



Gov Facility  
Services Limited

Company registration number 11061429

# **Annual report and accounts**

## **2024-25**

From April 2024 to March 2025

December 2025

CP 1427





**Government of the United Kingdom  
Gov Facility Services Limited**

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

For the period 01 April 2024 to 31 March 2025

Presented to Parliament  
by the Secretary of State for Justice  
by Command of His Majesty

December 2025

CP 1427



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# Contents

<b>Section 1 – Strategic report</b>	<b>2</b>
Chair’s statement	4
Chief Executive Officer’s overview of 2024 to 2025	6
Performance overview	8
Performance analysis	15
<b>Section 2 – Accountability report</b>	<b>28</b>
Board of directors as of 31 March 2025	29
Directors’ report	30
Statement of directors’ and Accounting Officer’s responsibilities	32
Governance statement	34
The Accounting Officer’s review of effectiveness	42
Parliamentary accountability (audited)	43
Staff and remuneration report	44
<b>Section 3 – Independent Auditor’s report</b>	<b>57</b>
<b>Section 4 – Financial statements</b>	<b>64</b>
Notes to the accounts	71

**GFSL’s registered office is 102 Petty France, London, England, SW1H 9AJ.**

# Section 1 – Strategic report

## Highlights of the year

**3%**

reduction in  
Accident Incidence Rate



Cells out of use  
reduced again to



**3.9** days

**10%**

reduction in all  
work-related injuries



Silver level  
award from  
the Defence  
Employers  
Recognition Scheme



Achieved  
Disability  
Confident  
Level 2

Maintained Armed  
Forces Covenant  
Employer



**46%**

increase in project  
work delivered

# Chair's statement

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Since its formation, GFSL has faced near constant change. The past year has been no exception.

Firstly, our people. With Ministry of Justice (MOJ) support, we welcomed a new CEO, Alistair Watters through a managed move from another part of Government. Alistair brings with him significant senior level experience from both private and public sector. We saw departures from Stephanie Hill Operations Director, Jennie Oliver People Director and Neil Edmond CEO and would like to thank them all for their contributions to GFSL and wish them well. We appointed a new People Director, Fiona Potter, a Finance and Commercial Director, Steve Ward, and a new senior lead, Interim Programme Director, Peter Taylor to support our response to and contribution to the MOJ's Property Transformation Programme (PTP). We made the case and secured agreement for a business continuity payment to incentivise those of our staff who might otherwise be most likely to be unsettled or leave in the face of the planned future outsourcing of our work. We started the year with a high level of voluntary and involuntary staff attrition (23.51%), ending it with much more stability (15.22%) which has since improved further. We worked systematically to review key grades, confirming where there was an appropriate match and, in some instances, adjusting grading to better reflect job requirements. We achieved Disability Confident Level 2, and maintained Armed Forces Covenant Employer Recognition Scheme – Silver Award.

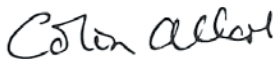
Above all else, as we had committed, we continued to invest in the development of our people, notwithstanding that PTP will lead ultimately to our closedown. We supported 44 new apprenticeships in 2024-25, with a total of 130 apprentices in role, making up circa 9.4% of our workforce. This continued commitment to our staff will serve both GFSL and the new service provider who takes on the work that we do, to ensure that the eventual transfer is smooth, effective and that staff transferring are of the highest calibre. We also supported skills training for prisoners and, in partnership with His Majesty's Prison and Probation Service (HMPPS), we were delighted to have supported prisoner(s) into employment on release, so playing our part in the wider MOJ objective of reducing reoffending.

Financially, prior to the appointment of our Finance & Commercial Director in January 2025, we appointed an interim Finance Director and Accounting Officer for 6 months. We operated within the budget allocated to us by MOJ. We strengthened our internal assurance and commercial processes.



Operationally – our reason for being – there was much to celebrate. Our staff responded admirably to the day-to-day maintenance of what is an ageing estate. In the face of population pressures faced by our customer, HMPPS, we sustained low levels of cells out of use awaiting repair. We completed major projects across our estate, including at HMPs Portland, Huntercombe, Aylesbury and Downview. We have sustained high levels of planned and reactive maintenance, driven statutory compliance and improved fire safety. Our accident rate has reduced through the year by nearly 3%, from 326 to 316, illustrating that our continual focus on "safety at the forefront of everything we do" is now firmly part of our safety culture.

My thanks, and that of the whole Board, go to everybody who played their part in this success.

A handwritten signature in black ink, appearing to read 'Colin Allars', written in a cursive style.

**Colin Allars**  
Chair, GFSL

# Chief Executive Officer's overview of 2024 to 2025

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## **Reflecting on a Year of Transition and Delivery**

This past year has been one of significant change and delivery for Gov Facility Services Limited (GFSL). Since stepping into the role of CEO in February 2025, I've had the privilege of witnessing first-hand the professionalism, resilience, and commitment of our people across the organisation. Their efforts – working in what is a difficult environment – have ensured that we maintained service continuity and made meaningful progress in key areas of our strategy.

## **Leading Through Change: Our Role in the Property Transformation Programme**

Our engagement with the Ministry of Justice's PTP has been a defining feature of the year. We appointed an interim dedicated Programme Director to lead our transition planning, ensuring that GFSL remains a reliable and high-performing partner throughout this period of structural change. Our focus has been on maintaining operational stability while preparing our people and systems for what lies ahead.

## **Investing in People and Culture**

Our people remain our greatest asset. This year, we enhanced our recruitment and onboarding experience, launched new health and well-being initiatives, and expanded our apprenticeship programme — now representing nearly 10% of our workforce. These efforts are about maintaining numbers while building a culture where people feel supported, valued, and equipped to succeed.

We've also taken steps to improve how we listen to and act on employee feedback. Our engagement score rose from 56% to 58%, and we've introduced policies that reflect the diverse needs of our workforce, including menopause and neonatal leave support. We are proud to have achieved Disability Confident Level 2 status — affirming our commitment to inclusive recruitment and creating an accessible workplace for all.

## **Operational Delivery and Safety**

We continued to deliver against our core mission: to deliver safe, high-quality value-driven facilities services and streamline our processes to support the PTP, across the prison estate. Major projects were completed at HMPs Portland, Huntercombe, Aylesbury, and Downview. Our safety performance improved, with a 3% reduction in accident injury rates and a 10% drop in overall work-related injuries.

Our Purposeful Prisoner Working (PPW) programme expanded to 33 sites, with more than 18,000 work tasks completed by prisoners — up 51% from the previous year. This supports prisoner rehabilitation and contributes to estate maintenance, compliance, and decency.

### **Financial Stewardship and Value Creation**

We operated within our allocated budget and strengthened our internal assurance and commercial controls. Our supply chain relationships remain robust, and we continue to deliver value through efficient resource management. Our PPW programme was recognised with the Judge's Choice award at the 2024 Government Property Awards — an endorsement of our commitment to social value.

### **Sustainability in Action**

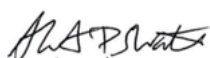
We made strong progress against our environmental goals. Carbon emissions were reduced by over 27% compared to our 2017–18 baseline. We introduced water conservation measures, biodiversity initiatives, and sustainable procurement practices that align with the MOJ's Greening Government Commitments.

From bug hotels at HMP Swaleside to ecological management plans across the estate, our sustainability agenda is not just policy — it's practice.

### **Looking Ahead**

As we prepare for the next phase of GFSL's journey, our focus is clear: deliver operational and project excellence, support our people through transition, and uphold our values. We will continue to measure our success through performance data, employee feedback, and stakeholder trust.

To every colleague across GFSL: thank you. Your work matters. Your commitment is recognised. Together, we will continue to deliver with pride and purpose.



### **Alistair Watters**

Chief Executive Officer, GFSL

# Performance overview

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## Who We Are, Delivering on Our Strategic Priorities and Our Future Plan

### Who we are

Gov Facility Services Limited (GFSL) is a non-profit company established by the Ministry of Justice (MOJ). We manage facilities within a framework agreement, ensuring good governance, finance, and management practices.

We support His Majesty's Prison and Probation Service (HMPPS) by delivering safe, high-quality, and cost-effective facilities management services across 48 prisons in the South of England.

We provide two main types of services:

- Core Services: delivered under a fixed annual budget. This includes planned maintenance, repairs under £2,000, and services like cleaning, waste management, and prisoner work programmes.
- Variable Services: performed upon instruction from HMPPS. This covers larger repairs, minor projects, and capital investment works.

### Delivering on Our Strategic Priorities

Our vision is to provide best value facilities services through a seamless transition to the private sector supporting an enduring world class justice system.

To fulfil this vision and deliver on our mission to deliver safe, high-quality value-driven facilities services and streamline our processes to support the PTP transition of our services to the private sector. Our focus is built upon six core areas that underpin every action we take. The progress and key activities within each of these core areas are outlined below:

### Strategic Goal – Safety

A key priority for GFSL was embedding and sustaining the considerable improvements made to our safety culture through clear accountability and proactive hazard management. We focused on ensuring everyone understood their safety responsibilities and actively

participated in identifying and preventing potential risks. We also emphasised open communication, making it easier for staff to raise safety concerns.

We continued our commitment to working closely with our customers to manage shared safety risks effectively. Internally, we empowered our teams to take ownership of safety issues and find solutions, while still acknowledging there is always more that can be done.

We also reinforced our safety assurance processes to ensure rules were consistently followed.

Our approach to incidents included clear communication and swift resolution to minimise impact. Furthermore, we prioritised staff wellbeing through health monitoring and used lessons learned from past events to continuously improve our safety practices.

## **Strategic Goal – People**

Our people strategy focused on building a high-performing and engaged workforce. A key priority was developing strong leaders through targeted training programmes that addressed identified development needs. We actively worked to enhance employee engagement across all teams and sites by understanding current levels and implementing actions to improve them.

Attracting and retaining top talent remained crucial. We strengthened our hiring practices and continued to promote a compelling Employee Value Proposition that showcases our unique culture, career growth opportunities, and benefits. This helped us to expand our talent pool.

Investing in our people's skills, we provided relevant training and development, including leadership development, and created on-the-job learning opportunities, utilising resources such as the apprenticeship levy to support 44 new Apprentices during the year, taking our total in the business to 130.

We dedicated efforts to enhancing the overall employee experience, recognising its impact on culture, retention, wellbeing, safety outcomes, client satisfaction, and productivity. Clear and consistent communication was vital in building trust, clarifying expectations, and fostering collaboration and innovation. Finally, we remained committed to retaining our best talent by creating internal growth opportunities and nurturing a positive work environment. Underpinning our people initiatives was a data-driven approach, using analytics to inform our strategies and measure their effectiveness.

## **Strategic Goal   Customer**

Our commitment to our customer HMPPS was demonstrated through our focus on maintaining an estate where safety remained a top priority. We delivered collaborative and high-quality end-to-end projects, with a specific emphasis on improving customer engagement throughout the project lifecycle and strengthening supply chain resilience to ensure timely and effective delivery. We responded to support MOJ following the collapse of ISG, helping to make safe their work areas, collaborating with other providers and supporting the ongoing delivery of impacted projects.

We actively supported our customer in discharging their responsibilities by providing effective visibility of risks during the year. Our planned and reactive maintenance teams delivered clear and high-quality services across the estate 24/7, ensuring operational continuity for our customers.

We played a key role in supporting capacity by focusing on the efficient return of out-of-use cells to operation. Our GFSL subject matter experts were deployed to support improvements in various HMPPS site operations, including cleaning, waste management, technical services, energy efficiency, and planned preventative works.

Critically, customer feedback gathered through our feedback process was actively used to inform and shape our business plan activities during the year. We used performance data to monitor and improve our delivery of both FM and project services. Ultimately, our priority was to put customer needs first by providing responsive site support to keep their establishments running effectively throughout the year.

## **Strategic Goal   Value**

A key theme for GFSL was delivering value in all our activities through careful resource management and efficient operations. We focused on strong relationships with our supply chain to ensure quality and accountability. Our decisions were guided by a long-term perspective, aiming for the best overall value for HMPPS and the Ministry of Justice. Our financial outturn was within the funding provided to us by MOJ.

We continued to deliver social value through our Purposeful Prisoner Working programmes, providing valuable opportunities for prisoners to develop skills and increase their pride and confidence. We improved the management of commercial change and better financial control.

We improved the quality and accessibility of our management information and remained focused on enhancing our compliance with public procurement regulations. We implemented an e-tender solution to support compliance and drive transparency and efficiency. Overall, our focus on value was driven by the principles of responsible resource management, robust compliance, and effective financial control across all our operations.

## Strategic Goal   Excellence

Underpinning all our strategic goals throughout the period was a commitment to excellence, driving continuous improvement in the quality of our operational and service delivery performance across all business functions. A primary focus was enhancing risk and assurance. We continued to develop our risk and assurance practices, ensuring coverage across the organisation. The resulting improved maturity across our three lines of defence was crucial for enabling and driving continuous improvement.

We made significant investments and progress in our MI and reporting tool, Hive, to further develop our performance reporting capabilities, providing managers and colleagues with valuable insights for continuous improvement. Work was undertaken to put building blocks in place for process maturity across our core processes, including the initial stages of training and coaching of process managers to support this development. Our efforts extended to scaling and simplifying change management, ensuring our internal and external change management processes were effective.

A statutory compliant estate is a joint responsibility of GFSL and MOJ. To assure our support, we focused on consistently deploying the right maintenance specifications against the appropriate assets, including a specific focus on working collaboratively with our customer to ensure the applied specification best meets their needs.

## Strategic Goal   Responsible

GFSL maintained a strong commitment to operating as an ethical and sustainable business. We were focused on embedding responsible practices across the organisation, supporting purposeful prisoner working programmes, and taking steps to reduce our environmental impact, all while upholding high standards of integrity. We also began exploring opportunities to more effectively share the positive work being done across our sites.

A key priority was reinforcing ethical practices, with initiatives aimed at enhancing every employee's understanding of working ethically and responsibly. Our commitment to a positive social impact was also demonstrated through significant work in our people space, including advancing Equity, Diversity, and Inclusion (ED&I) initiatives, achieving Disability Confident Level 2 (Employer) status, and continuing to actively engage in veterans' recruitment, demonstrating our commitment to the Defence Employer Recognition Scheme Silver award. This was alongside enhancing our online training around ED&I to increase awareness and having a dedicated ED&I committee, as well as Chartered Institute of Personnel and Development (CIPD) professionals volunteering for coaching and mentoring ex-offenders through the CIPD trust.

Regarding environmental sustainability, we ensured that policy and practice decisions considered their impact on environmental efforts, laying the groundwork for future progress.

To support these principles, we emphasised employee training in critical ethical areas, such as modern slavery awareness and data protection. We also sought to support our customer, working collaboratively to promote the responsible management and use of energy and waste within the estate.

Furthermore, we continued to prioritise Purposeful Prisoner Working, actively identifying and developing opportunities to enhance operational effectiveness while supporting prisoner rehabilitation. While evidence of impact is still emerging in some areas, these foundational efforts demonstrate our ongoing commitment to operating as a responsible and sustainable organisation.

## Looking forward

As we look ahead, our strategic direction is firmly set on preparation for transition while ensuring core service delivery is maintained. GFSL's focus will be on leading our transition programme, directly supporting the wider MOJ PTP to transition our services to the private sector. This involves building agility and responsiveness to maintain service delivery, ensuring limited impact to services during the transition phase. Our proactive approach is centred on thorough handover preparedness, allowing us to respond to this change effectively.

Our success hinges on our People. We are committed to creating a positive workplace through better communication, effective staff input, and clear performance development to help everyone grow and contribute their best. A key element of this commitment is preparing our teams for the upcoming transition, ensuring they have the skills and understanding needed to navigate the changes successfully. Empowering our teams is fundamental to our collective success. Prioritising safety and wellbeing, we will also strengthen retention strategies to keep talented staff engaged and committed, aiming to achieve targets across accident rates, engagement, retention, wellbeing, performance, and training.

Our core operations will continue to focus on delivering trusted quality FM services. We are committed to consistently providing high-quality, reliable services by enhancing our planned and reactive maintenance processes. Our success will be measured through key operational metrics, including reduced cell downtime, optimised maintenance backlog, and improved service KPIs. These enhancements will drive higher customer satisfaction and ensure compliance with maintenance standards.

