provisions	77	77	22	22
Lease interest charge	2	2	1	2
Total	**79**	**142**	**23**	**96**

Unwinding of discount on provisions

The unwinding of discount on provisions mainly consists of £74 million (2023-24: £19 million) relating to Post Office's redress for people with overturned convictions and £3 million relating to British Shipbuilders provisions. Provision unwinding expense has increased as the provisions related to Post Office redress schemes had increased significantly by the end of 2023-24, therefore the impact of discounting was greater. Further detail of the movements in provisions can be found in Note 15.

Interest payable and similar charges

This balance is predominantly comprised of the Deferred Purchase Price relating to Fleetbank Funding Limited's private sector loans of £41 million (2023-24: £49 million). Further details can be found in Note 10.

6. Income

	2024-25		2023-24	
	Core dept and agencies	Departmental Group	Core dept and agencies	Departmental Group
	£m	£m	£m	£m
Fees and charges received	332	378	227	266
Loan guarantee premiums	101	101	153	153
Levy income	20	48	18	42
European Union funding	-	-	104	104
Income from other government departments	13	17	21	30
Interest on investments	1	192	1	193
Dividends from investments	-	22	6	16
Interest from loans to Post Office Limited	12	12	11	11
Interest from loan to Fleetbank Funding Limited	26	-	24	-
Other income	5	6	5	5
Total income	**510**	**776**	**570**	**820**

Core Department and agencies

Fees and charges received

This includes fees and charges collected by the agencies Companies House of £202 million (2023-24: £80 million) and Insolvency Service of £103 million (2023-24: £120 million). In relation to the significant increase regarding Companies House fees and charges, the Economic Crime and Corporate Transparency Act 2023 has generated significant new activity for the agency. The increased fees fund the cost of measures being introduced under this legislation, effective from 1 May 2024.

Loan guarantee premiums

These are premiums on the guarantees issued by the Department. The balance is primarily driven by the loan guarantee income of £101 million (2023-24: £153 million). The performance obligation is met, and the premium becomes due on a daily basis for the guarantees the Department provides to lenders for loans. Payments for guarantee premiums are received quarterly from lenders.

The transaction price of premiums are between 0.25% and 2% of the loan amounts guaranteed annually, dependent on scheme, borrower profile, and maturity (no premiums are charged on BBLS).

Loan guarantees are below cost recovery as the objective of the scheme is for the Department to provide support to businesses seeking loans, not to fully recover costs. Further information can be found in note 16.

Departmental Group

Interest on investments

£149 million (2023-24: £127 million) of the Department's interest on investments relates to income from financial instruments measured at amortised cost, recognised using the effective interest rate (EIR) method. This method calculates the amortised cost of a financial asset and allocates interest income over the relevant period. of this total, £67 million (2023-24: £73 million) was recognised from Fleetbank Funding Limited, and £82 million (2023-24: £54 million) from the British Business Bank.

7. Property, plant and equipment and right of use asset

	Departmental Group 2024-25						
	Buildings	Leasehold improvements	Information technology	Plant and machinery	Furniture, fixtures and fittings	Assets under construction	Total
	£m	£m	£m	£m	£m	£m	£m
Cost or valuation							
Balance at 1 April 2024	197	25	48	9	12	-	291
Additions	15	-	6	1	-	-	22
Disposals	(15)	(3)	(3)	-	(2)	-	(23)
Remeasurements	(3)	-	-	-	-	-	(3)
Capitalised Provisions (Leased Non-PFI)	1	-	-	-	-	-	1
At 31 March 2025	**195**	**22**	**51**	**10**	**10**	**-**	**288**
Depreciation							
Balance at 1 April 2024	**(62)**	**(10)**	**(40)**	**(9)**	**(6)**	**-**	**(127)**
Charged in year	(21)	(4)	(4)	-	(2)	-	(31)
Disposals	13	3	3	-	2	-	21
At 31 March 2025	**70**	**(11)**	**(41)**	**(9)**	**(6)**	**-**	**(137)**
Carrying amount at 31 March 2025	**125**	**11**	**10**	**1**	**4**	**-**	**151**
Carrying amount at 1 April 2024	**135**	**15**	**8**	**-**	**6**	**-**	**164**
Asset financing							
Owned	(1)	11	10	1	4	-	25
Leased	126	-	-	-	-	-	126
Carrying amount at 31 March 2025	**125**	**11**	**10**	**1**	**4**	**-**	**151**
Of the total							
Core Department and agencies	108	9	9	1	3	-	130
NDPBs and other designated bodies	17	2	1	-	1	-	21
Carrying amount at 31 March 2025	**125**	**11**	**10**	**1**	**4**	**-**	**151**

	Departmental Group 2023-24						
	Buildings	Leasehold improvements	Information technology	Plant and machinery	Furniture, fixtures and fittings	Assets under construction	Total
	£m	£m	£m	£m	£m	£m	£m
Cost or valuation							
At 1 April 2023	185	13	46	16	9	13	282
Additions	10	1	5	-	3	-	19
Disposals	(2)	(2)	(3)	(7)	-	-	(14)
Transfers in/out of the boundary	-	13	-	(13)	-	-	-
Revaluations	-	-	-	13	-	(13)	-
Remeasurements	**3**	**-**	**-**	**-**	**-**	**-**	**3**
Capitalised Provisions (Leased Non-PFI)	1	-	-	-	-	-	1
At 31 March 2024	**197**	**25**	**48**	**9**	**12**	**-**	**291**
Depreciation							
At 1 April 2023	**(42)**	**(7)**	**(37)**	**(12)**	**(5)**	**-**	**(103)**
Charged in year	(22)	(1)	(6)	(4)	(1)	-	(34)
Disposals	2	-	3	5	-	-	10
Transfers	-	(2)	-	2	-	-	-
At 31 March 2024	**(62)**	**(10)**	**(40)**	**(9)**	**(6)**	**-**	**(127)**
Carrying amount at 31 March 2024	**135**	**15**	**8**	**-**	**6**	**-**	**164**
Carrying amount at 1 April 2023	**143**	**6**	**9**	**4**	**4**	**13**	**179**
Asset financing							
Owned	-	15	8	-	6	-	29
Leased	135	-	-	-	-	-	135
Carrying amount at 31 March 2024	**135**	**15**	**8**	**-**	**6**	**-**	**164**
Of the total							
Core department and agencies	119	13	8	-	6	-	146
NDPBs and other designated bodies	16	2	-	-	-	-	18
Carrying amount at 31 March 2024	**135**	**15**	**8**	**-**	**6**	**-**	**164**

Right-Of-Use (ROU) leased assets are presented as part of property, plant and equipment in these accounts.

In accordance with the FReM the majority of leasehold improvements, information technology, furniture, fixtures and fittings and plant and machinery are held at depreciated historical cost as a proxy for fair value as the assets have short useful lives or low values. Land, freehold buildings, dwellings and the remainder of plant and machinery are held at fair value based on professional valuations.

Buildings are ROU assets under lease agreements. The majority of the core balance relates to leases on Old Admiralty Building with a carrying amount of £79 million at 31 March 2025 (31 March 2024: £87 million),Teddington with carrying amount £4 million (31 March 2024: £9 million).

8. Intangible Assets

	Departmental Group 2024-25				
	Information technology	Software licences	Websites	Assets under construction	Total
	£m	£m	£m	£m	£m
Cost or valuation					
Balance at 1 April 2024	**149**	**1**	**7**	**48**	**205**
Additions	1	-	-	28	29
Disposals	(2)	-	-	-	(2)
Impairments	(1)	-	-	(1)	(2)
Reclassifications	16	-	-	(15)	1
At 31 March 2025	**163**	**1**	**7**	**60**	**231**
Amortisation					
Balance at 1 April 2024	**(113)**	**(1)**	**(4)**	**-**	**(118)**
Charged in year	(14)	-	(2)	-	(16)
Disposals	2	-	-	-	2
At 31 March 2025	**(125)**	**(1)**	**(6)**	**-**	**(132)**
Carrying amount at 31 March 2025	**38**	**-**	**1**	**60**	**99**
Carrying amount at 1 April 2024	**36**	**-**	**3**	**48**	**87**
Asset financing					
Owned	38	-	1	60	99
Carrying amount at 31 March 2025	**38**	**-**	**1**	**60**	**99**
Of the total					
Core Department and agencies	37	-	1	60	98
NDPBs and other designated bodies	1	-	-	-	1
Carrying amount at 31 March 2025	**38**	**-**	**1**	**60**	**99**

	Departmental Group 2023-24				
	Information technology	Software licences	Websites	Assets under construction	Total
	£m	£m	£m	£m	£m
Cost or valuation					
At 1 April 2023	**159**	**2**	**16**	**31**	**208**
Additions	-	-	-	25	25
Disposals	(23)	(1)	(13)	-	(37)
Reclassifications	7	-	1	(8)	-
Revaluations	6	-	3	-	9
At 31 March 2024	**149**	**1**	**7**	**48**	**205**
Amortisation					
At 1 April 2023	**(117)**	**(2)**	**(13)**	**-**	**(132)**
Charged in year	**(15)**	**-**	**(2)**	**-**	**(17)**
Disposals	23	1	13	-	37
Revaluations	(4)	-	(2)	-	(6)
At 31 March 2024	**(113)**	**(1)**	**(4)**	**-**	**(118)**
Carrying amount at 31 March 2024	**36**	**-**	**3**	**48**	**87**
Carrying amount at 1April 2023	**42**	**-**	**3**	**31**	**76**
Asset financing					
Owned	36	-	3	48	87
Carrying amount at 31 March 2024	**36**	**-**	**3**	**48**	**87**
Of the total					
Core department and agencies	35	-	3	48	86
NDPBs and other designated bodies	1	-	-	-	1
Carrying amount at 31 March 2024	**36**	**-**	**3**	**48**	**87**

All software licences are acquired separately.

All information technology (IT) assets are internally generated. IT assets are initially classified as assets under construction and are not amortised until they meet the recognition criteria under IAS 38 Intangibles, at which time they are reclassified as IT. More details on amortisation charges relating to intangible assets are presented in Note 4.

9. Investments and loans in the public sector

	Ordinary shares	Other investments and loans	Core Department and Agencies Total	Elimination of shares and other investments and loans held in NDPBs	Departmental Group
	£m	£m	£m	£m	£m
Balance at 1 April 2023	**2,580**	**1,646**	**4,226**	**(3,649)**	**577**
Additions	486	444	930	(711)	219
Redemptions	-	(10)	(10)	-	(10)
(Impairments) / Impairment reversal	-	(27)	(27)	27	-
Revaluations	-	(50)	(50)	50	-
Balance at 31 March 2024	**3,066**	**2,003**	**5,069**	**(4,283)**	**786**
Additions	630	128	758	(758)	-
Redemptions	-	(285)	(285)	209	(76)
(Impairments) / Impairment reversal	-	(18)	(18)	18	-
Revaluations	-	(32)	(32)	32	-
Balance at 31 March 2025	**3,696**	**1,796**	**5,492**	**(4,782)**	**710**
Of the totals:					
At 31 March 2024					
Current	-	748	748	-	748
Non-Current	3,066	1,255	4,321	(4,283)	38
At 31 March 2024	**3,066**	**2,003**	**5,069**	**(4,283)**	**786**
At 31 March 2025					
Current	-	779	779	(100)	679
Non-Current	3,696	1,017	4,713	(4,682)	31
At 31 March 2025	**3,696**	**1,796**	**5,492**	**(4,782)**	**710**

Ordinary Shares in the public sector

Core Department and Agencies

Ordinary Shares held by the Core Department in bodies inside the departmental boundary

Ordinary Shares within the departmental boundary are accounted for in line with IAS 27 and are carried at historical cost less any provision for impairment and are eliminated on consolidation.

British Business Bank plc (BBB)

The Secretary of State, who is the sole shareholder, holds 3,696,811,265 ordinary shares in BBB (31 March 2024: 3,066,211,265), each with a nominal value of £1. The Core Department invested in additional share capital during the year of £631 million (31 March 2024: £486 million). The Core Department's holding had a cost of £3,697 million at 31 March 2025 (31 March 2024: £3,066 million).

BBB's principal objective is to address long-standing, structural gaps in the supply of finance and bring together in one place government finance support for small and mid-sized businesses.

BIS (Postal Services Act 2011) Company Limited

The Secretary of State holds one ordinary share in BIS (Postal Services Act 2011) Company Limited with a nominal value of £1. The Secretary of State is the sole shareholder.

The principal objective of the company is to dispose of the assets transferred to it from the Royal Mail Pension Plan (RMPP).

Postal Services Holding Company Limited (PSH)

The Secretary of State holds 50,005 ordinary shares in PSH which is 100% of the issued share capital at a historic cost of £430 million at 31 March 2025 (31 March 2024: £430 million). The Core Department through the Secretary of State also owns one special share in PSH, relating to certain areas for which Special Shareholder's consent is required.

The Core Department's valuation of the holding in PSH after impairment was nil at 31 March 2025 (31 March 2024: nil). PSH is currently in the process of liquidation due to the cessation of its primary activities.

The principal objective of the company prior to cessation was to hold and manage its shares in Post Office Limited (POL), which prior to cessation were transferred to the Core Department.

Ordinary Shares held by the Core Department in bodies outside the departmental boundary

Shares in bodies outside the departmental boundary are carried at fair value through other comprehensive income.

Post Office Limited (POL)

The Secretary of State holds 50,005 ordinary shares at a nominal value of £1 each, which is 100% of the issued share capital, and holds a special share with nominal value of £1. POL is reliant on financial support from the Department, and therefore the shareholding has been valued on a net asset basis. POL is currently in a negative equity position meaning the net value of the Department's shareholding at 31 March 2025 is £nil (31 March 2024: nil). The Core Department invested no additional share capital during the year (31 March 2024: nil).

The principal objective of Post Office is to provide retail post office services through a national network of branches.

Other investments in the public sector

Regional fund loans

The Core Department has investments in Northern Powerhouse Investment Fund, Midlands Engine Investment Fund and Cornwall and Isles of Scilly Fund. The funds provide commercially-focused finance to help small and medium sized enterprises start up and grow.

The total carrying amount at 31 March 2025 is £514 million (31 March 2024: £529 million). These are equity investments held at cost under IAS 27.

The investments are in consolidated bodies and eliminated on consolidation.

The Start-up Loans Company

The Core Department provides funding to British Business Bank to fund loans made by The Start-up Loans Company at below market rates to entrepreneurs unable to obtain finance elsewhere. This funding is repayable to the Department to the extent that capital and interest payments have been received by the Company from its borrowers.

The total carrying amount at 31 March 2025 is £124 million (31 March 2024: £119 million), held at fair value through profit or loss.

The funding is to a consolidated body and eliminated on consolidation.

Loans and investments in the public sector

	Fleetbank Senior Loan Note	Post Office Limited – Term Loan	Post Office Limited – Working Capital Facility Loan	Core Department investment into BBB	Core Department investment into Regional Funds	Core Department and agencies	Group
	£m	£m	£m	£m	£m	£m	£m
At 1 April 2024	**569**	**45**	**741**	**119**	**529**	**2,003**	**786**
Additions	88	-	-	37	3	128	
Repayments	(209)	(7)	(69)	-		(285)	**(76)**
Revaluations				(32)	(18)	(50)	
At 31 March 2025	**448**	**38**	**672**	**124**	**514**	**1,796**	**710**

Core Department and agencies

Fleetbank Funding Limited Loan (Enable Funding programme)

The Core Department's loan to Fleetbank Funding Limited supports the Enable Funding programme, managed by the BBB. This was launched in November 2014 to improve the provision of asset and lease finance to smaller UK businesses.

At the Core Department's request £171.5 million was repaid early in the 2024-25 financial year. The cash received by the Department was net of an early payment fee of £2.8 million.

The carrying amount at 31 March 2025 was £448 million (31 March 2024: £569 million). The loans are reported at amortised cost under IFRS 9. Collateral held by Fleetbank Funding Limited to mitigate credit risk for the assets intended to fund repayment of the Core Department loan is judged to provide sufficient security that the Department has set the provision for credit losses at £nil (31 March 2024: £nil).

The loan is to a consolidated body and eliminated on consolidation.

Post Office Limited (POL) Loan

The Core Department has made available to POL a revolving loan facility of up to £950 million. This is to help the company fund its daily in-branch working capital requirements to deliver services through the network such as social benefits payments and access to cash. An additional short-term facility of up to £50 million to fund its same day liquidity requirements has been made available if required. A new agreement was signed on 4 December 2024 and has been implemented from 1 April 2025. These facilities will expire on 31 March 2028.

The amounts loaned and repaid in year are offset, and only the movement is presented in the table above. The loan is settled on a net basis meaning each day only the difference between how much POL newly borrows or repays is transferred in cash between the Department and POL.

The carrying amount of the revolving loan facility at 31 March 2025 was £672 million (31 March 2024: £741 million). The facility is reported at amortised cost under IFRS 9. Lending under the facility is secured by a first floating charge over all Post Office assets, with the exception of some defined exclusions, and prohibition of the creation by the Post Office of any other security over the charged assets. On the basis that the loans are fully collateralised against cash and cash equivalents, there is not expected to be any loss in the event of default, hence the expected credit loss on this loan is £nil (31 March 2024: £nil).

The Core Department has also provided a term loan to POL of £52 million on 1 April 2021. Repayments commenced in 2023-24 of £7 million per year. The carrying amount at 31 March 2025 was £38 million (31 March 2024: £45 million). The term loan is reported at amortised cost under IFRS 9. On the basis that the term loan has not missed any interest or principal repayments to date, and the loans are fully collateralised, there is not expected to be any loss in the event of default, and hence the expected credit loss on this loan is £nil (31 March 2024: £nil).

These loans are to a non-consolidated body and not eliminated on consolidation.

Special Shares

The Secretary of State holds one special share in each of the entities listed below. The list includes a summary of the significant terms of shareholding, and not a comprehensive record. Further details can be obtained from the annual report and financial statements of each body or their Articles of Association.

The Core Department does not recognise the special or 'golden' shares on its Statement of Financial Position in line with the FReM.

Postal Services Holding Company Limited – £1 Special Rights Preference Share

- Created in January 2001 (formerly called Royal Mail Holdings plc)
- It may be redeemed at any time by the shareholder

Note: The company is now in members' voluntary liquidation and control of its affairs has been passed to the Joint Liquidators.

Post Office Limited ("POL") – £1 Special Rights Redeemable Preference Share

- Created in April 2012
- Special Shareholder is entitled to attend and speak at any general meeting or any meeting of any other class of shareholders of POL, but the Special Share does not carry voting rights or any other rights at any such meeting.
- It may be redeemed at any time by the Special Shareholder. POL cannot redeem the Special Share without prior consent of the Special Shareholder.

10. Investments and loans in private sector

	Launch investments	Future Fund	Other equities	Loans	Investment funds	Departmental Group
	£m	£m	£m	£m	£m	£m
Balance at 1 April 2023	**433**	**851**	**170**	**937**	**3,699**	**6,090**
Additions	-	-	41	578	689	**1,308**
Repayments	(46)	(10)	(1)	(498)	(349)	**(904)**
Revaluations	70	(42)	(6)	-	(109)	**(87)**
Amortisation of fair value adjustment on initial recognition	-	-	-	22	-	**22**
Impairments	-	-	-	(21)	-	**(21)**
Balance at 1 April 2024	**457**	**799**	**204**	**1,018**	**3,930**	**6,408**
Additions	-	-	83	595	932	**1,610**
Repayments	(44)	(30)	(3)	(679)	(475)	**(1,231)**
Revaluations	51	(159)	(8)	-	61	**(55)**
Amortisation of fair value adjustment on initial recognition	-	-	-	29	-	**29**
Impairments	-	-	-	(3)	-	**(3)**
Balance at 31 March 2025	**464**	**610**	**276**	**960**	**4,448**	**6,758**
Of the totals:						
At 31 March 2024						
Current	44	-	-	-	-	**44**
Non-Current	413	799	204	1,018	3,930	**6,364**
At 31 March 2024	**457**	**799**	**204**	**1,018**	**3,930**	**6,408**
At 31 March 2025						
Current	52	-	-	139	-	**191**
Non-Current	412	610	276	821	4,448	**6,567**
At 31 March 2025	**464**	**610**	**276**	**960**	**4,448**	**6,758**
At 31 March 2025						
Core Department and agencies	464	610	-	-	144	**1,218**
NDPBs and other designated bodies	-	-	276	960	4,304	**5,540**
Balance at 31 March 2025	**464**	**610**	**276**	**960**	**4,448**	**6,758**

Please refer to Note 18 for detail of classification of investments and loans in the private sector between amortised costs and fair value through profit or loss and discussion of fair value hierarchies.

Core Department and agencies

The most significant loans and investments are detailed below.

Future Fund: Convertible loan notes and equity holdings

Future Fund investments are held by the Core Department. The scheme launched on 20 May 2020 as a COVID-19 business support scheme and was open to new applicants until 31 January 2021. The scheme is administered by the BBB on behalf of the Core Department. The Department issued convertible loans on commercial terms to eligible businesses, in amounts from £125,000 to £5 million, subject to at least equal match funding from private investors. The policy aim was to support the development trajectory of innovative, high-growth, UK-based businesses impacted by COVID-19.

CLNs matured on the third anniversary of issue, at which point the borrower had the option of a) repaying the outstanding loan along with a redemption premium, b) converting it to an equity share to be held by the Department or c) extending the maturity date for a maximum of two further years, subject to specific criteria being met. At 31 March 2025, the portfolio comprises 94 CLNs, all of which have been extended, and 641 equity holdings. There have been 113 transfers, of which 35 were for equity and 78 for cash. 11 CLNs have been re-paid, and 334 positions have defaulted since the fund's inception.

