



Maritime &
Coastguard
Agency

Maritime & Coastguard Agency

Annual Report and Accounts

2024 to 2025

HC 1584

Maritime and Coastguard Agency Annual Report and Accounts 2024 to 2025

For the period 1 April 2024 to 31 March 2025

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Chair's Introduction



Our Annual Report and Accounts offer an overview of the UK Maritime and Coastguard Agency's wide-ranging work during 2024/25 - saving lives, ensuring safer shipping, protecting the marine environment, and supporting a vibrant and successful UK maritime sector.

Over the course of the year, HM Coastguard responded to over 39,000 incidents, with year-on-year increases in demand. As a category one responder, HM Coastguard has also increasingly been called upon to assist with wider emergency response, often drawing on our 287 Coastguard Rescue teams based around the UK. In 2024-25 we began the transition to our new ten-year

UKSAR2G aviation search-and-rescue service, bringing online new aircraft and unmanned aerial vehicles (UAV) /drone technologies. We also delivered our Radio Network replacement programme, hardening this critical maritime communications infrastructure.

The UK once again improved its position in the Paris Memorandum of Understanding (MOU) 'White List', ranking 8th as a 'top 10' flag state based on international Port State Control performance. The UK tonnage tax regime continued to attract new vessels, with a concomitant and welcome increase in the number of merchant seafarer cadets. The MCA supports UK seafarers by setting training and certification standards, and these training packages are amongst the best in the world. Over the past year we launched a transformation programme to digitise and modernise our Seafarer Operations, the first element of our new Maritime Digital Platform.

Over the past year the MCA has also worked to support safe innovation across the sector – ranging from guidance on alternative/lower-carbon fuels through to the development of a permissive new regulatory regime for smaller autonomous surface ships. We will be further extending this approach to innovation in the year ahead.

Internationally, the MCA continued to work closely with the UK's Overseas Territories and Crown Dependencies to ensure high standards and smart regulation across the Red Ensign Group, as well as working with other international partners in the Atlantic and North Sea regions, and at the International Maritime Organisation.

On behalf of the MCA Board I would therefore like to thank our expert staff, volunteers and our partners across the maritime sector for their contribution to the agency's work over the past year. Often this goes unnoticed by the wider public. But

then a high-profile incident occurs, such as the allision between a container ship and a tanker off the Humber in March 2025. Then the professionalism and efficiency of all involved in our emergency response is apparent for all to see.

A handwritten signature in black ink, appearing to read 'Sir Stevens', with a horizontal line underneath the name.

Lord Stevens of Birmingham, Kt
Chair, Maritime and Coastguard Agency

Chief Executive's Foreword



I am pleased to present the Maritime and Coastguard Agency's Annual Report and Accounts for 2024-25.

Our MCA Chair, Lord Stevens, has highlighted some of the key achievements of the year as we continue to protect, rescue, and innovate.

The MCA, like many of our stakeholders, is now operating in what we recognise as a rapidly and vastly changing maritime environment. With major incidents in navigational and operational safety, such as Storm Eowyn, and the ever increasing challenge of monitoring those ships and cargoes that seek to deliberately avoid international regulation, our flood response, counter pollution and salvage teams have worked through a much more demanding year. It would be remiss of us not to recognise and thank the Maritime family of the UK, because, when incidents happen, and the public and critical national infrastructure are at risk, owners and operators respond. We are grateful also for continuing close collaboration with our counterparts in partner countries for their willingness to support during major incidents, as we are committed to providing when they seek support from us.

HM Coastguard and our partner organisations once again showed their outstanding commitment and professionalism throughout a challenging year. We regularly deployed lifeboats, helicopters, and range of other assets provided by our partners across Government and charitable bodies in continuing to provide a world leading search and rescue response across the UK's search and rescue region. We began to explore a range of new techniques and digital solutions to use data to ensure the most rapid and effective deployment of UK resources, and we have continued to support other services such as the Joint Maritime Rescue Centre, the Royal Navy, the offshore industry, the UK fleet, and shipping around the UK.

As we face today's challenges and anticipate tomorrow's our experts in the MCA continue to provide unparalleled technical advice to the UK's delegation to the International Maritime Organization. Our support and robust analysis helped the UK's delegation secure agreement to the IMO Net-Zero Framework in Spring 2025, noting that decision on the adoption of this has been adjourned for one year.

The MCA has and must continue to work tirelessly for customers in the UK to consider the technical safety requirements necessary to enable and encourage the transition to future fuels in an increasingly fractured world.

We also recognised and adapted to support the growing pace of innovation across maritime. This year we set up the concept of our dedicated Innovation Hub, announced alongside the Government's Maritime Decarbonisation Strategy in March having worked closely with off shore industries, energy companies and other industry partners. In this work, as we try to pick up our pace at MCA by creating a collaborative environment for stakeholders to develop and implement new ideas, we are exploring how we can work more closely with the navy to improve test areas and overall concepts to market place.

Last year saw an intake of 676 cadets, who had the advantage of the most modern syllabus in the world, thanks to close collaboration with colleges. In the area of training and examination we acknowledge the support of a range of partners, including the charities who represent seafarers' interests, all working to ensuring that this seafaring nation continues its proud history. I am grateful to all the young seafarers who have been kind enough to meet with me over the year and share their experiences, as well as to owners, operators, port authorities, energy companies, maritime start ups, and established world leading companies who have engaged so positively with us to shape our strategy and plans going forward.

This report sets out how our public funding has been deployed and managed, thanks in a large part to a highly skilled corporate team in the MCA, ensuring our focus is directed towards delivering positive impact for industry, seafarers, and the taxpayer . At MCA we are one team; whether Shipping Forecast (celebrating 100 years of broadcasting) salvage, future fuels, survey, inspection, drafting legislation, engaging at IMO, responding to beacon alerts, deploying aviation assets, as well as providing crucial IT, finance, communications and human resource functions. Together they protect our people and systems from threat, hacking, weather conditions, and many other challenges so that our rescue, technical support and prevention teams can deliver the most impactful priorities for the public pound.



Virginia McVea
Chief Executive

Performance Report

Who we are and what we do

The Maritime and Coastguard Agency (MCA) is the body set up by government to ensure safety in maritime. Our job is to protect the public and those working at sea, and to provide rescue when necessary.

We aim to deliver safer lives, safer ships and cleaner seas. As an Executive Agency of the Department for Transport our vision is to be a world-leading organisation, accelerating the transition to sustainable shipping with non-negotiable safety standards. We put our people, our customers, and our planet at the heart of everything we do.

We work across the UK as the only national emergency response service.

HM Coastguard is responsible for the initiation and coordination of civil maritime search and rescue within the UK search and rescue region. This includes the mobilisation, organisation and tasking of adequate resources to respond to persons either in distress at sea, or to persons at risk of injury or death on the cliffs or shoreline of the UK. We provide this service 365 days of the year for the entire 11,000 miles of UK coastline and approximately 1 million nautical miles of the UK Search and Rescue Region. We continue to adapt our response to meet evolving challenges such as increased population migration, the growth of the 'dark fleet,' ageing UK flag vessels, growth of the renewable sector and climate change.

We also work to enable the maritime sector to succeed. The UK's reputation for maritime safety has been the backbone of our economy for centuries, and ship owners across the globe are able to rely upon the protection of their employees and cargo. The work of the MCA ensures the quality of the vessels upon which the UK economy relies, with 85% of all imported goods arriving from the sea. We produce maritime legislation and guidance, and enforce standards for ship safety, security, pollution prevention, seafarer certification and qualifications as well as seafarer health, safety, and welfare. This all contributes to unlocking sustainable growth in the UK maritime economy.

The MCA is also responsible for administering the UK Ship Register, supporting those vessels flying the Red Ensign, a flag which is recognised globally for its high standards and commitment to ensuring that all the vessels used around the UK comply with the internationally agreed safety standards. We deliver this through regulation and through survey and inspection of both foreign vessels using our ports and UK flagged vessels undertaking all kinds of operations around the coast of the UK and travelling further. We work to ensure the safety of passenger ferries all around the UK, recognising the importance of lifeline services to remote communities and their impact on connectivity. We also work to ensure safe navigation routes and then communicate safety messaging based

on our continuing work mapping the seabed and work with the Met Office to keep people in the UK moving safely.

We are exploring new chapters in the world of maritime safety including the use of automation and scientific advances to ensure improved working practices, cleaner seas and decarbonisation of the sector.

Our key priority is always safety; but ensuring that we continue to have a world leading safety record brings many other benefits to the UK. Our work is also not limited to our shores. The UK sits on the key maritime decision-making body at the United Nations' International Maritime Organization (IMO). We work to demonstrate the safety of all UK Overseas Territories and Crown Dependency maritime sectors as part of the UN assessment of the entire UK maritime environment. All must succeed together, under what is known as the IMO Instruments Implementation Code, for the UK to maintain our position with the IMO. This is vital to our reputation in trade and industry globally.

Our achievements in 2024-2025

Provide best protection and rescue response

- HM Coastguard responded to 39,147 incidents, dealing with distress and 999 calls, tasking and coordinating search and rescue assets including lifeboats, helicopters and fixed wing aircraft, coastguard rescue teams, other emergency services as well as ships in the vicinity able to assist.
- During the 2024-25 reporting year, 95% of 999 calls were answered within 10 seconds, averaged across the 12 months.
- Demonstrating the resilience of a nationally networked Coastguard, across 2024-25, HMCG activity included 1,030 instances of remote Search and Rescue Mission Coordinator (SMC) provision, 126 instances of remote search planner provision and 381 instances of zone-flexing.

Focus on customer and stakeholder needs, enabling them to grow the UK economy

- We inspected 350 Priority I High-Risk ships arrivals in UK ports.
- Our Registry of Shipping and Seaman service answered more than 96% of calls from customers within 20 seconds.
- We successfully developed a proactive, targeted customer engagement plan for existing customers and prospective customers to provide insight and assist with the development of MCA's service offer in support of the UK Flag – the plan will be rolled out during quarter one of 2025-26.

Strengthen the reputation of the UK globally through our work as a maritime influencer

- Technical expertise was provided throughout the year by the MCA's teams to support UK interests at the IMO.
- We successfully delivered an effective programme of support initiatives, which were agreed with the Foreign, Commonwealth and Development Office (FCDO) and the Overseas Territories governments.

Support our customers, and wider industry, to innovate safely

- We successfully completed a review of the quality and clarity of current maritime regulations and identified a set of key principals for future regulation development. These principals are being integrated into the existing policy suite.
- A new Marine Guidance Note (MGN) has been published for remotely operated unmanned vessels of 2.5 to less than 4.5 metres – this MGN will help support with small maritime autonomous surface ships innovation.

Deliver our services more effectively through improved deployment of our assets and with our partners

- Our Survey & Inspection team successfully formulated a new long-term business model for the delivery of our survey and inspection obligations.
- In order to introduce improved due diligence with our key partners, we have undertaken a stakeholder mapping exercise and have identified priority relationships and work activities to ensure the long-term success of our current and future operating models.
- We undertook capability and capacity reviews of the volunteer Coastguard Rescue Service to ensure our teams are equipped to meet the risks within local communities.

Optimise services for the future through enhanced forecasting

- Throughout the reporting year, a number of data pipelines have been delivered, including advances in our datasets which will significantly improve our strategic planning capabilities by identifying risk and opportunities for our Coastguard Rescue Service (CRS).
- A Generative Artificial Intelligence (AI) Pilot has been tested with further roll out planned.

Other Obligations

- We responded to all Parliamentary Questions by the due date.
- Our overall customer satisfaction was 90% for the reporting year
- We paid over 90% of our invoices within five working days

Delivering against our 2024-25 Business Plan

Performance Overview

The purpose of this section is to provide an overview of the MCA's performance against the objectives and indicators agreed with the Department of Transport at the beginning of the year. In addition, the MCA operates within the financial budget allocations from the Department for Transport as agreed through the Spending Review set in 2021 and the Department's business planning process.

The MCA is comprised of five directorates: His Majesty's Coastguard (HM Coastguard), UK Technical Maritime Services, UK Customer Maritime Services, Maritime Governance, Improvement & Assurance, incorporating the Regulatory Compliance Investigations team and Corporate Services. Within Corporate Services, Information Technology, People and Safety, Corporate Governance and Finance & Transformation teams sit. These directorates have been working towards a holistic set of Key Performance Indicators (KPIs).

The KPIs, as written in the 2024-25 Business Plan, are grouped in six areas: Providing best protection and rescue response, Optimising services for the future through enhanced forecasting, Deliver our services more effectively through improved deployment of our assets and with our partners, Focus on customer and stakeholder needs, enabling them to grow the UK economy, Strengthen the reputation of the UK globally through our work as a maritime influencer, Support our customers, and wider industry, to innovate safely, and Other commitments such as Ministerial response. A full breakdown of performance against these KPIs is detailed in the performance analysis below. Our 2025-26 Business Plan contains an updated set of KPIs which better reflect the key deliverables and functions of the MCA.

The main risks to the MCA are detailed in the Governance Statement risk section. The principle risks the MCA face are those that can impact the agency's ability to deliver its mandated responsibilities. The principle concerns currently include the safety of small boats crossing the English Channel to the UK and associated risks; the loss of critical coastguard services through a cyber incident or infrastructure failure; disruption of wider MCA activities through a cyber incident or infrastructure failure and lack of lawyer resources to implement legislative change.

Resources are applied to actively mitigate these risks with the intention of reducing their impact and/or likelihood. The MCA Chief Executive is responsible for the effective management of corporate risk in accordance with HM Treasury Guidance (the Orange Book), and the Department for Transport Departmental Risk Policy and Guidance.

Escalation processes are in place within the MCA management structures (Executive Team and Directorate Management Boards) to identify, manage and mitigate risks appropriately. The Chief Executive is also supported and advised by the Audit & Risk Assurance Committee (ARAC).

Performance Analysis

Performance against the targets is set out below:

Provide best protection and rescue response

<p>HM Coastguard will answer 95% of 999 calls within 10 seconds, in at least 95% of cases</p>	<p>31 March 2025</p>	<p>This KPI has not been met.</p> <p>During the 2024-25 reporting year, a total of 94.78% of 999 calls were answered within 10 seconds, but when averaged across the 12 months the target was met.</p>
<p>We will ensure that each Search and Rescue helicopter base is maintained with at least 98% availability for tasking 24/7 throughout the year, in at least 98% of case.</p>	<p>31 March 2025</p>	<p>This KPI has not been met.</p> <p>Availability was 95.98% for the reporting year due to aviation supply chain issues experienced by our contractor. The operational impact of individual search and rescue helicopter bases being unavailable is mitigated through the deployment of flanking bases. The overlapping coverage provided by the 10 search and rescue helicopter bases comprise the national system to ensure geographic coverage is sustained. Where necessary, spare aircraft within the fleet are redeployed to maintain national coverage.</p>
<p>We will ensure fixed wing aircraft with the capability of reaching any part of the UK Exclusive Economic Zone are maintained with at least 98% availability for tasking 24/7 throughout the year.</p>	<p>31 March 2025</p>	<p>This KPI has not been met.</p> <p>Availability was 92.82% for the reporting year. To ensure fixed wing coverage was maintained the MCA sourced additional fixed wing capability via other contracts. This service is now transitioning to our new Search and Rescue Second Generation aviation programme.</p>
<p>We will continue to build resilience within the Coastguard Network throughout 2024-25 to mitigate national operational risk.</p>	<p>31 March 2025</p>	<p>This KPI has been met.</p> <p>The HMCG National Network included 1,030 instances of remote Search and Rescue Mission Coordinator (SMC) provision, 126 instances of remote search planner provision and 381 instances of zone flexing which was a combination of planned and dynamic flexing.</p>

Focus on customer and stakeholder needs, enabling them to grow the UK economy

<p>We will inspect at least 95% of all Priority I High-Risk ship arrivals in UK ports</p>	<p>31 March 2025</p>	<p>This KPI has been met. 99.15% (350 of 353) of Priority 1 High Risk vessels were inspected.</p>
<p>We will answer more than 80% of calls to our Registry of Shipping and Seaman service within 20 seconds</p>	<p>31 March 2025</p>	<p>This KPI has been met. 96.45% of calls were answered within 20 seconds.</p>
<p>We will introduce a new regulator-fishing industry forum to build more effective relationships with fishers</p>	<p>31 December 2024</p>	<p>This KPI has been met. The first meeting of the Fishing Safety Regulatory Steering Group was held in October 2024, establishing links between this regulatory group and the new Home and Dry Safety Group (This is the replacement for the Fishing Industry Safety Group FISG).</p>
<p>We will develop a proactive, targeted customer engagement plan for existing customers and prospective customers to provide insight and assist with the development of MCA's service offer in support of the UK Flag</p>	<p>31 March 2025</p>	<p>This KPI has been met. A proactive and targeted customer engagement plan was initiated to support the enhancement of the MCA's service offer for the UK Flag. This included a roadshow, stakeholder visits and a meeting with high-tonnage and high-value customers. This was also enhanced with international events such as Singapore and Hong Kong Maritime Weeks. These efforts led to increased interest in fleet enquiries, flagging routes, and tonnage tax opportunities.</p>

Strengthen the reputation of the UK globally through our work as a maritime influencer

<p>We will continue to provide technical expertise to support UK interests in the IMO</p>	<p>31 March 2025</p>	<p>This KPI has been met. Technical expertise was provided throughout the year by the MCA's Regulations and Standards teams and the International Relations Consultant Surveyor.</p>
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<p>Deliver an effective programme of support initiatives, agreed with FCDO and Overseas Territory governments, which are cognisant of the III Code, flag, port and coastal obligations, Blue Economies and a coherent and collaborative long term maritime strategy.</p>	<p>31 March 2025</p>	<p>This KPI has been met.</p> <p>The final programme elements have concluded with support initiatives delivered to the Cayman Islands, Ascension Islands, Tristan Da Cunha, St Helena, Anguilla and Montserrat.</p>
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Support our customers, and wider industry, to innovate safely

<p>We will complete a review of the quality and clarity of current maritime regulations and identify a set of key principles for future regulation development</p>	<p>31 December 2024</p>	<p>This KPI has been met.</p> <p>A review of the quality and clarity of current maritime regulations and the Key Principles document was completed by the end of December 2024. The key principles are being integrated into the existing policy suite and link to the Policy Justification Assessment for consideration when developing new regulations.</p>
<p>We will review regulation requirements for future fuels for the UK with the Red Ensign Group (REG) technical forum to support the maritime decarbonisation agenda.</p>	<p>28 February 2025</p>	<p>This KPI has been met.</p> <p>The regulation requirements for future fuels for the UK was discussed at the Red Ensign Group (REG) technical forum during the reporting year, specifically on nuclear fuels and hydrogen cells.</p> <p>Future Fuels pamphlets were drafted in year, for publication on Gov.UK in April 2025 and included Methanol, Electric, Ammonia and Hydrogen. These pamphlets were sent to the Chamber of Shipping for distribution to their members.</p> <p>There has been active engagement in the International Maritime Organization (IMO) work on Future Fuels, including the development of interim guidelines for the safe use of these fuels and the review of Carbon Intensity Indicator which is one of the IMO's key measures to drive the industry's uptake of the future fuels.</p> <p>This work has been supported by colleagues from the REG, both in terms of their direct engagement with discussions at IMO and also through them sharing learnings from their projects to certify vessels using future fuels.</p>

<p>We will roll out a regulatory framework to support small maritime autonomous surface ships (MASS) innovation (<4.5 metres in length)</p>	<p>30 September 2024</p>	<p>This KPI has been met, albeit after the target date</p> <p>Marine Guidance Note (MGN) 705 Remotely operated unmanned vessels of 2.5 to less than 4.5 metres in length was published on 31 December 2024.</p>
<p>We will review the Agency's plans under the Clean Maritime Plan, and identify opportunities for this to drive customer services innovation</p>	<p>30 June 2024</p>	<p>This KPI has been met</p> <p>The Maritime Decarbonisation Strategy was published during the reporting year, replacing the original Clean Maritime Plan. The recommendations from this plan have been incorporated into the MCA plans going forward and we are working with industry and the Department for Transport to achieve these goals. We regularly met with, and supported, industry as they move towards future fuels vessels.</p>
<p>We will continue to provide technical expertise to support the development and implementation of policies to reduce the climate and environmental impact of international and domestic shipping</p>	<p>31 March 2025</p>	<p>This KPI has been met</p> <p>MCA continues to provide technical advice and support to DfT in support of climate and environmental issues in shipping.</p>

Deliver our services more effectively through improved deployment of our assets and with our partners

<p>We will complete a review of the volunteer Coastguard Rescue Service capability to ensure teams are equipped to meet the risks within local communities and contribute to the development of robust local community plans as Category 1 responder</p>	<p>31 December 2024</p>	<p>This KPI has been met.</p> <p>Capability and capacity review completed. A further review will be carried out during 2025-26 reporting year as part of future proofing the Coastguard Rescue Service model.</p>
<p>We will develop a new long-term business model for the delivery of our Survey and Inspection obligations</p>	<p>31 December 2024</p>	<p>This KPI has been met.</p> <p>The Survey & Inspection Forward Look for 2025-2030 was delivered in December 2024.</p>
<p>We will introduce improved due diligence with our key partners to</p>	<p>31 December</p>	<p>This KPI has been met.</p>

<p>identify any areas of risk and ensure the long-term success of our current and future operating models.</p>	<p>2024</p>	<p>A stakeholder mapping exercise of 87 stakeholders has been undertaken to identify priority relationships and ongoing work activities, with six stakeholders being identified as priority relationships. This will direct stakeholder engagement in the next reporting year.</p>
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Optimise services for the future through enhanced forecasting

<p>We will develop data pipelines and datasets, improved demand models, better forecasting and risk-based targeting/prioritisation across our organisation</p>	<p>31 March 2025</p>	<p>This KPI has been met. The Data team have successfully developed and released four data pipelines to production by the end of reporting year. A further four are currently in User Acceptance Testing.</p>
<p>We will capitalise on opportunities to use innovative technology, including Artificial Intelligence, to create the MCA Digitisation Roadmap</p>	<p>31 March 2025</p>	<p>This KPI has not been met. The MCA Digitisation Roadmap has not been delivered in year. However four phases of the UK Maritime Services Digital Platform have been delivered which will be used as the basis for the initial version of the MCA digitisation roadmap. A draft of the Coastguard Command Platform has also been created for inclusion in the roadmap.</p>

Other Obligations

<p>Provide a response to Freedom of Information Act requests within 20 days</p>	<p>31 March 2025</p>	<p>This KPI has not been met. 285 requests were received with 60.7% of the requests completed by the legal deadline. The KPI was missed due to staff absences and vacancies in the team.</p>
<p>Provide a response to Parliamentary Questions by the due date in 100% of cases</p>	<p>31 March 2025</p>	<p>This KPI has been met. 23 Parliamentary Questions were asked during the year, 100% were responded to by the due date.</p>
<p>Provide a draft response to Ministerial Correspondence within 3 working days in</p>	<p>31 March 2025</p>	<p>This KPI has not been met. 16 items of Ministerial Correspondence were</p>

95% of cases		received in the year, 13 (81.25%) were responded to within 3 working days This KPI was missed due to vacancies in the team.
Provide a response to official correspondence within 20 working days in 80% of cases	31 March 2025	This KPI has been met. 22 items of official correspondence were received in the year, 21(95.45%) were responded to within 20 working days.
We will pay at least 80% of all invoices within 5 working days	31 March 2025	This KPI has been met. We paid 90.73% of invoices within 5 working days.
Our Customer Satisfaction score will be at least 85%	31 March 2025	This KPI has been met. Overall customer satisfaction was 90% as of the end of the reporting year.
100% of government car and van fleet to be fully zero emission at the tailpipe	31 March 2027	This KPI is on track The MCA remains ahead of target for all non emergency response vehicles; which are currently exempt from this target.

Financial Performance Analysis

The MCA is funded through Parliamentary Supply voted to the Department for Transport and the Agency remained within the budgets allocated.