Finally, our commitment extends to the successful delivery of all Projects: on time, on budget, and with robust risk management. Customer satisfaction will be reflected in improved delivery, cost, and quality metrics, delivering predictable outcomes.



## Section 172 statement

In this statement we describe how our directors have had regard to the matters set out in section 172 of the Companies Act 2006 when performing their duty to promote the success of the company for the benefit of the shareholder and stakeholders.

<p><b>The likely consequences of any decisions in the long-term</b></p> <p>As we work towards GFSL transferring their services to a new provider, the directors are committed to a smooth and seamless transfer for all concerned. The executive and board are advocates for handing over the business to a successor organisation in good order having met key objectives.</p>	<p><b>The interests of the company's employees</b></p> <p>The directors will continue to support staff in achieving their potential and providing development opportunities, whether this is with GFSL, the new service provider or another organisation. We understand that change can be unsettling to some, and we will continue to support our staff throughout the transition of the company. More information can be found in the People and Remuneration section.</p>
<p><b>The need to foster the company's business relationships with suppliers, customers and others</b></p> <p>Keeping an engaged supply chain is crucial in achieving our objectives and keeping the estate safe. GFSL continues to work with suppliers to update them on the transition of the business and how this will impact them. The supplier relationship meetings that are held are an opportunity to foster these relationships and maintain service levels.</p>	<p><b>The impact of the company's operations on the community and environment</b></p> <p>We have increased the number of sites that participate in Purposeful Prisoner Working and the number of jobs completed by prisoners. This gives them a sense of purpose and assists in employment opportunities after release. More information can be found in the performance overview section.</p>
<p><b>The desirability of the company maintaining a reputation for high standards of business conduct</b></p> <p>To succeed as a business, it is important to act and behave in a way that meets internal and external customer expectations. We aim to follow high standards of business conduct, helping us stay compliant with company requirements and meet the behavioural expectations of</p>	<p><b>The need to act fairly between members of the company</b></p> <p>The directors have regular meetings with the shareholder and their representatives to discuss all areas of GFSL's performance. Tripartite meetings between GFSL, MOJ and HMPPS are in place to discuss and share any issues arising and actions taken to support.</p>

<p>our stakeholders. GFSL has a code of conduct policy that details expected staff behaviours.</p> <p>Staff have the right to send any whistleblowing concerns to the nominated officer and can disclose anonymously if required.</p>	
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# Performance analysis

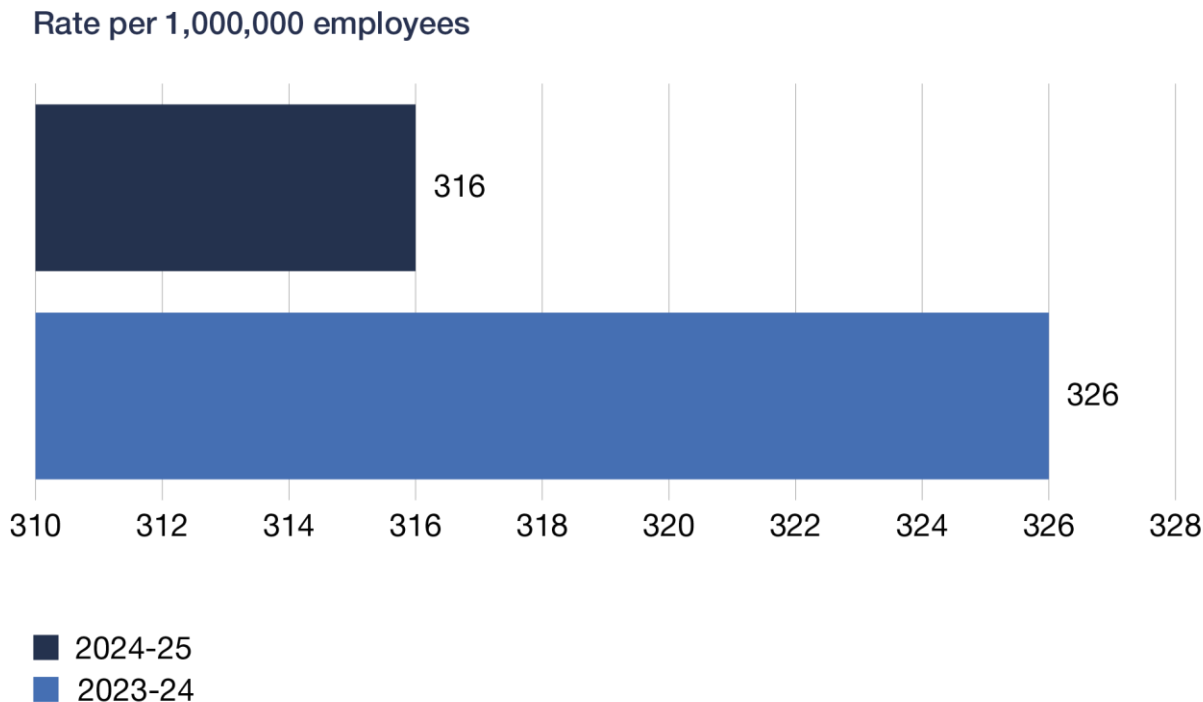
## Safety

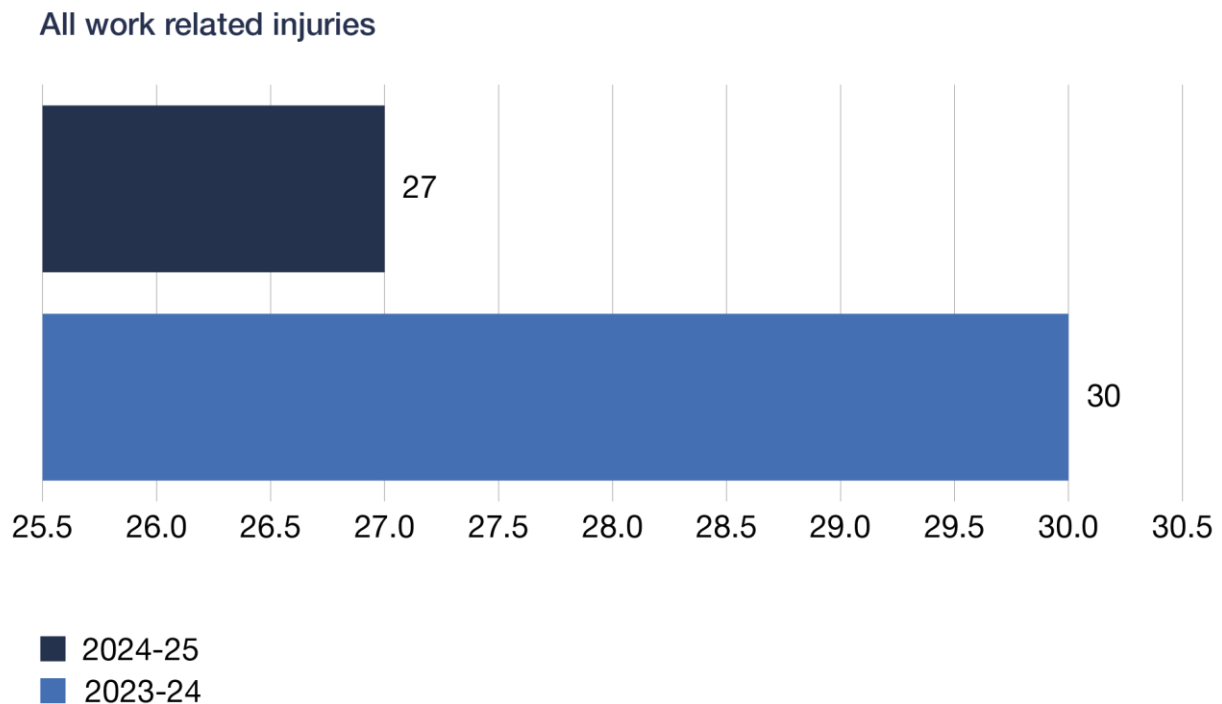
Our commitment to ensuring a safe and secure work environment remains a top priority at GFSL. Throughout the year, we have implemented a range of initiatives to actively reduce the likelihood and severity of injuries or damage.

Our 2024-25 Health and Safety improvement plan has driven the safety focus and learning of the business. This focus has resulted in a sustained performance and is reflected in our safety performance indicators.

### Graph 1: Accident incidence rates

#### 3% reduction in Accident Incidence Rate



**Graph 2: All work-related incidents****10% reduction in all work-related injuries reported**

Our continued focus on our incident investigation and learning from events has improved safety culture and reduced the likelihood of reoccurrence.

We have continued to proactively address workplace hazards in a challenging environment through workplace inspection, work in progress inspection and a see it, sort it, report it approach, resulting in a safe workplace for all.

We continue to ensure that all new staff members fully comprehend their health and safety responsibilities from day one through our onboarding process and training focus, supporting everyone to become a valued and significant member of the GFSL team who can influence and improve safety.

We have continued with safety messages and supporting critical communications.

We are dedicated to maintaining the highest standards of health and safety. Our ongoing efforts in training, hazard identification, incident investigation, collaboration and promoting a culture of responsibility reflect our commitment to provide a secure work environment for all.

# Excellence

## Operational Performance

Our operational performance is assessed across four areas:

<b>Service Delivery</b>	Volume of maintenance work completed
<b>KPIs</b>	Timeliness in completing statutory and high-priority maintenance
<b>Cell Availability</b>	Speed of returning out-of-use cells to service
<b>Compliance Management</b>	Adherence to legal and regulatory standards for systems such as water, heating, and electricity

### Service delivery: maintenance work completion

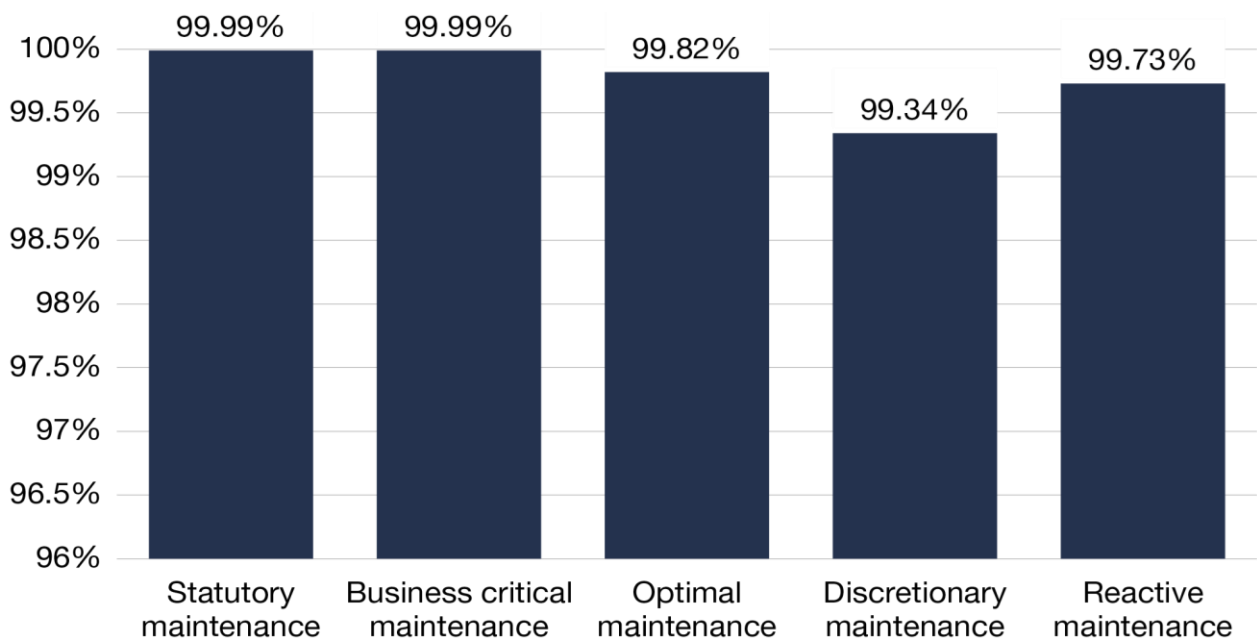
Completion measures whether the required task has been completed during the year.

In 2024-25, **99.9%** of statutory and business-critical planned preventative maintenance (PPM) tasks were **completed, 83,417** in total, ensuring regulatory compliance and supporting safety standards across the prison estate.

Additionally, **99.8%** of optimal and **99.3%** of discretionary PPM tasks were completed, totalling **32,810**. These works help maintain plant and equipment performance, reducing failure risk and **associated** costs.

Reactive maintenance demand reached **266,610** tasks, with **99.7%** completed within the year.

Graph 3: 2024-25 Planned and reactive completion performance



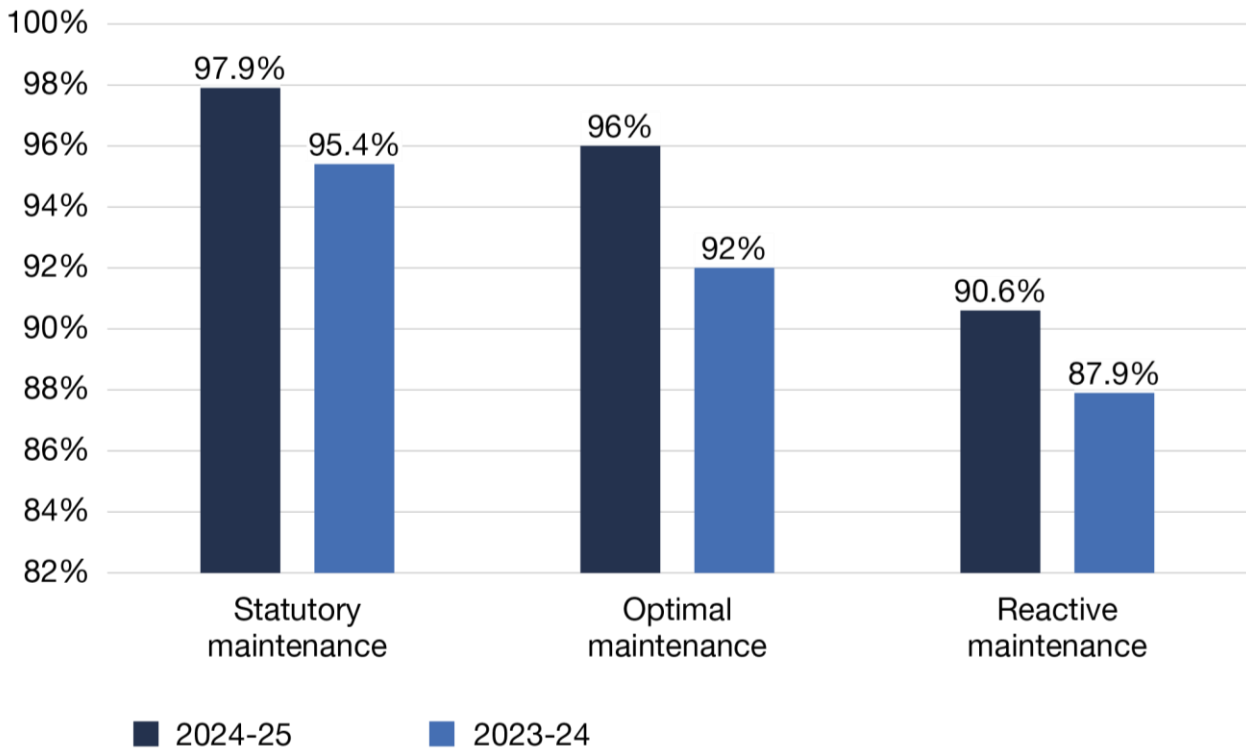
## Performance: Key Performance Indicators

In 2024-25, **97.9%** of statutory maintenance (target 100%) and **98.2%** of business-critical tasks were completed on time (target 100%).

Optimal maintenance timeliness also rose, with **96%** completed on time, a **4%** year-on-year increase.

Reactive maintenance response, measured by timely attendance and making safe, achieved **90.6%** (target 90%), up **2.7%** from the previous year. This reflects a strategic prioritisation of statutory and business-critical tasks.