	Extended Private sector loans	Private Sector Shares: Conversions	Private Sector Shares: Transfers	Total
	£m	£m	£m	£m
Balance at 1 Apr 2024	**16**	**726**	**57**	**799**
Transfers (conversions to equity)	(2)	2	-	-
Fair value gains/(losses)	3	(138)	(35)	(170)
Repayments	(1)	(13)	-	(14)
Transfers – Equity	-	(4)	4	-
Defaults	(5)	-	-	(5)
Balance at 31 Mar 2025	**11**	**573**	**26**	**610**

Future Fund CLNs and equity shares are financial assets measured at fair value through profit or loss. Equity shares arise primarily as a result of CLNs being converted into shares following financing events. They can also arise following sales or initial public offerings of investee companies in which investors, including the Department, receive consideration in the form of shares in the acquiring entity.

Transfers are where Future Fund exited from the original CLN or converted equity and the investment now is with a new entity and not the original CLN Investee Company legal entity.

The Future Fund equity value has decreased by £184 million compared with the previous year. This can be attributed to a general adverse movement in portfolio equity valuations and the impact of fair value adjustments to specific high value positions in what is a highly concentrated portfolio. As most of the CLNs have now converted to equity, there is limited value uplift from conversions to offset the decreases in equity value.

Valuation of CLNs

The Department values extended CLNs at 13.8% of the original loan value which reflects the expectation of the average recoverable percentage for these notes except in circumstances where there are specific indicators of likely default, in which case the CLN is valued at £nil.

Valuation of equity holdings

For equity shares, conversion or exit events (i.e. shares issued in a new company in exchange for existing shares) are used as an equity value anchor point for each holding given that, at this point, the Department's equity amount is known, as are the contractual conversion mechanisms or agreed terms for shareholders. Equity values are reviewed quarterly on a triggered basis, subject to agreed thresholds relating to various factors (see below). Equity values from exit events are also reviewed each quarter and updated based on information submitted by the investee companies or prevailing capital market pricing.

Factors that trigger valuation reviews include:

- Actual or potential events of default on company borrowing.
- Actual or potential further financing rounds of the companies and the pricing of these rounds.
- Market and sector movements, including movements in sector indices.
- Company-specific financial and non-financial information such as cash balances, revenue and EBITDA, employee growth and KPI improvement/deterioration.

The valuation of converted equity relies primarily on the Average Price Per Share (APPS) for each equity holding which is derived from observable market parameters such as recent funding rounds and conversion events. The valuation of the equity holding based on APPS is then overlaid with adjustments which are based on market movements, individual company performance, and an assessment of cash depletion (where the company's cash holding is less that the amount the Department estimates it will need to fund its operations over the next six months).

There are limitations to the data included in the valuation model. Valuations rely on company specific information being provided by investee companies on a quarterly basis. This information is taken from an online portal at the reporting date and contains data from the latest submission from each company. Given that the information is self-reported by the companies, there is a risk that inconsistencies could arise which may impact on the valuation. A dedicated team within BBB monitors data quality within the online portal to reduce this risk.

The fair value of the Future Fund at 31 March 2025 was £610 million (31 March 2024: £799 million).

Other price risk

The Future Fund valuation includes £598 million in relation to Level 3 equity investments. The valuation of these equity positions could fluctuate significantly. A 10 percent increase in prices would result in a fair value of £658 million, and a 30 percent fall would result in a fair value of £419 million.

Repayable Launch Investment

Under the provisions of the 1982 Civil Aviation Act, the Core Department has provided funding to companies for a proportion of non-recurring eligible design and development capital costs on civil aerospace development products. Each product supported is covered by separate contractual terms and conditions, with periodic repayments falling due when products are delivered or at other specific points.

The investments are reported at fair value through profit or loss. Fair value gains or losses are recognised directly in the SOCNE.

Measurement

Contract valuations are based on estimated future receipt streams, discounted to present value. The receipt streams are estimated using external forecasts of the variables that drive them such as aircraft deliveries or engine flight hours.

Sensitivity analysis

The receipt stream estimates on which the valuations are based are influenced by the interaction of key drivers such as aircraft deliveries or engine flight hours, as well as economic variables. A Monte-Carlo based approach has been developed which uses the software package @Risk to assess the level of uncertainty associated with the valuations. The valuation model is run thousands of times, applying random changes to the key model input parameters in each iteration within set ranges deemed by the Department to be feasible. The key input parameters that are flexed include the externally provided delivery forecasts and economic variables used as inflation measures.

Each iteration of the model produces a valuation estimate for the portfolio consistent with the specific input parameter values applied to that iteration. Ninety per cent of these valuation estimates fell within the range of £410 million to £507 million as at 31 March 2025 (31 March 2024: £408 million to £498 million).

Risk

The investments are exposed to risks which could impact receipt streams, including future market downturns in the aircraft manufacturing sector which can impact product delivery volumes and the utilisation rates of aircraft. Receipt streams are also exposed to risks relating to the timing of decisions in the sector to improve or replace aircraft or engines.

The total value of the investments at 31 March 2025 is estimated at £464 million (31 March 2024: £457 million).

Investment Funds – Angel CoFund

Investment Funds includes a holding of £129 million (31 March 2024: £128 million) by the Core Department in Angel CoFund (ACF). The Core Department has determined that ACF investments are classified as 'fair value through profit and loss financial assets' in accordance with IFRS 9, with fair value gains and losses being recognised directly in the SoCNE. The Angel CoFund makes equity investments of between £100,000 and £1 million in smaller business in the UK. It invests alongside strong syndicates of business angels to support business with strong growth potential.

Measurement and carrying value

The ACF investments are recognised at fair value, which is considered to be the expected return due to the Department. The ACF Fund Manager produces quarterly net asset value (NAV) Fund valuations of the Department's claim which comprise:

a) valuations for each of the underlying portfolio companies in line with IPEV guidelines and

b) other assets or liabilities relating to the claim, for example tax liabilities or cash balances.

The carrying value of the ACF investments at 31 March 2025 was £129 million (31 March 2024: £128 million).

Departmental Group

Loans

BBB and Fleetbank Funding Ltd (FFL) have entered into loan agreements with parties within the private sector. The loans are reported at amortised cost under IFRS 9. The amortised cost valuations include ECL provisions. Further information on ECL provisions are given in Note 18.

At 31 March 2025, £959 million of loans were held by NDPBs and other designated bodies (31 March 2024: £1,018 million).

Amortised cost loans and investments held by British Business Bank

The value of loans and investments held by BBB to bodies outside the Departmental Group at 31 March 2025 was £546 million (31 March 2024: £503 million). The conditions attached to each investment vary depending on the details of the arrangement. Repayment schedules have been agreed for loans and all loans are expected to be repaid at the end of the loan term.

Loans and investments held by British Business Bank	31 March 2025	31 March 2024
	£m	£m
Business Finance Partnership	106	123
Investment Programme	268	211
Start Up Loans	172	169
Total	**546**	**503**

- British Business Investments Limited (BBI) manages the Business Finance Partnership programme. The Business Finance Partnership (BFP) invested in funds which lend to medium-sized businesses with turnover of up to £500m. Under IFRS 9 the BFP portfolio was classified as FVTPL except for one fund that is classified as amortised cost.
- BBI manages the Investment Programme. It makes commercial investments that stimulate at least the same amount of private sector investment, encouraging new providers into the market and the growth of smaller lenders. BBI's investments in Limited Partnerships through the Investment Programme are classified as FVTPL. This programme has participated in peer-to-peer lending, invoice discount finance, asset finance and other credit facilities. This lending is classified as amortised cost under IFRS 9.
- The Start Up Loans lends to entrepreneurs via a number of delivery partners at an interest rate of 6%. Losses on these loans are expected to be between 30% and 40% of the total loans advanced, reflecting the non-commercial nature of the scheme. Additions to Start Up Loans are recognised at their fair value which is assessed to be less than the amount advanced.

Further information on the loans held by BBB is included within note 12.1 of the BBB annual report and accounts.

Loans held by Fleetbank Funding Limited

During 2024-25, Fleetbank Funding provided loans totalling £337 million (31 March 2024: £329 million) to private companies through the Enable Loan Programme scheme. In the prior year, the Department recognised the net position of loans additions and repayments within additions. The the first table in this note has been re-presented to show the gross amounts of additions and repayments for 2023-24 to ensure consistency with the reporting approach applied in 2024-25. There was no impact on the value of loans in the prior year.

The value of loans held by Fleetbank Funding at 31 March 2025 was £413 million (31 March 2024: £516 million).

Other equities

At 31 March 2025, £276 million of private sector shares were held by NDPBs and other designated bodies (31 March 2024: £204 million). These are measured at 'fair value through profit or loss', with fair value movements going directly to the SOCNE.

Private sector shares held by BIS (Postal Services Act 2011) Company Ltd amounted to £1.2 million (31 March 2024: £1 million). In addition, the BBB directly held unlisted shares totaling £274 million at 31 March 2025 (31 March 2024: £202 million) across the following portfolios.

Co-Investment

Through Co-Investment, BPC invests in late-stage UK scale-up companies. Currently, it co-invests alongside BPC fund General Partners into their existing portfolio companies. This allows BPC to increase its exposure to the best portfolio companies in its best funds.

Future Fund: Breakthrough

Through the Future Fund: Breakthrough programme, BPC directly invests alongside private sector investors in growth-stage R&D intensive UK companies operating in breakthrough technology sectors.

The fair values are estimated based on a variety of valuation techniques, adopted by the investment managers that comply with the International Private Equity and Venture Capital

Valuation (IPEV) Guidelines or the valuation guidelines produced by the British Venture Capital Association (BVCA). Valuation techniques used include the use of earnings multiples discounted cash flows analysis.

Investment funds

BBB, BIS (Postal Services Act 2011) Company Limited, Northern Powerhouse Investment Limited, Midlands Engine Investments Limited, and Cornwall and Isle of Scilly Investments Limited hold investment funds. The value invested by NDPBs and other designated bodies at 31 March 2025 was £4,304 million (31 March 2024: £3,785 million). In accordance with IFRS 9, the investments are measured at 'fair value through profit or loss' with fair value movements going directly to the SOCNE.

British Business Bank held investment funds at FVTPL

BBB held investment funds valued at £3,847 million at 31 March 2025 (31 March 2024: £3,211 million). The investment funds table for the prior year has been re-presented to reflect the allocation of amounts by programme in line with the 2024-25 reporting approach.

	31 March 2025	31 March 2024
BBB held investment funds	**£m**	**£m (restated)**
British Patient Capital	1,539	1,385
Business Finance Partnership	124	176
Investment Programme	679	616
Enterprise Capital Funds	597	462
Managed Funds	326	251
UK innovation Investment Fund	170	146
Regional Angels Programme	168	142
National & Regional Investment Ltd	215	25
Other BBB Funds	29	8
Total	**3,847**	**3,211**

The value of the investments is predominantly based on the net asset values of the respective funds at the reporting date. The managers of the funds apply IFRS valuation methodologies or apply the IPEV Valuation Guidelines. The purpose of these investments are as follows:

- British Patient Capital invests in commercially viable venture and venture growth capital funds.
- Business Finance Partnership invests in funds which lend to medium-sized businesses.
- The Investment Programme makes commercial investments that stimulate at least the same amount of private sector investment and encourage new providers into the market and the growth of smaller lenders.
- Enterprise Capital Funds are commercially-focused funds that bring together private and public money to make equity investments in high-growth businesses.
- Managed Funds channels institutional capital to innovative, high-growth companies so they might meet their full growth potential.
- UK Innovation Investment Fund supports the creation of viable investment funds targeting UK high-growth technology-based businesses.
- The Regional Angels Programme is designed to address regional imbalances in the availability of angel finance, and to increase the amount of capital available to smaller businesses with high-growth potential.
- Other BBB funds cover a variety of investment funds focusing on investing in commercially viable businesses.
- During 2024-25, the BBB launched the Long-Term Investment for Technology and Science (LIFTS) programme. This initiative aims to attract UK institutional investors, particularly DC pension funds, to support innovative science and technology companies.

Regional investment funds

The total value of investments held by Northern Powerhouse Investment Limited, Midlands Engine Investments Limited and Cornwall and Isle of Scilly Investments Limited is £386 million (31 March 2024: £477 million). The funds invest to promote growth in small and medium sized entities.

BIS (Postal Services Act 2011) Company Limited investment funds

The fair value of investments held by BIS (Postal Services Act 2011) Company Limited (BPSA) at 31 March 2025 is £73 million (31 March 2024: £97 million). These investments primarily comprised investments in European and North American unquoted shares.

11. Trade and other receivables

	31 March 2025		31 March 2024	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
	£m	£m	£m	£m
Amounts falling due within 1 year				
Trade Receivables	50	64	66	79
VAT and other taxation	19	51	9	25
Redundancy payments service	36	36	33	33
Receivable from DESNZ	-	-	247	247
Guarantee premium income	2	2	23	23
Other receivables	100	22	42	17
Accrued income	70	73	70	76
Prepayments	17	25	16	22
Total	**294**	**273**	**506**	**522**
Amounts falling due after more than 1 year				
Trade Receivables	15	15	22	22
Redundancy payments service	57	57	53	53
Guarantee premium income	5	5	5	5
Other receivables	-	1	-	1
Total	77	78	80	81
Total	**371**	**351**	**586**	**603**

Core Department and agencies

Trade receivables

Trade receivables primarily comprise case administration fees from the Insolvency Service, totalling £39.4 million (2023–24: £52.6 million). These represent amounts recoverable by the Agency for case administration work undertaken but not yet received when administering personal bankruptcies and company liquidations.

In practice, the Agency recovers its fees in part through the receipt of a deposit with the balance of fees applied to the case being met as assets are realised. Actual cash recoveries from asset realisations lag income recognised in the accounts and the difference between the two is therefore reported as a receivable. The Agency has sought to mitigate the risks of under-recovery through aligning fees charged, to realisable assets. However, not all cases have sufficient assets to cover the fees due, so the full cost of service cannot always be borne by the users of the service.

In addition, an expected credit loss (ECL) of £4.4 million (31 March 2024: £4.9 million) is provided for on trade receivables. ECL on trade receivables with bodies in the public sector, but outside the provisions of IFRS 9 as adapted by the FReM for which the raising of ECLs are prohibited, is set to £nil as the Department is confident amounts owed by other public bodies will be paid in full.

Receivable from DESNZ

The £247 million receivable from Department for Energy Security and Net Zero (DESNZ) was settled during 2024-25. This represented the net amount owed to the Department following the Machinery of Government change from which the Department was created in 2023.

Other receivables

Other receivables due within one year held by the Core Department include £80 million (2023-24: £37 million) in relation to cash invested in BBB Ltd shareholdings for which the Core Department had not yet received a shareholdings certificate.

Redundancy Payment Service (RPS)

The RPS receivable is held at FVTPL and is shown at estimated recoverable value. This is calculated by the Insolvency Service using a model which is approved by HMRC. The RPS receivable is based on a calculation of historical recovery trends and current expenditure. The model calculates the recoverable debt as £93 million at 31 March 2025 (31 March 2024: £86 million). In line with IFRS 9, RPS debts have been grouped into similar types, in this case they have been grouped between preferential or non-preferential debts. Analysis of historic trends of recovery of these types of debts has revealed that the best estimate of recovery is 6.4% for non-preferential and 32.2% for preferential (31 March 2024: 6.6% for non-preferential and 32.7% for preferential).

12. Cash and cash equivalents

	31 March 2025		31 March 2024	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
	£m	£m	£m	£m
Balance at 1 April	**2,519**	**2,932**	**834**	**1,214**
Net change in cash and cash equivalent balances	(1,206)	(1,217)	1,685	1,718
Balance at 31 March	**1,313**	**1,715**	**2,519**	**2,932**
The following balances were held at				
The Government Banking Service (GBS)	1,312	1,494	2,518	2,730
Commercial banks and cash in hand	1	221	1	202
Balance at 31 March	**1,313**	**1,715**	**2,519**	**2,932**

Cash held in commercial banks by Partner Organisations is the cash held for funding of operating activities of these entities. Cash held in commercial banks include Northern Powerhouse Investment Limited £107 million (2023-24: £59 million), Fleetbank Funding Limited £32 million (2023-24: £51 million) and Midland Engines Investment Limited £33 million (2023-24: £48 million).

12.1 Reconciliation of liabilities arising from finance activities

	Core Department and agencies				Departmental Group			
	Supply payable to Consolidated Fund	Funding from National Insurance Fund	Lease liabilities	Total	Supply payable to Consolidated Fund	Funding from National Insurance Fund	Lease liabilities	Total
	£m	£m	£m	£m	£m	£m	£m	£m
At 31 March 2023	(696)	2	(130)	(824)	(696)	2	(150)	(844)
Cash flows	(2,446)	(464)	15	**(2,895)**	(2,446)	(464)	20	(2,890)
Non-cash changes								
Supply deemed	696	-	-	696	696	-	-	696
Cash expended	-	466	-	466	-	466	-	466
Interest charge	-	-	(1)	(1)	-	-	(2)	(2)
Additions	-	-	(8)	(8)	-	-	(10)	(10)
Remeasurement	-	-	(3)	(3)	-	-	(2)	(2)
At 31 March 2024	**(2,446)**	**4**	**(127)**	**(2,569)**	**(2,446)**	**4**	**(144)**	**(2,586)**
Cash flows	(1,225)	(458)	15	(1,668)	(1,225)	(458)	21	(1,662)
Non-cash changes								
Supply deemed	2,446	-	-	2,446	2,446	-	-	2,446
Cash expended	-	458	-	458	-	458	-	458
Interest charge	-	-	(1)	(1)	-	-	(3)	(3)
Additions	-	-	(5)	(5)	-	-	(14)	(14)
Remeasurement	-	-	2	2	-	-	3	3
At 31 March 2025	**(1,225)**	**4**	**(116)**	**(1,337)**	**(1,225)**	**4**	**(137)**	**(1,358)**

The above table shows movement on liabilities relating to cash flows reported under 'Financing activities' in the Statement of Cash Flows. Supply cash drawn from the Consolidated Fund in excess of the amount needed to fund the Department's net cash requirement is repayable to the Fund (note 13). Repayment is usually effected by utilising the excess cash in the following year and deeming this to be Supply drawn down in that year. A liquidity analysis of lease liabilities is disclosed in note 14. Payments by the Insolvency Service Redundancy Payments Service in excess of amounts recoverable from companies are funded by the National Insurance Fund rather than from Parliamentary Supply. Insolvency Service held a receivable from the Fund as at the reporting date.

13. Trade and other payables

	31 March 2025		31 March 2024	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
	£m	£m	£m	£m
Amounts falling due within 1 year				
VAT, social security and other taxation	10	14	2	6
Trade Payables	26	34	66	73
Other payables	43	68	10	30
Accruals	668	691	769	792
Deferred income	12	10	3	5
Amounts issued from the Consolidated Fund for supply but not spent at year end	1,225	1,225	2,446	2,446
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund: Received	88	88	73	73
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund: Receivable	10	10	1	1
Payable to DESNZ	-	-	64	64
Total	**2,082**	**2,140**	**3,434**	**3,490**
Amounts falling due after more than 1 year				
Other payables	-	17	-	49
Deferred income	-	-	1	1
Total	**-**	**17**	**1**	**50**
Total payables at 31 March	**2,082**	**2,157**	**3,435**	**3,540**

Consolidated Fund

Amounts issued from the Consolidated Fund for Supply but not spent at year end

This liability represents the amount drawn down from the Consolidated Fund in excess of the net cash requirement of the Core Department and agencies for the year and is repayable to the Fund.

Consolidated Fund extra receipts due to be paid to the Consolidated Fund

Consolidated Fund extra receipts (CFERs) are funds that pass through a department's accounts but may not be retained by them and is surrendered to the Consolidated Fund. This is the net of CFER balances that are received by the Department and paid over to HM Treasury during the year.

Accruals

Accruals contains £78 million in relation to Post Office redress schemes which was payable at 31 March 2025 (31 March 2024: £151 million). This is broken down across the different schemes as follows:

	GLO	HCRS	OC	HSS	SRR	Total
	£m	£m	£m	£m	£m	£m
At 31 March 2025	17	13	3	43	2	**78**
At 31 March 2024	6	-	9	133	3	**151**

13.1 Deferred tax

	31 March 2025		31 March 2024	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
	£m	£m	£m	£m
Balance at 1 April	**-**	**134**	**-**	**160**
Movement in the year	-	19	-	(17)
Adjustment in respect of prior periods	-	-	-	(9)
Balance at 31 March	**-**	**153**	**-**	**134**

The tax liability primarily relates to British Business Bank's deferred corporation tax of £153 million (2023-24: £134 million).

Further information about deferred tax recognition policy can be found in Note 1.

14. Lease liabilities

	31 March 2025		31 March 2024	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
	£m	£m	£m	£m
Buildings				
Not later than one year	20	25	18	24
Later than one year and not later than 5 years	49	61	58	70
Later than 5 years	54	59	58	59
	123	**145**	**134**	**153**
Less interest element	(7)	(8)	(7)	(9)
Present value of obligations	**116**	**137**	**127**	**144**
Other				
Total present value of obligations	**116**	**137**	**127**	**144**
Current	18	22	18	24
Non-current	98	115	109	120

The most significant lease held by the Department relates to the Old Admiralty building, for further information see note 7.