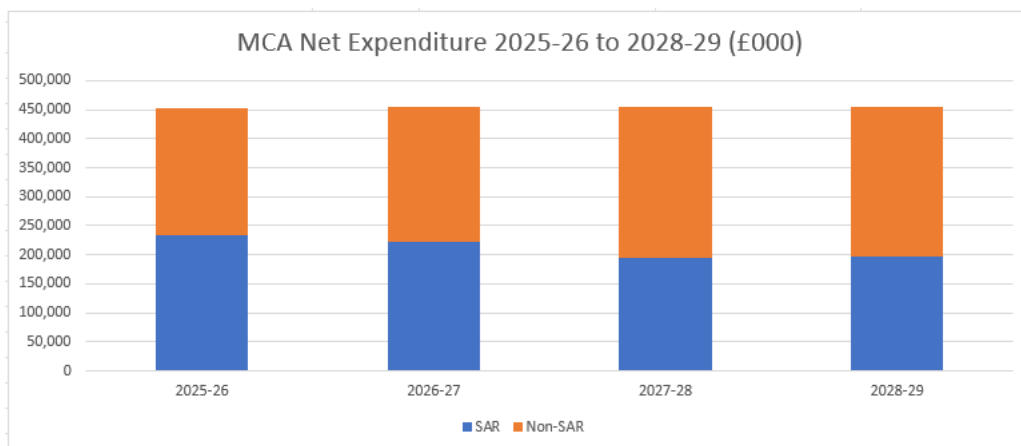
At the end of 2024–25 the Agency had total net assets of £106.9million, comprising total assets of £290.3million and total liabilities of £183.4million. Our non-current assets include property, plant and equipment and intangible assets of £135.9million, as well as right of use assets of £116.0million, primarily made up of Search and Rescue helicopters of £79.2million and Land and Buildings of £30.5million.

In year our capital expenditure was £62.7million (2023–2024 £32.6million) which includes the requirements under IFRS16 incorporating costs for new leases agreed in year of £48.5million.

Total operating expenditure has risen by £12.7million to £452.4million (2023–24: £439.7million). Expenditure breakdown is included in Accounts Note 3. Total income has decreased by £0.3million to £19.3million (2023-24: £19.6million). Income breakdown is included in Accounts Note 4.

MCA Long Term Expenditure Trends

MCA net expenditure includes services under both the current UK SAR Helicopter (SAR-H) contract and the future second-generation Search and Rescue (SAR2G) contract which commenced during the year. The phased transition between the two contracts results in a small change in profile of expenditure. Expected expenditure trends in the graph below include leasing cost profiles altered by IFRS 16 and IFRIC 12 plus the contract for the Radio Network Infrastructure Replacement programme. The Agency’s overall delegated budget post 2025-26 will be subject to future fiscal events and will be agreed through the Department for Transport’s Supply Estimates.



Safer Lives – preventing loss of life

Search and Rescue Coordination

We provide 24-hour emergency response search and rescue coordination service for the UK Search and Rescue Region. During the reporting year HM Coastguard's national network responded to 39,147 incidents, dealing with distress and emergency 999 calls, coordinating and tasking search and rescue partners including lifeboats, helicopters, fixed wing aircraft, coastguard rescue teams, other emergency services as well as ships in the vicinity that may be in a position to assist. The number of incidents during 2024-25 increased from 39,129 in 2023-24, 36,504 in 2022-23 and 36,330 in 2021-22.

Coastguard Rescue Service

Our Coastguard Rescue Service (CRS) comprises over 3,500 Volunteers in 287 teams in local communities throughout the UK. The volunteers give their time to respond to emergencies and spread safety messages in their local communities, or more widely when required. The CRS practice, train, and exercise across a range of specialist skills to ensure they are qualified and competent to carry out search, water, mud and cliff rescue. The volunteers are led by over 100 employed operational staff located throughout the UK.

As a category one responder, in the UK's Civil Contingencies Act, we remain committed to supporting the UK Coastal Resilience Forums and Partnerships, which plan, prepare for, respond to, and recover from local, regional and or significant national incidents and major emergencies.

Coastal and water safety

HM Coastguard continues to participate in the National Water Safety Forum (NWSF), Water Safety Wales, Water Safety Scotland and in the development of Water Safety Northern Ireland.

The MCA broadcasts key safety insights and campaigns across social media channels, such as the 'Coast Clever' campaign which is designed to educate the public on some of the key risks around our coasts.

Locally our Coastguard Rescue Teams contribute to community safety by participating in events and delivering safety focused presentations around the UK.

Implementation of international maritime standards

Under the IMO Instrument Implementation Code (III Code) mandatory audit scheme for Member States, the Agency has a role to play in oversight and governance of all ships and territories flying the Red Ensign on behalf of the UK Government.

Following the III Code audit of the UK and Red Ensign Group (REG, the collective name for the maritime administrations of the UK, Overseas Territories and Crown Dependencies) in October 2021, we are completing the audits of the remaining

Category 2 REG states as tasked by the IMO. Our quality objectives as flag, port and coastal States are being enhanced to better promote sustained compliance with international conventions going forward.

Through the Government's Conflict Stability and Security Fund Programme, we continue to provide additional support to the Overseas Territories (OT) to strengthen their capabilities and reduce the risk and impact of maritime incidents in the OTs. The OT support programmes additionally aid the mitigation of the risk of the UK Government's contingent liability in the event of a maritime incident in an OT. We are progressing legislation with the Attorneys General and Maritime Administrations and finalising a unified standard and delivering a training package for surveyors of small craft. Funding for port waste reception facilities scoping studies, pollution response equipment, navigational risk assessments and training for front line search and rescue and pollution responders further increases capacity within the Territories.

Building on the foundations of III Code compliance, we are also providing technical and project management support to decarbonisation projects in the OTs developing alternative propulsion systems for OT flagged vessels.

UK Second Generation Search and Rescue Aviation Programme (UKSAR2G)

The UKSAR2G programme brings together its search and rescue and surveillance aviation services under a single contract to deliver a service which will meet the needs of the UK for the next ten years. The UKSAR2G programme will build on the success of the previous contracts, making use of operational data and experience, to deliver a modern service using helicopters, fixed wing aircraft and drones operating out of 12 bases, including two new seasonal bases operating during the busier summer months to ensure the safety of lives at sea, enforce environmental protection and provide coastal emergency response.

The contract was awarded to Bristow Helicopters Ltd in July 2022 with a phased in implementation programme that commenced in October 2024.

During 2024-25 the helicopter bases at Inverness and Lydd and the fixed wing base at Humberside went live. In 2025-26 a further four helicopter bases and two fixed wing bases are due to go live, with the remaining bases becoming operational in 2026-27

Radio Network Infrastructure Replacement Programme (RNIR)

The RNIR programme ensures the continued capability of HM Coastguard to communicate with people in distress at sea or on land and to coordinate search and rescue by replacing the aging copper cable (Kilostream) infrastructure connecting c165 remote radio sites to HM Coastguard control rooms with modern fibre cabling that incorporates resilient, diverse routing.

The construction and commissioning of digital remote radio sites and network cabling continued throughout 2024-25 with various contractors working together to

connect remote areas of the UK and to date has installed over 700km of fibre cabling around the UK coast including at some of the most remote locations in the British Isles. To date 100% of radio sites have now moved onto the new network, with 98% of sites benefitting from dual connections. The remaining resilience connections are anticipated to be in place by September 2025.

Our public and media presence

We launched safety campaigns, delivered frequent, informative and impactful social media activity, featured in the media and worked with partner organisations to deliver important safety messages to the public.

Our social media profile has continued to grow over the past year with audiences on Facebook, LinkedIn and Instagram climbing to:

- 105,300 on Facebook
- 73,250 on LinkedIn
- 19,200 on Instagram

During the reporting year we achieved over 37 million impressions on our social media channels, with over 600k interactions and an average engagement rate of 5.68%.

In 2024 HM Coastguard's summer coastal safety campaign, Coast Clever, achieved 44.8 million impressions (vs 20 million projected). The campaign warned people about potential dangers at the coast, particularly in relation to walking incidents, with messaging focusing on the risks of tidal cut-off and mud. The activity primarily ran on social media (Facebook, Instagram and Snapchat, through out-of-home billboards and on Reddit). Campaign research following the campaign suggested a 9-percentage points increase in males knowing to spread their weight in mud after the campaign ran and a 13% increase in perception of danger. We also saw a 13-percentage point increase in agreement that mud, cliffs, offshore winds and tides can be dangerous and 56,000 sessions to the Coast Clever landing page throughout the duration of the campaign. By partnering with musician and comedian Arthur Hill, the campaign received a further reach of 32,630 accounts through Arthur's own social media activity.

Throughout 2024 we delivered 40,000 transmissions of our radio fillers which reinforced these safety messages, covering the topics of tidal cut off, offshore winds, cliff walking and paddleboarding safety.

A new recreational boating safety campaign was launched in March 2025, supported by the RNLI and RYA. The campaign shared the importance of conducting regular checks of vessels and encouraging boat users to boost their skills. 5,000 checklists were created for circulation to boat users and advertorials were featured in relevant publications such as Practical Boatowner and Yachting Monthly.

Other notable activity included:

- New UK Ship Register website launched in May 2024.
- Participation at key industry events including Southampton International Boat Show.
- Continued support of the Home and Dry campaign providing safety information and guidance for commercial fishers.

Safer Ships – improving maritime safety

The UK relies on shipping for about 85% of our imports and exports ¹. A safe environment for ships and professional seafarers supports growth by facilitating trade and a vibrant maritime sector.

Safety of lives at sea

The MCA undertook extensive stakeholder engagement on an updated Code of Safe Working Practices for Merchant Seafarers. With support from industry there has been a major redrafting and reformatting of The Code to improve useability for seafarers. The updated Code was published in April 2025.

In the 2024 calendar year our network of MCA approved doctors conducted 53,263 ENG1 medical examinations to check that seafarers were fit to work at sea, a slight increase on last year.

On 20 December 2024, in conjunction with TSO and our working group of experts, the 24th Edition of the MCA Ship Captain's Medical Guide (SCMG) was published. The SCMG is primarily intended for vessels with no medical professional on board, providing practical guidance for those responsible for first aid or medical care on board. It provides assistance and direction for crew members when it becomes necessary for them to assess and treat trauma and medical illness. The new edition includes revised guidance on spinal immobilisation, updates to the antibiotic guide and new content on COVID and infectious diseases.

Setting standards

By setting standards and producing guidance, we create a level playing field for the UK maritime sector and influence ships operating in UK waters and seafarers on UK ships to follow best practice. We work in partnership with colleagues across Government and key stakeholders to negotiate international maritime policies, regulations and technical standards, principally at the IMO and the International Labour Organization (ILO).

The following Regulations and Orders were introduced during the year:

- The Merchant Shipping (Prevention of Oil Pollution) (Amendment) Regulations 2024
- The Merchant Shipping (Carriage of Cargoes) Regulations 2024
- The Merchant Shipping (Carriage of Dangerous Goods and Harmful Substances) (Amendment) Regulations 2024
- The Merchant Shipping (Prevention of Pollution by Garbage from Ships) (Amendment)) Regulations 2024
- The Merchant Shipping (Anti-Fouling Systems) Regulations 2024

¹ DfT Analysis of HM Revenue & Customs (HMRC) customs data

- The Merchant Shipping (Special Measures to Enhance Maritime Safety) Regulations 2024
- The Merchant Shipping (Safety of Navigation) (Amendment) Regulations 2025

Monitoring and enforcing standards

By monitoring compliance with UK policies, regulations, technical standards and international requirements, we provide an assurance of safety, protection of the environment and the health and welfare of seafarers.

We undertook 5,073 surveys and 2,252 inspections of UK ships and carried out 1,393 Port State Control inspections. We carried out 22 inspections of roll-on roll-off passenger ferries and passenger high speed craft operating between the UK and Europe and found 119 deficiencies requiring corrective action. We completed 1,291 inspections for compliance with the International Marine Pollution Convention Air Pollution requirements and five samples were analysed using the newly procured portable fuel testing equipment.

We authorise six Classification Societies as Recognised Organisations, all six are members of the International Association of Classification Societies, to carry out a proportion of our statutory survey work on our behalf. For smaller vessels that operate under Codes of Practice, we have authorised ten Certifying Authorities to survey and issue certificates on our behalf. We undertake risk-based audits of their offices, processes and surveyors.

When necessary, we take appropriate and proportionate action. In 2024-25, 227 incidents were reported to our Regulatory, Compliance and Investigations team. This resulted in 147 investigations and six prosecutions. Other enforcement sanctions are also used.

UK Ship Register & The Red Ensign Group

The MCA continues to support vessels registered on the UK Flag.

During 2024-25, there were 62 merchant ship registrations of vessels over 100 Gross Tonnes (GT), totaling 96,772 GT. In 2024-25 the total tonnage on the UK Ship Register decreased by 9.79% (March 2024 to March 2025). At the end of March 2025, the UK Flag stood at 9.13 million GT with 1,054 vessels over 100 GT. The UK Flag stood at 27th largest in the world by tonnage and is the 9th largest in Europe (according to Clarkson's reporting). In addition to the 1,054 commercial vessels over 100GT, the UK Ship Register has registered 4,668 fishing vessels and 1,680 under 100GT commercial vessels 34,882 small vessels and 13,602 pleasure vessels.

Throughout the year, we have focused on improving customer experience through continuing to enhance our online presence. The Registry of Shipping and Seamen is operating well, exceeding published service level agreements. In addition, to support our commitment to digital service improvements, the MCA has embarked on the

delivery of a major digital programme. The first phase currently being developed is a new Seafarer Database which will enable increased self-service opportunities in the future and which provides a stable platform for future development.

The UK was ranked 8th in the list of top performing Flag States in the Paris Memorandum of Understanding on Port State Control. We are on the 'White List' of the Tokyo Memorandum of Understanding list of Quality Flag States. The UK also retained United States Coast Guard's Qualship 21 award for our commitment to quality and safety.

At the end of 2024 the British shipping registers of the Red Ensign Group, made up of the UK, nine Overseas Territories and three Crown Dependencies, each of which operate their own British ship register, amounted to 38.1 million Gross Tonnes. Any vessel on these registers is a British ship. Taking account of all the territories able to fly the Red Ensign, British shipping is the 9th largest international fleet. We work collaboratively to ensure all ships flying the Red Ensign are maintained and operated to the highest standards and IMO Instruments Implementation Code and Red Ensign Group monitoring audits check that maritime standards are maintained against our collective flag, port and coastal State obligations. In 2024-25, we undertook audits of the Administrations of Gibraltar, the Turks and Caicos Islands and St Helena.

The UK Ship Register online reach has grown slightly with a 1.13% increase in website users compared to last reporting year.

UK Shipping Concierge

We support UK economic growth through the UK Shipping Concierge by connecting ship owners and operators who may be considering the UK as a place to do business. We connect clients with UK Government, its extensive business professional services and industry associations when discussing a wide range of enquiries around the UK Maritime Offer. The Concierge also promotes the Offer at many events within the UK and internationally alongside Government colleagues from DfT and the Department for Business and Trade (DBT) and in the last year it successfully undertook events in Singapore, Hong Kong, Greece and Switzerland. Recently supported Tonnage Tax reforms introduced in April 2024 have seen a positive upturn in companies joining with an increase in owners and vessels (22% ship numbers); this increase supports flag growth, cadet training and supports the governments ambition for maritime economic growth.

Seafarers

We support UK seafarers by setting training and certification policy and standards, carrying out college course approvals and undertaking examination moderation. We also provide examination and certification services for seafarers of all ranks.

We continue to promote high standards of marine safety and marine environmental protection through delivery of policy, legislation and associated guidance within the areas of Seafarer Training and Certification. We deal with skills and qualifications of all seafarers pursuing a UK seafaring qualification and those working on UK vessels (including Merchant Navy, Fishing Fleets, Inland Waterways, Large Yachts, Tugs and Workboats).

44,032 seafarers hold UK Certificates of Competency or Certificates of Equivalent Competency as at 31 March 2025. In 2024-25 we issued 4,972 Notices of Eligibility and 11,320 Certificates of Competency and Certificates of Equivalent Competency/ Flag State Endorsements. During the same period, we also issued 564 Boatmasters' Licences.

A Transformation Programme has been in progress throughout the year to modernise the Seafarer Operations ways of working and organisation. The aim has been to focus on improving the speed of response and create a platform for digital improvements with the development of a new Seafarer Database System which launched in June 2024. The new system modernises the previous aged database and is the first of many system updates which will feed into the Maritime Digital Platform providing efficiency, future-proofing and enhanced service to our customers.

We are leading the way in modernising seafarer training through the Cadet Training & Modernising Project, working collaboratively with stakeholders across the sector. All seafarer qualifications – Deck, Engineering, and Electrotechnical – have been updated to reflect current technologies and onboard practices. The implementation of this modernised training is scheduled for September 2025.

Thanks to our evidence-based approach, the UK's training template has been adopted as the model for the comprehensive review of seafarer qualifications currently underway at the IMO.

Looking ahead, our next priority is to modernise MCA safety papers, transitioning from traditional written exams to a digital format. We are also updating restricted Certificates of Competency – including those for fishing vessels, domestic vessels, yachts, tugs and workboats – to enhance transferability and create greater progression opportunities for seafarers.

The UK is at the forefront of training for autonomous vessels. In collaboration with industry partners, we have already developed training for certain types of remote operations.

Safety of Navigation

To meet the UK international obligations under Chapter IV and Chapter V of the Safety of Life at Sea (SOLAS) Convention 1974 and Convention on the International Regulations for Preventing Collisions at Sea 1972, we:

- Implement SOLAS Chapter IV and V ship obligations in UK regulation;
- Fund, manage and deliver the UK Civil Hydrography Programme (CHP), working in partnership with the UK Hydrographic Office, and ensure that UK home waters are adequately surveyed for the safe update of navigational charts and publications;
- Fund, manage and deliver the UK Marine Weather Service (MWS), in collaboration with the Met Office and the BBC, ensuring that suite of shipping forecasts and warnings and Maritime Safety Information (MSI) are communicated to sea-users;
- Maintain close liaison and contacts with the DfT, and the UK and Ireland General Lighthouse Authorities (GLA) to ensure delivery of a modern, reliable and economic Aid to Navigation (AtoN) service to assist the safety of all classes of mariners in general navigation;
- Engage with the development and maintenance of around 150 international navigation and radio equipment standards, as well as provide policy and guidance for the carriage and use of navigational and radio equipment on board ships;
- Implement and monitor traffic routing and reporting measures to assist safe navigation and improve the provision of navigation and weather-related advice information to the mariner by means of MSI and appropriate E-navigation implementation;
- Co-ordinate the UK's Long-Range Identification and Tracking Data Centre.

In addition to meeting the UK SOLAS obligations we provide advice to other Government organisations on marine licensing, planning, marine protected areas, offshore renewable energy installations, autonomous shipping, maritime cyber security and matters affecting maritime radio spectrum. We are also advising and developing guidance to those in the space industry where their activities impact shipping.

We maintain the Consolidated European Reporting System that manages the flow of reporting data from vessels arriving in the UK, transmitting it to the European THETIS system to inform our ship inspection regime. Information is also supplied to other government departments such as Border Force and the National Maritime Information Centre.

Sixteen Port Marine Safety Code (PMSC) health-checks were conducted, and we worked with other government departments and industry to improve the application of the Code and its Guide to Good Practice. We recognise and approve Vessel Traffic Services (VTS) in the UK, monitor compliance with international standards and implement the guidance from the International Association of Lighthouse Authorities (IALA) VTS committee.

We receive approximately 800 applications for new UK radio transmitters annually.

Each is reviewed to avoid harmful impact to maritime radiocommunications and safety. We engage with international forums on issues including electronic chart implementation, Global Maritime Distress and Safety System modernisation, international provision, use and protection of maritime radio spectrum, bridge navigation and radiocommunications product performance and test standards. We support other MCA policy areas in maritime radio matters and set requirements for radio installations on large fishing vessels and domestic cargo ships.

Cleaner Seas – protecting the environment

The UK is a signatory to international conventions that place duties on contracting parties to protect the marine environment, including:

- The United Nations Convention on the Law of the Sea (UNCLOS);
- The International Convention for the Prevention of Pollution from Ships (MARPOL);
- International Convention on Oil Pollution Preparedness, Response and Co-operation;
- International Convention Relating to Intervention on The High Seas in Cases of Oil Pollution Casualties (The Intervention Convention),
- The Convention on The Prevention of Marine Pollution by Dumping of Wastes and Other Matter (the London Convention) and,
- The Nairobi International Convention on the Removal of Wrecks (the Wreck Convention).

The UK has one of the longest coastlines in Europe and the UK Exclusive Economic Zone encompasses a sea area of some 773,000 square kilometres that includes offshore oil and gas infrastructure and some of the world's busiest shipping lanes. Whilst oil pollution has traditionally been regarded as a major source of potential environmental damage, vessels transporting other hazardous and noxious substances also present a pollution risk. Whilst the scale of actual marine pollution continues to fall, however, the risks of marine pollution remain and are proactively managed.

Counter Pollution

As part of HM Coastguard, our Counter Pollution and Salvage function leads on the maintenance and implementation of the UK's National Contingency Plan for Marine Pollution from Shipping and Offshore Installations. We manage preparedness for and response to all marine pollution within UK Waters and the UK Exclusive Economic Zone, in addition to continuing to monitor and support pollution response on our shoreline.

We have been involved in some 715 incidents of which 296 have been shipping casualties, 70 of which were reported to the SOSREP and 251 pollution related. In addition, we reviewed and investigated 34 satellite surveillance detections (out of some 560 satellite reports) which indicated potential pollution at sea from both shipping and the offshore oil and gas industry – no significant breaches of MARPOL were found. In concert with the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) team we considered over 500 Petroleum Operational Notice reports, taking further action on 61 unauthorised discharges.

There have been 20 incidents involving offshore renewable and the Emergency

Towing Vessel has been involved in nine reactive taskings with all subsequent tows successfully achieved.

Additional incident categories have been added to the counter pollution Incident Log to reflect the nature and characteristics of incidents now being seen, these are: Aquaculture related incidents and include fish feed barges, CO2 carrying vessels and 'abandoned vessels'. These last are becoming increasingly frequent throughout the year.

2024-25 saw us delivering four Beach Supervisor Courses and three Pollution Response and Management Courses to Local Authorities across the UK. We engaged with the Secretary of State's Representative for Maritime Salvage and Intervention (SOSREP) Team, OPRED, the Scottish Marine Directorate and the UK Offshore Oil and Gas community in eight routine training exercises throughout 2024-25. In addition, we activated the MCA's Marine Response Centre to support a major Tier 3 pollution response exercise with the China National Offshore Oil Corporation (CNOOC Ltd) in Aberdeen and most recently in support of a major real-world incident off the Humber Estuary following the collision of the MV SOLONG and MT STENA IMMACULATE in March 2025.

Our work supporting the UK Overseas Territories (OT) in enhancing their maritime incident response capability, backed by the Conflict, Stability and Security Fund (CSSF) and latterly Integrated Security Fund (ISF), has continued and saw us delivering counter pollution training to Montserrat and leading a Counter Pollution Response Workshop for all UK OTs in Miami.

Three equipment deployment exercises have been completed this year, one to test newly acquired equipment, one heavy equipment deployment for personnel training and a 'cold call-out' to test the national contractor's ability to deploy resources to the scene of an incident and undertake response operations within the parameters of the contract.

Other international engagement has continued as a Contracting Party to the Bonn Agreement, through the Manifest Project, Project Tangaroa (Global Potentially Polluting Wreck Management and data collection), the North Atlantic Coastguard Forum and the Anglo-French Accident Technical Group.

Receiver of Wreck

The Receiver of Wreck administers Part IX of the Merchant Shipping Act 1995 relating to matters of wreck and salvage. All recovered wreck material must be reported to the Receiver of Wreck regardless of age, size or apparent value. We received 312 new reports of wreck material during the reporting year. The Receiver of Wreck investigated and closed 1,265 reports of wreck material, with 109 either given to a museum or returned to its owner. The Receiver of Wreck also dealt with

93 reports of stranded dolphins, porpoises, whales and sturgeon under the Prerogative for Royal Fisheries.