**Graph 4: KPI performance**

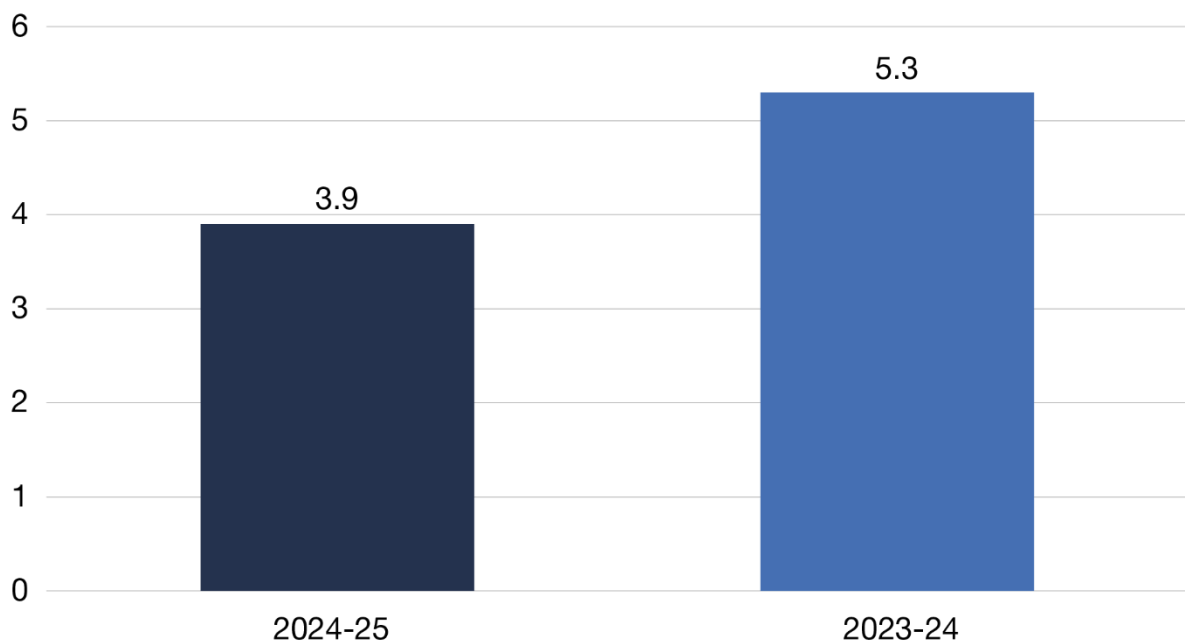


## Cells out of use

Cell availability remains critical to our customer amid ongoing capacity pressures within the UK prison estate. We measure our contribution to this through the “Cells Out of Use” metric.

Our performance is assessed by the time taken to complete maintenance and formally return affected cells to service.

**Graph 5: Cell availability – duration of time to return to service (days)**



The average time to return to service improved from **5.3** days in 2023- 24 to **3.9** days in 2024-25.

## Statutory compliance

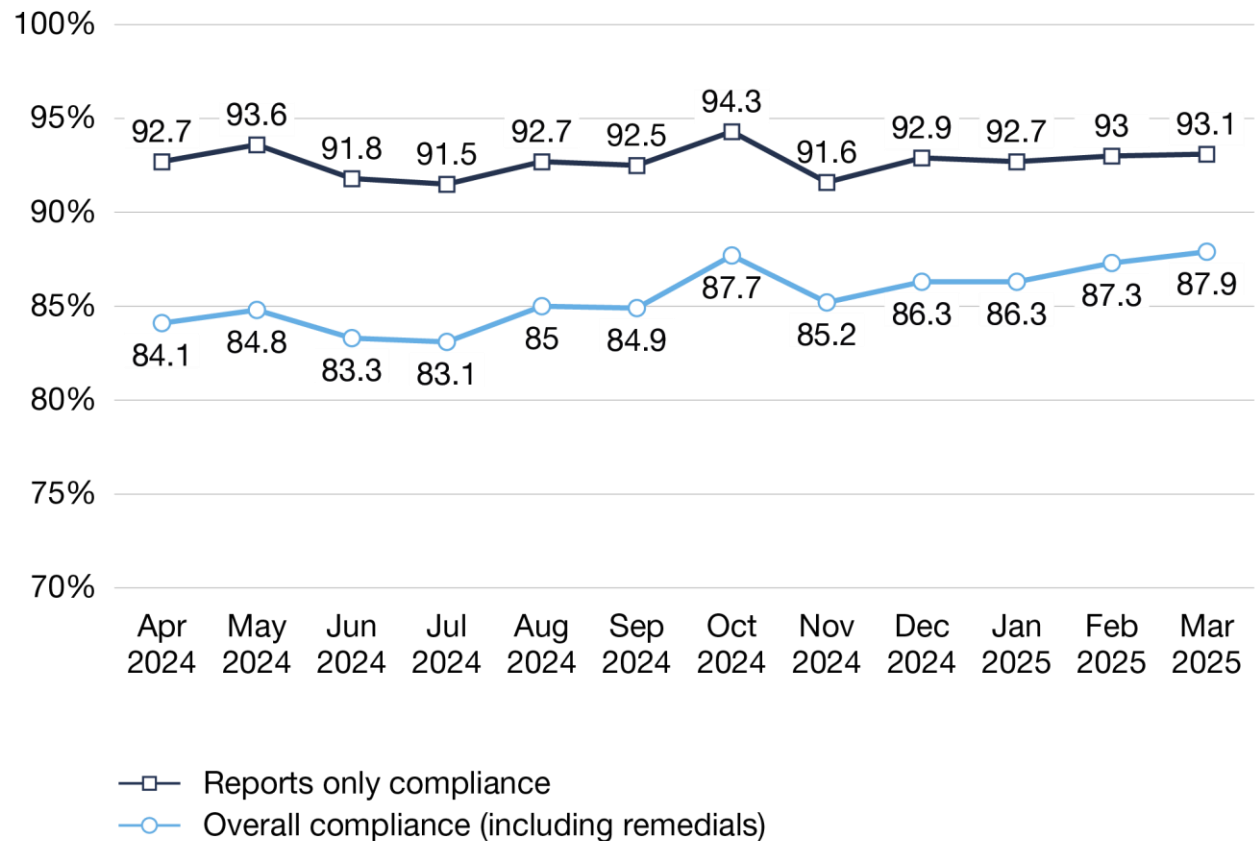
Statutory compliance is a key responsibility of our business which enables our customers to ensure that the premises they occupy, together with the systems which support that occupation, are compliant with applicable laws and regulations.

We assess Statutory Compliance based on critical assets that typically carry the most significant risks.

The business considers compliance through two complimentary lenses:

- Statutory PPM activities as ‘reports only compliance’
- Statutory PPM and completed remedial repair requirements as ‘overall compliance’

**Graph 6: Reports only and overall compliance**



Statutory compliance is measured from the total reports required. Each report may represent one or multiple assets that require certification. ‘Overall compliance’ is achieved when the report and all assets it includes are certified, with no outstanding repairs.



The statutory compliance graph represents our reported compliance position, measuring the assets that are fully certified and compliant against the total measured reports for the estate.

The graph shows our *compliance percentage* across the year, which was **87.9%** for the year overall, a **3.8%** increase from the previous reporting period.

The *reports only compliance* for the year overall was **93.1%**, an increase of **0.4%** from last year.

## Projects

### Programme Delivery

Our Projects team has delivered a strong performance over the past financial year 2024-25, supported by a 46% increase in investment funding provided by the customer compared to the previous financial year. Investment delivered within the HMPPS estate has reached £43.5 million across infrastructure, decency, safety, sustainability and escorts.

The agility of our projects team and supply chain teams, coupled with the experience, competence and knowledge we possess of the existing infrastructure, has proven invaluable.

### Structure

Operational delivery is supported by our Projects Commercial team and the Project Management Office. Competent leadership in both functions has forged strong healthy relationships with their counterparts in the MOJ. Alignment to the Tri-partite hierarchy is in place with all appropriate operation staff present at every level of governance, from site Governor to Prison Group Director and, more recently, Area Executive Director.

## Customer

In the past year, GFSL has continued to offer the benefits of Purposeful Prisoner Working (PPW) programmes to prisoners, averaging at around 340 prisoners per month working directly with GFSL staff. The programmes offer prisoners the opportunity to gain experience and skills in a real workplace environment while still serving their sentence. This has a significant impact on their confidence, employability and mental health. Additionally, the programmes improve decency and compliance while providing a cost-effective solution for additional works. GFSL staff report that working with prisoners is one of the most rewarding parts of their jobs.

In the past year, the number of sites working with prisoners has increased from 29 to 33. Our tracking shows an increase in prisoner completed work, from 12,325 jobs in the prior year to 18,645 in the current year.

There has been a focus on professionalising the programmes. This has included:

- Branding, including a new logo so that PPW is instantly recognisable and can be used on documents and uniform.
- Prisoner portfolios – to document the programme journey and to link into education and work on release.
- A PPW video and professional photos to be shared internally and externally.
- Information booklets for GFSL, HMPPS and Suppliers, giving summary of PPW, the opportunities available and how to get involved.

Additionally, there have been successes in piloting new initiatives around rehabilitation. GFSL has continued to support training to allow flooring to be completed by prisoners. In the past six months, we have also invested in further prisoner training, including water hygiene and fire door courses that provide niche and tangible qualifications to prisoners but also support compliance in the prisons participating.

GFSL has just launched a first of its kind prisoner apprenticeship which is linked to employment with one of our supply chain partners. The prisoner participating will have a Hygiene Operative qualification, which they are completing while working with GFSL, and will move onto guaranteed employment with one of our suppliers on release. This apprenticeship paves the way for further prisoner apprenticeships in the future.

ROTL (Release on Temporary Licence) employment has been a great success in the past year. From having no official prisoner employments in the previous year, GFSL has worked to support five prisoner ROTL positions. This means that serving prisoners can earn a full-time salary and are filling difficult to recruit GFSL positions. Currently, this is limited to the open estate but options to extend this are being explored. The first employment was for an electrician at HMP Hollesley Bay, for which GFSL were proud to receive the Judge's Choice award at the 2024 Government Property Awards.

Prisoner working still holds a huge amount of potential which, if supported fully, could expand in size, type and include prison leaver employment opportunities. The work that GFSL has recently put into increasing PPW programmes, professionalising them and piloting different initiatives demonstrates the benefits of further supporting rehabilitative work and pushing to remove obstacles. We will continue to work to create more opportunities.

## People

Our people continue to be at the heart of delivering safe and decent facilities management services across the prison estate. In 2024–25, we focused on embedding the improvements made over the previous year while navigating change linked to the PTP.

**Recruitment** and **onboarding** remained a priority. The enhanced GFSL careers website, together with a streamlined, automated onboarding journey, ensures that every new colleague is welcomed, supported and equipped from day one.

Our **apprenticeship programme** continues to grow and mature, offering development opportunities across trades, administration and professional disciplines.

Our commitment to **wellbeing** was further strengthened this year. We introduced PocDoc digital health checks, a menopause policy, and a neonatal leave policy.

Our **employee engagement** score rose by two percentage points to 58% in 2024–25, placing us broadly in line with UK national averages and reflecting steady progress in building a more inclusive and engaging workplace experience. As we prepare for organisational transition, we remain committed to ensuring a stable, inclusive, and engaging environment for all employees.

## Responsible Business

### Social

GFSL achieved Disability Confident Employer (Level 2) status and retained the Defence Employer Recognition Scheme (DERS) Silver Award, reflecting our inclusive approach to recruitment and support for veterans and the wider armed forces community. Our Equity, Diversity and Inclusion Committee played a key role in expanding awareness and training across the business. This year, several colleagues also volunteered through the CIPD Trust to coach and mentor ex-offenders, reinforcing our commitment to social value.

### Environmental

Our sustainability targets support our strategic goals to deliver value to the UK taxpayer and manage the facilities of the prison estate to reduce energy consumption and carbon emissions. It is not possible to separate GFSL's contribution from MOJ's own contribution as GFSL operates on HMPPS's estate and the MOJ will make the relevant disclosures. In 2024 to 2025 we are placing more focus on waste management through supporting increased recycling and reduced food waste.

## Biodiversity

GFSL is working closely with MOJ's ecology department to develop ecological management plans for our estate by overseeing habitat improvements and tree planting in several prison establishments. There have been developments in regional sustainability. The Kent & Sussex region has, for example, developed wildlife areas with bee hives, insect hotels, a new pond and numerous bird boxes.

## Sustainability

We provide goods and services in a way that:

- supports MOJ's achievement of the Greening Government Commitments
- conserves energy, water, wood, paper and other resources
- reduces waste
- avoids the use of ozone depleting substances
- minimises the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.

## Greenhouse gases

*CO<sub>2</sub> from travel and paper use are the main sources of GFSL's own emissions.*

The use of paper across the 48 GFSL sites continues to be an area of concern for environmental impact and CO<sub>2</sub> emissions. In the 2024-25 period, GFSL purchased 3,348 reams of paper, or 1,674,000 sheets, a 5% reduction on 2023-24. Using industry standard CO<sub>2</sub> figures, the paper use in 2024-25 equated to 66.96 tonnes of CO<sub>2</sub>.

In 2024-25, our staff vehicle use, car and commercial vans, produced 21.83 tonnes of CO<sub>2</sub>. This equates to a 41% reduction on CO<sub>2</sub> emissions against 2023-24.

364,000 miles were travelled by train which contributed 11.86 tonnes of CO<sub>2</sub>, a reduction of 10% on 2023-24.

We have substantially increased our meetings by videoconference, and this is highlighted by our total annual reduction of 16 tonnes from vehicle and train travel when compared to 2023-24. Where travel is necessary, we still encourage travel by train. All our company cars are now more efficient hybrid vehicles.

# Sustainability Policy Statement

## Our Commitment

GFSL's business commitment is to effectively manage and improve our environmental, carbon emissions and sustainability performance. We are focused on minimising negative impacts and promoting positive impacts of our own activities across the prison estate, and GFSL will assist MOJ in their endeavors to achieve carbon reduction of 41% by 2025 against emissions from 2017-18 and a 50% reduction of directly controlled emissions by 2032.

### We will achieve this by:

<b>Compliance</b> Being committed to complying with applicable ESG, environmental and carbon legislation, standards and other requirements associated with the sectors in which we operate.	<b>Collaboration</b> Working with our client, and suppliers to be best in class in reducing energy and waste, managing use of water and raw materials, and protecting biodiversity wherever we operate.	<b>Communication</b> Communicating about sustainability and the environment will be a key part of our process. We will ensure that our employees are involved in any continual improvements required to our policies and procedures.
<b>Reporting &amp; Accountability</b> Monitoring and reviewing performance and progress against the Greening Government Commitments (GGC). Report performance publicly in line with Cabinet Office and Greening Government Commitment (GGC) and ESG (Responsible Business) requirements.	<b>Training</b> Commitment to the training of our staff to enhance awareness of relevant environmental matters, the importance of biodiversity, the prevention of pollution and to aid the reduction of any adverse impact of the company's operations on the environment.	<b>Performance</b> Implementing performance indicators to measure waste and carbon emissions to demonstrate environmental and sustainable improvement, driving continuous improvement by ensuring effective management of our own environment.
<b>Lead from the Top</b> Ensuring all leaders in GFSL will actively support a successful delivery of the	<b>Improvement</b> Delivering continuous environmental improvement and prevention of pollution	<b>Capability</b> Providing the right training for all employees to have the necessary skills and

policy which involves generating a culture that actively encourages best environmental practices and ensures the real involvement of all our people.	across GFSL's estate and reducing any adverse impact of the company's operations on the environment.	competencies to contribute to a culture of ongoing sustainability and environmental improvement.
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## Value

Under the framework agreement with MOJ, GFSL's costs in providing facilities management services to the 48 prison sites for which we are responsible, are funded in full by MOJ. Therefore, our income will match our expenditure, and we break even each year.

Income and expenditure relate to the two main services we provide: the core service, and variable work. The core service covers our planned preventative maintenance and reactive repairs up to a £2,000 per repair threshold. Variable work is commissioned by HMPPS and includes reactive repairs above the £2,000 threshold, and projects such as the installation of new plant, or new rapid deployment cells.