15. Provisions

	Post Office Limited	Postmaster Redress and POL HMRC liabilities	British Shipbuilders	Other	Departmental Group
	£m	£m	£m	£m	£m
Balance at 1 April 2023	**478**	**122**	**88**	**13**	**701**
Change in discount rate	(2)	(1)	(7)	-	(10)
Provided in year	729	791	-	10	1,530
Written-back in year	(206)	-	(11)	(2)	(219)
Utilised in year	(174)	(33)	(6)	(2)	(215)
Discount unwind	15	4	3	-	22
Balance at 31 March 2024	**840**	**883**	**67**	**19**	**1,809**
Balance at 1 April 2024	**840**	**883**	**67**	**19**	**1,809**
Change in discount rate	1	1	-	-	2
Provided in year	303	144	2	3	452
Written-back in year	(25)	(143)	(1)	(5)	(174)
Utilised in year	(296)	(374)	(8)	(1)	(679)
Discount unwind	36	38	3	-	77
Balance at 31 March 2025	**859**	**549**	**63**	**16**	**1,487**
Not later than 1 year	754	460	6	3	1,223
Later than 1 year and not later than 5 years	105	89	22	12	228
Later than 5 years	-	-	35	1	36
Total forward cash flows as at 31 March 2025	**859**	**549**	**63**	**16**	**1,487**

Departmental Group

Provisions have been presented at the Departmental Group level.

The provision liabilities have been discounted to present value using discount rates as provided annually by HM Treasury. Discounting at 31 March 2024 and 31 March 2025 has been applied to nominal cash flows which include allowance for future inflation where necessary, using either a forecast specific to the cash flows or forecast of consumer price inflation provided by HM Treasury. In most years, these rates will change and the impact of this is included in the "Change in discount rate" movement of provisions. Rates as provided by HM Treasury are set out in the table below.

	31 March 2025		31 March 2024	
	Nominal discount rate	Annual inflation rate (applied cumulatively)	Nominal discount rate	Annual inflation rate (applied cumulatively)
Within one year	4.03%	2.60%	4.26%	3.60%
Between one and two years	4.03%	2.30%	4.26%	1.80%
Between two and five years	4.03%	2.00%	4.26%	2.00%
Between five and ten years	4.07%	2.00%	4.03%	2.00%
After ten years	4.81%	2.00%	4.72%	2.00%

Allowances for future inflation and discounting can impact on reported liabilities significantly; uninflated, undiscounted equivalent values are provided in the descriptions of the provisions below to illustrate the effect.

Post Office redress schemes

Provisions are measured as best estimates, based on information available to the Department at the time of authorisation of these accounts. The Department has provided for the full estimated costs of payments to claimants which comprise amounts for redress and for their legal expenses. No allowance has been made for contributions that may be received from external parties. The provisions do not therefore include any potential recoveries. The Government remains fully committed to ensuring redress is provided to the affected claimants in full and in a timely manner and set aside around £1.8 billion in the Autumn Budget 2024, to provide redress to victims of the Post Office Horizon scandal from 2024-25 onwards, recognising that the actual amounts paid out may differ from the best estimate accounting provision presented in these Financial Statements. £0.7 billion of this has been spent or accrued by the Department at 31 March 2025.

Measurement of the provisions includes assumptions with respect to numbers of claimants and average amounts likely to be paid to claimants. Detail on these assumptions has not been disclosed in these accounts to avoid prejudice to settlement discussions which are undertaken on a case-by-case basis.

Post Office Limited

Post Office Limited has undertaken to make payments under two schemes to individuals (postmasters and former postmasters) in relation to previous versions of Post Office Limited's Horizon IT system:

a) those who had been wrongly convicted of fraud, theft and false accounting, later overturned through the courts (the Overturned Convictions (OC)),

b) those who were affected by financial discrepancies (the Horizon Shortfall Scheme (HSS)),

and in relation to two further schemes:

c) those who were not previously paid during a period of suspension (Suspension Remuneration Review (SRR)), and

d) those who were impacted by operational and policy issues separate to the Horizon schemes (the Post Office Process Review (PPR)).

Post Office Limited will be unable to fund the full amount estimated to be payable and still continue to maintain levels of public service provision deemed necessary by the Department.

As the sole shareholder in Post Office Limited, the Secretary of State has undertaken to provide an amount of funding to Post Office Limited to support payments for approved claims to the extent that Post Office Limited is unable to fund them without adverse impact on its services to the public. The Department is expecting to fully fund all future redress payments associated with the OC, HSS, SRR, and PPR schemes.

Post Office Schemes	OC	HSS	SRR	PPR	Total
	£m	£m	£m	£m	£m
Opening balance	108	671	45	16	**840**
Change in discount rate	-	1	-	-	**1**
Provided in year	-	302	-	1	**303**
Written-back in year	(3)	-	(22)	-	**(25)**
Utilised in year	(27)	(260)	(9)	-	**(296)**
Discount unwind	5	29	1	1	**36**
At 31 March 2025	**83**	**743**	**15**	**18**	**859**
Undiscounted provision	88	776	16	18	**898**

These liabilities are uncertain both in relation to total amount and timing of payments. The estimate is based on information provided by the Post Office which is reviewed and discounted by the Department.

Overturned Convictions (OC)

Individuals whose convictions were overturned prior to the Post Office (Horizon System) Offences Act 2024 or the Post Office (Horizon System) Offences (Scotland) Act 2024 are eligible to receive payments in redress from the Post Office through the OC scheme. Individuals who were not postmasters and were prosecuted but not convicted can also seek redress via the OC scheme. All those whose convictions were quashed by the Acts are entitled to apply for redress directly from the Department via the Horizon Convictions Redress Scheme rather than the OC scheme (see below).

The Department's latest and best estimate is that there will be no additional claimants into the OC scheme outside of the existing cohort of convictions that were overturned via the relevant appeals court before the Acts were passed. The provision also includes an immaterial amount for individuals who were prosecuted but not convicted.

The Department announced on 3 March 2025 that it would take over the provision of redress through this scheme on 3 June 2025.

The main uncertainty with respect to provision measurement relates to potential settlement values outside of the fixed sum offer of £600,000. The majority of the remaining claimants are not expected to take up the fixed sum offer, and at 31 March 2025, there has not been more than 10 full and final settlements beyond the fixed sum offers. The Department's provision estimate takes into account settlements made to date and ongoing discussions with those whose claims are currently being assessed as part of the OC process. As an indication of the sensitivity of the provision estimate to this assumption:

- A 25% reduction in the average payout could reduce the provision by c£20 million to c£63 million
- A 25% increase in the average payout would increase the provision by c£22 million to c£105 million

Horizon Shortfall Scheme (HSS)

As of May 2025 more than 18,500 people had been contacted as a result of the mass mail out to potential claimants undertaken by the Post Office Limited. The number of claimants that will be contacted by the Post Office, is expected to stand at almost 34,000. The ceiling for the mailout was previously anticipated to sit at 27,000. This increase in the overall mail out number and associated increase in the amount of eligible claimants expected to respond to the mail out, explains the additional in-year increase to the HSS provision.

The Post Office anticipates a response rate of eligible applicants of approximately 32% to the ongoing mass mail out, which is seeking to invite new claimants to the HSS and invite existing claimants who have not yet settled, to consider whether they wish to accept the Fixed Sum Offer of £75,000.

The Post Office anticipates that the vast majority of new claimants will accept the fixed sum offer. Responses received from 28 March 2025 show almost 99% are accepting the fixed sum offer, rather than making a full application. Across the life of the scheme it is expected that fixed sum offers will account for almost 90% of the eligible applications to HSS.

Different response rates to the mass mail out would cause volume of remaining expected claims to change and impact the provision accordingly:

- Reducing the amount of expected claims to be made by 10% and maintaining all other assumptions would reduce the redress liability by c£49 million on an undiscounted basis.
- Increasing the amount of expected claims to be made by 10% and maintaining all other assumptions would redress increase the liability by c£49 million on an undiscounted basis.

Adjusting the proportion of the remaining expected claims accepting the fixed offer would impact the provision as follows:

- Reducing acceptance of the fixed offer by 10%, while keeping the total number of claimants consistent, would increase the redress liability by c£76 million on an undiscounted basis.
- Increasing acceptance of the fixed offer by 10%, while keeping the total number of claims consistent, would reduce the redress liability by c£76 million on an undiscounted basis.

Postmaster Redress Schemes and POL HMRC Liabilities	GLO	HCRS	IR35	Corporation tax	Total
	£m	£m	£m	£m	£m
Opening balance	185	698	-	-	**883**
Change in discount rate	-	1	-	-	**1**
Provided in year	-	-	103	41	**144**
Written-back in year	(26)	(117)	-	-	**(143)**
Utilised in year	(130)	(244)	-	-	**(374)**
Discount unwind	8	30	-	-	**38**
At 31 March 2025	**37**	**368**	**103**	**41**	**549**
Undiscounted provision	38	387	107	43	**575**

Post Office Group Litigation Order (GLO)

The GLO scheme will provide additional payments to members of the group litigation 'Alan Bates and others v Post Office Limited' given the extent to which court-awarded payments were consumed by the claimants' legal costs.

The main uncertainty with respect to provision measurement is in relation to the average payout of claims. The scheme has now made a substantial number of offers from which an average payout for remaining claims has been estimated. As an indication of the uncertainty associated with the provision estimate, the Department considers that the outturn is likely to fall within the following range:

- Low: the undiscounted cashflows over the life of the scheme could reduce by c£25 million
- High: the undiscounted cashflows over the life of the scheme could increase by c£15 million

The low and high estimate use the 25th and 75th percentile offer values as the figures used to extrapolate for the remaining claims.

Horizon Convictions Redress Scheme (HCRS)

HCRS was announced on 13 March 2024 and is being administered directly by the Department. The Post Office (Horizon System) Offences Act 2024 and Post Office (Horizon System) Offences (Scotland) Act 2024 quash Horizon-related convictions where they meet the criteria set out in the Acts. HCRS will allow those whose convictions have been quashed to more quickly and efficiently seek fair and full redress to help rebuild their lives. Subject to safeguards to mitigate the risk of fraud, these individuals will be eligible for redress. This includes the upfront offer of £600,000 or the option to potentially claim more via the full individual claim assessment process. This represents a potential liability for the Department direct to postmasters.

There is uncertainty associated with the provision estimate, related primarily to the potential number of total eligible claimants, the proportion of claimants who will choose to accept the fixed sum offer and the expected settlement per claimant for fully assessed claims.

In 2024-25 there has been refinement and narrowing of the cohort estimates based on latest information from the justice authorities. Moreover, there has been a significant uptake of the fixed sum offer, over and above the levels seen for the OC scheme which Post Office Limited administered until June 2025. The measurement of the expected average offer for fully assessed claims has also been refined for 2024-25. The Department has modelled the HCRS expected average offer for fully assessed claims, based on the latest average settlements on OC fully assessed claims. This is a revision to an accounting estimate for 2024-25. The Department views the increasing pool of OC fully assessed settlements as the information which provides the most recent experiences for the Department to utilise in making its determinations regarding HCRS fully assessed redress estimates.

The provision estimate takes into account uptake of the fixed sum offer to date and expected average settlement outside of the fixed sum option. High and low scenarios have been detailed to provide range of potential outflow. To achieve this, comparisons to other schemes such as overturned convictions and evidence provided by experts on potential uptake, are taken in to account, as well as the highest and lowest potential cohort positions provided by the relevant justice authorities.

As an indication of uncertainty in relation to the provision estimate, the Department considers the value to likely fall within the following range of potential outcomes:

Maintaining all other assumptions and:

- increasing the number of fixed offer acceptances within the remaining cases to be settled by 25% would reduce the undiscounted provision by £69 million.
- reducing the value of the average settlement for fully assessed claims by 25% would reduce the undiscounted provision by £51 million.
- increasing the number of claimants by 25% would increase the undiscounted provision by £137 million.
- reducing the number of fixed offer acceptances within the remaining cases to be settled by 25% would increase the undiscounted provision by £69 million.
- increasing the value of the average settlement for fully assessed claims by 25% would increase the undiscounted provision by £51 million.

HMRC liability for off-payroll engagements – IR35

In the 2023-24 accounts Post Office Limited recognised a £72 million provision in the year for additional penalties it may incur as a result of the potential inaccuracies associated with employment legislation IR35. Post Office Limited is reliant on financial support from the Department to meet such liabilities as they fall due. The Department is providing for the most reliable best estimate of the expected cash outflow to settle this liability in relation to IR35.

The Department has assessed that its best estimate of the amount required to settle the liability is £107 million (undiscounted).

HMRC liability for corporation tax

The Department has agreed to provide funds to POL to specifically fund corporation tax liabilities relating to its receipt of funds received and payouts made in relation to Horizon redress. The Department has committed to funding up to £43 million (undiscounted) to meet its corporation tax liability related to the delivery of Horizon redress.

British Shipbuilders

The provision is an estimate of the cost to the Department of future personal injury compensation claims for former employees of British Shipbuilders and its subsidiaries arising primarily from exposure to asbestos. The government assumed responsibility for the liabilities of the former Corporation on its abolition in March 2013 under The Public Bodies (Abolition of British Shipbuilders) Order 2013. The discounted liability at 31 March 2025 is £63 million (31 March 2024: £67 million); the undiscounted liability, including allowance for future inflation, at 31 March 2025, is £94 million (31 March 2024: £101 million). The estimated liability is based on an actuarial review as of 31 March 2024 and includes allowance for future inflation judged appropriate by the actuary. The current estimate is that liabilities will extend up to 2063.

The long-term latency periods of disease claims considered means there is uncertainty in estimating the reserve. The uncertainty is particularly in relation to predicting the future number of claims and the costs associated with such claims due to external factors such as medical advances, court rulings and inflation. The liability has been measured using the 'central estimate' from the most recent actuarial assessment, performed at 31 March 2024. This concluded that the central estimate of £101 million of total future claim payments as at that date was likely to fall within a range of potential total payments of £65 million to £226 million. These figures are undiscounted but include allowance for future inflation.

16. Financial guarantee and loan commitment liabilities

	31 March 2025		31 March 2024	
	Core Department and agencies	Departmental Group	Core Department and agencies	Departmental Group
	£m	£m	£m	£m
Balance at 1 April	**6,376**	**6,605**	**11,296**	**11,506**
Issued in year	113	180	139	180
Net remeasurement	(578)	(695)	(970)	(992)
Expired without call	(235)	(235)	(267)	(267)
Payments on called guarantees	(2,282)	(2,282)	(3,822)	(3,822)
Balance at 31 March	**3,394**	**3,573**	**6,376**	**6,605**
Comprising				
Financial guarantee liabilities	3,394	3,394	6,376	6,376
Loan commitment liabilities	-	179	-	229
Balance at 31 March	**3,394**	**3,573**	**6,376**	**6,605**
Of which				
Current liability	3,394	3,433	6,376	6,431
Non-current liability	-	140	-	174
Balance at 31 March	**3,394**	**3,573**	**6,376**	**6,605**

Core Department and Agencies

Financial guarantees

The total estimated liability for loan guarantees of £3,394 million at 31 March 2025 for the Core Department (31 March 2024: £6,376 million) relates to the following schemes:

Scheme	31 March 2025	31 March 2024
	£m	£m
Bounce Back Loans Scheme (BBLS)	2,805	5,186
Coronavirus Business Interruption Loan Scheme (CBILS)	207	645
Coronavirus Large Business Interruption Loan Scheme (CLBILS)	16	29
Recovery Loan Scheme (RLS)	157	348
Growth Guarantee Scheme (GGS)	205	162
Other guarantee schemes	4	6
Total	**3,394**	**6,376**

Three of these schemes, BBLS, CBILS, and CLBILS were established in 2020 and the following year RLS phases 1&2, to provide financial assistance to businesses impacted by the COVID-19 pandemic. UK commercial finance providers were invited to participate in loan guarantee schemes to facilitate access to debt finance by businesses across the UK adversely impacted by the pandemic. Eligible businesses could apply to lenders accredited under the schemes for loans, with the Department assuming all or part of the credit risk incurred by lenders up to set limits per borrower and within specific allocations to each lender, which were set by the British Business Bank. The latest of these schemes, RLS (phase 2) closed to borrower applications in June 2022.

The Guarantee Growth Scheme, which was originally named RLS Phase 3 when first launched in August 2022, is not a COVID pandemic response scheme and has replaced the legacy Enterprise Financial Guarantee scheme.

	BBLS	CBILS	RLS Phases 1&2	GGS (formerly) RLS Phase 3
Scheme opened to borrower applications	4 May 2020	23 March 2020	6 April 2021	1 August 2022
Scheme closed to borrower applications	31 March 2021	31 March 2021	30 June 2022	-
Facility longest maximum duration	Six years, extendable to ten years at borrower discretion under 'Pay As You Grow' option	Three and six years, extendable to up to ten years for forbearance purposes in line with usual lender forbearance policy	Three and six years depending on the type of the facility	Three and six years depending on the type of the facility
Facility type	Term loans	Term loans Asset Finance Invoice Finance Overdrafts	Term loans Asset Finance Invoice Finance Overdrafts	Term loans Asset Finance Invoice Finance Overdrafts
Maximum facility	£50,000	£5,000,000	£10 million for applications approved prior to 1 January 2022 £2 million for applications approved after 1 January 2022	£2,000,000

	BBLS	CBILS	RLS Phases 1&2	GGS (formerly) RLS Phase 3
Government guarantee	100%	80%	80% for applications approved prior to 1 January 2022 70% for applications approved after 1 January 2022	70%
Number of approved guarantee facilities outstanding at 31 March 2025	918.0 thousand	42.4 thousand	12.2 thousand	14.4 thousand
Value of approved guarantee facilities outstanding at 31 March 2025	£11,570 million	£3,144 million	£1,488 million	£2,018 million
Total amount guaranteed at 31 March 2025	£11,570 million	£2,515 million	£1,129 million	£1,413 million

The Growth Guarantee Scheme supports small and medium sized businesses to access the finance they need to grow and invest, with maximum borrowing per business in Great Britain of £2 million and £1 million for businesses subject to the Northern Ireland Protocol with the European Union. Durations of loan facilities are from three months to six years with the Core Department assuming 70% of the lender credit risk.

A guarantee is recognised on the SOFP and included in the liability when a lender makes an offer of a loan facility to a borrower. There is no direct relationship between the Department and borrowers; quantification of the guarantees in terms of numbers and amounts above is based on information provided by lenders. While the policy and key decision making is made by the Department, the schemes are operated on behalf of the Department by the British Business Bank (BBB) via the network of accredited lenders.

Liability measurement

In accordance with the FReM and IFRS 9 for these guarantees (note 1), the guarantee liabilities are measured at a value equal to the guaranteed proportion of lifetime expected credit losses (ECL) on the underlying loan facilities. They are not crystallised obligations at the reporting date but present value estimates of future expected payments to reimburse guarantee holders for credit losses incurred less any amounts expected to be recovered from borrowers subsequent to a guarantee claim.

The liabilities are estimated using IFRS 9 compliant ECL models developed by a third-party specialist in conjunction with BBB specifically for these schemes. The models are operated by BBB within a formal control environment and in accordance with the BBB's internal governance procedures and the Department's framework for business-critical

models which complies with quality assurance best practice in the government's '*Review of quality assurance of government models*' by Sir Nicholas Macpherson. The models apply assumptions which have a material impact on the reported liabilities. Key modelling assumptions are set by expert judgement and reviewed by subject matter experts in the Department and BBB. Independent assurance on the original model design was provided by the Government Actuary's Department.

For each individual guarantee, the model estimate of probability of default over the lifetime of the underlying loan facility is combined with an estimate of the outstanding exposure at default (taking account of the contractual repayment profile and estimates of the outstanding balances at default) and with an estimate of the amount likely to be recovered post-default (taking into account the type of collateral held by the lender where relevant), to estimate the ECL value, i.e., the expected value estimate of the guarantee liability. Model estimates are adjusted at scheme level if considered necessary to ensure reported liability values reflect all relevant reasonable and supportable information.

Estimation uncertainty – BBLS, CBILS, RLS and GGS

Whilst all schemes are subject to significant estimation uncertainty, the liabilities for BBLS, CBILS, RLS 1&2 and GGS are material to the Department's financial position and therefore estimation uncertainty may result in material changes to the estimates in future reporting periods as more data becomes available. Liability values are estimated by the model for each underlying loan facility based on data from lenders and other sources. Key data includes:

- The amount guaranteed at origination in the scheme for each loan and its contractual repayment profile and status (whether performing, past due or in default);
- Borrower credit reference information from third parties;
- Macroeconomic forecasts from independent specialist economic analysts; and
- For BBLS, the probability that the loan may have been contracted fraudulently by the borrower, that is in deliberate contravention of borrower eligibility criteria.

Uncertainty risk in the modelled liability relates primarily to estimates of:

- Probability of default of individual loans which is materially impacted by:
  - the effect of current and future macroeconomic conditions on borrowers' ability to repay.
  - For BBLS, level of borrowing in breach of scheme rules due to fraud or error.
- Recoveries from borrowers post claim.

The analysis below indicates the sensitivity of the model estimates to changes in inputs. The changes applied do not constitute forecasts and the impacts shown are to model estimates before application of post-model adjustments which have been disclosed separately.

Probability of default (prior to adjustment for future macroeconomic conditions and fraud risk)

Probability of default is subject to uncertainty, in particular arising from the unconventional credit policy and underwriting of the underlying loans compared to any other loan portfolio in the lending industry. The analysis below shows the impact on the model liability estimate had the model estimate of probability of default for each loan facility been lower or higher by the percentages shown. This analysis is applied to probability of default as standalone excluding sensitivities to future macroeconomic conditions and fraud risk.

Sensitivity analysis: Impact on model liability estimate of changes to probabilities of default	BBLS £m	CBILS* £m	RLS £m	GGS £m
Probabilities of default for BBLS loans lower by 20%	(197)	-	-	-
Probabilities of default for loans lower by 33%	-	(34)	(21)	(46)
Model liability estimate	**2,805**	**284**	**157**	**205**
Probabilities of default for loans higher by 50%	-	51	35	64
Probabilities of default for BBLS loans higher by 25%	225	-	-	-

*Note the PMA section below explains the difference between the £284 million position and the £207 million CBILS position presented in the first table above.