Secretary of State's Representative for Maritime Salvage and Intervention (SOSREP)

The SOSREP represents the Secretaries of State for Transport in relation to ships and for the Department of Energy Security and Net Zero in relation to offshore installations by removing or reducing the risk to safety and the environment arising from accidents involving ships, fixed or floating platforms or sub-sea infrastructure. The intervention powers available to the SOSREP extend to UK territorial waters (12 nautical miles from the coast/baseline) for safety issues and to the UK Exclusive Economic Zone (200 nautical miles or the median line with a neighbouring state) for pollution incidents. For pollution incidents from offshore installations the powers extend to the UK Continental Shelf.

The SOSREP is empowered to make crucial and time-critical decisions, without delay and without recourse to higher authority and has the ultimate and decisive voice for maritime salvage, offshore containment, and intervention.

During the financial year 2024-25, there were 70 incidents which required SOSREP involvement. The level of involvement ranged from monitoring an incident to prolonged incident management lasting several days. There were several high-profile incidents during the financial year, with ship fires creating particular challenges. Especially noteworthy was the allision off the Humber estuary between a small container vessel and a tanker. The response to this salvage incident required the SOSREP team to have a presence in the Port of Grimsby for 14 consecutive days and to convene 26 Salvage Control Unit (SCU) meetings during the 42-day incident response. The container ship was successfully towed into port 18 days after the allision and the tanker after 42 days.

Work continues with several Government Departments and other stakeholders to address issues involving wrecks, offshore renewable energies, aquaculture and floating offshore infrastructure.

The SOSREP team provide ongoing support to the maritime sector to build better relationships and to enhance maritime safety around the UK and further afield.

Our People

We have roles and opportunities across the UK, both Fixed Term and Permanent contracts, in a variety of professions. We encourage job applications from people with diverse backgrounds and life experiences. Where individual candidates can demonstrate that they meet the essential requirements of a role we will guarantee them an interview under the Disability Confident Scheme and the Great Place to Work for Veterans initiative. Employees who may become disabled can be supported by reasonable adjustments to enable them to work, develop and progress.

Learning and development activity included:

- Leadership and management development programmes,
- Coaching and Mentoring,
- Talent programmes for high potential staff,
- Apprenticeships at all levels.

MCA is committed to good employee relations and recognises the Public and Commercial Services (PCS) and Prospect unions as representing staff under collective bargaining processes.

We use the results of the annual People Survey to monitor our performance and to inform action where this is needed. Our staff and their wellbeing are supported through our commitment to a set of positive behavioural expectations and through our staff and employee engagement networks.

We celebrate the excellent work our people do through blogs in our in-house communication channels. An internal digital magazine continues to be made available bi-annually called Coast-To-Coast to highlight the Agencies breadth of work for our own people and our customers and stakeholders.

To give individuals an opportunity to challenge poor behaviours of all forms (i.e., discrimination, harassment, and victimisation) safely and confidentially, the Speak Up initiative continues to be embedded in the organisation. Individuals who raise concerns through this channel are supported by Human Resources throughout to a resolution.

We issue certificates to mark long service, we use our Recognising Positive Impact scheme, instant reward vouchers and Chief Executive's Awards to recognise outstanding work and exemplary behaviours. We also use the formal Honours process to nominate exceptional staff and volunteers for national awards, including the Merchant Navy Medal.

Health and Safety

Management Arrangements

The MCA Health and Safety (H&S) Team continues to focus on the importance of direct engagement with, and involvement of, internal and external stakeholders. This is to provide for MCA Health and Safety policies, plans and arrangements that remain business focused and support the delivery of the overall business plans whilst driving towards a world class safety culture.

We continue to align our Health and Safety (H&S) policies, plans and arrangements with the requirements set out in the Health and Safety Executives (HSE) HS(G)65 and the basic requirements given in ISO45001.

To ensure our management systems remain effective and provide the correct level of assurance needed we welcome external verification of our systems and in 2024-25 the Government Internal Audit Agency (GIAA) was requested by the MCA Executive Team to provide confirmation that our operational health and safety delivery model and wellbeing were effectively managed. The resulting report issued provided confirmation that the framework of governance, risk management and control is adequate and effective.

'Safety First' is promoted as a philosophy and approach to be adopted across the MCA and is reflected in meetings by discussing safety as a first agenda item at management meetings including the Executive Team and other management team meetings.

The Health and Safety Steering Group has continued to be supported in the delivery of strategic aims and objectives by the tactical working groups focusing on health, wellbeing, safeguarding, road risk management and incident reporting. Further collaborative work has been initiated with HR, Facilities and Directorates teams to ensure clear needs are supported and considered when developing options for improving H&S facilities and performance across the MCA. H&S team members are represented on key Operational Management Boards including UK Customer Maritime Services, UK Technical Maritime Services and Chief Officers Group for HM Coastguard and People and Safety.

Health and Safety performance reporting including updates on activities is a standard feature of Directorate Management Boards. Key members of the Health and Safety team attend a number of the monthly operational Directorate Board meetings to provide updates on key features or exceptional items.

In previous years, the Health and Safety Team have provided support focused on the specific issue of coronavirus infections. Although coronavirus continues to be a source of concern, the team focused on a broader suite of infection support and advice at the appropriate times of year to help ensure the operational capability of the organisation and safety of individuals is not compromised.

One of our key aims is to ensure we continue to engage with our colleagues on Health and Safety issues directly. To this end, we have further developed our incident reporting system to ensure it is available to all staff and volunteers. Furthermore, we have actively sought feedback by repeating the Safety Climate Survey to gather feedback about how we are doing and collate suggestions about what else we can do to improve health and safety across the MCA. The results of this have shown year on year improvements in the scores since we started the Safety Climate Surveys in 2021.

Occupational Health & Safety

The MCA has embraced a number of occupational health and wellbeing initiatives in 2024-25 to support our staff and volunteers. We continue to use a number of packages for our Coastguard staff and volunteers focused on helping them to deal with traumatic events e.g. the Distressing incident Support ToolKit (DiST). We also commissioned the design and development of a mental health resilience tool to help assess the mental health resilience of new starters working in front line positions.

Our Organisational Stress Risk Assessment programme continued with a focus on the HMCG Coastal teams providing them with an opportunity to feedback on what organisational stressors they felt were impacting on them and helping us to identify how we can develop and align programmes to help reduce them. This will further enhance previous years' work to build resilience into the business.

Our work continued throughout the year to support staff in preventing and reducing stress through the provision of training and toolkits including the updating of our Employee Assistance Programme (EAP) and trauma support through the design of a Distressing Incident Support (DiST) package.

Improvements from last year's plans

The original three year health and safety strategic plan has been reviewed in the year but its issue has been delayed until 2025-26 to allow for alignment to changes to the revised business plans and MCA business strategy. There have been a number of achievements during the year which are given in more detail in the governance report on page 70. The achievements include progress in:

- Improved access and viewing of internal Health and Safety communications through new intranet sites including a Health and Safety Handbook and Environment Handbook
- Increased Line Management visibility of the Display Screen Equipment (DSE) assessments undertaken by their staff and provision of support for compliance.

- Understanding the safety climate of the MCA through the completion of the 3rd Safety Climate Survey in March 2024 and identification of areas for improvement.
- Line management accessibility to health and safety incident data via a dashboard showing live data charts relating to their areas of responsibility
- Improved reporting transparency including all staff having access to monthly health and safety performance statistics and activities across the entire Agency.
- Wellbeing support such as access to a new Employee Assistance Programme (EAP) focusing on preventative and holistic wellbeing in six key areas (health, mind, fitness, work life, nutrition and social) and a programme of toolkits
- Completion of Organisational Stress Risk Assessments (OSRAs) for all 18 Coastal Operations Areas with agreed improvement action plans adopted by management.
- Procurement of a Risk Assessment IT module for ensuring consistency, simplicity and efficiency of risk assessments across the Agency.
- The H&S, HR and wider teams working together on mental health and wellbeing tools to support managers and staff.
- Procuring online safer driving learning resources and making them available to all MCA drivers to improve driver safety.

Overall serious injury performance for staff and volunteers under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) has improved from eight in 2023-24 to four in 2024-25 for staff and volunteers. All RIDDOR injuries were investigated by local and headquarters management and any lessons identified integrated into the Agency's safe operating procedures. Serious injuries or those with high potential for such have been subject to detailed investigation, reporting and action. All other incident and near miss summaries are discussed at headquarters and local management meetings.

Sustainable Development

. We continue to embed the principles of sustainable development by:

- Living within understood and acceptable environmental limits
- Continuously improving our environmental performance
- Supporting a strong, healthy and just society
- Practicing and delivering sustainable procurement
- Promoting and demonstrating good governance and assurance

As an Executive Agency of the DfT, the MCA uses the framework, principles and philosophy of the DfT Operational Sustainability Strategy 2021-2025. Our objective is to support the DfT in their aim to deliver against the overall 2021-2025 targets identified in the DfT strategy document. Specific performance targets are reported using an online tool on a quarterly basis. Our strategic aim is to ensure the overall impact of the Agency and its activities whilst delivering its business plans are clearly assessed, understood, mitigated and the risks minimised and managed in line with the Greening Government Commitments (GGC) and good sustainability practice for our sector. It is recognised that the MCA is a relatively small contributor to the overall DfT GGC performance picture and as such material changes in our performance may have a limited impact on the overall DfT performance. This does not however reduce our commitment or drive to lessening our sustainability efforts or plans.

The MCA is aware of the UN Sustainability goals (which have been used to influence the development of the DfT Operational Sustainability Strategy) and has chosen not to single them out for individual attention as they are either integral to the actions and programmes we have in place to deliver our business or are a spinoff of such plans and actions.

Mitigating Climate Change – Working towards Net Zero

We have worked towards meeting the targets set within the DfT Operational Sustainability Strategy 2021-25, Greening Government Commitments (GGC) Agenda 2021-25 and performance against those specific targets covering our vehicle fleet. Our performance against these commitments is given in more detail below.

Travel – Car Fleet

The MCA is committed to supporting the Government aspiration to meet a target of zero emissions for all Central Government vehicles by 2027 and achieved the first element of 25% of vehicles being Ultra Low Emissions Vehicles (ULEV) in December 2022 in line with expectations.

The MCA's blue light response vehicles are exempt from the second element of achieving zero emissions by the tailpipe by 31 December 2027. However, during the

year the MCA has added 30 zero emission and 30 low emission vehicles into the fleet, allowing the retirement of a similar number of older vehicles. These new low/zero emission vehicles complement the 6 existing hybrids and 19 Electric Vehicles (EV) already in service.

Currently there are no commercially available 4x4 EVs or Plug-in Electric Hybrid Vehicle (PHEV) 4x4 that are a like for like replacement for our 4x4 fleet. We are working closely with key manufacturers to identify opportunities in the future for low emission and zero emission large 4x4 pickup type vehicles to support our blue light rescue and response fleet.

Flights

In line with the Greening Government Commitments Framework, the Agency has a target to reduce its domestic flights against the 2017-18 baseline and has achieved a 23% reduction against the baseline in 2024-25. Given the geographically diverse nature of the MCA estate, domestic flights are often the only viable option for some essential operational business travel.

The MCA continues to promote the use of IT based solutions to reduce the need for travel including on-line meetings rather than non-essential travel.

Car Hire

Car Hire mileage has increased by 42% on the 2023-24 period and represents an increase of 21% on the 2017-18 baseline year. This is due to the increasing need to travel to service the MCA's business portfolio including survey and inspection needs, and corporate delivery function travel to a geographically diverse estate.

Since the benchmark year, hire cars have improved in terms of carbon emissions and helped to counter an increase in carbon emissions and in April 2024 the MCA included EV options for zero tail pipe emissions travel. The need for travel is reduced by the availability of on-line meeting options within the MCA. MCA's business travel policy remains under ongoing review with organisational wide promotion of alternative methods and supported wherever possible.

Due to the nature of MCA activities it is challenging to set a meaningful target for car hire reduction. As such, we continue to provide travelers with a hierarchy of travel options to ensure a balance between climate impact and business efficiencies can be achieved. We will continue to review this approach and include a focus on the availability and use of new low carbon options for travel including ZEV options in 2025-26.

Energy and Climate Change

The DfT Operational Sustainability Strategy performance targets for mitigating climate change were to reduce overall greenhouse gas(GG) emissions across the whole DfT estate by 62% and direct greenhouse gas emissions by 19 % against our 2017-18 benchmark year. Overall GHG emissions have been reduced by 28%

across the MCA estate and a 21% reduction in direct GHG emissions through programmes to improve heating systems etc. in small facilities.

The MCA has 501 sites listed in the Strategic Asset Management Plan including locations in the Highlands, Islands and remote areas across the UK. The estate includes a diverse profile of age, size, condition and location which has required the MCA to develop short and long-term plans to achieve the required energy reductions. These plans will need to be reviewed once the 2025-30 GGC commitment is published.

The key focus of the plans is to establish a more efficient, effective and sustainable estate by removing direct dependency on carbon sourced energy and improving the efficiency of energy resource utilisation through the promotion of wider energy efficiency measures.

Our Performance

Performance in relation to the MCA's Emissions by scope throughout the GGC reporting period and to date is detailed below:

		Achieved 2024-25	Achieved 2023-24	Achieved 2022-23	Achieved 2021-22	Achieved 2020-21	Baseline 2017-18
Gross Emissions (Tonnes CO2)	Scope 1 – Direct	416.63	412.83	443.15	463.85	512.62	528.33
	Scope 2 – Indirect	1,495.63	1,499.84	1,357.07	1,486.78	1,636.89	2,659.59
	Scope 3 – Business Travel	1,280.66	1,201.86	780.92	544.31	327.94	1,263.55
	Total	3,192.92	3,114.53	2,581.14	2,494.94	2,477.45	4,451.47

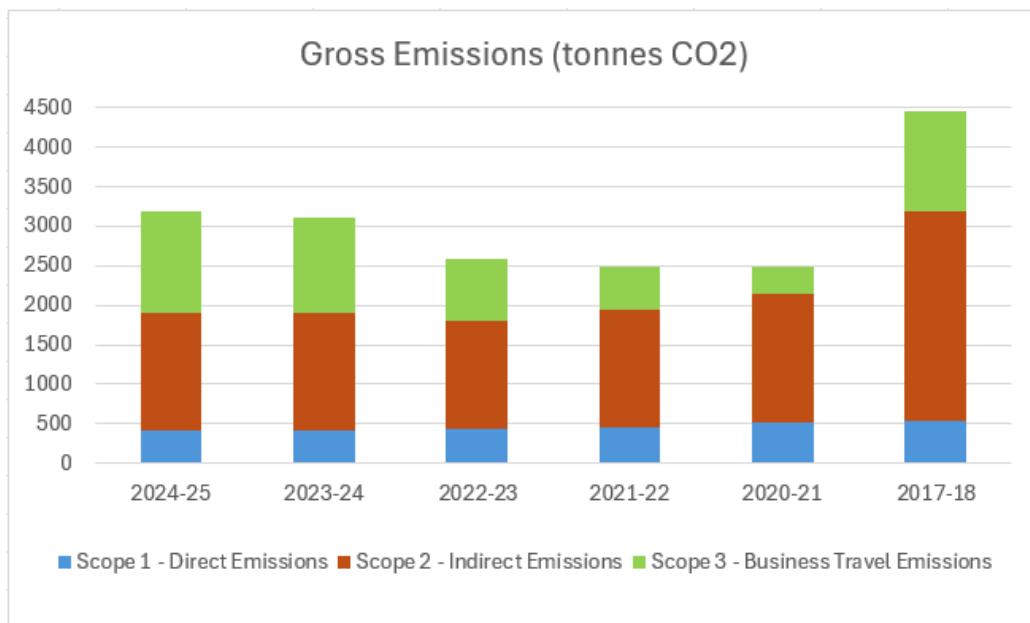
Note: There are no accredited offset purchases for the reporting period

Related Energy Consumption (KWH)	Oil	275,653	330,700	289,589	401,838	373,473	263,596
	Gas	1,874,888	1,793,987	1,842,720	2,246,209	2,231,941	2,388,403
	Electricity	7,223,538	7,243,020	7,017,623	7,688,388	7,709,167	8,072,597

Related Business Travel (miles)	Non Fleet Road Travel (car hire only)	1,362,030	956,763	945,044	893,247	970,535	1,118,267
	Domestic Flights	885,880	962,124	806,010	384,571	170,161	1,165,376
	Medium Haul Flights	572,010	525,381	470,993	68,999	10,619	1,232,445
	Long Haul Flights	2,294,579	2,010,340	1,595,711	515,837	141,866	2,391,692
	Rail Travel	524,415	468,030	393,234	169,970	83,263	660,597

Finite Resources	Water Use (m3)	14,968	15,728	15,786	10,631	18,412	14,690
	Paper Use (reams)	201	1,029	1,571	1,509	1,300	4,419

Waste	HQ waste (tonnes)	38	38	38	23	38	59
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Financial Indicators

The table below represents the gross expenditure during 2024-25, 2023-24 and 2022-23 for usage of energy and water, and waste management.

	2024-25 £	2023-24 £	2022-23 £
Electricity	2,252,044	2,453,957	1,513,382
Natural Gas	120,213	94,727	137,873
Water and Sewage	118,122	103,988	102,335
Waste Management and Disposal	154,801	128,921	112,607

Minimising Waste and Promoting Resource Efficiency

Waste

The DfT Sustainability Strategy target is to reduce waste by 15% from the 2017-18 baseline. Waste data is only available for the MCA's Head Quarters building in Southampton. A change to the Total Facilities Management Contract will enable a new system for monitoring and reporting waste in the 2025-26 period aligned to an updated Agency wide Waste Strategy and Waste Management Plan. This will be used to drive an effective and compliant waste management and reporting process.

The MCA's HQ building achieved a 35% reduction in waste generated measured against the 2017-18 baseline. Waste and recycling costs for the MCA in 2024-25 were £154,801, increased from £128,921 in 2023-24. The waste volumes remained the same, the increase is attributed to more volatile pricing for collection and disposal. The MCA continues to encourage reducing, reusing and recycling where possible to minimise waste collection and disposal across our estate.

The MCA continues to collate data and report quarterly on performance.

Hazardous waste costs or volumes are not currently separated out or reported individually. The new TFM contracted service will enable more detailed reporting across the estate to address this shortfall.

In 2025-26, a full review of waste across the MCA estate is planned to improve our waste management processes.

Paper Use

The Agency paper consumption is reported covering the MCA's Head Quarters building only due to local procurement for outlying buildings and the wide geographical spread of our locations. Paper usage for 2024-25 was reported as 201 reams compared to 2023-24 when it was 1,029 reams. The difference between the two reporting years is due to significant reductions in usage coupled with utilisation of existing paper stocks.

MCA's overall aim was to eliminate the use of all virgin paper (paper that contains no recycled content) by the end of March 2025. However, there continues to be a need for high quality virgin paper for a limited number of documents and this remains under review. The MCA will continue to further promote the use of electronic documentation for storage and communication and efficiency in printing where it proves necessary.

Single Use Plastic

MCA has worked to reduce unnecessary single use plastics across the business. Wherever possible, consumer plastics such as disposable plastic cups and cutlery have been replaced with multiple use items or items manufactured from more sustainable materials. Through our procurement systems, we continue to monitor our supply chains and identify and implement alternative products. Data collection

arrangements are now being developed to capture and collate information relating to the use of single use plastics.

Finite Resource Consumption

A finite resource can be defined as non-renewable and therefore requires management and plans to limit consumption. This will be subject to more rigorous focus in 2025-26. Where material finite resources are identified, we will look to establish meaningful targets to track our performance in reducing their consumption.

Water usage and Conservation

The MCA's water conservation programme comprises targets aimed at impacting utilisation across the estate so as to reduce consumption through practical measures at a local level. Our internal reporting systems through our Property and Facilities functions allow for early detection and reporting of water leaks to ensure action is taken to minimise water loss. Further support for early detection is provided through bill validation where leaks are suspected. The geographically dispersed nature of our estate means that it is important to detect leaks early through bill validation and consumption monitoring.

Water usage is reported as having decreased to 14,968 m³ in this reporting period from 15,728 m³ in the 2023-24. It is slightly higher than the 2017-18 benchmark year figure of 14,690 m³. This increase includes a number of operational issues including major water leaks during the reporting period which will have detrimentally impacted the usage figures for the year. We remain confident that with a renewed focus on water conservation in the 2025-26 period we can achieve improved water usage reductions.

The extent of indirect water usage has not been measured for the reporting period. The MCA recognises that a more intense review is required to understand the full picture of indirect water usage associated with the delivery of its operational activities and services. Once completed their materiality will be assessed and, where appropriate, the need for targets will be reviewed and where necessary set.

Energy Conservation

We have established a set of measures and commitments aimed at conserving finite energy resources, these include reducing the use of natural gas and heating oil and the phased introduction of renewables.

Progress against these commitments is monitored as part of the wider GGC reporting process.

Climate Change Adaptation

The MCA recognises that climate change impacts our ability to deliver against our business plans and operational commitments. We also recognise that we have a duty to participate in the broader activities of the Department for Environment, Food and Rural Affairs (Defra) planning and reporting activities as well as supporting the

DfT commitments.

During 2024-25, the development of the Environmental Management System set the foundation for managing environmental and sustainability issues across the MCA. A register of aspects and impacts has been developed as part of this management system and will be used to develop further plans for improvement including targets for reduction of environmental and other climate related impacts in 2024-25. These were used to maintain a basic level of activity and support for the business.

Further work in this area is planned in conjunction with DfT to ensure our Climate Change Adaptation Strategy is aligned to the principles and philosophies of the other Executive agencies and arm's length bodies ensuring a cohesive service delivery.

Sustainable Procurement

The MCA recognises that our procurement decisions can have a significant impact on sustainability outcomes. As such, we are committed to ensuring that sustainability development goals are supported within our supply chain.

We do this by utilising the Crown Commercial Services framework agreements to drive sustainability within our procurement activity. This involves the use of standardised clauses to ensure registered suppliers have adopted a sustainable supply chain approach when supplying the MCA with goods and services. Furthermore all major contracts include metrics on Social Value.

To continue our drive toward meeting targets in the Government Greening Commitments (GGC), we have:

- Continued our approach of issuing guidance notes to staff on sustainable procurement covering issues such as modern slavery in the supply chain,
- Retained a network of Social Value Champions to support the evaluation process used to foster social value within the supply chain and to support the evaluation process for these criteria,
- Embed the 10% mandatory social value weighing into all tendered procurement activity monitored using Key Performance Indicator reporting requirements, for all high value/ elevated risk contracts.

The DfT Jaggaer sourcing tool which is used by the MCA for all its all procurement activity has mandated social value commitments embedded into each tendering project.

We utilise the Government Buying Standards to ensure we meet all of our legal and policy requirements under the Procurement Act 2023. The integration of sustainability into procurement is provided through strategic alignment using our CORP 1197 guidance to meet Public Contracts Regulations 2015, Procurement Act 2023 and GGC commitments. This ensures sustainability is embedded as a core component of value for money in our procurement process.

The MCA ensures sustainability is integrated into specifications, scoring schemes, supplier selection, contract clauses and performance management through the use of specific, measurable, and relevant criteria specific to the contract's purpose, value and risk.

We use Whole Life costing, Social Return on Investment (SRoI) and KPI's with a mandatory 10 % social value weighting in all tendering procurement and we monitor high value/elevated risk contracts using KPI's.

The MCA issues guidance notes on sustainable procurement topics and maintains a network of Social Value Champions to support and evaluate outcomes and reviews.

We participate in the DfT Group Operating Model for its commercial function which includes a sustainability element for reporting and collaborating.

Reducing environmental impacts from IT and Digital Equipment

The MCA continues to dispose of redundant IT equipment under a 'zero waste' to land fill agreement.

