



FCDO Services

# FCDO Services

Annual Report and Accounts 2025/26  
(for the year ended 31 March 2026)

HC 458

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# Annual Report and Accounts 2025/26

For the period 1 April 2025 to 31 March 2026

Presented to Parliament pursuant to section 4(6)  
of the Government Trading Funds Act 1973 as amended  
by the Government Trading Act 1990

Ordered by the House of Commons  
to be printed on 2 July 2026



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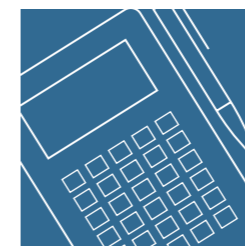
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ISBN: 978-1-5286-6566-7  
 E03620128 07/26

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office



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# Performance Overview

The overview section contains forewords by the Minister responsible for FCDO Services, the Chair of the FCDO Services Board and the Chief Executive Officer (and Accounting Officer). It also contains summary information about the organisation and a performance overview.



## Foreword by Minister Seema Malhotra MP

As the minister responsible for FCDO Services, I am pleased to introduce the 2025/26 Annual Report and Accounts. I have seen firsthand the breadth and depth of expertise that sits within FCDO Services and understand just how central this organisation is to the UK's ability to operate safely and effectively across the world.

This year, the government has been focused on delivering economic stability, strengthening national security, and rebuilding Britain's standing as a trusted partner internationally. FCDO Services sits at the heart of all three: securing the infrastructure and communications on which British diplomacy depends, developing sovereign technical capabilities, and delivering value through world-class services that underpin everything the FCDO does. As a Trading Fund, FCDO Services also provides those same world-class services to departments and agencies across Whitehall, and to partner governments overseas extending the reach and impact of British expertise far beyond the FCDO itself.

Earlier this year, I visited FCDO Services teams at Hanslope Park and it left a lasting impression. I spent the day meeting the people behind some of the most important and least visible work in UK government: work that keeps this country safe, protects our diplomatic platform, and enables Britain to operate with confidence across the world.

Hanslope Park carries a remarkable legacy. Its wartime role, its connections to Bletchley Park, and its association with Alan Turing, who began working there in 1943, speak to a tradition of ingenuity and purpose that continues to this day. The formation of the Diplomatic Wireless Service shortly after the war established a mission that, eighty years on, remains as vital as ever: to protect the UK's communications and to stay ahead of those who would seek to undermine us.

A vital part of that mission is delivered through UK NACE – the National Authority for Counter-Eavesdropping. Working in close collaboration with FCDO Services, UK NACE sits at the cutting edge of national security: understanding and countering the threat of hostile eavesdropping, protecting sensitive spaces and information, and advancing our knowledge of emerging technologies from materials science and artificial intelligence to quantum both as tools for our own protection and as potential vectors of threat from adversaries. This is world-leading work, and it makes the UK a trusted partner to allies around the world.

What also struck me during my visit was the remarkable range of skills and expertise that sits alongside this, the engineers, apprentices, and specialists who translate cutting-edge research into practical capability, and the teams within the Global Support Centre who coordinate the logistics, communications infrastructure, and technical services that keep Posts running in every corner of the world. This is where expertise becomes operational reality, where innovation meets delivery, and where the next generation of specialists is being trained to carry this work forward.

The common thread across everything I encountered was unmistakable: a deep and genuine pride in the work, and a level of professionalism and commitment that delivers truly world-class services largely unseen by the public, but absolutely indispensable to Britain's global presence. That reputation has earned FCDO Services a broader role: as a trusted provider to other government departments across Whitehall, and as a partner of choice for foreign governments who rely on British expertise to strengthen their own security and capability.

I also want to acknowledge the role of FCDO Services colleagues at Posts overseas particularly those in the most challenging environments. During the ongoing conflict in the Middle East, FCDO Services staff have been alongside our diplomats throughout, providing the infrastructure, communications and technical support that allows the UK to maintain its presence and fulfil its obligations, even in the most dangerous circumstances. These are often the last colleagues to leave a Post when it is drawn down. That commitment – quiet, professional and sometimes carried out under extraordinary pressure – deserves to be recognised. I am deeply grateful for it.

FCDO Services is an integral part of the FCDO family – a team of colleagues who share the same mission and make it deliverable every single day, in every corner of the world.

I am proud of everything achieved at Hanslope Park, King Charles Street, and across the global network this year. I look forward to the continued close partnership between the FCDO and FCDO Services in the years ahead and to deepening my understanding of the remarkable work we deliver together. My sincere thanks go to every member of the FCDO Services team – for keeping the country safe, the platform secure, and British diplomacy possible.

**Seema Malhotra MP**  
*Parliamentary Under-Secretary of State (Indo-Pacific)*



## Foreword by Sir Simon Gass

As I step down as Chair of FCDO Services I look back on a period of real achievement by the organisation. When I joined FCDO Services eight years ago, it had a revenue of £160m; this year we exceeded £252m. In every year we have both paid a dividend to the FCDO and made a surplus. We navigated the COVID-19 pandemic, which posed major challenges when much of our workforce could not travel and other colleagues were in some very difficult locations. We innovated – in everything from secure communications to logistics packaging. And we found ways to save our customers money through improving efficiency and cutting waste.

I have held this role for eight years, but my association with FCDO Services goes back considerably further – over sixteen years in total, to when, as FCDO Finance Director, I was involved in establishing the Trading Fund model that underpins the organisation to this day. To have been part of its creation, and then to return as Chair to help steward its development over such a significant period, has been a rare privilege. I am grateful for the opportunity: I have met some amazing people doing amazing things.

Looking back, what strikes me most is the sheer range of what this organisation has faced and navigated – a global pandemic, profound geopolitical upheaval, sustained budgetary pressure, and a security landscape that has changed faster than almost anyone anticipated. Through all of it, FCDO Services has grown in capability, in ambition, and in relevance. This is the product of sustained effort, sound governance, and – above all – the quality of the people involved at every level.

I owe a great deal to my fellow Non-Executive Directors, past and present, for their advice, challenge and commitment over the years. Good governance depends on people who bring expertise, independence and rigour to the boardroom, and I have been fortunate to work alongside colleagues who did exactly that.

My thanks go equally to Mike Astell and the Executive Team for the significant volume of change they have driven and managed during what has been a demanding period of transformation. Modernising an organisation whilst continuing to deliver services that matter to national security and diplomacy is not straightforward, and the leadership team has approached it with professionalism and determination.

There is one area where we know there is more to do. The Civil Service People Survey results have been challenging. The organisation is committed to building a culture in which every member of staff can thrive – and work is underway to achieve that. Progress is being made, but the commitment to improvement must be sustained by those who lead the organisation forward. Equally, staff at all levels need to engage positively with this work: change is a collective effort, not simply a leadership challenge.

On a more personal note, I want to express particular pride in the apprenticeship programme. The annual apprentice graduation is one of the highlights of the calendar year: it is an event I have always valued and attended with real pleasure. Apprentices represent the future of FCDO Services, and the quality and commitment of this year's cohort is a reminder of why all of this matters.

But it is to the wider staff that I want to offer my most heartfelt thanks. Those at Hanslope Park, at sites across the UK, and those posted overseas – often far from family and friends, supporting British diplomatic missions in some of the world's most challenging and sometimes dangerous environments. They are the beating heart of this organisation. Everything FCDO Services achieves is built on their expertise, their dedication, and their willingness to go well beyond what is asked of them. I hope they know how much that is valued, and how proud they should be.

I leave with full confidence in FCDO Services' future – in its strategy, its leadership, and above all, its people. What this organisation does matters and I have no doubt that it will continue to matter. It has been an honour to serve as Chair, and I wish everyone at FCDO Services every success in the years ahead.

**Sir Simon Gass**  
*Chair, FCDO Services Board*



## Foreword by Mike Astell

I want to begin simply and say thank you to every member of the FCDO Services team, at Hanslope Park, across our other UK sites, and overseas, for another extraordinary year and for the dedication, adaptability and hard work shown across the organisation in the face of significant challenges and change.

This year we took difficult, but necessary steps aligned to our ambitions of being an exceptional delivery organisation. We reshaped departments to provide better alignment to customer needs, created better opportunities for talent in junior bands, and expanded remits at senior leadership levels and injected fresh thinking with new specialist roles.

We continued to upgrade our logistics capability, introducing a new parcel tracking system to increase transparency and shorten response times for customers. We re-engineered diplomatic bags to reduce manual handling and realised several significant milestones in our major investment in a new, modern logistics hub, scheduled to open in 2027, which signals confidence in the future of the Trading Fund.

These changes prepare us to serve government needs in a toughening public spending era and to protect the long-term sustainability of our organisation. I'd like to recognise the commitment and professionalism our staff have demonstrated throughout this period of change.

We have seen significant investment secured for UK NACE, the UK National Authority for Counter-Eavesdropping, through the Spending Review – recognition at the highest levels of government of its critical importance. This investment strengthens our ability to protect the UK's diplomatic and government operations at a time when those protections have never mattered more.

Across our operational areas, a number of projects stand out as highlights. ROCKHOPPER – the successful delivery of air-supported radomes to remote British Overseas Territories – showcased our ability to operate in some of the most challenging environments on earth where few organisations can, providing enhanced air support for the Royal Air Force (RAF). JEFNet delivered secure communications systems across the Joint Expeditionary Force group of nations, supporting the UK's leadership role in this important multinational framework. And HERMES – the delivery of a SECRET communications capability for the Global Combat Air Programme – represents a significant contribution to one of the most significant defence programmes currently underway. I am immensely proud of the teams that delivered these

ambitious and challenging programmes so successfully. These projects are also emblematic of our wider government growth story, with customers and partners increasingly seeking our specialist capabilities across IT, engineering, and logistics: a testament to the quality of our people and the trust we have built over many years.

On people and culture, I acknowledge there is more to do and the commitments we have made to improving the experience of working at FCDO Services are not peripheral to our strategy, they are central to it. An organisation that asks as much of its people as we do has a responsibility to ensure they are supported, developed and heard.

This year we said farewell to three directors. Jonathan Pilling brought deep expertise and care to the leadership of Global Services, and an understanding of complex international environments. Liz Harris led with passion and pride and oversaw the successful delivery of a range of technology services and programmes. George Hickerton led the Engineering part of our business with expertise and commitment over many years. The organisation is stronger for your service, and I thank you on behalf of everyone at FCDO Services. I extend my thanks to those who stepped up to provide interim support and resilience during these transitions.

I want to pay personal tribute to Sir Simon Gass, who steps down as Chair after eight years. Simon's knowledge of the FCDO, and his long association with FCDO Services stretching back to its very foundation as a Trading Fund, have been invaluable. His steady hand in guiding the Board through a demanding and sometimes turbulent period has made a lasting difference. His coaching and counsel have meant a great deal to me personally. He leaves FCDO Services well-placed for the future, and he will be greatly missed.

Finally, I want to close with a particular word of thanks to those staff who have played a part in the UK Government's response to global crises throughout this year, including colleagues deployed overseas, away from their families and friends, providing support to the FCDO in some of the most demanding and dangerous situations in the world. What they do is extraordinary. It is largely unseen and it matters enormously. FCDO Services exists because of people like them, and I consider it a privilege to lead this organisation.

Thank you all.

**Mike Astell**  
*Chief Executive Officer*

# Who We Are and What We Do

FCDO Services is an Executive Agency and Trading Fund, owned by the Foreign, Commonwealth and Development Office (FCDO). We specialise in delivering secure, mission-critical services across government, to enable UK diplomacy and national security globally. As a Trading Fund, we do not receive government funding and operate as a financially independent, sustainable business, providing vital services and value for money for the UK taxpayer.



### What we do

We are trusted when security matters most. We ensure governments can operate securely globally, protecting sensitive information and enabling the FCDO, UK government partners and allied nations to operate with confidence in an increasingly complex world.

We deliver mission-critical secure environments, logistics and digital solutions. Our unique position as an FCDO Trading Fund combines government insight and knowledge with commercial agility, providing deep technical expertise with secure access across government.

Our services include secure spaces, logistics, monitoring, digital and technical security, and training. We provide secure communications platforms, armoured vehicles, a diplomatic bag service, and a global network of technical experts.

Our Sensitivity Review Service combines human expertise with AI technology to efficiently redact sensitive information from digital records for public record, safeguarding the UK's international relations, defence interests, intelligence operations and individual privacy.

The UK National Authority for Counter-Eavesdropping (UK NACE) is part of FCDO Services. As a National Technical Authority (NTA) for technical security, it provides advice, assurance, monitoring and training services, working closely with National Security partners to address rapidly evolving technological changes and sophisticated threats.

### How we are organised







We deliver a global operation, working across the FCDO's international network. Our new global operating structure enhances our global alignment and service consistency and significantly improves decision-making.

Our staff are based in the UK and around the world. In the UK, staff are based at Hanslope Park, near Milton Keynes, Abercrombie House in East Kilbride, and at the FCDO's London headquarters, King Charles Street.

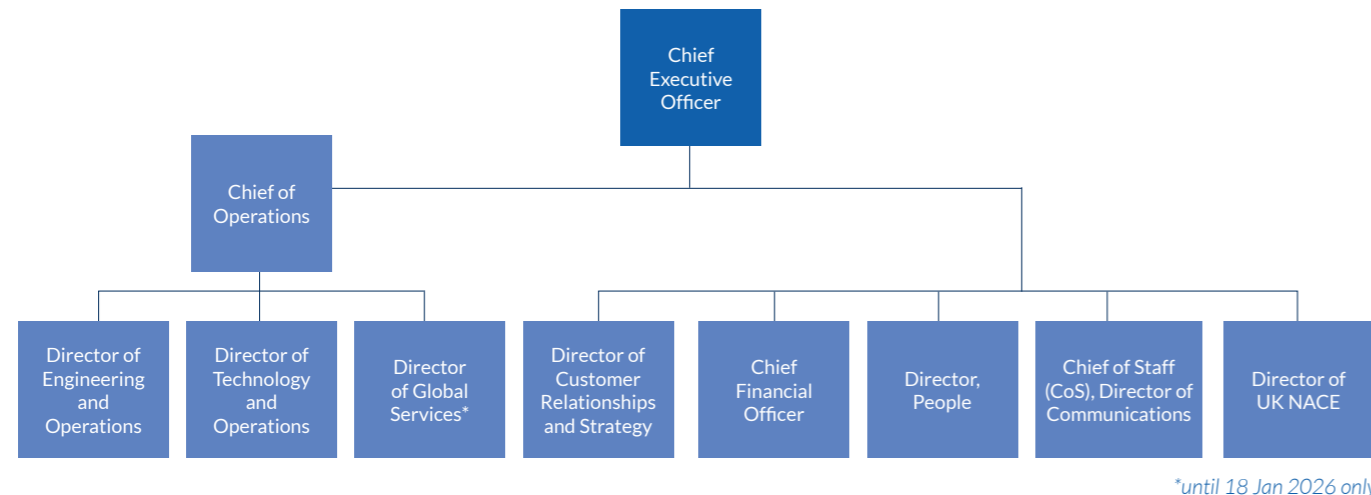
Our regional teams are based across the FCDO's international network, including hubs in the UK, USA, Middle East and Africa, and Asia Pacific regions.

Our regional structure allows us to build local supply chains and adapt our approach based on the needs of each region, responding quickly to customers.


## Our Services

 Consultancy and Advisory Services	 Secure Disposals	 Global Logistics	 Counter-Eavesdropping	 Inspection and Assessments
 Diplomatic Vehicles	 Project / Programme Management	 Service Delivery	 Diplomatic Couriers	 Sensitivity Review Service
 Construction Management and Delivery	 Language Services	 Technical Security	 Architectural and Design Services	 IT Hosting

## Our Organisation



## Some of Our Partners

# Performance Analysis

This section outlines our strategic vision and our objectives, including how we measure performance.



# Performance Summary

We are in our eighteenth year as a Trading Fund of the FCDO, providing vital support to diplomatic missions and other government departments around the world.

**Our Purpose**  
 Deliver mission critical services that enable UK diplomacy and national security globally

**Our Vision**  
 To be an exceptional delivery organisation, specialising in secure services across government

**Our guiding principle**  
 We are here to deliver the greatest possible value for money for the FCDO and the UK taxpayer

Our strategy is to be the essential strategic partner driving the FCDO's global mission through exceptional secure solutions. Our unique position as an FCDO Trading Fund combines government insight and knowledge with commercial agility.

This distinctive combination makes us the partner of choice for the FCDO, HMG and trusted governments worldwide.

Our strategy will drive:

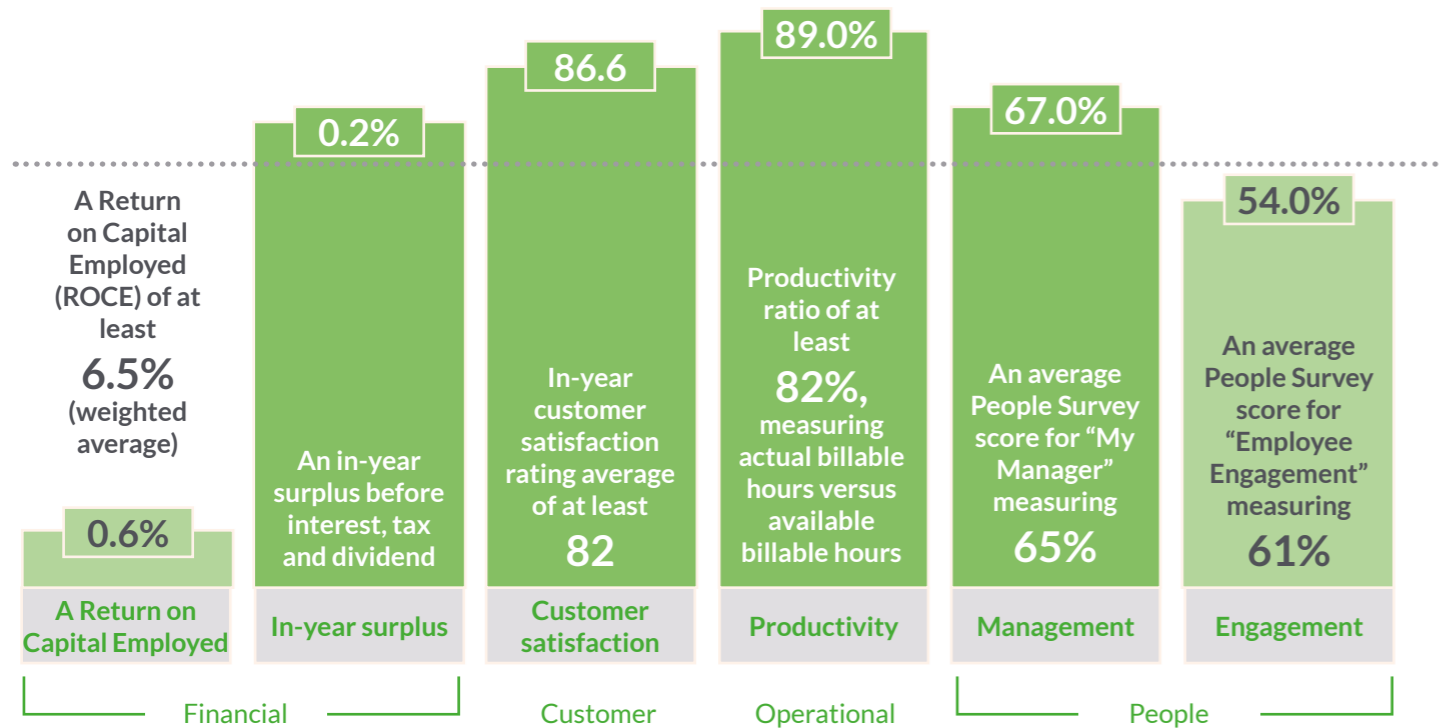
- Stronger outcomes for our partners
- Higher investment in our future
- A more fulfilling place to work for our people

### Our corporate plan and priorities

Every three years we produce a comprehensive corporate plan which lays out our strategy and priorities against the background political, economic and social environment, including financial forecasts for the period of the plan. In 2025/26 we launched our new five-year strategy, setting a path to evolve faster, serve smarter and create a stronger, sustainable future.

Our strategic priorities for 2025/26 are:

- 1. Deliver cost savings and efficiencies** – through accelerating our efficiency workstreams, increasing opportunities to reduce cost and complexity, and driving improvements in our ways of working, systems and processes
- 2. Embed professional disciplines** – through building stronger commercial, customer and project management skills, strengthening leadership and management at all levels, and attracting and retaining the specialist skills that set us apart
- 3. Prioritise delivery and innovation** – through prioritising delivery and innovation of our secure solutions and scalable services, keeping our government partners ahead of emerging threats and budget challenges.



**Measuring our performance**

FCDO Services is accountable to the Secretary of State for the Foreign, Commonwealth and Development Office (FCDO) through an appointed Minister of State, alongside various boards and committees that direct the organisation.

The FCDO Services Board (the Board) is the principal governing body of FCDO Services. The Board is responsible for overall strategic management, setting corporate policy and monitoring performance and risk, in accordance with the FCDO Services Framework Document. The Board has four sub-committees.

The Strategy and Corporate Committee (SCC) is a sub-committee of the FCDO Services Board and meets monthly to discuss HR, Communications, Business Services, Strategy and Customer Relationships matters and focuses on corporate decision making. This

committee takes ownership of day-to-day management and strategic leadership, ensuring FCDO Services is following its strategic aims and policies. The Operations Committee is also a sub-committee of the FCDO Services Board and meets monthly to ensure the effective delivery of all operational decisions related to its People, Customers, Operational Safety, Finance and Security. The People Committee is also a sub-committee of the FCDO Services Board and meets three times a year to discuss key workforce issues and policy and the appointment, development and reward of senior staff. The Audit and Risk Assurance Committee (ARAC) is also a sub-committee of the FCDO Services Board and meets quarterly to discuss risk, controls, governance and assurance.

The SCC has five sub-committees: the Investment Committee, Security Committee, Remuneration Panel, Pipeline and Commercial Review Committee and the Risk Review

Panel. The Investment Committee meets to drive, oversee and approve investment and ensure all spend and investment is in line with strategic direction and Corporate Plan targets. The Security Committee forms part of the overall security assurance and governance and has oversight of risks, threat and security governance. The Remuneration Panel ensures transparency and a robust approach to decisions regarding recruitment, job related allowances for delegated grades and pay decisions that sit outside of the pay remit process. The Pipeline and Commercial Review Committee oversees the development of the sales and revenue pipeline to ensure sufficient new business opportunities and provides a forum for commercial and organisational risk escalations. The Risk Review Panel assesses the overall risk landscape and undertakes ad-hoc deep dive reviews.

Ministerial Target Set		Result
Return on Capital Employed	A Return on Capital Employed (ROCE) of at least 6.5% (weighted average)	0.6%
In-year surplus	An in-year surplus before interest, tax and dividend	0.2%
Customer satisfaction	An in-year customer satisfaction rating average of at least 82	86.6
Productivity	Productivity ratio of at least 82%, measuring actual billable hours versus available billable hours	89.0%
Management	An average People Survey score for "My Manager" measuring 65%	67.0%
Engagement	An average People Survey score for "Employee Engagement" measuring 61%	54.0%

The Operations Committee has two sub-committees: the Health and Safety Committee and the Operational Product Lifecycle Sub-Committee. The Health and Safety Committee is the organisational level consultative and advisory body for health and safety matters affecting staff, contractors and those who may be affected by FCDO Services' undertakings both in the UK and overseas. It discusses health and safety policy, strategy, safety performance review, operational safety planning, safety risk management, consultation and co-operation. The Operational Product Lifecycle Sub-Committee provides oversight, direction, and governance for operational product lifecycle management.

The ARAC and People Committee have no sub-committees.

The SCC, Operations Committee, People Committee and ARAC are accountable to the FCDO Services Board, chaired by Sir Simon Gass.

A detailed explanation of our governance and oversight structures is set out in the Accountability Report.

**Investing in our people**

High quality development is available at all levels of the organisation, and staff make good use of learning opportunities both at a corporate and directorate level.

The quality of leadership and management across the organisation is important, and investing in it is part of our approach to improving staff engagement and retention, which helps create a positive work environment to drive productivity and efficiency. As such, we have provided our directors and other senior or high potential leaders with coaching opportunities. We have also continued to deliver our Strengthening Management Capability Programme, a twelve-month programme that will be completed by all managers. This is a large undertaking which has been delivered by a blend of external and internal experts. In 2025/26 we have held over 250 sessions which have reached 373 managers in 24 countries around the world.

Although much of our focus has been on our own internal management capability training, we continued to partner with a local college to deliver Chartered Management Institute

qualifications. Ten individuals achieved Level 3 qualifications, and three individuals achieved a Level 5 qualification.

We are committed to identifying and growing new talent pipelines, and in 2025/26 nine apprentices successfully graduated from four different programmes. In order to develop the skills we need to deliver for our customers, our apprentices gain hands-on experience while studying in fields such as technical engineering, information technology, and cyber security.

**Pay award**

We made full use of the 3.75% increase available through the Civil Service Pay Remit Guidance, with eligible staff receiving a full 3.75%. In line with our Reward Strategy, the award reflected our key reward principles; development of market facing pay, improving career and progression, reducing in-grade inconsistencies as well as recognising individual and team contribution, strengthening the links between overall business performance, reward, and affordability. We made non-consolidated performance bonus payments ranging from £700 to £3,150 and awarded a corporate

bonus of £1,150 to eligible staff. This approach was well received by staff, demonstrated by a 3% increase in our Reward score in the People Survey.

### Diversity and inclusion

Our people make us who we are as an organisation. The skills and commitment of our staff who work around the world, and their breadth of experience and thinking, underpins our success as a business. We recognise that circumstances around the globe over the last year, as well as in the UK, continue to make it a more challenging environment for our people to be themselves and to be at their best.

Our approach remains committed to creating a workforce that reflects the societies in which we are located and increasing diversity of thought, supporting the UK government's inclusion agenda, and to creating and maintaining a workplace where everyone can be at their best. We achieve this through working to remove barriers. Our recruitment and promotions remain merit based, so we are pleased that as at December 2025 representation of disabled staff, technical female employees and senior ethnic minority staff were at their highest levels. Representation of female, senior female, and ethnic minority staff have decreased slightly on the previous year's figures.

We've seen a significant increase in our disability declaration rates, potentially as a result of successfully upgrading our Disability Confident status last year.

This year diversity and inclusion has benefitted from the organisational focus on management capability, with specific sessions for line managers on building a culture of respect, ensuring staff wellbeing, shaping futures, managing neurodiverse staff, and menopause. All staff have been able to benefit from specific campaigns including

neurodiversity, resilience, domestic abuse and male/female cancers ensuring our wellbeing approach is relevant to our people.

We continue to benefit from the breadth of the FCDO and civil service staff networks, as well as our own, to work more efficiently on activities and to emphasise messaging.

We have actively increased our interaction with other departments to increase insights and reduce duplication.

### Outreach

Outreach continued to have a strong focus in 2025/26 to raise FCDO Services' profile as an employer of choice and to build our diverse talent pipeline, particularly in Science, Technology, Engineering and Maths (STEM) careers.

We have worked closely with local schools and sixth form colleges to deliver employer engagement activities such as assemblies, careers fairs and interactive workshops that develop students' employability skills, knowledge of FCDO Services and our apprenticeships. Most of these schools are selected due to their proportion of students from lower social mobility backgrounds and we are proud to work with Futures for All (previously known as Speakers for Schools), a charity dedicated to improving social mobility and inspiring young people.