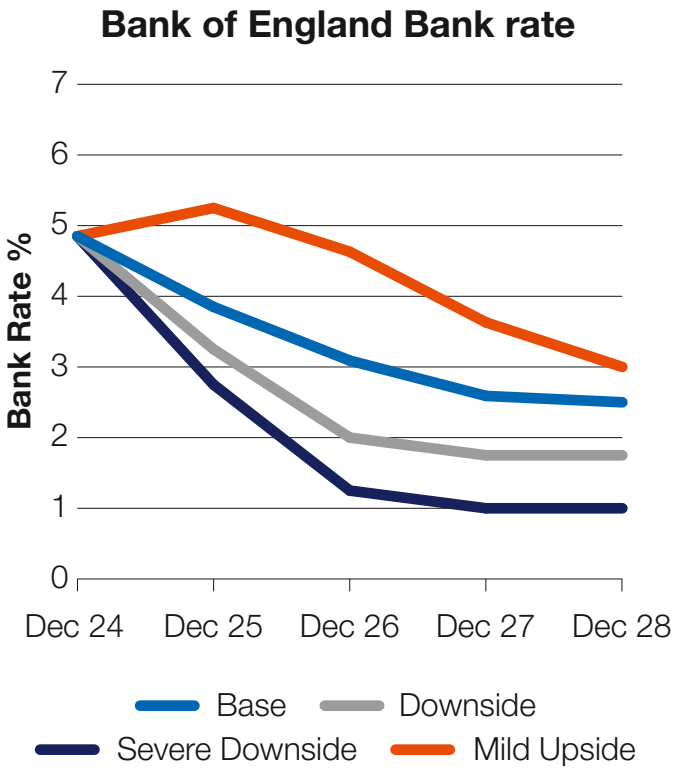
The percentage changes are relative, meaning (by way of an illustrative example only) that an increase of 20% to a probability of default of 1% would increase probability of default to 1.2%. The percentage changes take into account the risk profiles of the individual schemes. The CBILS and RLS loan portfolio are subject to lenders' credit policy and underwriting reviews, with risk profiles more closely aligned to commercial lending portfolios, meaning they have a lower risk profile than the BBLS loan portfolio.

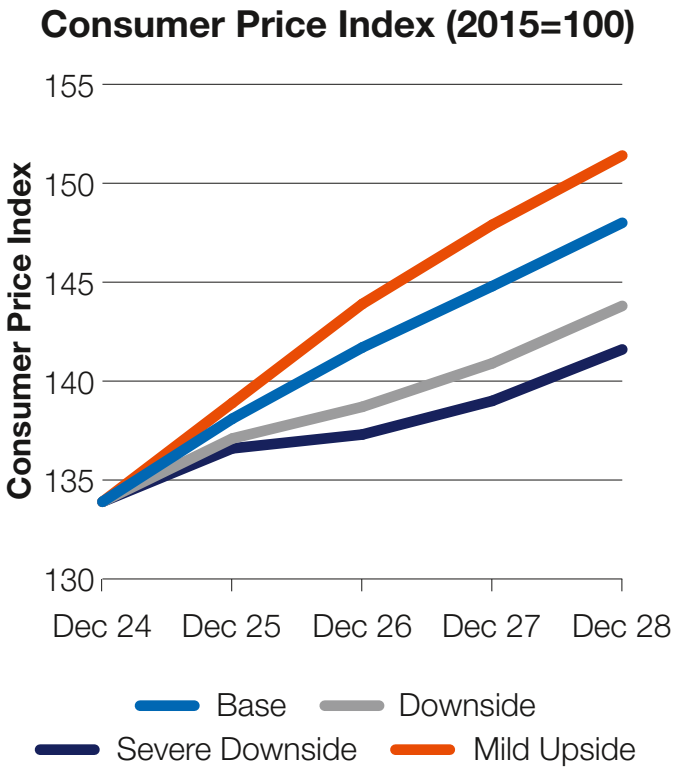
The sensitivities for CBILS, RLS 1&2 and GGS have been set as the equivalent of a one notch movement downwards or upwards on the Moody's granular rating scale from the model estimates of probability of default. Lower percentage changes have been applied to BBLS as a borrower self-certification product without the usual commercial lender credit policy and underwriting procedures and with higher model estimates of probability of default which limit the scope for credit quality deterioration. The percentages for BBLS are equivalent to half a notch movement on the Moody's granular rating scale.

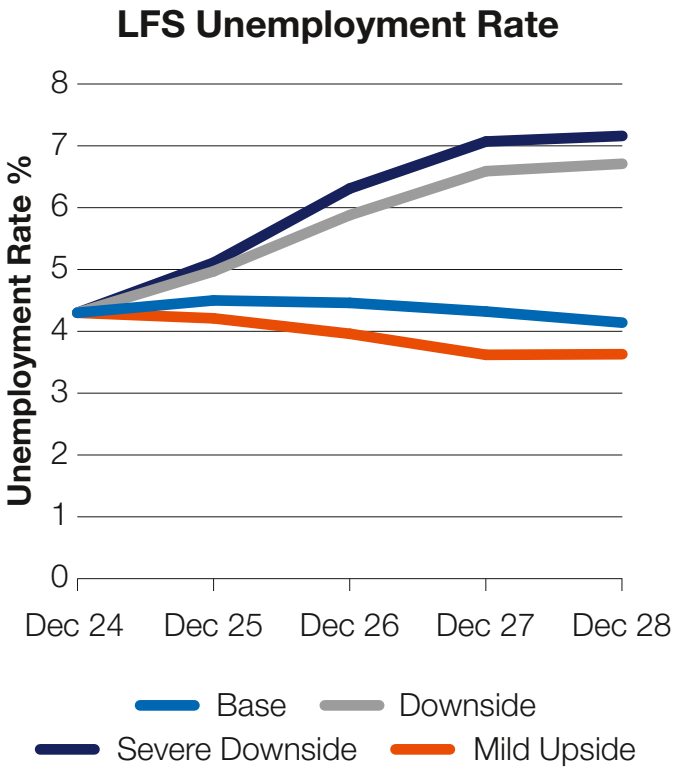
The model adjusts the estimate of probability of default for each loan facility to take account of i) forward macroeconomic conditions and, for BBLS, ii) levels of borrowing in breach of scheme rules due to fraud or error:

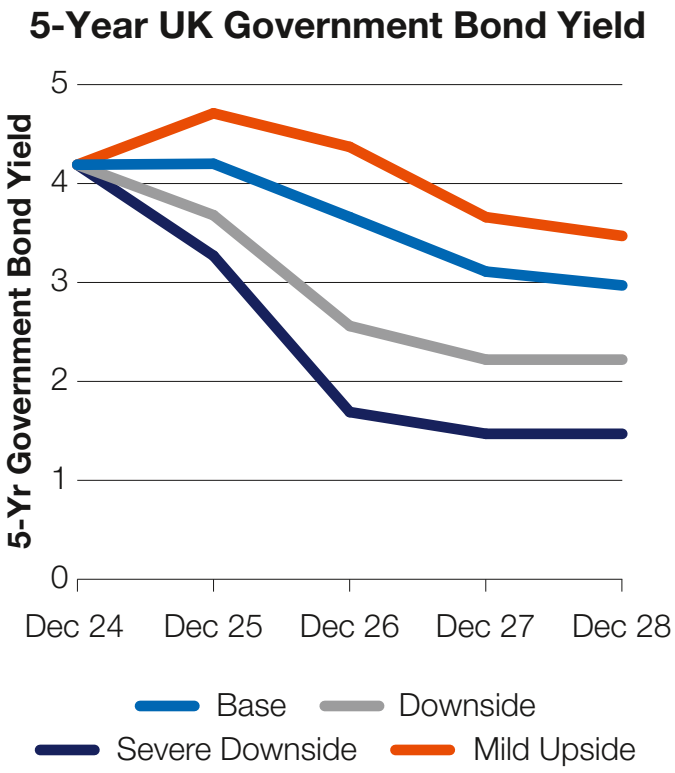
i) Forward macroeconomic conditions

A probability weighted view of forward economic conditions is applied by the model to adjust probability of default, based on potential scenarios provided by an independent specialist economic forecasting firm.









Source: Oxford Economics

Economic scenarios provided by Oxford Economics for IFRS 9 ECL measurement, March 2025.

The above charts show the values of economic indicators for the different scenarios over the four-year period from December 2024 which were applied in the model with the following weightings:

Scenario	Probability weighting in model
Mild upside	10%
Base	50%
Downside	20%
Severe downside	20%

The above forecasts have taken into account heightened economic uncertainty in the global economy.

The sensitivity analysis below shows the impact on the model liability estimates had the probability of each individual economic scenario shown been set at 100% with zero probability for the others.

Sensitivity analysis: Impact on model liability estimate of 100% weighting applied to individual economic scenarios	BBLS £m	CBILS £m	RLS £m	GGS £m
Mild Upside	(132)	(5)	(9)	(15)
Base	(94)	(6)	(6)	(11)
Model liability estimate	**2,805**	**284**	**157**	**205**
Downside	137	9	9	16
Severe Downside	160	11	11	19

ii) Risk of borrowing in breach of scheme rules due to fraud or error

The risk of guarantee claims for loan defaults arising from borrowing in breach of scheme rules due to fraud or error despite lender checks having been undertaken in accordance with scheme loan eligibility criteria is considered to be material for BBLS only.

The estimate of residual fraud and error remaining in the 'open' BBLS loan portfolio is an input to the ECL calculation and is subject to uncertainty, partly due to data limitations.

There are three important components of the residual fraud estimate:

- The estimate of the lifetime rate of fraud and error incidence for all BBLS lending,
- The estimate of the lifetime rate of losses arising from incidences fraud and error, ('the fraud emergence rate'). This is an estimate of the proportion of facilities estimated to be suspected fraud and error that will result in a loss to the Department.
- The rate of lender detection of fraud and error in the closed book. This is used to derive an estimate of the proportion of total fraud and error which remains in the open book.

The estimate of the incidence of fraud and error in the BBLS portfolio at 31 March 2025 is 9.7% (31 March 2024: 9.7%), the estimate of the proportion of facilities that are suspected fraud and error resulting in a loss is 6.4% (31 March 2024: 6.8%), and the estimate of the residual fraud and error rate in the open book is 2.5% (31 March 2024: 2.8%).

	31 March 2025	31 March 2024
	Estimate	Estimate
Lifetime Fraud and Error Incidence Rate	9.7%	9.7%
Lifetime Fraud and Error Loss Rate	6.4%	6.8%
ECL Fraud and Error Loss Rate	2.5%	2.8%

Lifetime fraud and error incidence rate

The estimate of lifetime fraud and error incidence rate is based on an analysis of fraud risk indicators within a statistically representative sample of 1,067 BBLS facilities ('the sample'). The estimate for the sample is then

extrapolated across the full BBLS population of 1,547,197 facilities.

Lifetime fraud and error loss rate

The lifetime fraud and error loss rate ('loss emergence rate') estimate is an estimate of the proportion of those facilities estimated to be fraud and error that will result in loss. This estimate is derived from the default performance of the sample, wherein defaults and arrears represent loss, and full repayments or guarantee removals represent no loss. For facilities in the sample which are on schedule, an estimate is made of the proportion that will default (resulting in loss) before maturity. The approach to estimation uses the BBLS lifetime PD for this purpose. This an evidence-based approach, which reflects the evolving risk profile of a maturing book.

ECL fraud and error loss rate

To derive an estimate of the fraud and error rate to be used as an input to the ECL calculation, the level of fraud and error within the defaulted book is assessed and deducted from the lifetime fraud and error loss rate estimate to derive the level of residual fraud remaining in the open book.

Analysis of Lender detected fraud and error in the BBLS population when compared to the sample, indicates that Lenders do not identify all instances of fraud loss. This means that there is a risk of underestimating the amount of fraud loss that has already been incurred. Low fraud detection rate by Lenders is in some cases due to limited access to data that would indicate suspicion of fraud or error. Furthermore, Lenders may be less likely to mark a facility as suspected fraud where the borrower has a history of on-schedule payments, as they would be unable to prove 'Intent'.

It is therefore considered appropriate to use the Lender detected fraud and error rate in the sample to scale up the estimate of realised fraud and error in the 'closed' loan book, in order to derive the residual fraud remaining in the 'open' book.

Fraud and error sensitivity

The analysis below is derived by sensitising the three key sources of uncertainty of the central ECL fraud estimate.

The estimate of the incidence of fraud or error reflects a 95% confidence interval around the central estimate of 9.7%.

The estimate of the detection rate of loss due to fraud or error reflects a 95% confidence interval around the central estimate of 68.6%.

The estimate of the default rate of fraud or error in the sample which is currently up to date is assumed to be either greater by half or lesser by half than the central estimate of 22.1%.

The upper sensitivity represents the combined upper estimate for each of these three assumptions, resulting in a residual fraud loss estimate of 4.5%. The lower sensitivity represents the combined lower estimates for each assumption and a residual fraud loss estimate of 0.4%.

Sensitivity analysis: Impact on BBLS model liability estimate of changes in fraud probability	31 March 2025	31 March 2024
	£m	£m
Lower estimate of residual fraud loss 0.4% (2024: 0.5%)	(129)	(275)
Model liability estimate 2.5% (2024: 2.8%)	2,805	6,245
Upper estimate of residual fraud loss 4.5% (2024: 5.1%)	120	262

Data limitations

The fraud and error loss estimate is based on analysis of the sample against a number of fraud risk indicators. However, it is recognised that there are a number of fraud risk indicators which the sampling exercise did not take into account. Whilst work has been performed to validate

the potential impact of these risk indicators, there is not sufficiently robust data available to quantify their impact.

The risk indicators identified and not considered in the sampling work performed include turnover inflation, misuse of funds, backdated director appointment, unusual activity, dissolution objections and sole traders. The Department has worked to quantify the impact of these indicators on the fraud rate estimate. The impact of these fraud risk indicators either cannot be supported by verifiable or observable evidence, or it would require undue cost or effort in order to produce a robust estimate, and as such, have not been included within the fraud rate estimate at year end.

The estimate of loss as a result of fraud is based on the default performance to date of facilities from the sample that were identified as 'suspected fraud', and also of facilities across the wider BBLS population. However, as further repayment data becomes available, the estimate could change.

Whilst there are limitations to the data supporting the estimate, the Department has used all supportable information that is available at the year end, to determine its estimate of fraud in the BBLS portfolio.

CBILS, CLBILS, RLS 1&2 and GGS

Fraud is considered to be material for BBLS only and as such an explicit fraud rate has not been built into the ECL calculations for CBILS, CLBILS, RLS and GGS. For these schemes estimated fraud losses are integrated into the credit loss estimates. An assessment has been made over the levels of fraud in all schemes (BBLS,CBILS, RLS, and GGS). BBLS is the only scheme of these four which has a liability that is material to the accounts.

The evaluation of information currently available supports the Department's assessment that the schemes are not affected by elevated levels of fraud. Normal control and verification procedures carried out in the banking industry were required to be applied by lenders in advance of CBILS, RLS and GGS loans being awarded, this significantly reduced the risk within the portfolio. Therefore, losses as a result of fraud in these portfolios are not expected to be either materially different from a commercial lending book, or material in their own right.

The assessment of fraud within these schemes is based on the levels of suspected fraud detected by lenders at 31 March 2025, which is the best available data that can be used for this purpose. For CBILS, RLS 1&2 and GGS, lenders have flagged less than 1% of the drawn loan value as being suspected fraud. It should be noted that facilities identified by lenders as suspected fraud will not all ultimately default and result in a loss to the Department.

Recoveries post guarantee claim

The model estimates comprise expected values estimates for the amounts to be paid out on guarantee claims less the Department's share of estimated recoveries from borrowers in the event of a claim. The schemes are deemed to be non-investment grade, with a 40% variation in recoveries appropriate based on industry studies. The analysis shows the impact on the model liability estimates had the estimates of amounts to be recovered been higher or lower by 40%.

Sensitivity analysis: Impact on model liability estimate of changes in estimate of recoveries post guarantee claim	BBLS £m	CBILS £m	RLS £m	GGS £m
Recovery amounts higher by 40%	(20)	(9)	(17)	(22)
Model liability estimate	2,805	284	157	205
Recovery amount lower by 40%	19	9	17	22

Cures' post model adjustment

A post model adjustment (PMA) has been made to the total model liability estimate for the CBILS scheme, based on expert management judgement.

The ECL model has two definitions of default both of which accord with the IFRS 9 standard of credit impairment (stage 3). These are 'Lender Demand' and '90+ Days Past Due'. In determining whether a loss has occurred, a facility must first default under either definition. The ECL model assumes that following such a default, all facilities will progress to claim with a recovery rate represented by the facility's Loss Given Default (LGD) at a portfolio level.

Portfolio performance data shows that the probability of a loss differs between the 'Lender Demand' and '90+ Days Past Due' default populations. This means that the single LGD parameter is not granular enough to model the total expected losses between the default populations. To recognise this limitation, we have applied a post model adjustment to account for the probability of a no-loss outcome (cure). The PMA is expected to be applied on a temporary basis pending enhancement of the CBILS LGD model component, which will be undertaken during FY 2025-26.

This post model adjustment is not applicable for schemes other than CBILS as at 31 March 2025 because they have much longer recovery and workout periods from default than CBILS which means there is insufficient recovery data to accurately recalibrate LGD at this stage.

The breakdown of the reported liabilities for the various schemes showing the total model liability and any post model adjustments is shown in the table below.

	31 March 2025				31 March 2024			
	BBL	CBILS	RLS 1&2	GGS	BBL	CBILS	RLS 1&2	GGS
	£m	£m	£m	£m	£m	£m	£m	£m
Model liability estimate	2,805	284	157	205	6,245	645	348	162
Cures PMA	-	(77)	-	-	(1,059)	-	-	-
Total	**2,805**	**207**	**157**	**205**	**5,186**	**645**	**348**	**162**

Additional model uncertainty in relation to BBLS Pay As You Grow (PAYG)

There is uncertainty over the performance of the BBLS portfolio due to the growing population of facilities which have taken up or exhausted all Pay As You Grow (PAYG) options. Under PAYG, borrowers were offered any combination of a capital repayment holiday; up to three interest only repayment periods; a term extension to 10 years. At 31 March 2025, 36% of BBLS borrowers had taken at least one PAYG option, and 3% of borrowers had exhausted all options. The proportion of borrowers which have exhausted all options is expected to increase in the year ahead.

Enhancements to the BBLS PD model made in 2024-25 has enabled segmentation of the exhausted PAYG and non-exhausted PAYG cohorts of the BBLS portfolio which allows separate ECL estimation of the two separate cohorts.

Credit risk exposure for guarantees

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Core Department is exposed to credit risk from borrower default on lending against which the Department has issued guarantees, primarily in relation to the Bounce Back Loan Scheme

(BBLS), Coronavirus Business Interruption Loan Scheme (CBILS), Coronavirus Large Business Interruption Loan Scheme (CLBILS), Recovery Loan Scheme (RLS) and Growth Guarantee Scheme (GGS). The guarantees were issued to lenders and do not impact on the contractual obligation of borrowers to repay loans. Proportions of lending guaranteed are 100% for BBLS and 80% for CBILS and CLBILS, 80% or 70% for RLS and 70% for GGS. An estimate of collateral security held by lenders for CBILS, RLS, CLBILS, and GGS which will reduce the Department's exposure, has been included in the reported liability. Any payment by the Department under a guarantee entitles it to a commensurate proportion of sums subsequently recovered from the borrower.

At 31 March 2025 the Core Department was exposed to total guaranteed lending under these schemes of £18,308 million (31 March 2024: £28,851 million). The guarantees will expire over the next ten years as the underlying debt is repaid. The Department's reported liability of £3,394 million at 31 March 2025 (31 March 2024: £6,376 million) has been measured as the present value of expected payments to reimburse guarantee holders for credit losses incurred less amounts expected subsequently to be recovered from borrowers, that is, as lifetime expected credit losses as defined for financial guarantees by IFRS 9.

Accredited scheme lenders are responsible for collections and recoveries of amounts advanced to borrowers. Lenders are required to follow their own recovery processes, while fulfilling their regulatory responsibility to ensure fair and consistent treatment of customers. For BBLS, a recoveries framework, developed in conjunction with lenders, provides guidance to lenders on best practice in the context of the scheme rules. Lenders' operation of the schemes, including recoveries processes and performance, is assessed and reviewed by the British Business Bank.

The Enterprise Financial Guarantee Scheme facilitates lending to viable businesses with the maximum obligation capped at £42 million at 31 March 2025 (31 March 2024: £56 million). The ENABLE guarantee scheme aims to encourage lending to smaller businesses with the Department guaranteeing a portion of net losses on designated loan portfolios of participating banks in excess of an agreed 'first loss' threshold. At 31 March 2025 the Department had approved guarantee facilities with a potential maximum liability of £1,243 million (31 March 2024: £869 million). An aggregate liability of £4 million for both schemes at 31 March 2025 (31 March 2024: £6 million) has been reported on the Statement of Financial Position.

Financial assets are written off, from an accounting perspective when there is no realistic prospect of receiving further return. Decisions are made on a case-by-case basis, as to whether the Department considers repayment realistic. Examples of reasons for write offs may include business insolvency, an Individual Voluntary Arrangement (IVA), bankruptcy, when debts become statute barred.

Information on the performance of facilities in the BBLS, CBILS and CLBILS is published quarterly on gov.uk (COVID-19 loan guarantee schemes repayment data: March 2025 - GOV.UK). Information on the performance of facilities in the GGS is published quarterly by the British Business Bank (GGS (including RLS iteration 3) Performance Data (31 Mar 25) | British Business Bank). These publications include information on the volume and value of facilities that are paying on schedule, those that are in arrears, and those that have defaulted.