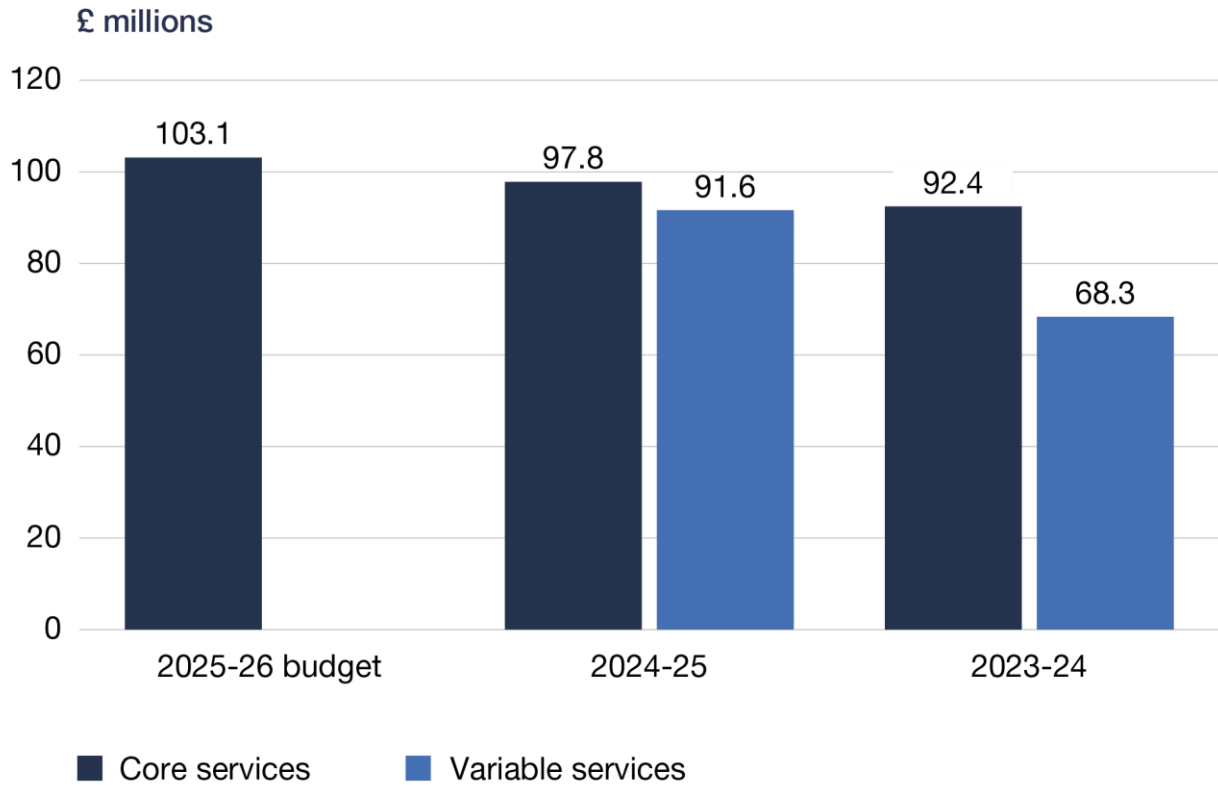
Core costs increased by £5.4 million (5.8%) in 2024 to 2025, rising from £92.4 million to £97.8 million, mainly due to higher staffing costs.

Our core budget for 2025 to 2026 is £103.1 million. We expect recruitment and retention issues and consequential use of subcontractors to continue to put pressure on our budget, particularly as the PTP transition draws closer.

Variable services costs rose by £23.3 million (34%), from £68.3 million in 2023-24 to £91.6 million in 2024-25, due to an increase in the volume of major project work completed. GFSL does not hold any budget for variable work as this is all instructed by MOJ.

## GFSL core and variable Spend

Graph 7: Core and variable services



The performance section has been approved by order of the board as at the date of the signature.

**Alistair Watters**  
Accounting Officer  
5 November 2025

# Section 2

## Accountability report

This section explains the governance structures in GFSL and how they support the achievement of our objectives.



# Board of directors as of 31 March 2025

Name	Job title	Date joined the board	Date left the board
Colin Allars	Chair	8 February 2018	N/A
Maura Sullivan	Senior Independent Non-Executive Director	1 April 2019	N/A
James Hayward	Independent Non-Executive Director	1 April 2020	N/A
Ian Deninson	Independent Non-Executive Director	24 May 2021	N/A
Naomi Mallick	Shareholder Non-Executive Director	19 September 2023	N/A
Alistair Watters	Chief Executive Officer	1 February 2025	N/A
Stephanie Hill	Operations Director	8 February 2018	30 June 2025
Don Keigher	Projects and Programmes Director until 13 June 2025, then Operations Director	4 April 2019	N/A
Stephen Ward	Finance and Commercial Director	13 January 2025	N/A

Jennie Oliver resigned and left her position at GFSL on 12 April 2024.

Neil Edmond resigned as CEO and left his position on 17 January 2025; Alistair Watters was recruited as his replacement.

Stephen Ward was appointed to the Finance and Commercial Director role on 13 January 2025 after a period of an Interim Finance and Commercial Director being in position.

Stephanie Hill resigned as Operations Director and left her position on 30 June 2025; Don Keigher moved from Projects and Programmes Director into the Operations Director role.

Richard Short is GFSL's Company Secretary.

# Directors' report

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The directors present their report together with the audited financial statements for the period 1 April 2024 to 31 March 2025 and any subsequent events after the reporting period and up to the publishing of the report.

The principal activities of the company are set out in the 'Performance Section' of the strategic report on page 8 to 12.

The principal risks and uncertainties of the company are set out on pages 38 to 39.

## Financial reporting

The company has prepared its 2024 to 2025 financial statements in accordance with the International Financial Reporting Standards (IFRS). The audited financial statements for the period are set out on pages 65 to 97.

During the 2024 to 2025 financial year, GFSL has made no significant changes to financial controls and policies. Post Balance Sheet Events are detailed on page 97.

## Dividends

GFSL will not be making any dividend payments in respect of this period.

## Directors' and officers' liability insurance

MOJ maintains directors' and officers' liability insurance. The Framework Agreement provide that MOJ shall cover its directors and officers against liabilities relating to company matters. It was not necessary to exercise these provisions during 2024 to 2025 financial year.

## Going concern

MOJ's PTP plans to transform facilities management delivery across the prison, probation and MOJ headquarters estate. The services currently provided by GFSL are in scope. GFSL's services are expected to transfer to new suppliers in the autumn of 2027. In the meantime, MOJ have confirmed their intention to continue to use GFSL to provide facilities management services in line with existing arrangements until September 2027 by a letter of comfort provided to GFSL. Therefore, the directors have concluded that it is appropriate to prepare the 2024 to 2025 accounts on the going concern basis.

## **Greenhouse gas emissions**

Details of our disclosure is within the Performance analysis section on page 24.

## **Directors serving in period**

The Directors serving in period are disclosed in the Accountability report on page 29.

## **Directors' interaction with employees**

We have disclosed how the directors interact with employees within the People and Remuneration report on pages 44 to 56.

The Director's Report has been approved by order of the board as at the date of the signature.



**Alistair Watters**

Accounting Officer

5 November 2025

# Statement of directors' and Accounting Officer's responsibilities

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The directors and Accounting Officer are responsible for ensuring that the annual report and accounts are prepared in accordance with applicable law and regulations and that proper accounting records are maintained that disclose, with reasonable accuracy at any time, the financial position of GFSL and which enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for preparing the strategic report and the directors' report.

They are also responsible for safeguarding the assets of GFSL and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors and Accounting Officer are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and distribution of financial statements may differ from legislation in other jurisdictions.

The Accounting Officer of MOJ has directed the Accounting Officer of GFSL to prepare for each financial period a set of financial statements in the form and on the basis set out in the relevant Accounts Direction. The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of the business and of its income and expenditure, statement of financial position and cash flows for the financial year.

In preparing accounts, the directors and Accounting Officer are required to comply with the requirements of the Government Financial Reporting Manual and the Companies Act 2006, and in particular to:

- observe the Accounts Direction issued by MOJ, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a consistent and reasonable basis
- confirm that applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements

- ensure that the annual report and accounts are fair, balanced and understandable
- prepare the financial statements on a going concern basis

MOJ's Principal Accounting Officer, acting on behalf of HM Treasury, has designated the Chief Executive Officer of GFSL as its Accounting Officer, and has completed the appropriate training for the role. The duties of an Accounting Officer, as set out in HM Treasury's publication 'Managing Public Money', include responsibility for the propriety and regularity of public finances, keeping proper records and safeguarding GFSL's assets.

The Accounting Officer confirms that the annual report and accounts are fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

## **Disclosure of information to auditor**

In accordance with legislation in the UK, each of the directors confirms that:

- as far as the director is aware, there is no relevant audit information of which the company's auditor is unaware
- the director has taken all the necessary steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

By order of the board as at the date of the signature.



**Alistair Watters**  
Accounting Officer  
5 November 2025

# Governance statement

This governance statement sets out the key features of the governance, risk management and internal controls operated in 2024 to 2025.

GFSL maintains robust governance arrangements to support the delivery of the company's strategic objectives and priorities. The governance framework:

- provides leadership and direction, giving a clear vision of what we are trying to achieve
- promotes transparency and accountability that maintains stakeholders' trust and confidence
- sets out details of our corporate governance, assurance and risk management
- works within the framework document which has been agreed between us and MOJ<sup>1</sup>

## GFSL governance structure as of March 2025

The board is supported by three sub committees as detailed below.

Board		
Audit and Risk Assurance Committee	People and Remuneration Committee	Health and Safety Committee

The board is also supported by the Executive team which consists of the CEO, the Operations Director, the Projects and Programmes Director, the Finance and Commercial Director, all of whom are members of the board. The People Director and interim Programme Director also attends board meetings but are not members of the board.

## Role of the board

The role of the board is to run the company as provided by the Framework Document and in accordance with the Articles of Association, and in particular to deliver the company's strategic objectives and the overarching Government objectives.

The board supports the Accounting Officer in meeting his statutory obligations.

<sup>1</sup> The framework document has been agreed between us and MOJ in place of a formal contractual agreement and sets out our core responsibilities and how we interact with the MOJ on a day-to-day basis.

The board shall:

- Review the company's performance against its objectives.
- Have oversight of the work conducted by the sub-committees and discuss any recommendations and actions.
- Sign off and publish an annual report of its activities together with its audited accounts after the end of each financial year.
- Prepare and support the business through the transition of the company to a new service provider.

## **Role of the Audit and Risk Assurance Committee**

The Audit and Risk Assurance Committee (ARAC) is responsible for the monitoring and oversight of financial reporting, external and internal audit work, internal control and risk management, whistleblowing procedures and compliance.

The committee shall:

- Monitor the integrity of the financial statements of the company, including its annual report and other formal statements relating to its financial performance.
- Advise the board on the company's overall risk position and strategy and discuss the principal and emerging risks of the company.
- Oversee and review the assurance programme of the company to ensure that suitable internal controls are in place.
- Discuss and review findings and recommendations from the Government Internal Audit Agency and the National Audit Office.
- Be responsible for determining auditors' remuneration and assessing their performance.

## **Role of the People and Remuneration Committee**

The People and Remuneration committee is responsible for the oversight of staff and directors' terms and conditions of employment. It advises the board on any strategic people-related issues.

The committee shall:

- Oversee remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to company purpose and values, clearly linked to the successful delivery of the company's long-term strategy.
- Determine remuneration policy, taking into account all other factors, including any relevant legal and regulatory requirements.

- Approve the annual pay review.
- Evaluate the skills, knowledge experience and diversity of the Board before any appointments are made.

## **Role of the Health and Safety Committee**

The health and safety committee has been established to assist the Board in fulfilling its obligations in overseeing and assuring the health & safety framework and management systems that enhance clarity around roles, accountability and responsibility throughout the organisation. It will do that through monitoring the Company's compliance with the approved Health and Safety policy and report regularly to the board.

The committee shall:

- Review, advise and challenge the compliance of processes by the company with health and safety legislation.
- Ensure that the holistic outputs of accident/incident investigations are captured effectively and lessons learnt are utilised to improve performance.
- Recommend appropriate measures on any health and safety issues that may have strategic, business and reputational implications.
- Review that internal control mechanisms are operating effectively.

## **Board effectiveness review**

To align with best practice, GFSL annually conducts a Board Effectiveness Review, the outputs have been shared and discussed at the Board meeting with an action plan to support improvements.

## **Board appointments: managing conflicts of interest**

Members of the board are required to declare any interests they may have, and an assessment is made as to whether this conflicts with the work they do for GFSL. This is part of the agenda for each board meeting and is documented within the minutes. There were no declarations of significant company directorships or other interests that may have conflicted with their responsibilities as directors of GFSL. Also, each year the directors must declare any related party interests. The declarations have confirmed that no conflicts existed.



## Board meetings

The table below shows the names of the executive and non-executive directors who have had responsibility for the company in the financial year 2024 to 2025. It also includes the number of meetings attended during the year.

Board member	Board of directors	Audit and Risk Assurance Committee	People and Remuneration Committee	Health and Safety Committee
<b>Meetings attended per member out of those eligible to attend</b>				
<b>Non-executive directors</b>				
Colin Allars	5 of 5	4 of 4	6 of 7	4 of 4
Maura Sullivan	5 of 5	5 of 5	7 of 7	–
James Hayward	5 of 5	4 of 5	–	4 of 4
Ian Deninson	4 of 5	–	7 of 7	–
Naomi Mallick	3 of 5	3 of 5	1 of 1	–
<b>Executive directors</b>				
Neil Edmond	4 of 4	2 of 5	5 of 5	3 of 3
Alistair Watters	1 of 1	1 of 1	3 of 3	1 of 1
Don Keigher	5 of 5	5 of 5	–	–
Stephanie Hill	3 of 5	1 of 1	–	4 of 4
Stephen Ward	1 of 1	1 of 1	1 of 1	–
Jennie Oliver	–	–	–	–

## The provision of information and data to the board

The Company Secretary acts as secretariate for the board and all its sub-committees. Information collated is of good quality and shared within good time to allow members to read the data prior to the meetings.

The chairs of the sub-committees provide verbal updates each quarter to the board and highlight the key points and any areas that require escalation and support.

## Risk management and assurance

Effective risk management is the responsibility of each and every one of our employees, with the heads of departments championing the identification and escalation of risks.

Our risk management framework aligns to HM Treasury's Orange Book: Management of Risks – Principles and Concepts.

Risk Management is an essential part of our governance; there are monthly calls with all executive directors to discuss progress against strategic risks they sponsor, any emerging risks or any actions that are not progressing as they should, these are shared each quarter with the ARAC members and escalated to board.

We operate a three lines of defence model for assurance. Activity across all lines is discussed monthly as part of the assurance committee which has representatives from all business areas.

## Principal risks and uncertainties

Our principal risks have been considered and are reported to the ARAC each quarter. All the strategic risks are reviewed by the Audit, Risk and Assurance Committee, together with progress and updates. There have not been any new or closed risks in the year, nor have any of the existing principal risks deteriorated, with actions and control measures in place for all. The principal risks and mitigating actions identified during 2024 to 2025 were as follows:

Risk category	Risk title	Mitigating actions and controls
Health and safety	Failure of health and safety processes	There is an annual safety plan in place to drive improvements across the business. Trend analysis of accident and incident reports to support improvements discussed at health and safety committee and actions taken to improve.
	Impact of MOJ Property Transformation Programme	A transition programme director has been appointed to build GFSL's transition plan.
Operational	Failure to meet and adhere to statutory compliance	Focus has been on an increased number of first line audits to support and address the risk.

Risk category	Risk title	Mitigating actions and controls
	Failure to effectively hand over projects to FM	The procedure document has been shared with sites to support the end-to-end handover of a project to FM.
<b>Reputational</b>	Failure to manage stakeholder expectations	Governance meetings in place across GFSL/MOJ/HMPPS to discuss any issues.
<b>Financial</b>	Effectiveness of the MOJ/GFSL commercial management	GFSL staff can raise early warning notices to highlight any assets at risk of failure – these can also be discussed at the Governance Board held each month if escalation is needed.
<b>People</b>	Failure to retain appropriately skilled staff	Ongoing role reviews in place to ensure that GFSL staff are paid at market rates. Employee forum in place so that the employees voice is heard.
	Failure to attract appropriately skilled staff	Ongoing attendance at job fairs and open days to show the importance of the work we do. Disability Confident Level 2 achieved.

## Internal audit

We commission the Government Internal Audit Agency (GIAA) to provide an independent and objective internal audit service, operating to the standards and methodology documented in the Public Sector Internal Audit Standards. The GIAA draws up the audit plan based on an analysis of the risks we are exposed to and discussions with the executive team and ARAC.

GFSL chooses to use GIAA for their services, governed by a memorandum of understanding.

GIAA provides us with opportunities to improve our processes and internal controls, and actions are taken forward, monitored and implemented.