We have continued to broaden our T-Level placement programme and in October 2025 FCDO Services was awarded Highly Commended for the T-Level Employer of the Year 2025 award in the Department for Education's (DfE) National Apprenticeship and Skills Awards Regional Finals East.

Our flagship outreach event is our own STEM fair called 'Innovators in the Park', which FCDO Services and

UK NACE ran for the third time this year in collaboration with HMGCC and Bletchley Park. This year showcased careers in IT, technical security and engineering and targeted local secondary schools and colleges that have a high proportion of students from lower social mobility backgrounds.

In addition, there is an active network of volunteers within the organisation from apprentices up to and including the CEO, all of whom deliver outreach activities, support with work experience and have created a variety of interactive activities for students.

### Recruitment and retention

We have continued to develop and embed our talent attraction strategy, attending external events with key partners and developing strategic relationships with specialist suppliers to support sourcing for specific and niche roles. This has been complemented by ongoing work to optimise our talent pools.

Building on last year's implementation of our applicant tracking system, we have continued to improve efficiency in time and resource across our recruitment processes. This has improved the experience for hiring managers and applicants alike. We have also introduced candidate packs, based on our employee value proposition, to better promote our offer to prospective applicants.

A key focus during the year has been on rebalancing our permanent and contractor workforce in line with our Strategic Workforce Plan. This, alongside resourcing to new operating models, has led to a significant increase in recruitment activity and we have achieved our target ratio of employees to contractors.

Retention has stabilised during the period, with an overall voluntary turnover rate of 7.3% at year-end.

We achieved the highest rating in our recent Civil Service Commission audit and are proud to have been awarded the Civil Service Commissioners' Mark of Excellence 2025/26. The award, now in its fourth year, recognises teams which have tried new ways to attract candidates for roles across the UK Civil Service. The commitment and consistency in externally advertising roles, alongside our outreach work in attracting bigger UK organisations to support and reduce barriers faced by disadvantaged and diverse applicants stood out to the judging panel.

### Civil Service People Survey results

The Civil Service People Survey is one of the ways we are able to gauge how our staff feel about working for FCDO Services, with 62% of people choosing to participate. The 2025 "Employee Engagement" rating decreased by five points to 54% against a ministerial target of 61%, when compared to last year. The "My Manager" score also saw a decline to 67%, although this score meant we still achieved one of our People Survey ministerial targets.

There were some teams which displayed high levels of engagement, but at an organisation-wide level there were reductions in scores across all but one index. The board recognises the importance of building an engaged workforce, considering results at both organisation and team levels, and will place a sharper focus on actions that aim to address staff concerns. We are also looking to undertake a comprehensive workplace culture programme, which will help identify and implement improvements that can underpin better levels of engagement.

### Health and safety

At FCDO Services ensuring the safety and well-being of our staff, customers, contractors and delivery partners is our highest priority. Operating in diverse global environments our robust ISO 45001 accredited health and safety management systems are in place to prevent harm and illness.

This year we have achieved a significant reduction in our incident severity; a strong indicator of improved risk management and effective action being taken to ensure lessons are learnt and recurrence prevented:

- No RIDDOR (Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations) events were reported
- We reduced our serious and moderate accidents by a third and had only two lost time incidents which resulted in three days absence
- Near miss performance continued to improve with not only an increase in reporting levels, but, importantly, a significant decrease of 23% in moderate/serious incidents

We have continued to drive our positive health and safety culture with demonstrable focus and commitment to the continuous improvement of health and safety:

- Over 95% of all our accident and near miss investigations were completed within five days of the report being made
- Planned workplace inspections achieved an average completion rate of 97%
- Only two major non-conformities were raised in our internal audits, with all actions being addressed and closed within their due date. No major non-conformities were raised in external audits
- Over 95% of our staff completed dedicated health and safety training

- We have developed and are rolling out a bespoke health and safety training module as part of the Strengthening Management Capability programme
- Our health and safety team launched their first Target Operating Model which defines their purpose and outputs as well as how their work directly supports the delivery of our strategy

We are proud of the improvements we have achieved this year and will be focused on continuing this into next year.

### Assessing our risks

The principal risks faced in achieving our ministerial targets and our corporate objectives are managed proactively within our 'Risk and Control Framework', set out in detail in the 'Annual Governance Statement' later in this report. Risk management activity is reinforced by a policy document, supporting processes and training.

Additional oversight is provided by the ARAC (Audit and Risk Assurance Committee), which meets quarterly. Effective identification and management of risk is fundamental to the success of the organisation. This is managed via a register of principal and operational risks, periodically reviewed, and updated using our in-house bespoke risk management tool.

### Business continuity and resilience

FCDO Services' approach to Business Continuity (BC) continues to focus on the delivery of critical activities, crucial to the continuous delivery of services to customers and stakeholders.

When challenged with significant global events over the past year, our BC framework has been tested and demonstrated its resilience and effectiveness.

We have maintained a comprehensive incident response which has allowed us to effectively handle any unexpected disruptions, thus ensuring the smooth delivery of services to our customers.

We have aligned with the FCDO and Partners Across Government (PAGs) by transitioning to a resilience-focused BC management system that maintains alignment with best practice principles.

A review of BC was conducted by the FCDO internal audit team this year identifying some areas for improvement. An action plan has been developed, and implementation of improvements has begun.

Our organisation's resilience structure has proven to be effective and robust, enabling us to remain flexible and prepared during critical times, as we continue to support our customers and stakeholders affected by disruptive events worldwide.

Through continuous dynamic planning, exercising, and delivery, we remain committed to achieving our goals and providing the highest level of service to both our staff and customers in the future.

### Sustainability

FCDO Services is a Trading Fund of the FCDO and is part of the FCDO's environmental footprint within the Greening Government Commitment (GGC) framework. Our sustainability initiatives focus on strengthening and improving environmental management across all activity and producing greener products and services for our customers. We work collaboratively with the FCDO to reduce our organisational footprint to meet GGC targets and net-zero initiatives, and we align with the FCDO's certified ISO 14001 Environmental Management System standard to ensure environmental compliance. Our current progress and approach to both the Greening Government Commitments and

HM Treasury Task Force for Climate Related Financial Disclosures (TCFD) are included within the sustainability chapter of this report.

### Corporate security

FCDO Services continues to implement an effective protective security risk management model in line with Cabinet Office and National Protective Security Authority (NPSA) guidance.

We work closely with the FCDO to ensure compliance with the Government Functional Standard GovS 007 Security, and the minimum physical, personnel and incident response Cabinet Office standards.

Our compliance against these standards has improved over the last year, with a particular focus on critical asset and insider risk management.

Our security initiatives are focused on ensuring effective security measures, by implementing appropriate physical and personnel security controls deployed in effective layers to deter, detect and delay unauthorised access to our critical assets.

Our site perimeter and asset specific security assessments are supported by collaboration with the Protective Security Centre (PSC) and cross-government security working groups.

Comprehensive security education and mandatory insider risk training for all staff have supported our security culture.

Compliance monitoring, measuring trends and the production of lessons learned has influenced our communications, levels of assurance and the direction of planning.

### ISO Standards

We successfully maintained our certification to the following standards through a continuous cycle of self-evaluation, correction and improvement of our operations and management processes:

- ISO 9001:2015 Quality Management Systems
- ISO 27001:2022 Information Security Management
- ISO 20000-1:2018 Service Management System
- ISO 45001:2018 Occupational Health and Safety
- ISO 14001:2015 Environmental Management (within the scope of the FCDO's certification)

Retaining these ISO Standards provides assurance to the organisation and our customers of the relevant systems of governance, risk management and controls, and our commitment and delivery of continuous improvement.

### Personal data

FCDO Services has referred two data protection incidents to the Information Commissioner's Office (ICO) during 2025/26 – one as a data controller and one as a data processor. In the former, the ICO closed the case determining that the breach had been mitigated with no documented harm. The latter breach remains an open case with the ICO; the data controller is a customer. No enforcements have been made by the ICO in 2025/26.

### Performance in responding to correspondence from the public

As a public organisation, FCDO Services is subject to the Freedom of Information Act (FOI) which creates a public "right of access" to information held by public authorities. Individuals also have the right to obtain a copy of their personal data held by the organisation, as well as other supplementary information-known as a Subject Access Request (SAR). Under this Act, FCDO Services must provide answers to the public when they submit an FOI request. In the 12 months ending 31 March 2026, FCDO Services received 30 FOI requests and 14 SARs.

### Modern slavery

FCDO Services recognises that it has a responsibility to take a robust approach to combat modern slavery. The organisation is absolutely committed to preventing modern slavery in its corporate activities, and to ensuring that its supply chains are free from the practice of modern slavery. We have policies in place that cover the use of agency workers and best practice on monitoring services provided to us by suppliers.

A full statement is reviewed and updated annually by the Strategy and Corporate Committee and is made available on our website.

### Ethics

Our Ethical Code sets the standards of behaviour and conduct expected of our people – employees and contractors.

The Ethical Code incorporates the Civil Service Code and its core values of integrity, honesty, objectivity and impartiality. The Ethical Code specifies:

- conduct
- declaration of gifts and interests
- how we work with our colleagues

- raising concerns
- respect at work
- how we handle information
- how we work to eradicate unethical practices from our organisation
- behaviour when undertaking procurement activities

Our Respect at Work Policy, and continuous improvement plan helps to ensure staff receive fair treatment and respect, no matter their background, and helps FCDO Services prevent discrimination in the workplace.

### Whistleblowing, anti-corruption and bribery

FCDO Services is committed to ensuring high standards of conduct in all that it does. These standards are reinforced by the Civil Service Code and in Diplomatic Service Regulations (DSR) and Home Service Regulations (HSR). Our Raising a Concern Policy is designed to make it easy for workers to make disclosures, without fear of retaliation.

# FCDO Services Strategic Review and Performance

This section outlines FCDO Services' strategic performance and achievements during the reporting period. It details our engagement with the Spending Review process, expenditure priorities, progress against organisational objectives, and adaptations to changing government priorities. The information demonstrates how FCDO Services continues to deliver value as a Trading Fund while supporting the FCDO's diplomatic objectives and broader government commitments.



## FCDO Services Strategic Review and Performance

### Spending Review outcomes and strategic objectives

As a Trading Fund, FCDO Services receives no direct budget allocation through the Spending Review. We do however engage with the FCDO's Spending Review process. Our new five-year strategy encompasses the cornerstone of creating better value for the FCDO. This strategy is built on four pillars aligned to the principles of the Trading Fund while supporting the FCDO's diplomatic objectives and broader government commitments.

- Protect the platform – Reducing the cost to serve the FCDO
- Strengthen value – Generating surplus from wider market customer to fund innovation and generate headroom to make savings for FCDO
- Transform partnerships – Making it more straightforward for partners and suppliers to do with business with us
- Accelerate change – Enhancing our capacity, capability and competitiveness

### Achievement against organisational objectives

In 2025/26, FCDO Services initiated efficiency workstreams to remove unnecessary processes and enhance organisational output. This progress enables FCDO Services to offer a price freeze to the FCDO while absorbing forecast inflationary pressures in 2026/27. Investment continues in programme management, procurement, and automation tools, alongside the systems and capabilities required to strengthen organisational skills and enhance delivery performance for all customers. 2025/26 proved a challenging year for customers, with budget constraints causing commissioning delays and reducing the volume of activity delivered during the year.

### Our achievements

2025/26 marks the first year of our new five-year strategy, defined by deliberate, purposeful change. As the FCDO's strategic partner, we deliver mission-critical secure services across 280+ missions in 178 countries, providing secure environments, infrastructure, logistics, technology, and expertise that enable UK diplomacy, defence, and national security.

The strategy launches amid a demanding environment. Following the Spending Review, partner budgets across government have tightened, with further constraints expected. The geopolitical landscape has grown more volatile, and a government priority for greater value for money from arm's-length bodies (ALBs) drives our need to evolve faster, serve smarter, and deliver more cost-effectively. As a self-funded Trading Fund, we must generate our own surplus to invest in the modernisation and innovation our partners need.

In response, we committed to three priorities for 2025/26:

- accelerating cost savings and efficiencies
- embedding professional disciplines
- prioritising delivery and innovation

The sections that follow provide case studies and examples demonstrating our performance against each priority.

# Accelerate Change

## Deliver cost savings and efficiencies

This year marked the first year of FCDO Services' new five-year strategy at a moment of significant financial pressure. Following phase one of the Spending Review, partners across government faced reduced budgets, with further constraints anticipated.

As a Trading Fund, FCDO Services does not receive government funding and must operate as a financially independent, sustainable business, generating surplus to self-fund the modernisation and innovation needed to continuously improve services and deliver value for money for the UK taxpayer. This makes driving cost savings and efficiencies both an operational and strategic necessity.

To meet ministerial targets and fund investment needs, FCDO Services progressed the delivery of efficiency workstreams across three areas:

- **Process** - delivering efficiencies in ways of working, systems and processes by building highly repeatable, best-in-class processes through standardisation, best practice, and simplification to reduce duplication across commercial, customer, and project management functions
- **People** - deploying the Strategic Workforce Plan to enable a more cost-effective, flexible, and streamlined workforce, with focus on contractor and third-party usage
- **Automation and modernisation** - exploiting digital technologies including cloud computing, AI, machine learning, and data analytics to unlock capacity, enhance flexibility

and responsiveness, improve decision-making, reporting, and transparency, with security by design central to our digital transformation

### Why change is needed

Like many organisations, including our parent department the FCDO, we face increasing demands while managing constrained budgets following the Spending Review. Rather than doing less, we are choosing to work smarter - examining how we operate, removing unnecessary complexity, and investing in systems and approaches that free our people to focus on high-value work.

Our 2025-30 corporate strategy sets a clear direction: accelerate change by reducing our cost to serve, funding innovation, and delivering better value for money. This means taking a systemic approach to eliminating waste, driving continuous improvement, and tackling barriers to efficiency and productivity.

This commitment to change is fundamental to FCDO Services' long-term sustainability and ability to deliver value for money. Change is being delivered at three levels:

- At an organisational level, we are streamlining capabilities and operating models, reducing layers, standardising practices, and empowering staff to make decisions - saving time and improving effectiveness across commercial, customer, and project management functions
- Through our products and services, we are collaborating across functions and innovating

to take ideas from inception to real impact in delivery

- In our day-to-day activities, we are simplifying and automating processes, removing duplication, and designing ways of working that start with the end user in mind

### Efficiency savings programme

In 2025/26, FCDO Services launched 19 efficiency workstreams as the foundation of a three-year programme targeting over £30m in savings. In year one, the programme delivered £3.8m in-year benefits and £9.7m in annualised savings from concluded activities - strong foundations for a multi-year transformation and continued improvement.

The largest contributions came from workforce rebalancing and structural change. A review of contractor usage and costs delivered £3.1m in savings, while the introduction of new Target Operating Models across Global Services, corporate resources, and UK NACE released a further £0.7m through structural changes and vacancy management.

The operating surplus was affected by post-Spending Review revenue reductions, unfunded customer items, and deliberate investment in long-term capability - factors outside the efficiency programme's scope.

Ministerial surplus targets were met. The programme continues into 2026/27 with further workstreams in development across all business areas, building on year one momentum towards the three-year savings objectives.

## Case Study



### Delivering a leaner, more agile Global Services team

**Delivering secure services across a global network requires an organisation structured to respond quickly, reduce complexity, and deliver more for less. As part of FCDO Services' commitment to accelerating change, delivering cost savings and efficiencies, and greater value to customers, in 2025 our Global Services team transitioned from a regional model to a global, service line-focused structure. Bringing greater agility, clearer accountability and more efficient services, the change helps FCDO Services operate as a lean and agile organisation in support of our customers and national security.**

#### The challenge

The previous regional structure created silos that limited flexibility and slowed responsiveness. Over time, geographical boundaries made it harder to maintain clear lines of accountability and to provide the consistent, agile service customers needed.

As FCDO Services looked to improve its services and demonstrate value, it was clear that a more streamlined, function-led approach was needed - one that put service before geography, simplifying how work gets done and enabling a faster, more consistent response to customer needs.

#### The approach

Developed in response to feedback from colleagues and FCDO partners, the new model moves away from geographical boundaries. With three clearly defined service lines, supported by a dedicated Global Excellence function focused on performance and continuous improvement, it simplifies how services are delivered and makes it easier for customers to access the support they need.

- The Global Maintenance Programme delivers planned and reactive maintenance across the FCDO's overseas estate
- The Global Property Support Service provides expert estates maintenance and compliance advice through a network of specialists at diplomatic Posts

- The Global Technical Security Service delivers technical security inspections, secure systems maintenance and diplomatic bag logistics across 44 Posts worldwide

Underpinning all three services is the Global Excellence function, which provides performance monitoring and analysis, learning and development, and quality assurance to ensure consistent, high-quality delivery.

#### The outcome

The transition to a service-line model is designed to make it simpler for FCDO customers to access the right expertise at the right time. By moving away from regional structures, FCDO Services aims to reduce complexity, improve responsiveness, and ensure clearer accountability across the global estate. As the new structure continues to embed, the intention is to deliver a faster, more accountable service wherever it's needed.

The changes are also intended to open new opportunities for colleagues to develop skills and experience across the full global estate, rather than within a single region, building a more versatile, resilient workforce over time.

Together, these changes lay a stronger foundation for consistent, high-quality service delivery in support of the FCDO and the UK's wider diplomatic mission.



**Process improvements**

Behind every efficient organisation is a commitment to doing things consistently well. In 2025/26, FCDO Services invested in the foundations of long-term efficiency by standardising and simplifying processes across its core business functions.

A Business Management workstream reviewed compliance processes and organisational structures, releasing roles and generating £0.2m in savings. Alongside this, a unified Project Management framework introduced standardised documentation and a 'Project on a Page' reporting format, bringing greater consistency to how projects are tracked and communicated. A Strategic Project Management Office is being established to drive delivery standards across the organisation.

All seven organisational risk category appetites were reviewed, with improvements made. The Data and Information risk appetite category was updated in response to feedback from the business to include Cyber: Information, Data and Cyber. This improved FCDO Services' ability to respond quickly and confidently to emerging risks.

A new Reporting Strategy aligned key performance indicators to governance frameworks and business outcomes across the organisation, improving transparency and accountability at every level and creating decision ready insights for leadership.

These changes represent the first phase of a longer-term commitment to eliminating unnecessary complexity, reducing duplication, and building the consistent, repeatable processes that underpin sustainable efficiency.

**Rebalancing our workforce**

FCDO Services made significant progress reshaping its workforce in 2025/26 to create a leaner, more cost-effective structure while protecting specialist capability. The organisation reduced its reliance on contractors, shifting the employee-to-contractor ratio from a previous imbalance to 91:09 – narrowly missing the 90:10 target - generating over £3m in savings through reduced contractor costs and disciplined contractor replacement. Exit schemes, including voluntary exit and redundancy programmes, contributed a further £1,064k in annualised savings while supporting a planned reduction in overall headcount.

Alongside this, FCDO Services continued work to shift more resource toward front-line delivery roles. The ratio of non-delivery to delivery staff moved from 29:71 to 25:75 - progress toward a longer-term 20:80 target, with further rebalancing planned in 2026/27. Supporting this shift, line management of the technical engineering apprenticeship programme transferred from HR to Global Services in September 2025, streamlining oversight, improving on-site support and creating a single point of contact for the apprentices.

**Modernising our digital infrastructure**

Modernising IT systems underpins both efficiency and resilience, and in 2025/26 FCDO Services progressed three programmes towards this aim.

The NOVUS programme migrated approximately 1,350 users from legacy systems to Microsoft 365 and SharePoint, replacing outdated shared drives. The programme improved collaboration, document management, and information security, while enabling modern working practices across all FCDO Services teams.

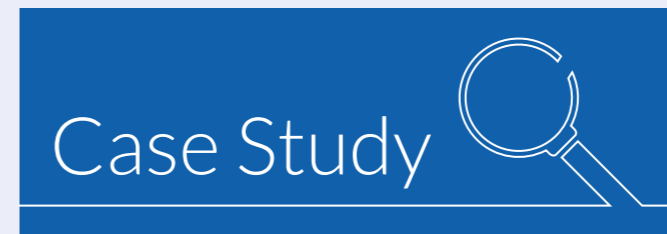
Alongside these modernisation programmes, FCDO Services significantly strengthened its cyber resilience and digital infrastructure in 2025/26 through a programme of technology improvements designed to reduce cyber risk and modernise operations.

Active Cyber Defence was deployed to 97% of services, with the remaining 3% completing in April 2026. Extended Detection and Response was rolled out to all end-user devices three months ahead of schedule. Immutable backups were completed and cloud transition discovery and commercial agreements finalised, supporting future cloud migration under the Cabinet Office's Cloud First policy.

These improvements substantially strengthened FCDO Services' security posture and resilience against cyber threats, with some activities carrying into 2026/27 as the programme continues to deliver its full scope.

**Transforming our logistics operation**

Our multi-year Logistics Transformation Programme reached a significant milestone in 2025/26 with the NetCourier logistics management system going live on 22 September 2025. The new system replaced the legacy CMACS system and introduced real-time tracking, automated processes and 24-hour accessibility for government and partner customers worldwide.



**NetCourier and logistics transformation: modernising secure global logistics**

**The Logistics Transformation Programme is modernising how FCDO Services manages the secure movement of diplomatic mail and materials across the globe. Combining new digital tools with longer-term infrastructure investment, the programme is delivering the capabilities needed to support a more efficient, secure and capable global logistics service.**

The first major milestone was reached in September 2025 with the launch of NetCourier – a new cloud-based logistics management system, transforming how the organisation manages global diplomatic mail.

**From legacy system to modern logistics platform**

NetCourier replaces an outdated, manual process that required information to be entered across multiple platforms, creating unnecessary duplication and no longer meeting the operational or security demands of a modern logistics function central to government.

The new system provides a single, integrated solution, delivering end-to-end order management, real-time shipment tracking and automated proof of delivery. For customers, this means greater visibility and control over global diplomatic mail. Internally, it delivers seamless alignment with billing and finance systems, reducing manual workload and improving accuracy across the organisation.

**Developing our teams to support a global rollout**

To deploy the new system globally, the rollout included comprehensive training for internal teams and global users ahead of the launch to ensure a smooth transition. Since launch, the team has continued to engage staff and customers to identify opportunities to refine and improve the service.

**Delivering change for our customers and colleagues**

The launch of NetCourier has had a tangible impact on both the customers who rely on FCDO Services to move diplomatic mail and materials securely, and the colleagues responsible for managing that service day-to-day.

For customers, the most significant change is visibility. NetCourier provides 24/7 access to live order status, giving government departments, including overseas Posts, the ability to raise and track orders at any time, no longer constrained by UK office hours. This end-to-end visibility gives customers greater confidence and control over time-sensitive diplomatic consignments, with assurance that sensitive materials are reaching their destinations securely and on time.

The ability to place and manage orders directly through the system has also reduced reliance on manual communication, making the process faster and more transparent. NetCourier additionally enables a more secure Accompanied Bag Service, with tighter controls and better assurance for how sensitive diplomatic materials are handled across the network.

Internally, NetCourier has streamlined how our teams work. By consolidating previously fragmented manual processes into a single integrated platform, the system has reduced duplication, minimised errors and strengthened billing accuracy, directly supporting FCDO Services' commitment to efficient, value-for-money operations.

**“We are always seeking new ways in which our customers can access our services with ease. With the implementation of NetCourier, our customers will have the option of real-time tracking of their items and visibility across the entire logistics operation. This fully cloud-based system offers the pioneering change we’ve been wanting as it offers ease of access, optimal user experience and crucially it enables our customers to receive mail and equipment in the most difficult environments, with confidence that it has not been compromised during transit.”**

**Mike Astell**  
CEO, FCDO Services

Together, these changes represent a shift in how FCDO Services delivers our logistics function - moving to a streamlined, data-driven service that is better equipped to meet the demands of a modern global organisation.

**Looking ahead**

The launch of NetCourier marks a significant milestone in FCDO Services' logistics transformation, but it is part of a broader programme of change and investment. Alongside this digital innovation, FCDO Services is investing in its physical infrastructure, with a new logistics hub due to open in 2027, underpinning our global logistics operation.

Together, these developments reflect a long-term commitment to delivering a logistics function that is secure, efficient, and equipped for the future, supporting the UK government and its partners around the world.

Securing Full Business Case approval for the new logistics facility from the FCDO, Cabinet Office, and HM Treasury marked another major step forward. Detailed designs for security and operational enhancements are underway. The new hub will significantly expand the scope and capacity of FCDO Services' logistics operations.

The investments have already delivered measurable environmental and financial benefits, reducing the logistics CO<sub>2</sub> footprint by 11.6% and the cost base by 3.6% in 2025/26, demonstrating the value of modernising operations before the new facility opens.

# Transform Partnerships

## Embed professional disciplines

FCDO Services' ability to deliver mission-critical services to partners across government depends on the expertise, professionalism and capability of our people. In 2025/26, FCDO Services invested in three interconnected priorities to strengthen its workforce:

- Enhancing programme management capability
- Investing in leadership and management development
- Attracting and retaining specialist talent

Together, these investments build the professional foundations required to deliver consistently high-quality services while supporting the organisation's wider drive to become leaner, more agile, and provide better value for money.

**Programme management capability**

Delivering consistent, high-quality services across a global estate requires rigorous project management foundations. In 2025/26, FCDO Services addressed inconsistent processes, terminology, and governance across business areas that were creating unnecessary complexity and limiting efficiency.

In September 2025, FCDO Services launched a dedicated project management workstream to establish a unified approach across Engineering and Operations, Technology and Operations, and Global Services. A cross-functional working group developed standardised project documentation, covering Project Management Plans, Change Requests, RACI matrices, Decisions and Approvals Logs, and

Project Closure forms. The team established consistent internal reporting formats and governance structures, aligned to Government Standard 002, alongside a 'Project on a Page' status report, giving leadership real-time visibility of progress across the business.

A Strategic Project Management Office has been approved and is being established to embed these standards organisation-wide. Templates are completing user testing ahead of full rollout, which will improve workforce planning, performance monitoring, and career development for project management professionals.

**Leadership and management capability**

Effective leadership underpins FCDO Services' ability to embed the cultural and operational changes required to deliver its five-year strategy, retain specialist talent, and maintain service quality. The Strengthening Management Capability Programme (SMCP) reached 95% of managers in 2025/26, with a rolling programme ensuring new managers are enrolled on an ongoing basis.

Building on this foundation, a complementary leadership programme launched in April 2026 to provide sustained development support for existing and new managers as the organisation evolves.

# Case Study

## Investing in our managers: the Strengthening Management Capability Programme

In January 2025, we made one of our most significant investments in our people - enrolling all 373 people managers across FCDO Services in our new Strengthening Management Capability Programme (SMCP). Mandatory for all managers, including our Executive Directors, the programme aims to equip every people manager at FCDO Services with the skills, confidence and mindset to bring the best out of their teams, because strong management is what drives performance, wellbeing, culture and retention.

### Why we introduced the programme

Good management is something you develop continuously and as the working environment evolves, so must managers. The demands placed on managers have changed since COVID-19 pandemic. Hybrid working, the growing influence of AI and technology and new generations entering the workforce has shaped and will continue to reshape what it means to be an effective manager now and in the future.

We want our managers to be confident and effective in their skills and behaviours, to support their teams to deliver at their very best. This means investing in all our managers, not just those who are new to the role.

### How it works

SMCP is a structured, year-long journey covering what good management at FCDO Services looks like.