Departmental Group

British Business Bank – Loan commitments

The £179 million loan commitment (31 March 2024: £229 million) relates to Enterprise Capital Funds (ECF) liabilities in the British Business Bank, see note 18 for further information.

17. Capital and other commitments

Total minimum payments for capital, leases and other commitments

		31 March 2025		31 March 2024	
	Note	Core Department and agencies £m	Departmental group £m	Core Department and agencies £m	Departmental group £m
Contracted Capital Commitments	17.1	458	4,200	384	4,109
Other financial commitments	17.2	76	76	98	98
Total		**534**	**4,276**	**482**	**4,207**

17.1 Capital Commitments

Departmental Group

The most significant commitments that the Departmental Group has entered into include:

Capital Commitment	Detail
Post Office Limited (POL) Loan	Capital commitments of £278 million (31 March 2024: £209 million) relate to undrawn amounts on the working capital facility with POL at 31 March 2025.
Angel Co Fund	Capital commitments of £19 million (31 March 2024: £28 million) relate to undrawn amounts of the total funds committed at 31 March 2025.
ENABLE Funding	Capital commitments of £161 million (31 March 2024: £147 million) relate to undrawn amounts on the loan at 31 March 2025.
British Business Bank (BBB)	Investment commitments of £3,617 million (31 March 2024: £3,560 million) for BBB related to undrawn investment commitments.
Northern Powerhouse Investment Limited (NPIL)	£36 million (31 March 2024: £52 million) relating to capital calls to be utilised over the next six years.
Midlands Engine Investments Limited (MEIL)	£28 million (31 March 2024: £40 million) relating to capital calls to be utilised over the next seven years.
BIS (Postal Services Act 2011) Company Limited	£58 million (31 March 2024: £68 million) for capital calls relating to investments in respect of the private equity and property funds financial instruments.

For a breakdown of the line “Other financial commitments” please see tables below.

17.2 Other Financial commitments

The Departmental Group has entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) for subscriptions to international bodies and various other expenditures.

Future payments to which the Departmental Group is committed are as follows:

	31 March 2025		31 March 2024	
	Core Department and agencies	Departmental group	Core Department and agencies	Departmental group
	£m	£m	£m	£m
Not later than one year	42	42	45	45
Later than 1 year and not later than 5 years	34	34	47	47
Later than 5 years	-	-	6	6
Total	**76**	**76**	**98**	**98**

Note: The Departmental Group's largest non-cancellable contracts are held by Companies House, totalling £75 million at 31 March 2025 (31 March 2024: £80 million). These commitments primarily relate to services including the use of a Digital, Data and Technology (DDaT) partner to support the delivery of its transformation programme and new legislative reforms.

18. Financial Instruments

The carrying amounts of financial instruments in each of the IFRS 9 categories are shown below.

		31 March 2025		31 March 2024	
	Note	Core Department and agencies £m	Departmental Group £m	Core Department and agencies (restated) £m	Departmental Group (restated) £m
Financial assets					
At amortised cost					
Cash and cash equivalents	12	1,313	1,715	2,519	2,932
Receivables[i]	11	242	182	475	470
Loans to public sector bodies[ii],[iii]	9	1,158	710	1,355	786
Other financial assets and private sector loans	10	-	959	-	1,018
Total financial assets at amortised cost		**2,713**	**3,566**	**4,349**	**5,206**
Mandatory at fair value through profit or loss (FVTPL)					
Redundancy payment service[v]	11	93	93	86	86
Repayable launch investments	10	464	464	457	457
Future Fund investments	10	610	610	799	799
Loans to public sector bodies[ii],[iii]	9	124	-	119	-
Other financial assets and private sector loans[vii]		144	4,724	146	4,134
Total financial assets mandatory at FVTPL		**1,435**	**5,891**	**1,607**	**5,476**
Financial liabilities					
At amortised cost					
Payables[ii]	13	2,060	2,133	3,430	3,529
Total financial liabilities at amortised cost		**2,060**	**2,133**	**3,430**	**3,529**
Designated at fair value through profit or loss (FVTPL)					

		31 March 2025		31 March 2024	
	Note	Core Department and agencies £m	Departmental Group £m	Core Department and agencies (restated) £m	Departmental Group (restated) £m
Loan commitment liabilities	16	-	(179)	-	(229)
Total financial liabilities designated at FVTPL		**-**	**(179)**	**-**	**(229)**
Financial guarantee liabilities					
Financial guarantee liabilities[vi]	16	(3,394)	(3,394)	(6,376)	(6,376)
Total financial guarantee and loan commitment liabilities		**(3,394)**	**(3,394)**	**(6,376)**	**(6,376)**

Notes:

i. The amounts disclosed above as payables and receivables exclude any assets or liabilities which do not arise from a contractual arrangement. Note that the prior year comparatives at 31 March 2024 have been restated to exclude these assets and liabilities.

ii. Public sector funding classified at amortised cost consists of loans to Post Office Limited and Fleetbank Funding Limited (Enable funding programme). Public sector funding classified as fair value through profit and loss consist of funding to British Business Bank for The Start-up Loans Company. Public sector funding to Northern Powerhouse Limited, Midlands Engine Investments Limited and Cornwall and Isles of Scilly Investments Limited are accounted for at cost under IAS 27 – Separate Financial Statements, so are excluded. See note 9 for further detail.

iii. Under an adaptation of the FReM for IFRS (note 1), financial guarantees for the BBLS, CBILS, CLBILS, RLS and GGS schemes (note 16) are measured at lifetime expected credit losses which is not a measure of fair value but is to be treated as such for the purpose of comparison of fair value to the value in the SOFP.

vi. Ordinary shares in British Business Bank are excluded, as these are consolidated in the Departmental Group and are held at cost. See note 9 for further detail.

v. Prior year comparatives have been restated to include Redundancy Payment Service which was incorrectly excluded in the prior year.

Financial risk management

IFRS 7 ‘Financial Instruments: Disclosure’ requires the disclosure of information which will allow users of financial statements to evaluate the significance of financial instruments on the Departmental Group’s financial performance and position and the nature and extent of its exposure to risks arising from these instruments.

As the cash requirements of the Departmental Group are largely met through the estimates process, financial instruments play a more limited role in creating risk than would apply to a private sector body of a similar size.

The Departmental Group is however exposed to credit, market (including foreign currency risk and interest rate risk), and liquidity risks due to the specific programmes and activities undertaken in pursuance of the Departmental Group’s objectives.

Core Department and Agencies

Investment funds

Investee companies may not perform as expected and the Departmental Group may not recover its initial investment. The Core Department minimises the risk by monitoring the overall performance of the funds and to secure value for the Core Department as an investor. This includes a full evaluation of each business case submitted prior to committing funds.

Collateral

The Core Department holds collateral over some loans held at amortised cost. Loan assets thus secured at 31 March 2025 comprise £672 million of lending by the Core Department to Post Office Limited (31 March 2024: £741 million) (see note 9 for further detail, including discussion on ECL measurement). The Department has also provided an additional term loan with a carrying value of £38 million at 31 March 2025, (31 March 2024: £45 million). This is fully collateralised and more information can be found in note 9.

Collateral is taken into account in estimation of expected credit losses (ECL) on the secured assets.

Departmental Group

British Business Bank investments

The BBB investments are assessed by BBB's Executive Valuation Committee. BBB produces credit risk ratings for its investments based upon a risk grading of the financial obligor and the estimated Loss Given Default on that investment. Risk drivers which are assessed in setting the ratings include the financial viability and lending safety of the investment and, if available, the rating assigned by an external credit agency. This is mitigated by new product approval processes that assess default and loss rates, due diligence of delivery partners underwriting methods, and portfolio monitoring and default models being put in place.

Collateral

The Departmental Group holds collateral over some loans held at amortised cost. Loan assets thus secured at 31 March 2025 comprise £138 million of lending by BBB (31 March 2024: £111 million), the nature of the BBB related collateral is mostly made up of plant, machinery, vehicles and soft assets.

Fleetbank funding has collateral comprising asset finance receivables. Fleetbank assets are fully collateralised.

Collateral is taken into account in estimation of expected credit losses (ECL) on the secured assets.

Credit risk rating and loss allowance

The Departmental Group has the following financial assets subject to the expected credit loss model:

- Trade receivables, contract assets, and lease receivables
- Loans
- Cash and cash equivalents

Trade receivables contract assets and lease receivables

The Core Department applies the IFRS 9 simplified approach using an allowance matrix to measure the lifetime expected loss allowance for trade receivables in accordance with the FReM guidance. Trade receivables are grouped based upon credit risk characteristics and the number of past due days. Default is defined as 90 days past due. The loss rates are estimated using the historic data for each aging group. Forward-looking information such as macroeconomic factors and entity specific situations are considered for entities with

significant outstanding balances. Balances with other core central government departments are excluded from recognising stage-1 and stage-2 impairments following the FReM adaptations.

Loans

Where possible, the Departmental Group monitors changes in credit risk by tracking published external credit ratings. For all assets other than those held by BBB, an internal credit rating system, which was developed based on other established methodologies, was used to assign credit risks for loans that do not have external credit rating. 12-month and lifetime probabilities of default are based upon Moody's published research on the global default rate adjusted for historical repayment data and any macroeconomic pressures which could impact the entity's ability to repay the loan.

The BBB investments are assessed by BBB's Valuation Committee. BBB produces credit risk ratings for its investments based upon a risk grading of the financial obligator and the estimated Loss Given Default on that investment. Further details can be found in BBB's annual report and accounts.

The table below shows an analysis of credit risk and quality:

Low risk financial assets are fully collateralised, medium and high-risk financial assets are split between medium and high by considering the circumstances of the individual assets. The table below shows the total asset values in each category:

	31 March 2025				31 March 2024 (restated)			
	Amortised cost				Amortised cost			
Credit rating	12 month ECL £m	Lifetime ECL not impaired £m	Lifetime ECL impaired £m	Total £m	12 month ECL £m	Lifetime ECL not impaired £m	Lifetime ECL impaired £m	Total £m
Low risk financial assets	1,305	-	-	1,305	1,526	-	-	1,526
Medium risk financial assets	370	-	-	370	328	-	-	328
High risk financial assets	168	25	-	193	169	28	-	197
Default financial assets	-	-	18	18	-	-	22	22
Gross carrying amount	**1,843**	**25**	**18**	**1,886**	**2,023**	**28**	**22**	**2,073**
Loss allowance	(14)	(6)	(16)	**(36)**	(17)	(6)	(21)	**(44)**
Net carrying amount	**1,829**	**19**	**2**	**1,850**	**2,006**	**22**	**1**	**2,029**

The Departmental Group does not hold any loans, bonds and term deposits measured at FVTOCI.

The prior year comparatives for both low and high risk financial assets have been restated to include the trade and other receivables balances subject to an ECL.

Note this table considers credit risk over financial liabilities. The Core Department holds credit risk over liabilities in the guarantees this is covered within note 16.

The movement in the allowance for impaired loans, bonds and term deposits at amortised cost during the year was as follows.

	31 March 2025				31 March 2024			
	12 month ECL	Lifetime ECL not impaired	Lifetime ECL credit impaired	Total	12 month ECL	Lifetime ECL not impaired	Lifetime ECL credit impaired	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 April	17	6	17	**40**	14	14	20	**48**
Additions	9	-	-	**9**	13	-	-	**13**
Net remeasurement	(9)	(2)	(1)	**(12)**	(6)	(10)	(2)	**(18)**
Transfer to credit loss 12 month	-	2	1	**3**	-	3	1	**4**
Transfer to credit loss not impaired	(2)	-	-	**(2)**	(3)	-	1	**(2)**
Transfer to credit loss impaired	(1)	-	-	**(1)**	(1)	(1)	-	**(2)**
Written-off	-	-	(1)	**(1)**	-	-	(3)	**(3)**
Balance at 31 March	**14**	**6**	**16**	**36**	**17**	**6**	**17**	**40**

Cash and cash equivalents

The Departmental Group held cash and cash equivalents of £1,715 million at 31 March 2025 (31 March 2024: £2,932 million). The cash and cash equivalents are held with banks and financial institutions which are rated AA – to AA+ based on S&P ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Departmental Group considers that cash and cash equivalents have a low credit risk based on the external credit ratings of the holding parties.

Market risk

Market risk is the risk that fair values and future cash flows will fluctuate due to changes in market prices. Market risk generally comprises of foreign currency risk, interest rate risk and other market risk.

a) Foreign currency risk

Core and Agency

The Core Department is exposed to a small amount of currency risk with respect to Repayable Launch Investment contracts where income due from aircraft or engine sales may initially be based in US dollars, but it is minimal in the context of the overall Repayable Launch Investment portfolio. Otherwise the Core Department's exposure to foreign currency risk during the year was insignificant. Foreign currency income was negligible, and foreign currency expenditure was a small percentage of total expenditure (less than 1%).

All material assets and liabilities are denominated in pounds sterling.

Departmental Group

BIS (Postal Services Act 2011) Company Limited is subject to minor foreign currency risk through the maintenance of bank accounts in foreign currencies (predominantly US dollar and euros) to deal with day-to-day overseas transactions. BBB is subject to minor foreign currency risk through investment funds which have an internal investment mandate and are denominated in euros or US dollars, and through equity held in listed companies valued in a foreign currency.

b) Interest rate risk

Core Department

The Core Department does not invest or access funds from commercial sources and therefore the interest rate risk the Department is exposed to is immaterial.

Departmental Group

BBB holds both fixed and variable rate investments. Interest rate risk is regularly monitored to ensure that the mix of fixed and variable borrowing is appropriate. BBB does not use derivatives to hedge interest rate risk.

c) Other market risk

Core Department

The Core Department is exposed to wider risks relating to the performance of the economy as a whole. The main risks resulting from a downward movement in the economy include failures of investee companies of investment funds and loan defaults. For further information on the assessment of market risk in relation to Repayable Launch Investments and Future Funds, see below and note 10.

Future Funds investments

The Core Department is exposed to equity price risk in respect of Future Fund investments held and classified on the balance sheet as financial assets held at fair value through profit and loss. The equity rights are held mostly in unquoted high-growth technology companies and are valued by specialist external advisors who apply valuation methodologies in compliance with recognised accounting standards and following International Private Equity and Venture Capital Valuation (IPEV) guidelines. These valuations are subject to market risk.

The Core Department seeks to manage this risk by routinely monitoring the reported performance of these investments, employing stringent investment appraisal processes on a quarterly basis. Market risk is further mitigated through the diversity of the portfolio of investments. As part of the process of ensuring reliable valuation, movements on the following market indices are monitored:

- Market Industry Index, mapping companies to their relevant sector.
- Synthetic Index across all UK Companies mapped to sub-sectors.
- Small Cap Index, using FTSE Small-Cap Benchmark as a measure.

See note 10 for Future Fund sensitivity analysis.

Departmental Group

Equity price risk arises from the uncertainty about the future prices of financial instruments held and classified on the balance sheet as financial assets held at fair value through profit and loss. It represents the potential loss that the Group might suffer through holding market positions in the face of market movements.

The Group is exposed to equity price risk in respect of equity rights and investments held by the Group and classified on the balance sheet as financial assets at FVTPL.

These equity rights are held mostly in unquoted high-growth technology companies and are valued by the managers of the fund who apply valuation methodologies in compliance with IFRS or other recognised accounting standards such as UKGAAP. Most of the Group's investment funds apply IFRS valuation methodologies or apply the IPEV Guidelines. These valuations are subject to market movements.

The Departmental Group seeks to manage this risk by routinely monitoring the reported performance of these investments, employing stringent investment appraisal processes on a quarterly basis.

The valuations of FVTPL financial assets are based on the valuations provided by the fund managers in line with IPEV Valuation Guidelines or the valuation guidelines produced by the British Venture Capital Association (BVCA). Valuation techniques used include the use of earnings multiples, discounted cash flows analysis, and net asset values. The performance of these funds are monitored regularly. For further information on the investment funds, see note 10.

Market risk BBB schemes

Four equity asset portfolios in BBB are deemed materially sensitive. Analysis for 2025 indicates that a 31% increase or a 32% decrease in the value of BPC investments could result in a gain of approximately £556 million or a loss of £574 million, while a 7% change in BBI investments could lead to a gain or loss of around £104 million. Similarly, a 25% increase or a 26% decrease in BBFL investments could result in a gain of £155 million or a loss of £161 million, respectively. Lastly, a 19% change in NRIL investments could lead to a gain or loss of around £41 million.

These ranges are considered reasonable based on historical data and market movements.

Further qualitative and quantitative disclosures, and sensitivity analysis can be found in the annual report and accounts of British Business Bank Plc (company number 08616013).

Liquidity risk

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

Core Department and agencies

In common with other government departments, the future financing of its liabilities is to be met by future grants of Supply, voted annually by Parliament. There is no reason to believe that future approvals will not be forthcoming, therefore, on this basis the liquidity risk to the Core Department and its agencies is minimal.

Departmental Group

Information about the Departmental Group's objectives, policies and processes for managing and measuring risk can be found in the Governance Statement.

Maturity analysis for non-derivative financial liabilities

	Note	31 March 2025						31 March 2024 (restated)					
		Core dept and agencies			Departmental Group			Core dept and agencies			Departmental Group		
		On demand	Due within 1 year	Due greater than 1 year	On demand	Due within 1 year	Due greater than 1 year	On demand	Due within 1 year	Due greater than 1 year	On demand	Due within 1 year	Due greater than 1 year
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At amortised cost													
Payables	13	-	(2,060)	-	-	(2,116)	(17)	-	(3,340)	-	-	(3,480)	(49)
Total financial liabilities at amortised cost		**-**	**(2,060)**	**-**	**-**	**(2,116)**	**(17)**	**-**	**(3,340)**	**-**	**-**	**(3,480)**	**(49)**
At fair value through profit or loss (FVTPL)													
Loan commitment liabilities	16	-	-	-	-	(40)	(139)	-	-	-	-	(55)	(174)
Total financial liabilities at FVTPL		-	-	-	-	(40)	(139)	-	-	-	-	(55)	(174)
Financial guarantee liabilities													
Financial guarantee liabilities	16	(3,394)	-	-	(3,394)	-	-	(6,376)	-	-	(6,376)	-	-
Total financial guarantee liabilities		**(3,394)**	**-**	**-**	**(3,394)**	**-**	**-**	**(6,376)**	**-**	**-**	**(6,376)**	**-**	**-**

Note: The amounts disclosed above as payables exclude any liabilities which do not arise from a contractual arrangement. Note that the prior year comparatives at 31 March 2024 have been restated to exclude these liabilities.

Financial Instruments: fair value

The table below analyses financial instruments at fair value. Where no market price is available, fair value is estimated by discounting expected future cash flows.

Core Department and Agencies

		31 March 2025		31 March 2024 (restated)	
	Note	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m
Financial assets					
At amortised cost					
Cash and cash equivalents	12	1,313	1,313	2,519	2,519
Receivables[i]	11	242	242	475	475
Loans to public sector bodies	9	1,146	1,158	1,281	1,355
Total financial assets at amortised cost		**2,701**	**2,713**	**4,275**	**4,349**
Mandatory at fair value through profit or loss (FVTPL)					
Redundancy payment service[ii]	11	93	93	86	86
Repayable launch investments	10	464	464	457	457
Future Fund investments	10	610	610	799	799
Public sector loans	9	124	124	119	119
Investments and loans to private sector	10	144	144	146	146
Total financial assets mandatory at FVTPL		**1,435**	**1,435**	**1,607**	**1,607**
Financial liabilities					
At amortised cost					
Payables[i]	13	(2,060)	(2,060)	(2,958)	(2,958)
Total financial liabilities at amortised cost		**(2,060)**	**(2,060)**	**(2,958)**	**(2,958)**
Designated at fair value through profit or loss (FVTPL)					
Loan commitment liabilities	16	-	-	-	-
Total financial liabilities designated at FVTPL		**-**	**-**	**-**	**-**
Financial guarantee liabilities					
Financial guarantee liabilities	16	(3,394)	(3,394)	(6,376)	(6,376)

	Note	31 March 2025 Fair value £m	31 March 2025 Carrying value £m	31 March 2024 (restated) Fair value £m	31 March 2024 (restated) Carrying value £m
Total financial guarantee and loan commitment liabilities		**(3,394)**	**(3,394)**	**(6,376)**	**(6,376)**

i. The amounts disclosed above as payables and receivables exclude any assets or liabilities which do not arise from a contractual arrangement. Note that the prior year comparatives at 31 March 2024 have been restated to exclude these assets and liabilities.

ii. Prior year comparatives have been restated to include Redundancy Payment Service which was incorrectly excluded in the prior year.

Departmental Group

	Note	31 March 2025 Fair value £m	31 March 2025 Carrying value £m	31 March 2024 (restated) Fair value £m	31 March 2024 (restated) Carrying value £m
Financial assets					
At amortised cost					
Cash and cash equivalents	12	1,715	1,715	2,932	2,932
Receivables[i]	11	182	182	470	470
Loans to public sector bodies	9	710	710	784	786
Investments and loans to private sector	10	967	959	1,016	1,018
Total financial assets at amortised cost		**3,574**	**3,566**	**5,202**	**5,206**
Mandatory at fair value through profit or loss (FVTPL)					
Redundancy payment service[ii]	11	93	93	86	86
Repayable launch investments	10	464	464	457	457
Future Fund investments	10	610	610	799	799
Other financial assets and private sector loans	10	4,724	4,724	4,134	4,134
Total financial assets mandatory at FVTPL		**5,891**	**5,891**	**5,476**	**5,476**
Financial liabilities					
At amortised cost					
Payables[i]	13	(2,133)	(2,133)	(3,054)	(3,054)
Total financial liabilities at amortised cost		**(2,133)**	**(2,133)**	**(3,054)**	**(3,054)**

	Note	31 March 2025 Fair value £m	31 March 2025 Carrying value £m	31 March 2024 (restated) Fair value £m	31 March 2024 (restated) Carrying value £m
Designated at fair value through profit or loss (FVTPL)					
Loan commitment liabilities	16	(179)	(179)	(229)	(229)
Total financial liabilities designated at FVTPL		**(179)**	**(179)**	**(229)**	**(229)**
Financial guarantee liabilities					
Financial guarantee liabilities	16	(3,394)	(3,394)	(6,376)	(6,376)
Total financial guarantee and loan commitment liabili-ties		**(3,394)**	**(3,394)**	**(6,376)**	**(6,376)**

i. The amounts disclosed above as payables and receivables exclude any assets or liabilities which do not arise from a contractual arrangement. Note that the prior year comparatives at 31 March 2024 have been restated to exclude these assets and liabilities.

ii. Prior year comparatives have been restated to include Redundancy Payment Service which was incorrectly excluded in the prior year.