GIAA provides an annual report to the Accounting Officer, which gives the overall opinion for the year on our frameworks of risk management, control and governance. The rating is based on GIAA activities throughout the year and on information supplied to the ARAC.

The GIAA report for 2024 to 2025 concluded an annual rating of ‘moderate assurance’. Moderate assurance is defined as: “Some improvements are required to enhance the

adequacy and effectiveness of the framework of governance, risk management and control.” Four of the audits conducted in the year received a moderate rating, and one received a substantial assurance rating.

## **Government functional standards**

GFSL has developed an annual review of each standard where relevant to the company.

## **Information assurance, data loss and freedom of information**

We disclose any data breaches to the ARAC on a quarterly basis and any actions taken to stop reoccurrence. All breaches are reported to MOJ who act as our Data Protection Officer. No data breaches were required to be reported to the Information Commissioner's Office during the year.

All information assets have a designated owner, and we manage our information asset register through a regular information asset owners steering group.

There were six Freedom of Information requests during the year; all of them were responded to within statutory timescales.

## **Whistleblowing**

Our whistleblowing policy sets out the process that staff can follow, should they wish to report any wrongdoing.

A record is made of all reports by the nominated officer and anonymity is maintained where requested.

All concerns are discussed at the quarterly ARAC meetings to ensure that a thorough investigation has been conducted and actions taken forward.

## **Fraud, bribery and corruption**

Each year we review and refresh our fraud risk assessment, together with our fraud policy and response plan. We work with the MOJ fraud team to ensure that we align to the government standards for fraud.

Every quarter, staff are required to declare any gifts or hospitality they have received or offered, whether accepted or declined.

All staff are required to declare any outside interests or relationships that could affect their employment at GFSL.

## **Modern slavery statement**

As an arm's length body of MOJ, we provide information to MOJ on the actions we take to follow and adhere to modern slavery. That feeds into MOJ's contribution to the UK government modern slavery statement, which can be found on GOV.UK

## **Independent oversight of assurance arrangements**

GFSL is subject to independent oversight by:

- the National Audit Office which reports on the annual report and accounts
- GIAA which reports on process areas linked to our strategic risk areas, which also includes value for money
- HMPPS, MOJ and other external bodies which also conduct audits and feed in any actions, including statutory compliance
- business performance reviews with the MOJ sponsor, acting on behalf of the shareholder

# The Accounting Officer's review of effectiveness

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As Accounting Officer, I am responsible for ensuring there is an effective process in place for the monitoring and escalation of any governance issues. I am personally responsible for safeguarding the public funds under my control, and for ensuring propriety, regularity and value for money in the handling of those public funds. I am supported by the executive directors and senior leadership team who have delegated financial and risk management authority appropriate to their roles.

To prepare the company's governance statement I am provided with feedback from the following areas:

- review with all the executive directors around their assessment of the risks and challenges within their area of responsibility
- challenge from our non-executive directors on our risk management, governance, assurance activity and financial controls
- the updating and review of risk registers throughout the business to provide escalation of risks to the executive
- enhancement of our assurance regime by putting resource into our internal assurance processes to highlight any deficiencies and put in actions to resolve them
- external assurance from GIAA and the National Audit Office

The company continues to review and improve its financial and risk controls and I am satisfied that governance is effective, any areas of non-compliance are identified and appropriate actions are put in place.

GFSL does not seek to comply with the Corporate Governance Code in full, but we do an annual board effectiveness evaluation each year. This was conducted with actions reviewed to further enhance the board's performance.



**Alistair Watters**  
Accounting Officer  
5 November 2025

# Parliamentary accountability (audited)

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The following sections are included to satisfy parliamentary reporting requirements and are subject to audit.

## Fees and charges

We make no fees or charges, other than to HMPPS and MOJ, which are fully disclosed and explained in the financial statements.

## Remote contingent liabilities

As required by Managing Public Money, we disclose for parliamentary reporting purposes contingent liabilities for which the likelihood of a transfer of economic benefit is remote.

There are no remote contingent liabilities beyond those disclosed in the accounts. This is subject to audit.

## Losses and special payments

There were no special payments over £300,000.

During the year GFSL made no political contributions.

GFSL did gift £440 to National Trust for the planting of trees.

## Parliamentary Ombudsman

GFSL did not receive any complaints from the Parliamentary Ombudsman.

# Staff and remuneration report

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## People and remuneration policies

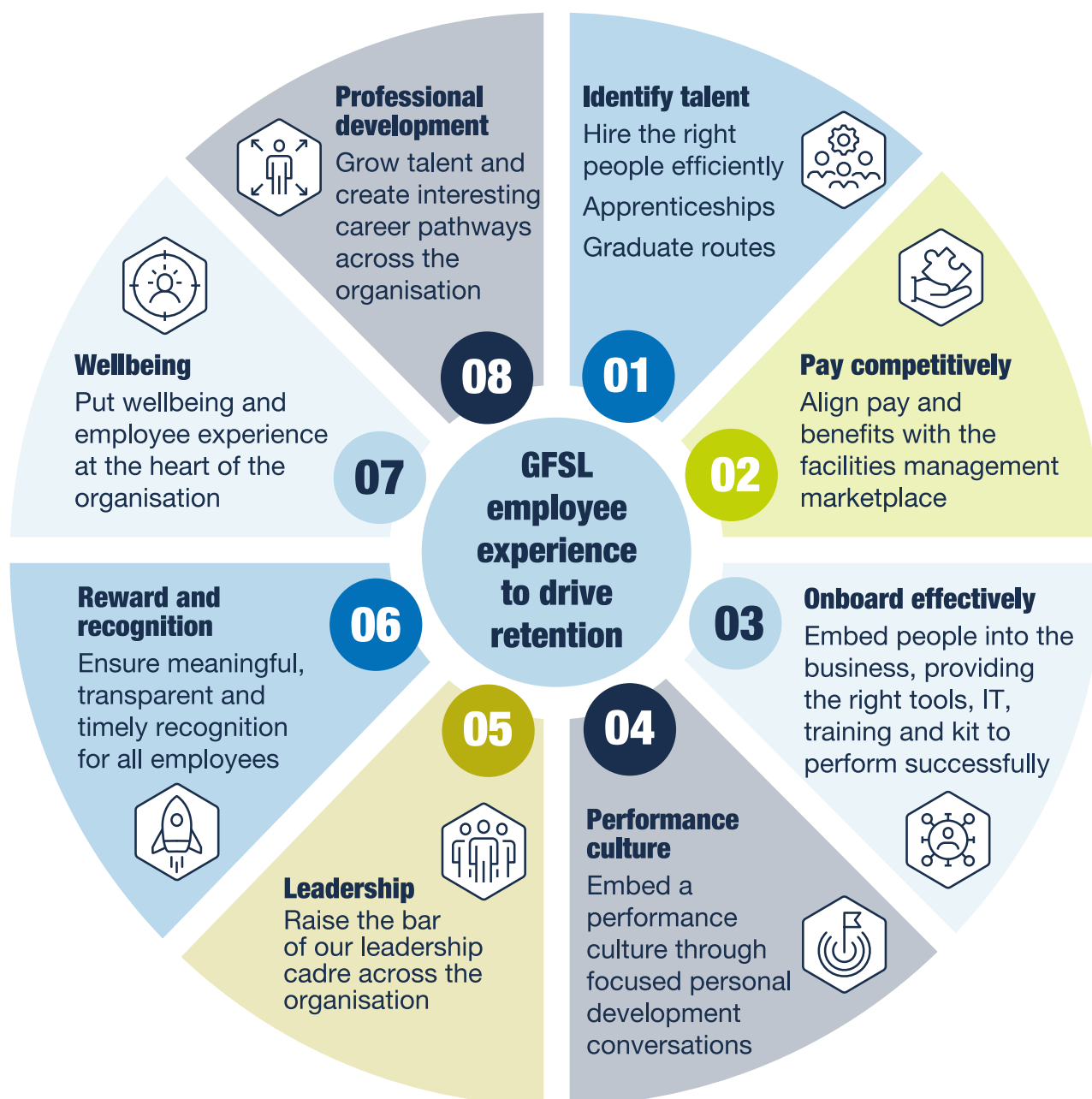
GFSL continues to operate under a set of terms and conditions delegated by the Ministry of Justice, maintaining our focus on supporting employees fairly and sustainably as we approach organisational transition.

## People Strategy

Our People Strategy remains consistent with our core values: *Pride in People, Do the Right Thing, One Team*. In 2024–25, this strategy has been delivered with a sharper focus on supporting employees through change, while continuing to attract, retain and develop talent in line with our operational goals and the demands of the PTP.

The GFSL People strategy is based on our unwavering commitment to continuously enhance employee experience.





## Equity, diversity and inclusion

This year saw meaningful progress on inclusion. We achieved **Disability Confident Employer (Level 2) status**, embedding our commitment to creating accessible, supportive environments for all. Our relationship with the Armed Forces community remains strong, reflected in our continued ERS Silver Award status and active veterans' recruitment. Our efforts in this area reflect a sustained commitment to supporting service leavers and reservists.

Internally, our ED&I Committee helped shape awareness and learning across the organisation, supported by expanded training. Our dedicated ED&I Committee plays a

central role in shaping and championing these initiatives, ensuring they remain integral to our culture and decision-making. Additionally, several GFSL colleagues, including CIPD professionals, volunteered with the CIPD Trust to mentor ex-offenders—demonstrating our ongoing contribution to social value and inclusive growth.

## Gender pay gap reporting

We remain transparent and proactive in addressing gender disparities. The mean gender pay gap rose slightly from 13.0% to 14.1%, driven largely by the predominance of men in higher-paid trade roles. However, the median gap improved from 23.9% to 22.6%, indicating better equity at mid-pay levels. Our workforce remains 73% male and 27% female, consistent with industry norms, but we continue to invest in inclusive recruitment and career development.

	2025	2024	2023	2022
Mean pay gap	14.1%	13%	11.4%	14.0%
Median pay gap	22.6%	23.9%	18.8%	22.3%

Mean is the average in the data set, and median is the middle number in the data set.

Our commitments for the year ahead include:

- Enhancing equitable career progression, particularly for women into leadership roles.
- Improving recruitment practices to attract diverse candidates across all levels.
- Expanding mentorship and leadership development initiatives.
- Ongoing analysis of gender pay and progression data to ensure alignment with equity goals.

While we have made strides in narrowing the gender pay gap at the median level, we recognise the ongoing efforts necessary to achieve our goals and to aim to reduce the mean pay gap too. Our primary aim is to foster a workplace where all employees, irrespective of gender, have equitable opportunities to thrive, succeed, and receive fair recognition for their contributions.

## Reward and recognition

The 2024–25 pay remit delivered increases of 3–5%, weighted towards lower grades. Job evaluations continue to close gaps in market rates, with final evaluations due in preparation for submission to and consideration by our People and Remuneration Committee.

Our Annual Leave Purchase Scheme and Salary Exchange pension scheme remain available to employees, with uptake at 5% and 6% respectively. These benefits provide greater flexibility and long-term financial planning and are regularly promoted through internal channels.

## Communication and collaboration

We are committed to maintaining open, collaborative communication with all employees. Representation on the Employee Forum now spans 48% of sites and 80% of corporate functions. Forum members received training and support to carry out their role effectively, with new anonymous feedback channels and updated Terms of Reference further reinforcing psychological safety and wider organisational involvement. GFSL does not formally recognise any trade unions under a formal recognition agreement.

In addition to continuing to build representation, we are raising awareness of the Forum across the business. Feedback from representatives has already helped inform internal communications, HR policies, employee benefits, the PTP transition plan, and reward and recognition. GFSL does not currently recognise any trade unions under a formal agreement.

Looking ahead, we are developing a Change Communications strategy to support the PTP transition, built around three pillars: senior leader engagement, enabling line managers, and strengthening employee voice.

## Health and wellbeing

Following the launch of our wellbeing strategy in 2023, we've strengthened support through digital health checks, mental health initiatives, and manager capability development. While overall sickness absence has increased slightly, long-term sickness has declined, and Occupational Health referrals are now more consistently managed.

We offer resilience and mindfulness training via Oracle eLearn and have expanded our network of trained Mental Health First Aiders. This group is growing its reach and influence, with regular meetings and engagement with the business. Terms of Reference are now in place and a Mental Health strategy will follow.

As we move forward, we recognise the profound impact of organisational culture and individual behaviours on everyday wellbeing and will continue to embed preventative tools, manager-led support, and inclusive practices across GFSL.

Sickness absence has fluctuated throughout the year, with notable peaks in October and January, which may reflect seasonal trends. However, it's encouraging to see a downward trend in sickness days toward the end of the reporting year, particularly in February and March.

From April 2024 to March 2025 the Average Working Days Lost (AWDL) sits at 12.72 – which is an increase from previous year's figure of 10.89. In terms of the AWDL over the past 12 months mental health has accounted for 16.2% of all sickness absence and physical health has accounted for 83.8%. Musculoskeletal, Cough/Cold/Flu and Chest & Respiratory problems are the main contributors most months.

The Long-term sickness numbers have averaged 11.16 per month, this has slightly reduced from last year (12.25).



## Talent management and succession

GFSL continues to invest in leadership and professional development across all levels. Our learning dashboard and Oracle career pathways support staff in planning and tracking their growth, while the MOJ's Mentoring and Coaching network facilitates knowledge transfer and succession planning. Over the past year, we achieved a 20% increase in total training days, delivering 6,549 days of training across the business. This reflects our commitment to continuous improvement and equipping our people with the skills needed to succeed and contribute to GFSL's success.

Our apprenticeship programme has grown from 69 to 130 active participants, supporting development in trades, people management, data, and facilities. In 2024, our first electrical apprentice qualified, followed by five more completions — two with distinction. Over 95% of our completers have stayed with GFSL, reflecting the strength of our programme.

We continue to enhance our apprenticeship offer through cross-site learning, structured events, and practical support such as CV writing, AM2 preparation, and interview coaching. Meanwhile, regular site manager training and regional People Partner support help strengthen our leadership capability and ensure continuity across operational teams.

Together, these actions reflect our continued commitment to building an inclusive, resilient and high-performing organisation — where people feel supported, valued, and empowered to thrive through transition and beyond.

GFSL has continued to improve on attrition over the last 12 months, with overall attrition reducing from 23.02% (Apr24) to 15.22% (Mar 25).

Notably voluntary attrition has reduced from 18.8% to 12.12% over this same period.

## Board remuneration (audited)

### Executive directors: April 2024 to March 2025

	Fees and salary (£'000)		Bonus payment (£'000)		Taxable benefit (£'000)		Pension contribution (£'000)		Total (£'000)	
	2024 -25	2023 -24	2024 -25	2023 -24	2024 -25	2023 -24	2024 -25	2023 -24	2024 -25	2023 -24
Neil Edmond	130-135	150-155	–	–	8.0	6.2	5-10	5-10	145-150	165-170
Stephanie Hill	140-145	135-140	10-15	10-15	10.8	19.0	5-10	5-10	165-170	170-175
Don Keigher	140-145	135-140	–	5-10	8.9	5.1	10-15	10-15	165-170	160-165
Alistair Watters	40-45	–	–	–	1.4	–	10-15	–	50-55	–
Stephen Ward	30-35	–	–	–	2.4	–	0-5	–	30-35	–
Jennie Oliver	0-5	105-110	–	10-15	–	5.9	0-5	5-10	0-5	125-130
Len Bridges	–	60-65	–	–	–	3.7	–	0-5	–	65-70

The amount disclosed is the total remuneration paid by GFSL to the individual when employed as a director in the period between 1 April 2024 and 31 March 2025. 'Salary' includes gross salary, recruitment and retention allowances, and any other allowance that is subject to UK taxation. Taxable benefits are the travel, accommodation and subsistence costs of the directors when travelling to either the MOJ headquarters building at 102 Petty France or GFSL's office in Sheffield. Although the directors are home based, by the nature of their employment, those two locations are deemed to be permanent workplaces, and the travel costs are therefore deemed to be ordinary commuting costs. The tax on the benefit is calculated and paid to HMRC under a PAYE Settlement Agreement. The difference in the value of the benefit relates to the difference in distance travelled and frequency of visits by the individuals.

All pension contributions relate to GFSL's contribution into a defined contribution scheme with Royal London. These benefits will be accessed at the normal pension age.