Managers work through ten externally facilitated modules with topics ranging from goal setting and feedback to handling conflict and hybrid accountability, alongside five internal sessions that ground the learning in our own policies and processes. In 2025, all managers also completed two community webinar-like sessions on managing neurodivergent staff and workplace respect. We will aim to keep these larger sessions reactive to manager needs each year. Together, all of these sessions ensure managers understand the 'how' as well as the 'what' and 'why' behind managing and working at FCDO Services.

All sessions are virtual to ensure all managers can participate, regardless of their location. Cohorts consist of sixteen managers drawn from different business areas, locations and levels of experience. This mix matters. It means managers build relationships and perspectives beyond their immediate teams or career areas, with some connections continuing after their sessions end. Going forward, two cohorts will run annually so that new managers benefit from the same experience, building a shared understanding of what good management looks like across the organisation.

*“The networking aspect was really good. Being a manager overseas, my interaction with colleagues in the UK is limited, so I found it interesting to engage with people I would otherwise not meet or talk to.”*

Participant

### What difference is it making

Early feedback from the programme shows that it's already influencing management across the organisation. With managers applying new approaches directly to their day-to-day work, they're addressing difficult conversations, delegating more confidently and with greater clarity, and setting clearer expectations within their teams.

For example, one participant used the Courageous Conversations module to have a difficult conversation with a colleague while another reflected that the Goal Setting module helped them recognise the need to set clearer team expectations.

The cohort model has created cross-organisational connections and support networks, spanning teams, locations and experience levels, that help managers tackle challenges from different perspectives.

*“The breakout sessions helped me tackle some doubts I was having by looking at them from an alternative perspective – I really valued having independent insight outside of my immediate management chain and it's something I'd like to continue.”*

Participant

### Looking ahead

It will take time to see the full impact reflected in engagement scores, but the early signals are strong. Managers are already leading with greater confidence and purpose, and that visible shift is itself evidence that the programme is delivering.

## Talent attraction and development

Attracting and retaining specialists with the expertise to operate in highly secure and complex environments is extremely competitive but remains essential for our global operations.

In 2025/26, FCDO Services implemented a comprehensive talent attraction strategy. The organisation

optimised talent pools, expanded its social media presence, and migrated to a new applicant tracking system, which improved the candidate and hiring manager experience. Outreach activities included career events, Women in Tech and Engineering partnerships, targeted school engagement in high-deprivation areas, and work experience and T-level placements to broaden access to specialist career pathways

for students in local communities. Overall, this multi-faceted approach has supported significantly higher applicant volumes. This commitment to innovative, fair, and open recruitment was recognised nationally when FCDO Services was named joint winner of the Civil Service Commission's Mark of Excellence 2025/26.

## Building a diverse early talent pipeline

FCDO Services is committed to building a talent pipeline that reflects the communities we serve and is investing in the next generation of talent. Our outreach programme targets schools with high proportions of students from lower social mobility backgrounds, reaching over 4,600 young people across Milton Keynes, Bedfordshire and Northamptonshire through careers fairs, assemblies, workshops and speed interviewing events.

This year we delivered work experience to 47 young people, ran assessment centre workshops with 130 students, and hosted our third annual 'Innovators at the Park' event - welcoming 135 students, including eighteen students with autism from a specialist school, for a day of hands-on STEM activity and apprentice-led conversations. We also supported employers nationally, delivering a neurodiversity workshop at the Amazing Apprenticeships Genie Live conference.

Our work experience programme, delivered in partnership with Futures for All, saw 81% of participants leave interested in a career with us. Our Amazing Apprenticeships profile attracted over 176,000 page views in six months, giving us a national presence with students, parents and schools. From apprentices acting as role models to our CEO speaking directly to students, inclusion is championed at every level, an approach recognised with a Highly Commended award at the DfE National Apprenticeship and Skills Awards Regional Finals.



Students connecting wires as part of an engineering outreach activity

## FCDO Services awarded the joint winners of Commissioners' Mark of Excellence

FCDO Services has been recognised as joint winners of the Civil Service Commission's Mark of Excellence 2025/26, which champions innovative, fair, and open recruitment that attracts diverse talent.

FCDO Services stood out for its multidimensional outreach strategy, which utilised innovative tools like social media advertising reels and sensory-based neuro-inclusive workshops which have helped engage over 14,000 students in STEM since the outreach programme started in 2023.

This includes attending outreach events such as Women in Tech and Women in Engineering to drive applications from targeted groups, delivering the neurodiversity workshop at the Amazing Apprenticeships Genie Live, and piloting the use of new tools such as Spotify to reach specific demographics, as well as embedding existing tools including LinkedIn.

FCDO Services has been recognised for collaborating with colleagues across the Civil Service to expand its reach and for focused outreach work with targeted schools to support its well-established apprentice campaign.

Along with setting up a work experience scheme and providing T-Level placements, FCDO Services has worked with colleges that have a high representation of students from areas of high deprivation.

Gayle Worvill, Director, People, says:

"I'm proud of the work of our recruitment and outreach teams and this formal recognition is well deserved. We go to great lengths to bring new skills and talent into the Civil Service, so we can deliver mission-critical services that enable UK diplomacy and national security globally."

## Case Study



### Creating a pathway into technical security: the Accelerated Technical Development Programme

Finding people with the right combination of technical qualifications and practical experience is one of the most persistent challenges in specialist government services.

The Accelerated Technical Development Programme (ATDP) was created to address this directly, offering a structured route into FCDO Services for individuals who hold Level 3 or higher electrical engineering qualifications but lack the professional experience required for direct entry into technical roles.

#### How the programme works

Launched in February 2024, the programme bridges the gap between academic achievement and operational readiness, providing 12-18 months of structured exposure across Engineering and Operations, the UK's National Authority for Counter-Eavesdropping (UK NACE), and Global Services.

The first cohort undertook placements spanning UK NACE operations, the technical workshop and production units, logistics, the engineering skills room, overseas installation work, and time shadowing technical officers at diplomatic missions. A distinctive feature of the programme is its international dimension: participants have been deployed overseas within their first year, with some spending several months living and working on Post across multiple countries. The programme is deliberately flexible. Where a participant identifies an area they want to explore further or where additional time would benefit their development, the schedule can be adjusted to accommodate this - giving trainees a degree of ownership over their own progression.

#### In their own words

The first ATDP cohort describe a programme that delivers genuine development in a collaborative and supportive environment. One participant came to FCDO Services through an unconventional route, transitioning from intelligence analysis in policing after a chance encounter with a technical officer overseas sparked a career change they have been working towards ever since. The programme, they reflect, has opened doors that would not otherwise have been available.

What sets the ATDP apart from many development schemes is where the learning happens. Trainees have shadowed technical officers at diplomatic missions, joined UK NACE on counter-eavesdropping operations, and worked alongside installation teams overseas - receiving one-to-one training from experienced colleagues in real operational environments, not classrooms.

As one participant reflected: "Living and working at Post for a longer period provided a much better view than a short deployment - you get immersed in what life at Post is really like."

#### Development in practice

From early in the programme, participants were given real responsibility making meaningful contributions to live operational tasks. For trainees with limited prior experience, the speed at which they were producing quality work came as a genuine surprise. As one reflected: "I was surprised by my own development, particularly in gaining confidence with technical tasks and developing a more secure and technical mindset."

Some participants arrived wondering how they would be received, joining via an accelerated route while colleagues had completed the full apprenticeship. Those concerns quickly proved unfounded. Across every placement, trainees found colleagues who were supportive, generous with their knowledge, and genuinely welcoming - one of the programme's quieter but more significant strengths.

For others, it is the sheer breadth of the experience that has left the biggest impression. "I am very pleased with my development so far on the ATDP, I feel that I will be experienced in most areas of the business when I finish. The programme is very well managed and there is a clear but fluid structure that I can take ownership of if I want to and I feel my input is well respected. I am very grateful for this programme as it has given me an opportunity to develop and grow that I wouldn't have received otherwise." ATDP participant.

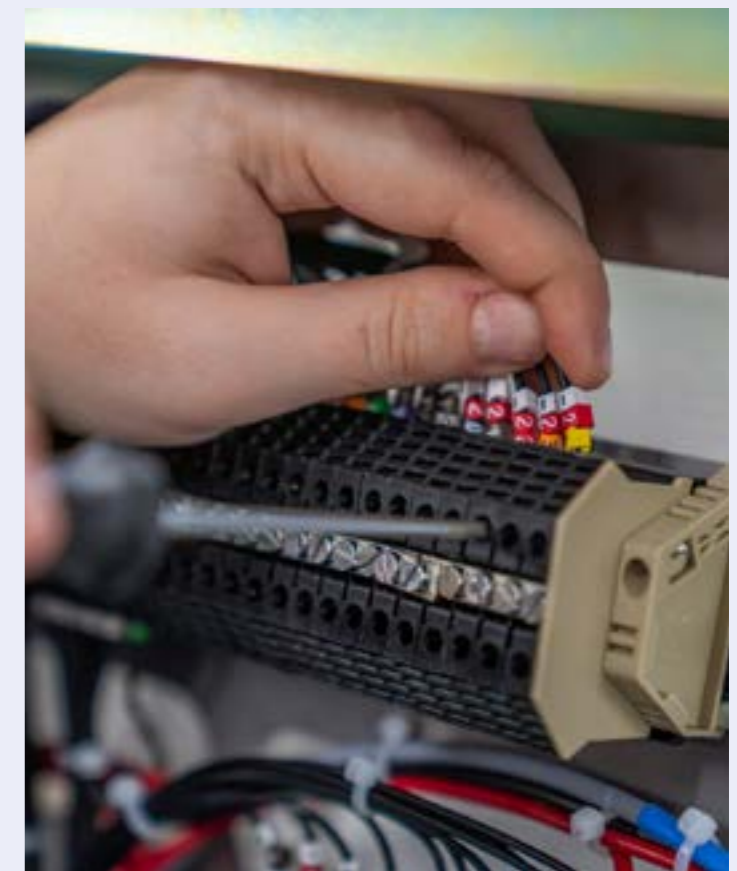
#### Results and impact

By the end of 2025/26, the first four participants were completing end-of-scheme assessments, with the expectation that successful candidates would move into operational roles, directly strengthening the pipeline of technically qualified staff across the organisation.

Feedback from across the business has been positive. Managers noted participants' willingness to engage, their mature approach, and their growing awareness of where they want to develop their careers. Participants themselves highlighted growth in both technical and softer skills, including communication, organisation, time management and confidence, alongside a clearer sense of direction for their careers, informed by first-hand experience of multiple business areas.

Importantly, participants leave the programme not just with technical capability, but with an established network of contacts across the organisation and a well-rounded understanding of how the different parts of the business connect.

The ATDP reflects FCDO Services' commitment to widening access to specialist careers, developing the internal pipeline of technical expertise, and creating fast-track development pathways that serve both individual ambition and organisational need.



An engineer carrying out electrical installation work, securing wiring into a fuse box

Investment in skills development continued through FCDO Services' Engineering Skills Room at Hanslope Park, which delivers the Certified Network Cable Installer qualification on-site for Technical Engineering apprentices. This brings specialist training in-house while providing a high-quality learning environment that matches external training centres.

Capability development also extended to sustainable design. In 2025/26, FCDO Services invested in BREEAM and LEED training to meet FCDO Estates' Sustainability Design Guide requirements, which mandate minimum BREEAM Excellent ratings for major refurbishments.

### Skills room investment: building capability, reducing costs

Attracting and retaining specialist skills requires the right environment for continuous professional development. This year, FCDO Services refurbished its Engineering Skills Room at Hanslope Park, creating a purpose-built facility designed to support our Technical Engineering apprentices at every stage of their training, while providing a dedicated space for our qualified engineers to develop skills in emerging technology, new products and the latest practices.

Second-year apprentices now complete their Certified Network Cable Installer (CNCI) qualification entirely on-site, gaining hands-on skills in copper and fibre cabling installation, termination and testing – without the cost or disruption of travelling to external centres.

By bringing the qualification in-house for the first time, we removed the need for external training fees, travel and accommodation, saving almost £16,000 for this cohort alone, with equivalent savings expected every year.

It's a practical example of how investing in our infrastructure and people deliver the same goal: building the skilled, resilient workforce of tomorrow.

“This is exactly what we hoped to achieve when we invested in the Skills Room. Our apprentices are receiving the same high-quality training they would get elsewhere, but with the added benefits of familiar surroundings and no travel disruption.”

**Head of Engineering and Operations Skills and Technical Training**

### Designing sustainably: Lisbon HMA residence

When the FCDO acquired a new His Majesty's Ambassador Residence in Lisbon, sustainability was central from the outset. FCDO Services is delivering a comprehensive refurbishment of the residence, balancing security, functionality, and environmental performance. The project is targeting a BREEAM (Building Research Establishment Environmental Assessment Method) Very Good rating, meeting the agreed BREEAM standard for this project.

To reduce environmental impact and support regional craftsmanship, the designs incorporate photovoltaic solar panels, external shading, LED lighting, natural Graphenstone paints, and locally sourced Portuguese tiles and furniture, with existing fittings reused wherever possible to minimise waste without compromising quality and character.

This project reflects FCDO Services' commitment to embedding sustainable design expertise across teams. One architecture team member holds BREEAM Advisory Professional accreditation, with others completing BREEAM in Practice training across disciplines and preparing for the RIBA Climate Literacy pilot test. This capability has been strengthened through FCDO-funded training secured in collaboration with FCDO colleagues, a strong example of cross-organisation partnership. BREEAM standards are now being applied to projects in Pretoria, Kingston, and Mauritius, each targeting the appropriate rating in line with FCDO Estates' minimum requirements.

# Protect the Platform and Strengthen Value

## Prioritise delivery and innovation



The Foreign Office Main Building, King Charles Street, London.

Geopolitical instability across Eastern Europe, the Middle East, and the Indo-Pacific is driving growing demand for trusted, secure government services. In 2025/26, protecting FCDO Services' core platform while scaling specialist capabilities across government became increasingly critical - both to meet partners' evolving security needs and to generate the revenue and surplus that sustains the organisation's long-term investment in innovation and capability.

As a government organisation with deep security expertise, established partnerships, and a proven track record of delivering in the most challenging environments, FCDO Services is uniquely positioned to meet this demand.

In 2025/26, this translated into three areas of focus: protecting the FCDO pipeline, scaling secure solutions across government, and investing in innovation.

### Protecting the FCDO pipeline

FCDO Services secured its £150m FCDO pipeline target ahead of schedule, protecting the organisation's core revenue base and demonstrating continued value to its primary customer. The total FCDO pipeline reached £167.6m by year end. Customer satisfaction improvement remains a key focus, with a budget holder survey launched in April 2026 to measure progress against a 10% improvement target.

# Delivering for the FCDO: projects across the global estate

Behind every overseas mission is a team keeping it secure, functional, and ready for the world's demands. FCDO Services delivers projects across 178 countries, from major redevelopments to urgent security upgrades. Drawing on our expertise in engineering, security, design, project management, and logistics, we protect people and keep the UK's diplomatic network operational. These projects are a glimpse of that work in action.

## 1. Nairobi – strengthening the UK's presence in East Africa

Growing instability across East Africa has made the British High Commission Nairobi's role as a regional hub increasingly critical. FCDO Services provided project management and design services for a comprehensive refurbishment of both wings, expanding workstation capacity and modernising facilities to support a stronger strategic FCDO presence.

Working with the FCDO's Overseas Security Adviser, the team introduced counter-terrorism measures including blast-resistant windows and additional guard positions providing ballistic protection around the perimeter. Solar panels were installed and provide nearly all daytime electrical power at peak generation, improving resilience and supporting the FCDO's sustainability commitments. The new interiors are light and open, designed for collaboration and wellbeing, with positive staff feedback on the quality and feel of the space.

## 2. Havana – delivering security in a challenging environment

Working with the FCDO, FCDO Services delivered a comprehensive suite of technical security systems at the British Embassy Havana. The project covered inception, design and installation, including CCTV and access control systems, delivered by FCDO Services colleagues in one of the most operationally challenging environments.

Despite multiple site-specific and logistical challenges, quality was maintained throughout, ensuring the delivery of a functional and secure system, protecting the embassy. The Post in Havana provided positive feedback on delivery and the system's effectiveness. A final site visit is planned, with completion scheduled for 2026.

## 3. Geneva – creating a more strategic presence for British diplomacy at the heart of international affairs

After years of planning, the FCDO achieved a long-held ambition: relocating its Geneva mission from an airport-adjacent building to a prime lakeside position near the UN headquarters, placing the UK closer to the international institutions that matter most.

FCDO Services was responsible for the design and technical fit-out of the secure zones, interior fit out, and clerk of works oversight. A team of seventeen specialists spanning security, structural, mechanical,

electrical, and design disciplines navigated Swiss building regulations, landlord complexities, and high local labour costs to deliver a building that met UK government security standards.

The resulting space balances function with identity. A welcoming reception area puts visitors at ease, while a conference room overlooking Lake Geneva provides a fitting setting for international and diplomatic engagements.

## 4. Dhaka – raising security standards at British High Commission Dhaka

When an FCDO Services' officer based at the British High Commission Dhaka identified that the glazing on three main guard huts had become unsafe, FCDO Services was commissioned to find a practical, cost-effective solution that would restore protection and keep cost and disruption to a minimum.

A multidisciplinary team comprising an architect, building surveyor, quantity surveyor, and security engineer, assessed the huts and designed upgrades, incorporating steel reinforcement and low-emissivity glazing to achieve a higher ballistic rating and improve energy efficiency. When a site visit revealed the frames

were also in poor condition, the team presented their findings to the FCDO and agreed a revised scope to replace the frames entirely.

The programme is being phased so that two huts always remain operational, with works due to complete in autumn 2026. The project will deliver a safer and more resilient working environment that meets higher environmental and health and safety standards, demonstrating the value of having trusted technical experts embedded at Post, who can identify and respond to emerging risks on a live diplomatic compound.

## 5. Tokyo – Redeveloping the British Embassy compound

The redevelopment of the British Embassy Tokyo compound is one of FCDO Services' most technically demanding, and high-value projects. The scheme covers the full compound, including the Ambassador's Residence, Chancery building, offices, and guard houses and must meet Japan's rigorous seismic standards alongside UK government security requirements, a technically demanding combination.

Having provided initial multi-disciplinary design during the tender stage, FCDO Services now delivers client-side project coordination, overseeing the Japanese contractor through phased design and construction while the embassy remains fully operational.

A UK-Japanese compliance team guides the contractor through design and construction, ensuring the completed compound meets required standards. FCDO Services is simultaneously delivering a significant technical fit-out within the main office building.

FCDO Services evolved from lead designer to client-side delivery partner, adapting to the project's growing scale and complexity. In 2025, the project received a NISTA (National Infrastructure and Service Transformation Authority) assessment, with reviewers highlighting the team's professionalism and progress. Phase one completes January 2028, with Phase two extending through to Spring 2030.



**Innovation and product development**

FCDO Services invested in innovation in 2025/26 through a structured programme managing rising investment via a dedicated Investment Committee, ensuring investment is well-managed and targeted at the highest-value opportunities. Fourteen innovation project briefs were assessed, with approved projects progressing through defined development stages.

Secure spaces innovation is a key area of focus, with FCDO Services upgrading and scaling its secure spaces product range to expand usage opportunities and improve lifetime affordability for government partners.

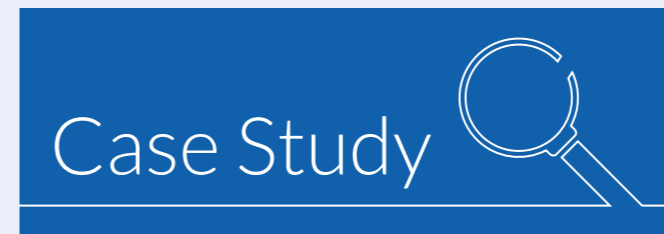
FCDO Services also demonstrated specialist engineering capability through ROCKHOPPER, a radome product supporting UK Air Defence partnerships. The programme reflects FCDO Services' commitment to reinforcing homeland security through technical innovation and research and development collaboration.

**Innovating secure spaces: building the products of tomorrow**

As demand grows for secure working environments across government, FCDO Services is developing a standardised family of secure spaces products. Spanning six workstreams, the growing portfolio ranges from temporary secure spaces to secure pods deployable on land or at sea.

Ongoing refinement is central to this ambition, with innovation happening at every level. A member of our workshop team who started with us as an apprentice redesigned the T-beams used in our secure conference rooms, incorporating lighter aluminium alternatives that reduce weight by 67% and lower manufacturing time, shipping costs, and health and safety risks. The redesigned T-beam was successfully piloted overseas in early 2026, with further product improvements already underway.

This product development will position FCDO Services to deliver secure environments faster and at a lower cost to customers across government.



**Programme ROCKHOPPER: pioneering air defence delivery in a British overseas territory**

FCDO Services has successfully supported the RAF to deliver ROCKHOPPER – a significant air defence infrastructure programme to replace critical Air Defence capability in a British Overseas Territory. The innovative technology utilised in the project is first of its kind for the RAF.

The programme successfully installed three Air Supported Radomes (ASR), achieving Initial Operating Capability in 2025, ahead of schedule and within budget. By delivering enhanced remote Air Defence capability, the programme has built greater resilience within Air Command's wider operations. The achievement is all the more notable given that ASR technology had no established precedent within RAF operations, meaning the team was navigating genuinely new ground throughout delivery.

FCDO Services played a central role in coordinating a complex multi-organisational delivery effort spanning Air Command, Defence Equipment and Support, local RAF teams, Serco, and ASR supplier Sheergard. Delivering across multiple time zones, jurisdictions, and organisational cultures, the programme faced logistical challenges compounded by one of the world's most demanding operating environments, with harsh weather conditions, long supply chains, and significant technical uncertainty throughout.

The stakes of delivery were considerable, with a hard completion deadline. Any delay in achieving Initial operating capability risked creating a gap in Air Defence coverage, with direct implications for national security. Managing that risk required not only technical expertise but exceptional programme discipline and stakeholder management.

What distinguished ROCKHOPPER, however, was not only the technical achievement but the approach the team took to delivering it. A team charter was established from the outset, promoting open communication and creating an environment where all team members, regardless of rank or organisation, could raise concerns and contribute to problem-solving. The open, flexible

and collaborative environment meant problems were identified and resolved quickly.

The May 2024 Government Infrastructure and Projects Authority review recognised psychological safety as a key element of risk reduction and successful delivery, noting that the one team ethos, supported by the adoption of its principles, had continued to pay dividends across the programme.

Beyond the immediate delivery, ROCKHOPPER has established ASR technology as a proven capability for future air defence infrastructure and created a replicable model for complex multi-organisational programmes. The methodology developed by the team is now being recognised as a framework applicable to other government programmes facing similar complexity.

The programme reflects FCDO Services' commitment to delivering technically demanding projects in challenging environments and doing so in a way that invests in the people who make delivery possible. ROCKHOPPER demonstrates that innovation in how teams work together can be as consequential as innovation in the technology they deploy.

**“Programme ROCKHOPPER is a genuinely outstanding achievement. The team faced the dual challenge of deploying technology new to the RAF in an exceptionally demanding environment, and they delivered ahead of schedule and within budget without compromising on safety or quality. What stands out most, though, is the way they did it.**

**The commitment to psychological safety and a one team culture transformed what could have been a fragile, high-risk programme into one of the most cohesive and effective deliveries I have seen. ROCKHOPPER has not only secured critical air defence capability for a British Overseas Territory but set a standard for how complex, multi-organisational programmes should be run. I am enormously proud of everyone involved.”**

SRO, RAF Air Command

**Global delivery excellence**

FCDO Services continued delivering complex, high-value projects across the diplomatic estate in 2025/26, demonstrating technical expertise and reliability as a trusted delivery partner.

**Ready to respond: upgrading consular crisis technology**

When disaster strikes, the FCDO's Crisis team needs technology that works anywhere in the world, without delay.

In 2025, FCDO Services upgraded the team's entire IT infrastructure, replacing an outdated system with purpose-designed 'grab bags' - pre-configured kits that allow responders to arrive anywhere and start working immediately. Each bag contains laptops, phones, adaptors, and SIM cards, with devices managed remotely for security compliance and real-time monitoring throughout a deployment. When Hurricane Melissa struck Jamaica in October 2025 before formal testing was complete, the solution was deployed into live emergency conditions and proved its value with all devices tracked, accounted for, and returned.

This solution is the result of years of relationship-building between FCDO Services and the Consular Crisis team, transforming how the UK responds to overseas emergencies. The Consular Crisis team now manages parts of the system themselves - a reflection of the trust and shared ownership that defines the partnership. The project reflects FCDO Services' core purpose; keeping government partners operational, secure, and ready to respond, wherever they are needed.

**Supporting diplomacy: translation and interpreting at the French presidential visit**

Supporting high-profile diplomatic events is central to FCDO Services' role as the FCDO's trusted delivery partner, helping the FCDO host world leaders with confidence.

When President Macron visited the UK in July 2025, FCDO Services' Translation and Interpreting team provided French interpretation across three days of high-profile diplomatic events. Four specialist interpreters delivered real-time interpretation for speeches and formal sessions, and confidential interpretation during bilateral meetings and working dinners, across major London venues including the Palace of Westminster, Lancaster House, 10 Downing Street, the British Museum, and Guildhall.

The team adapted swiftly to programme changes throughout, responding with professionalism to shifting schedules across a business roundtable, official dinner, and the Prime Minister's press conference.

The quality of the team's work spoke for itself: the FCDO Protocol Events and Visits Unit said "We couldn't have done this without you", and French ministers requested a future visit.

**Scalable cross-government services**

As geopolitical instability drives government demand for higher-tier secure capability, departments across Whitehall increasingly require SECRET level solutions but face budget constraints that make bespoke approaches impractical.

FCDO Services addressed this challenge in 2025/26 by scaling

proven secure products across government, offering cost-effective solutions underpinned by established security credentials. Solutions for SECRET and Solutions across Government pipelines reached £43.8m and £27.1m respectively, establishing pipelines for stronger growth in 2026/27. The wider market gross margin reached

31.3%, exceeding the 28% threshold and demonstrating strong margin management. Products originally developed for single customers, already proven in operational environments, are now being adapted for wider government deployment, creating cost-effective government secure solutions.

**Case Study**



**Connected when it counts: FCDO Services' LEO satellite communications partnership**

FCDO Services is strengthening the resilience of UK government communications worldwide through a strategic partnership with NSSGlobal and Eutelsat OneWeb, signed in July 2025.

Building on four decades of heritage in satellite communications, this collaboration brings Low Earth Orbit (LEO) broadband technology into the FCDO Services secure communications offering - delivering faster, more reliable and more secure connectivity tailored to the requirements of the FCDO's global Posts.

**Why LEO, why now?**

The events of recent years have demonstrated how vulnerable communication networks are when crisis strikes. Whether due to climate events, political unrest, natural disasters or damage to local infrastructure, terrestrial networks can fail and even brief connectivity failures can have serious consequences. While conventional satellite communications are reliable, slow response times and complex setup can limit their usefulness when, in a crisis, speed matters most.

LEO broadband technology addresses these issues. By orbiting much closer to Earth, LEO satellites deliver faster, more responsive connections. Crucially, setup is simple and teams can deploy terminals without specialist technical knowledge, establishing reliable communication quickly, even in remote or newly established locations. A direct connection to the satellite also reduces reliance on local networks and infrastructure, enhancing reliability and security in hostile environments.

**Delivering communications resilience through partnership**

The partnership combines satellite expertise, technical infrastructure and security assurance to deliver a service that works for teams on the ground.

Eutelsat OneWeb provides the LEO constellation; NSSGlobal supplies the equipment, airtime and ongoing support; and FCDO Services ensures everything meets UK government security standards and integrates with existing systems.