Financial Instruments: fair value hierarchy

The table below analyses financial instruments carried at fair value by the Departmental Group, by valuation method. The different levels are defined as:

- Level 1 – uses quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – uses inputs for the assets or liabilities other than quoted prices, that are observable either directly or indirectly.
- Level 3 – uses inputs for the assets or liabilities that are not based on observable market data, such as internal models or other valuation methods.

Fair value hierarchy

		31 March 2025				31 March 2024 (restated)			
	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets									
At fair value through profit or loss (FVTPL)									
Redundancy payment service		-	-	93	93	-	-	86	86
Repayable launch investments		-	-	464	464	-	-	457	457
Future Fund investments		-	-	610	610	-	-	799	799
Investments and loans to private sector		43	62	4,619	4,724	39	25	4,070	4,134
Total financial assets at FVTPL		**43**	**62**	**5,786**	**5,891**	**39**	**25**	**5,412**	**5,476**
Total financial assets measured at fair value		**43**	**62**	**5,786**	**5,891**	**39**	**25**	**5,412**	**5,476**
Financial liabilities									
At fair value through profit or loss (FVTPL)									
Loan commitment liabilities		-	-	(179)	(179)	-	-	(229)	(229)
Total financial liabilities at FVTPL		**-**	**-**	**(179)**	**(179)**	**-**	**-**	**(229)**	**(229)**
Total financial liabilities measured at fair value		**-**	**-**	**(179)**	**(179)**	**-**	**-**	**(229)**	**(229)**

Notes

Prior year comparatives have bene restated to include Redundancy payment service which was incorrectly excluded in the prior year. Transfers between levels of the fair value hierarchy are deemed to occur at the end of the reporting period. There have been no transfers between Level 1 and Level 2, and Level 1 and Level 3 in 2024-25.

Specific valuation techniques used to value financial instruments include:

- for details regarding the fair value measurement of RLI's and Future Fund investments, refer to Note 10.
- other techniques, such as discounted cash flow analysis or for non-quoted ordinary shares and investment funds that are not actively traded, the net assets of the company/underlying fund are used – these are classified as level 3.

Changes in level 3 instruments

The tables below show the changes in level 3 instruments:

	31 March 2025					
	Redundancy payment service	Repayable launch investments	Future Fund investments	Investments and loans to private sector	Loan commitment liabilities	Total
	£m	£m	£m	£m	£m	£m
Balance at 1 April 2024	**86**	457	799	4,070	(229)	5,183
Additions	36	-	-	986	(67)	955
Fair value adjustment on initial recognition				(55)		(55)
Repayments/ disposals	(29)	(44)	(30)	(478)	55	(526)
Revaluations	-	51	(159)	124	62	78
Transfers from level 3 to level 2				**(53)**		**(53)**
Transfers from level 2 to level 3	-	-	-	25	-	25
Balance at 31 March 2025	**93**	**464**	**610**	**4,619**	**(179)**	**5,607**

	31 March 2024 (restated)					
	Redundancy payment service	Repayable launch investments	Future Fund investments	Investments and loans to private sector	Loan commitment liabilities	Total
	£m	£m	£m	£m	£m	£m
Balance at 1 April 2023	**83**	433	851	3,828	(210)	4,985
Additions	32	-	-	729	-	761
Repayments/ disposals	(29)	(46)	(10)	(350)	(41)	(476)
Revaluations	-	70	(42)	(139)	22	(89)
Transfers	-	-	-	2	-	2
Balance at 31 March 2024	**86**	**457**	**799**	**4,070**	**(229)**	**5,183**

Note: Prior year comparatives have been restated to include Redundancy payment service which was incorrectly excluded in the prior year

19. Contingent Liabilities

Core Department – unquantifiable

Post Office Ltd

The Department has strongly supported Post Office Limited (POL) and the post office network as it provides vital public services to millions of customers across the United Kingdom. Significant funding has already been provided and committed to POL to ensure its policy objectives have been met, including mitigating risks arising from certain legacy claims connected with the Horizon IT system. While working with POL to transition to a self-funded model, the Department intends to continue to develop solutions to support POL in settling its liabilities as they fall due, subject to HM Treasury consent and subject to the application of the Subsidy Control Act 2022, where such liabilities threaten the ability of POL to continue to provide its vital public services. As such there is a possible likelihood that, should unexpected liabilities arise within POL that threatens its ability to function as a going concern, the Department would provide funding to settle some or all of these theoretical liabilities. At 31 March 2025 the quantum of any possible liability is unquantifiable. Note 4.4 sets out details of the subsidy funding the Department provided to POL during 2023-24 and 2024-25. Subsidy funding of £32 million in 2024-25 is considered to fall against the equivalent contingent liability disclosed in the prior year.

At 31 March 2025, POL had borrowed £672 million from the Department under the revolving capital loan facility and had an outstanding balance of £38 million on a term loan from the Department. On the basis that the loans are fully collateralised against the assets of POL, there is not expected to be any loss in the event of default, hence the ECL on this loan is £nil. If POL were to default on its repayments to the Department, and this led to a call on the assets of POL, this would create a liquidity challenge for POL which would need to be addressed by the Department. This forms part of the above unquantified contingent liability disclosed.

Core Department – quantifiable

	2024-25	2023-24
	£m	£m
Paid in capital subscription for the Common Fund for Commodities (CFC) – Government is committed to the payment of a subscription of £2.24 million, in the form of Promissory Notes to be redeemed on request by the fund.	2.24	**2.24**
Callable capital subscription for CFC – Government is committed to the payment of a subscription of £1.96 million to the fund.	1.96	**1.96**

Contingent Liabilities – Departmental Group

Insolvency Service

Unquantifiable:

Following the enactment of the Cheques Act 1992, the Secretary of State has indemnified the Insolvency Service's bankers against certain liabilities arising in respect of non-transferable "account payee" cheques due to insolvent estates and paid into the accounts of the Agency.

Legal Cases: Due to the nature of the work undertaken by the agency, there are a number of ongoing legal cases giving rise to contingent liabilities. The legal cases included as contingent liabilities all relate to either present obligations or probable obligations where reliable estimates cannot be made or possible obligations where the agency has issued civil proceedings through the courts, and the outcome is dependent on court rulings and findings not wholly within the agency's control.

The Agency has 97 (2023-24: 59) contingent liabilities relating to defended cases where it is possible but not probable that payment may be made in the future. The agency has determined that an aggregated value of these cases is not practicable to estimate in accordance with IAS 37.91. Further details of these cases cannot be disclosed, as in accordance with IAS 37.92, the agency considers that further disclosure for any contingent liability connected to legal proceedings could seriously prejudice ongoing litigation.

Others

There are a number of potential liabilities for the Departmental Group in respect of claims from suppliers, employees and third parties which depend on actual or potential proceedings. The timing and amounts of any liabilities are uncertain.

20. Related-party transactions

The Core Department is the parent of the bodies listed in note 21 ‘Entities within the departmental boundary’ – these bodies are regarded as related parties and various material transactions have taken place during the reporting period between members of the Departmental Group. The related parties of the consolidating bodies are disclosed in their respective accounts.

In addition, the Department has had transactions with other government departments, central government bodies or trading funds. The material transactions have been with HM Treasury, Post Office Limited, Foreign, Commonwealth and Development Office, UK Research and Innovation (UKRI), Cabinet Office, Government Legal Department, and HM Revenue and Customs (HMRC).

During the year the Department entered into a transaction for £0.4 million with McKinsey and Company Inc UK (2023-24: £nil), a firm at which a close family member of one of the Executive Board Members is a partner. There was an outstanding balance at 31 March 2025 of £0.4 million (31 March 2024: £nil). The work related to research into the Commerciality of Primary Steelmaking Production in the UK.

Details about the Board Members’ remuneration are included in the remuneration report.

21. Entities within the Departmental boundary

The table below shows the list of Departmental organisations included in the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2024 – known as the Designation Order. And amendments from the Government Resources and Accounts Act 2000 (Estimate and Accounts) (Amendment) Order 2024 – known as the Amendment Order.

Section (a) includes bodies consolidated within the Departmental Group accounts. Section (b) includes bodies within the Departmental Group but not consolidated – such as where net assets are not considered material to the Departmental Group accounts.

As a result of changes made in the 2024-25 Amendment Order, one additional body, BBB Patient Capital Advisory Services Limited – consolidated by the British Business Bank, is now included in the Departmental Group accounts boundary. Boundary changes have not impacted on previously reported financial results.

The status of “Other public body” is a formally established organisation that is publicly funded to deliver a public or government service, though not as a ministerial department.

(a) Bodies consolidated in Departmental Group accounts for 2024-25

Designated bodies	Status	Notes
Agencies		
Companies House	Executive agency	–
Insolvency Service	Executive agency	–
NDPBs and other designated bodies		
Advisory, Conciliation and Arbitration Service	NDPB	Consolidated by Department
Central Arbitration Committee	NDPB	Consolidated by ACAS
Certification Office for Trade Union and Employers' Associations	Other public body	Consolidated by ACAS
BIS (Postal Services Act 2011) Company Limited	Other public body	Consolidated by Department
British Business Bank plc	Other public body	Consolidated by Department
BBB Patient Capital Holdings Limited	Subsidiary of BBB	Consolidated by British Business Bank plc
BBB Patient Capital Advisory Services Limited	Subsidiary of BBB	Consolidated by British Business Bank plc
British Business Investments Ltd	Subsidiary of BBB	Consolidated by British Business Bank plc
British Business Finance Ltd	Subsidiary of BBB	Consolidated by British Business Bank plc
British Business Financial Services Ltd	Subsidiary of BBB	Consolidated by British Business Bank plc
British Business Aspire Holdco Ltd	Subsidiary of BBB	Consolidated by British Business Bank plc
British Patient Capital Limited	Subsidiary of BBB	Consolidated by British Business Bank plc
Nations and Regions Investments Limited	Subsidiary of BBB	Consolidated by British Business Bank plc
The Start-Up Loans Company	Subsidiary of BBB	Consolidated by British Business Bank plc
Competition Service	NDPB	Consolidated by Department
Competition Appeal Tribunal	NDPB	Consolidated by Department
Cornwall and Isles of Scilly Investments Limited	Other public body	Consolidated by Department, company is controlled by Department and administered by BBB.
Fleetbank Funding Limited	Other public body	Consolidated by Department
The Financial Reporting Council Limited	Other public body	Consolidated by Department
UK Accounting Standards Endorsement Board Limited	Other public body	Consolidated by The Financial Reporting Council Limited

Designated bodies	Status	Notes
Industrial Development Advisory Board	Expert Committee	The Industrial Development Advisory Board (IDAB) is a statutory body established under the 1982 Industrial Development Act (IDA). IDAB is an Expert Committee under the Department for Business and Trade (but can and does provide advice to ministers across government). No accounts produced. Funded by the core department. Costs are included as part of the Core Department.
Low Pay Commission	NDPB	No accounts produced as costs are included in the Core Department's expenditure
Midlands Engine Investments Limited	Other public body	Consolidated by Department, company is controlled by the Department and administered by BBB
Northern Powerhouse Investments Limited	Other public body	Consolidated by Department, company is controlled by the Department and administered by BBB
Office of Manpower Economics	Office Department	No accounts produced as costs are included in the Core Department's expenditure.
Office of the Regulator of community Interest Companies	Office Holder	No accounts produced as costs are included in Companies House expenditure.
Postal Services Holding Company Limited	Other Public Body	Company in Liquidation former holding company for the governments investment in Post Office Limited
Regulatory Policy Committee	NDPB	No accounts produced as coss are included in the Core Department's expenditure.
Trade Remedies Authority	NDPB	Consolidated by Department

(b) Bodies not consolidated in Departmental Group accounts for 2024-25

Designated bodies	Status	Notes
British Hallmarking Council	NDPB	Turnover and net assets are not material to Departmental Group accounts.
East Midlands Early Growth Fund Limited	Other public body.	Recorded as investment in Core Department accounts. Turnover and net assets are not material to Departmental Group accounts.
Groceries Code Adjudicator	Other public body – office holder	Turnover and net assets are not material to Departmental Group accounts.
Pubs Code Adjudicator	Other public body – office holder	Turnover and net assets are not material to Departmental Group accounts.
Small Business Commissioner	NDPB	Turnover and net assets are not material to Departmental Group accounts.

22. Events after the reporting period

Non-adjusting events

British Steel

The government intervened in British Steel under the Steel Industry (Special Measures) Act which gained royal assent on 12 April 2025. It has enabled the government to secure the raw materials required to maintain a two-blast-furnace operation in Scunthorpe for the coming months.

It was announced on the 1 September that the Department has provided £180 million for working capital. This covers items such as raw materials, salaries and addressing unpaid bills, including for SMEs in the supply chain. This does not take into account future revenue. The Department's accounts for 2025-26 will reflect the financial support that the Department has given to British Steel.

Speciality Steel UK Limited

The Department indemnified the Official Receiver for actions he undertakes as liquidator and claims and proceedings that are made against him personally in relation to his appointment. The indemnity was provided in May 2025. The indemnity does not extend to any costs which may legitimately be charged to the company in liquidation. The Department also provided the Official Receiver a letter of comfort to cover relevant costs and expenses incurred in connection with the appointment and are necessary to conclude the liquidation. The letter of comfort was provided alongside the indemnity in May 2025. Special Managers have been appointed to assist the Official Receiver with the liquidation.

Post Office Horizon IT Inquiry Volume 1 Report

Volume 1 of the Horizon Inquiry report was published on 8 July 2025. The report made 19 recommendations. The government made a statement to the House on 8 July in response to the publication and confirmed that it would respond to all of the recommendations by 10 October 2025. On 8 July the government confirmed it also accepted recommendations that the best offer principle should be applied to the GLO scheme and that a process for providing financial redress to close family members of those most adversely affected will be devised. Further announcements will be made regarding the recommendations and the detail as to how the recommendations will be enacted. The Department's 2025-26 ARA will contain information regarding the impacts on the Department stemming from implementation of the recommendations.

HSS Appeals

In September 2024, the government announced that it would be introducing an independent HSS Appeals (HSSA) process. This is to ensure that HSS claimants have the full opportunity to receive fair redress and reflects a recommendation from the Horizon Compensation Advisory Board. On 8 April 2025 the Department announced the process by which appeals can be made and the eligibility criteria for HSSA. Based on the modelling as of June 2025, the Department estimates that redress of £41 million will be paid out from this scheme. This estimate will be subject to further refinement as the scheme matures and a provision relating to HSSA will be presented in the Department's 2025-26 ARA.

Post Office Limited OC redress scheme

As detailed in note 15, the Department announced on 3 March 2025 that it would be taking over the provision of redress through the OC redress scheme. The Department took over the running of this scheme on 3 June 2025.

Capture Redress Scheme

On 19 June the Department announced details regarding the Capture Redress Scheme. The scheme is designed to provide fair compensation for those who suffered financial shortfalls due to the Capture software between 1992 and 2000. This follows the government's acceptance of findings from the independent investigation by Kroll Associates, which concluded there was a reasonable likelihood that Capture created financial shortfalls for postmasters.

The scheme is expected to open for applications in Autumn 2025, with an initial phased rollout for 150 claimants to ensure the process is fair, proportionate and accessible before wider implementation. Further details on applying to the Capture Redress Scheme will be published in the coming months.

Voluntary exit scheme

During June 2025 the Department ran a voluntary exit scheme to support the requirement to become smaller by the end of the Spending Review period in 2030. Exit offers will not be finalised and accepted or rejected until later in the 2025-26 financial year, with payments expecting to be made to exiting staff in March 2026.

Insolvency Service

On 15th May 2025 the Secretary of State for the Department for Business and Trade announced in the House of Commons that the Department would not renew its contract with Thurrock Council's NATIS. The agency has begun to examine the investigation service's caseload in advance of any work being moved to the agency. The Department is currently not able to quantify what impact this will have on the agency in terms of costs, equipment or workforce as no formal agreement has been reached.

On 30 June 2025 a winding-up order was made against Prax Lindsey Oil Refinery Limited, Prax Storage Lindsey Limited, and Prax Terminals Killingholme Limited. The court appointed the Official Receiver as Liquidator. The Department has provided the initial funds required to undertake the duties of the liquidator, which are being underwritten by the Department for Energy Security and Net Zero. While the details of the case are being assessed it is not possible to provide further details.

British Business Bank

On 2 April 2025, the US Government announced a series of tariffs affecting UK exports to the United States. These tariffs, set at 10%, impact various sectors. Although they are not directly affecting the Group, the tariffs are likely to cause a reduction in valuations in the 2025-26 financial year.

As part of the Spending Review delivered on 11 June 2025, the government is transforming the resources and capabilities of the BBB, marking a major step change in financing companies to start and scale in the UK and supporting the Industrial Strategy. BBB's total financial capacity has been increased to £25.6 billion, supporting a two-thirds increase in support for UK innovative businesses compared to 2025-26 and crowding in tens of billions of pounds more in private capital.

22.1 Date Accounts authorised for issue

The Departmental Accounting Officer authorised these Accounts for issue on the day they were certified.

Annexes

Annex A: Statistics

The statistics annex provides additional technical and methodological information on some of the statistics and performance measures used in the ARA.

Export and ODI Wins

The Department records export deals, contracts, sales or agreements where there has been support provided by our export promotion operations as an Export Win or an ODI Win.

An Export Win or ODI Win record is created using a digital framework which registers information entered by a lead officer from the Department. Lead officers are responsible for the quality and accuracy of the data they enter. Once the Win has been entered, the customer that received support is required to confirm the Win through a separate online form. A Win counts once it has been confirmed by the customer and this must be done within 12 months of the company winning the deal. The metric only captures customers the Department has assisted who have realised a deal, not those the Department has worked with but have not reached a deal. This report reflects Export Wins that have been confirmed in 2024-25.

The Win metric contains some inherent characteristics that will always present challenges in assuring value and data accuracy. The metric relies heavily on the relationships the Department's staff have with customers, and the information customers are prepared to share. Although guidance is provided to help establish the Win value, the specific expectations and forecast values up to a five year period are subjective. Some deals are very complex, involving global supply chains and inmarket requirements for local supply / presence and the ask of customers to separate export value from others is a distinction that is artificial for them. The information captured, represents a snapshot at a certain point in time based upon what the customer is willing, or able, to provide.

Caution is advised when comparing Export Wins across different years. 2023-24 was characterised by a small number of 'mega-wins' (each worth over £500 million). In 2024-25 the value of these 'mega-wins' dropped, contributing to the 34% decrease. A new focus on expanding the portfolio of businesses supported by the Department may have also contributed to this fall, as it takes time for new businesses to achieve an Export Win.

Additionally, from 2023-24 a new methodology has been introduced to include Wins where support has been provided to an overseas company to help import from the UK, in addition to those Wins achieved by UK companies, therefore care is advised when comparing to previous years.

Retained EU Law

On 22 January 2024, the Retained EU Law (REUL) Parliamentary Report was laid before Parliament. It detailed the previous Government's programme of revocation and reform of REUL, now known as assimilated law, since the Retained EU Law (Revocation and Reform) Act 2023 (the REUL Act) received Royal Assent on 29 June 2023 under the previous Government.

The second and third Reports were laid before Parliament in July 2024 and January 2025 respectively. These outlined the actions taken and government's plans to reform or remove such legislation from the UK statute book.

Section 17 of the REUL Act requires regular updates to the retained EU law dashboard and the publication of a Report, at six-monthly intervals until 23 June 2026, on the revocation and reform of retained EU law. Under the legislation, the Report must:

a. provide a summary of the data on the REUL/assimilated law dashboard;

b. set out the 'progress that has been made in revoking and reforming' REUL/assimilated law during the reporting period to which the Report relates;

c. set out His Majesty's Government's plans to revoke and reform REUL/assimilated law in subsequent reporting periods.

Export client survey

The Export Client Survey (ECS) interviews businesses who have accessed the Department's export promotion services each year. The survey aims to track client perceptions of quality of support and advice provided by the Department; provide a measure of reported impact on businesses of the Department's services; and understand what drives performance and how services can be improved over time.

A service delivery is a record of a Departmental service delivered to a UK registered company. Examples of service deliveries include recorded instances of significant assistance provided to businesses, events attended by businesses that Departmental officials have organised, funded or helped to organise, and uptake of the Department's digital export promotion services. The Export Client Survey uses these records to identify businesses eligible to be interviewed.

Satisfaction rates refer to questions in the survey that ask businesses how satisfied they were with their overall experience of the Department's export promotion service they accessed. Businesses are asked to provide a score from 0 to10, with 10 being the most positive response. Scores of 7 to 10 are banded into 'satisfied', scores of 4 to 6 are banded into 'neutral' and scores of 0 to 3 are banded into 'dissatisfied'.