Neil Edmond left GFSL in January 2025, where he served as the Executive Director. His annualised salary for the 2024 to 2025 period was between £155,000 and £160,000. In February 2025, Alistair Watters, on secondment from another government department, took over the role of Executive Director. The disclosure represents the costs that GFSL was charged by the government department for his services from the date of his appointment to 31 March 2025. The annualised salary recharge for the 2024 to 2025 period was between £160,000 to £165,000.

Stephen Ward became the Finance & Commercial Director at GFSL in January 2025. His annualised salary for the 2024 to 2025 period was between £135,000 and £140,000. Prior to his appointment, this role was managed by a temporary resource.

Len Bridges left GFSL in August 2023, with an annualised salary for the 2023 to 2024 period ranging from £130,000 to £135,000.

## Non-executive directors' fees (audited)

Non-executive member	Expiry date of current contract	Fees 2024-25 £'000	Fees 2023-24 £'000
Colin Allars	31 March 2026	25-30	25-30
Maura Sullivan	31 March 2026	10-15	10-15
James Hayward	31 March 2026	15-20	10-15
Ian Deninson	23 May 2027	5-10	5-10
Naomi Mallick	18 September 2026	—	—

Naomi Mallick is the shareholder non-executive director, and was the Legal Director for MOJ, employed by the Government Legal Department before moving to Legal Director of Department for Science and Innovation Technology. She is not remunerated separately by GFSL for her role as a director of GFSL.

Non-executive directors do not receive pension benefits or other benefits in kind. Their fees are their total remuneration.

## Pension entitlements (audited)

Staff transferred to GFSL were participants in several pension schemes, including the Principal Civil Service Pension Scheme (PCSPS) where the individuals had previously been employees of HMPPS. GFSL set up a defined contribution scheme operated by Royal London under a group personal pension agreement, which replaced the Carillion legacy schemes.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

This scheme is available to all staff who are not members of a Civil Service pension scheme.

## Fair pay disclosures (audited)

The banded remuneration of permanent employees (including performance pay and bonuses but excluding pension benefits) in GFSL ranged from £25,000-£30,000 to £165,000-£170,000 (2023 to 2024: £15,000-£20,000 to £150,000-£155,000).



## Percentile salary and pay ratios (audited)

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.

	Lower quartile 2024-25	Median 2024-25	Upper quartile 2024-25	Lower quartile 2023-24	Median 2023-24	Upper quartile 2023-24
Salary	£27,401	£30,910	£42,768	£26,320	£31,441	£38,903
Ratio	5.9:1	5.3:1	3.8:1	5.8:1	4.9:1	3.9:1
<b>Total pay including bonuses</b>	<b>£27,668</b>	<b>£31,312</b>	<b>£43,457</b>	<b>£26,615</b>	<b>£31,684</b>	<b>£39,413</b>
Ratio	5.9:1	5.2:1	3.7:1	5.7:1	4.8:1	3.9:1

The pay ratio is between the respective staff quartile total pay and benefits and the midpoint of the banded remuneration of the highest paid director.

The median and quartile remuneration of GFSL's staff is based on annualised, full-time equivalent remuneration of all staff (including temporary and agency staff).

## Percentage increase (audited)

	Salaries and allowances 2024-25	Salaries and allowances 2023-24	Percentage change
<b>Highest paid director</b>			
Salary and allowances	£160,000 to £165,000	£150,000 to £155,000	7.0%
Performance pay and bonuses	Nil	Nil	Nil
<b>Total pay including bonuses</b>	<b>£160,000 to £165,000</b>	<b>£150,000 to £155,000</b>	<b>7.0%</b>

	Salaries and allowances 2024-25	Salaries and allowances 2023-24	Percentage change
<b>Average of other employees</b>			
Salary and allowances	£36,593	£34,919	4.8%
Performance pay and bonuses	£350	£282	24.1%
<b>Total pay including bonuses</b>	<b>£36,943</b>	<b>£35,201</b>	<b>4.9%</b>

The calculations for employees' salary and allowances are based on the total for all employees on an annualised basis, excluding the highest paid director, divided by the full-time equivalent number of employees (also excluding the highest paid director).

The calculations for employees' performance pay and bonuses payable are based on the total for all employees, excluding the highest paid director, divided by the full-time equivalent number of employees (also excluding the highest paid director).

## Staff costs (audited)

	Permanent staff 2024-25 £'000	Permanent staff 2023-24 £'000	Others 2024-25 £'000	Others 2023-24 £'000	Total 2024-25 £'000	Total 2023-24 £'000
Wages and salaries	52,310	48,193	13,042	10,351	65,352	58,544
Social security costs	5,875	5,015	–	–	5,875	5,015
Pension costs	2,881	2,640	–	–	2,881	2,640
<b>Total</b>	<b>61,066</b>	<b>55,848</b>	<b>13,042</b>	<b>10,351</b>	<b>74,108</b>	<b>66,199</b>

## Average number of people employed (audited)

	Number 2024-25	Number 2023-24
Permanently employed staff	1,312	1,299
Agency and temporary staff	368	308
<b>Total</b>	<b>1,680</b>	<b>1,607</b>

## Gender split of employees

	Male 2024-25	Male 2023-24	Female 2024-25	Female 2023-24	Total 2024-25	Total 2023-24
Directors	5	5	4	4	9	9
Other senior staff	12	11	5	6	17	17
Other employees	955	935	331	338	1,286	1,273
<b>Total</b>	<b>972</b>	<b>951</b>	<b>340</b>	<b>348</b>	<b>1,312</b>	<b>1,299</b>

## Spend on consultancy staff and contingent labour

	2024-25 £'000	2023-24 £'000
Agency escort costs	11,541	9,190
Sub-contracted labour costs	5,740	5,018
Other consultancy staff or contingent labour	1,500	1,161
<b>Total</b>	<b>18,781</b>	<b>15,369</b>

## Off-payroll engagements

<b>Highly paid off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater</b>	
<b>Number of existing engagements as of 31 March 2025</b>	<b>15</b>
<b>Of which:</b>	
Number that have existed for less than one year at time of reporting	6
Number that have existed for between one and two years at time of reporting	3
Number that have existed for between two and three years at time of reporting	2
Number that have existed for between three and four years at time of reporting	1
Number that have existed for four or more years at time of reporting	3
<b>All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater</b>	
<b>Number of new engagements, or those that reached six months in duration, between 1 April 2024 and 31 March 2025</b>	<b>18</b>
<b>Of which:</b>	
Subject to off-payroll legislation and determined as in scope of IR35	18
Subject to off-payroll legislation and determined as out of scope of IR35	–
Number of engagements reassessed for compliance or assurance purposes during the year	–
<b>Of which:</b>	
Number of engagements that saw a change to IR35 status following review	–

## Exit packages (audited)

There has been one exit package within the period under a non-compulsory departure.

By order of the board as at the date of the signature.



**Alistair Watters**  
Accounting Officer  
5 November 2025

# Section 3

## Independent Auditor's report

# Independent Auditor's Report to the members of Gov Facility Services Limited

## Opinion on financial statements

I have audited the financial statements of Gov Facility Services Limited ('GFSL') for the year ended 31 March 2025 under the Companies Act 2006.

The financial statements comprise GFSL's

- Statements of financial position as at 31 March 2025;
- Statement of comprehensive net expenditure, Other comprehensive net expenditure, Statement of cash flows and the Statement of changes in taxpayers' equity for the year then ended; and
- the related Notes to the accounts including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards.

In my opinion the financial statements:

- give a true and fair view of the state of GFSL's affairs as at 31 March 2025 and its result for the year then ended; and
- have been properly prepared in accordance with the UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on regularity

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

## Basis for opinion

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 report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of GFSL in accordance with the ethical

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

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

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that GFSL'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 GFSL'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 directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. The directors are 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 report, I do not express any form of assurance conclusion thereon.

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

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

I have nothing to report in this regard.

## **Opinion on other matters prescribed by the Companies Act 2006**

In my opinion the part of the Staff and remuneration report (contained within Section 2: Accountability Report) to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the Strategic Report, and the Directors' Report (contained within section 2: Accountability Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of GFSL and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Staff and remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit;
- The Governance statement does not reflect compliance with HM Treasury's guidance.

## **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' and Accounting Officers' responsibilities the directors are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within GFSL 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 statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006;
- preparing the Annual Report, which includes the Staff and remuneration report, in accordance with the Companies Act 2006; and
- assessing GFSL'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 directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

My responsibility is to audit and report on the financial statements in accordance with the applicable law and International Standards on Auditing (UK) (ISAs (UK)).

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 report 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 GFSL's accounting policies.
- inquired of management, GFSL's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to GFSL'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 GFSL's controls relating to GFSL's compliance with the Companies Act 2006 and Managing Public Money.
- inquired of management, GIAA's head of internal audit for GFSL and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations; and
  - 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 GFSL for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of GFSL's framework of authority and other legal and regulatory frameworks in which GFSL 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 GFSL. The key laws and regulations I considered in this context included Companies Act 2006, Managing Public Money and employment law.

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

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

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

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

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

### **Other auditor's responsibilities**

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

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

Greg Wilson (Senior Statutory Auditor)  
1 December 2025

For and on behalf of the  
Comptroller and Auditor General (Statutory Auditor)

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

# Section 4

## Financial statements

# Statement of comprehensive net expenditure (SoCNE)

For the year ended 31 March 2025

	Note	2024-25 £'000	2023-24 £'000
<b>Income</b>	2	<b>189,407</b>	<b>160,985</b>
<b>Expenditure</b>			
Staff costs	3	(74,108)	(66,199)
Other operating costs	4	(114,060)	(93,898)
Non-cash items	5	(1,239)	(888)
<b>Total expenditure</b>		<b>(189,407)</b>	<b>(160,985)</b>
Net deficit before taxation		–	–
Taxation	6	–	–
<b>Net deficit after taxation</b>		<b>–</b>	<b>–</b>

## Other comprehensive net expenditure

For the year ended 31 March 2025

	Note	2024-25 £'000	2023-24 £'000
Net deficit after taxation		—	—
<b>Total comprehensive income and expenditure</b>		<b>—</b>	<b>—</b>

The notes on pages 71 to 97 form part of these financial statements.

# Statement of financial position

As at 31 March 2025

	Note	2024-25 £'000	2023-24 £'000
<b>Non-current assets</b>			
Property, plant and equipment	7	153	308
Intangible assets	8	1,310	2,673
<b>Total non-current assets</b>		<b>1,463</b>	<b>2,981</b>
<b>Current assets</b>			
Inventories		1,434	1,201
Trade and other receivables	9	26,583	23,676
Cash and cash equivalents	10	10,681	10,110
<b>Total current assets</b>		<b>38,698</b>	<b>34,987</b>
<b>Total assets</b>		<b>40,161</b>	<b>37,968</b>
<b>Current liabilities</b>			
Trade and other payables	11	(21,204)	(17,534)
Provisions	12	(295)	(763)
<b>Total current liabilities</b>		<b>(21,499)</b>	<b>(18,297)</b>
<b>Total current assets less total current liabilities</b>		<b>17,199</b>	<b>16,690</b>
<b>Total assets less current liabilities</b>		<b>18,662</b>	<b>19,671</b>
<b>Non-current liabilities</b>			
Trade and other payables	11	(1,101)	(2,101)
Provisions	12	(88)	(97)
<b>Total non-current liabilities</b>		<b>(1,189)</b>	<b>(2,198)</b>
<b>Total assets less total liabilities</b>		<b>17,473</b>	<b>17,473</b>
<b>Taxpayers' equity</b>			
Share capital	13	–	–

	Note	2024-25 £'000	2023-24 £'000
General fund		–	–
Capital contribution		17,473	17,473
<b>Total taxpayers' equity</b>		<b>17,473</b>	<b>17,473</b>

The £17,473,000 of capital contribution relates to the initial set up costs of GFSL, which were funded by MOJ.

The notes on pages 71 to 97 form part of these financial statements.



**Alistair Watters**  
Accounting Officer  
5 November 2025



## Statement of changes in taxpayers' equity

For the year ended 31 March 2025

	Share capital £'000	Capital contribution £'000	General fund £'000	Total 2024-25 £'000	Total 2023-24 £'000
Balance at the beginning of the period	–	17,473	–	17,473	17,473
Net deficit for the year (SoCNE)	–	–	–	–	–
Capital contribution from MOJ	–	–	–	–	–
<b>Balance at the end of the period</b>	<b>–</b>	<b>17,473</b>	<b>–</b>	<b>17,473</b>	<b>17,473</b>

The notes on pages 71 to 97 form part of these financial statements.

Capital contribution consists of the initial start-up funding provided by MOJ.

The general fund is nil brought forward and carried forward as a consequence of GFSL's funding arrangements. GFSL has one customer, HMPPS, who funds all of GFSL's expenditure. GFSL therefore recognises income to match its expenditure, and breaks even every year.

## Statement of cash flows

For the year ended 31 March 2025

	Note	2024-25 £'000	2023-24 £'000
<b>Cash flows from operating activities</b>			
(Deficit) for the year		–	–
Non-cash charges	5	1,239	888
(Increase)/decrease in trade and other receivables	9	(2,907)	(10,544)
(Increase)/decrease in inventories		(233)	288
Increase/(decrease) in trade and other payables	11	3,196	(4,985)
Utilisation of provisions	12	(96)	(264)
<b>Net cash inflows/(outflows) from operating activities</b>		<b>1,199</b>	<b>(14,617)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	–	(127)
Purchase of intangible assets	8	(32)	(211)
<b>Net cash inflows/(outflows) from investing activities</b>		<b>(32)</b>	<b>(338)</b>
<b>Cash flows from financing activities</b>			
Capital contribution from MOJ		–	–
Lease payments	11	(596)	(490)
<b>Net cash inflows/(outflows) from financing</b>		<b>(596)</b>	<b>(490)</b>
Net increase/(decrease) in cash		571	(15,445)
Cash and cash equivalents at the beginning of the period	10	10,110	25,555
<b>Cash and cash equivalents at the end of the period</b>	<b>10</b>	<b>10,681</b>	<b>10,110</b>

The notes on pages 71 to 97 form part of these financial statements.

# Notes to the accounts

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## 1. Accounting policies

### 1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) applied in accordance with the provisions of the Companies Act 2006 applicable to companies reporting under IFRS.

Where the Companies Act and the Government Financial Reporting Manual permit a choice of accounting policy, the Companies Act will usually take precedence. Where appropriate, the policy which has been judged to be most relevant to the company and for the purposes of MOJ's consolidated statements, and which gives a true and fair view, has been chosen and applied consistently in dealing with matters considered material to the accounts.

The functional and presentational currency of GFSL is the British pound sterling (£). As allowed by International Accounting Standard (IAS) 1, we have presented the SoCNE using different headings from those suggested by the Companies Act to provide more clarity for the reader.

### 1.2 Accounting convention

These accounts have been prepared on an accruals basis under the historical cost convention.

### 1.3 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue to operate at least until September 2027.

An assessment has been undertaken to support this view and has considered the following points.

- Regulatory and legal – the directors do not envisage any changes to the current regulatory or legal regime that will adversely impact the operation of the company within the next 12 months.
- Continuation of services – GFSL operates under a framework agreement with our sponsor department, MOJ, to provide services to HMPPS. GFSL has delegated

funding and equal expected revenue via a budget delegation letter from the MOJ Chief Property Officer. Any transfer of services currently provided by GFSL to new suppliers, as an outcome of the PTP, is not expected to take place before the autumn of 2027. GFSL has received confirmation from MOJ that they intend to continue to use GFSL to provide facilities management services in line with existing arrangements at least until September 2027 by a letter of comfort provided to GFSL and that they do not anticipate significant changes in the value of services consumed by MOJ or to GFSL's budget.

- Working capital – GFSL receives its revenue from HMPPS. This is expected to continue in line with the continuation of services and will support the company liquidity position.
- From this assessment the directors are satisfied that the company is a going concern and the company financial statements have been prepared on that basis.

## 1.4 Changes in accounting policy and disclosures

### Changes in accounting policies

There have been no changes in accounting policies for the year ended 31 March 2025.

### New or amended standards adopted

There have been no new or amended standards adopted for the year ended 31 March 2025.

### New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2024 and not early adopted

IFRS 18 Presentation and Disclosure in Financial Statements was published in April 2024 and is applicable for reporting periods beginning from 1 January 2027. Its adoption in the UK is subject to endorsement by the UK Endorsement Board. GFSL has not adopted IFRS 18 in these financial statements.