Waste Type	2024-25 tonnes	2023-24 tonnes	2022-23 tonnes	2021-22 tonnes
Waste electronic and electrical equipment containing hazardous components: Recycled	1.3	4.5	6.3	3.5
Waste electronic and electrical equipment reused	0.0	0.2	8.5	1.1
Batteries Mixed	0.001	0.0	0.1	0.0
Monitors – disposed	0.13	0.9	0.2	1.2
Monitors – reused	0.0	0.6	0.5	0.0
Total Tonnes	1.431	6.2	15.6	5.8

The 2024-25 total disposals data shows a continuing theme of disposal but at a reduced rate compared to previous years where disposal levels were higher as a result of upgrade projects. A lower level is expected to remain in the short term until the next IT equipment replacement programme. Work focusing on migrating services to the Cloud or Crown Hosting Data Centres has further helped to reduce the technical estate physically hosted on the MCA estate.

In line with general Government guidelines, the MCA provides and maintains equipment to support hybrid working where appropriate, reducing associated emissions from administrative business travel and daily commuting.

Nature Recovery and Biodiversity Action Planning

The development of Nature Recovery Plans has been incorporated into longer term sustainability and Property and Facilities Planning. The initial plan to have this developed by March 2025 has been rescheduled for September 2025.

The MCA continues to work to identify, maintain and improve biodiversity opportunities with partner organisations where viable. Any risks associated with Nature recovery and biodiversity are identified, measured, monitored and assessed for appropriate mitigation where possible through the continuing development of the Environmental Management System.

The MCA is embedded in the DfT Nature Recovery Plans for departmental land and estates, and works to the requirements and confines of that plan.

Sustainable Construction

Sustainability and social value criteria form part of all tender processes within the MCA. No significant construction or refurbishment project was undertaken during the reporting period.

High Value Construction Projects

There have been no major or high value construction projects during the reporting period.

Other Building Works including Refurbishments

All building project works are subject to a 10% sustainability scoring in terms of technical assessment. Where works have been assigned to the appointed Total Facilities Management (TFM) contractor, the main contractor and any associated sub-contractors are checked against sustainability and social value performance criteria.

Task Force on Climate-related Financial Disclosure (TCFD) requirements

To improve the reporting of climate focused financial information and increase focus and awareness of climate related performance, the TCFD recommended disclosure by Government Department on the following pillars of Governance, Strategy, Risk Management and Metrics and targets which are laid out in three reporting phases against where information is available plus a Compliance Statement.

Governance – oversight of climate related risks and opportunities

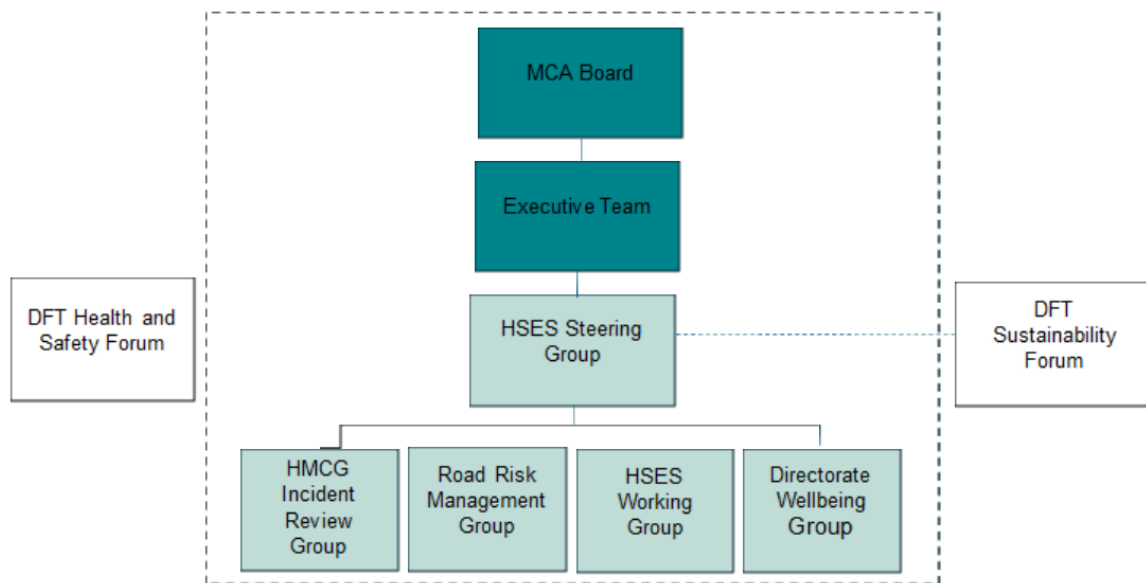
Strategic, commercial, financial and operationally material matters, including those relating to environmental and broader sustainability direction, policy and performance are reviewed by the MCA Board. This is supported by subject matter expertise drawn from the business.

The MCA Board received regular updates on progress made in relation to managing identified risks through risk registers and the Audit and Risk Assurance Committee (ARAC). The Directorate risk registers are used to record risks related to sustainability and climate change. The People and Safety Directorate risk register was updated to include Sustainability and Climate Risk. Progress with the risk is monitored and updated monthly. More detailed, consolidated engagement and reporting to the MCA Board on this risk is intended to develop in 2025-26. This will allow challenge to the efficient and effective management of climate risk and review of the internal controls and governance arrangements in place.

Governance - management's role in assessing and managing climate-related risks and opportunities.

The Executive Team and Directorate Management Boards provide the key oversight for sustainability and climate related risks and opportunities. Their insight allows for the timely identification, assessment and mitigation and management of climate related risks, impacts and the development of necessary strategies for effective management. The issue of sustainability and climate change risk has previously been subject to discussion as part of the Executive Team strategy development meetings and separate engagements with the Chief Executive in 2024-25. A framework will be established during the next reporting year to ensure a deep dive on climate-based risks is completed on a regular basis including a review of the risk appetite and tolerance levels and providing a challenge to the actual or proposed mitigating actions. Discussion and actions will be captured via the meeting minutes.

The Safety, Health, Environment and Sustainability Working Group provides a focal point for strategic discussions and monitors the progress of work completed by specific working groups set up to address risks and workstreams identified during the year. The remit of this group is to be expanded with specific responsibilities for sustainability and climate related risks in 2025-26.



Specific sustainability and climate related issues have been communicated to management through briefings posted on the internal intranet and the Environment and Sustainability communication pages of the Health, Safety, Environment and Sustainability intranet site available to all employees.

The Environment and Sustainability Lead monitors developments in climate related matters through professional trade associations and links with DfT contacts and forum.

Strategy

A draft sustainability strategy including elements of climate related impacts and change across the MCA has been developed in 2024-25 aligned to support the delivery of the Agency’s strategic objectives. This will be submitted for approval to the Executive Team and Board during the next reporting year.

Risk Management – Processes for identifying and assessing climate related risks

The current approach is embedded into general daily business management systems whereby risks impacting on the strategic, commercial, financial and operational capability of the organisation are identified initially either within the individual directorates or at local levels and escalated up through the relevant management teams based on the level of risk and materiality. The classification as a climate related risk has been dependent on knowledge and understanding within the business at this stage. For example, changes in severe weather patterns have been identified as necessitating a reissue of current procedures for responding to and preparing for such events in the short term but also for planning for longer term responses including reviews of facility locations etc. This approach of formally

including a category of climate related risk is to be formalised and reviewed to ensure it becomes a standard consideration in the risk management process. The current Health and Safety Steering Group is to be extended to include environmental and sustainability elements and will include climate related issues in the 2025/26 period.

Once risks are identified, they are managed through local, regional and group level planning processes with risks entered onto Directorate and Group risk registers as appropriate based on the level of materiality. Improvement plans are formulated with priorities and owners assigned and the plans are monitored through a number of working groups, steering groups and governance boards depending on origin of the initial action. At this stage the risk may be categorised under a heading of its primary impact, for example operational risk rather than its climate related impact.

Risk Management – integration of climate related risks into the organisations overall risk management

The current climate related risks have not been clearly articulated as such but have been incorporated as business needs under plans for improving and developing the business. In 2025-26 climate related risks and sustainability in general will be given clearer focus and articulated in a more defined manner to enable these risks to be explained and reported more clearly.

In the reporting period, the inclusion of information from external risk frameworks has been less formal in its consideration and adoption under the classification of climate change. In 2025-26 it is our intention to ensure a more formal structure for reviewing our risks by assessing the output from bodies such as the Climate Change Committee (CCC), the UK Climate Change Risk Assessment (UKCCRA) and Defra's response through the National Adaption programme (NAP) plus the continuous development of the devolved administrations. This data along with our own internal climate related risks will be used to formulate adaptation plans.

Metrics and Targets

These are captured in the performance section (page 45) for the Phase 1 disclosures and Phase 2 disclosures relating to identified climate related risks and opportunities.

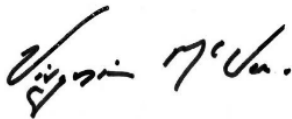
The Assistant Director for Health, Safety, Environment and Sustainability is responsible for ensuring that data is reported to DfT to meet the requirements of Phase 1 and Phase 2 reporting on a quarterly basis. Reporting is collated from MCA and external data sources and input into the current Diligent on line system.

The reporting against DfT overall GGC targets is reported to the Executive Team and Board via the monthly reporting KPI system.

Oversight of ZEV performance specifically is also reported through to the DfT and the Executive Team and Board are given oversight of the reporting through monthly HSES and HMCG when data is requested and submitted to the DfT Policy Advisor and Policy Vehicle Lead.

Compliance Statement

MCA has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. This statement includes the TCFD recommended disclosures for Phase 1 on Governance, and Metrics and Targets disclosures on Emissions and Phase 2 incorporating risk management and climate related risk metrics and targets which is in line with the central government's TCFD aligned disclosure implementation timetable.



Virginia McVea
Chief Executive

11 December 2025

Accountability Report

Corporate Governance Report

Directors Report

The Maritime and Coastguard Agency Board's role and relationship with other management groups are set out in the Governance Statement (see page 60). The composition of the Board, including advisory and non-executive members, during the year is shown below:

Lord Simon Stevens, the **Non-Executive Chair** from 24 May 2024

Christopher Rodrigues, the **Non-Executive Chair** until 12 April 2024

Virginia McVea, the **Chief Executive**, is the Agency's Accounting Officer and responsible for Risk Management and Maritime Governance, Improvement and Assurance.

Claire Hughes, the **Executive Director of HM Coastguard**. Her key responsibilities were the delivery of the six internationally recognised Coastguard functions through the national network of Coastguard Operation Centres, the volunteer Coastguard Rescue Service, Aeronautical Rescue Coordination Centre and Search and Rescue Helicopter provision.

Chloe Bowes, the **Executive Director of Corporate Services**. Her key responsibilities were Chief Financial Officer, Corporate Governance, Strategic Planning, Performance Management and oversight of the Corporate Services Group including People & Safety, Finance & Transformation and, from 1 January 2025, Information Technology.

The **Non-Executive Directors** were **Nigel Pusey**, **Ilona Blue** from 1 February 2025 and, until 30 November 2024, **Sarah Davies** who also chaired the Audit & Risk Assurance Committee (ARAC). Nigel Pusey was acting Chair of the Board from 13 April to 23 May 2024 and also chaired the ARAC from 1 December 2024 to 31 January 2025. Ilona Blue took on the role of Chair of ARAC from 1 February 2025.

Representatives from the Department for Transport (DfT), who attended the board on behalf of the DfT Sponsorship Team for Maritime, were as follows: **Dave Whyte** in April 2024, **Lisa Gilmour** in September 2024, **Shahab Paya** in November 2024, and **Jane Hoy** in February 2025.

Attendees at the MCA Board during the year also included:

Matthew Briggs, the **Director of People and Safety**. His key responsibilities were Human Resources, Learning and Development, Health & Safety, Communications and, from 1 October 2024, Estates. He was also the Senior Information Risk Owner (SIRO) until 30 September 2024.

Oliver Poxon, the **Director of Finance and Transformation**. His key responsibilities were Finance, Fraud & Whistleblowing, Shared Services, Internal

Audit & Assurance, Procurement, and Programme Management Office. He had responsibility for Estates until 30 September 2024 and UK Maritime Regulatory Compliance and Investigations until 30 June 2024. From 1 October 2024, he became the Senior Information Risk Owner (SIRO) for the MCA.

Steve Mulcahy, the Director of Information Technology. His key responsibilities were Information Technology, Data Management and Security.

Richard Pellew, the Assistant Director of Maritime Governance, Improvement and Assurance. His key responsibilities were leading the monitoring of Classification and Code Societies and Non-UK Members of the Red Ensign Group, and the management of Conflict, Security and Stability Fund projects and audit preparedness in the Overseas Territories.

Lars Lippuner, the Director of UK Customer Maritime Services. His responsibilities were seafarer services, the UK Shipping Concierge and the UK Ship Register, including attracting owners of quality ships to the United Kingdom flag to secure its long-term commercial growth and success, and delivery of front-line services including vessel registration.

Katy Ware, the Director of UK Maritime Services until 31 October 2024. Her key responsibilities were the United Kingdom's statutory obligations as a flag Administration in respect of the safety, security and protection of the environment from shipping, of United Kingdom ships, wherever they are operating in the world and foreign flagged vessels in United Kingdom waters. She held responsibility for the safety of the United Kingdom domestic passenger ship and fishing fleet as well as the United Kingdom Navigational safety regime including the Civil Hydrography Programme and approved Nautical Colleges and training providers.

As Permanent Representative of the United Kingdom to the International Maritime Organization (IMO) until 31 March 2024, she was responsible for the oversight and negotiation of United Kingdom policy and interests in relation to international maritime matters within the IMO and European Union. She continued to attend meetings at the IMO to the end of July 2024 until the appointment of the new Permanent Representative in August 2024.

Fraser Heasley, the Director of UK Technical Maritime Services, as an acting Director from 1 April 2024 and then on a substantive basis from 19 December 2024. His key responsibilities were the United Kingdom's statutory obligations as a flag Administration in respect of the safety, security and protection of the environment from shipping, of United Kingdom ships, wherever they are operating in the world and foreign flagged vessels in United Kingdom waters. He held responsibility for the safety of the United Kingdom domestic passenger ship and fishing fleet as well as the United Kingdom Navigational safety regime including the Civil Hydrography Programme and approved Nautical Colleges and training providers.

Christian Olsen, the Deputy Director for UK Technical Maritime Services. His key responsibilities were oversight of the UK Maritime Regulatory Compliance and

Investigations function from 1 July 2024 and liaison with the IMO from 1 April 2024

Pat O’Callaghan, the **Chief Coastguard from 7 May 2024**. His key responsibilities were the delivery of the six internationally recognised Coastguard functions through the national network of Coastguard Operation Centres, the volunteer Coastguard Rescue Service, Aeronautical Rescue Coordination Centre and Search and Rescue Helicopter provision.

Statement of Accounting Officer’s Responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the Maritime and Coastguard Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the Agency’s state of affairs and of its net resource outturn, application of resources, changes in taxpayers’ equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements and suitable accounting policies, on a consistent basis,
- make judgements and estimates on a reasonable basis,
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Financial Statements, and
- prepare the Financial Statements on a going concern basis

The Accounting Officer confirms as required that, as far as they are aware, there is no relevant audit information of which the entity’s auditors are unaware, and the Accounting Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity’s auditors are aware of that information.

The Accounting Officer also confirms that the Annual Report & Accounts as a whole is fair, balanced and understandable, and that they take personal responsibility for the Annual Report & Accounts and the judgements required for determining that it is fair, balanced and understandable.

The designation of Accounting Officer was transferred to the Maritime and Coastguard Agency Chief Executive from Department for Transport in 2010. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Agency’s assets, are set out in Managing Public Money published by HM Treasury.

Governance Statement

Introduction

The Agency was established on 1 April 1998 and is an Executive Agency of the Department for Transport. We are accountable through the Department for Transport Maritime Directorate to the Director General Aviation, Maritime and Security. I am responsible to the Secretary of State as detailed in the Agency's Framework Document.

All our work contributes to our vision of being the world's best maritime safety organisation, committed to Safer Lives, Safer Ships, and Cleaner Seas. To deliver this, I am supported by three principal governance groups: the Maritime and Coastguard Agency Board, Audit and Risk Committee and the Executive Team.

This Governance Statement details the arrangements in place for the year 1 April 2024 to 31 March 2025, and includes any significant issues up to the Chief Executive's signing date. It details the MCA's governance, risk management, including the wider risk environment, and control arrangements for the year of the accounts, and includes the details of any significant events. Progress with the Agency's major change programmes and other commitments in its 2024-25 Business Plan are captured elsewhere in the Annual Report & Accounts.

Agency Governance

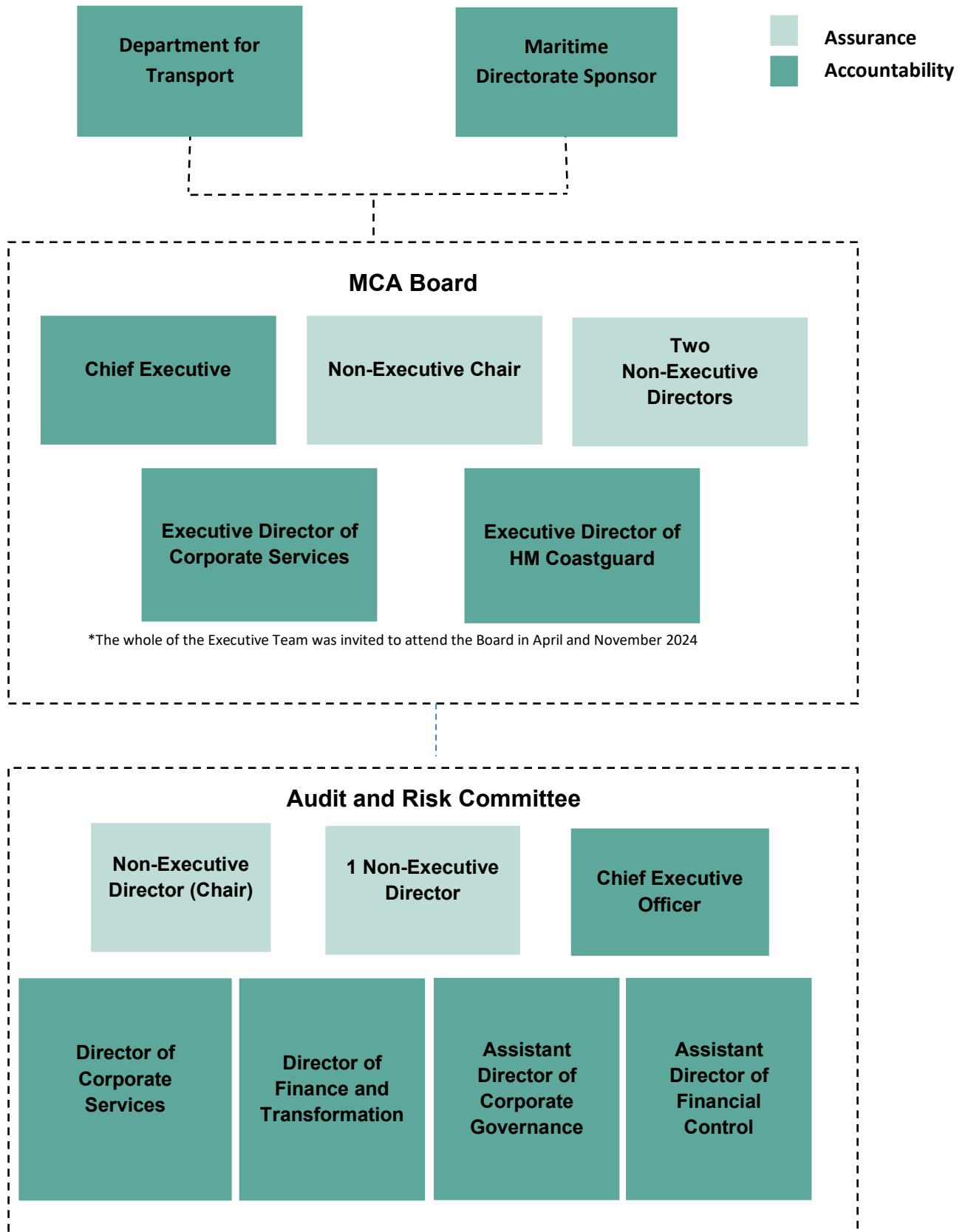
The Agency's governance framework is designed to comply with the guidance laid down in HM Treasury Corporate Governance in Central Government Departments: Code of Good Practice 2017. An external Governance review of compliance against the Code was not conducted within this reporting period.

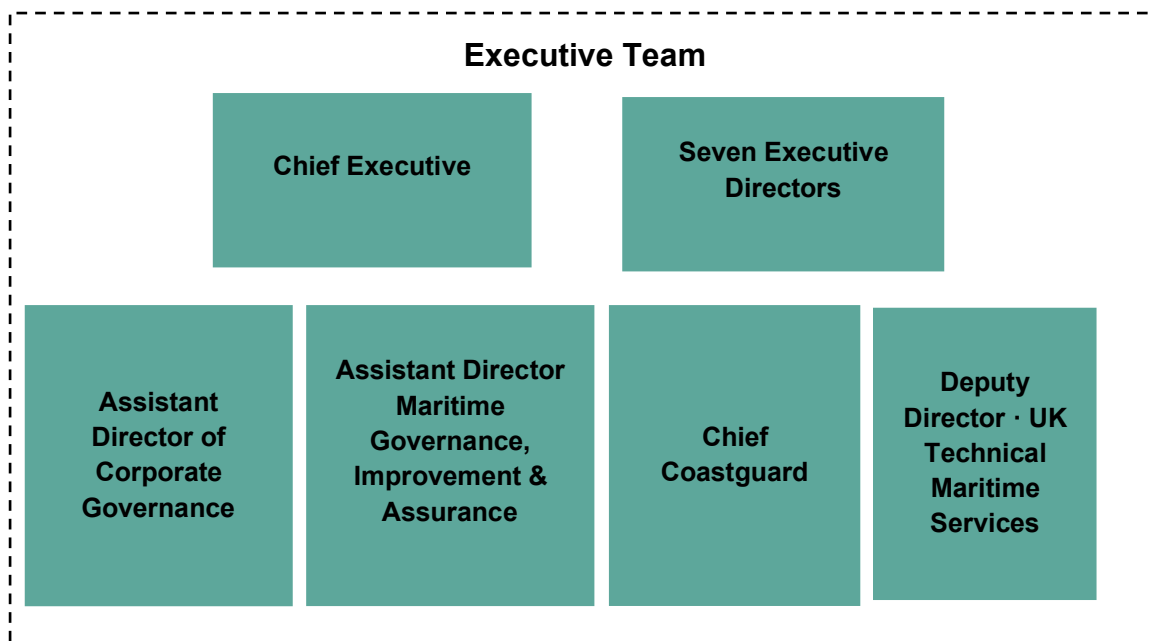
The Agency's accountability to the Secretary of State for Transport is exercised through a Sponsorship Board, which meets quarterly under the chairmanship of the Director General Aviation, Maritime and Security. A representative of the Scottish Government attends this Board to contribute on strategic issues of specific relevance to Scotland. Internally, the Agency is managed by its Board and an Executive Team. A register of private interests is maintained for members and a standing agenda item at meetings allows members to declare any private interests which may conflict, or may be perceived to conflict, with their public duties. The Agency Board is chaired by the Non-Executive Chair and takes decisions about the Agency's overall strategy and goals and reviews performance. It provides support, guidance and challenge to the MCA's Chief Executive and its Executive Team. There are a number of Non-Executive Director vacancies which risks limiting the full potential of support, guidance and challenge. The Executive Team meet monthly to make decisions on strategic issues. Directors may also directly raise issues emanating from their own Management Boards which focus on the management of the Agency.

In terms of information assurance and data control, the Security Working Group is a

quarterly Board and is chaired by the Senior Information Risk Owner. The Senior Information Risk Owner is responsible for assuring the maintenance of a culture of good information management and continuous review of the effectiveness of extant security policy. They are also charged with the application of security controls to mitigate risks to our core information technology assets, which include data, information, equipment, people, premises, third parties and technology.