Packages will be designed with flexibility in mind, whether supporting a permanent Post, a crisis-deployed team, or a single user in a remote location, ensuring the right level of support wherever it is needed.

**Early potential in real world scenarios**

From hurricane preparedness to crisis response, the partnership has been designed with real operational challenges in mind.

In hurricane-prone regions such as the Caribbean, the ability to deploy LEO terminals quickly and without reliance on local infrastructure could prove critical when severe weather strikes.

Similarly, for crisis response teams operating in volatile or remote environments, the service offers the prospect of secure internet connectivity independent of local networks that may be unavailable or compromised.

**Looking ahead**

In a world where crises can unfold without warning, reliable and secure communications are not optional, they're critical. This partnership reflects FCDO Services' commitment to staying ahead of an evolving threat landscape by delivering practical, scalable solutions grounded in operational expertise. It ensures that UK government teams, from embassy staff to disaster response teams, can communicate securely and without delay, wherever and whenever it matters most.

**“This partnership marks an exciting new chapter in FCDO Services' long history of providing secure satellite communications. By joining forces with NSSGlobal and Eutelsat OneWeb, we're enhancing our ability to deliver rapid, secure connectivity anywhere in the world. This reinforces our commitment to meeting the unique needs of our government customers.”**

**Mike Astell**  
CEO, FCDO Services

## Sustainability Report

FCDO Services is a Trading Fund of the FCDO, and our operations are incorporated within FCDO departmental reporting. We are aligned with the FCDO's priorities and as a partner in delivering core and specialist services we are focused on how we can deliver better sustainable outcomes to meet the needs of all our customers.

We have continued our programme to drive business efficiency and innovation to improve our sustainability, embedding environmental and sustainability principles through our activities and decision points. This has been supported through mandatory training, staff engagement sessions and opportunity for further skills development.

The Greening Government Commitment framework (GGC) covered the target period of 2021-2025. This year we have continued to compare our 2025/26 performance against the GGC framework and targets where applicable. Our Greenhouse gas emissions for FCDO Services' UK operations in 2025/26 were 45% lower than 2017/18, and over 20% lower than 2024/25.

We are aligned to FCDO's ISO 14001 certified Environmental Management System (EMS) and the FCDO Services Environmental Policy is published on our website.

### Task Force for Climate Related Financial Disclosures 2025/26

#### TCFD compliance statement

FCDO Services considers climate change to be a principal risk, and this report is consistent with HM Treasury's TCFD-aligned disclosure application guidance and complies with the TCFD recommended disclosures from Phase 1:

- Governance - (a) board oversight and (b) management's role
- Metrics and Targets - (b) scope emissions.

We are developing our own phased implementation timetable to meet the needs of our operational delivery model and progress is described in sections below. FCDO Services is not currently compliant with the phased implementation timetable established by HM Treasury for Phase 2 and 3 and the recommended climate disclosures of:

- Risk Management - (a) identification, (b) management and (c) integration
- Metrics and Targets - (a) metrics, (c) targets
- Strategy - (a) time horizons, (b) operations, and (c) scenarios.

### Governance

FCDO Services' Chief of Operations holds the role of Chief Sustainability Officer, championing the topic at Board level where our sustainability performance is regularly reviewed. Our governance model remains in place and principal risks are monitored by the Executive and FCDO Services Board. The Environment and Sustainability Committee chaired by the Head of Health, Safety, Environment and Quality, and supported by the Head of Environment and Sustainability, promotes co-operation and continues to develop internal measures to maximise and improve sustainability outcomes, sharing best practice across groups and highlighting risks.

Our management structures also include the Investment Committee which oversees all internal investment decisions. The Head of Environment and Sustainability sits on the Committee and advises and evaluates all submissions. The Operational Product Life-Cycle Sub-Committee considers environmental criteria to assess products and services.



## Governance Model:

Governance Entity	Sustainability Oversight
Environment and Sustainability Committee (Directorates)	Cross-organisation collaboration, directorate-led sustainability action plans and performance updates
Operations Committee (All executive directors)	Quarterly performance report, review of annual performance report and escalations from the Environment and Sustainability Committee. Chaired by Chief Sustainability Officer
Strategy and Corporate Committee (executive directors)	Monthly review of Principal Risk
Audit and Risk Assurance Committee (ARAC)	Quarterly review of principal risk, annual review of TCFD, and review of annual performance report
FCDO Services Board	Bimonthly review of Principal Risk and Review of annual performance report

### Risk management

This year FCDO Services has engaged with our operational teams through annual business continuity assessments to establish present day risks from flooding and extreme heat scenarios. Our Business Impact Assessments use the existing FCDO Services' enterprise risk scoring model which is aligned to the organisation's risk appetite, enabling us to assess risks against our operations and evaluate against other corporate risks. FCDO Services' Risk Management Framework, assurance and processes follows HMT Orange Book guidelines and can be located in the Governance Statement in this document.

Our delivery plan to meet Phase 2 commitments, focuses on risk management disclosures (a), (b) and (c). Outputs will prioritise:

- creating a process to support climate and environmental impact and assessment for our operational model
- enable the inclusion and evaluation of existing and emerging regulatory requirements
- deepen the integration of climate risk within the existing risk framework.

### Metrics and targets

FCDO Services is compliant with the Sustainability Reporting Guidance for Annual Report and Accounts and meets recommended disclosure (b), declaring Scope 1 and Scope 2 GHG emissions and incorporating elements of our Scope 3 footprint relating to Business Travel. Building from Phase 2 climate-related risk management output, our delivery plan to meet remaining metrics and targets disclosures will:

- develop targets and key performance indicators relevant to our operation
- evaluate financial assessment options aligned with the business and strategic planning time horizons.

### Strategy

Phase 3 strategy disclosures (a) to (c) will develop from works from the prospective climate and environmental impact and assessment process, enabling deeper integration with our existing governance on strategic direction. We intend to encompass outputs from our business continuity assessments to enable further climate modelling, with outputs focusing on short-, medium- and long-term risks and the financial impact on our business.

### Waste minimisation and promoting resource efficiency

We strive to be innovative and identify ways to eliminate and minimise waste in all forms including through efficiency and productivity gains. Through process improvement, we have increased the number of times we use our cotton-based diplomatic bags before sending to the laundry service provided by HM Prison and Young Offenders Institute Bullingdon in Oxfordshire. These adjustments have reduced our laundry volumes by 11% to 15,183 bags being washed this year which supports wider UN Sustainable Development goals on responsible consumption.

We work collaboratively to find ways to reduce Scope 3 emissions with suppliers and through our internal innovation process. Trialling the use of a lighter material in an internal manufacturing process has estimated 67% lower emissions from freighting on a single product alone. Combined with the removal of chemicals in applied finishings and the end product having a higher recycling rate, this change in design and material is how FCDO Services is promoting resource efficiency and improvements in our environmental performance.

A key objective is to embed waste minimisation principles across operations, and our Logistics arm is a catalyst for this. FCDO Services has introduced a freight carbon estimator tool to support stakeholder decision-making, offering different transportation options with related emissions. Our logistics planners are helping stakeholders. Through informed decisions the Logistics Unaccompanied Diplomatic Bag Service has reduced carbon emissions by 11.6% this year on current volumes. Combined with improvements in load consolidation, effective planning and continued development in sustainable packaging, we endeavour to reduce costs, carbon emissions and minimise waste.

### Fleet vehicles

The FCDO Services' fleet provides operational services for our customers, including the London Car Service, Home Messenger Service and ministerial vehicles. The flexible UK Fleet is regularly assessed so we can be responsive and provide optimal services. We manage and lower our carbon emissions by consolidating services, assigning lower emission vehicles to high caseloads, and prioritising the removal of older, higher emission vehicles from service. We evaluate the market and introduce zero-emission vehicles where possible through our standard replacement schedule.

This year, OZEV (Office for Zero Emission Vehicles) has approved a temporary reporting exemption for eight vehicles from the Greening Fleet Commitment as we continue to develop transition plans to zero emission vehicles in collaboration with our customers to meet operational needs.

### Sustainable procurement

We recognise the importance of the supply chain and procurement to deliver more sustainable outcomes. FCDO Services has focused on strengthening our internal processes and supporting structures as an enabler. We are compliant with the Procurement Act, Public Procurement regulations, policies and Procurement Policy Notes (PPNs), which includes PPN 002 'Taking account of social value in the award of contracts', and PPN 006 'Taking account of Carbon Reduction Plans in the procurement of major government contracts'. We meet our environmental obligations and consider appropriate and proportionate sustainability measures within our contracts, and are committed to making opportunities accessible to a broader range of suppliers. Our procurement team hold the CIPS Corporate Ethics certification, we apply best in practice and undertake the Commercial Continuous Improvement Assessment Framework (GovS008).

We are committed to embedding the Government Buying Standards and use applicable Crown Commercial Service frameworks. Our timber is purchased in line with the Timber Procurement Policy. We assess sustainability features of product specifications and service delivery through our innovation initiatives and internal investment programmes to set our direction. By engaging with our suppliers we encourage footprint reduction and increase our re-use and circularity through continuous improvement.

### Sustainable IT and digital services

FCDO Services remains committed to being digital and providing scalable and flexible solutions for the FCDO and HMG customers. This year, our focus on sustainability has been two-fold. Firstly, we have enhanced our digital foundations, simplifying and streamlining

processes and services to facilitate reductions in energy consumption of our general operations. Secondly, we have laid the building blocks for our transition to public cloud in FY26/27, where we aim to see closer alignment to the Government Greening Commitments, Cloud-First policy, and reduction of carbon-heavy on-premise technologies. As technology continues to accelerate, so does our strategy and desire to improve the sustainability of our digital assets and innovative technology solutions.

We optimise digital resources to minimise waste and design with energy efficiency and right-sizing. Sustainability is part of our governed design documentation and technical governance. We continue to maximise the lifespan of our IT assets, and the re-use of equipment is widely encouraged. Our waste ICT adheres to WEEE regulations, and our disposal policy is consistent with National Protective Security Authority (NPSA) guidelines. We work in conjunction with the cross-government Sustainable Technology Advice and Reporting (STAR) Strategy Group, and report ICT data to DEFRA within the departmental scope of the FCDO under the STAR framework.

### Sustainable construction, nature recovery and biodiversity

Our staff and operations are co-located with the FCDO in FCDO estate properties where the FCDO directly manages the facilities management contracts. As a tenant, FCDO Services supports site-wide and organisational estate initiatives and the FCDO's action plans for nature recovery and biodiversity.

We work in partnership with the FCDO Estates Team on joint ventures and share environmental and sustainability objectives. We identify opportunities to improve overall performance in energy consumption, water conservation and waste reduction through our delivery, operations and internal investment

programmes. Our recent upgrade to the FCDO Services Skills Room used by apprentices and technical staff introduced a MVHR (mechanical ventilation with heat recovery) system to remove costly and inefficient oil systems. With changes to layout and introduction of LED lighting, this has transformed the area into a more sustainable space for training needs.

We ensure our operations and staff are environmentally compliant and have knowledge on sustainability through continuous development and process improvements. Our specialist teams deliver building projects and provide services for our customers both in the UK and overseas, complying with environmental standards, finding decarbonising opportunities and working collaboratively on initiatives.

our internal capabilities in BREEAM (Building Research Establishment Environmental Assessment Method) and other green building standards.

**Adapting to climate change**

FCDO Services works to ensure the resilience, continuity and security of our services across the globe despite an increasing number of extreme weather events and the impacts from climate change. Our Global Services staff deliver a range of services including inspections, maintenance and technical advice for the overseas estate. We have been working proactively with the FCDO on overseas estate priorities, assessing our present-day risk as part of TCFD, and including design considerations within our building projects. Our staff continue to develop their expertise to provide solutions to adapt and mitigate against the impacts of climate change.

**Mitigating climate change – working towards net zero by 2050**

FCDO Services shared the FCDO GGC target to reduce overall greenhouse gas emissions (GHG) from UK operations by 56% by 2025 from a 2017/18 baseline. Total GHG emissions for FCDO Services operations in 2025/26 were 45% lower than 2017/18, and over 20% lower than 2024/25. The largest reported Scope 2 carbon footprint component, UK electricity, was 68% lower in 2024/25 compared to 2017/18.

FCDO Services is a tenant of the FCDO estate with shared facilities. Facility and utility data is apportioned by headcount. In 2025/26 FCDO Services FTE was 12.6% of the FCDO’s UK based headcount, continuing to reduce year-on-year since from 2021/22 where the allocation was 23%.

FCDO Services continues to increase

**Table 1: FCDO Services 2025/26 Greenhouse Gas Emissions by category compared to 2017/18 baseline year<sup>1</sup>**

Greenhouse Gas emissions consumption 2025/26		kWh/kms	tCO <sub>2</sub> e	GBP £
Emission Sources	Electricity	1,906,747	373	£873,111
	Gas	7,473	1	£1,733
	Heating Oil	16,582	4	£8,788
	Low sulphur fuel oil	128,518	33	£69,637
	Biodiesel	134,149	2	£21,743
	Whitehall District Heating Scheme	418,907	111	£56,084
	Electricity from renewable sources	13,285	0	-
	Fugitive	-	8	-
	Domestic flights	30,744	4	£8,602
	International flights*	22,739,100	5,240	£5,676,670
	UK Rail **	639,113	23	£207,438
	Private Mileage	233,429	42	£80,500
	Fleet	940,150	185	-
	Car Hire	82,905	14	£36,524
	Taxis	8,978	2	£13,638

\* Carbon emissions for International Flights have been calculated using DESNZ FY2024/25 emission factors. Other categories use the 2025/26 emission factors supplied by the Greening Government Commitments.

\*\* UK Rail journey data combines both the distance of pre-booked rail tickets and the distance of rail travel from personal expenses using average distance and average costs for the same period to calculate estimated emissions.

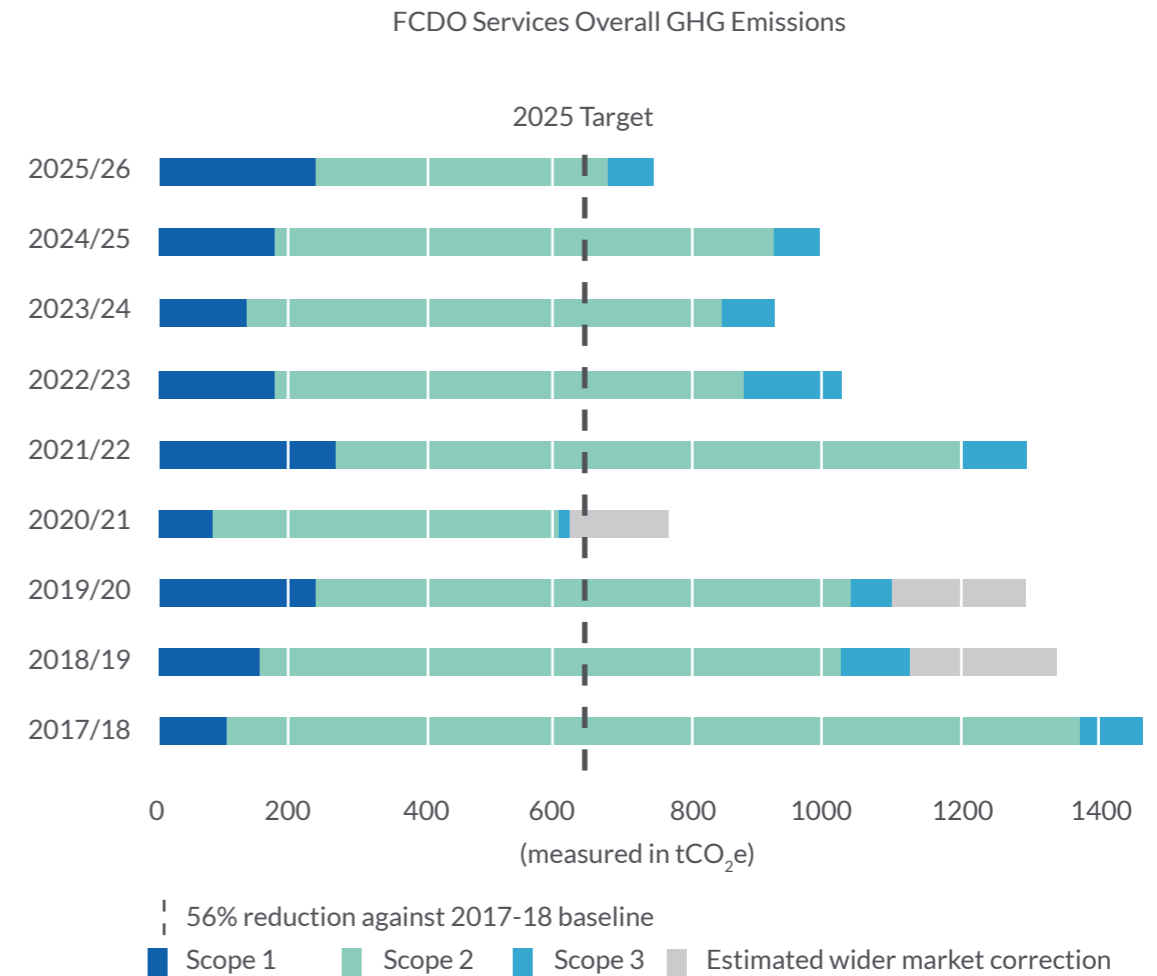
<sup>1</sup> tCO<sub>2</sub>e stands for tonnes of carbon dioxide equivalent. The GGC’s definition for reporting requirements for CO<sub>2</sub>e is: “A universal unit of measurement used to indicate the global warming potential of a greenhouse gas, expressed in terms of global warming potential of one unit of carbon dioxide”.

**Table 2: FCDO Services GHG scope emissions**

Emissions by Scope (tCO <sub>2</sub> e)	Totals by Scope					
	2017/18 Baseline	2021/22 Performance	2022/23 Performance	2023/24 Performance	2024/25 Performance	2025/26 Performance
Scope 1 (Energy Direct)	105	265	187	142	182	234
Scope 2 (Energy Indirect)	1,270	932	690	720	735	484
Scope 3 (Other Indirect)	79	97	138	107	89	82
Total	1,454	1,294	1,015	969	1,007	801
Total FTE FY end	996	1,157	1,084	1,140	1,152	1,157
Tonnes of CO <sub>2</sub> e per FTE	1.46	1.12	0.94	0.85	0.87	0.70

Emissions are rounded to the nearest tonne.

**Graph 1: FCDO Services overall GHG emissions**



**Direct estate GHG emissions**

The Greening Government Commitment 2025 target was to reduce direct emissions by 30% compared to the 2017/18 baseline. The target comprises of estate direct fuel use and fugitive emissions but excludes fleet vehicles (table 3).

**2025/26 Performance:** Direct estate emissions are apportioned by the FCDO based on our full-time employee ratio. In 2025/26, the allocation of emissions to FCDO Services decreased by 31% compared to the 2017/18 baseline, primarily resulting from continued operational changes and works on the UK estate. The FCDO continue to review options to further decarbonise heating on the UK estate which has already introduced air-source heating and solar panels at Hanslope Park.

**Table 3: FCDO Services Scope 1 emissions**

	2017/18 Baseline	Performance				
		2021/22	2022/23	2023/24	2024/25	2025/26
Scope 1 GHG emissions (tCO <sub>2</sub> )	71	58	81	42	89	49

**Business travel - fleet vehicles**

The Government Fleet Commitment (GFC) target is for 100% of the government UK car and van fleet to be fully zero emissions (ZEV) at the tailpipe by 31 December 2027.

**2025/26 Performance for 2027 ZEV target:** Only 6% of our UK Fleet is zero emission vehicles. We do keep our vehicles for longer, optimising embedded carbon and re-allocating vehicles across the operation to maximise use and respond to operational need. We align vehicle changes with our standard vehicle replacement schedule and both ZEV and ultra-low emission models are evaluated based on operational use cases. We are continuing to work towards the target with the FCDO and OZEV through planning, the GFC exemption process, whilst optimising costs and working with suppliers to provide ULEV and ZEV options for vehicle hires.

**Table 4: FCDO Services' UK fleet composition**

FCDO Services UK Fleet	Number of Vehicles				
	2021/22	2022/23*	2023/24	2024/25	2025/26
Total Vehicles (under 3.5T)	25	48	49	76	69
FCDO Services Fleet Vehicles in GfC scope (excluding exempted vehicles and car hire)	25	48	49	43	34
Car - Zero Emissions	0	1	1	1	0
Car - Plug-in Electric	0	[8]	8	8	8
Car - Hybrid	5	5	4	5	4
Car - Petrol/Diesel	20	21	15	12****	10
Van - Zero Emissions	0	0	0	0	2
Van - Petrol/Diesel	0	21	21	17****	10
OZEV approved permanent exemption**	-	-	-	10	10
OZEV approved temporary exemption**	-	-	-	0	8
Number of vehicles hired over 6 days***	-	-	-	23	17

\* The fleet composition was reviewed in consultation with the Office for Zero Emission Vehicles (OZEV) in 2022/23 resulting in increased scope to cover any owned or long-leased vehicle under 3.5 tonnes that does mileage in the UK, including non-UK registered vehicles, and any UK registered vehicles that are deployed abroad.

\*\* The Greening Fleet Commitment Exemption process is available at <https://www.gov.uk/government/publications/government-fleet-commitment/government-fleet-commitment>

\*\*\* In previous years, the total days of vehicle hire from hires over 5 days were calculated pro rata and added into Fleet counts. From 2025/26, vehicle hires are now counted by number of individual hires over 6 days. The total number of individual hires in FY2024/25 has been included for comparison.

\*\*\*\*The total of petrol and diesel cars and vans have been adjusted due to a publishing error in 2024/25.

**Business travel - domestic flights**

The Greening Government Commitment 2025 target was to reduce domestic flight emissions by at least 30% from a 2017/18 baseline.

**2025/26 Performance:** FCDO Services has continued to perform well by reducing domestic flight emissions in 2025/26 by 66% compared to the 2017/18 baseline. FCDO Services shares the FCDO policy of using rail by default for domestic travel, and domestic air travel is only authorised by exception by senior management. Customer project locations can affect our performance, but we are seeing continued reductions resulting from combined approaches to travel policy, using digital technology, and increasing staff awareness through training and internal campaigns.

**Table 5: FCDO Services' domestic flight footprint**

Domestic Flights	2017/18 Baseline	Performance				
		2021/22	2022/23	2023/24	2024/25	2025/26
Number of flights	180	161	104	158	90	66
Distance travelled (kilometers)	48,968	59,412	40,379	62,464	42,979	30,744
Carbon footprint (tCO <sub>2</sub> e)	12	8	5	8	7	4
Expenditure (GBP £)	£26,883	£27,461	£14,929	£26,055	£12,514	£8,602

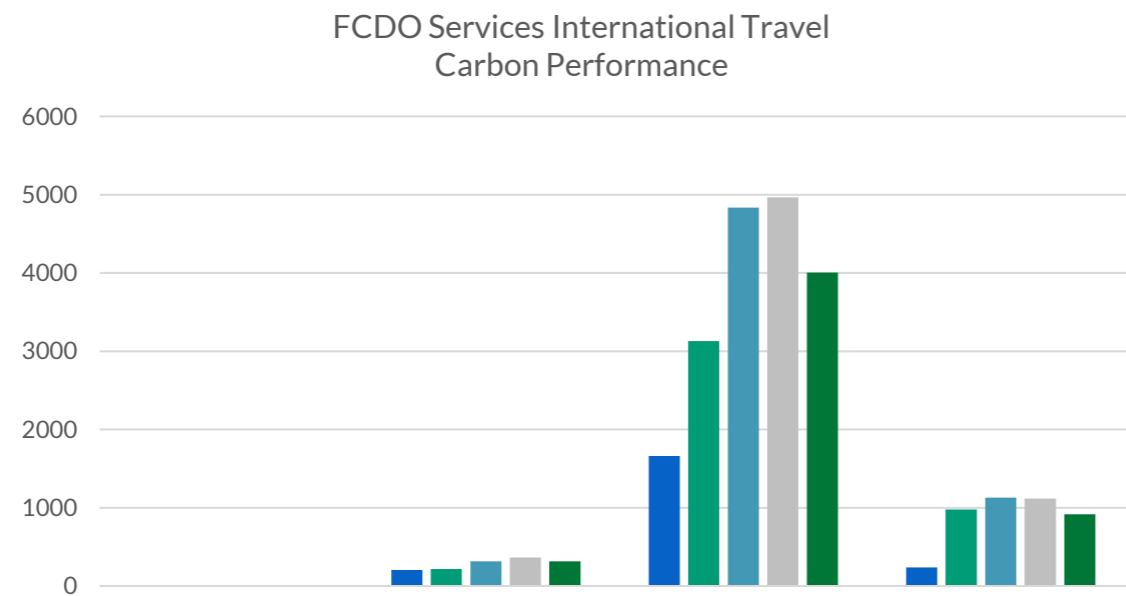
**Business travel – international flights**

The Greening Government Commitments 2021-2025 did not set a formal target for international flight emissions, but it was recommended to report and reduce the footprint and 2021/22 was the first year of detailed reporting. Due to the prominence of international travel in our emissions footprint, performance continues to be monitored with the aim to reduce our carbon emissions. We are continuing to improve reporting and evaluating potential metrics to drive improvements.

**2025/26 Performance:** The carbon footprint for international flights is not included in Scope 3 data totals (Table 3). We have reduced our travelled distance by 14.5% and the associated emissions by 19% compared to 2024/25. Our distances and carbon emissions are rounded to the nearest whole number.

We have a global business model which supports the FCDO and our customers. Business travel is required whether delivering secure projects at overseas diplomatic posts by professional and technical staff, or through The Kings Messenger and the Accompanied Diplomatic Bag Messenger Service. We align to the FCDO’s travel policy of digital first and sustainable travel options are always considered with our in-region overseas staff being utilised wherever possible to minimise travel. We continue to review procedures, our delivery structure and explore ways to increase efficiency with the consolidation of projects and trips.

**Graph 2: FCDO Services’ international business travel carbon footprint**



	Eurostar/Eurotunnel	Flights - Short Haul	Flights - Long Haul	Flights - International
2021/22 tCO <sub>2</sub> e	0.0	204	1663	237
2022/23 tCO <sub>2</sub> e	0.3	218	3128	977
2023/24 tCO <sub>2</sub> e	0.3	315	4834	1130
2024/25 tCO <sub>2</sub> e	0.3	364	4968	1118
2025/26 tCO <sub>2</sub> e	0.4	317	4005	918

Carbon emissions for International Flights have been calculated using DESNZ FY2024/25 emission factors. FCDO Services carbon emissions are rounded to the nearest whole number.

**Table 6: FCDO Services’ international business travel footprint – ticket classification and distance**

International Business Travel Flights and Eurostar performance	2021/22 km	2022/23 km	2023/24 km	2024/25 km	2025/26 km	2025/26 Expenditure
Eurostar/Eurotunnel		74,862	68,647	72,936	84,190	£40,412
Short Haul (Europe) Economy	2,256,913	2,099,214	2,328,883	2,829,617	2,401,245	£380,992
Short Haul (Europe) Business		406,790	380,528	348,224	334,394	£181,104
Short Haul (Europe) Unclassified		15,439	19,691	13,487	37,647	£8,580
Long Haul Economy	8,491,205	4,170,156	4,495,421	3,657,046	3,537,322	£411,522
Long Haul Premium Economy		1,734,454	1,537,800	636,405	1,142,769	£196,566
Long Haul Business		11,365,354	11,666,479	12,767,800	9,658,477	£2,847,692
Long Haul First		26,290	34,790	90,048	133,228	£24,444
International (non-UK) Economy	2,094,471	1,938,302	1,956,961	2,027,469	2,103,096	£342,953
International (non-UK) Premium Economy		284,353	163,945	86,399	138,405	£31,312
International (non-UK) Business		3,682,996	4,047,427	4,015,493	3,093,175	£1,190,930
International (non-UK) First		14,343	64,987	61,991	56,041	£15,921
International (non-UK) Unclassified		4,861	1,848	6,590	19,111	£4,242
<b>Totals</b>	<b>12,842,589</b>	<b>25,817,414</b>	<b>26,767,407</b>	<b>26,613,505</b>	<b>22,739,100</b>	<b>£5,676,670</b>

FCDO Services distances are rounded to the nearest whole number.