### Changes in presentation and reclassifications

There have been no changes in presentation or reclassifications.

## 1.5 Property, plant and equipment

### Initial recognition and capitalisation threshold

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided it is probable that the useful economic life including service potential associated with the item will flow to GFSL and the cost of the item can be measured reliably.

Property, plant and equipment, including subsequent expenditure on existing assets, are initially recognised at cost. GFSL's capitalisation threshold for all classes of assets is £10,000. Property, plant and equipment usually comprise single assets. However,

capitalisation is applied on a grouped basis using a threshold of £10,000 where the elements in substance form a single asset.

Further, where an item includes material components with significantly different useful economic lives, those components are capitalised separately and depreciated over their specific useful economic lives.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense as incurred.

## **Measurement**

Property, plant and equipment are valued in accordance with IAS 16 Property, Plant and Equipment. They are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to operate in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, where an obligation to dismantle or remove the asset arises from its acquisition or usage

From then on, assets are carried in the balance sheet based on depreciated historical cost.

## **Depreciation**

Depreciation is provided on all tangible non-current assets, apart from assets under construction, from the date they are available for their intended use at rates calculated to write off the cost of each asset (less any estimated residual value) on a straight-line basis over the shorter of its useful economic life.

GFSL reviews and updates the remaining useful economic life of all its assets each year. This is the period for which the asset provides economic benefits that will flow to GFSL from its. As a consequence of the PTP, we expect that GFSL's accounts for periods ending from 31 March 2027 onwards will be prepared on the breakup basis.

Assets that are under construction are not depreciated until they are available for their intended use.

## **Impairment**

Property, plant and equipment are monitored throughout the year for any indication that an asset may be impaired. At the end of each reporting period, GFSL performs an impairment review across all significant asset categories. If indicators of impairment exist, the assets

in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts.

When an asset's carrying value decreases due to a clear consumption of economic benefit or service potential, the decrease is charged directly to net operating costs in the SoCNE.

### **Disposal of non-current assets**

Gains and losses on disposal of non-current assets are determined by comparing the proceeds with the carrying amount and are recognised in the SoCNE.

## **1.6 Intangible assets**

### **Recognition**

Expenditure on intangible assets which are non-monetary assets without physical substance and identifiable are capitalised where the cost is £10,000 or more. This is applied on a grouped basis using the threshold of £10,000 where the elements in substance form a single asset. Subsequent acquisitions of less than £10,000 in value which are of the same nature as existing grouped assets are appended. Otherwise, expenditure on intangible assets which fall below £10,000 is charged as an expense in the SoCNE.

For GFSL, intangible assets primarily comprise software developed by third parties.

### **Measurement**

Intangible assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to operate in the manner intended by management. All intangible assets are valued based on amortised historic cost as an approximation of fair value.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by GFSL are capitalised when they meet the criteria specified in IAS 38 Intangible Assets.

Other expenditure that does not meet these criteria is recognised as an expense when incurred. Costs previously recognised as an expense are not recognised as an asset in a subsequent period.

### **Amortisation**

Amortisation is provided on all non-current assets from the date at which they are available for their intended use at rates calculated to write off the cost of each asset (less any estimated residual value) on a straight-line basis over the shorter of its useful economic life and the period to 31 March 2026. This is because, as a consequence of PTP, we expect that GFSL's accounts for periods ending from 31 March 2027 onwards will be prepared on the break up basis. In accordance with IAS 38 Intangible Assets, GFSL reviews the useful

economic life of its intangible assets each financial year. This is the period for which the asset provides economic benefits that will flow to GFSL from its use.

Purchased on-premise software licences are recognised when it is probable that future service potential will flow to GFSL and the cost of the licence can be measured reliably. Such licences are initially measured at cost. Purchased on-premise software licences are amortised over the licence period. Cloud-based software licences, outside any implementation period, are recognised as an operating expense over the license period.

GFSL's capitalisation threshold for software projects is £100,000.

## 1.7 Leases

### Scope and exclusions

IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset is of low value (less than £10,000 when new). The assets are described as 'right-of-use' assets and are presented under property, plant and equipment.

### Initial recognition

At the start of a lease, GFSL recognises a right-of-use asset and a lease liability.

The lease liability is measured at the value of the remaining lease payments, discounted by the interest rate implicit in the lease. Where the lease includes extension or termination options, the lease payments will be for the non-cancellable period together with any extension options GFSL is reasonably certain to exercise and any termination options GFSL is reasonably certain not to exercise.

The right-of-use asset is measured at the value of the lease liability, adjusted for: any lease payments made before the start date, any lease incentives received, any incremental costs of obtaining the lease, and any costs of removing the asset and restoring the site at the end of the lease.

### Subsequent measurement

The lease liability is adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments are reappraisals of the probability of the options given by the existing lease contract, while modifications are changes to the lease contract.

Reassessments and modifications are accounted for by discounting the revised cash flows. A revised discount rate is used where GFSL becomes or stops being reasonably certain to exercise or not exercise an extension or termination option, or the lease is modified to amend the non-cancellable period, change the term of the lease or change the consideration or the scope. The existing discount rate is used where there is a movement

in an index or rate that will alter the cash flows, or the amount payable under a residual value guarantee changes.

After initial recognition, the right-of-use asset is measured using the fair value model. GFSL considers that the cost model (measurement by reference to the lease liability) is a reasonable proxy for fair value, in the case of non-property leases, and for property leases of less than five years or with regular rent reviews. For other leases, the asset will be carried at a revalued amount.

The value of the asset is adjusted for subsequent depreciation and impairment, and for reassessments and modifications of the lease liability as described above. Where the amount of a reduction to the asset exceeds the carrying value of the asset, the excess amount is recognised in expenditure.

Expenditure for each financial year includes interest on the lease liability and a straight-line depreciation charge on the right-of-use asset, together with any impairment of the right-of-use asset and any change in variable lease payments that was not included in the measurement of the lease payments during the period in which the triggering event occurred. Rental payments in respect of leases of low value items, or with a term under 12 months, are also expensed.

### **Estimates and judgements**

As discussed above, GFSL has determined the lease term by assessing the level of certainty as to whether termination or extension options will be exercised. In making these judgements, reliance has been placed on the professional judgement of estates staff, supported by information on corporate asset management plans, other business strategies, investment already made in the underlying asset, ongoing business needs and market conditions.

As a consequence of PTP, we expect that any leases whose terms subject to break clauses stretch beyond 31 March 2026 will become onerous leases at that date.

## **1.8 Inventories**

Inventories comprise higher valued consumable stores. Current replacement cost is not considered materially different from replacement cost due to the short period these items are held for before they are consumed.

Higher valued consumable items, minor spare parts and servicing equipment are typically carried as inventory and recognised in the SoCNE as consumed. Low valued items that are regularly consumed are immediately expensed and recognised in the SoCNE. Major spare parts and stand-by equipment are carried as property, plant and equipment when GFSL expects to use them during more than one period, or when they can be used only in connection with an item of property, plant and equipment.



Should we procure any significant assets for HMPPS, these will be capitalised by them.

## 1.9 Employee benefits

### Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year end. For the company, they typically include wages, salaries, and paid annual, flexi and sick leave. These are recognised in the year in which the employee provided these services for the company. An accrual has been made for the cost of holiday entitlement (including any flexi leave entitlement) earned by employees but not taken before the year end, which employees can carry forward into the next financial year.

### Termination benefits

Termination benefits are amounts payable because of the company's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy if offered.

### Pension schemes

#### Principal Civil Service Pension Scheme

Some employees who were HMPPS employees before transferring to Carillion under the Transfer of Undertakings (Protection of Employment) Regulations are covered by the provisions of the PCSPS. GFSL recognises contributions payable to defined contribution schemes as an expense in the year in which it is incurred, and the legal or constructive obligation is limited to the amount it agrees to contribute to the fund. While the PCSPS is an unfunded defined benefit scheme, GFSL is unable to identify its share of liabilities in these multi-employer schemes so accounts for its expenses as if the schemes were on a defined contribution basis, as required by IAS 19. Expenditure accrues to the extent that contributions are payable by GFSL as an employer.

#### Royal London Pension Scheme

Since 2018, GFSL employees have been enrolled into a defined contribution pension scheme administered by Royal London. GFSL recognises contributions to the scheme as an expense in the year in which it is incurred.

#### Early departure and injury benefit costs

Some employees who were HMPPS employees before transferring to Carillion under the Transfer of Undertakings (Protection of Employment) Regulations are covered by the Civil Service Injury Benefits Scheme, which requires GFSL to pay benefits to any individual who is injured in connection with their employment.

Benefits are paid only in respect of loss of earning capacity, and a provision is made for expected future costs.

For seconded employees, MOJ is required to pay the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The total cost is provided in full when the early departure programme has been announced and is binding on MOJ, not GFSL.

## 1.10 Turnover

GFSL turnover is stated net of value added tax (VAT) and is categorised as follows.

### Core income

This represents the main part of the GFSL business and is for services as documented in the core contract, the provision of PPM, and minor reactive and remedial repairs up to the value of £2,000 per repair. Core income is recognised over the life of the service monthly as agreed with HMPPS.

### Variable income

This is for all services that are not covered by the scope of the core service, at the request of the client for project work, and repairs over the £2,000 per repair threshold. Variable income is recognised in line with the degree of completion of the related project or repairs.

### Deferred income

An MOJ grant was provided in 2018 to 2019 to cover exceptional expenditure for setting up the company. This was deferred and has continued to be released during 2023 to 2024 and 2024 to 2025 when GFSL incurs costs that the funding is intended to cover.

Operating income is recognised as revenue in the SoCNE in accordance with IFRS 15 Revenue from Contracts with Customers. In accordance with paragraph 35 of IFRS 15, operating income from project activities is recognised as costs are incurred as GFSL does not have control of the asset being improved, which is typically a building on the prison estate. Revenue is recognised using an input method, namely costs incurred.

## 1.11 Provisions

Provisions are recognised when GFSL has a present legal or constructive obligation, because of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and for which a reliable estimate can be made for the amount of the obligation.

GFSL has not provided for a bad debt provision or credit loss at 31 March 2025. All interdepartmental debt is expected to be fully recovered and always has been fully recovered. A breakdown of the current provisions is detailed in note 12.

## 1.12 Contingent liabilities

In accordance with IAS 37, GFSL discloses, as a contingent liability, those possible obligations arising from past events, whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within its control. GFSL also discloses those present obligations arising from past events not recognised because it is either not probable that an outflow of resources will be required to settle the obligation, or the amount cannot be measured with sufficient reliability.

## 1.13 Contingent assets

A contingent asset arises when an event has taken place that gives the company a possible asset, whose existence will only be confirmed by the occurrence of uncertain future events, not wholly in control of the company. We disclose assets as contingent until such time that the event becomes certain, at which point we will recognise as an asset.

## 1.14 Taxation

### VAT

Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT. GFSL has adopted the domestic VAT reverse charge for building and construction services from 1 March 2021.

### Construction Industry Scheme

GFSL operates in accordance with the Construction Industry Scheme operated by HM Revenue and Customs. GFSL works with new and existing suppliers to ensure that the appropriate tax deductions are made from supplier payments and timely payments are made to HM Revenue and Customs.

### Corporation tax

GFSL is a limited company which operates in accordance with the Companies Act 2006. GFSL operates as a not-for-profit company and is therefore not expected to incur any corporation tax liability to HM Revenue and Customs. However, GFSL is still required to perform a calculation to confirm this is the case and make an appropriate return.

## 1.15 Financial instruments

Financial assets and financial liabilities which arise from contracts for the purchase and sale of non-financial items (such as goods or services) and are entered into in accordance with GFSL's normal purchase, sale or usage requirements, are recognised when performance occurs. All other financial assets and liabilities are recognised when GFSL becomes party to the contractual provisions to receive or make cash payments.

## **De-recognition**

Financial assets are de-recognised when the contractual rights to receive future cash flows have expired or are transferred, and GFSL has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

## **Classification and measurement of financial assets**

In addition to cash and cash equivalents, GFSL has two categories of financial assets.

### **Loans and receivables**

Loans and receivables comprise trade receivables, other receivables and accrued income with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method net of any impairment, in accordance with IFRS 9 Financial Instruments.

### **Financial assets at fair value through profit and loss**

Fair value is equal to the market value at the reporting date. The movement in the value of the assets is recognised immediately in the SoCNE, as income or as an expense.

### **Impairment of financial assets**

At the end of each reporting period, GFSL assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. If this is the case, GFSL recognises the impairment in the SoCNE as the difference between the asset's carrying amount and the present value of estimated future cash flows.

The credit risk on GFSL's financial assets which are with government departments has been deemed low, and as a result, no credit loss allowance has been charged in 2024 to 2025 (2023 to 2024: nil).

## **Classification and measurement – financial liabilities**

GFSL has financial liabilities consisting of trade payables, other payables and accruals. All financial liabilities are recognised initially at fair value, net of any transaction costs incurred, and then measured at amortised cost using the effective interest rate method. Where the effect is material, the estimated cash flows of financial liabilities are discounted.

## 1.16 Events after the reporting period

Events after the reporting period are those that occur between the end of the reporting period and the date that the statement of accounts is authorised for issue. There are two types of events that can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the statement of accounts is adjusted to reflect these changes where material
- those that are indicative of conditions that arose after the reporting period – the statement of accounts are not adjusted, but where a category of events would have a material impact, disclosure is made in the notes of the nature of the events and their estimated financial effect

Any events after the authorisation of issue are not included in this statement of accounts.

### Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. GFSL makes estimates and assumptions concerning the future, namely our cessation date of September 2027. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### Provisions for liabilities and charges

The recognition and measurement of provisions rely on the application of professional judgement, historical experience and other factors expected to influence future events. Where the likelihood of a liability crystallising is probable and can be measured with reasonable certainty, a provision is recognised. Estimates and assumptions applied in these models are continually evaluated and reviewed. Further information is set out in note 12.

### Provisions for liabilities for goods purchased

The recognition and valuation of accrued liabilities for goods purchased and services received are based on receiving delivery dockets and other appropriate documentation before receiving supplier invoices. Where this is not available, accrued liabilities are based on GFSL's best estimate at the balance sheet date.

## 2. Operating income

For the period ended 31 March 2025

	2024-25 £'000	2023-24 £'000
<b>Income</b>		
Core income	97,385	92,415
Variable services income	91,618	68,269
<b>Total before release of deferred income</b>	<b>189,003</b>	<b>160,684</b>
Release of deferred income	404	301
<b>Total income</b>	<b>189,407</b>	<b>160,985</b>

Core income represents revenue for provision of minor PPM and reactive repair activities up to the value of £2,000 per repair.

Variable services income is for all services not covered by the scope of the core contract.

A £4 million grant was received from MOJ to fund the exceptional costs relating to the set-up of GFSL. It was deferred and is being released to income in accordance with International Accounting Standard 20; Accounting for Government Grants and Disclosure.

### 3. Staff costs

#### For the period ended 31 March 2025

	Permanently employed £'000	Others £'000	Total 2024-25 £'000	Total 2023-24 £'000
Wages and salaries	52,311	13,041	65,352	58,544
Social security costs	5,875	–	5,875	5,015
Pension costs	2,881	–	2,881	2,640
<b>Total ordinary staff costs</b>	<b>61,067</b>	<b>13,041</b>	<b>74,108</b>	<b>66,199</b>

	2024-25			2023-24		
	Core £'000	Variable £'000	Total £'000	Core £'000	Variable £'000	Total £'000
Wages and salaries	53,186	12,166	65,352	48,719	9,825	58,544
Social security costs	5,875	–	5,875	5,015	–	5,015
Pension costs	2,881	–	2,881	2,640	–	2,640
<b>Total staff costs</b>	<b>61,942</b>	<b>12,166</b>	<b>74,108</b>	<b>56,374</b>	<b>9,825</b>	<b>66,199</b>

Details of the directors' salaries and the average number of people employed are provided within the staff and remuneration report on pages 44 to 56. Further information on the staff numbers and costs can be found on pages 54 to 56 in the staff and remuneration report.

Other staff costs of £13,041,000 consists mainly of escorts engaged through agencies supporting trades people on site.

Pension costs consist of £1,736,000 employer contributions to the Royal London defined contribution scheme, and £1,145,000 to various Principal Civil Service Pension Schemes.