The Agency's high-level leadership structure as at 31 March 2025 is set out as follows:





MCA Board attendance

Board Attendance	Title	Number of meetings attended (attended/available)
Lord Simon Stevens	Non-Executive Chair from 24 May 2024	3/3
Christopher Rodrigues	Non-Executive Chair until 12 April 2024	0/0
Nigel Pusey	Non-Executive Director (and Acting Chair from 13 April 2024 until 23 May 2024)	4/4
Sarah Davies	Non-Executive Director	2/3
Ilona Blue	Non-Executive Director	1/1
Virginia McVea	Chief Executive	4/4
Claire Hughes	Executive Director of HM Coastguard	3/4
Chloe Bowes	Executive Director of Corporate Services	4/4
David Whyte	DfT Maritime Sponsorship	1/1
Lisa Gilmour	DfT Maritime Sponsorship	1/1
Shahab Paya	DfT Maritime Sponsorship	1/1
Jane Hoy	DfT Maritime Sponsorship	1/1

Risk Management and Governance

I am responsible for the effective management of corporate risk in accordance with HM Treasury Guidance (the Orange Book), and the Department for Transport Departmental Risk Policy and Guidance. Escalation processes are in place within our management structures (Executive Team and Directorate Management Boards) to identify, manage and mitigate risks appropriately. I am also supported and advised by the Audit & Risk Assurance Committee (ARAC).

Principal Risks in 2024-25

At the end of 2024-25, eighteen risks were being actively managed on the corporate risk register.

A small number of these risks are detailed in the Primary Concerns section below. These are:

- small boat crossings of the English Channel
- failure to deliver the agreed safety legislation due to lack of legal resource
- the loss of critical Coastguard systems
- impacts from a cyber-attack or other event causing loss of business systems
- coastguard rescue officer volunteer service.

Other key risks were:

- **Not enough focus on safety behaviours resulting in potential for serious accidents to occur** – the behavioural safety programme continues to drive the embedding of safety behaviours in the Agency, but the risk remains.
- **Two risks on the provision of an Enterprise Resource Planning (ERP) system; the current system does not meet MCA needs and the replacement system fails to meet MCA needs and/or deliver anticipated business benefits** – The MCA continues to play an active part in the Unity Cluster Programme to ensure our business needs are fully represented and considered. The current timeline for the Unity Cluster Programme has placed additional requirements on the MCA to upgrade its ABW ERP which is at risk of becoming out of support.
- **Funding pressures** – the impact of the global economic climate, the associated rise in inflation, and the increasing demand for MCA services continue to impact MCA funding. The Agency negotiated a multi-year funding settlement with DfT and HMT as part of the 2025 Spending Review process.
- **Two risks regarding staffing levels within the MCA, particularly in the Survey & Inspection teams** – Insufficient resourcing may have a significant impact on the Agency's abilities to deliver its core deliverables and undermine any growth required to adapt to changing organisational needs. Measures have been implemented to mitigate challenges to the recruitment and retention of talented people to manage operational demands. Mitigation success is being closely monitored.
- **Information Governance** – there is a generic risk of non-compliance with UK Data Protection, Freedom of Information and other Information Governance regulatory requirements as a result of gaps in the information governance processes identified through the MCA's assessment against the Information Commissioner's Office (ICO) compliance framework. These gaps in governance could result in serious legal, financial and reputational consequences for the MCA. Mitigations are in place through assessment

against the Information Commissioner's Office (ICO) requirements and action plans to address any areas of concern, but the risk remains.

- **Estate condition** – the MCA estate is critical to our operational activity, failure to adequately maintain the estate creates risks to operation and of legal action. A planned preventative maintenance work program was established for 2024-25, based on priority works to mitigate risk, and is reviewed and updated annually but the risk remains. This is a generic risk for the MCA estate, excluding the hangers used for the aviation contracts, and appropriately funded.
- **Counter pollution supplies** – the potential for resources being unavailable in the event of a pollution incident due to dedicated stockpiles having been used instead to aid the resolution of pollution from historic wrecks.
- **High number of Non-Executive Director vacancies** - there is a risk that MCA Senior leadership decision making is not subject to robust challenge and oversight and may lead to weaker outcomes for the organisation than could have been achieved. As at 31/03/2025, recruitment by the Department for Transport for an additional four Non-Executive Directors was underway. During 2024-25 the MCA did not meet the requirements of the Corporate Governance Code where at least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent.

With the other operational risks being:

- a small number of large companies making up much of the tonnage on the UK Flag,
- the risk of disruption of cadet training under the Support for Maritime Training (SMarT) Programme due to changes in approved training companies;
- the risk that Recognised Organisations (RO) carrying out delegated work on behalf of the MCA do not apply UK and/or internationally required standards to the satisfaction of the MCA.

Priority Concerns in 2024-25

As Accounting Officer, I consider the concerns listed below to be the Agency's higher priority concerns:

- **The safety of small boats crossing the English Channel to the UK and associated risks** – A significant risk to life is posed by unseaworthy or overloaded small boats being used to traverse the English Channel to the UK. We are committed to safeguarding life around the seas and coastal areas of the UK. HM Coastguard will coordinate the rescue of those in trouble and bring them safely to shore where they will be handed over to the relevant

partner emergency services or authorities. In recognition of the complexity of the risk this risk is managed in three parts to allow consideration of individual elements.

- **Loss of critical coastguard services through a cyber incident or infrastructure failure** – there is a risk that critical coastguard services may be lost due to a cyber-attack or infrastructure failure. This could result in various levels of operational impact, some of which would be serious. Threats are continually monitored; a program of work ensures HM Coastguard and wider systems are maintained to mitigate risk and business continuity plans are exercised regularly to offer further assurance that the potential impacts are minimised.
- **Disruption of wider MCA activities through a cyber incident or infrastructure failure** – similar to the risk above but recognising the difference in impact, this risk is managed separately. The Agency is continually reviewing and updating risk mitigations to provide assurance on risk minimisation.
- **Lack of lawyer resources to implement legislative change** – the ability to bring about legislative change hinges on the availability of scarce lawyer resource. The Agency continues to work with the Department for Transport Legal Team to ensure that it can access necessary resource. Progress is being made but the risk remains current.
- **Coastguard Rescue Officer (CRO) Volunteer Status** – the MCA is subject to an Employment Appeal Tribunal judgement regarding the volunteer status of one of its CROs. This judgement is currently being appealed by the MCA with the Court of Appeal. If this appeal is unsuccessful there is a risk that MCA volunteers could be considered ‘workers’ under employment law leading to potential financial consequences and the need to review the current HM Coastguard operating model to ensure it continues to be effective.

Audit and Risk Assurance Committee (ARAC)

I seek independent advice and assurance on the processes for risk management, governance, assurance and internal control, including reliability and integrity, through the Agency’s ARAC. This committee meets quarterly with an additional supplementary accounts-only meeting held prior to my signing of the accounts. The ARAC comprises of a minimum of two of the Agency’s Non-Executive Directors, one of whom is appointed as Chair (the MCA Board Chair is not a member of ARAC). The Executive Director of Corporate Services, Director of Finance and Transformation, Assistant Director Financial Controls, Assistant Director of Corporate Governance and I also attend.

During the year, the Committee has concentrated on the following:

- Estates review, including Building Management Review visit findings,
- Internal audit programmes and findings,

- The submission of the Agency’s Management Assurance return to the Department for Transport, and
- Information Governance

Attendance by Audit & Risk Assurance Committee members in 2024-25 was as follows:

Committee Member	Number of meetings attended
Sarah Davies (Chair of ARAC to 30 November 2024)	5 / 6
Nigel Pusey (Chair of ARAC from 1 December 2024 to 31 January 2025)	7 / 7
Ilona Blue (Chair of ARAC from 1 February 2025)	1 / 1

Fraud, Bribery and Whistleblowing

The Agency is committed to reducing the incidence of fraud. When identified, investigations are carried out and lessons extracted to strengthen the control environment and reduce the likelihood of recurrence. Fraud, bribery and whistleblowing are discussed monthly at the Executive Team meeting and at the ARAC quarterly. During 2024-25 £nil was lost to fraud (2023-24 £80)

The MCA adopted the Cabinet Office Counter Fraud Functional Standard in 2018 and meets ten of the twelve requirements of the revised standard. The two requirements which scored as “in development” were Fraud Risk Assessment and Proactive Detection and Measurement. The MCA will continue to work towards achieving these requirements during the next reporting year.

During the reporting year there were fourteen internal cases of Whistleblowing in year; nine cases were closed at year end and wrong doing found in two of those cases.

As an Executive Agency of the Department for Transport the MCA responds to whistleblowing concerns as determined in the Gov.Uk guidance “whistleblowing: list of prescribed people and bodies”² and the Agency email address is available on Gov.Uk³ to enable reporting. There were 46 external whistleblowing concerns raised in the reporting year associated with the maritime sector, the majority of which were classed as health and safety or danger to the environment.

Internal Audit and Assurance

² [Whistleblowing: list of prescribed people and bodies - GOV.UK](#)

³ Whistleblowing@mcga.gov.uk

Our Quality Management System (QMS) remains in place having been recertified by our ISO9001:2015 certification body, Lloyd's Register Quality Assurance Limited (LRQA), in June 2024. The requirements of the standard are applied to all business processes and activities. The Agency is also subject to international requirements, most notably the IMO Instruments Implementation Code which requires Port, Flag and Coastal states to have a QMS in place.

The Agency's annual Internal Quality Audit Programme supports its continuing certification to ISO 9001:2015. The 2024-25 audit plan was effectively delivered throughout the year. Fifteen audits were undertaken during the year by the MCA's Internal Audit and Assurance Team. These audits resulted in two audit opinion' of 'limited', seven 'moderate' and six 'substantial'. These audits assess the organisation against its internal controls and processes and identify gaps or opportunities for improvement against management systems. This compares to one 'limited', ten 'moderate' and three 'substantial' for the 2023-24 audit programme.

LRQA's Certification Renewal audit in May & June 2024 was successful and concluded:

'The quality management system is being maintained at the sites visited, with no Non Conformances being issued and expected outputs being achieved. Only five Opportunities for Improvement and four Isolated incidents were noted. Ongoing Certification against the requirements of ISO9001:2015 is therefore recommended.'
The LRQA certification has been extended to 2027.

MCA's Internal Audit service is provided by the Government Internal Audit Agency (GIAA), an Executive Agency of HM Treasury. GIAA operates to standards defined in the Government's Public Sector Internal Audit Standards. Its annual programme of work is based on the analysis of risks to which the Agency is exposed and by key risks identified by the Audit & Risk Assurance Committee and Executive Team. Thirteen GIAA audit engagements were conducted during 2024-25, all have been completed; four provided "substantial" assurance, five "moderate" and two "limited" opinions. The two audits with "limited" opinions are Estates Key Controls and People Survey Response. Audit actions to address the recommendations have been made and delivery against these are monitored by the Audit and Risk Committee. One engagement was of an advisory nature and one engagement provided a management letter.

The GIAA Head of Internal Audit's annual opinion provides moderate assurance regarding the overall adequacy and effectiveness of corporate governance, risk management and internal control arrangements at the MCA in 2024-25. The 2023-24 GIAA annual audit opinion was 'moderate'.

The MCA Board, Executive Team and local Management Boards monitor progress on management actions agreed for internal and external audits at their monthly

meetings. Progress is also monitored by the ARAC at quarterly meetings. Actions are measurable and have clear timelines. Actions include increased training in key areas identified through audits and the development of policies and procedures to improve clarity of processes and guidance to staff.

Health and Safety

During the reporting period the MCA Health and Safety (H&S) Team worked closely with internal and external stakeholders to ensure the MCA's Health and Safety policies, plans and arrangements for a safe and healthy work environment support the delivery of the MCA's business plans. Furthermore, the Team have worked with our business partners to ensure their approach continues to drive improvement in the safety culture across the Agency.

The Health, Safety, Environment and Sustainability Steering Group (HSESSG), plus a number of working groups, has continued to develop the themes of health, wellbeing and safeguarding from the previous year. These working groups have been extended to include further subgroups to focus on wellbeing within each of the operational Directorates utilising the output from the Organisational Stress Risk Assessments (OSRA) completed during the year. This work has been a collaboration across the Agency to establish wellbeing improvement plans. They focus on the tactical delivery of strategic aims and objectives and Unions are actively encouraged to participate in them.

A monthly Health and Safety report is circulated to the Executive Team, Agency Board and each of the Directorate Management Boards with representation from the H&S Team attending these meetings to provide updates on a regular basis and clarification on exceptional points. Health and Safety continues to be an item at all team management meetings.

The H&S team continue to be active members of the DfT Safety Forum and work with our colleagues to ensure a consistent approach to health and safety initiatives and to share best practice. Through the forum, the team has worked with other Agency health and safety colleagues to ensure consistency with current and developing initiatives, including the development of a central DfT strategy and approach to behavioural safety.

The MCA's systems and processes for monitoring ill health absence have been improved during the year to help with early management of any emerging issues which may create a risk to health and operational capability of the MCA.

The Agency has used a range of tools such as internal and external audits, incident and near miss reviews/investigations, and analysis of sickness absence statistics, to provide assurance of the effectiveness and continuing suitability of the safety management systems and performance. Where there are material changes,

exceptional results or abnormal trends, these have been highlighted with the Executive Team, MCA Board and at Directorate Management Boards, and discussions held regarding risk based corrective actions to be taken to prevent a reoccurrence. Any actions with broader benefits to the MCA have been shared through safety moments, safety briefings or safety articles using the MCA communications tools.

Other improvement actions delivered during the financial year include:

- The launch of the new and improved Health and Safety internal communications pages. The new sites are easier to view and navigate and include a suite of supporting material such as the Health and Safety Handbook providing a more direct gateway to key information, policies and procedures.
- Line Managers were given the ability to see the Display Screen Equipment (DSE) assessments undertaken by their staff, and support to resolve issues and ensure compliance with DSE requirements.
- The Safety Climate Survey in March 2024 identified an issue around transparency of safety performance information. To address this the performance is available to all staff via the Health and Safety internal communications pages.
- Line management now have access to incident data via system 'Insight dashboards' showing live data charts which relate to their immediate area of responsibility so they can access performance data. All staff now also have access to monthly statistical highlights which illustrate trends across the entire Agency.
- The MCA has introduced a new Employee Assistance Programme (EAP) service which focuses on preventative and holistic wellbeing in six key areas (health, mind, fitness, work life, nutrition and social). A programme of regular toolkits is ongoing, covering topics such as Workplace Adjustments, EAP, Burnout, Stress and Resilience.
- A programme of Organisational Stress Risk Assessments (OSRAs) has been undertaken, including for all 18 Coastal Operations Areas, and the final reports have been passed over to the teams to manage and oversee the improvement action plans.
- The H&S Team have procured a Risk Assessment module, and this is being configured to launch in early 2025. This will centralise and consolidate Risk Assessments, providing clear ownership of responsibilities to managers and simplify the risk assessment process.
- The H&S, HR and wider teams across the MCA have worked together to develop and release a suite of tools and techniques for managers and staff to support people when dealing with mental health and wellbeing issues.
- The H&S Team have procured access to safer driving learning resources. The new videos were issued in November 2024 to all MCA drivers to raise

awareness on various topics including winter driving, hazard recognition and speeding.

Overall serious injury performance for staff and volunteers under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) has improved from eight in 2023-24 to four in 2024-25. All RIDDOR injuries were investigated by local and headquarters management and any lessons identified are integrated into the Agency's safe operating procedures. Serious injuries or those with high potential for such have been subject to detailed investigation, reporting and actioning. All other incident and near miss summaries are discussed at headquarters and local management meetings.

Information Assurance and Data Handling

As mandated by the Cabinet Office the Agency has appointed Information Asset Owners to manage and protect business-critical operational and information assets. Information Asset Owners continue to have a responsibility on behalf of the Accounting Officer to understand what information is held and how it is used, and for reviewing risks to the confidentiality, integrity and availability of their information assets, including those in their delivery chain. At each financial year end Information Security assess Agency practices against the Government Security Functional Standard and expected security outcomes against the corresponding Minimum Security standards. The MCA completed an exercise to test ability to respond to a Cyber related incident, using the National Cyber Security Centre (NCSC) exercise in a box toolset. The outcomes enabled process changes to close identified gaps, improve incident response and facilitate better alignment between security and IT operations teams.

A change to the Senior Information Risk Owner (SIRO) took place in October 2024 following a reorganisation of senior officer responsibilities. To support the SIRO, we delivered a Data Conference for Information Asset Owners and Asset Managers. To assist the SIRO in their oversight and mitigation of the Information risks within the MCA, an Information Governance Group has been formed of key stakeholders from Information Security, Data Protection, Information Access, Records Managements and Data Governance functions.

The MCA's Data Protection and Information Access functions have been supplemented with additional resource this financial year to strengthen compliance and mitigate risk. The function is working to ensure compliance with mandated data protection requirements contained within the UK General Data Protection Regulation and the Data Protection Act 2018.

Data Protection Impact Assessments are carried out in all instances where processing of personal data is of sufficient risk. Where new systems are proposed, early engagement is carried out prior to the procurement stage, to agree specific

data governance and security requirements. Data Protection Impact Assessments are also undertaken and reviewed when major changes are implemented on systems. There has been an exercise to update the MCA's Record of Processing Activities (ROPA) and a maintenance regime established to ensure new processing activities are captured. A review of all MCA's privacy notices has also been undertaken to ensure where we are collecting personal data from individuals, they are appropriately informed of the legal basis for doing so, the retention and security surrounding their data, and their rights as data subjects in relation to that data.

The MCA has ensured the implementation of the requirements of the EU Artificial Intelligence Act where there is any processing of European Citizen data. Plans to implement the changes required as a result of the Digital Use and Access Bill have been made with support from DfT to ensure the MCA's compliance with Data Protection legislations continues as the bill progresses.

The Agency has a duty to investigate incidents involving potential breaches of personal data and where appropriate to report these to the Information Commissioner's Office (ICO). There were 72 incidents investigated during the year (43 incidents in 2023-24). No data breaches were referred to the ICO in 2024-25 (1 breach referred to the ICO in 2023-24).

The Data Protection function has expanded responsibility to manage the MCA's compliance with Information Access requests. The function is now centrally managing and reviewing all MCA disclosures made under the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations (EIR) to improve the timeliness, quality, and consistency of MCA responses.

The MCA has engaged with DfT to understand the changes taking place to National Security Vetting levels; publication of guidance and changes is awaited from central government. Once available, we will deliver a programme of training to our hiring managers, to understand their obligations to review role profiles and take appropriate action to ensure the correct level of assurance is being provided at the point of recruitment, to manage the threat of Insider risk.

During the reporting period, the Agency has progressed a suite of programmes to decommission legacy equipment and systems, to reduce the risk of exposure to data loss and/or leakage as well as several improvement projects aimed at improving its cyber defenses, including a full re-deployment/re-configuration of its vulnerability management systems and associated business processes.

Management Assurance

As part of the Department of Transport's (DfT) internal controls, the DfT Public Body review team require all accountable officers to undertake an assessment of their

organisations internal controls and assurances. This forms the annual Management Assurance exercises that the MCA conducts and returns to DfT. The information reported in the Management Assurance exercise for 2024-25 was scrutinised by the Audit and Risk Assurance Committee which agreed the overall assessment of 'moderate' against the controls assessed.

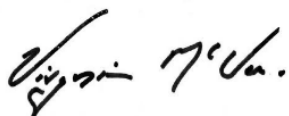
Control Systems

The Agency's system of internal controls is monitored in accordance with Department for Transport guidance and is regularly reviewed by the Executive Team, Agency Board and the Audit & Risk Assurance Committee.

Signatory

The MCA Board operated throughout the year under direction of the Chair supported by the Non-Executive Directors. Based on this exposure to the Agency, and having received management and other assurances, the Audit & Risk Assurance Committee, comprising of the Non-Executive Directors, has approved the content of this Governance Statement and endorses the opinion of the Head of Government Internal Audit and Assurance. An assessment of the effectiveness of the Board was last carried out in 2023-24 using the National Audit Office Board Evaluation Questionnaire, no areas of concern were highlighted in that review. The next review is scheduled for 2025-26.

These meetings and assessments have provided me with assurance of the governance and control environment enabling me to be confident in signing this Annual Report and Accounts.



Virginia McVea
Chief Executive

11 December 2025

Remuneration and Staff Report

Remuneration and Staff Report

Remuneration policy

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

The review body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the review body can be found on www.gov.uk under Office for the Pay Review Bodies.

Executive Directors of the MCA who are Senior Civil Servants may be on fixed term contracts, including the MCA Chief Executive. The contracts may provide for the individual to receive standard SCS remuneration arrangements or individual pay arrangements linked to delivery against predetermined objectives.

Executive Team Members of the MCA who were not Senior Civil Servants received pay awards and performance related pay awards linked to the annual performance appraisal process, in common with other employees of the Agency.

Fees for the Non-Executive Chairman and Non-Executive Directors are set under the terms of their appointment, as approved by the Department for Transport.

Service Contracts

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

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

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

Remuneration and pension entitlements of senior management (audited)

The following sections provide details of the remuneration and pension interests of senior management (i.e. Executive Team members) of the Agency:

Single total figure of remuneration

	2024-25					2023-24				
	Salary (£000) ⁴	Bonus payments (£000)	Benefits in kind (nearest £100)	Pension benefits (£)	Total benefits (£000)	Salary (£000)	Bonus payments (£000)	Benefits in kind (nearest £100)	Pension benefits (£)	Total benefits (£000)
Virginia McVea <i>Chief Executive</i>	135-140	0-5	57,000 ⁵	53,000	245-250	125-130 (130-135)	-	-	50,000	175-180
Damien Oliver <i>Interim Chief Executive/ Director</i>	-	-	-	-	-	30-35 (85-90)	-	-	51,000	80-85
Claire Hughes <i>Director</i>	100-105	10-15	-	59,000	170-175	95-100	10-15	300	39,000	145-150
Chloe Bowes <i>Director</i>	95-100	0-5	-	24,000	120-125	75-80	-	-	41,000	115-120

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.

⁴ Full Year Equivalent shown in brackets and the values shown include any paid allowances.

⁵ The Benefits in Kind covers activity in financial year 2023-24 and 2024-25, but paid in this financial year (£28K in 2023-24)

Single total figure of remuneration (continued)

	2024-25			2023-24		
	Salary (£000)	Benefits in kind (to nearest £100)	Total benefits (£000)	Salary (£000)	Benefits in kind (to nearest £)	Total benefits (£000)
Non-Executive board members						
Simon Stevens <i>Non-Executive Chair</i>	15-20 (20-25)	-	15-20 (20-25)	-	-	-
Christopher Rodrigues <i>Non-Executive Chair</i>	-	-	-	5-10	-	5-10
Noel Shanahan <i>Non-Executive Director</i>	-	-	-	0-5 (15-20)	-	0-5
Sarah Davies <i>Non-Executive Director</i>	0-5 (0-5)	0	0-5 (0-5)	0-5	100	5-10
Nigel Pusey⁶ <i>Non-Executive Director</i>	15-20	1,200	15-20	10-15	2,600	15-20
Ilona Blue⁷ <i>Non-Executive Director</i>	0-5 (15-20)	-	0-5 (15-20)	-	-	-

Salary

'Salary' includes gross salary and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Agency and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Agency and treated by HM Revenue and Customs as a taxable emolument. The amounts disclosed represent only the value of travel to assessed second workplaces.

Bonuses

Bonuses are based on performance levels attained and relate to the relevant performance year. Under Senior Civil Servants (SCS) pay guidance we are permitted to pay in-year awards related to recognise in-year performance as well as end-year bonuses to those determined 'Exceeding' through the SCS appraisal process which are paid in arrears in the next financial year. The bonuses reported in 2024-25 relate to in-year performance during the 2024-25 performance year and end-year performance for the 2023-24 performance year.

In-Year Reward schemes are also available via a Corporate Recognition Scheme for those below SCS grade.

'Pivotal Role' payments may be available to SCS and are linked to a role not an individual. The scheme is controlled by the Cabinet Office and designed to recruit and retain SCS staff in the most critical Civil Service roles, or for key responsibility during fixed-length pivotal periods or projects. Payments are non-consolidated and non-pensionable and may be paid either in full upon delivery or in instalments linked

⁶ Benefits in Kind shown are on a cash basis

⁷ Salary payments for Ilona Blue in 2024-25 include payments made in 2025-26 but were for activities undertaken in 2024-25

to achievement of key milestones.