**Waste**

The Greening Government Commitment 2025 target was to reduce the overall amount of waste generated by 15% from the 2017/18 baseline. With further sub-targets for landfill (less than 5%), increasing recycling rates (at least 70% of overall waste) and removing consumer single user plastic from the government estate.

The new waste reporting requirements from HMT’s Sustainability Reporting Guidance 2025/26 have been adopted. To improve transparency, waste volumes have been separated to show FCDO Services’ operational waste, FCDO Services’ ICT waste and apportioned waste volumes from shared Facilities Management waste services. The revised categories and guidelines have been applied to FY2024/25 waste volumes to enable comparison between the end of the last framework period and 2025/26. Data is not available to enable comparison to the 2017/18 baseline year. We are continuing to make improvements in our data which reflects our delivery model and waste volumes are rounded to the nearest whole metric tonne.

2025/26 Performance:

**Table 7: FCDO Services operations - total waste**

FCDO Services Operations total waste is from our specialist internal processes supporting our business units and our Secure Waste Disposal service provided to customers which includes ICT disposal services. Waste expenditure is directly incurred by FCDO Services. Total waste volumes for FCDO Services' waste streams are 31% higher in 2025/26 and although recycling volumes have increased by 29% since 2024/25, the recycling rate is 37%. The landfill target has been met as no waste is sent to landfill. The selection of waste treatment routes is impacted by security classification, and waste volumes are a direct result of both projects and customer disposal requests providing revenue. We are committed to improving recycling rates with our customers and reducing waste through staff wide initiatives, training, and innovation. Our Logistics team actively reduces the use of plastic packaging materials to remove consumer single-use plastics from the operation, replacing items with paper-based, re-useable, compostable, or recyclable materials.

FCDO Services Operations - Total Waste		2024/25		2025/26	
absolute totals from non-office activity		Tonnes	Expenditure	Tonnes	Expenditure
Municipal	Incineration with energy recovery	99	£73,031.20	130	£58,368.72
	Recycling	15	£3,608.09	20	£3,347.26
Major Mineral	Recycling	24	£3,380.00	23	£3,715.00
Other	Recycling	23	-£1,932.68	37	-£3,012.48
	Hazardous	3	£1,037.45	5	£1,300.41
Total		164	*£79,124.06	215	£63,718.91

\*Waste Total expenditure for 2024/25 has increased following the introduction of hazardous waste spend and revisions to incineration with energy recovery expenditure.

**Table 8: FCDO Services operations - ICT disposal**

FCDO Services Operations ICT waste volumes are from our Secure Waste Disposal Service provided to internal and external customers. Total volumes have increased by 109% between the years due to the disposal activities from Osprey international rollout and new partner requests. Number of whole units are not counted, and we do not receive any income from our ICT disposal practices which are consistent with National Protective Security Authority (NPSA) guidelines. The extended use and re-issue of equipment and ICT is actively encouraged and completed as part of standard internal operations. All other ICT waste and platform services are managed by the FCDO.

FCDO Services Operations ICT Disposal	2024/25			2025/26		
	Units	Tonnes	Value Returned	Units	Tonnes	Value Returned
Re-use (donated or sold)	-	0	-	-	0	-
Recycling	-	15	-	-	20	-
Incineration with Energy Recovery	-	6	-	-	24	-
Incineration without Energy Recovery	-	0	-	-	0	-
Landfill	-	0	-	-	0	-
Total	-	21	-	-	44	-

**Table 9: FCDO Services - apportioned Waste**

FCDO Services Apportioned Waste is UK office waste and other shared site waste services managed by the FCDO's facilities management contract. Waste volumes and costs are apportioned by FTE as a proportion of the annual FCDO FTE total to provide an indication of our environmental impact. Total volumes of apportioned waste decreased by 19% between 2024/25 and 2025/26 and the current recycling rate is 60%.

FCDO Services Apportioned Waste		2024/25		2025/26	
Facilities Management office and site-wide streams		Tonnes	Expenditure	Tonnes	Expenditure
Municipal	Composting	3	£1,130	4	£975
	Incineration with energy recovery	20	£18,973	14	£16,376
	Recycling	33	£9,673	26	£4,998
Major Mineral	Recycling	0		1	
Other	Recycling	0		0	
Total		56	£29,776	45	£22,349

**Finite resource consumption - direct water use**

The Greening Government Commitments 2025 target was to reduce water consumption by at least 8% from the 2017/18 baseline.

**2025/26 Performance:** Water consumption from the FCDO's UK estate is apportioned based on our full-time employee ratio. Our apportioned water usage decreased by 40% in 2025/26 compared to the 2017/18 baseline. We support and work closely with the FCDO to encourage the efficient use of water in UK buildings and offices, including reporting leaks and faults.

**Table 10: FCDO Services' water consumption**

Water	Baseline	Performance				
	2017/18	2021/22	2022/23	2023/24	2024/25	2025/26
Consumption (cubic metres)	8,432*	7,141	7,027	7,922	6,047	5,010
Staff FTE	996	1,157	1,084	1,140	1,152	1,157
Cubic metres per FTE	8.5	6.2	6.5	6.9	5.2	4.3
Expenditure (GBP £)	£17,213	£22,273	£20,665	£18,428	£25,951	£27,680

\* 2017/18 Baseline adjusted to include UK impacts from all of FCDO Services' business operations.



**Mike Astell**  
Chief Executive and Accounting Officer

25 June 2026

# Accountability Report

This section explains the governance structures at FCDO Services and how they support the achievement of our objectives.



# Review of Financial Performance

FCDO Services has delivered a stable financial performance in 2025/26, resulting in the Ministerial Target for surplus for the year being met. The operating surplus after exceptionals before financing of £0.5m, was 93.2% lower than 2024/25 (£7.5m restated). This is driven by an increase in investments, a voluntary exit scheme and additional costs as a result of recognising a provision in relation to employment tax liabilities following a review of contractor employment status against IR35 legislation, which has also resulted in restatement of prior period results (see Note 2 Prior Period Adjustment for details). The remaining reduction was a result of changes to the funding provided by the FCDO.

Total revenue achieved in 2025/26 was £252.3m, a decrease of £9.8m (3.7%) on the revenue of £262.2m reported for 2024/25. Revenue from the FCDO (£160.7m) recorded a decrease of £8.3m (4.9%), due to lower activity in technical security and estates.

FCDO Services achieved a gross surplus before operating expenses of £53.1m, a return of 21.0% on revenue, higher than 2024/25 (£54.4m restated, 20.8%). The PPA restates and reduces the prior year gross surplus. Excluding the PPA impact, gross margin would have declined, reflecting lower FCDO revenue being replaced by lower margin wider market work. Utilisation improved to 89% in 2025/26, up from the prior year utilisation of 87%.

During 2025/26, other income of £0.2m was received (£2.2m in 2024/25) being the drawdown of

monies from the apprenticeship levy relating to recoverable training costs of eligible personnel. The prior year additionally included FCDO funding for the voluntary exit scheme costs.

Our operating expenses at £52.8m are running at 20.9% of revenue compared to 18.8% (restated) in 2024/25; this is an increase of £3.6m compared to the prior year reporting due to critical investment in our IT strategy, and exceptional costs related to IR35 and a voluntary exit scheme.

The Engineering segment operating deficit of £7.7m compares to an operating deficit of £4.0m for the prior year. The main contributing factors are a reduction in revenue in year, with some of the gap filled with lower resource utilising revenue. In addition, the change to the funding provided by the FCDO has also impacted this segment.

The Technology segment operating deficit of £0.9m compares to an operating surplus of £4.4m (restated) for the prior year. Performance has declined due to lower revenue, an increase in investment in our IT strategy and internal programmes of work, and weaker margins on some of our wider market revenues.

The Global Services segment operating surplus of £9.1m compares to an operating surplus of £7.2m for the prior year. Whilst there has been a year-on-year decrease in revenue from £109.3m to £106.0m, the improvement in operating surplus has been driven by workstream efficiencies in our maintenance operations, as well as running at reduced headcount, and improved

performance within our diplomatic bag service. This includes greater consolidation of consignments and ongoing enhancements to planning.

### Impact of inflationary pressures

Inflationary pressures on the business reduced significantly when compared to 2024/25, however we continue to work hard to mitigate the need to pass inflationary pressures on to our customers through our pricing. Through efficiency workstreams and our Lean Six Sigma trained Business Improvement team, we continue to drive value for money for the FCDO and our other government customers.

### Financing income and costs

Net finance income in 2025/26 totalled £3.1m (2024/25: £3.4m), comprising bank interest receivable, which has declined due to the reduction in interest rates across the year.

### Surplus for the year

Our reported surplus before financing of £0.5m (2024/25: £7.6m restated) represents a net contribution of 0.2% compared with 2.9% (restated) in 2024/25, reflecting the impact of the gross surplus drivers mentioned above.

The statutory dividend paid in this financial year was £1.8m (2024/25: £2.9m), resulting in a retained surplus for the financial year of £1.8m (2024/25: £8.2m restated).

### Net assets

FCDO Services continues to invest in accordance with the requirements in our Corporate Plan, with capital additions of £4.1m in property, plant and equipment. This was lower than the 2024/25 expenditure of £6.2m with a greater focus on operational investment in 2025/26 (£6.3m).

At 31 March 2026, FCDO Services held net assets of £75.6m against an opening year position of £73.8m (restated), with the movement of £1.8m driven by a reduction in current liabilities, including a lower value of contract liabilities and payments on account.

Net assets comprise non-current assets of £17.3m (2024/25: £17.2m), inventories of £3.0m (2024/25: £3.0m), cash and cash equivalents of £72.4m (2024/25: £73.8m) and other net liabilities of £17.1m (2024/25: £20.2m restated).

### Cash generation

FCDO Services had a decrease in net cash flow of £1.4m, with a closing cash position of £72.4m at 31 March 2026 (2024/25: £73.8m). This decrease in cash relates primarily to a reduction in the value of payments on account (£8.4m) offset by an increase on the FCDO current account (£5.4m).

### Cash management

Trade receivable days outstanding were 30.1 days at the end of March 2026 (March 2025: 22.6 days), reflecting a similar level of aged debt year-on-year, with the increase driven primarily by lower revenue in the period and comparable billing at year end.

Effective cash management ensured that liquidity remained strong, with a ratio of 2.4 at 31 March 2026 (2024/25: 2.2, restated).

### Financial performance targets

FCDO Services' financial performance in 2025/26 was measured against two key indicators: Return on Capital Employed (ROCE) and in-year surplus before interest.

#### In-year surplus before interest: target achieved

In-year surplus before interest, tax and dividend result of 0.2% (2024/25: 2.9% restated), compared against a target of 0.0%.

#### Return on Capital Employed (ROCE): target not achieved

The result for the year of 0.6% (2024/25: 10.3%, restated) is compared against a weighted average target of 6.5% and reflects the weaker financial performance in the year.

### Other ministerial targets

#### Customer satisfaction: target achieved

We achieved an 86.6 (2024/25: 88.5) customer satisfaction rating exceeding our target of at least 82.0. The improvement in the score is evidence of our commitment, to both our FCDO customers and our wider market customers, to excellence in delivery of our products and services.

#### Productivity ratio: target achieved

Our productivity ratio target of at least 82.0% was exceeded, with an average productivity of 89% achieved by revenue earning staff (2024/25: 87.0%), reflecting continued efforts to find efficiency in our operations, good time recording and a customer-focused approach to delivery.

### People – My Manager: target achieved

A resulting score of 67% (2024/25: 71%) compared favourably to the target of 65%.

### Engagement – Employee Engagement: target not achieved

In 2025/26, the score achieved was 54% (2024/25: 59%) compared to the target of 65%. Employee engagement remains below the ministerial target and the Executive Directors have agreed key areas to focus on at a corporate level. Each area of the business will update its local engagement action plan to address issues affecting their specific teams.

### Pensions

Information regarding pensions is provided in the Remuneration and Staff Report.

### Events after the reporting period

These accounts have been audited by the Comptroller and Auditor General whose certificate and report appears earlier in this report. There have been no significant events after the reporting period which is noted in Note 22 of the accounts. The total audit expense for 2025/26 is £167k, which includes additional costs of £17k for the 2024/25 audit which were not accrued (2024/25: £153k).

As far as I, the Accounting Officer, am aware, there is no relevant audit information of which the National Audit Office is unaware, and I have taken all reasonable steps to ensure I have been kept informed of any relevant audit information and to establish that all such information has been brought to the attention of the Trading Fund's auditors.

# Table of Performance Against Ministerial Targets

Ministerial Target Set		Result
Return on Capital Employed	A Return on Capital Employed (ROCE) of at least 6.5% (weighted average)	0.6%
In-year surplus	An in-year surplus before interest, tax and dividend	0.2%
Customer satisfaction	An in-year customer satisfaction rating average of at least 82	86.6
Productivity	Productivity ratio of at least 82%, measuring actual billable hours versus available billable hours	89.0%
Management	An average People Survey score for "My Manager" measuring 65%	67.0%
Engagement	An average People Survey score for "Employee Engagement" measuring 61%	54.0%



**Mike Astell**  
Chief Executive and Accounting Officer

25 June 2026

# Corporate Governance Report

## Directors report

FCDO Services' executive and non-executive directors who served during April 2025 to March 2026 are listed later in this report. For complete information about our board directors' roles and responsibilities, please visit the 'About Us' section on the FCDO Services website.

All board members are required to declare any interests they may have to enable possible conflicts to be managed. We consider no board member has any interests that conflict with their management responsibilities. In the case of each of the directors listed later in this report, there is no relevant audit information of which the National Audit Office is unaware. The directors have taken all steps to make themselves aware of any relevant audit information and to establish that the National Audit Office is aware of that information.

### FCDO Services Board



Sir Simon Gass,  
Non-Executive Director  
and Chair



Ann Tourle,  
Non-Executive Director



Lawrie Haynes,  
Non-Executive Director



Sabah Carter,  
Non-Executive Director



Greg Rubins,  
Non-Executive Director



Jonathan Allen,  
Non-Executive Director



Clare Pickin,  
Chief of Operations



Tim Gall,  
Chief Financial Officer



Gayle Worvill,  
Director, People



Mike Astell,  
Chief Executive Officer

### FCDO Services Executive Directors



Mike Astell,  
Chief Executive Officer



Clare Pickin,  
Chief of Operations



Tim Gall,  
Chief Financial Officer



Lisa Elward,  
Director of Customer Relationships  
and Strategy



George Hickerton,  
Director of Engineering and Operations,  
left the organisation 31 March 2026



Jonathan Pilling  
Director of Global Services,  
left the organisation 26 May 2025



Gayle Worvill,  
Director, People



Suzanne Pinkett,  
Chief of Staff and  
Director of Communications



Liz Harris,  
Director of Technology and Operations,  
left the organisation 14 November  
2025



Director of the UK National Authority  
for Counter-Eavesdropping (UK NACE)

# Statement of Accounting Officer's Responsibilities

Under the section 4 (6) of the Government Trading Funds Act 1973, HM Treasury has directed FCDO Services to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Trading Fund and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- Observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- 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
- Prepare the financial statements on a going concern basis, and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

HM Treasury has appointed the Chief Executive as Accounting Officer of FCDO Services. 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 Trading Fund's assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the National Audit Office are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



**Mike Astell**  
Chief Executive and Accounting Officer

25 June 2026

# Governance Statement

## 1. Scope of responsibility

As Chief Executive Officer (CEO) of FCDO Services, I am accountable to the Secretary of State for Foreign, Commonwealth and Development Affairs for the performance of FCDO Services, in accordance with the Framework Document and Corporate Plan, which was approved by Minister, Catherine West MP.

My responsibilities as Accounting Officer are defined in a letter to me from the Permanent Secretary, HM Treasury. The letter confirms that I am responsible to the Foreign Secretary and accountable to Parliament for the Trading Fund's use of resources in carrying out its functions.

Overall responsibility for the strategic direction of our organisation rests with the Secretary of State for Foreign, Commonwealth and Development Affairs, who delegates these responsibilities during the year to an FCDO Minister.

## 2. Corporate governance

FCDO Services operates within the terms of its Framework Document, which takes primacy in determining the responsibilities and accountabilities of the Secretary of State for Foreign, Commonwealth and Development Affairs, the FCDO and FCDO Services. It remains the overarching statement of the Trading Fund's governing principles, from which stem all agreements and arrangements between the FCDO and FCDO Services. FCDO Services' governance arrangements are in compliance with the Corporate

Governance in Central Government Departments: Code of Good Practice 2017.

First published in 2008 when FCDO Services became a Trading Fund, the Framework Document is periodically reviewed and assessed to ensure continued compliance with HM Treasury<sup>1,2</sup> and Cabinet Office guidance<sup>3</sup>. The framework is currently being revised to align with the new HM Treasury template. Additionally, FCDO Services' Corporate Governance Framework sets out the corporate governance structures within FCDO Services.

## 3. The governance framework

Our corporate strategy and ministerial targets are set out in a Corporate Plan, which seeks the input, support and endorsement of the FCDO/ FCDO Services Partnership Board, the FCDO Corporate Committee (previously named the FCDO People and Operations Committee, before Autumn 2025), the FCDO Director General, Chief Operating Officer (previously Finance and Corporate until September 2025), the FCDO Permanent Under Secretary and ministers prior to submission. Our ministerial targets are then laid in both Houses of Parliament in Written Ministerial Statements.

During 2025/26 the membership of the Strategy and Corporate Committee (SCC), a sub-committee of the FCDO Services Board, included the Chief Executive Officer, Chief of Operations, Chief Financial Officer, Director of Customer

Relationships and Strategy, Director, People, Chief of Staff and Director of Communications, Director of Global Services, Director of Technology and Operations, Director of Engineering and Operations and Director of UK NACE.

The SCC Terms of Reference were revised in 2025/26 to reflect the change in sub-committees; specify the Committee's quorum; clarify member responsibilities; and outline the Committee's ambition for transparency through the Board Observers Scheme.

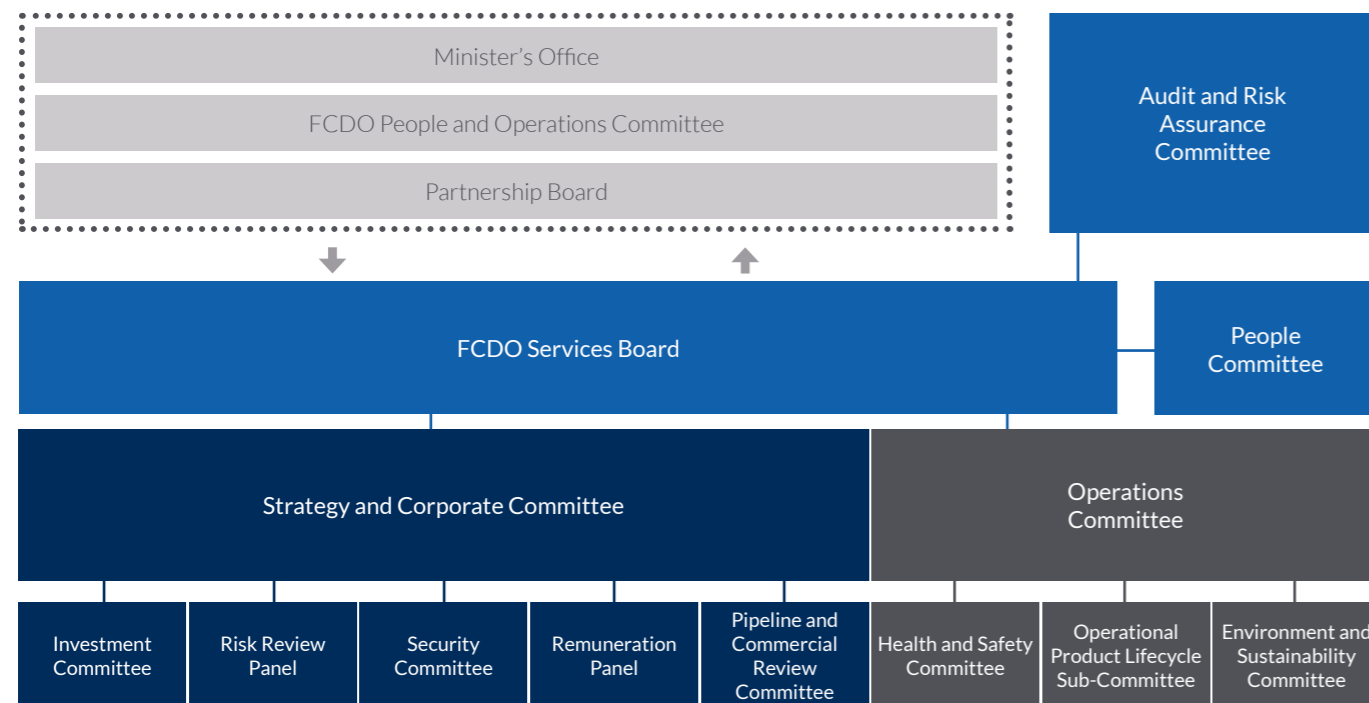
Jonathan Pilling, Director of Global Services, left the organisation on 26 May 2025. The role was subsequently pared back to provide continuity, with Simon Moseley covering the regional aspect of the role, as Interim Director of Global Services. The role was then formally split into two lead roles - Head of Global Logistics and Head of Global Services, to which Simon Moseley was permanently appointed on 18 January 2026. Liz Harris, Director of Technology and Operations left the organisation on 14 November 2025; Stephen Robbins was then appointed as Interim Director of Technology and Operations. George Hickerton, Director of Engineering and Operations left the organisation on 31 March 2026.

<sup>1</sup> Corporate Governance in Central Government Departments - Code of Good Practice, published in April 2017

<sup>2</sup> Managing Public Money, published in April 2026

<sup>3</sup> Partnerships Between Departments and Arm's-Length Bodies: Code of Good Practice, published in February 2017

At 31 March 2026, the governance structure is as follows:



FCDO Services Board	
<b>Frequency of meeting:</b>	The board met six times in 2025/26
<b>Chair:</b>	Sir Simon Gass, Non-Executive Director
<b>Purpose:</b>	The FCDO Services Board is the principal governing body and responsible for agreeing the strategic agenda and supporting the CEO by providing strategic oversight of performance and risk
<b>Key tasks:</b>	To review and agree corporate and operational strategy and monitor performance and risk

The FCDO Services Board is responsible for the overall strategic management of the business, setting the corporate policy and monitoring performance. It is chaired by Non-Executive Director, Sir Simon Gass. The membership comprises of six non-executive directors (including the Chair), the CEO, the Chief Financial Officer, Chief of Operations and Director, People.

The Board receives regular reports to ensure it is comprehensively informed. The information in these reports provides a clear view of organisational performance against key performance indicators and controls, and the Board is content with the quality of data presented.

During 2025/26, the Board reviewed business updates for UK NACE, Customer Relationships and Strategy, Global Services, People (including Diversity and Inclusion), Business Services, Technology and Operations, Engineering and Operations, and the Sensitivity Review Service. The Board also discussed the Corporate Plan, the Annual Report and Accounts and the FCDO Services Strategy.

An internal board effectiveness review took place over the summer of 2025. The review covered board composition, dynamics, management, reporting, internal controls, risk management and strategic outputs. The review concluded that the FCDO Services Board is well led, has clearly defined aims and responsibilities, has the right blend of skills and expertise, and is effective in fulfilling its purpose. Recommendations were made which have been implemented over the course of 2025/26.

The Board has four sub-committees, the Audit and Risk Assurance Committee (ARAC), Strategy and Corporate Committee (SCC), Operations Committee (OpsCom) and the People Committee. The Board and its sub-committees provide advice and support regarding my responsibilities, with a focus on corporate governance, strategy, operations, workforce policy, risk management and internal control.

Audit and Risk Assurance Committee (ARAC) (FCDO Services Board sub-committee)	
<b>Frequency of meeting:</b>	The Committee met five times in 2025/26
<b>Chair:</b>	Greg Rubins, Non-Executive Director
<b>Purpose:</b>	Sub-committee of the FCDO Services Board. Provides independent advice to the FCDO Services Board and FCDO Services Accounting Officer on issues of risk, controls, governance and assurance
<b>Key tasks:</b>	The key tasks are as set out in the Audit and Risk Assurance Committee Handbook from HM Treasury; to provide advice on matters for controls, governance, accounting policies, risk management, and internal and external audits

The ARAC membership comprised four members: one non-executive director (also a board member) serving as Chair, one further non-executive director, one appointed member and a nominated officer from our parent organisation (the FCDO). The Committee met five times in 2025/26 and has been quorate throughout the year. The FCDO Services Board has been briefed on the Committee's findings by the Chair of the ARAC.

In line with the guidance provided by the Audit and Risk Assurance Committee Handbook (HM Treasury, 2016), at least one member of the ARAC has recent and relevant financial experience and is a qualified accountant. Standing invitations to attend are given to representatives from the internal audit function, National Audit Office (NAO), all directors and non-executive directors.

The Committee has considered assurances and information relating to operational and principal areas of risk as requested by myself as Accounting Officer. Areas of particular focus in 2025/26 have included cyber risk, organisational change, project and programme management and the reporting and investigation of concerns, including suspected fraud.

The activities undertaken by the Internal Audit and Investigations Department (IAID) and the NAO also fall within the scope of the ARAC.

FCDO Services has a close working relationship with the NAO through the ARAC and the FCDO Services Board, as well as at a working level within the business. This includes the NAO Annual Audit Management Letter, and the adequacy of responses to issues identified. The NAO has assessed that there were no material differences between the views of management and the NAO on the appropriateness of the accounting policies adopted by FCDO Services for 2025/26.

The management of a risk-based programme of internal audits was supported with a mid-year review to confirm business and assurance requirements. These were undertaken as part of a rolling three-year plan of audits, which has been advised to the FCDO Services Board following review by the ARAC.

As Accounting Officer, I am provided with an objective evaluation of, and opinions on, the effectiveness of our risk management, internal control and governance arrangements. The Committee members were content with the visibility afforded by the programme. The annual report from Internal Audit provided an overall opinion of Moderate, with a moderate level of assurance on controls across all audits. This opinion was based on the findings and conclusions from internal audit and counter-fraud work undertaken during the year. The Internal Audit report noted good progress addressing actions agreed in previous audits, and an improvement in the adequacy of controls assessed compared to last year.

We have processes in place for staff to report any concerns, including fraud, and the FCDO's Investigations Department has continued to provide advice and support on matters relating to the investigation and prevention of fraud.

There have been six cases of suspected fraud reported and investigated over the period, the same as in the prior year. Of these, two found no case to answer; two allegations were found to be substantiated, with one member of staff being dismissed and one issued with a final written warning; and two cases remain under investigation.

There are adequate policies and processes in place to enable staff to raise concerns. This is supported internally by three nominated officers who are available to provide confidential advice and support.