## 4. Other operating costs

For the period ended 31 March 2025

	2024-25			2023-24		
	Core £'000	Variable £'000	Total £'000	Core £'000	Variable £'000	Total £'000
<b>Direct costs of service</b>						
Other direct costs*	25,500	41,876	67,376	23,659	34,589	58,248
Materials costs**	4,799	37,576	42,375	5,203	23,855	29,058
<b>Total direct costs of service</b>	<b>30,299</b>	<b>79,452</b>	<b>109,751</b>	<b>28,862</b>	<b>58,444</b>	<b>87,306</b>
<b>Other employment costs</b>						
Vehicle costs	246	–	246	285	–	285
Travel and subsistence	808	–	808	764	–	764
IT and telecommunications	969	–	969	896	–	896
Uniforms and personal protective equipment	252	–	252	277	–	277
Training costs	806	–	806	944	–	944
Other staff-related costs	663	–	663	656	–	656
<b>Total other employment costs</b>	<b>3,744</b>	<b>–</b>	<b>3,744</b>	<b>3,822</b>	<b>–</b>	<b>3,822</b>

\* Other direct costs of service include subcontracted planned and reactive maintenance, labour only subcontractors, project costs and hire of equipment.

\*\* Materials costs include £233,000 of inventory credited to the SoCNE.



## For the period ended 31 March 2025

	2024-25			2023-24		
	Core £'000	Variable £'000	Total £'000	Core £'000	Variable £'000	Total £'000
<b>Headquarters and other overhead costs</b>						
Accommodation, maintenance and utilities	3	–	3	69	–	69
Auditor's remuneration and expenses	98	–	98	99	–	99
Other overhead costs	177	–	177	648	–	648
Professional fees*	287	–	287	222	–	222
<b>Total headquarters and other overhead costs</b>	<b>565</b>	<b>–</b>	<b>565</b>	<b>1,038</b>	<b>–</b>	<b>1,038</b>
<b>Total ordinary operating costs</b>	<b>34,608</b>	<b>79,452</b>	<b>114,060</b>	<b>33,722</b>	<b>58,444</b>	<b>92,166</b>
Exceptional costs	–	–	–	1,732	–	1,732
<b>Total other operating costs</b>	<b>34,608</b>	<b>79,452</b>	<b>114,060</b>	<b>35,454</b>	<b>58,444</b>	<b>93,898</b>

\* Professional fees include the costs of those individuals classified as consultants under Cabinet Office definitions.

The exceptional cost of £1,732,000 was the settlement of overclaimed tax relief on employee pension contributions arising since 2018, as described in note 20.

## 5. Non-cash expenditure

For the period ended 31 March 2025

	2024-25 £'000	2023-24 £'000
Depreciation – property, plant and equipment	154	86
Amortisation – intangible assets	1,345	1,023
Write off – investment projects	50	-
IFRS16 finance charge	70	-
<b>Provision for liabilities</b>		
Provided in year	124	333
Provisions written back	(504)	(554)
<b>Total non-cash expenditure</b>	<b>1,239</b>	<b>888</b>

All non-cash expenditure relates to the core service.

## 6. Taxation

GFSL incurs costs on providing facilities management services to HMPPS and recovers these costs on a 'no profit or loss' basis. Consequently, GFSL is not expected to incur any corporation tax liability.

## 7. Property, plant and equipment

For the period ended 31 March 2025

	2024-25			2023-24		
	IT £'000	Building £'000	Total £'000	IT £'000	Building £'000	Total £'000
<b>Cost brought forward at the beginning of the period</b>	100	294	394	–	–	–
Additions	–	–	–	100	294	394
Disposals	–	(1)	(1)	–	–	–
<b>Total cost carried forward at the end of the period</b>	<b>100</b>	<b>293</b>	<b>393</b>	<b>100</b>	<b>294</b>	<b>394</b>
<b>Depreciation brought forward at the beginning of the period</b>	24	62	86	–	–	–
Charge in year	38	116	154	24	62	86
Disposals	–	–	–	–	–	–
<b>Total depreciation carried forward at the end of the period</b>	<b>62</b>	<b>178</b>	<b>240</b>	<b>24</b>	<b>62</b>	<b>86</b>
<b>Net book value at the beginning of the period</b>	<b>76</b>	<b>232</b>	<b>308</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net book value at the end of the period</b>	<b>38</b>	<b>115</b>	<b>153</b>	<b>76</b>	<b>232</b>	<b>308</b>

The 2023-24 additions include a new building lease and the capitalised costs of the office relocation. The new building lease was entered into on 20 September 2023.

The 2023-24 buildings addition of £294,000 includes a new right of use asset for £267,000. This is a non-cash purchase and therefore the cash movement taken across to the Statement of cash flows is £127,000.

## 8. Intangible assets

### For the period ended 31 March 2025

<b>Software and development</b>	<b>2024-25 £'000</b>	<b>2023-24 £'000</b>
<b>Cost brought forward at the beginning of the period</b>	4,531	2,794
Additions	31	2,545
Disposals	(49)	(808)
<b>Total cost carried forward at the end of the period</b>	<b>4,513</b>	<b>4,531</b>
<b>Amortisation brought forward at the beginning of the period</b>	1,858	1,643
Charge in year	1,345	1,023
Disposals	-	(808)
<b>Total amortisation carried forward at the end of the period</b>	<b>3,203</b>	<b>1,858</b>
<b>Net book value at the beginning of the period</b>	<b>2,673</b>	<b>1,151</b>
<b>Net book value at the end of the period</b>	<b>1,310</b>	<b>2,673</b>

The 2023-24 software and development addition of £2,545,000 includes a new right of use asset for £2,335,000. This is a non-cash purchase and therefore the cash movement taken across to the Statement of cash flows is £211,000.

## 9. Trade and other receivables

For the period ended 31 March 2025

	2024-25 £'000	2023-24 £'000
<b>Amounts falling due within one year</b>		
Prepayments	365	591
Other receivables	194	180
Accrued income*	26,024	22,905
<b>Total trade and other receivables</b>	<b>26,583</b>	<b>23,676</b>

\* Accrued income is income recognised and agreed but not invoiced at the year end with our customer HMPPS.

## 10. Cash and cash equivalents

For the period ended 31 March 2025

	2024-25 £'000	2023-24 £'000
Opening balance	10,110	25,555
Net cash inflow/(outflow)	571	(15,445)
<b>Balance at the end of the period</b>	<b>10,681</b>	<b>10,110</b>

GFSL is part of the Government Banking Service.

## 11. Trade payables and other liabilities

For the period ended 31 March 2025

Amounts falling due within one year	2024-25 £'000	2023-24 £'000
Trade payables	(8,021)	(6,013)
Accruals	(2,359)	(2,226)
Goods received not invoiced	(6,283)	(5,335)
Taxation and social security	(3,080)	(2,673)
IFRS 16 liabilities	(596)	(527)
Deferred income*	(404)	(404)
Other payables	(461)	(356)
<b>Total current payables</b>	<b>(21,204)</b>	<b>(17,534)</b>

Amounts falling due after more than one year	2024-25 £'000	2023-24 £'000
Deferred income*	-	(404)
IFRS 16 liabilities	(1,101)	(1,697)
<b>Total non-current payables</b>	<b>(1,101)</b>	<b>(2,101)</b>

<b>Total trade payables and other liabilities</b>	<b>(22,305)</b>	<b>(19,635)</b>
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\* Deferred income is the value remaining from the £4 million government grant received from MOJ in 2018 to 2019 to cover the cost of depreciation and amortisation of capital costs.

The remaining amount of £404,000 will be released during 2025 to 2026, which will fully utilise the grant.

The 2023-24 increase in IFRS liabilities includes a non-cash element caused by a new building lease and a new software lease. See notes 7 and 8 for further details. As a result, the decrease in trade and other payables taken across to the Statement of cash flows is (£5,475,000).

Part of the movement in IFRS16 liabilities relates to lease payments so (£596,000) is shown as financing activities in the Statement of cash flows (£490,000 in 2023-24). See note 15 for more details.

## 12. Provisions for liabilities and charges

### For the period ended March 2025

	Personal injury/ employment tribunal claims 2024-25 £'000	Dilapidatio n Provision 2024-25 £'000	Total 2024-25 £'000	Total 2023-24 £'000
<b>Claim provision</b>				
<b>Balance at the start of the period</b>	(860)	-	(860)	(1,345)
Provisions in the period	(103)	(20)	(123)	(333)
Provisions written back	504	—	504	554
Provisions utilised in the period	96	-	96	264
<b>Balance at the end of the period</b>	<b>(363)</b>	<b>(20)</b>	<b>(383)</b>	<b>(860)</b>
<b>Analysis of expected timings of cashflow</b>				
Not later than one year	(295)	—	(295)	(763)
Later than one year and not later than five years	(68)	(20)	(88)	(97)
Later than five years	—	—	—	—
<b>Total</b>	<b>(363)</b>	<b>(20)</b>	<b>(383)</b>	<b>(860)</b>

The £363,000 provision relates to GFSL's potential liability resulting from a small number of personal injury claims and employment tribunal claims, all of which are open as of 31 March 2025.

## 13. Share capital

### For the year ended 31 March 2025

	Nominal	2024-25 £	2023-24 £
Ordinary shares of £1 each	100	100	100

100 ordinary shares were issued at nominal value, of which £99 was fully paid up as of 31 March 2025. All the shares are held by the Secretary of State for Justice.

## 14. Financial instruments

IFRS 7 requires disclosures about the nature and extent of credit risk, liquidity risk and market risk that GFSL faces in undertaking its activities.

GFSL aims to maintain minimal holdings of cash equivalents appropriate to its short-term needs, and cash requirements are largely met by the cost-recovery arrangement in place with HMPPS. GFSL has no significant receivables, aside from those trade receivables arising with HMPPS as part of the normal course of business. None of these significant receivables are impaired or present a material credit risk.

GFSL has no borrowings or investments, so has very limited exposure to interest rate or market risk. Financial assets and liabilities are generated by ordinary operating activities. GFSL is considered to have no material credit, liquidity, interest rate or market risk. All cash holdings are lodged in a Government Banking Service entity.



## 15. IFRS 16 disclosures

As of 31 March 2025, GFSL has two leases which have been classified under IFRS 16. In September 2023 a new lease for office space in Sheffield was entered into which expires in September 2028 and has a break clause in September 2026. In May 2023, a new lease for our Oracle Enterprise Resource Planning system was entered into which will expire in June 2028. The interest expense on lease liabilities has been charged to the Statement of comprehensive net expenditure within 'non-cash expenditure'. Both of these leases expire after the cessation date of the company, depreciation of the assets have been adjusted accordingly.

	Class of underlying asset					
	Building 2024-25 £'000	IT 2024-25 £'000	Total 2024-25 £'000	Building 2023-24 £'000	IT 2023-24 £'000	Total 2023-24 £'000
Brought forward amount of right-of-use assets	211	1,670	1,881	–	42	42
Additions to right-of-use assets	-	-	-	267	2,335	2,602
Depreciation charge for right-of-use assets	(106)	(849)	(955)	(56)	(707)	(763)
<b>Carrying amount of right-of-use assets</b>	<b>105</b>	<b>821</b>	<b>926</b>	<b>211</b>	<b>1,670</b>	<b>1,881</b>
Interest expense on lease liabilities	6	64	70	5	61	66
Cash outflows for leases	95	501	596	67	423	490
<b>A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented below</b>						
<b>Amounts falling due</b>						
Less than one year	95	501	596	95	501	596
One to five years	24	1,128	1,152	119	1,630	1,749
More than five years	–	–	–	–	–	–
Less interest element	(3)	(48)	(51)	(9)	(112)	(121)

	Class of underlying asset					
	Building	IT	Total	Building	IT	Total
	2024-25 £'000	2024-25 £'000	2024-25 £'000	2023-24 £'000	2023-24 £'000	2023-24 £'000
<b>Balance as at 31 March 2025</b>	<b>116</b>	<b>1,581</b>	<b>1,697</b>	<b>205</b>	<b>2,019</b>	<b>2,224</b>
<b>Lease liabilities presented in the statement of financial position</b>						
Current	95	501	596	89	438	527
Non-current	21	1,080	1,101	116	1,581	1,697
<b>Total lease liabilities</b>	<b>116</b>	<b>1,581</b>	<b>1,697</b>	<b>205</b>	<b>2,019</b>	<b>2,224</b>

## 16. Related party transactions

MOJ publishes a consolidated annual report and accounts for the core department each year. GFSL is classified within MOJ's consolidation boundary, meaning that transactions within the group are considered related party transactions.

GFSL has a credit of £140,000 presented within revenue for two employees seconded to MOJ core (credit of £17,000 in 2023 to 2024). The remaining £189,267,000 of GFSL's revenue (£160,706,000 in 2023 to 2024) relates to charges to HMPPS for work undertaken in the period.

Staff costs also include a further £52,000 (£65,000 in 2023 to 2024) from HMPPS which relates to the National Offender Management Service Programme.

Other operating costs include £3,000 (£13,000 in 2023 to 2024) from MOJ core which relates to phone call costs and line rental, £15,000 (£12,000 in 2023 to 2024) from MOJ core which relates to administration and printing for the annual report, £2,000 (£1,000 in 2023 to 2024) from MOJ Core which relates to casework costs, and £73,000 (£160,000 in 2023 to 2024) from MOJ core which relates to IT costs. In 2023 to 2024 other operating costs also included £225,000 relating to HRTC services and £28,000 relating to our Sheffield office relocation. In 2024 to 2025 these costs were £0.

At the balance sheet date, GFSL had a balance of £4,000 owing to HMPPS presented within trade and other payables (£5,000 in 2023 to 2024 owing to HMPPS), and a balance of £0 (£1,000 in 2023 to 2024) owing to MOJ core. In March 2024 trade and other payables contained accruals for MOJ core for £80,000 relating to IT software costs and £6,000 relating to phone costs. In March 2025 both of these accruals were £0.

At the balance sheet date, GFSL had an accrued income balance of £26,019,000 (£22,905,000 in 2023 to 2024) due from HMPPS, which is presented within trade and other receivables, and an accrued income balance of £5,000 (£0 in 2023 to 2024) due from MOJ core.

No board members, key managers or other related parties have undertaken any material transactions with the company during the period. There are no conflicts of interest to report.

## 17. Financial commitments

### For the period ended 31 March 2025

	2024-25 £'000	2023-24 £'000
Financial commitments (excluding capital commitments)	399	284
Property, plant and equipment	—	—
Intangible assets	—	—
Contracted capital commitments at the end of the period	—	—

## 18. Contingent assets

As of 31 March 2025, GFSL has no contingent assets to declare (£0 in 2023 to 2024).

## 19. Contingent liabilities

As of 31 March 2025, GFSL has no contingent liabilities to declare (£0 in 2023 to 2024).

## 20. Losses and special payments

The statement of comprehensive income includes the following losses and special payments.

<b>(a) Losses statement</b>	<b>Number of cases 2024-25</b>	<b>Total 2024-25 £'000</b>	<b>Total 2023-24 £'000</b>
Other	2	11	5
Ex gratia	10	7	7
Proactis contract charges	1	83	-
Pension Tax Relief Settlement	-	-	1,732
<b>Total losses</b>	<b>13</b>	<b>101</b>	<b>1,744</b>

In 2024 to 2025, there were no losses over £300,000.

In 2023 to 2024, there was one loss over £300,000, as follows.

In December 2023, we discovered an error in the configuration of our payroll, which meant that tax relief on employee pension contributions had been overclaimed since 2018. The error was corrected with effect from January 2024, and the overclaimed tax relief was repaid to HMRC in March 2024 via a voluntary disclosure. The total paid was £1,732,000 comprising tax of £1,597,000 and interest of £135,000. There was no penalty.

<b>(b) Special payments</b>	<b>Number of cases 2024-25</b>	<b>Total 2024-25 £'000</b>	<b>Total 2023-24 £'000</b>
Personal injury claims	13	106	201
Employment tribunal claims	-	-	101
Historic Purchase Invoice Settlement	-	-	180
Other	2	1	1
<b>Total losses</b>	<b>15</b>	<b>107</b>	<b>483</b>

There were no special payments over £300,000.

## 21. Events after the reporting period

Events after the reporting period are considered up to and including the date on which the accounts are authorised for issue. This is interpreted as the date of the audit report.

MOJ communicated to GFSL that the PTP deadline has been extended, as such this means that we will continue to provide services until September 2027, at which point services will transition to a new supplier. MOJ have provided a letter of comfort to GFSL in this regard.

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