Pension Benefits (audited)⁸

The pension details of members of the MCA Board, in their capacity as Directors/Executive Team of the MCA, were as set out below. None of the non-executive directors had a pension in their capacity as non-executive director of the MCA. No member of the Executive Board had a Partnership Pension.

	Accrued pension at pension age as at 31/03/25 and related lump sum (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31/03/2025 (£000)	CETV at 31/03/2024 (£000) ⁹	Real increase in CETV (£000)
Virginia McVea <i>Chief Executive</i>	5 - 10	2.5 - 5	95	44	37
Damien Oliver <i>Interim Chief Executive/ Director</i>	-	-	-	521	-
Claire Hughes <i>Director</i>	30 – 35 plus a lump sum of 80 – 85	2.5 – 5 plus a lump sum of 2.5 – 5	697	622	44
Chloe Bowes <i>Director</i>	20 – 25	0 – 2.5	290	252	11

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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates. HM Treasury published updated guidance on 27 April 2023; this guidance was used in the calculation of 2023-24 CETV figures.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent

⁸ Values are rounded to the nearest thousand, with a minimum of zero. Any real increases less than £500 will show as zero.

⁹ The CETV at 31/03/2024 have been restated based on information provided by MyCSP.

spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

Real increase in CETV

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

Civil Service Pensions

Pension benefits are provided through the Civil Service Pensions. In 2015 the government introduced reforms to public service pensions. Most public sector workers were moved into reformed career average pension schemes and for the Civil Service this was into the scheme known as alpha.

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

In 2018, the Court of Appeal found that the rules put in place in 2015 to protect older workers by allowing them to remain in their original scheme were discriminatory on the basis of age. As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. Some active members will have seen changes from April 2022. The remedy is made up of two parts. The

first part provided equal treatment for all active pension scheme members and was completed in 2021-22. The second part is to put right, 'remedy,' the discrimination that has happened between 2015 and 2022. Remedy legislation was introduced in October 2023 through the Public Service Pensions & Judicial Offices Act to complete the second part.

To address the discrimination identified by the courts, eligible members who were moved to the alpha in 2015 (or later if they had tapered protection) have been moved back into their legacy pension scheme for the period during which the discrimination occurred, between 1 April 2015 and 31 March 2022. When members, or members who were originally protected, near retirement, they will receive a choice of which pension scheme benefits they would prefer to take for the period. This is called a 'deferred choice.' The choice will be between the member's Legacy (classic, classic plus, premium and nuvos) pension scheme benefits and their reformed pension scheme benefits.

Employee contributions are salary-related and range between 4.6% and 8.05% for members of alpha. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.32% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution).

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>

Fair Pay Disclosures (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.

The banded remuneration of the highest paid executive board member in the Agency, for the financial year 2024-25, was £135,000-140,000, (2023-24 £130,000-135,000). This increase in remuneration was due to the SCS Pay Award. This was 4.81 times (2023-24, 3.40) the median remuneration of the workforce, which was £41,038 (2023-24 £39,023). The increase in median remuneration in 2024-25 was due to the increase in remuneration paid to staff in the Delegated Pay Award. The

increase in Pay Multiplier from 3.40 to 4.81 was due to the Benefit in Kind payment to the highest earner. This is demonstrated as the contributor in the Pay Ratio table, showing between 2023-24 and 2024-25 the Pay Ratio for Salary Only reducing for median remuneration from 3.98 : 1 to 3.93 : 1.

In 2024-25, remuneration ranged from £25,000-30,000 to £195,000-200,000 (2023-24: £20,000-25,000 to £130,000-135,000). Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The highest-paid director saw an increase of 3.77% in salary and allowances in the financial year due to the SCS Pay Award (2023-24: 43%). A bonus payment was paid to the highest paid director in 2024-25, however, as no payment was made in 2023-24, it is not possible to calculate a percentage increase (2023-24: decrease 100%).

Financial year 2024-25 for all employees (excluding the highest-paid director) saw an increase in average salary and allowance by 6.58%, with performance and bonus pay increasing by 24.7% in comparison to the previous year. The Pay Award meant eligible employees could receive a 5% pay award. Increase in more specialised areas attracting a higher grade and therefore salary, coupled with the introduction of the Government Digital and Data Pay Framework has resulted in the higher than pay award increase in average salary and allowances.

Pay ratios for the mid-point of the banded remuneration (excluding pension benefits) of the highest paid director to the Median, 25th and 75th Percentiles for the current and previous financial year have been set out below:

Year	25 th Percentile Pay	Median Pay	75 th Percentile Pay
2024-25			
Total Pay & Benefits	197,500 / 32,959	197,500 / 41,038	197,500 / 51,489
Total Pay & Benefits Ratio	5.99 : 1	4.81 : 1	3.84 : 1
Salary Component	137,500 / 29,560	137,500 / 35,025	137,500 / 44,769
Salary Component Ratio	4.65 : 1	3.93 : 1	3.07 : 1

Year	25 th Percentile Pay	Median Pay	75 th Percentile Pay
2023-24			
Total Pay & Benefits	132,500 / 31,208	132,500 / 39,023	132,500 / 47,852
Total Pay & Benefits Ratio	4.25 : 1	3.40 : 1	2.77 : 1
Salary Component	132,500 / 28,119	132,500 / 33,310	132,500 / 42,855
Salary Component Ratio	4.71 : 1	3.98 : 1	3.09 : 1

Financial year 2024-25 saw an increase in Median Pay for Total Pay and Benefits, and in Salary. The increase in the Median Pay for Salary is attributable to the Pay Award which equated to 5% for eligible employees. The Agency continued to encourage the use of the In Year Reward scheme, which alongside business transformational activities, introduction of Government Digital and Data Pay Frameworks, and allowance review accounts for the increase in the Median Pay for Total Pay and Benefits. The reduction in median salary ratio is attributable to implementation of the Pay Awards between SCS and Delegated Grades for 2024-25, which benefitted Delegated Grades.

Pensions (audited)

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” – are unfunded multi-employer defined benefit schemes but the MCA is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020.

Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservice.gov.uk/pensions>).

For 2024-25, employer contributions of £13,536,792 were payable to the PCSPS (2023-24: £12,005,830) at 28.97% of pensionable pay (2023-24: 26.6% to 30.3%). The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. Employer Pension Notice 698 set the employer contribution rate to be a flat rate of 28.97% from 1 April 2024 to 31 March 2027 following the transition of active members to the alpha pension scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £107,348 (2023-24: £112.267) were paid to one appointed stakeholder pension provider. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. No employer contributions were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees (2023-24: None).

Contributions due to the partnership pension providers at the balance sheet date were £17,552 (2023-24: £18,874). Contributions prepaid at that date were £Nil.

Expenditure on consultancy and temporary staff (audited)

Agency expenditure on consultancy in 2024-25 was £699,680 (2023-24 £1,132,562). This was primarily in support of aviation activity associated with the Search and Rescue Second Generation Helicopter contract. This activity and radio network

infrastructure replacement programme were the main areas of expenditure in the prior year.

Agency expenditure on temporary staff in 2024-25 was £3,495,416 (2023-24 £1,391,707). The increase was primarily due to technical expertise to deliver the Corsham Data Centre and Security Operation Centre programmes of work and backfill of vacant posts whilst recruitment campaigns were in progress.

Off-payroll Engagements

All off-payroll engagements were subject to a risk-based assessment to determine whether the activity undertaken was deemed to be a “resource” or a contracted-out service and whether any tax and national insurance contributions were correctly paid.

During the financial year, there were no off-payroll engagements of board members and/ or senior officials with significant financial responsibility.

The number of off-payroll engagements for IR35 assessments under off-payroll legislation as required by Chapter 10 Income Tax (Earnings and Pensions) Act 2003 are reported in the following tables.

The Agency stipulates that temporary workers must be on the payroll of a recruitment agency or an Umbrella company, ensuring tax is deducted at source.

Temporary off-payroll worker engagements costing the Agency more than £245 per day at period end:

	2024-25
Total number of existing engagements as of 31 March 2025	
Number of engagements which at time of reporting have existed for:	
Less than one year	11
Between one and two years	2
Between two and three years	0
Between three and four years	0
Four or more years	3

Temporary off-payroll appointments engaged at any point during the year ended March 2025 and earning at least £245 per day:

	2024-25
Number of off-payroll workers engaged at any point during the year ended 31 March 2025	29
Number of engagements to which the off-payroll legislation does not apply	29
Number of engagements to which the off-payroll legislation does apply:	
Number of which were determined as being in scope of IR35	0
Number of which were determined as being out of scope of IR35	0
Number of off-payroll workers engagements which:	
Were reassessed for compliance or assurance purposes during the year	0
Saw a change to IR35 status following review	0

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

	2024-25
Number of off-payroll engagement of board members, and/or, senior official with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed "board members and/or senior official with significant financial responsibility," during the financial year. This figure should include both on payroll and off-payroll engagements.	15

Staff costs (audited)

The costs of staff employed by the MCA were as follows:

	Permanently employed staff £000	Other employed staff £000	Agency/ Temporary staff £000	2024-25 £000	2023-24 £000
Wages and salaries	54,916	916	3,495	59,327	54,820
Social security costs	5,930	99	-	6,029	5,689
Other pension costs	13,431	224	-	13,655	12,116
Total net costs	74,277	1,239	3,495	79,011	72,625
Staff costs expensed	-	-	-	78,900	72,382
Staff costs capitalised	-	-	-	111	243

Staff numbers (audited)

Average number of full-time equivalent persons employed during the years ending 31 March were:

	Permanently employed staff	Others	31 March 2025	31 March 2024
Direct service delivery and support	967	12	979	963
Corporate support	221	8	229	233
Executive Team members ¹⁰	8	-	8	6
Board members	3	-	3	3
Directly employed	1,199	20	1,219	1,205
Others – temporary	-	28	28	24
Total	1,199	48	1,247	1,229

There was 1 early retirement in the year caused by ill health (2023-24: 1).

¹⁰ Excludes members of the MCA Board

Staff composition

Male and female employees by number for the year ending 31 March 2025 were:

	Male	Female	2024-25
Senior Civil Service – Band 2	-	1	1
Senior Civil Service – Band 1	6	3	9
Other Executive Team Members	3	1	4
Board members, Senior Civil Service and Other Executive Team members	9	5	14
All other employees	764	452	1,216
Total	773	457	1,230

Sickness absence data

	2024-25	2023-24
Working days taken as sickness absence	8,831	7,350
Average number of days lost per employee	6.88	6.10

The 2023-24 data has been restated to reflect the actual position once all sickness absence returns were recorded.

Staff turnover

The staff turnover rate for the year ending 31 March 2025 was:

	2024-25
Turnover	12.57%
Departmental Turnover	14.71%

Staff policies for disabled persons applied during the financial year

As an Equal Opportunities employer, the Agency actively encourages applications from people with disabilities. Where such individual candidates can demonstrate that they meet the essential requirements of the role the MCA will guarantee them an interview under the Disability Confident Scheme.

The continued employment of, and appropriate training for, employees who may be disabled is promoted by applying the MCA's policy of making reasonable adjustments throughout any individual's employment to enable them to work, develop and progress.

Business Appointment Rules (BAR)

Any employee of the MCA who intends to take up an outside appointment or employment after leaving the Civil Service must comply with the government's 'Business appointment rules for crown servants' and any measures put in place to manage interests. Guidance is published within the relevant leaver processes of employee's responsibilities towards Business Appointment Rules.

In compliance with Business Appointment Rules (BARs), the department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on [GOV.UK](https://www.gov.uk).

The Trade Union (Facility Time Publication Requirements) Regulations 2017

Disclosures required under the Trade Union (Facility Time Publication Requirements) Regulations 2017 which came into force on 1 April 2017 are shown in the table below:

Relevant Union Officials	2024-25
Number of employees who were relevant union officials during the relevant period	20
Full-time equivalent employee number	20
Percentage of time spent on facility time	
1-50%	1-50%
Percentage of pay bill spent on facility time	
Total cost of facility time (£)	20,510
Total pay bill (£)	79,011,296
Percentage of the total pay bill spent on facility time	0%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours (no paid activities in year)	0%

Exit packages (audited)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
<£10,000	-	-	7	2	7	2
£10,000 - £25,000	1	-	6	3	7	3
£25,000 - £50,000	-	-	11	2	11	2
£50,000 - £100,000	-	-	6	2	6	2
£100,000 - £150,000	-	-	-	-	-	-
Total number of exit packages	1	-	30	9	31	9
Total resource cost (£)	14,643	-	966,425	279,373	981,068	279,373

The MCA launched a Voluntary Exit Scheme on the 23 September 2024, approval given by Cabinet Office for up to 19 exits. All exits from the scheme were completed by the 31 March 2025, with 17 employees leaving the MCA. All other exits disclosed above were through restructure transformation programmes.

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

Diversity and Inclusion

The Agency continues to embed the MCA Way as a foundation for good behaviours to create a safe and inclusive culture. The MCA Way was designed with seven pillars that reflect the culture the Agency is collectively building: Safe, Inclusive, Innovative, Just & Fair, Sustainable, Ethical and Diverse. The agency has seen a 2% increase in employees from ethnic minority backgrounds, though recruiting remains a barrier for the Agency, especially in some of the remote coastal locations. We are continuing to use data and analytics to better understand the socio-demographic constraints in those locations and our approach to recruit on merit.

With due regard to the public sector equality duty, independent panel members continue to be appointed to represent the Agency as impartial representatives on assessment boards, having all received in-depth awareness workshops on ensuring equality of opportunity for all applicants. The Agency has a range of Networks set up across the organisation that work collaboratively to share knowledge and experiences across all protected characteristics, including;

- Women's Network;
- Veterans' Network;
- Men's Network;
- Carers Network;
- LGBTQ+ Network;
- Neurodiversity Support Network;
- Positive Support Network; and
- Mental Wellbeing Support Network;

The Men's Network, launched in April 2024, has made good progress in raising awareness for men's health and wellbeing, providing support to colleagues across the organisation. Helping to break stigmas and create a culture where there is strength in speaking out, and power in seeking help. The Women's Network continue to make great strides in raising awareness and helping women achieve their potential. Facilitating important discussions about women specific issues and working collaboratively across the MCA and wider government to support initiatives for gender equality.

Parliamentary accountability disclosures

Parliamentary Accountability Disclosures (Audited)

This section on Parliamentary Accountability Disclosures is produced to comply with the requirements of HM Treasury's Government Financial Reporting Manual 2024-25

Government functional standards

MCA staff seek to work to the relevant mandated government Functional standards, in a way that meets its business needs and priorities. In 2025-26 MCA will undertake a fuller assessment of compliance with these standards.

Regularity of Expenditure

Losses and special payments

This section reports the total number of cases and value of losses and special payments, and details any losses or special payments that exceed £300,000.

Losses statement

	2024-25	2023-24
Total number of cases	14	4
Total value of losses (£000)	836	183

Radio Network Infrastructure Replacement Programme

The Maritime and Coastguard Agency has upgraded the communications network that monitors maritime radio transmissions, ensuring HM Coastguard's effective emergency response continues across the UK. The Agency has laid more than 700km of fibre cable to 166 remote radio sites, in addition to upgrading the existing infrastructure.

Forsnaval is a site in the Western Isles, Scotland. It was originally planned to have two connections, one microwave and one fibre. The first microwave circuit was successfully completed in October 2023, and work was simultaneously started on the fibre circuit. Much of the construction work had been completed when it was discovered that the completion of the fibre circuit would be impossible due to issues with the telephone exchange connecting to the rest of the backhaul fibre network. The work completed before stopping involved the laying of over 1km of fibre optic cable through difficult terrain, and the construction of two structures for joining the

cable to the existing network. These costs (totalling £301,095.78 including VAT) have been reported as a fruitless payment. The Agency has established alternative solutions for each affected site which have been successfully completed.

There were no equivalent losses in 2023-24.

Special payments

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

	2024-25	2023-24
Total number of cases	10	10
Total value of losses (£000)	252	555

Gifts

For the year ended 31 March 2025, there were no gifts that exceeded £300k. (2023-24 none)

Remote Contingent Liabilities

There was one remote contingent liability in year (£30,000,000). (2023-24 one £30,000,000). As part of the MCA's role as advisor to the marine licencing regime, a legal challenge had been lodged attempting to pass liability to the MCA from a third party; the liability was for potential damages if the MCA lost the case. This case was settled in May 2025 with no liability falling to the MCA (see Note 22)

Fees and Charges

The Agency is required to disclose performance results for the areas of its activities where fees and charges income is received for the provision of statutory services. The analysis is not intended to meet the requirements of IFRS 8 (Operating Segments).

	2024-25			2023-24		
	Income £000	Expense £000	Net £000	Income £000	Expense £000	Net £000
Statutory Services						
Marine surveys	6,829	7,593	(764)	6,399	7,193	(794)
Registration of ships	1,751	2,337	(586)	2,083	2,422	(339)
Seafarers' examinations and certification	2,367	4,161	(1,794)	2,387	3,495	(1,108)
Total	10,947	14,091	(3,144)	10,869	13,110	(2,241)

The financial objective of each service is full recovery of service costs in accordance with HM Treasury's 'Managing Public Money.' The above table included direct and indirect overhead costs for each statutory service. The MCA commenced work on reviewing the fee rates charged for services during 2024-25 and will be subject to the required approvals process in 2025-26.

Income disclosed above has also been disaggregated for IFRS 15 in Note 3.



Virginia McVea
Chief Executive

11 December 2025

Comptroller and Auditor General's report and certificate

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

Opinion on financial statements

I certify that I have audited the financial statements of the Maritime and Coastguard Agency for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Maritime and Coastguard Agency's

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

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

In my opinion, the financial statements:

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

Opinion on regularity

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

Basis for opinions

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

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

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

Conclusions relating to going concern

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

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

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

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

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Maritime and Coastguard Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- adequate accounting records have not been kept by the Maritime and Coastguard Agency or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Maritime and Coastguard Agency from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Maritime and Coastguard Agency's accounting policies, key performance indicators and performance incentives.

- inquired of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Maritime and Coastguard Agency's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Maritime and Coastguard Agency's controls relating to the Maritime and Coastguard Agency's compliance with the Government Resources and Accounts Act 2000, Managing Public Money, tax legislation, employment law and the relevant statutes pertaining to the delivery of services.
- inquired of management, internal audit, and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Maritime and Coastguard Agency for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Maritime and Coastguard Agency's framework of authority and other legal and regulatory frameworks in which the Maritime and Coastguard Agency operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Maritime and Coastguard Agency. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2024, employment law and tax legislation and the relevant statutes pertaining to the delivery of services.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee 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. This description forms part of my certificate.

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies

12 December 2025

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Financial Statements



Statement of Comprehensive Net Expenditure

For the period ended 31 March 2025

		2024-25	2023-24 Restated
	Note	£000	£000
Revenue from contracts with customers	[4]	(15,847)	(16,531)
Other income	[4]	(3,503)	(3,085)
Total income		(19,350)	(19,616)
Staff costs	[3.1]	78,900	72,382
Purchase of goods and services	[3.2]	304,766	302,820
Depreciation and impairment charges	[3.3]	69,098	65,564
Net provision expense	[3.4]	(106)	(241)
Other operating expenditure	[3.5]	(248)	(817)
Total operating expenditure		452,410	439,708
Net operating expenditure for the year		433,060	420,092
Finance expense	[3.6]	2,038	2,491
Net expenditure for the year		435,098	422,583
Other comprehensive net expenditure			
Items which will not be reclassified to net operating expenditure:			
Net (gain)/loss on:			
Revaluation of property, plant and equipment		(4,181)	(6,482)
Revaluation of intangible assets		(2,967)	(462)
Revaluation of right of use assets		(1,511)	(1,116)
Revaluation of inventories		(112)	(72)
Total net revaluation (gains) and losses		(8,771)	(8,132)
Comprehensive net expenditure for the year		426,327	414,451

Refer to Note 2 for additional information on the prior year restatement.

The notes on pages 110 to 145 form part of these accounts.

Statement of Financial Position

		31 March 2025	31 March 2024 <i>restated</i>	1st April 2023 <i>restated</i>
	Note	£000	£000	£000
Non-current assets				
Property, plant and equipment	[6]	123,198	115,470	101,584
Right of use assets	[8]	115,968	116,118	157,485
Intangible assets	[7]	12,693	13,579	16,078
Inventories	[10]	7,147	7,036	6,988
Trade and other receivables	[11]	81	87	116
Total non-current assets		259,087	252,290	282,251
Current assets				
Assets held for sale	[9]	617	617	-
Trade and other receivables	[11]	10,801	13,075	12,908
Cash	[12]	19,785	9,940	1,576
Total current assets		31,203	23,632	14,484
Total assets		290,290	275,922	296,735
Current liabilities				
Trade and other payables	[13]	(72,457)	(69,640)	(68,655)
Lease liabilities	[8]	(41,609)	(51,414)	(51,723)
Provisions	[14]	(798)	(879)	(1,070)
Total current liabilities		(114,864)	(121,933)	(121,448)
Total assets less current liabilities		175,426	153,989	175,287
Non-current liabilities				
Lease liabilities	[8]	(65,657)	(52,384)	(93,942)
Provisions	[14]	(2,084)	(2,069)	(2,402)
Other Payables	[13]	(835)	-	-
Total non-current liabilities		(68,576)	(54,453)	(96,344)
Total assets less total liabilities		106,850	99,536	78,943
Taxpayers' equity and reserves				
General fund		76,018	75,323	60,814
Revaluation reserve		30,832	24,213	18,129
Total equity and reserves		106,850	99,536	78,943

Refer to Note 2 for additional information on the prior year restatement. The notes on pages 110 to 145 form part of these accounts.

Virginia McVea 
Chief Executive

11 December 2025

Statement of Cash Flows

For the period ended 31 March 2025

		2024-25	2023-24
	Note	£000	Restated £000
Cash flows from operating activities			
Net operating expenditure for the year		(433,060)	(420,092)
Adjustments for non-cash transactions	[3, 4]	68,936	64,886
(Increase)/decrease in inventories	[10]	(111)	(47)
less movements in inventories relating to items not passing through the Statement of Comprehensive Net Expenditure		112	72
(Increase)/decrease in trade & other receivables	[11]	2,280	(138)
less movements in trade and other receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		125	14
Increase/(decrease) in trade and other liabilities	[13]	2,942	985
less movements in trade and other liabilities relating to items not passing through the Statement of Comprehensive Net Expenditure		15,317	6,333
Use of provisions	[14]	(85)	(297)
Net cash outflow from operating activities		(343,544)	(348,284)
Cash flows from investing activities			
Purchase of property, plant and equipment	[6]	(13,553)	(18,100)
(add)/less movements in capital accruals		(14,152)	(7,892)
Purchase of intangible assets	[7]	(666)	(1,276)
(add)/less movements in capital accruals		(1,111)	849
Proceeds of disposals of property, plant and equipment		349	945
Net cash outflow from investing activities		(29,133)	(25,474)
Cash flows from financing activities			
Current year consolidated fund (supply)		433,480	435,600
Repayment of lease liability principals	[8]	(49,612)	(50,987)
Interest paid on lease liabilities	[8]	(2,021)	(2,491)
Capital element of payments in respect of leases and on-balance sheet (SoFP) PFI contracts		(35)	-
Net financing		381,812	382,122
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		9,135	8,364
Payment of amounts due to the consolidated fund	[13]	710	-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		9,845	8,364
Cash and cash equivalents at the beginning of the period	[12]	9,940	1,576
Cash and cash equivalents at the end of the period	[12]	19,785	9,940

Refer to Note 2 for additional information on the prior year restatement
The notes on pages 110 to 145 form part of these accounts.