The most recent data published by the Department refers to the Quality Survey 2023-24 survey for business supported (3,421 interviewed) between April 2023 and March 2024. The Reported Impact Survey 2022-23 for business supported (1,541 interviewed) between April 2022 to March 2023 has also been recently published.

Utilisation rate of trade preferences for tariff reductions

Preference Utilisation Rates (PURs) measure the extent to which tariff preferences provided by trade agreements are being used, in goods where preferential tariff rates are available and lower than the Most Favoured Nation (MFN) rate i.e. tariffs that apply to imports from any WTO member. Imports are considered eligible for a preference if there is one or more preferential tariff available for that good from the specified partner country in the month of reporting, and that preferential rate is lower than the tariff that would otherwise apply. The PUR is presented as a percentage, reflecting the value of goods imported under trade preferences, as a share of the total value of imports eligible for preferences.

87.8% of goods imported into the UK in 2024 made use of trade preferences for tariff reductions where available. The PUR for goods imported into Great Britain from the EU27 was 90%. The PUR for goods imported into the UK from the 69 non-EU countries where a trade agreement was in force in 2024 was 82%. 83.2% of goods exported from Great Britain to the EU in 2023 made use of trade preferences for tariff reductions where available. Data is sourced from HMRC overseas trade in goods statistics, country of origin basis, published July 2025 (imports) and Eurostat preference data, country of origin basis, published August 2025 (exports).

The PUR calculation excludes those UK imports that entered tariff-free through processing relief – importers may apply to pay less duty on goods they trade for processing or repair through inward or outward processing. Even if raw data is considered sufficiently robust it may not account for factors which distort the results for PUR, such as temporary suspension of MFN tariffs for certain products. Data excludes trade between Northern Ireland and the EU. A full description of the UK PUR calculation methodology can be found here:

https://www.gov.uk/government/statistics/preference-utilisation-of-uk-trade-in-goods-technical-annex/preference-utilisation-of-uk-trade-in-goods-official-statistics-technical-annex#methodology-note-for-preference-utilisation-of-uk-trade-in-goods.

PURs can be used to formulate an evidence-based approach to improving Free Trade Agreement outcomes and informing future negotiating strategies. The Department uses the data to identify which goods sectors have sub-optimal preference utilisation and offer tailored UK export support.

Market Access Barriers

The Digital Market Access Service (DMAS) is the central repository for all trade barriers reported to the UK government by businesses, either via trade officials in the UK and overseas, or directly through the 'Report a Market Access Barrier' service on great.gov.uk. Once barriers have been added to DMAS, they are assessed and given a highlevel qualitative rating. Status indicators are attributed to specific barriers and are used to provide a broad indication of the latest position, including marking it as resolved when the issue has been addressed.

The basis for counting the number of barriers resolved within a period has previously been changed. The approach now counts barriers for when the resolution was reported to have occurred, rather than when the system was updated to reflect the status as resolved. Therefore, market access barrier statistics published prior to and including financial year 2020-21 are not comparable to more recent years.

In 2024-25, 165 barriers were resolved (129 fully and 36 in part) These 129 fully resolved barriers are estimated to be worth more than £10 billion to UK businesses over five years.

These valuation estimates are not intended as definitive predictions of the expected benefits to UK exports, nor an analysis of the wider impacts on the UK economy. Rather they provide an indication of the potential size of the opportunity associated with addressing a specific market access barrier. They are expressed as the potential export benefit over a five-year period following resolution of the barrier. We have published an analytical working paper setting out the methodology developed to produce indicative estimates of the value associated with a barrier.

Trade Remedies

Trade remedy investigations are conducted by the Trade Remedies Authority (TRA) as an independent Non-Departmental Public Body. The WTO stipulates that new trade remedies investigations should be completed within 18 months. In 2024-25, the body completed one new investigation in 12.1 months, meeting the WTO's timeframe.

Additionally, the TRA completed 7 transition reviews taking an average of 19.9 months, of which the TRA took an average of 14.6 months to submit our recommendations to the Secretary of State. This is an increase from 17.2 months in 2023-24 but down from the 23 months reported in 2022-23 ARA.

The TRA also completed an additional six other types of reviews and a reconsideration in 2024-25.

More detail on the TRA's programme of work can be found in the TRA Annual Report and Accounts 2024-25.

FDI projects

FDI is defined as a cross-border investment made by a non UK resident entity where the direct investor acquires at least 10% of the voting power or ownership. The Department's definition of FDI projects covers a wide range of investment, including those projects which are not announced by companies. Whereas these Departmental statistics record the number of FDI projects and jobs created/safeguarded, ONS statistics are the official source for the value of inward and outward FDI stocks at the UK level. See the published ONS FDI statistics for further information.

Data and information related to investment projects are recorded on an internal database accessible by teams across the Department. When revenue generating activities have begun, the record undergoes a robust verification process where an independent team reviews the information attached to each project to check for quality, accuracy and consistency of data. All projects must meet the same established standards and criteria to be classified as a success, and there must be sufficient evidence recorded showing that the investment decision has been made, the UK company is fully registered, and that the company has started activities on the UK site. Departmental figures in this report only include recorded inward FDI projects which received support from the Department and/or one of its regional and local partners. Various external sources and FDI project and company databases have been used to identify, qualify and report eligible 'non involved' FDI projects.

Job figures included in this report are estimates, made at the start of each investment project and are provided by the investor. New jobs capture total jobs likely to be created within three years from the start of the project. Safeguarded jobs include those jobs which were retained due to the additional/ new inward investment.

Figures reported for the UK nations and English regions comprise single site projects plus multiple UK sited projects. Multiple site projects created 8,275 jobs in 2024-25. It has been possible to redistribute 5,114 of these jobs across the relevant regions, but 3,161 jobs are unallocated due to a lack of information relating to the distribution of the new jobs across locations.

Capital investment in this report is the sum of Venture Capital and Large Capital investments supported by the Department. Some of this investment meets the criteria to be classified as FDI whilst some is non-FDI capital investment. The Department measured capital investment by the capital or foreign equity value of the investment only. Values are recorded in pound sterling, applying the exchange rate at the time of the investment announcement if necessary. Venture Capital attracts overseas investment from corporate venture capitalists and venture capital funds into high-value start-ups, growth companies and funds. Large capital involves overseas institutional investment into large capital projects in real estate, infrastructure and energy.

Gross Value Added (GVA) figures are estimated, developed using the Department's analysis into the economic impact of FDI. Estimates are made by applying the sector specific multipliers detailed in the Department's research report to either the number of new jobs generated from FDI projects, or the capital expenditure invested by the FDI projects. This is determined by whether a sector is deemed as labour intensive or capital intensive. The estimated impacts published are the minimum level of GVA expected over 3 years.

British Business Bank

GVA impacts are estimated using the BBB economic appraisal model. The model uses different parameters for different BBB programmes, informed by programme evaluations, monitoring information and analysis of business performance using Companies House data.

The model estimates expected impacts on business employment, turnover and GVA over the lifetime of the finance, which can range between four and 10 years depending on the programme.

Estimates are adjusted for additionality, including finance additionality, fund additionality (if relevant), outcome additionality, and product market displacement.

Sources:

BBB (2025) – Impact Report 2025 – https://www.british-business-bank.co.uk/about/research-and-publications/impact-report-2025 – p15

The Start Up Loans (SUL) scheme was launched in 2012. The numbers and value of loans are based on management information collected by the Start Up Loans Company (SULCo) on behalf of the BBB.

Percentages relating to female-led businesses or businesses led by ethnic minorities are calculated using self-reported diversity information, provided to SULCo by loan applicants.

The numbers and value of GGS and RLS loans are based on management information published by the BBB each quarter, which is sourced directly from relevant lenders under the schemes.

Data is as at 31 March 2025, from the information continuously submitted to the BBB's portal by accredited lenders. The portal is used by the BBB and lenders to administer the facilities. Portal data is dependent on lenders submitting accurate and timely data and is not real-time.

The schemes have been through multiple iterations, including RLS 1 and 2, and now GGS (formerly RLS 3). RLS 1 was launched in December 2021 and RLS 1 and 2 closed to new applications in June 2022. GGS (formerly) RLS 3 launched in August 2022 and remains open to new applications.

RLS 1 and 2 and GGS data are collected and published separately. The total value of RLS and GGS drawn downs and facilities are added together to produce combined totals

Sources:

RLS 1 & 2 data as at 31 March 2025 – https://www.british-business-bank.co.uk/about/research-and-publications/rls-iterations-1-2-performance-data-31-mar-25

GGS (including RLS 3) data as at 31 March 2025 – https://www.british-business-bank.co.uk/about/research-and-publications/ggs-including-recovery-loan-scheme-iteration-3-performance-data-31-march-2025

RLS 1 & 2 data as at 31 March 2024 – https://www.british-business-bank.co.uk/about/research-and-publications/recovery-loan-scheme-iterations-1-2-performance-data-31-march-2024

GGS (including RLS 3) data as at 31 March 2024 – https://www.british-business-bank.co.uk/about/research-and-publications/recovery-loan-scheme-iteration-3-performance-data-31-march-2024.

Small and Medium Enterprise (SME) finance perceptions

The SME Finance Monitor regularly surveys SMEs about their perceptions of economic challenges and access to finance.

The Q4 2024 report is mostly based on a total of 17,010 interviews with SMEs, conducted across the four quarters of 2024 (all using the new questionnaire). Data from previous years is also included and mostly follows the same question set and 4-wave collection approach.

The structure of the SME market is such that each 'All SME' figure quoted will be heavily influenced by the views of sole traders, who make up three quarters of the SME population. As the views of these smallest SMEs can differ markedly from their larger peers, an 'All employers' figure is now also reported for some key questions, that is those SMEs with 1-249 employees.

To qualify for interview, SMEs must meet the following criteria in addition to sample quotas set by size, sector and region:

- Not 50%+ owned by another company
- Not run as a social enterprise or as a not-for-profit organisation

- Turnover of less than £25 million
- The respondent was the person in charge of managing the business's finances.

Source:

SME Finance Monitor - BVA BDRC

Equity Deals

The data used in this analysis is downloaded through Beauhurst. This is a subscribed database collecting and collating public data on UK private businesses. The data is based on publicly available data and is built bottom up from the activities of individual companies.

Beauhurst classifies equity deals into four stages; seed, venture, growth and established. These stages reflect product development, commercialisation, sales, and profitability levels in the recipient company. The reported 'growth' stage combines growth and established stages.

Seed stage encompasses young companies with a small team, and low valuation (which varies by sector) that have received lower levels of funding relative to the sector. There is a degree of uncertainty in their productmarket fit or they are just getting started with the process of getting regulatory approval. Funding is likely to come from grant awarding bodies, equity crowdfunding, and business angels.

Venture stage covers companies that have been in existence for a few years and are in the process of gaining market traction rapidly growing sales. The venture stage does not solely correspond to funding by venture capitalists, as other investor types also provide funding to venture stage companies.

Growth stage businesses are more developed with multiple offices or branches and substantial revenue streams (some of which may be profitable). The growth stage includes later stage VC-backed companies seeking to grow their core market, expand into new markets, or create new products/services.

Established stage companies have been trading for 15+ years, or 5-15 years with a three-year consecutive profit of £5 million+ or turnover of £20 million+. As you may expect, these businesses usually have several offices and a widely-recognised brand. Funding at this stage is often deployed by corporates, private equity firms, banks and specialist debt funds, or major international investors.

Beauhurst collects its data primarily from publicly available sources, including:

- SH01 forms – Beauhurst monitors all S H01 forms filed to Companies House, which are forms that companies submit when they want to issue new shares. Beauhurst uses AI-driven technology to sift through these forms and identify relevant deals.
- News outlets – Beauhurst monitors news outlets for announcements about companies that have raised funds.
- Accelerator programs – Beauhurst tracks the graduating cohorts of accelerator programs across the UK. Beauhurst uses a news monitoring tool to identify press announcements about companies that have graduated from an accelerator.

Beauhurst also has a team of experts who verify the data, and they constantly revisit it to make sure it's accurate.

Beauhurst's fundraising data includes information on every equity fundraise in the UK, including those that aren't announced to the public. This analysis is only concerned with investments and deals that have been publicly announced. This includes deals that have been announced via a government regulatory organisation, a press release, a news source, or have been confirmed with investees or investors. Although equity deals involving family and friends are not explicitly excluded, they are typically not publicly announced, and therefore not captured by our figures.

As the data is collected primarily from publicly available sources, Beauhurst takes no responsibility for the accuracy or otherwise of the data.

Data is collected in real time and is updated every day, meaning that the data on Beauhurst is subject to revision as new or additional

information is released on previous fundraisings. The current data has been extracted on 26 August 2025 and therefore is accurate as of this date.

The data extracted through the 'advanced search' feature includes the following parameters:

- Find fundraisings where all the following apply:
- form of funding is any of Equity
- and the recipient company has all of the following criteria:
- head office (where known, otherwise registered address) is UK
- and is an announced fundraising
- and company's stage of evolution (at time of fundraising) is one of Seed, Venture or Growth or Established

(This above step should be run separately for 1) Seed, 2) Venture and 3) Growth or Established and this will provide the summary number of deals and value in the summary statistics tab)

- and date of fundraising is between 01/04/2024 – 31/03/2025

The method of extraction follows the BBB methodology employed in the Small Business Equity Tracker 2024 (page 87), to include "announced fundraisings only", and therefore won't be comparable to the BEIS ARA for 2022-23 which followed a different methodology.

Source:

https://www.beauhurst.com/blog/stages-evolution-companies/

Bounce Back Loan Scheme (BBLS) Enforcement

The number of insolvent disqualifications are based on Insolvency Service enforcement outcomes management information published as a 'transparency' release.

This statistic relates specifically to director disqualifications under section 6 of the Company Directors Disqualification Act (1986), which covers unfit conduct in relation to an insolvent or dissolved company. The total number of Insolvent Disqualifications and the number relating to COVID-19 financial support schemes are read from Table 2 (section 1.1) of the Transparency release. The percentage is derived from these two numbers and rounded to the nearest 1%.

The statement that COVID-19 financial support scheme abuse relates predominantly to BBLS is derived from internal management information held by the Department and the Insolvency Service.

Data for the current financial year are updated monthly, and occasionally data for the previous financial year are also updated. Where revisions are made, this is highlighted within the publication. There is also a full history of all such updates published on the Insolvency Service Enforcement Outcomes Management Information Transparency Data landing page. The data used for the ARA was published on 12 June 2025.

Source:

Insolvency Service enforcement outcomes 2024-25 - GOV.UK

Post Office

The Core Department has undertaken to provide an amount of funding to the Post Office to support payments made to individuals (postmasters and former postmasters) under four compensation schemes. The valuation of these provisions is the Post Office management's best estimate of the most likely outcome of potential future payments. The provisions require several significant estimates and assumptions to be made including number of eventual claimants, distribution of heads of loss and assessments of loss of earnings. Further information can be found in the Post Office Limited's published accounts.

The Department has also recognised a provision in relation to the "GLO" (Group Litigation Order) Scheme and the recently announced "HCRS" (Horizon Convictions Redress Scheme) scheme. The HCRS scheme looks to provide financial redress to postmasters across the UK who had their convictions quashed by the Acts.

Civil Enforcements

Director disqualification is the process whereby a person is disqualified, for a specified period, from becoming a director of a company, or directly or indirectly being concerned or taking part in the promotion, formation, or management of a company without permission from the court.

These statistics relate to individuals that are subject to a bankruptcy or debt relief order in England and Wales, where the individual is considered to have been dishonest or blameworthy.

COVID-19 grant schemes

The number of criminal investigations into Business Support Grants (BSG) fraud are those investigations that the National Investigation Service (NATIS) had open (under investigation) at the end of the 2024-25 financial year. These Investigations are or were being dealt with by NATIS Investigators with a view to gathering enough evidence to support a charging decision from Crown Prosecution Service (CPS). This follows the Triage and Intelligence Development process that identifies suitable cases to progress to the next stage. Actions are then undertaken to progress the investigation led by our Investigation team, supported by our Criminal Finances Unit, Intelligence Unit and Digital Forensics Unit.

Product Safety and Standards

The percentage of UK consumers reporting confidence that products sold in the UK are safe is sourced from the Office of Product Safety and Standards (OPSS) Product Safety and Consumers: Wave 8. The main findings are based on a representative sample of 10,060 people from across the UK collected through online research methods, surveyed between 1 July 2024 to 19 July 2024. An additional telephone survey of 261 offline adults, surveyed between 11 July 2024 to 3 August 2024 who are very low or non-internet users was conducted in parallel with each online survey.

The full research technical report can be found here

OPSS product safety and consumers: Wave 8 - GOV.UK

The comparison to 2023 compares to data from Wave 6 of the survey, which sampled 10,216 people from across the UK collected through online research methods between 16th June to 3rd July 2023 and an additional telephone survey of 252 offline adults surveyed between 29th June to 19th July 2023.

OPSS product safety and consumers: Wave 6 – GOV.UK

Trade agreements signed

This is the percentage of UK trade with countries or territories with which the UK has signed a trade agreement at 31 March 2025. It is based on the overall value of UK's bilateral trade with these partner countries covering all exports and imports of goods and services. This is the case even for agreements that cover only goods or only services. 'Signed' refers to agreements that are in effect, or else have been signed or agreed in principle or concluded negotiations. It includes trade with the European Union plus Andorra, San Marino, EU overseas territories, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and UK crown dependencies, but excludes UK trade with British Overseas Territories. It also includes other trade agreements signed but not in force including Comoros (under the economic partnership agreement with Eastern and Southern African countries). India is not included in the figures as it was not signed until July 2025.

This measure does not estimate the value or impact of the trade agreements themselves.

Source:

UK total trade: all countries, seasonally adjusted - Office for National Statistics

Annex B - Sector sponsorship

The Department continues to follow the recommendations of the Committee on Standards in Public Life and Cabinet Office guidelines on handling sponsorship arrangements with the private sector. During 2024-25, the Department agreed the following private sector sponsorship (only sponsorship exceeding £5,000 for a single event is shown here).

Sponsor	Value (£)	Event	Event Date
Barclays	175,000	International Investment Summit 2024	14 October 2024
HSBC (invoiced Ei Advisory)	175,000	International Investment Summit 2024	14 October 2024
Lloyds Banking Group	175,000	International Investment Summit 2024	14 October 2024
M&G	175,000	International Investment Summit 2024	14 October 2024
Octopus Energy	175,000	International Investment Summit 2024	14 October 2024
TSL Projects	175,000	International Investment Summit 2024	14 October 2024
NatWest	75,000	Made in the UK, Sold to the Indo-Pacific Meet the Experts Roadshow	4-13 March 2025
Acclime	11,629	Made in the UK, Sold to the Indo-Pacific Meet the Experts Roadshow	4-13 March 2025
Scottish Government	500,000	UK Pavilion at World Expo 2025 Osaka	13 April 2025 – 13 October 2025
AstraZeneca	1,000,000	UK Pavilion at World Expo 2025 Osaka	13 April 2025 – 13 October 2025
IHG	395,000	UK Pavilion at World Expo 2025 Osaka	13 April 2025 – 13 October 2025
Welsh Government	250,000	UK Pavilion at World Expo 2025 Osaka	13 April 2025 – 13 October 2025
Robert Walters	150,000	UK Pavilion at World Expo 2025 Osaka	13 April 2025 – 13 October 2025
Aston Martin	635,000	UK Pavilion at World Expo 2025 Osaka	13 April 2025 – 13 October 2025
Diageo	300,000	UK Pavilion at World Expo 2025 Osaka	13 April 2025 – 13 October 2025
Ampetronic	110,755	UK Pavilion at World Expo 2025 Osaka	13 April 2025 – 13 October 2025
Santander UK	200,000	Global Partners Programme	Multiple event dates

Sponsor	Value (£)	Event	Event Date
Santander UK	50,000	Global Partners Programme	Multiple event dates
Association of the British Pharmaceutical Industry (ABPI)	60,000	UK Pavilion at BIO 2025	16-19 June 2025

Overseas: Cash Received

Sponsor	Value (£)	Event note
Scottish Dairy, Perry, Alvan Blanche, Emmerson, Hutan Bio, Trebble, RSK	6,924	Salon International de l'Agriculture au Maroc (SIAM) - International Agricultural Show
City of London	4,852	Le Marché International des Professionnels de l'Immobilier (MIPIM) Asia 2024 - Property and Real estate roadshow
New Longdon Architecture Ltd	4,831	Le Marché International des Professionnels de l'Immobilier (MIPIM) Asia 2024 - Property and Real estate roadshow
Lotus Engineering	5,402	World New Energy Vehicles Congress 2024
Beijing Huawang Muge Technology	5,066	Creative inward mission to the UK
Pearson	5,769	UK Pavilion at CBTD 2024
Clarion Defence (UK) Ltd	9,771	International Defence Exhibition & Conference (IDEX) Evening Reception
NatWest	37,500	UK-Indo Pacific Roadshow
Acclime Holdings HK	5,815	UK-Indo Pacific Roadshow
NatWest	37,500	UK-Indo Pacific Roadshow
Acclime Holdings HK	5,815	UK-Indo Pacific Roadshow

Overseas: Non-cash sponsorship

Sponsor	Value (£)	Event note
Virgin Atlantic	12,000	UK-Indo Pacific Roadshow

Annex C - Core tables

Table 1: Total Departmental spending, 2020-21 to 2024-25 and 2025-26 plans

This table provides a summary of Departmental net expenditure using the same headings as voted within the Estimate. An overview of variances to budget in this financial year and expenditure trends in previous financial years can be found in the Financial Review in the Performance Analysis.