People Committee (FCDO Services Board sub-committee)	
<b>Frequency of meeting:</b>	The Committee met three times in 2025/26
<b>Chair:</b>	Sir Simon Gass, Non-Executive Director
<b>Purpose:</b>	Sub-committee of the FCDO Services Board. Its purpose is to advise on key workforce issues and policy and on the appointment, development and reward of senior staff
<b>Key tasks:</b>	The Committee scrutinises practices and plans for: identifying and developing leadership and high potential talent; engaging staff to build a high performance culture and workforce; identifying and managing risks associated with key people management policies and practices; succession planning for board and senior leadership roles to ensure an appropriate balance of skills and experience; incentive and reward structures and policies for senior staff and the extent to which these arrangements are effective in improving performance; and promoting diversity and inclusion in board memberships and the wider FCDO

At the end of the reporting period, the People Committee membership consisted of two non-executive directors, the CEO, and the Director, People. One of the non-executive members chairs the Committee and is also the Chair of the FCDO Services Board.

The Committee approved work to address the culture and engagement of the organisation, moderated appraisals and made recommendations on talent ratings for the Executive Team. It also reviewed the updated the People Plan and the Diversity and Inclusion Strategy, acknowledging progress in delivery, and ensuring they addressed the challenges faced by the organisation. The Committee also discussed the updated delegated grades Reward Strategy and pay awards for both SCS and delegated grades and reviewed the proposed governance changes and succession and recruitment plans for Senior Civil Service roles.

### 3.1 Board and committee attendance

1 April 2025 to 31 March 2026, including the extraordinary ARAC meeting in June 2025.

Board Member	FCDO Services Board	ARAC	People Committee
<b>Sir Simon Gass GCMG CVO</b> , Non-Executive Director, Chair of Board and People Committee	6 of 6	-	3 of 3
<b>Greg Rubins</b> , Non-Executive Director and Audit and Risk Assurance Committee Chair	5 of 6	5 of 5	-
<b>Sabah Carter</b> , Non-Executive Director	5 of 6	-	-
<b>Ann Tourle</b> , Non-Executive Director and People Committee Member	6 of 6	-	3 of 3
<b>Lawrie Haynes</b> , Non-Executive Director and ARAC Member	6 of 6	4 of 5	-
<b>Jonathan Allen</b> , Non-Executive Director	5 of 6	-	-
<b>Sally Hadfield</b> , Independent Member, ARAC	-	2 of 5	-
<b>Julia McDonald</b> , FCDO Representative, ARAC	-	5 of 5	-
<b>Mike Astell</b> , CEO and Accounting Officer	6 of 6	-	3 of 3
<b>Tim Gall</b> , Chief Financial Officer	6 of 6	-	-
<b>Gayle Worvill</b> , Director, People	5 of 6	-	3 of 3
<b>Clare Pickin</b> , Chief of Operations	6 of 6	-	-

FCDO Services complies with the rules of business appointments. Advice regarding specific business appointments has been published on our website <https://www.fcdo.gov.uk/>

## 4. System of internal control

The following governance framework has been established to support the Board and its sub-committees:

Strategy and Corporate Committee (FCDO Services Board sub-committee)	
<b>Frequency of meeting:</b>	Monthly
<b>Chair:</b>	Mike Astell, Chief Executive Officer
<b>Purpose:</b>	Sub-committee of the FCDO Services Board. Ensures effective and strategic delivery of all corporate decisions, including people management, communications, finance, customer relationships, security, accommodation and workplace, corporate strategy and corporate governance matters and focuses on corporate decision making. The Committee takes ownership of day-to-day management and strategic leadership, ensuring FCDO Services is following its strategic aims and policies
<b>Key tasks:</b>	To develop and review the overarching vision, strategic aims, and objectives, including the Annual Report and Accounts, Corporate Plan and Ministerial Targets. Set and implement an internal and external communications strategy in line with, and in support of, the overarching vision and strategic aims and objectives. Provide director approval for corporate decisions including people management, commercial decisions and escalations from sub-committees (Investment Committee, Risk Review Panel, Remuneration Panel, Security Committee, Pipeline and Commercial Review Committee)

Operations Committee (FCDO Services Board sub-committee)	
<b>Frequency of meeting:</b>	Monthly
<b>Chair:</b>	Clare Pickin, Chief of Operations
<b>Purpose:</b>	Sub-committee of the FCDO Services Board. Responsible for ensuring the effective delivery of all operational decisions related to its people, customers, operational safety, finance and security
<b>Key tasks:</b>	To provide oversight of operational business areas to ensure effective implementation of Operational strategies. Oversight includes all operational directorates, HSSEQ and the related HR, finance and risk matters. The Committee also consider future product ideas

Investment Committee (SCC sub-committee)	
<b>Frequency of meeting:</b>	Monthly
<b>Chair:</b>	Tim Gall, Chief Financial Officer
<b>Purpose:</b>	Sub-committee of the Strategy and Corporate Committee. To ensure all spend and investment across the organisation is in line with strategic goals and requirements to meet ministerial and organisational targets
<b>Key tasks:</b>	To approve and review all financial decisions (up to £5m). Ensure appropriate investment strategies are in place in key areas of the organisation. Monitor and review investment opportunities and capital and research and development expenditure. Validates any adjustment to dividend, pricing or investment policy, provided the CEO is in attendance

Risk Review Panel (SCC sub-committee)	
<b>Frequency of meeting:</b>	Twice a year
<b>Chair:</b>	Tim Gall, Chief Financial Officer
<b>Purpose:</b>	Sub-committee of the Strategy and Corporate Committee. To oversee the overall risk landscape and undertake ad-hoc deep dive reviews
<b>Key tasks:</b>	To provide oversight of the risk governance framework of the risk management process and seeking assurance that first and second line risks are appropriately unpacked, escalated, cascaded, shared and communicated. Responsible for oversight of governance and assurance. Members are primarily functional specialists and / or senior operational leaders. They are a network of experts who are knowledgeable in the practice of risk management

Security Committee (SCC sub-committee)	
<b>Frequency of meeting:</b>	Every two months
<b>Chair:</b>	Tim Gall, Chief Financial Officer
<b>Purpose:</b>	The Security Committee forms part of the overall security assurance and governance and has oversight of risks, threat and security governance
<b>Key tasks:</b>	To advise on matters pertaining to Government Functional Standard GovS 007: Security, external or internal threats, the adequacy and effectiveness of the overall security arrangements in place across the organisation

Remuneration Panel (SCC sub-committee)	
<b>Frequency of meeting:</b>	Monthly
<b>Chair:</b>	Gayle Worvill, Director, People
<b>Purpose:</b>	The Remuneration Panel ensures transparency and a robust approach to decisions regarding recruitment, job related allowances for delegated grades and pay decisions that sit outside of the pay remit process
<b>Key tasks:</b>	To review the parameters for use of and business cases for higher starting pay, Market Forces Allowances, Individual Recruitment Payments, and Retention Payments. Agree principles for the reduction or removal of allowances. Approve individual salary reviews. Ensure allowances are affordable and comply with HM Treasury Pay Remit Guidance and do not add future pay pressures to the organisation. Consider organisational risks and impact of decisions taken by the panel

Pipeline and Commercial Review Committee (SCC sub-committee)	
Frequency of meeting:	Monthly
Chair:	Lisa Elward, Director of Customer Relationships and Strategy
Purpose:	The Pipeline and Commercial Review Committee oversee the development of the sales and revenue pipeline to ensure sufficient new business opportunities and provides a forum for commercial and organisational risk escalations
Key tasks:	To review and report on the sales and pipeline data, identifying and reporting on variance to the plan, specific gaps and associated mitigating actions. Forward look at current and future financial year opportunities specifically highlighting business/organisational actions or decisions, to communicate any changes regarding FCDO Services Commercial Policy and processes and identify and report on commercial risks, escalating to the Operations Committee or SCC as appropriate

Health and Safety Committee (Operations sub-committee)	
Frequency of meeting:	Every two months
Chair:	Clare Pickin, Chief of Operations
Purpose:	Sub-committee of the Operations Committee. The organisational level consultative and advisory body for health and safety matters affecting staff, contractors and those who may be affected by FCDO Services' undertakings both in the UK and overseas. The Health and Safety Committee is the forum for policy, strategy, safety performance review, operational safety planning, safety risk management, consultation and co-operation
Key tasks:	To review safety performance information and key performance indicators, review, and lead responses to the findings of audits and inspections, implement actions for deployment of changes to health and safety policy and procedures, review health and safety learning and training requirements, and review work related risk assessments and risk control measures to ensure they are effective

Operational Product Lifecycle Sub-Committee (Operations Committee sub-committee)	
Frequency of meeting:	Monthly
Chair:	Clare Pickin, Chief of Operations
Purpose:	Sub-committee of the Operations Committee. The Operational Product Lifecycle Sub-Committee provides oversight, direction, and governance for operational product lifecycle management
Key tasks:	To identify FCDO Services' primary revenue generating products, review annual plans and product health assessments of the products identified to understand the product status, risks, issues, and next steps

Environment and Sustainability Committee (Operations sub-committee)	
Frequency of meeting:	Quarterly
Chair:	Head of Health and Safety, Environment and Quality (HSEQ)*
Purpose:	Sub-committee of the Operations Committee. Providing momentum and assurance for the successful delivery of FCDO Services' Sustainability Strategy and Action Plan including Government Greening Commitments, continued alignment with FCDO's ISO 14001 certified Environmental Management System and management of the principal risk relating to environment and climate change
Key tasks:	To oversee the implementation of the FCDO Services Sustainability Strategy and Action Plan and assure strategic alignment of directorate-level Sustainability Action Plans, so that FCDO Services meets its commitments to the FCDO within the context of the Greening Government Commitments Framework. The body monitors performance against GGC targets and other internal initiatives and targets, including the management of the principal risk on sustainability, TCFD (Task Force for Climate Related Financial Disclosures) guidelines and impact assessment of legal and regulatory environmental requirements

\* Since November 25. Previously Head of Health and Safety, Security, Environment and Quality.

#### 4.1 Key processes and assurance

Our assessment and management of risk is informed and supported by the system of internal control. This is built on a framework of regular management information, financial regulations and procedures, a system of delegations and accountability, and appropriate segregation of duties.

All board and committee members are required to declare any conflict of interests and there must be a dedicated item on the agenda of each meeting to allow the opportunity for such declarations.

Our key financial processes include an annual considered review of our corporate plan, which is supported through the year with quarterly baselining against the present known business position, and a monthly review of our trading accounts. This information is used by management to control costs, monitor cash flow, and compare budgets and forecasts.

Third line assurance is supported by an annual audit from the National Audit Office (NAO) and commissioned external audits

from professional bodies such as the International Organisation for Standards (ISO). Certifications of note include:

British Standards Institution (BSI) certification in:

- ISO 9001: Quality Management Systems – across several key operational functional areas
- ISO 27001: Information Security Management – across customer facing elements of our IT services
- ISO 45001: Health and Safety Management Systems
- ISO20000: IT Service Management – across Technology and Operations

Government standards:

- Cyber Essentials Plus
- GovAssure

Second line assurance is sought from our executive directors, who provide an annual letter of assurance to me. The letter addresses the status of risks and internal controls within their remit and actions taken. We have self-assessed against the Government Functional Standards

that are applicable to our business and have developed action plans to ensure our ongoing compliance with the Standards during 2025/26. Alongside this, an assurance framework is in place with regards to information and cyber, supported by SIRO reporting throughout the year. This provides oversight and assurance for information risk and information assets, and the Principal Risk Report.

First line risk assurance is provided by senior managers within the departments, with risks actively managed by their responsible risk owner(s) and information assets managed by the Information Assurance community.

## 4.2 Raising concerns

At FCDO Services, we are committed to dealing professionally and responsibly with any concern our staff may have about possible malpractice. We encourage them to report any acts they encounter in the course of their work that they believe to be illegal, improper or unethical. All such approaches are taken seriously and treated in confidence.

We do not tolerate the victimisation of anyone who comes forward to raise a genuine concern. The Public Interest Disclosure Act 1998 provides legal protection for employees who make disclosures about suspected malpractice in the workplace.

During the year, we have promoted our FCDO Services' Ethical Code and our joint FCDO and FCDO Services 'Raising Concerns' policy. We have several Nominated Officers appointed, whom individuals can speak with in confidence outside their management chain if they have concerns relating to ethics and conduct, including the standards as set out in the Civil Service Code.

## 4.3 Task force on climate-related financial disclosures compliance

The TCFD Compliance Statement is included in the Sustainability section on page 37 of the Annual Report.

## 5 Risk and control framework

### 5.1 Risk management framework

Our Risk Management Policy is applicable to all personnel working for FCDO Services, whether direct employees, contractors or agency staff engaged on any aspect of work relating to FCDO Services. In line with the FCDO's Risk Management Policy Statement, FCDO Services recognises that risk management is everyone's responsibility, and all will need to be familiar with our risk management approach.

The tone from the top has been defined through internal publication and communication of our Risk Appetite Statement, which is reviewed annually as a minimum. The Risk Appetite Statement is updated annually and sets the appetite for each of our risk categories of Customer and Commercial, Finance, Governance and Strategic Direction, People, Technical, Physical Assets and Environment, Information, Data and Cyber. When planning for 2025/26, the FCDO Services Board reviewed and endorsed high level appetite statements across these categories.

FCDO Services operates a framework of risk reporting which supports the identification, evaluation, management and escalation of operational and principal risks. The CFO is responsible for ensuring there is a proportionate risk management framework and processes. As part of a continuous improvement cycle, we continue to evolve our in-house risk recording tool to support a consistent and unified approach to risk recording across operational and principal tiers.

I am not aware of any evidence to suggest material deficiencies in our risk management process. In 2025/26, a risk management

maturity assessment was undertaken, which identified areas of established good practice around strategy, policy, tooling and training to support staff in managing risk, alongside opportunities for further enhancement to ensure consistent application of processes, better incorporate risk appetite into decision making and carry out lessons learned activities. An action plan has been agreed to build on existing strengths and to address areas identified for development, supporting the continued embedding and maturation of the organisation's risk management arrangements in line with the principles of the Orange Book<sup>4</sup>.

FCDO Services is not responsible for the propriety and regulation of the risk framework of its customers unless this is a specified contractual requirement.

### 5.2 Management of information risk

FCDO Services is committed to protecting and using its information securely and effectively, in compliance with its legal obligations and within the standards and requirements set out by the Cabinet Office, National Cyber Security Centre (NCSC) and other Regulators, such as the Information Commissioner's Office (ICO).

In October 2025, FCDO Services was informed by the National Cyber Security Centre (NCSC) of a potential compromise by a malicious threat actor. Working closely with the NCSC and other key stakeholders, FCDO Services took immediate action to contain the incident by replacing equipment, upgrading software and undertaking an in-depth analysis. As a result, there is no evidence to suggest that any information was compromised, and the actions taken were successful in containing the attack. Projects are ongoing to build on the lessons learnt from this incident and to build a more cyber resilient estate.

FCDO Services has referred two Data Protection incidents to the ICO during 2025/26 – one as a data controller and one as a data processor. In the former, the ICO closed the case determining that the breach had been mitigated with no documented harm. Regarding the latter breach, this remains an open case with the ICO, whereby the data controller is a customer. FCDO Services has been in regular contact with the customer and fully engaging with the ICO in this matter. The Senior Information Risk Owner (SIRO) provides an annual oversight report aligned to the Government Function Standard GovS 007: Security to the Strategy and Corporate Committee and the Audit and Risk Assurance Committee on information risk management activities. In addition, a quarterly SIRO dashboard is presented to both Committees to provide assurance to support information risk management.

There are regular communications from the Office of the SIRO in all aspects of information risk, with dedicated pages set up in the Intranet to support this. In addition, all staff are required to complete mandatory information security and information management e-learning courses annually.

An Insider Threat Committee and supporting working group meets quarterly. Areas of concern are escalated to the Security Committee, which meets every two months to provide oversight across the organisation.

The Information Assurance community has been issued with a terms of reference letter for their role and made accountable through six monthly reporting of their information assets. A community site has been set up to help with knowledge sharing on changes in legislation and regulations, and potential threats and vulnerabilities. The community, whether existing or new members, receive training on their roles and responsibilities.

A supplier assurance process and supporting checklists and declaration are in place to maintain controls and to gain assurance from third party suppliers who are handling our information. Where appropriate, we will ensure that Data Protection Impact Assessments, Schedule of Processing Agreements, Sharing Agreements and/or Security Aspects Letters are in place.

The Digital Assurance Authority role is to make sure products or services that deliver technical or information-based systems have their lifecycle reviewed on initiation and annually. This ensures the standards of governance and assurance are in place and being maintained for digital solutions.

The Cyber Security Working Group meets monthly providing a forum to track and discuss cyber risk, incidents, and compliance and assurance activities. The group reports its findings to the Chief Information Security Officer (CISO) and the output of which is incorporated into the SIRO report.

FCDO Services re-certified for Cyber Essentials Plus and holds ISO 27001:22 (Information Security Management) certification. The policies relating to ISO 27001:22 are implemented across the organisation; however, the operational scope of the current accreditation is restricted to the customer-facing elements of our IT services. This provides customer assurance around our information security practices. The Cabinet Office signed off FCDO Services in 2025/26 as completing GovAssure for its OFFICIAL hosting platform in 2024/25. A Web-Cyber Assessment Framework was submitted for an FCDO Services owned device in February 2026 with an audit to take place in Q1 2026/27.

GovS 007 Departmental Security Health Check 2025 full report from the Cabinet Office confirmed FCDO Services has now Exceeded the Response Standard and Almost Met the Physical Standard.

Changes following the introduction of the Data (Use and Access) Act 2025 were introduced, in line with recommendations by the ICO. A continuous phased approach to future changes will follow milestones as set out by the ICO.

Priorities for 2026/27:

- Assessment and implementation of the new Cyber Security and Resilience Bill once approved by Parliament
- Completion of GovAssure for FCDO Services owned device
- Continue to implement the changes from the Data (Use and Access) Act 2025 as set out by the ICO
- Embed the Personnel Security Standard in relation to the Departmental Security Health Check
- Review and launch a revised supplier and vendor assurance process

<sup>4</sup> HM Treasury, *The Orange Book Management of Risk – Principles and Concepts*, published 2020

## 6. Annual risk assessment

### 6.1 The key risks of 2025/2026

The risk management framework and governance activity is fundamental to ensuring the resilience of the organisation. Recognising and managing our risks helps to safeguard the delivery of the objectives of FCDO Services.

Customer and commercial
<b>The risk that failure to establish and exercise a customer centric commercial strategy may lead to a lack of opportunities, and consequently an inability to deliver our Corporate Plan</b>
<b>Primary factors considered</b>
<ul style="list-style-type: none"> <li>• Optimisation of stakeholder engagement, strategic relationships and delivering high levels of customer satisfaction</li> <li>• Alignment of products and services to customer needs with focus on our organisation’s unique selling points</li> <li>• Emphasis on our organisation’s core purpose with the FCDO as owner and priority customer</li> <li>• Continuous improvement in products and service delivery</li> <li>• Demonstrating continuous improvement of service delivery, mitigating impact of external cost drivers and delivering more for less</li> <li>• Developing commercial capability and enabling best practice (commercial management)</li> <li>• Strategic growth of revenue pipeline aligned to core products, services and capability</li> </ul>
<b>Key controls in place</b>
<ul style="list-style-type: none"> <li>• Pipeline and Commercial Review Committee and Programme Review Boards</li> <li>• Strategic stakeholder engagement matrix and organisational RASCI*</li> <li>• Ministerial targets for Customer Satisfaction measured against interviews and surveys of both budget holders and end-user customers with focus on developed KPIs and reporting against key customer priorities</li> <li>• Strategic pillars in place, including alignment to FCDO priorities</li> <li>• Corporate Plan action tracking against corporate objective KPIs</li> <li>• Strategic market insight reporting and Product Lifecycle Review Board and strategic account plans</li> <li>• Risk identification and management through enhanced collaborative working with customers, suppliers, and delivery partners</li> <li>• Organisational pricing strategy, pricing and commercial assurance processes and commitment to provide transparency</li> <li>• Commercial governance, assurance, and systemised processes aligned to delegations of authority</li> <li>• Contracting policy, compliance monitoring, monthly revenue forecasting and performance reporting</li> <li>• Periodic market price assessments</li> <li>• Reviews to ensure our processes for design and delivery are working</li> </ul>

\*RASCI is an acronym that stands for responsible, accountable, supporting, consulted and informed

Finance
<b>The risk that the organisation will not be able to meet its financial obligations resulting in an adverse effect on the organisation’s reputation and the ability to continue as a Trading Fund</b>
<b>Primary factors considered</b>
<ul style="list-style-type: none"> <li>• Revenue, costs, and assets adequately controlled to support commercial decisions</li> <li>• Cash reserves which are sufficient to sustain a ‘going concern’ assumption</li> <li>• Maintaining an ethical, compliant supply chain</li> <li>• Robust financial processes and procedures, safeguarding against errors and potential instances of fraud or non-compliance with statutory regulations</li> <li>• Compliance with commercial processes and procedures</li> <li>• Compliance with regulatory and central government requirements</li> <li>• Impact of macro-economic factors</li> <li>• Sustainability of the organisational operating model</li> </ul>
<b>Key controls in place</b>
<ul style="list-style-type: none"> <li>• Financial governance, such as monthly and quarterly forecasting, segregation of duties, delegated authorities, compliance monitoring, internal audits, and the independent review and approval of investment business cases</li> <li>• Compliance with Government Functional Standards: GovS 013 Counter Fraud, GovS 006 Finance, GovS 014 Debt Management and GovS 009 Internal Audit</li> <li>• Tenders submitted using existing government frameworks where appropriate</li> <li>• Skilled procurement teams with Chartered Institute of Procurement and Supply (CIPS) Corporate Ethical Procurement and Supply accreditation</li> <li>• Mandatory training of all staff prior to allowing access to financial systems</li> <li>• Suitably skilled and qualified accountancy staff in financial management roles</li> <li>• Financial control framework, including policies and procedures</li> <li>• External audit</li> <li>• Efficiency workstreams to ensure cost effective and sustainable operating model</li> <li>• Horizon scanning, including review of commercial and market insights</li> </ul>

### Governance and strategic direction

The risk that the governance of the organisation is not aligned to statutory regulations, best practice indicators for government departments and/or the business needs and priorities, resulting in sub-standard operational performance and/or legal or regulatory action resulting from non-compliance

#### Primary factors considered

- The Machinery of Government (domestic and foreign) may adversely influence FCDO Services’ operational business
- Timely delivery of projects and services, within budget and meeting quality standards
- The meeting of health and safety, environment and sustainability, security, and quality standards (for ourselves and third-party suppliers)
- Geopolitical events which test operational resilience
- The geographical range within which FCDO Services operates
- Business continuity planning to enable business to continue operating in business continuity events
- Compliance with prevailing Government Greening Commitments and customers’ requirements for sustainable supply
- External environmental factors, which may impact upon operations and delivery, (i.e. flood, earthquake, etc.)
- Effectiveness of data governance and information management
- Compliance with procurement regulations and managing risks across the procurement process
- Changes to legislation

#### Key controls in place

- A close relationship with our parent organisation, the FCDO, with aligned ministerial oversight
- Alignment to Government Functional Standards
- Structured partnership review groups, assuring alignment of objectives
- Segregation of duties, delegated authorities and standardised reporting
- Risk management framework and tools
- Regulatory and internal compliance assurance through assurance activities, inspection and routine audit and published governance structure
- Health and safety management system, including policies, procedures and management tools supported by internal governance and competent health and safety support
- A Gold, Silver, Bronze business continuity incident management structure in place, tested and operating
- Ethical considerations and corporate social responsibility: ensuring we take end to end responsibility for our supply chain and ensure our quality expectations are met throughout
- Regular communications and awareness to all staff, including mandatory annual training
- Quality Assurance teams (second and third line of defence)
- Regular reporting to owner, customers and statutory bodies
- Certification to internationally recognised standards, including ISO 9001, ISO 20000, ISO 27001, ISO 45001, Cyber Essentials Plus and GovAssure
- An appointed information assurance community who manages information asset registers and completes bi-annual information assurance returns
- Third line Assurance (the Audit and Risk Assurance Committee (ARAC) and Internal Audit)
- Senior Information Risk Owner (SIRO) Assurance Framework supported by RASCI

### People

The risk that the organisation will not effectively attract, secure and retain a diverse and engaged workforce, with the necessary skills and capability to meet business need, impacting ability to meet current and future customer and operational requirements

#### Primary factors considered

- Employer duty of care to staff, including safe working practices and environments and a workplace that respects diversity and all staff
- Competitiveness of reward package, financial and pay constraints and labour market shortages
- Resource planning and cost management
- Dependency upon customer insight and pipeline planning
- Workforce planning to initiate timely recruitment and to build skills to meet future needs
- Organisational culture

#### Key controls in place

- Compliance with policies, procedures and processes, incorporating statutory and regulatory requirements, monitored
- Long-term investment in learning and development on leadership, management, business specific and technical skills alongside schemes to build talent pipelines
- Reward package, including flexible working and targeted shortage skill allowances, new routes to market and employer value proposition to attract and retain employees
- Strategic Workforce Plan and Workforce Planning Framework
- Job Family Framework in place to aid workforce planning, and career plans and support the development and retention of talent
- Diversity and Inclusion Strategy and action plan covering 2024-27
- Stakeholder relationship management to build revenue and longer-term work pipeline
- Employee Assistance Programme
- Staff Networks, Mental Health First Aiders, Nominated Officers for raising concerns and Respect at Work Advisors
- Succession planning
- Employee Engagement Action Plan

### Technical

The risk that a failure to evolve the design and the production of systems, and their related products and IT Service Management tooling, will adversely depreciate the offering to customers

#### Primary factors considered

- Resilience of FCDO Services business critical live systems
- Investment and development of customer facing IT infrastructure to meet long-term needs
- Alignment of designs with industry and National Technical Authority best practice
- Ensuring effective methods for acceptance into service of new services and devices, underpinned by effective training
- Legal obligations, ensuring that we have the ability to respond appropriately, and to confirm compliance with legal requirements
- Security of the supply chain, to ensure clear responsibilities
- The environmental impact of the products and services which are offered by FCDO Services
- Use of Artificial Intelligence (AI) to support organisational transformation

#### Key controls in place

- Technology Strategy, with associated investment plans, to maintain integrity of core IT platforms
- Adherence to relevant Government frameworks, including GovS 007 Security, GovAssure, Secure by Design and Departmental Security Health Check
- Certification to internationally recognised standards, including ISO 9001, ISO 20000, ISO 27001, ISO 45001, and Cyber Essentials Plus
- Education and awareness of all aspects of holistic security and information behaviour to include cyber, information (management and rights), personal, technical, and physical
- Comprehensive regime of monitoring and independent health checks and alignment with National Cyber Security Centre (NCSC) and National Protective Security Authority (NPSA) best practice
- Adequacy of supply chain management, to ensure that suppliers have appropriate standards and clauses in place for cyber, physical, personnel and data protection
- Alignment of designs with industry and National Technical Authority best practice
- Data Protection Impact Assessments and Data Processing Agreements are in place where personal data is being processed
- Information assets are reviewed every six months and information risks raised
- Alignment to regulators' good practice (Information Commissioner's Office, NCSC, etc.) and UK strategy and policy such as Cloud First, National Data Strategy
- Digital Assurance Authority, Technical Design Authority and Cyber Security Working Group
- Conducting regular business continuity exercises
- Legal register
- Guardrails in place for use of AI covering governance, training, data access and ethics

### Physical assets and environment

The risk that the organisation will not be able to prevent damage, theft or deterioration of physical assets and manage environmental factors which may lead to operational disruptions, financial losses, regulatory non-compliance, and safety hazards impacting organisational capability, business continuity, stakeholder and customer confidence

#### Primary factors considered

- Threat to assets through surreptitious attack
- Threat to assets through forced entry attack
- Risk of physical asset theft, or data breaches from compromised equipment or intentional sabotage by state threat actors, serious organised crime groups, terrorism and protesters
- Ensure compliance with government and industry standards, where non-compliance can lead to breaches and reputational damage
- Natural disasters and extreme weather events can result in physical damage to assets, power outages and disruptions of business operations
- The organisation is tenant on a landlord site and does not have direct control of the site perimeter

#### Key controls in place

- Proportionate physical and personnel security mitigations
- Conducting regular auditing and exercising
- Robust security and access control measures to include surveillance cameras, intruder detectors, and alarm systems with a 24/7 guard force to deter theft and vandalism
- Regularly updating security protocols and conducting security drills
- Maintaining an organisational critical asset list
- Assurance through auditing to ensure adherence to legal and government policy
- Having business contingency plans for various scenarios, including security incidents, disruption to power, and environmental events
- Assessment of key physical assets against Surreptitious Threat and Mitigation Process (STaMP), in line with Cabinet Office Physical Security Standard

### Information, data and cyber

The risk of a breach in the confidentiality, integrity and availability (the CIA triad) of the information the organisation holds, or a failure to maintain adequate cyber protections, leading to a compromise, loss, or loss of availability of service and data, and reputational damage to FCDO Services

#### Primary factors considered

- Raising awareness of cybersecurity threats (hacking, phishing, malware, ransomware and DDoS attacks)
- Appropriate and relevant employee training to mitigate against data loss due to system failures, software bugs, or human error
- Regulatory Compliance and Legal Obligations (UK GDPR, UK Data Protection Act 2018, Data (Use and Access) Act 2025, Cyber Security and Resilience (Network and Information Systems) Bill, NIS Regulations)
- Third party and Supply Chain Risks introducing external vulnerabilities
- Policies and guidance to mitigate against data leaks from employees or contractors, particularly with hybrid and remote work model
- A cyber or data incident which could lead to a loss of confidentiality, integrity, or availability of service
- Access to relevant skills and expertise
- A comprehensive approach to holistic security to protect personnel, information, and infrastructure
- Customer agreements, designed to uphold security balance and systems responsibility

Continued on the next page.