Statement of Changes in Taxpayers' Equity

As at 31 March 2025

	Note	General Reserve £000	Revaluation Reserve £000	Total Reserves £000
Balance at 1 April 2023		42,576	18,129	60,705
Prior Period Adjustment	[2]	18,237	-	18,237
Balance at 1 April 2023 – Restated		60,813	18,129	78,942
Net parliamentary funding		435,600	-	435,600
Non-cash charges: auditor's remuneration	[3.2]	155	-	155
Net expenditure for the year – Restated	[2]	(422,583)	-	(422,583)
Revaluation gains and (losses)		-	8,132	8,132
Transfers between reserves		2,048	(2,048)	-
CFERS payable to the Consolidated Fund		(710)	-	(710)
Changes in taxpayers' equity for 2023-24		14,510	6,084	20,594
Balance at 31 March 2024		75,323	24,213	99,536
Net parliamentary funding		433,480	-	433,480
Non-cash charges: auditor's remuneration	[3.2]	155	-	155
Net expenditure for the year		(435,098)	-	(435,098)
Other Non-cash movements		56	-	56
Revaluation gains and (losses)		-	8,765	8,765
Transfers between reserves		2,146	(2,146)	-
CFERS payable to the Consolidated Fund		-	-	-
Right of use cumulative catch-up		(44)	-	(44)
Changes in taxpayers' equity for 2024-25		695	6,619	7,314
Balance at 31 March 2025		76,018	30,832	106,850

Refer to Note 2 for additional information on the prior year restatement.
The notes on pages 110 to 145 form part of these accounts.

Notes to the Agency's accounts

1. Statement of Significant Accounting Policies

This Note sets out the accounting policies determining the recognition and valuation of material assets, liabilities, income and expenditure. Critical judgements, accounting estimates and sources of estimation uncertainty are disclosed within the accounting policy notes.

As the Statement of Financial Position and Note 6 indicate, the Agency's most material assets are Right of Use Search and Rescue Helicopters. The related depreciation costs, disclosed in Note 3, are also material.

1.01 Basis of preparation

The financial statements have been prepared in accordance with the 2024-25 Government Financial Reporting Manual (FReM) issued by HM Treasury (HMT). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Maritime and Coastguard Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the MCA are described below. They have been applied consistently to items considered material to the financial statements.

The statements cover the period 1 April 2024 to 31 March 2025 and have been prepared in accordance with a direction given by HM Treasury in pursuance of Section 7(2) of the Government Resources and Accounts Act 2000.

The total values in the accounts may have small rounding differences.

1.02 Accounting convention

The accounts are prepared on a going concern basis under the historical cost convention, modified by the revaluation of certain non-current assets categories.

1.03 Adoption of new and revised standards

IFRS 17 Insurance Contracts becomes effective in the corporate sector for accounting periods commencing on, or after, 1 January 2023. HM Treasury's consultation on the adoption of IFRS 17 in central government recommended that adoption of IFRS 17 be deferred to an application date of 1 April 2025. The standard covers all enforceable arrangements under which an entity accepts a non-financial risk from a third party, with the option to exclude arrangements whose primary purpose is the provision of services for a fixed fee, which may be accounted for

under IFRS 15. It requires an expected present value approach to measuring insurance liabilities, with an incremental amount to reflect the cost of uncertainty. The Agency is monitoring its contingent liabilities and similar arrangements to identify any that meet the definition of insurance contracts. The Agency considers that it has no contracts which meet the definition of insurance contracts as set out in the standard.

During the year, HM Treasury consulted on proposals to change the valuation approach applied to property, plant and equipment used to provide public services and to intangible assets. These proposals are set out in “Non-investment Asset Valuation – Exposure Draft 23(01)”. These would lead to intangible assets being valued on an historical cost or deemed cost basis. Property, plant and equipment would be revalued on a quinquennial cycle, potentially on a rolling basis, with indexation applied in interim years. As a departure from the normal DRC approach, assets would be valued using their actual site rather than alternative locations, which will result in the values of some assets increasing. Any changes are expected to take effect from 2025-26. As the text of the final amendment to the FReM has not yet been issued, the Agency cannot provide an estimate of the likely impact.

IFRS 18 Presentation and Disclosure in Financial Statements was issued in April 2024 and will come into effect for accounting periods commencing on, or after, 1 January 2027. It will result in changes to the presentation of the performance statement and statement of cash flows and require additional disclosures for alternative financial performance measures used by an entity’s management. As the Statement of Comprehensive Net Expenditure required by the FReM and Agency Pink adapts the standard IFRS performance statement to reflect the circumstances of government agencies, it is not yet clear how the IFRS 18 changes will affect the Agency.

The Agency does not expect any other new, or revised standard, or interpretation to have a material impact.

1.04 Estimation of accrued liabilities

The recognition and valuation of accrued liabilities for work done by its principal service contractors are based on the Agency’s best estimates of the work done at the end of the reporting period. The value of work done is certified, invoiced and paid only when all valuation issues have been resolved to the Agency’s satisfaction. Accruals are based on assessments by the Agency’s project management teams of work done by the contractors. When accruing the Agency takes a view of any disputed amounts.

1.05 Property, plant and equipment

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis.

Additions are valued using estimates of the cost of work done in the year to 31 March 2025. To the extent that estimates are greater than amounts invoiced, amounts expected to be required to settle contractual obligations are recognised as PPE additions and corresponding accruals in Trade and other payables (Note 12). Cost estimates are based on information readily available to project managers on the status of works, but some estimation uncertainty is involved in measuring the value of works performed at the year-end date.

Valuation

Property, plant and equipment are carried in the statement of financial position at current value in existing use or fair value as described below:

- Property is valued by the Agency's external property consultants at Existing Use Value (EUV) where a market for such property is established. Where no such market exists and it is impracticable to ascertain the EUV then Depreciated Replacement Cost (DRC) is used.
- Valuations of property are carried out every five years, most recently at 31 March 2024. The five yearly valuation is supplemented by annual indexation for intervening years in line with the direction in the FReM. Revaluation indices are supplied by external property consultants.
- Plant and equipment are revalued annually using appropriate price indices published by the Office for National Statistics.
- Revaluation surpluses on property, plant and equipment are taken to the revaluation reserve. Revaluation deficits are written off against any revaluation surplus for the asset concerned and otherwise to the Statement of Comprehensive Net Expenditure.
- Surplus assets, if any, are valued at current value in existing use or fair value.

Depreciation

The Agency categorises property, plant and equipment disclosures in Note 5 into the following

- Land and Buildings which include operational bases for HM Coastguard and Marine Offices
- IT and Telecoms which include Radios, Masts, Radio Network, IT Hardware
- Other – Vehicles and Rescue equipment for HM Coastguard, Pollution Control equipment, equipment for use in aircraft and furniture and fittings
- Assets under construction – Radio equipment and building and IT projects.

Depreciation is not charged on freehold land and assets under construction. Other assets are depreciated on a straight-line basis over their estimated useful economic lives as follows:

- Freehold buildings - up to a maximum of 50 years,
- Leasehold buildings - over the lower of the lease term and the estimated remaining life,
- Leasehold improvements –over the lower of the lease term or the estimated remaining life,
- Plant and equipment - over the following standard lives:
 - Information Technology..... 3-15 years
 - Transport Equipment 3-10 years
 - Plant and Machinery..... 5-15 years
 - Furniture and Fittings 3-10 years

Specific individual assets may be depreciated on an ad hoc basis outside of these limits where management believes that this is appropriate.

1.06 Intangible assets

Intangible assets, which are defined as non-financial assets that do not have physical substance but are identifiable and are controlled by the entity through custody or legal rights, are capitalised if they meet the following criteria:

- They are capable of being used for a period which exceeds one year; and
- They have a cost equal to or greater than £1,000, or

- They comprise applications software with a cost of £20,000 or more.

Intangible assets are amortised typically over 3-10 years or over the useful economic life of an item in property, plant and equipment with which the useful economic life of the intangible asset is closely associated:

- Software..... 3-10 years
- Software Licenses 3-10 years
- Software Developments 5-10 years

Intangible assets are revalued annually using appropriate price indices published by the Office for National Statistics (ONS). Amortisation is not charged on intangible assets under development.

Operating software essential to the running of hardware is capitalised with the associated hardware as property, plant and equipment where it is not possible to separate the costs.

Intellectual property rights to data which is not freely available for download under Open Government Licence on government websites are not capitalised.

1.07 Assets held for sale

Assets held for sale are available for immediate sale in their present condition and are being actively marketed for sale. They are valued at the lower of their carrying amount at the point of transfer and fair value (market value) less material selling costs. Depreciation is not applied.

1.08 Inventories - stockpile goods

Stockpile goods are chemical goods for use in national emergencies held at strategic locations in the UK. They are maintained at a fixed level and not normally consumed in the year. As such they are deemed to be non-current assets by the FReM and are valued at net replacement cost rather than net realisable value. Revaluation surpluses are taken to the revaluation reserve.

1.09 Leases

Scope and classification

The Agency classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are assessed

to determine whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use. In such cases, the relevant part is treated as a lease. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration.

The Agency excludes contracts for low-value items, defined as items that cost less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and contracts with a term shorter than twelve months (comprising the non-cancellable period together with any extension options that the Agency is reasonably certain to exercise and any termination options that the Group is reasonably certain not to exercise).

Initial recognition

At the commencement of a lease the Agency recognises a right-of-use asset and a lease liability.

The lease liability is measured as the payments for the remaining lease term (as defined above), discounted either by the rate implicit in the lease, or, where this cannot be determined, by the Agency's incremental cost of borrowing. The payments included in the liability are those that are fixed or in-substance fixed, and excludes, for example, changes arising from future rent reviews or changes in an index. For most agencies, including the MCA, the incremental cost of borrowing is the rate advised annually by HM Treasury.

The right-of-use asset is measured at the value of the liability, adjusted for: any payments made before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs, which will be required to be paid at the end of the lease. However, where the lease requires nominal consideration (a type of arrangement often described as a "peppercorn" lease), the FReM requires that the asset be measured at its current value in existing use.

Subsequent measurement

The leased asset is subsequently measured using the fair value model. The Agency considers that the cost model is a reasonable proxy for leased asset values except for assets held under leases with no regular rent review, which will be assessed for revaluation in line with IAS16. Leased assets with nominal or nil-consideration (peppercorn leases) have been valued using market rental, provided by external property consultants.

Specialist leased building assets will be measured using Depreciated Replacement Cost (DRC), where appropriate. If DRC is not available then market value rentals will be used to value the asset.

The lease liability is subsequently remeasured for the accrual of interest, repayments, re-assessments and modifications. Re-assessments and modifications are measured by re-discounting the revised cash flows; the impact is reflected in the liability and either in the asset valuation or expenditure.

Lease expenditure

Expenditure includes interest, straight-line depreciation and any asset impairments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or for those shorter than twelve months are expensed.

Estimates and judgements

For embedded leases, the Agency determines the amounts to be recognised as the right-of-use asset and lease liability based on the stand-alone price of the lease component and the non-lease component or components. This determination reflects the prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components.

The FReM requires that right-of-use assets held under “peppercorn” leases should be measured at current value in existing use. These leases include historic, long-term leases as well as more recent arrangements. To identify such leases, the Agency has distinguished consideration that is nominal from consideration that is low, but proportionate to the asset’s value (for example, the lease of a small area of land with few alternative uses). This distinction reflects, so far as possible, recent, observable market arrangements for comparable assets (for example, current rentals); otherwise, based on the Agency’s own arrangements.

Where, for peppercorn leases, existing use value is required, this is calculated using market value rentals provided by external property consultants, over the lease term. Market value rentals will be provided on a yearly basis.

1.10 Service Concession

Service Concession Arrangements (SCA), including Private finance initiatives (PFI), are arrangements whereby private sector operators are contractually obliged to provide services to the public in relation to certain infrastructure assets.

The Agency defines such arrangements as SCAs if they meet the conditions set out in IFRIC 12 'Service Concession Arrangements', as adapted for the public sector context by the FReM and are to be measured in accordance with IFRS 16 measurement principles.

The Agency has a contract under which a private-sector supplier develops, finances, operates and maintains infrastructure used to deliver services to the public, directly or indirectly. The accounting treatment is determined by the extent of the Agency's control over the infrastructure. If the Agency controls or regulates the service and controls any significant residual interest in the infrastructure, the Agency recognises the infrastructure as an asset, with a matching liability, in accordance with IFRIC 12. The asset is classified as property, plant and equipment.

Where the supplier has a right to receive consideration, the Agency recognises a financial liability, in respect of the element relating to the cost of the asset. Interest on the liability and expenditure on services provided under the concession are recognised in Net Operating Expenditure as they accrue. Payments are apportioned between three elements: payments for services; payments of interest on the liability; and repayments of the initial liability.

Where contract payments are linked to an index, the liability will be adjusted in a manner consistent with the treatment of an index-linked lease.

Contractual payments must be apportioned between capital, interest and (for most service concessions) services provided by the supplier. The supplier delineates the apportionment, by specifying the interest rate and the values of the asset and services, so the apportionment is applied following the contractual information.

1.11 Provisions for liabilities and charges

The Agency maintains several provisions. These provisions are reviewed annually as at the balance sheet date and are adjusted to reflect the latest best estimate of the liability. Provisioning is made when the tests of IAS 37 have been passed in that there is a legal or constructive obligation arising from past events; it is more likely than not there will be an outflow of economic benefits; and the amount can be estimated reliably. These adjustments are reflected in the Statement of Comprehensive Net Expenditure for the year. Where the time value of money is material, the future estimated cash flows are discounted to present values using the appropriate discount rate set by HM Treasury.

1.12 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and

are non-contributory except in respect of dependants' benefits for which the agency is unable to identify its share of underlying liabilities. The Agency therefore recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Agency recognises the contributions payable for the year.

Additional details relating to the PCSPS are included within the Remunerations and Staff Report under Pensions.

1.13 Value Added Tax

The Agency is not separately registered for Value Added Tax (VAT) and VAT collected or paid is accounted for centrally by the DfT. The VAT rules for central government bodies differ from those for companies. Government bodies may recover VAT on specified goods and services only. These accounts include irrecoverable VAT where applicable.

1.14 Recognition of revenues from contracts with customers

Revenue from contracts with customers relates to revenue received directly from the operating activities of the Agency. The FReM has adapted the definition of a contract in IFRS 15 to include legislation and regulations which enable an entity to obtain revenue not classified as a tax.

Revenue principally comprises fees and charges for goods or services provided, on a full cost basis, to external customers. Most of the Agency's revenue is received in advance of goods or service provision and is recognised as deferred income until the performance obligation has been met. Revenue is stated after deduction of Value Added Tax.

1.15 Contingent liabilities

The Agency has legal claims and challenges made against it from time to time in carrying out its duties as a regulator. In accordance with IAS 37, the Agency discloses as contingent liabilities potential future discounted obligations arising from past obligating events, where the existence of such obligations remains uncertain pending the outcome of future events outside of the Agency's control, unless their likelihood is considered to be remote.

1.16 Critical judgements

Contracts for services have been evaluated under IFRS 16 to determine whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use, over the contractual term. In such cases, the relevant part is treated as a lease.

The Agency considers that the cost model is a reasonable proxy for leased asset values as all leases, except peppercorn leases, are at market value and, where relevant, subject to regular rent review.

Search & Rescue Second Generation (SAR2G)

The SAR2G contract consists of aircraft assets (helicopters, fixed wing aircraft and unmanned aircraft (drones)), which are assessed as in scope of IFRS16 and base assets (hangars, supporting vehicles and IT systems/equipment), which are in scope of IFRIC12, as interpreted by the FReM.

For the aircraft assets, these will be accounted for on their respective service commencement dates in line with IFRS 16.

For the Base asset and associated infrastructure, these will be accounted for on their respective service commencement dates in line with IFRIC 12 and will be disclosed in the Property, Plant and Equipment (PPE) note under Land & Buildings.

Search & Rescue Helicopters (SAR-H)

The SAR-H contract is made up of SAR helicopters accounted under IFRS 16 and hangars, with hangar costs charged to expenditure.

Periodically the use of cost proxy is reviewed to ensure it is still relevant, and, specifically for the SAR helicopters. The possible increase in replacement costs of the helicopter assets, from inception to current date, cannot be measured with any reliability; the cost by proxy continues to be used.

Search & Rescue Aircraft Hangars

Following a reassessment, as detailed in Note 2 – Prior Period Adjustment, the length of measurement for the right to use the helicopter hangars, utilised under both the SAR-H & SAR2G contracts (nine hangars), has been assessed as being, in substance, an extension. The assets are substantially the same under both contracts; these assets have been remeasured in accordance with IFRS 16.

Property

The Agency signed a twenty-five-year lease agreement for our Headquarters office. In accordance with IFRS 16, the lease length of five years is accounted for, as both the Lessor and the Lessee have the right to break on each fifth anniversary.

Lease Extension at no Additional Cost

During the reporting period, the Agency extended an existing lease agreement for an additional year at no additional cost. The original lease term had resulted in the recognition of a right-of-use asset and corresponding liability. This extension continues to provide economic benefits and constituted a lease modification in accordance with IFRS 16. The right of use asset was revalued to reflect the fair value of the extended use and was based on the original lease payment profile.

2. Prior Period Adjustments

SAR2G Hangers: Right of Use Assets and Liabilities

Omission of hangar bases under IFRS 16.

A prior year restatement is required in the year due to a material omission of nine hangar bases, which fall under the SAR-H contract.

It has been determined that these hangars meet the definition of a lease under IFRS 16 and as such should have been recognised in the in 2019-20 Financial Year. As a result, the comparative figures for 2023-24 financial year have been restated to reflect the retrospective recognition of the right-of use assets and where appropriate, a corresponding liability. The ongoing transition to the SAR2G contract, which will utilise the same hangars, has led to a review of their historic treatment. This results in the hangars being accounted for both their SAR-H term plus the term of use under SAR2G.

As part of the SAR-H contract, the Agency paid the construction costs of seven of the nine hangars, which was expensed over the course of the original term. For two of the hangars we pay rental through both the SAR-H and SAR2G term and this forms the liability.

Restating financial information prior to April 2023 is impracticable due to the unavailability of valuation data.

Prior year restatements are detailed below:

		As previously	Restatement	Restated
		£000	£000	Amount
				£000
Statement of Comprehensive Net Expenditure - Extract				
Depreciation and impairment charges	[3.3]	63,821	1,743	65,564
Purchase of Goods and Services	[3.2]	303,342	(522)	302,820
Interest Charge	[3.6]	2,460	31	2,491
Total Expenditure		369,623	1,252	370,875

Statement of Financial Position - Extract				
Non-current assets – Right of use	[8]	95,245	20,873	116,118
Current liabilities – Lease liabilities	[8]	(50,918)	(496)	(51,414)
Non-current Liabilities – Lease Liabilities	[8]	(49,862)	(2,522)	(52,384)
Total Assets & Liabilities		(5,535)	17,855	12,320
General Fund		58,338	16,985	75,323
Revaluation Reserve		23,343	870	24,213
Total Equity		81,681	17,855	99,536
Statement of Cash Flows - Extract				
Net operating Expenditure		(418,871)	(1,221)	(420,092)
Adjustments for non-cash transactions		63,143	1,743	64,886
Repayment of lease principal		(50,496)	(491)	(50,987)
Interest paid on lease liabilities		(2,460)	(31)	(2,491)
Total Cash Flow		(408,684)	-	(408,684)
Statement of Changes in Taxpayers Equity - Extract				
Prior Period Adjustment		42,576	18,237	60,813
Net Expenditure		(421,331)	(1,252)	(422,583)
Revaluation Reserve		7,262	870	8,132
Total		(371,493)	17,855	(353,638)

3. Operating Expenditure

3.1 Staff Costs

	2024-25		2023-24	
	£000	£000	£000	£000
Wages and salaries	55,721		53,184	
Agency staff	3,495		1,392	
Wages and salaries – total	59,216		54,576	
Social security costs	6,029		5,689	
Other pension costs	13,655		12,117	
	78,900		72,382	

Please refer to Staff Costs in the Accountability Report, Staff Costs (audited) section.

3.2 Purchase of Goods and Services

	2024-25		2023-24 Restated	
	£000	£000	£000	£000
Purchase of goods and services – cash items				
UK SAR helicopter service	164,542		170,666	
Aerial surveillance & spraying	25,176		21,969	
Support for maritime training	16,835		17,183	
Civil hydrography & navigation safety	8,243		8,266	
Information technology and telecommunications	26,983		29,323	
Accommodation	16,354		15,288	
Pollution response and emergency towing vessels	13,603		7,459	
Coastguard volunteers	5,675		5,151	
Subscriptions to IMO and other international bodies	1,336		1,307	
Staffing, travel and subsistence	11,399		8,996	
Administration and professional	7,954		11,129	
Service and technical advice	6,455		5,928	
Sub-total: cash items	304,555		302,664	
Purchase of goods and services - non-cash items				
Auditors' remuneration and expenses	155		155	
UK Integrated Security Fund Survey and Inspection	56		-	
Purchase of goods and services		304,766		302,820

3.3 Depreciation and Impairment Charges

	2024-25		2023-24 Restated	
	£000	£000	£000	£000
Non-cash items:				
Depreciation – owned assets	14,040		11,847	
Depreciation – right of use assets	50,338		51,376	
Amortisation – owned assets	4,520		4,241	
Impairment	431		64	
Net revaluation (gains)/losses	(231)		(1,964)	
		69,098		65,564

3.4 Provision Expenses

	2024-25		2023-24	
	£000	£000	£000	£000
Non-cash items:				
Provisions provided in year (net)	5		(254)	
Unwinding of discount on provisions	14		27	
Impairment (gains)/losses – trade receivables	(125)		(14)	
		(106)		(241)

3.5 Other Operating Expenditure

	2024-25		2023-24	
	£000	£000	£000	£000
Non-cash items:				
(Profit)/loss on disposal of property, plant and equipment	(267)		(818)	
(Gain)/loss on re-measurement of right-of-use assets	19		1	
		(248)		(817)

3.6 Finance Expense

	2024-25		2023-24 Restated	
	£000	£000	£000	£000
Interest charged on right of use assets	2,022		2,491	
Interest charged on PFI and other service concession arrangements	16		-	
		2,038		2,491

SAR Helicopters

The MCA provides all search and rescue helicopter services in the UK from ten bases operating solely under the UK Search and Rescue Helicopter Service (UK SAR-H) contract.

The costs for this contract are included in operating expenditure and finance expense as described in the table below:

	2024-25	2023-24
	£000	£000
SAR-H contract costs		
UK SAR Helicopter service	164,542	170,144
Purchases of goods and services	164,542	170,144
Depreciation – right of use assets	37,684	40,426
Operating expenditure	202,226	210,570
Finance expense	1,500	1,964
Search and rescue helicopters	203,726	212,534

On 21 July 2022, the MCA awarded the new contract for the UK Second-Generation Search and Rescue Aviation programme, known as UKSAR2G. The contract is worth £1.6 billion and will last for 10 years, using a fleet of state-of-the-art helicopters, aeroplanes and unmanned aircraft (drones).

The existing SAR-H contract will phase out in 2024-25 through to 2026-27 as the UKSAR2G contract comes online throughout that period.

Services to the Shipping Industry

Total shipping industry support and services expenditure was £25,078,000 (2023-24: £25,449,000).

The Agency operates the Support for Maritime Training Scheme (SMarT) for maritime officer trainees. The Agency provided funding after costs in 2024-25 of £16,835,000. (2023-24: £17,183,000).

The Agency provided further services to the shipping industry as required by Merchant Shipping Acts and international conventions costing £8,243,000 in 2024-25 (2023-24: £8,266,000). These services included civil hydrographic surveys, weather bulletins and navigational warnings, seafarer safety and medical services.

The United Kingdom Hydrographic Office (UKHO) holds in its database the results of civil hydrographic surveys performed by private firms under contract to the Maritime and Coastguard Agency. The data is freely available from the UKHO for download under the Open Government Licence. The MCA bears the cost of obtaining UK civil hydrographic survey data and holds the crown copyright.

Other purchases of goods and services

Administration and professional expenditure includes items such as consultancy, legal and audit fees.

Service and technical advice expenditure includes items such as Coastguard equipment and maintenance, technical advice and shipwreck monitoring.