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
	£'000	£'000	£'000	£'000	£'000	£'000
Resource DEL						
DBT- Department for Business and Trade (DEL)	21,180,355	6,329,455	1,271,929	1,663,237	1,497,080	1,979,295
DBT - Arm's Length Bodies (ALB) (Net) (DEL)	74,196	88,697	114,982	119,592	135,299	78,254
Total Resource DEL	**21,254,551**	**6,418,152**	**1,386,911**	**1,782,829**	**1,632,379**	**2,057,549**
Of which:						
Current grants to persons and non-profit (net)	113,359	124,878	121,912	116,739	113,122	8,000
Depreciation	24,328	72,740	46,965	67,548	105,300	44,958
Income from sales of goods and services	(3,787)	(7,358)	(4,676)	(7,545)	(4,504)	(4,554)
Net public service pensions	(5)	-	-	-	-	-
Other resource	(783,331)	(343,534)	(301,344)	(362,473)	(505,003)	(326,391)
Purchase of goods and services	600,628	506,227	575,421	742,221	606,213	925,547
Release of provision	-	207	-	-	-	-
Rentals	27,330	6,547	(141)	286	790	-
Staff costs	606,216	665,832	740,471	817,631	906,054	997,489
Subsidies to private sector companies	12,481,812	1,439,916	105,088	233,568	150,680	150,000
Subsidies to public corporations	50,081	56,479	52,834	169,438	240,951	240,000
Take up of provisions	23,582	(29,890)	(251)	(4,507)	(8,271)	-
Unallocated funds-resource	-	-	-	-	-	22,500
Change in pension scheme liabilities	139	227	47	203	228	-

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
	£'000	£'000	£'000	£'000	£'000	£'000
Current grants abroad (net)	10,420	8,360	9,461	8,888	8,637	-
Current grants to local government (net)	8,103,779	3,917,521	41,124	831	18,182	-
Resource AME						
DBT - Department for Business and Trade (AME)	(10,197,551)	434,301	223,785	1,453,671	281,993	(462,578)
DBT - Arm's Length Bodies (ALB) (Net) (AME)	(197,065)	(434,885)	216,019	186,437	(71,369)	8,701
Total Resource AME	**(10,394,616)**	**(584)**	**439,804**	**1,640,108**	**210,624**	**(453,877)**
Of which:						
Current grants to persons and non-profit (net)	531,838	333,903	415,982	592,849	640,595	91,187
Depreciation	(141,659)	(607,371)	426,800	181,731	86,995	55,749
Other resource	(84,011)	(204,140)	(385,073)	(232,890)	(194,969)	(124,792)
Purchase of goods and services	2,733	3,721	3,172	2,627	1,337	-
Release of provision	(10,865,438)	(45,564)	(81,811)	(232,332)	(685,484)	(961,392)
Rentals	331	(63)	51	30	148	-
Staff costs	5,714	6,164	5,540	6,396	6,255	-
Take up of provisions	155,737	512,766	50,143	1,321,697	355,747	485,371
Total Resource Budget	**10,859,935**	**6,417,568**	**1,826,715**	**3,422,937**	**1,843,003**	**1,603,672**
Of which:						
Current grants to persons and non-profit (net)	645,197	458,781	537,894	709,588	753,717	99,187
Depreciation	(117,331)	(534,631)	501,476	249,279	192,295	100,707
Income from sales of goods and services	(3,787)	(7,358)	(4,676)	(7,545)	(4,504)	(4,554)
Net public service pensions	(5)	-	-	-	-	-
Other resource	(867,342)	(547,674)	(689,104)	(595,363)	(699,972)	(451,183)
Purchase of goods and services	603,361	509,948	578,593	744,848	607,550	925,547
Release of provision	(10,865,438)	(45,357)	(79,811)	(232,332)	(685,484)	(961,392)
Rentals	27,661	6,484	(90)	316	938	-
Staff costs	611,930	671,996	746,011	824,027	912,309	997,489

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
	£'000	£'000	£'000	£'000	£'000	£'000
Subsidies to private sector companies	12,481,812	1,439,916	105,088	233,568	150,680	150,000
Subsidies to public corporations	50,081	56,479	52,834	169,438	240,951	240,000
Take up of provisions	179,319	482,876	57,892	1,317,190	347,476	485,371
Unallocated funds-resource	-	-	-	-	-	22,500
Change in pension scheme liabilities	139	227	47	203	228	-
Current grants abroad (net)	10,420	8,360	9,461	8,888	8,637	-
Current grants to local government (net)	8,103,779	3,917,521	41,124	831	18,182	-
Capital DEL						
DBT - Department for Business and Trade (DEL)	1,105,908	246,251	(130,676)	614,195	492,484	992,802
DBT - Arm's Length Bodies (ALB) (Net) (DEL)	380,665	512,847	407,790	454,204	459,184	535,198
Total Capital DEL	**1,486,573**	**759,098**	**277,114**	**1,068,399**	**951,668**	**1,528,000**
Of which:						
Current grants to persons and non-profit (net)	23,060	31,920	23,025	304,036	313,198	329,000
Income from sales of assets	(121,493)	(413)	(857)	(4,042)	(1,494)	-
Income from sales of goods and services	-	(2,000)	(2,964)	(1,942)	(2,075)	(2,200)
Net lending to the private sector and abroad	1,503,420	459,191	103,690	401,670	404,261	382,578
Other capital	(62,025)	(11,399)	23,173	6,175	(27,842)	-
Purchase of assets	58,703	42,701	6,281	47,405	50,554	100,622
Purchase of goods and services	16,575	7,217	9,667	15,802	12,539	-
Staff costs	8	1,195	(137)	458	1,556	-
Subsidies to private sector companies	-	-	343	-	-	-
Capital grants abroad (net)	32	-	(6,250)	(104,325)	150	-

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
	£'000	£'000	£'000	£'000	£'000	£'000
Capital grants to persons and non-profit (net)	331	-	6,718	37,713	1,270	422,000
Capital grants to private sector companies (net)	33,390	55,329	32,672	290,979	126,390	175,000
Capital support for local government (net)	6,052	11,690	20,059	90	10	-
Capital support for public corporations	28,519	163,667	61,663	74,376	73,151	121,000
Current grants abroad (net)	1	-	31	4	-	-
Capital AME						
DBT - Department for Business and Trade (AME)	19,718,443	(3,593,295)	1,316,687	(1,138,905)	(288,061)	1,829,612
DBT - Arm's Length Bodies (ALB) (Net) (AME)	(221)	(4,975)	-	-	1,164	-
Total Capital AME	**19,718,222**	**(3,598,270)**	**1,316,687**	**(1,138,905)**	**(286,897)**	**1,829,612**
Of which:						
Net lending to the private sector and abroad	(221)	(4,975)	-	-	-	-
Purchase of assets	-	2,755	-	-	-	620
Take up of provisions	-	151	(28)	550	1,234	-
Capital grants to persons and non-profit (net)	-	-	-	-	352,804	384,010
Capital grants to private sector companies (net)	19,781,449	(3,524,201)	1,261,715	(1,358,455)	(571,935)	544,982
Capital support for public corporations	(63,006)	(72,000)	55,000	219,000	(69,000)	900,000
Total Capital Budget	**21,204,795**	**(2,839,172)**	**1,593,801**	**(70,506)**	**664,771**	**3,357,612**
Of which:						
Current grants to persons and non-profit (net)	23,060	31,920	23,025	304,036	313,198	329,000
Income from sales of assets	(121,493)	(413)	(857)	(4,042)	(1,494)	-

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
	£'000	£'000	£'000	£'000	£'000	£'000
Income from sales of goods and services	-	(2,000)	(2,964)	(1,942)	(2,075)	(2,200)
Net lending to the private sector and abroad	1,503,199	454,216	197,865	401,670	404,261	382,578
Other capital	(62,025)	(11,399)	49,027	6,175	(27,842)	-
Purchase of assets	58,703	45,456	6,281	47,405	50,554	101,242
Purchase of goods and services	16,575	7,217	9,667	15,802	12,539	-
Staff costs	8	1,195	(137)	458	1,556	-
Subsidies to private sector companies	-	-	343	-	-	-
Take up of provisions	-	151	(28)	550	1,234	-
Capital grants abroad (net)	32	-	(6,250)	(104,325)	150	-
Capital grants to persons and non-profit (net)	331	-	6,718	37,713	354,074	806,010
Capital grants to private sector companies (net)	19,814,839	(3,468,872)	1,294,387	(1,067,476)	(445,545)	719,982
Capital support for local government (net)	6,052	11,690	20,059	90	10	-
Capital support for public corporations	(34,487)	91,667	116,663	293,376	4,151	1,021,000
Current grants abroad (net)	1	-	31	4	-	-

Table 2: Administration Budget, 2020-21 to 2025-26

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Outturn £'000	Outturn £'000	Outturn £'000	Outturn £'000	Outturn £'000	Plan £'000
Resource DEL						
DBT – Department for Business and Trade (DEL)	282,217	313,527	332,091	365,964	417,376	464,702
DBT – Arm's Length Bodies (ALB) (Net) (DEL)	8,581	18,360	24,787	24,336	23,521	28,145
Total administration budget	**290,798**	**331,887**	**356,878**	**390,300**	**440,897**	**492,847**
Of which:						
Current grants to persons and non-profit (net)	15	265	39	72	(1)	-
Depreciation	4,040	8,768	14,656	15,914	11,774	11,581
Income from sales of goods and services	(743)	(438)	(492)	(607)	(614)	(272)
Net public service pensions	(5)	-	-	-	-	-
Other resource	1,228	(2,901)	(20)	(818)	(3,779)	(4,359)
Purchase of goods and services	63,449	78,069	96,429	133,520	149,485	(30,000)
Rentals	18,018	7,085	(506)	(53)	317	-
Staff costs	202,622	240,862	245,574	241,651	283,458	493,397
Subsidies to public corporations	-	4	2	-	-	-
Take up of provisions	-	-	-	124	-	-
Unallocated funds – resource	-	-	-	-	-	22,500
Change in pension scheme liabilities	26	54	(10)	(36)	22	-
Current grants abroad (net)	2,148	119	1,206	533	235	-

Annex D - Financial information by ALB

The table below shows the total operating income, total operating expenditure, net expenditure for the year, and staff numbers and costs for each of our ALBs. The figures below will not tie directly to the published ALB accounts as they include some adjustments which would have been captured in the ALB's accounts in the previous year. Note that the Competition Appeal Tribunal is not included as a separate line below as these figures are included within Competition Service.

	2024-25						
				Permanently employed staff		Other staff	
	Total operating income	Total operating expenditure	Net expenditure for the year (including financing)	Number of employees	Staff costs	Number of employees	Staff costs
	£m	£m	£m		£m		£m
Core Department							
	(201)	1,959	1,835	5,445	509	2,026	28
Trade Remedies Authority							
	-	16	16	132	10	10	1
Insolvency Service							
	(157)	649	493	1,689	95	128	12
Companies House							
	(220)	198	(22)	1,709	77	23	12
Competition Service							
	-	7	7	23	4	-	-
Financial Reporting Council Ltd							
	(70)	68	(2)	471	49	-	-
ACAS							
	(6)	64	59	971	52	33	-

				2024-25			
				Permanently employed staff		Other staff	
	Total operating income	Total operating expenditure	Net expenditure for the year (including financing)	Number of employees	Staff costs	Number of employees	Staff costs
	£m	£m	£m		£m		£m
BIS (Postal Services Act 2011) Company Limited							
	(22)	27	5	-	-	-	-
BBB PLC							
	(173)	60	(92)	583	63	17	1
Northern Powerhouse Investment Limited							
	(15)	15	-	-	-	-	-
Midlands Engine Investments Limited							
	(13)	10	-	-	-	-	-
Cornwall and Isles of Scilly Investments Limited							
	(1)	1	-	-	-	-	-
Fleetbank Funding Limited							
	(67)	-	-	-	-	-	-
Consolidation adjustments							
	169	(288)	(147)	-	-	-	-
Total Departmental group							
	(776)	**2,786**	**2,152**	**11,023**	**859**	**2,237**	**54**

Glossary

A

- **ACAS:** Advisory, Conciliation and Arbitration Service
- **ACF:** Angel CoFund
- **ACOBA:** Advisory Committee on Business Appointments
- **AI:** Artificial Intelligence
- **ALB:** Arm's-Length Bodies
- **AME:** Annually Managed Expenditure
- **APC:** Advanced Propulsion Centre
- **APPS:** Average Price Per Share
- **AQUA:** Analytical Quality Assurance
- **ARA:** Annual Report and Accounts
- **ARAC:** Audit and Risk Assurance Committee
- **ATF:** Automotive Transformation Fund
- **ATI:** Aerospace Technology Institute
- **AWS:** Amazon Web Services

B

- **BAR:** Business Appointment Rules
- **BBB:** British Business Bank Plc
- **BBLS:** Bounce Bank Loan Scheme
- **BEIS:** Department for Business, Energy & Industrial Strategy
- **BG:** Business Group
- **BPSA:** BIS (Postal Services Act 2011)
- **BREEAM:** Building Research Establishment Environmental Assessment Methodology
- **BVCA:** British Venture Capital Association

C

- **CAM2035:** Connected and Automated Mobility
- **CAME:** Capital Annually Managed Expenditure
- **CBILS:** Coronavirus Business Interruption Loan Scheme
- **CBS:** Country Based Staff
- **CCAV:** Centre for Connected and Autonomous Vehicles
- **CDEL:** Capital Departmental Expenditure limit
- **CE:** Conformité Européene, or European Conformity marking
- **CEO:** Chief Executive Officers
- **CETV:** Cash Equivalent Transfer Value
- **CFC:** Common Fund for Commodities
- **CFER:** Consolidated Fund Extra Receipts
- **CIPS:** Chartered Institute of Procurement & Supply
- **CLAs:** Convertible Loan Note Agreements
- **CLBILS:** Coronavirus Large Business Interruption Loan Scheme
- **CLNs:** Convertible Loan Notes
- **CMA:** Competition Market Authority
- **CMRR:** Competition, Markets and Regulatory Reform
- **CO:** Cabinet Office
- **CODM:** Chief Operating Decision Maker
- **COO:** Chief Operating Officer
- **COVID-19:** Coronavirus pandemic
- **CPTPP:** Comprehensive and Progressive Agreement for Trans-Pacific Partnership
- **CSUPs:** Consumer Single Use Plastics
- **CSOPS:** Civil Servant and Other Pension Scheme

D

- **DBT:** Department for Business and Trade
- **DCMS:** Department for Digital, Culture, Media & Sport
- **DDaT:** Digital, Data and Technology
- **DEFRA:** Department for Environment, Food and Rural Affairs
- **DEL:** Departmental Expenditure Limit
- **DESNZ:** Department for Energy Security & Net Zero

- **DfE:** Department for Education
- **DGs:** Director General
- **DHSC:** Department for Health and Social Care
- **D&I:** Diversity and Inclusion
- **DIME:** Domestic and International Markets and Exports
- **DIT:** Department for International Trade
- **DSIT:** Department for Science, Innovation & Technology

E

- **EBITDA:** Earnings Before Interest, Taxes, Depreciation and Amortisation
- **ECL:** Expected Credit Loss
- **EECAN:** Eastern Europe and Central Asia Network
- **EGS:** Environmental Goods and Services
- **EII:** Energy Intensive Industries
- **EPA:** Economic Partnership Agreement
- **ERDF:** European Regional Development Fund
- **eRGF:** Exceptional Regional Growth Fund
- **ESIF:** European Structural Investment Fund
- **ESS:** Export Support Service
- **ESSP:** Export Support Service Programme
- **ESTR:** Economic Security and Trade Relations
- **ETIP:** Enhanced Trade and Investment Partnership
- **ETP:** Enhanced Trade Partnership
- **ExCo:** Executive Committee
- **EU:** European Union
- **EV:** Electric Vehicle

F

- **FCDO:** Foreign, Commonwealth & Development Office
- **FDI:** Foreign Direct Investment
- **FDSC:** Fully Diluted Share Capital
- **FFL:** Fleetbank Funding Ltd
- **FII:** Foreign Indirect Investment
- **FOIA:** Freedom of Information Act 2000
- **FRA:** Fraud Risk Assessment
- **FRC:** Financial Reporting Council
- **FReM:** Government Financial Reporting Manual
- **FTA:** Free Trade Agreement
- **FTE:** Full Time Equivalent
- **FVTOCI**: Fair Value Through Other Comprehensive Income
- **FVTPL:** Fair Value Through Profit or Loss

G

- **GBS:** Government Banking Service
- **GCC:** Gulf Cooperation Council
- **GCFF:** Government Counter Fraud Function
- **GDP:** Gross Domestic Product
- **GGC:** Greening Government Commitments
- **GHG:** Green House Gas
- **GIAA:** Government Internal Audit Agency
- **GLD:** Government Legal Department
- **GLO:** Group Litigation Order
- **GPA:** Government Property Agency
- **GMPP:** Government Major Projects Portfolio
- **GRAA:** Government Resources and Accounts Act

H

- **HCRS:** Horizon Convictions Redress Scheme
- **HMG:** HM Government
- **HMRC:** His Majesty's Revenue and Customs

- **HMT:** His Majesty's Treasury
- **HO:** Home Office
- **HR:** Human Resources
- **HSS:** Horizon Shortfall Scheme

I

- **IAS:** International Accounting Standard
- **ICO:** Information Commissioner's Office
- **ICS:** Integrated Corporate Services
- **IDA:** Industrial Development Act
- **IDAB:** Industrial Development Advisory Board
- **IFIAs:** Initial Fraud Impact Assessments
- **IFRS:** International Financial Reporting Standards
- **IMF:** International Monetary Fund
- **INSS:** Insolvency Service
- **IPA:** Infrastructure and Projects Authority
- **IPEV:** International Private Equity and Venture Capital
- **IT:** Information Technology
- **ITA:** International Trade Adviser
- **ITP:** Investment Transformation Programme

J

- **JETCO:** Joint Economic and Trade Committee

K

- **KPIs:** Key Performance Indicators

L

- **LATAC**: Latin America and Caribbean
- **LFP:** Late Filing Penalties
- **LFS:** Labour Force Survey
- **LGD:** Loss Given Default
- **LIFTS:** Long-term Investment for Technology and Science
- **LITE:** Licensing for International Trade and Enterprise
- **LLM:** Large Language Model

M

- **MC13:** 13th WTO Ministerial Conference
- **MEUC:** Military End-Use Control
- **MOD:** Ministry of Defence
- **MoG:** Machinery of Government
- **MoU:** Memorandum of Understanding
- **MP:** Member of Parliament
- **MPM:** Managing Public Money

N

- **NA:** North America
- **NAO:** National Audit Office
- **NATIS:** National Investigation Service
- **NAV:** Net Asset Value
- **NDPB:** Non-Departmental Public Bodies
- **NED:** Non-Executive Director
- **NGC:** Nominations and Governance Committee
- **NI:** Northern Ireland
- **NIF:** National Insurance Fund
- **NTS:** National Trading Standards

O

- **OC:** Overturned Convictions
- **OCI:** Other Comprehensive Income
- **ODI:** Outward Direct Investment
- **OECD:** Organisation for Economic Cooperation and Development
- **Ofcom:** Office of Communications
- **Ofgem:** Office of Gas and Electricity Markets
- **OfI:** Office for Investment
- **Ofwat:** Water Services Regulation Authority
- **OGD:** Other Government Department
- **ONS:** Office for National Statistics
- **OPSS:** Office for Product Safety and Standards
- **OTSI:** Office of Trade Sanctions Implementation

P

- **PAC:** Public Accounts Committee
- **PAYG:** Pay As You Go
- **PCPF:** Parliamentary Contributory Pension Fund
- **PCSPS:** Principal Civil Service Pension Scheme
- **PD:** Project Delivery
- **PFI:** Private Finance Initiative
- **PHSO:** Parliamentary and Health Service Ombudsman
- **PMA:** Post Model Adjustment
- **PO:** Partner Organisations
- **POL:** Post Office Ltd
- **PPE:** Property, Plant and Equipment
- **PPI:** Payment Protection Insurance
- **PPR:** Post Office Process Review Compensation
- **PSFA:** Public Sector Fraud Authority
- **PSH:** Postal Services Holdings Company Limited
- **PURs:** Preference Utilisation Rates

R

- **RAME:** Resource Annually Managed Expenditure
- **R&D:** Research and Development
- **REUL:** Retained EU Law
- **RLI:** Repayable Launch Investments
- **RLS:** Recovery Loans Scheme
- **RMPP:** Royal Mail Pension Plan
- **RoO:** Rules of Origin
- **ROU:** Right-of-Use Asset
- **RPI:** Retail Price Index
- **RPIX:** Retail Price Index Excluding Mortgage Interest
- **RPS:** Redundancy Payment Services

S

- **SCGS:** Shipbuilding Credit Guarantee Scheme
- **SCS:** Senior Civil Servant
- **SDG:** Sustainable Development Goals
- **SMEs:** Small and Medium-Sized Enterprises
- **SOCNE:** Statement of Comprehensive Net Expenditure
- **SOFP:** Statement of Financial Position
- **SOPS:** Statement of Outturn against Parliamentary Supply
- **SoS:** Secretary of State
- **SPEI:** Service of Public Economic Interest
- **SR:** Spending Review
- **SRO:** Senior Responsible Owner
- **SRR:** Suspension Remuneration Review
- **SSRB:** Senior Salaries Review Body

T

- **TAP:** Tariff Application Platform
- **TCFD:** Task Force on Climate Related Financial Disclosures
- **TME:** Total Managed Expenditure
- **TPIN:** Trade Policy, Implementation and Negotiations
- **TRA:** Trade Remedies Authority

U

- **UKEA:** UK Export Academy
- **UKEF:** UK Export Finance
- **UKGI:** UK Government Investments
- **UKSBS:** UK Shared Business Services Ltd
- **UPU:** Universal Postal Union

V

- **VAT:** Value-Added Tax

W

- **WTO:** World Trade Organization
- **WTR:** Working Time Regulations

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