### Information, data and cyber (continued)

#### Key controls in place

- Robust cybersecurity measures (firewalls, intrusion detection and prevention, encryption)
- Second and third line assurance in place as part of SIRO Assurance Framework with supporting Assurance Plan
- Role-Based Access Control (RBAC), so employees only have access to the data necessary for their role
- Regular audits of all accounts managing access in line with the joiner, movers and leavers process
- Adherence to relevant Government frameworks, including GovS 007 Security, GovAssure, and Departmental Security Health Check
- Information data handling policies for email use, document sharing, and public Wi-Fi access
- Ensuring compliance with Information Commissions Office (ICO) guidance on data minimisation, retention, and deletion policies
- Security Aspects Letters in place where applicable
- Security Operating Procedures
- Privacy Policy with supporting guidance
- Privacy notices
- Processing and sharing agreements in place and reviewed in line with risk
- Data Protection Impact Assessments in place and reviewed in line with risk
- Intellectual Property and Copyright policies
- Supplier Assurance Policy and process in place
- Regular communications via all staff bulletins regarding cyber security threats
- Mandatory annual learning, supported by learning plans for specialists to further develop in terms of cyber and information
- Hybrid Working Policy
- Insider Threat Groups
- Security Committee
- Cyber Security Working Group
- Cyber Strategy
- Information Security Management System (ISMS) meetings
- ISMS Risk meetings
- Adherence to cross-government Secure by Design principles
- Cyber Essentials and Cyber Essentials Plus certification
- ISO 27001:2022 accreditation
- Protective monitoring systems including Security Operations Centre (SOC)
- Digital Assurance Authority which authorises digital solutions for use and undertakes reviews in accordance with risk profile

## 6.2 Going concern

There are no material uncertainties that may cast significant doubt about FCDO Services' ability to continue as a going concern (refer to Note to the Accounts 1.2).

## 7. Overall summary

FCDO Services' resilience has enabled it to navigate numerous challenges throughout 2025/26. As this report highlights, FCDO Services has continued to deliver a quality service to its customers.

Supported by a refined and refocused business strategy and a revised core governance model, FCDO Services has continued to build stronger partnerships with customers. I note that the Head of Internal Audit has provided a moderate assurance, with a moderate level of assurance on controls, opinion for the year. This opinion takes account of core financial and risk-based audits.

The National Audit Office has audited our financial accounts to give reasonable assurance that the financial statements are free from material misstatement, providing FCDO Services with an unqualified opinion for 2025/26.

In conclusion, I am satisfied that the assurance assessments across FCDO Services have provided me with confidence on their present level of maturity and demonstrate ongoing development.



**Mike Astell**  
Chief Executive Officer and Accounting Officer

25 June 2026

# Remuneration Report

This report provides details of the remuneration, compensation payments, service contracts and pensions of FCDO Services Board members for the year ended 31 March 2026. The Board is comprised of both non-executive and executive directors and the relevant disclosures of each are set out below.

### Remuneration policy for senior civil servants

The remuneration of senior civil servants that are executive members of the FCDO Services Board is designed to attract, retain, engage and motivate senior leaders, professionals and specialists of the right calibre in order to improve performance and deliver business objectives.

The Cabinet Office sets the policy for senior civil servant remuneration, including the minimum and maximum for each pay band. FCDO Services' base pay and allowances are determined within the policy. Yearly base pay and performance payments are also reviewed in accordance with annual Cabinet Office policy and take the FCDO's Senior Civil Service (SCS) pay award framework into account.

The remuneration for each senior employee is determined taking a range of factors into account, including:

- the need to recruit, retain and motivate suitably able and qualified people to exercise the responsibilities of the role

- progress against and contribution towards delivery of FCDO Services agreed Corporate Plan and ministerial targets
- affordability and likely funds available to FCDO Services from its trading relationship with the FCDO and wider markets and the need to provide appropriate levels of service to customers, in accordance with SLA and contractual agreements
- individual performance, capability and competence as assessed through annual appraisals

Delivery against stretching objectives agreed at the start of the reporting period is a key determinant of the pay award within the prevailing Government policies. At the end of the performance year, individual contribution is assessed by the line manager and moderated by the People Committee acting in its capacity as the FCDO Services Pay Panel.

The assessments underpin annual pay reviews and bonus decisions and are also used to evaluate talent and potential.

### Employment contracts for executive directors who are civil servants

Civil Service appointments, including executive members of the FCDO Services Board, are made in accordance with the Civil Service recruitment principles. Appointments are made on merit and offers are made to the most suitable person for the job. This policy incorporates practices for ensuring equal opportunities and promoting diversity and inclusion.

The following executive members of FCDO Services' Board are civil servants and hold appointments as Board members:

**Mike Astell** (Chief Executive and Accounting Officer). Mike was appointed Chief Executive and Accounting Officer on 17 September 2021 on a four year fixed-term contract. This was subsequently extended by two years to 15 September 2027.

**Tim Gall** (Chief Financial Officer). Tim was appointed Interim Chief Finance Officer on 14 March 2022 on temporary promotion. He was subsequently appointed as Chief Financial Officer on permanent promotion on 3 October 2024.

**Gayle Worvill** (Director, People). Gayle was appointed Director, People on 1 February 2023 on a permanent promotion from D7.

**Clare Pickin** (Chief of Operations). Clare was appointed Chief of Operations on 3 June 2024 as a member of the SCS at grade SCS2.

Termination by FCDO Services, other than for misconduct or early retirement on ill health grounds, could result in the above individuals receiving compensation as set out in the Civil Service Compensation Scheme.

The following sections provide details of the remuneration and pension interests of the most senior management (i.e. Board members).

**Remuneration (subject to audit)**

Single total figure of remuneration

	Salary £'000		Performance Related Payment £'000		Pension Benefits (to Nearest £'000) (Note 1)		Total £'000	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Mike Astell	165-170	165-170	5-10	5-10	62	63	235-240	235-240
Tim Gall	110-115	90-95 (Full year equivalent 105-110)	0-5	5-10	60	47	175-180	145-150 (160-165 Full year Equivalent)
Gayle Worvill	110-115	105-110	0-5	5-10	58	64	175-180	175-180
Clare Pickin	145-150	115-120 (Full year equivalent 140-145)	-	-	56	45	200-205	160-165 (Full year equivalent 185-190)

	2025/26	2024/25
Band of Highest Paid Director's Total Remuneration (£'000)	175-180	175-180
Salary Only Median £	48,300	48,215
Total Pay and Benefits Median £	50,551	50,628
Salary Only Lower Quartile £	35,623	34,745
Total Pay and Benefits Lower Quartile £	37,623	35,907
Salary Only Upper Quartile £	66,178	69,872
Total Pay and Benefits Upper Quartile £	68,467	72,212
Median Ratio (Note 2)	3.5	3.5
Ratio Lower Quartile (Note 2)	4.7	4.9
Ratio Upper Quartile (Note 2)	2.6	2.5

Note 1. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

Note 2. FCDO Services is required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the organisation's workforce as well as earnings at the 25th and 75th quartile point. The basis for the median pay, 75th and 25th Quartile calculations for both financial years is based on the requirements specified in the Hutton Review of Fair Pay – Implementation Guidance. The guidance requires the calculation to be based on the pay of full-time equivalent staff (including contractors in permanent positions and excluding the highest paid director) of FCDO Services, at the reporting end date, on an annualised basis. The ratio year on year has decreased to 3.51 times earnings due to a decrease in the median pay year on year.

**Percentage change in total salary and bonuses for the highest paid director and the staff average (subject to audit)**

	Total Salary and Allowances		Bonus Payments	
	2025/26	2024/25	2025/26	2024/25
Staff Average	-2%	15%	1%	5%
Highest Paid Director	0%	3%	-27%	100%

The annualised remuneration of staff includes salary, non-consolidated performance-related pay, benefits in kind and other allowances, matching the remuneration report disclosures for the directors.

The banded remuneration of the highest paid director in FCDO Services in 2025/26 was £175-180k (2024/25 £175k-180k). This was 3.5 times (2024/25 - 3.5) the median remuneration of the workforce, which was £50,551 (2024/25 £50,628). In 2025/26, 27 line positions currently held by a contractor (2024/25 - 10) received remuneration in excess of the highest paid director. Excluding the highest paid director, remuneration ranged from £29,250 to £242,880 (2024/25 £29,110 to £223,685). The lowest paid employees are apprentices.

**Salary**

'Salary' includes gross base salary, overtime, location allowance, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation.

This report is based on accrued payments made to members of the FCDO Services Board and thus recorded in these accounts.

**Performance related payments**

The pay of Senior Civil Servants (SCS) is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. From time to time, the Review Body advises the Prime Minister on the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In line with the Senior Salaries Review Body (SSRB) recommendations FCDO Services set our performance bonus value at 2025/26 at:

Grade	SCS1	SCS2
Exceeding	£8,000	£10,000
High Performing	£4,500	£5,500
Achieving/Partially Met	No bonus in line with SCS Pay Guidance	

For fixed-term SCS appointments in FCDO Services, contracts of employment apply the same terms as above.

**Benefits in kind (subject to audit)**

The monetary value of benefits in kind covers any benefits provided and treated by HM Revenue and Customs as a taxable emolument. No executive member or key management personnel received any benefits in kind in 2025/26.

**Pension benefits (subject to audit)**

	Accrued Pension at Pension Age as at 31 March 2026 and Related Lump Sum (Note 1)	Real Increase in Pension and Related Lump Sum at Pension Age	CETV at 31 March 2026 (Note 1)	CETV at 31 March 2025 (Note 1)	Real Increase in CETV (Note 1)	Employer Contribution to Partnership Pension Account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mike Astell	15-20	2.5-5	290	223	47	-
Tim Gall	35-40	2.5-5	743	659	48	-
Gayle Worvill	40-45 plus a lump sum of 100-105	2.5-5 plus a lump sum of 0-2.5	821	738	37	-
Clare Pickin	5-10	2.5-5	97	42	43	-

CETV (Cash Equivalent Transfer Value) figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2026. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2025/26 CETV figures.

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 44 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.

Note 1. Where officers have transferred from the PCSPS scheme to alpha, the two values for each of accrued pension, real increase in CETV and opening and closing CETV values have been combined together in the table above.

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

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based

on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal and General Mastertrust. The employer makes a basic

contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

### 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 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.

### Non-executive directors

The following section provides details of the appointment, contracts and remuneration of the Non-Executive members of FCDO Services.

The Non-Executive Directors (excluding the Chair) are appointed by the FCDO Services Chief Executive in their capacity as Accounting Officer on fixed-term appointments. The FCDO sponsor appoints the Chair. Their remuneration and terms are agreed at the time of their appointment, which is normally for three years with the option to be extended under mutually agreed terms. No compensation is payable for early termination.

FCDO Services' Non-Executive Directors are not employed on civil service terms and conditions of employment, except for Jonathan Allen, and are not members of the Civil Service Pension Scheme. The Non-Executive Directors (excluding Jonathan Allen) are paid through the FCDO Services payroll.

No pay or pension costs are included in FCDO Services' accounts in respect of Jonathan Allen, who is a civil servant employed by the Foreign, Commonwealth and Development Office. Travel expenses may be payable by FCDO Services for Jonathan Allen's attendance at Hanslope Park meetings.

The following have been Non-Executive Members of the FCDO Services Board during the year:

**Sir Simon Gass GCMG CVO** (Chair of the FCDO Services Board and People Committee), appointed as Non-Executive Chair on a four-year contract from 1 April 2018 which was extended to 31 March 2027.

**Ann Tourle** (also a Member of the People Committee), appointed on a three-year contract as a Non-Executive Director on 1 November 2018 which was extended to 31 October 2024. This was extended again to 31 October 2027.

**Lawrie Haynes** (also a Member of the Audit and Risk Assurance Committee), appointed on a four-year contract as a Non-Executive Director on 8 August 2022.

**Sabah Carter**, appointed on a four-year contract as a Non-Executive Director on 14 October 2024.

**Greg Rubins** (Chair of the Audit and Risk Assurance Committee), appointed on a four-year contract as a Non-Executive Director on 14 October 2024.

**Jonathan Allen**, appointed on a two-year contract as a Non-Executive Director on 10 February 2025.

Additionally there have been two Members of the Audit and Risk Assurance Committee during the year who are not Non-Executive Directors:

**Julia McDonald**, appointed as a Member of the Audit and Risk Assurance Committee on 30 January 2024. No pay or pension costs are included in FCDO Services' accounts in respect of Julia McDonald, who is a civil servant employed by the Foreign, Commonwealth and Development Office.

**Sally Hadfield**, appointed as a Member of the Audit and Risk Assurance Committee on 7 October 2024. No pay or pension costs are included in FCDO Services' accounts in respect of Sally Hadfield, who is a civil servant employed by another government department.

## Remuneration payments to non-executive directors (subject to audit)

	2025/26	2024/25
	£'000	£'000
Jonathan Allen <sup>(Note 1)</sup>	-	-
Sir Simon Gass GCMG CVO	30-35	30-35
Lawrie Haynes	15-20	15-20
Ann Tourle	15-20	15-20
Sabah Carter	15-20	5-10 (15-20 full year equivalent)
Greg Rubins	15-20	5-10 (15-20 full year equivalent)

Note 1. No pay or pension costs are included in FCDO Services' accounts in respect of Jonathan Allen who is a civil servant employed by the Foreign, Commonwealth and Development Office.

# Staff Report

## Number employed on Senior Civil Service terms and conditions (or equivalent) by band (subject to audit)

Details provided as at 31 March 2026

Pay Band	Number of Senior Civil Service Staff
SMS 1	5
SMS 2	2

Details provided as at 31 March 2025

Pay Band	Number of Senior Civil Service Staff
SMS 1	7
SMS 2	2

## Staff report (subject to audit)

The average number of whole-time equivalent persons employed during the year was as follows:

### Summary of average FTE

Staff Numbers	Permanent and Fixed Term Employees	Other *	2025/26 Total
Service Delivery	1,007	166	1,173
Corporate Services	146	11	157
<b>Total</b>	<b>1,153</b>	<b>177</b>	<b>1,330</b>
Capitalised Staff**	(4)	(6)	(10)
<b>Net Staff Numbers</b>	<b>1,149</b>	<b>171</b>	<b>1,320</b>

Staff Numbers	Permanent and Fixed Term Employees	Other *	2024/25 Total
Service Delivery	1,007	216	1,223
Corporate Services	145	9	154
<b>Total</b>	<b>1,152</b>	<b>225</b>	<b>1,377</b>
Capitalised Staff**	(3)	(6)	(9)
<b>Net Staff Numbers</b>	<b>1,149</b>	<b>219</b>	<b>1,368</b>

\* Other comprises contractors, agency workers and fee paid officers.

\*\* No single resource is dedicated to working on capital projects. The figures for capitalised staff are whole time equivalent for the hours of labour charged to capital projects.



Mike Astell  
Chief Executive Officer and Accounting Officer

25 June 2026

Staff costs for the above persons (subject to audit)

2025/26			
	Permanent and Fixed Term Employees £'000	Other * £'000	Total £'000
Salaries / Agency Staff and Fee Paid Officers	67,766	22,440	90,206
Social Security Costs	7,828	2,694	10,523
Apprenticeship Levy	488		488
Other Pension Costs**	14,856		14,856
<b>Total Staff Costs</b>	<b>90,938</b>	<b>25,135</b>	<b>116,073</b>
Capitalised Staff Costs	(273)	(727)	(1,000)
<b>Total Net Staff Costs</b>	<b>90,665</b>	<b>24,407</b>	<b>115,072</b>

2024/25 Restated			
	Permanent and Fixed Term Employees £'000	Other * £'000	Total £'000
Salaries / Agency Staff and Fee Paid Officers	66,598	28,348	94,946
Social Security Costs	6,156	3,462	9,618
Apprenticeship Levy	615	-	615
Other Pension Costs**	14,160	-	14,160
<b>Total Staff Costs</b>	<b>87,529</b>	<b>31,811</b>	<b>119,340</b>
Capitalised Staff Costs	(175)	(763)	(938)
<b>Total Net Staff Costs</b>	<b>87,354</b>	<b>31,048</b>	<b>118,402</b>

\* Inward Seconded Staff costs have been included in other staff cost.  
 \*\*2025/26 variance in value of £2k to pension note below relates to opening and closing accruals (2024/25 £2k)

Pensions

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 FCDO Services is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensionscheme.org.uk/about-us/resource-accounts](http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts)).

For 2025/26, employers' contributions of £14,727,958 were payable to the PCSPS (2024/25

£14,010,853) at the rate of 28.97% of pensionable earnings, based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2025/26 to be paid when the member retires and not the benefits paid during this period to existing pensioners. Pension contributions for Inward Seconded Staff have been included in agency staff costs.

Employees can opt to open a Civil Service Partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £123,778 (2024/25 £146,353) were paid to

one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £3,975 (2024/25 £4,625), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees. Pension contributions for Inward Seconded Staff have been included in agency staff costs.

Contributions due to the Partnership pension providers at the Statement of Financial Position date were £nil (2024/25 £nil). Contributions prepaid at that date were £nil (2024/25 £nil).

In the 12 months to March 2026 two individuals (2024/25 no individual) retired early on ill health grounds; the total additional accrued pension liability in the year amounted to £25k (2024/25 £nil).

Diversity and inclusion

In an ever changing and uncertain world, we are reliant on attracting, developing and retaining people with diverse backgrounds and talents to enable us to deliver our organisational goals and objectives and to meet, and exceed, the expectations of our clients globally.

Our vision is to be amongst the best civil service employers for inclusion. Our Diversity and Inclusion Strategy, which is aligned to the Foreign, Commonwealth and Development

Office (FCDO) and civil service strategies, continues to provide a clear focus to enable us to deliver this vision: to deliver a diverse team and an inclusive culture that places respect and support for everyone at its core and empowers our people to fulfil their potential whilst ensuring their wellbeing.

During 2025/26, we have continued working in conjunction with our staff networks, and those of the FCDO and wider civil service to increase our staff's feeling of inclusion. We have particularly focused on respect at work, building on the research undertaken by ACAS last year, and wellbeing awareness activities. The wellbeing awareness activities relate to neurodiversity and on men's health, to help ensure that we are truly being inclusive for all.

Since we introduced representation aspirations for female, ethnic minority and disability staff, we have made steady progress against our aims, with two of the three areas now the achieving their

highest representation levels. Since 2017, our female representation has risen by 7.8% to 31.0%; our ethnic minority representation by 2.9% to 11.3%; and our disability representation by 5.0% to 10.2%. Female representation in our technical roles now stands at 9.3%, an increase of 0.7% in the 12 months since March 2025, and again is the highest level achieved to date. Senior female and senior ethnic representation are also at their highest representation levels, at 32.2% (+1.5%) and 7.8% (+0.6%).

Although we have made positive progress in representation of all three protected characteristics, we know we have more work to do, particularly in relation to ethnic minority representation. We recognise that our diversity challenge is greater at more senior levels and in technical roles and are committed to take further actions to reduce the disparity.

Staff representation 2023 to 2026:

	March 2026	March 2025	March 2024	March 2023
Female	31.0%	31.5%	31.4%	29.4%
Ethnic Minority	11.3%	11.1%	10.7%	10.0%
Disability	10.2%	9.1%	8.0%	7.3%

The reported percentages are calculated against all our employee workforce. We do not exclude those who have not responded or those who have responded but prefer not to disclose the information. This is a different calculation method from that used in civil service statistics where these populations are excluded. The methodology used by FCDO Services will generally show as a lower percentage representation for the same number of positive responses.

Our dedicated talent outreach lead continues to significantly increase our interaction with education establishments and external early career organisations to strengthen our diversity pipeline.

Our Gender Pay analysis is included within the FCDO GPG report. The latest report based on March 2025 data, showed a decrease in FCDO Services' Gender Pay Gap, and analysis indicates this results from continued focus in all our processes and activities. The pay mean gap decreased from 6.6% to 6.4%, and

the median pay gap from 16.6% to 10.7%.

Staff turnover

During 2025/26, turnover at 7.8% was lower than the 2024/25 turnover of 7.9%. Figures are for voluntary turnover and therefore exclude VES, TUPE and COSOP exits and ending fixed-term contracts.

In total, there were 106 leavers and 140 joiners during 2025/26 compared to 128 leavers and 115 joiners in 2024/25.

**Staff composition**

At 31st March 2026:

- Senior Civil Service Grades: 42.9% (2024/25 – 44.4%) were female
- Delegated Grades: 31.0% (2024/25 – 31.4%) were female

As a STEM organisation, we continue to face a challenge due to a shortage of females working in the industry. As part of our diversity strategy, we have remained focused on improving representation of female staff overall, and especially in technical roles and at senior levels. Over the last year, we have seen a slight dip in female representation within both delegated and senior civil service grades. Overall workforce demographics have been impacted by restructuring activities and the change in female representation is

despite a range of ongoing positive actions including:

- a focus on diversity in advertising setting, workforce ambitions, anonymised recruitment, and diverse selection panels
- mentoring/reverse mentoring, highlighting internal and external role models, and focused development programmes
- working in conjunction with WEConnect, our gender staff network

**Civil servant / delegated grades**

31 March 2026			
	Female	Male	Total
Delegated	368	821	1,189
Senior Civil Servants	3	4	7
<b>Total</b>	<b>371</b>	<b>825</b>	<b>1,196</b>

31 March 2025			
	Female	Male	Total
Delegated	375	819	1,194
Senior Civil Servants	4	5	9
<b>Total</b>	<b>379</b>	<b>824</b>	<b>1,203</b>

The people included in the Senior Civil Servants split above are all members of the Strategy and Corporate Committee and Operations Committee. 4 of the 7 are the Executive Directors (detailed earlier in this report) of which 50% are female and 50% are male (2024/25: 5 Executive Directors – 50% female, 50% male). Data above is based on headcount as at 31 March 2026 and 2025 respectively.

**Sickness absence data**

The average number of working days lost per employee due to sickness absence was 5.9 days in 2025/26. This compared to 7.1 days in 2024/25.

**Staff policies applied during the financial year for the recruitment, ongoing employment, and training and promotion of people with disabilities**

For giving full and fair consideration to applications for employment by disabled persons, initiatives applied in FCDO Services included the following:

- FCDO Services is committed to making its website accessible, in accordance with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018. This website is partially compliant with the Web Content Accessibility Guidelines version 2.1 AA standard. Non compliances are listed on the site
- We have installed an accessibility tool, Recite Me, to our careers website which enables users to customise the content in a way that works for them
- To promote diversity and fairness FCDO Services has for many years implemented anonymised recruitment, where the sifting process is focused on the skills, knowledge and experience outlined
- We are continuing to build on the increase to Disability Confident scheme rating to “Employer” status, and are actively working towards “Committed” level. As part of our ongoing commitment we provide a guaranteed interview for applicants with a disability who meet the minimum selection criteria

- Applicants are asked on their application form to disclose whether they have a disability and if so, advise if they require any reasonable adjustments for the interview or assessment(s), access to the venue etc.

For continuing the employment of, and for, arranging appropriate training for employees of the company who have become disabled during the period when they were employed by the company:

- if staff become disabled during their employment we will refer them to our Occupational Health provider, who can provide workstation assessments or advice on reasonable adjustments for the workplace, including psychological assessments for learning differences e.g. dyslexia

Otherwise for the training, career development and promotion of disabled persons employed by the company:

- We work in close partnership with the Civil Service Workplace Adjustment Service and promote the use of the single disability passport forms which capture workplace adjustment plans and support staff moving across the civil service
- During 2025/26, all staff were mandated to undergo neurodiversity training, and for 2026/27 all staff are required to complete the Civil Service’s online equality, diversity and inclusion training

- We analyse performance and promotion data by several protected characteristics to ensure fair and consistent application of our processes

Further information on our diversity and inclusion goals can be found at <https://www.fcDOServicescareers.co.uk/about/diversity-and-inclusion>.

**Expenditure on consultancy**

FCDO Services’ expenditure on consultancy during 2025/26 was £4.4m (2024/25 £7.8m, restated). The 2024-25 consultancy figure has been restated from £nil to £7.8m due to an error in the 2024-25 Annual Report and Accounts disclosure.

## Off-payroll engagements

Note: Details below include Limited and Umbrella company contractors plus Agency Worker Regulations (AWRs).