4. Income

	2024-25	2023-24
	£000	£000
Statutory services	10,947	10,869
Operational services	3,306	3,047
Other services	-	836
Other income (costs recharged)	1,594	1,779
Total revenue from contracts with customers	15,847	16,531
Other receipts	3,485	3,310
Other receipts non-cash	18	(225)
Total other income	3,503	3,085
Total Income	19,350	19,616

The Agency receives income mainly from fees and charges for the delivery of front-line services provided on a full cost basis to external customers as part of its operating activities.

Proceeds of Crime Act (POCA) monies of £175k were received in year. The MCA acted as an intermediary before £175k was transferred to the Home Office. These monies are reflected in Statement of Comprehensive Net Expenditure (Net Operating Expenditure for Year).

Income Segment	Goods or Services	Nature, timing and satisfaction of performance obligation
Statutory Services	Ship Surveys	Undertaken when a fee is received in advance. Surveyor time is spent surveying and income is recognised as time is charged.
	Registration of Shipping & Seafarers	Fee is received in advance for vessel registration documentation and is recognised when documentation issued. Seafarer records are updated with time at sea. Income is recognised once document issued.
	Seafarer Training & Certification	Fee is received in advance for exams, certification & postage. Income is recognised in stages; when an exam is taken, certificates are issued when exam is passed and posted.
Operational Services	Emergency helicopter flights	Local NHS trusts request use of Agency helicopter assets and recharge of costs are invoiced in line with an agreed schedule.
Other Services	Wider Market Initiatives – Large Yacht Surveys	Undertaken when a fee is received in advance. Surveyor time is spent surveying and income is recognised as time is charged.

All income was recognised at a point in time apart from £748,860 in Other Receipts recognised over time.

Disaggregation

The disclosures below are shown by revenue category in line with IFRS 15 requirements.

Deposits are received as an estimated amount for an agreed service, primarily ship survey work.

Revenue from contracts with customers by directorate received as:	Fee in advance	Deposit	Invoiced	Total Revenue
	£000	£000	£000	£000
Statutory Services	3,845	6,829	273	10,947
Operational Services	-	-	3,306	3,306
Other Income	-	-	1,594	1,594
Total Revenue	3,845	6,829	5,173	15,847

5. Operating Segments

It is not necessary for the Agency to provide segmental reporting under IFRS 8 because it operates as a single entity. An analysis of income and expenditure for key activities is provided in Notes 3 and 4. An analysis of assets and liabilities by activity is not provided since these are not reported internally.

6. Property, Plant and Equipment

2024-25	Land & Buildings	IT & Telecoms	Other equipment	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or Valuation					
As at 1 April 2024	38,944	79,241	47,427	18,488	184,100
Additions	3,857	3,530	5,616	550	13,553
Disposals	(93)	(3,424)	(900)	-	(4,417)
Reclassification	5,932	10,372	3,961	(14,716)	5,549
Revaluation	178	3,804	1,394	-	5,376
Transfers	-	228	-	(228)	-
Impairment	-	(444)	-	-	(444)
As at 31 March 2025	48,818	93,307	57,498	4,094	203,717
Fully depreciated	2,030	8,772	8,119	-	18,921
Depreciation					
As at 1 April 2024	(5,022)	(35,132)	(28,476)	-	(68,630)
Charged in year	(1,789)	(7,353)	(4,897)	-	(14,039)
Disposals	2	3,397	900	-	4,299
Reclassification	(1,086)	1,319	(1,426)	-	(1,193)
Revaluation	(8)	(165)	(791)	-	(964)
Transfers	-	-	-	-	-
Impairment	-	8	-	-	8
As at 31 March 2025	(7,903)	(37,926)	(34,690)	-	(80,519)
Carrying amount at 1 April 2024	33,922	44,109	18,951	18,488	115,470
Carrying amount at 31 March 2025	40,915	55,381	22,808	4,094	123,198
Asset Financing:					
Owned	36,559	55,381	22,808	4,094	118,842
On Balance Sheet (SoFP) PFI and other service concession arrangements	4,356	-	-	-	4,356
Carrying amount at 31 March 2025	40,915	55,381	22,808	4,094	123,198

Buildings includes freehold buildings, owned buildings on leased land and improvements to leased buildings.

Infrastructure assets comprise of hangers and supporting vehicles & IT systems/equipment as part of the Search and Rescue Aviation contract (SAR2G).

Information technology includes communications and related assets as well as IT hardware.

Other equipment includes equipment for use in aircraft, pollution response and rescue together with furniture and fittings.

Assets under construction includes expenditure of £1,642,000 for the MCA's new Corsham Data Centre.

A professional, independent valuation on 31 March 2024 of the Agency's land and buildings was made by W Freston MRICS, RICS Registered Valuer and other staff of Hartnell Taylor Cook of Clifton, Bristol, in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Global Standards 2021 and the RICS Valuation - UK National Supplement.

Analysis of net book value of buildings

	31 March 2025	31 March 2024
	£000	£000
Freehold buildings	20,387	19,874
Buildings on leased land and improvements on properties occupied under:		
Leases more than 50 years	3,347	3,634
Leases less than 50 years	8,207	5,259
Total buildings	31,941	28,767

Property, Plant and Equipment (continued)

2023-24	Land & Buildings	IT & Telecommunications	Other equipment	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or Valuation					
As at 1 April 2023	32,963	55,569	44,955	26,256	159,743
Additions	385	7,820	1,786	8,109	18,100
Disposals	(129)	(645)	(130)	-	(904)
Reclassification	(671)	15,840	91	(15,877)	(617)
Revaluation	6,462	657	725	-	7,844
Transfers	-	-	-	-	-
Impairment	(66)	-	-	-	(66)
As at 31 March 2024	38,944	79,241	47,427	18,488	184,100
<i>Fully depreciated</i>	1,860	20,309	10,053	-	32,222
Depreciation					
As at 1 April 2023	(4,999)	(29,626)	(23,534)	-	(58,159)
Charged in year	(1,366)	(5,858)	(4,623)	-	(11,847)
Disposals	15	645	117	-	777
Reclassification	32	1	(33)	-	-
Revaluation	1,294	(294)	(403)	-	597
Transfers	-	-	-	-	-
Impairment	2	-	-	-	2
As at 31 March 2024	(5,022)	(35,132)	(28,476)	-	(68,630)
Carrying amount at 1 April 2023	27,964	25,943	21,421	26,256	101,584
Carrying amount at 31 March 2023	33,922	44,109	18,951	18,488	115,470
Asset Financing					
Owned	33,922	44,109	18,951	18,488	115,470
On Balance Sheet (SOPF) PFI & other service concession arrangements	-	-	-	-	-
Carrying amount at 31 March 2024	33,922	44,109	18,951	18,488	115,470

7. Intangible Assets

2024-25	Software developments	Software licences	Intellectual property rights	Under development	Total
	£000	£000	£000	£000	£000
Cost					
As at 1 April 2024	24,138	1,326	8,160	730	34,354
Additions	317	-	-	349	666
Reclassification	850	-	-	(850)	-
Disposals	(102)	-	-	-	(102)
Revaluation	3,054	114	-	-	3,168
As at 31 March 2025	28,257	1,440	8,160	229	38,086
Fully amortised	833	394	-	-	1,227
Amortisation					
As at 1 April 2024	(15,280)	(1,038)	(4,457)	-	(20,775)
Charged in year	(3,552)	(145)	(823)	-	(4,520)
Reclassification	-	-	-	-	-
Disposals	102	-	-	-	102
Revaluation	(188)	(12)	-	-	(200)
As at 31 March 2025	(18,918)	(1,195)	(5,280)	-	(25,393)
Carrying amount at 1 April 2024	8,858	288	3,703	730	13,579
Carrying amount at 31 March 2025	9,339	245	2,880	229	12,693

The most significant assets by value reported are intellectual property rights valued at £2,880,000 and software assets for UK Ship Registration valued at £1,875,000.

2023-24	Software developments	Software licences	Intellectual property rights	Under development	Total
	£000	£000	£000	£000	£000
Cost					
As at 1 April 2023	21,961	1,282	8,160	1,342	32,745
Additions	973	25	-	278	1,276
Reclassification	890	-	-	(890)	-
Disposals	(940)	(51)	-	-	(991)
Revaluation	1,254	70	-	-	1,324
As at 31 March 2024	24,138	1,326	8,160	730	34,354
<i>Fully amortised</i>	2,184	195	-	-	2,379
Amortisation					
As at 1 April 2023	(12,196)	(837)	(3,634)	-	(16,667)
Charged in year	(3,221)	(197)	(823)	-	(4,241)
Reclassification	-	-	-	-	-
Disposals	940	51	-	-	991
Revaluation	(803)	(55)	-	-	(858)
As at 31 March 2024	(15,280)	(1,038)	(4,457)	-	(20,775)
Carrying amount at 1 April 2023	9,765	445	4,526	1,342	16,078
Carrying amount at 31 March 2024	8,858	288	3,703	730	13,579

8. Right of Use Assets

2024-25	Search & Rescue Aircraft	Surveillance Aircraft	Emergency Towing Vessel	Land & Buildings	Total
Valuation	£000	£000	£000	£000	£000
As at 1 April 2024	264,573	19,946	5,088	59,804	349,411
Additions	47,175	-	-	1,351	48,526
De-recognition	-	(6,601)	-	(595)	(7,196)
Revaluation	-	1,559	-	(132)	1,427
Reclassification	-	-	-	(5,549)	(5,549)
Remeasurement	3,083	1,616	-	(16)	4,683
As at 31 March 2025	314,831	16,520	5,088	54,863	391,302
<i>Depreciation</i>					
As at 1 April 2024	(197,889)	(12,827)	(763)	(21,814)	(233,293)
Charged in year	(37,685)	(7,382)	(1,019)	(4,253)	(50,339)
De-recognition	-	6,601	-	440	7,041
Reclassification	-	-	-	1,193	1,193
Revaluation	-	-	-	64	64
As at 31 March 2025	(235,574)	(13,608)	(1,782)	(24,370)	(275,334)
<i>Carrying Amount</i>					
As at 1 April 2024	66,684	7,119	4,325	37,990	116,118
As at 31 March 2025	79,257	2,912	3,306	30,493	115,968

A professional, independent valuation on 31 March 2025 of the Agency's leased aircraft hangars, which form part land and buildings totals, was made by J Thompson MRICS, RICS Registered Valuer and other staff of Hartnell Taylor Cook (HTC) of Clifton, Bristol, in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Global Standards 2021 and the RICS Valuation - UK National Supplement.

HTC have also assessed as the hangars as specialist assets and they have, where possible, been valued using the DRC method (seven hangars). Where it has not been possible to generate a DRC value, we have been provided with Market Value Rentals (MVR) and we have used this to value these assets (two hangars).

2023-24 Restated	Search & Rescue Aircraft	Surveillance Aircraft	Emergency Towing Vessel	Land & Buildings	Total
<i>Valuation</i>	£000	£000	£000	£000	£000
As at 1 April 2023	266,972	12,868	7,962	60,706	348,508
Additions	-	7,078	5,088	1,062	13,228
De-recognition	-	-	(7,932)	(5,353)	(13,285)
Revaluation	-	-	-	1,069	1,069
Reclassification	-	-	-	-	-
Remeasurement	(2,399)	-	(30)	2,320	(109)
As at 31 March 2024	264,573	19,946	5,088	59,804	349,411
<i>Depreciation</i>					
As at 1 April 2023	(159,205)	(5,449)	(7,487)	(18,882)	(191,023)
Charged in year	(38,684)	(7,378)	(1,208)	(4,106)	(51,376)
De-recognition	-	-	7,932	1,125	9,057
Reclassification	-	-	-	-	-
Revaluation	-	-	-	49	49
As at 31 March 2024	(197,889)	(12,827)	(763)	(21,814)	(233,293)
<i>Net Book Value</i>					
As at 1 April 2023	107,767	7,419	475	41,824	157,485
As at 31 March 2024	66,684	7,119	4,325	37,990	116,118

Lease Liabilities

2024-25	Search & Rescue Aircraft	Surveillance Aircraft	Emergency Towing Vessel	Land & Buildings	Total
	£000	£000	£000	£000	£000
As at 1 April 2024	75,126	5,881	4,445	18,345	103,797
Additions	47,174	-	-	1,334	48,508
Interest	1,500	51	138	333	2,022
Payments	(41,543)	(5,925)	(1,094)	(3,071)	(51,633)
Derecognition	-	-	-	(151)	(151)
Remeasurement	3,083	1,616	-	24	4,723
As at 31 March 2025	85,340	1,623	3,489	16,814	107,266
Current portion	35,884	1,623	1,082	3,020	41,609
Non-current portion	49,456	-	2,407	13,794	65,657
As at 31 Mar 2025	85,340	1,623	3,489	16,814	107,266

Leases are discounted using the rate implicit in the lease. Where that rate cannot be readily determined, leases are discounted at the Agency's incremental borrowing rate.

The Search and Rescue helicopter contract is assessed annually for probability of activating lease extension options and lease breaks in line with IFRS16.

2023-24 Restated	Search & Rescue Aircraft	Surveillance Aircraft	Emergency Towing Vessel	Land & Buildings	Total
	£000	£000	£000	£000	£000
As at 1 April 2023	115,649	7,348	633	22,035	145,665
Additions	-	7,079	5,088	964	13,131
Interest	1,933	172	128	258	2,491
Payments	(40,388)	(8,718)	(1,374)	(2,998)	(53,478)
Derecognition	-	-	-	(4,233)	(4,233)
Remeasurement	(2,068)	-	(30)	2,320	222
As at 31 Mar 2024	75,126	5,881	4,445	18,346	103,798
Current portion	41,678	5,881	1,048	2,807	51,414
Non-current portion	33,448	-	3,397	15,539	52,384
As at 31 Mar 2024	75,126	5,881	4,445	18,346	103,798

Obligations under Leases

2024-25	Search & Rescue Aircraft	Surveillance Aircraft	Emergency Towing Vessel	Land & Buildings	Total
	£000	£000	£000	£000	£000
Obligations					
Not later than one year	38,630	1,658	1,185	3,187	44,660
Later than one year and not later than five years	38,068	-	2,509	8,881	49,458
Later than five years	21,855	-	-	10,820	32,675
Less Interest	(13,213)	(35)	(205)	(6,074)	(19,527)
Present value of obligations	85,340	1,623	3,489	16,814	107,266

UK Second Generation Search and Rescue Aviation Programme (UKSAR2G)

The Agency awarded the SAR2G contract in July 2022 which will be phased in from October 2024 through to 2027. The Agency is committed to future lease cashflows of £332,204,000 under this contract.

Lease Charges within Statement of Comprehensive Net Expenditure

	2024-25 £000	2023-24 £000
Expense relating to VAT	9,747	9,964

Cash Outflow for Leases

	2024-25 £000	2023-24 £000
Total Cash outflow for leases	51,633	53,478

Search & Rescue & other contracts

Search and rescue services managed by the MCA are provided under contracts which include arrangements treated as lease obligations. Further details of these arrangements are disclosed at Note 3 Operating expenditure. Other arrangements under contracts for Emergency Towing Vessels (ETV) and Aerial Surveillance (ASV) services are treated in the same way.

9. Assets Classified as Held for Sale

	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	617	-
Re-classifications	-	617
Balance at 31 March	617	617

10. Inventories

	31 Mar 2025 £000	31 March 2024 £000
Stockpile goods		
Balance at 1 April	7,036	6,988
Stocktake corrections	133	13
Purchases	130	120
Write down (loss of efficacy)	(264)	(157)
Net gain/(loss) on revaluation	112	72
Balance at 31 March	7,147	7,036

11. Trade Receivables and Other Assets

	31 Mar 2025	31 March 2024
	£000	£000
Amounts falling due within one year		
Trade receivables	1,417	3,995
VAT receivables	1,349	1,814
Other receivables	1,315	572
Prepayments	5,370	4,580
Accrued income	1,350	2,114
Total current	10,801	13,075
Amounts falling due after more than one year		
Other receivables	81	87
Total non-current	81	87
Total current and non-current	10,882	13,162

12. Cash

	2024-25	2023-24
	£000	£000
Balance at 1 April	9,940	1,576
Net change in cash balances	9,845	8,364
Balance at 31 March	19,785	9,940

The following balances were held at:

	31 March 2025	31 March 2024
	£000	£000
Government Banking Service	19,785	9,940
Total balances at 31 March	19,785	9,940

The closing cash balance includes payment of £13.5m to one supplier.

13. Trade Payables and Other Liabilities

	31 March 2025	31 March 2024
	£000	£000
Amounts falling due within one year		
Trade payables	15,524	1,802
Other payables	1,425	2,755
Accruals	51,087	57,302
Deferred income	4,320	7,071
Current Part of imputed finance lease element of Public Finance Initiative (PFI) contracts and other service concession arrangements	87	-
Consolidated fund extra receipts	14	710
Total current	72,457	69,640
Amounts falling due after more than one year:		
Non current part of imputed finance lease element of Public Finance Initiative (PFI) contracts and other service concession arrangements	835	-
Total non current	835	-
Total current and non-current	73,292	69,640

Trade Payables includes £13.5m due to one supplier at the reporting date.

14. Provisions for Liabilities and Charges

	Leasehold dilapidations £000	Other £000	Total £000
As at 1 April 2024	2,669	279	2,948
Provided in the year	148	98	246
Not required written back	(168)	(73)	(241)
Utilised during year	-	(85)	(85)
Unwinding of discount	14	-	14
Balance at 31 March 2025	2,663	219	2,882
Current liability	579	219	798
Non-current liability	2,084	-	2,084
Balance at 31 March 2025	2,663	219	2,882

Analysis of expected timing of discounted cash flows:

	Leasehold dilapidations £000	Other £000	Total £000
Within 1 year	579	219	798
2-5 years	1,010	-	1,010
6-10 years	621	-	621
Over 10 years	453	-	453
Balance at 31 March 2024	2,663	219	2,882

Future estimated costs have been discounted, where the effect of discounting is significant, at rates announced by HM Treasury. Leasehold dilapidations cash flows over 10 years include £389,000 expected to be called within 50 years, £61,486 after more than 50 years and £2,651 after more than 75 years.

Leasehold dilapidations

The provision for leasehold dilapidations represents the estimated expenditure required to return leasehold rental properties to their original condition if this is a requirement of the lease which the lessor may choose to exercise. The estimates are subject to uncertainty regarding timing and the extent of works required.

Other

Other provisions have been made against a variety of claims by third parties.

15. Capital Commitments

	31 March 2025 £000	31 March 2024 £000
Property, plant and equipment	1,338	5,674
Intangible assets	288	142
Total	1,626	5,816

16. Other Financial Commitments

The MCA has entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements). The payments to which the Agency is committed and which have not been provided for in these accounts are as follows:

	31 March 2025	31 March 2024 Restated
	£000	£000
Not later than one year	196,595	205,211
Later than one year and not later than five years	738,569	756,160
Later than five years	983,879	1,176,015
Total	1,919,043	2,137,386

The Search and Rescue Second Generation Helicopter (SAR2G) contract, which commences October 2024 until expiry in December 2036, and accounts for £1,706,000,000 of the total. Within these values there are estimates and assumptions made for inflation, the number of helicopter flying hours and fuel charges.

The remainder includes contracts for operational communications (radio networks, mast, transmitters), managed IT services and occupational health services.

17. Commitments under PFI Contracts & Other Service Concession Arrangements

The Agency has one Service Concession Arrangement which falls within the scope of IFRIC 12 - Service Concession Arrangements. Within the SAR2G contract, aircraft hangar bases and supporting assets (airside vehicles & IT systems) are assessed as in-scope of IFRIC 12 and for which the MCA has a reversionary interest at the end of the agreement.

Total future capital obligations under on-balance sheet PFI and other service concession arrangements are given in the table below. Service elements are disclosed in other financial commitments. The off-balance sheet value shows the capital value for infrastructure assets that will be accounted for when they come into service.

	2024-25 On-Balance Sheet £000	2024-25 Off-Balance Sheet £000	2023-24 On- Balance Sheet £000	2023-24 Off- Balance Sheet £000
Capital elements due in future periods:				
Due within one year	128	6,612	-	-
Due later than one year and not later than five years	473	2,867	-	-
Due later than five years	546	3,979	-	-
Total	1,147	13,458	-	-
<i>Less interest element</i>	<i>(225)</i>	<i>(1,458)</i>	-	-
Present value	922	12,000	-	-

The interest element under PFI contracts comprises:

	2024-25 On-Balance Sheet £000	2024-25 Off-Balance Sheet £000	2023-24 On- Balance Sheet £000	2023-24 Off- Balance Sheet £000
Not later than one year	41	109	-	-
Later than one year and not later than five years	138	861	-	-
Later than five years	46	488	-	-
Total	225	1,458	-	-

Future charges to the Statement of Comprehensive Net Expenditure:

	2024-25 £000	2023-24 £000
Not later than one year	1,676	-
Later than one year and not later than five years	14,855	-
Later than five years	14,843	-
	31,374	-

18. Contingent Assets

The Agency seeks to recover costs from counter pollution incidents. In some cases, it may take several years before cost recovery claims are settled and the Agency holds contingent assets pertaining to the future value of such claims. Due to the nature of the claims it is not practicable to estimate the future financial effect as the timing and value are unknown and there is no guarantee of the claims being successful. In 2024-25, the MCA recovered £31,652 for recovery of costs against the owners of a cargo vessel that ran aground (2023-24:£140,582).

19. Contingent Liabilities

The Agency has legal claims and challenges made against it from time to time in carrying out its duties as a regulator. The total of such claims at 31 March 2025 has been estimated to be £113,093 (31 March 2024: none). The likelihood of any liability arising is deemed possible but not likely and any such claims will be defended against vigorously.

There were two contingent liabilities in year £113,093 (2023-24 none), one of which is unquantifiable:

	Quantifiable	31 March 2025 £000	31 March 2024 £000
Fishing Vessel Loss of Income			
The owner of a fishing vessel claims that loss of income was suffered, and costs were incurred following the purchase of the vessel. The MCA surveyed the vessel when originally purchased recommending removal and repair to parts of the vessel. The owner claims these repairs were missed by previous MCA surveyors and loss has been suffered due to negligence.	Yes	113	-
Surveyor Guidance			
Potential claim for loss of income and additional costs following advice provided by an MCA surveyor regarding an outboard engine. The claimant asserts that the guidance provided by the MCA surveyor was incorrect and is seeking redress, no value has been provided by the claimant.	No	-	-
Total		113	-

20. Related Party Transactions

The Maritime and Coastguard Agency (MCA) is an Executive Agency of the Department for Transport (DfT). The DfT is regarded as a related party. During the year, there were material transactions of £433.5million between the MCA and the DfT for Net Parliamentary Supply as per the Statement of Changes in Taxpayer's Equity, and minor transactions with other entities for which the DfT is regarded as

the parent department. In addition, the MCA had transactions with the Ministry of Defence, The Royal Navy, Meteorological Office, Government Property Agency, Government Legal Department and the Cabinet Office. During the year no Board member, key manager or other related party have undertaken any material transactions with the MCA.

21. Financial Instruments

As the cash requirements of the MCA are met through the estimate process and funded largely by Treasury drawdown, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements. There are no contracts containing embedded derivatives. The Agency is exposed to little credit, liquidity, or market risk or risks arising from interest rate fluctuations. The Agency has limited exposure to risks arising from foreign currency fluctuations and currently there are no receivable accounts or bank accounts held in currency other than £ sterling.

22. Events After the Reporting Period

The Marine Licencing Advice Remote Contingent Liability case, originally recorded in 2023-24 for an amount of £30million, was settled in May 2025 with no liability falling to the MCA. In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" this case has been removed from the Contingent Liability note.

There have been no other significant events between the reporting period close and the date of these Financial Statements. These Financial Statements are laid before the House of Commons by the Secretary of State for Transport. IAS 10 requires the MCA to disclose the date on which the accounts are authorised for issue. This is the date on which the accounts are certified by the Comptroller and Auditor General.

The Accounting Officer authorised these Financial Statements for issue on 11 December 2025.



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