**Table 1:** For all off-payroll appointments as of 31 March 2026, for more than £245 per day and that last longer than six months:

(a) The total number of such engagements as of 31 March	105
(b) The number that have existed for less than one year at time of reporting	26
(c) The number that have existed for between one and two years at time of reporting	17
(d) The number that have existed between two and three years at the time of reporting	31
(e) The number that have existed between three and four years at time of reporting	13
(f) The number that have existed for four or more years at time of reporting	18

**Table 2:** For all new off-payroll appointments, or those that reach six months in duration, between 1 April 2025 and 31 March 2026 for more than £245 per day and that will last for longer than six months:

(a) The number of new engagements or those that reached six months during the period	35
(b) The number of these engagements which were assessed as caught by IR35	28
(c) The number of these engagements which were assessed as not caught by IR35	7
(d) The number that were engaged directly (via PSC contracted to department) and are on the departmental payroll	0
(e) The number that were reassessed for consistency / assurance purposes during the year whom assurance has been requested but not received	10
(f) The number that saw a change to IR35 status following the consistency review	10

**Table 3:** For any off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2025 and 31 March 2026 departments must also disclose:

(a) The number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year	0
(b) Details of the exceptional circumstances that led to each of these engagements	n/a
(c) Details of the length of time each of these exceptional engagements lasted	n/a
(d) The total number of individuals both on and off-payroll that have been deemed "board members and/or senior officials with significant financial responsibility", during the financial year. This total figure must include engagements which are on payroll as well as those off-payroll	n/a

During 2025/26, FCDO Services carried out a full review of all IR35 off-payroll status determinations. This resulted in a high number of engagements that had previously been assessed as out-of-scope being reassessed as in-scope. A voluntary disclosure advising HMRC of these changes in assessment has now been made, and FCDO Services has recognised a liability for the estimated potential backdated tax owed within our 2025/26 accounts. A prior period adjustment has also been recognised for the Financial years 2022/23 to 2024/25.

## Exit packages (subject to audit)

The table below provides details of exit packages included within the financial statements.

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Departures agreed		Total Number of Exit Packages by Cost Band	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
<£10,000	-	-	2	-	2	-
£10,000 - £25,000	-	-	2	5	2	5
£25,000 - £50,000	-	-	1	10	1	10
£50,000 - £100,000	1	-	10	16	11	16
£100,000 - £150,000	-	-	2	-	2	-
£150,000 - £200,000	-	-	-	-	-	-
<b>Total Number of Exit Packages by Type</b>	<b>1</b>	<b>-</b>	<b>17</b>	<b>31</b>	<b>18</b>	<b>31</b>
<b>Total Resource Cost (£'000)</b>	<b>58</b>	<b>-</b>	<b>1,157</b>	<b>1,773</b>	<b>1,215</b>	<b>1,773</b>

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 that departure was agreed. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

The total payment received from the FCDO in relation to the VES scheme amounted to £nil (2024/25 £1.8m), which included £nil (2024/25 £37k) in relation to benefit in lieu of notice and unpaid leave not shown in the table above.

# Parliamentary Accountability and Audit Report

## Regularity of expenditure (subject to audit)

In spending public money, FCDO Services operates in accordance with the principles of HM Treasury’s Managing Public Money (MPM).

## Losses and special payments (subject to audit)

Losses Statement	31 March 2026	31 March 2025
	£'000	£'000
Total Number of Losses	1	2
<b>Total Value of Losses *</b>	8	265
Stores Losses	0	0
Fruitless Payments	0	3
Loss on Currency Exchange	0	0
Other	8	262

\* There were no individual losses over £300,000 in either 2025/26 or 2024/25. All losses are disclosed on an accruals basis.

FCDO Services have recognised a provision of £14.8m in respect of unpaid taxes arising from historical IR35 compliance issues identified during the year. The provision reflects management’s best estimate of the liability following a detailed review of contractor arrangements and ongoing engagement with HMRC. Further details, including the nature of the prior period adjustment, are provided in Note 2 of the Financial Statements.

## Special payments and gifts (subject to audit)

In 2025/26, the costs falling into the category special payments and gifts was £nil (2024/25 £nil).

## Fees and charges (subject to audit)

There are no fees and charges to be disclosed.

## Remote contingent liabilities (subject to audit)

Following analysis of statement of account reconciliations with our suppliers, and a review of guidance issued by HM Treasury, we are not aware of any material remote contingent liabilities.



**Mike Astell**  
Chief Executive Officer and Accounting Officer

25 June 2026

## The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

### Opinion on financial statements

I certify that I have audited the financial statements of FCDO Services for the year ended 31 March 2026 under the Government Trading Funds Act 1973.

The financial statements comprise FCDO Services’:

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Income, 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 FCDO Services’ affairs as at 31 March 2026 and of its retained surplus for the year then ended; and
- have been properly prepared in accordance with the Government Trading Funds Act 1973 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 FCDO Services 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 FCDO Services’ 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 FCDO Services’ 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.

### Other information

The other information comprises information included in the Performance Report and Accountability 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 Trading Funds Act 1973.

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 Trading Funds Act 1973;
- 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 FCDO Services and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- adequate accounting records have not been kept by FCDO Services 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 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 FCDO Services 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 Trading Funds Act 1973;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973; and
- assessing FCDO Services' 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 either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Trading Funds Act 1973.

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 FCDO Services' accounting policies, and key performance indicators.
- inquired of management, FCDO Services' head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to FCDO Services' 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 FCDO Services' controls relating to FCDO Services' compliance with the Government Trading Funds Act 1973 and Managing Public Money;

- inquired of management, FCDO Services' head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team and the relevant external specialists, including tax experts 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 FCDO Services for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of FCDO Services' framework of authority and other legal and regulatory frameworks in which FCDO Services operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of FCDO Services. The key laws and regulations I considered in this context included Government Trading Funds Act 1973, Managing Public Money, employment law, tax legislation and the FCDO Services Trading Fund Order 2008.

## 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; and

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

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

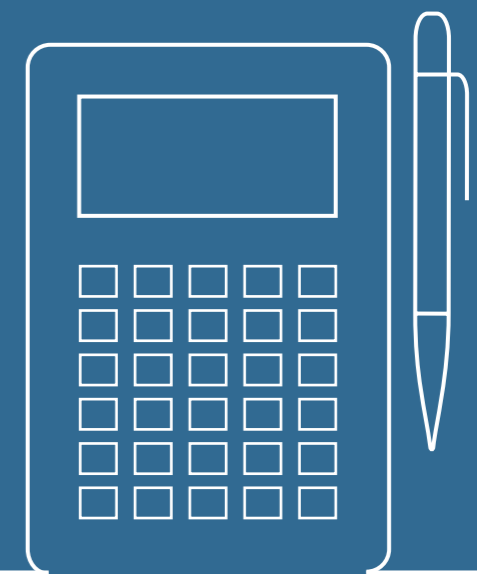
Gareth Davies

29 June 2026

## Comptroller and Auditor General

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

# Financial Statements



# Statement of Comprehensive Income

for the year ended 31 March 2026

		31 March 2026	31 March 2025 Restated
	Note	£'000	£'000
Revenue from contracts with customers	3	252,346	262,167
Cost of sales	6	(199,280)	(207,721)
<b>Gross surplus</b>		<b>53,066</b>	54,446
Other income	3	232	2,231
Operating expenses	6	(52,778)	(49,196)
<b>Operating surplus</b>		<b>520</b>	7,481
Profit/(Loss) on disposal of property, plant and equipment and intangible assets		0	131
<b>Surplus before financing</b>		<b>520</b>	7,612
Financing income	3	3,057	3,442
<b>Net financing</b>		<b>3,057</b>	3,442
<b>Surplus for the financial year</b>		<b>3,577</b>	11,054
Dividend	7	(1,754)	(2,869)
<b>Retained surplus for the financial year</b>		<b>1,823</b>	8,185
<b>Other comprehensive net income</b>			
Net gain on the revaluation of property, plant and equipment		0	0
<b>Total comprehensive income for the financial year</b>		<b>1,823</b>	8,185

All income and expenditure is derived from continuing operations.

The 'Notes to the accounts' section form part of these financial statements.

# Statement of Financial Position

as at 31 March 2026

		31 March 2026	31 March 2025 Restated	1 April 2024 Restated
	Note	£'000	£'000	£000
<b>Non-current assets</b>				
Intangible assets	8	244	871	921
Property, plant and equipment	9	17,020	16,326	17,242
<b>Total non-current assets</b>		<b>17,264</b>	17,197	18,163
<b>Current assets</b>				
Inventories	10	2,974	3,019	4,413
Trade receivables, financial and other assets	11	48,015	46,540	56,841
Cash and cash equivalents	12	72,399	73,780	66,826
<b>Total current assets</b>		<b>123,388</b>	123,339	128,080
<b>Total assets</b>		<b>140,652</b>	140,536	146,243
<b>Current liabilities</b>				
Trade payables and other current liabilities	13	(50,218)	(54,430)	(71,756)
Lease liabilities	14	(38)	(34)	(27)
Provisions due within one year	15	(14,812)	(12,273)	(8,848)
<b>Total current liabilities</b>		<b>(65,068)</b>	(66,737)	(80,631)
<b>Total assets less current liabilities</b>		<b>75,584</b>	73,799	65,613
<b>Non current liabilities</b>				
Lease liabilities	14	-	(38)	(36)
<b>Total non current liabilities</b>		<b>-</b>	(38)	(36)
<b>Total assets less liabilities</b>		<b>75,584</b>	73,761	65,576
<b>Taxpayers' equity</b>				
Public dividend capital		4,981	4,981	4,981
General reserve		3,174	3,174	3,159
Revaluation reserve		179	179	194
Income and expenditure account		67,250	65,427	57,242
<b>Total taxpayers' equity</b>		<b>75,584</b>	73,761	65,576

Mike Astell   
Chief Executive Officer and Accounting Officer

25 June 2026

The 'Notes to the accounts' section form part of these financial statements.

# Statement of Cash Flows

for the year ended 31 March 2026

		31 March 2026	31 March 2025 Restated
	Note	£'000	£'000
<b>Cash flows from operating activities</b>			
Surplus on ordinary activities before dividend payable		3,577	11,054
Adjustments for non-cash transactions	16	5,014	7,009
Net interest receivable	3	(3,057)	(3,442)
Decrease in inventories	10	45	1,394
Increase in trade and other receivables	11	(1,475)	10,301
Decrease in trade and other payables	13	(4,212)	(17,326)
- Dividend payable	13	254	1,369
Increase in provisions	15	2,539	3,426
<b>Net cash inflow from operations</b>		<b>2,685</b>	<b>13,784</b>
<b>Cash flows from investing activities</b>			
Purchases of intangible assets	8	(145)	(34)
Purchases of property, plant and equipment	9	(4,079)	(6,162)
Disposals of intangibles, property, plant and equipment		8	9
<b>Net cash outflow from investing activities</b>		<b>(4,216)</b>	<b>(6,187)</b>
<b>Cash flows from financing activities</b>			
Interest received		3,057	3,442
Repayment of finance leases		(38)	(24)
Dividend paid	7 and 13	(2,869)	(4,063)
<b>Net financing</b>		<b>150</b>	<b>(645)</b>
<b>Net (decrease) / increase in cash and cash equivalents in the period</b>		<b>(1,381)</b>	<b>6,954</b>
<b>Cash and cash equivalents at the beginning of the period</b>	12	<b>73,780</b>	<b>66,826</b>
<b>Cash and cash equivalents at the end of the period</b>	12	<b>72,399</b>	<b>73,780</b>

The 'Notes to the accounts' section form part of these financial statements.

# Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2026

	Public Dividend Capital £'000	General Reserve £'000	Revaluation Reserve £'000	Income and Expenditure Account £'000	Total Reserves £'000
<b>Changes in taxpayers equity for 31 March 2025</b>					
Balance at 1 April 2024 (as previously reported)	4,981	3,159	194	65,918	74,252
Prior Period Adjustment (Note 2)				(8,676)	(8,676)
<b>Balance at 1 April 2024 - Restated</b>	<b>4,981</b>	<b>3,159</b>	<b>194</b>	<b>57,242</b>	<b>65,576</b>
Unrealised net surplus on revaluation of property, plant and equipment	-	-	-	-	-
General reserve transfer - depreciation charge difference in year on revalued cost basis compared to historic cost basis	-	15	(15)	-	-
Retained surplus for the financial year - Restated (Note 2)	-	-	-	8,185	8,185
Total recognised income and (expense) for 31 March 2025 Restated (Note 2)	-	15	(15)	8,185	8,185
Balance at 31 March 2025 Restated (Note 2)	4,981	3,174	179	65,427	73,761
<b>Changes in taxpayers' equity for 31 March 2026</b>					
Unrealised net surplus on revaluation of property, plant and equipment	-	-	-	-	-
General reserve transfer - depreciation charge difference in year on revalued cost basis compared to historic cost basis	-	-	-	-	-
Retained surplus for the financial year	-	-	-	1,823	1,823
Total recognised income and (expense) for 31 March 2026	-	-	-	1,823	1,823
<b>Balance at 31 March 2026</b>	<b>4,981</b>	<b>3,174</b>	<b>179</b>	<b>67,250</b>	<b>75,584</b>

The Public Dividend Capital Reserve records the investment made in the Trading Fund by the Secretary of State for Foreign, Commonwealth and Development Office Affairs. The General Reserve is used to account for movements on reserves which do not pass through the income and expenditure account. The General Reserve is used to account for movements on reserves which do not pass through the income and expenditure account. The Revaluation Reserve records the unrealised profit on the cumulative indexation and revaluation adjustments to non-current assets. The Income and Expenditure Account is used to account for the accumulated surplus of the Trading Fund.

The 'Notes to the accounts' section form part of these financial statements.

# Notes to the accounts

## 1. Accounting policies

### 1.1 Basis of accounting

These financial statements have been prepared in accordance with the Accounts Direction issued by HM Treasury on 18 December 2025, pursuant to section 4(6)(a) of the Government Trading Funds Act 1973. This requires the Trading Fund to comply with the accounting principles and disclosure requirements of the 2025/26 Government Financial Reporting Manual (FReM) and Trading Funds Accounts Guidance, as issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of FCDO Services for the purpose of giving a true and fair view has been selected. The particular policies adopted by FCDO Services are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### 1.2 Going concern

The Directors assess whether the use of the going concern assumption is deemed appropriate, considering whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trading Fund to continue as a going concern. The Directors make this assessment in respect of a period at least one year from the signing date of these financial statements. The Directors have considered inflationary pressures in reaching their conclusions, preparing an annual budget, a three-year corporate plan and monitoring performance against it. The Trading Fund maintains levels of reserves to meet unexpected obligations and forecasts that adequate resources are maintained in ensuring that the Trading Fund remains operational for the foreseeable future. The financial statements have therefore been prepared on a going concern basis as discussed in the Accountability Report within these financial statements.

### 1.3 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

### 1.4 Revenue from contracts with customers

Revenue represents the fair value of consideration received or receivable from clients for goods and services provided, net of discounts, VAT and other sale related taxes.

Revenue is recognised under IFRS 15 “Revenue from Contracts with Customers”.

For each of our project types the following IFRS 15 revenue recognition is applied:

#### Fixed Price and Time and Materials Projects:

The majority of projects are delivered at the customer site. FCDO Services uses performance over time to recognise revenue, as the customer asset is enhanced and/or the customer derives benefit from the service. Where performance obligations exist a service delivery notification is provided to the customer and is utilised to confirm the successful completion of the performance obligation. Costs incurred beyond the latest completed performance obligation are transferred to the balance sheet as work in progress, to be recognised when the performance obligation is complete.

#### Benefit is derived typically as follows:

Design (including surveys, feasibility studies): Revenue is recognised when the customer takes delivery of the report and at a point in time.

Hardware / materials: Revenue is recognised when the customer takes receipt.

Project management: Revenue is recognised on completion of agreed milestones with the customer – usually monthly.

Installation: Revenue is recognised when the installation is complete. Costs incurred beyond the latest completed performance obligation are transferred to the balance sheet as work in progress, to be recognised when the performance obligation is completed.

#### Subscription and call off projects:

Contracts have monthly or regular performance obligations, which are recognised as the customer consumes the service and recognised over time. Subscriptions are recognised over the time which they cover with call off projects recognised at a point in time.

### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity and apportioned between cost of sales and operating expenses as appropriate.

### 1.6 Dividend

An annual statutory dividend is payable to the Foreign, Commonwealth and Development Office. The charge is calculated at a rate set by HM Treasury on the average capital employed during the year.

A discretionary dividend may be paid to the Foreign, Commonwealth and Development Office, at their request, after taking into account the future investment needs of the Trading Fund.

### 1.7 Taxation and value added tax

FCDO Services, as a Trading Fund, is exempt from corporation tax and consequently the requirements to account for current and deferred corporation tax are not relevant.

FCDO Services is separately registered for VAT and applies normal commercial VAT rules to accounting for output and input tax.

### 1.8 Leases

#### Scope and classification

In accordance with IFRS 16, contracts, or parts of a contract, that convey the right to use an asset in exchange for consideration are accounted for as leases.

Contracts for services are evaluated 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.

FCDO Services excludes contracts with a term shorter than twelve months; as well as for low-value items, defined as items costing less than £3,000 (under the capitalisation threshold) when new, provided they are not highly dependent on or integrated with other items.

## Initial recognition

At the commencement of a lease (or the IFRS 16 transition date, if later), FCDO Services recognises a right-of-use asset and a lease liability.

The lease liability is measured at the payments for the remaining lease term, net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the incremental cost of borrowing advised by HM Treasury which is set on a calendar year basis when not considered trivial in value over the life of the lease (5.32% for 2026).

The right-of-use asset is measured at the value of the liability, adjusted for: any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease.

## Subsequent measurement

The liability is adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments 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, any asset impairments and any change in variable lease payments 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 (less than £3,000) or for those shorter than twelve months are expensed.

## 1.9 Inventories, work in progress and contracts

Inventories of raw materials and components are valued at the lower of cost or net realisable value. Obsolete and damaged stock is written down to net realisable value.

Work in progress is valued at the lower of cost, including appropriate overheads and net realisable value.

Contract balances included in inventories comprise costs incurred, net of amounts transferred to cost of sales, after deducting contract losses and related payments on account.

Costs include all direct material and labour costs incurred in bringing a contract to its state of completion at the year end, including an appropriate proportion of indirect overheads.

The excess of payments received over amounts recorded as turnover is classified under contract liabilities and payments on account. Amounts recoverable on contracts, being the amount by which recorded turnover is in excess of payments on account, is classified under prepayments, contract assets and accrued income.

## 1.10 Property, plant and equipment

Property, plant and equipment are stated at fair value at the Statement of Financial Position date using appropriate indices or at valuation. Depreciation is restated proportionately with any change in the gross carrying amount so that the carrying amount after revaluation equals its revalued amount. The minimum level for capitalisation of a single property, plant and equipment asset is £3,000, subject to grouping conventions where appropriate. Fixtures are defined as substantial modifications to buildings occupied by FCDO Services which enhance the economic usefulness of the building.

On initial recognition property, plant and equipment are measured at cost, including any costs such as installation directly attributable to bringing them into working condition. Assets are included in the accounts at the valuation applicable at the Statement of Financial Position date; any movements in valuation during the year are taken to the revaluation reserve or treated as impairments where appropriate.

Costs incurred in creating internally constructed assets are capitalised as property, plant and equipment assets. Internal charges for labour costs include an appropriate recovery of overheads.

Property, plant and equipment assets are depreciated at rates calculated to write them down to their estimated residual values on a straight-line basis over their estimated useful lives. Assets under construction are not depreciated or revalued until the asset is brought into use. Asset lives have been set in the following ranges.

Information technology	2 to 8 years
Transport equipment	2 to 8 years
Plant and machinery	5 to 20 years
Fixtures	10 to 25 years
Right of use assets	Over the life of the lease

Property, plant and equipment assets are reviewed annually for impairments and any impairment is charged to the Statement of Comprehensive Income.

## Right of use assets

As detailed in Note 1.8, FCDO Services has adopted IFRS 16 'Leases' from 1 April 2022. As permitted by the FReM, IFRS 16 has been implemented without restatement of prior year figures.

Right-of-use lease contracts comprise leases of plant and machinery, all of which are insignificant individually and in totality and therefore shown within the right of use asset column within Note 8.

FCDO Services has a Memorandum of Terms of Occupancy (MOTO) arrangement in place in respect of accommodation provided by the Foreign, Commonwealth and Development Office (FCDO). There is no fixed lease term, with the arrangement being on a rolling 12 month basis, until either party gives notice. The FReM removes the option to reassess whether a contract contains a lease, and as the MOTO was assessed as a lease under IAS 17, it is deemed to be a lease under IFRS 16. The agreement is based on variable lease payments based on wider market revenue, where the consideration paid increases in-line with the amount of revenue generated from sources other than the FCDO as a percentage of total revenue. These payments are not linked to a rate or index and therefore in accordance with IFRS 16 this generates a nil value lease liability and no right of use asset under the cost model.

Under the HM Treasury FReM, where the cost model is not a valid proxy for fair value, then the revaluation model should be applied. In applying this, the FReM refers to guidance issued by the Royal Institution of Chartered Surveyors (RICS), which concludes that similarly to the cost model, variable payments not linked to a rate or index should be excluded from the valuation under the revaluation model. As such, and as all payments are variable on the basis of the proportion of revenue generation, no lease liability or right of use asset is recognised on the Statement of Financial Position with respect to the MOTO. Instead, the rental charges are shown in the Statement of Comprehensive Income as accommodation costs. In relation to the MOTO these were £5.0m (2024/25 - £4.6m). Payments could be up to circa £10m if all relevant accommodation costs were charged to FCDO Services rather than those that specifically relate to wider markets.

**1.11 Intangible assets**

Intangible assets are valued at cost.

Where an active market does not exist, income generating assets are valued at the lower of depreciated replacement cost and value in use. This valuation method is considered to be a proxy for fair value.

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of IAS 38 where assets do not generate income. IAS 38 defines future economic benefit as, 'revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity.'

Costs incurred in creating internally constructed intangible assets are capitalised as intangible assets. Internal charges for labour costs include an appropriate recovery of overheads.

Intangible assets are amortised at rates calculated to write them down to their estimated residual values on a straight-line basis over their estimated useful lives. Assets under development are not amortised or revalued until the asset is brought into use. Asset lives have been set in the following range:

<b>Software licences</b>	3 to 5 years
<b>Research and development</b>	3 to 5 years

Intangible assets are reviewed annually for impairments and any impairment is charged to the Statement of Comprehensive Income.

**1.12 Research and development**

Research and development costs exclude those incurred on behalf of a customer as part of a specific project which are directly chargeable to the customer on whose behalf the work is undertaken. Internally funded development expenditure is capitalised in the Statement of Financial Position where there is a clearly defined project, the expenditure is separately identifiable, the project is technically and commercially feasible, all costs are recoverable by future revenue, and the resources are committed to complete the project. Such capitalised costs are amortised over the forecast period of sales resulting from the development (taken to be 3-5 years). All other research and development costs are expensed to the Statement of Comprehensive Income in the period in which they are incurred. If the research phase cannot be clearly distinguished from the development phase, the respective project-related costs are treated as if they were incurred in the research phase only and expensed.

**1.13 Government grants**

Government grants relate to property, plant and equipment and are recognised at fair value in the government grant reserve. The grant is recognised as income over the life of the asset. There were no government grants in the current year (2024/25: nil).

**1.14 Impairment of accounts receivable**

Specific provision is made under IFRS 9 for the impairment of accounts receivable where there is an expected credit loss.

**1.15 Provisions**

FCDO Services provides for legal and constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of best estimate of the expenditure required to settle the obligation. Previously where the effect of the time value of money was significant, the estimated risk-adjusted cash flows were discounted using the Treasury discount rates in real terms. HM Treasury issue nominal rates. Nominal rates do not take account of inflation, unlike real rates, therefore where significant, inflated cash flows would be used (reference PES (2024) 09):

<b>Nominal Rates</b>		
Short-term	Between 0 and up to and including 5 years from the statement of financial position (SOFP) date	3.64%
Medium-term	After 5 years and up to and including 10 years from the SOFP date	4.22%
Long-term	After 10 years and up to and including 40 years from the SOFP date	5.32%
Very long-term	Exceeding 40 years from the SOFP date	5.07%

<b>Inflation Rates</b>		
Year 1	Between 0 and up to and including 1 year from the SOFP date	2.50%
Year 2	After 1 year and up to and including 2 years from the SOFP date	2.00%
Into perpetuity	Exceeding 2 years from the SOFP date	2.00%

<b>Lease Rates</b>	
Nominal Rate	5.32%

During the current year and prior year no discounting was required.

**1.16 Pension costs**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) - known as "alpha" which are described in the Remuneration and Staff Report. PCSPS and CSOPS are unfunded multi-employer defined benefit schemes. FCDO Services recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payments to the pension scheme of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS and CSOPS. In respect of the defined contribution schemes, FCDO Services recognises the contributions payable for the year. FCDO Services liabilities are not separately identifiable as it's a multi-employer scheme and therefore not included in the financial statements.

**1.17 Foreign exchange gains and losses**

Transactions are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for the period is used. Monetary assets and liabilities denominated in foreign currency at the Statement of Financial Position date are translated at the rates ruling at that date. These translation differences are dealt with in the Statement of Comprehensive Income.

**1.18 Contingent liabilities**

Contingent liabilities are disclosed in accordance with IAS 37. Where the time value of money is material, contingent liabilities are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

In addition, FCDO Services discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

**1.19 Financial instruments**

IFRS 9 specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items. FCDO Services only has financial instruments, as defined by IFRS 9, of cash, receivables and payables as per Note 19.

**1.20 Effects of future accounting policies**

The following two changes to IFRS may impact FCDO Services and will be applied once they are adopted by the FreM (subject to any interpretations or adaptations applied by the FreM).

**IFRS 18 Presentation and disclosure**

IFRS 18 will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

**IFRS 19 Subsidiaries without public accountability: disclosures**

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS on the Public Sector is still being assessed, and a decision has not yet been taken on a implementation date.

## Social benefits

The 2025/26 FReM has included new guidance on accounting for social benefits. The 2025/26 FReM defines social benefits as current transfers received by households (including individuals) intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education, or family circumstances. Management has assessed the effect of the new standard and has concluded that there is no material impact on FCDO Services' financial statements.

### 1.21 Critical accounting judgements and estimates

Management, in preparing the accounts, is required to select suitable accounting policies, apply them consistently and make estimates and assumptions that are reasonable and prudent. Critical accounting estimates are those which involve the most complex or subjective judgements or assessments.

The areas of FCDO Services' business that typically require such estimates in implementing the accounting policies set out above are explained in more detail below.

#### (a) Calculation of accruals

Expenditure is recognised on the accruals basis. Accruals are made on the basis of the known value of the transaction wherever possible. Where estimates need to be made, they are based on appropriate methodology and consistently applied.

#### (b) Accrued income

In line with our revenue recognition policy, as outlined in Note 1.4, management are required to accept a degree of judgement and estimation in relation to the stage of completion of works.

#### (c) IR35 Provision

A provision has been made to estimate the unpaid taxes in relation to contractors who were incorrectly deemed as outside of scope of IR35.

The provision is calculated on the assumption that HMRC will assess the scope of any liability to cover a 4-year period for Pay As You Earn (PAYE) income tax and a 6-year period for National Insurance Contributions (NICs). This is based on indications received from HMRC, precedence in respect of other public sector bodies and the statutory debt limitation periods for the respective payroll taxes.

We have also applied an offset in arriving at the total provision figure, reflecting that HMRC may reduce a deemed employer's liability where tax and NIC have already been borne by the worker and/or their intermediary in relation to the same earnings. HMRC will only apply an offset where the relevant parties can be clearly identified, and we expect to be able to provide HMRC with the relevant identifying information for each contractor across all years to be disclosed.

## 2. Prior period adjustments

Following recent HMRC investigations into other central government bodies, a review of contractor employment status was undertaken at FCDO Services. The review covers a four-year period, and a liability has been recognised for unpaid taxes in relation to IR35 compliance.

Due to the material nature of the historical amounts, a Prior Period Adjustment is required to correct the error in the reported financial position. A retrospective adjustment of £12.1m has been made to restate opening reserves and increase provisions.

- £3.5m relates to 2024/25
- £2.9m relates to 2023/24
- £2.0m relates to 2022/23
- £1.9m relates to 2021/22
- £1.9m relates to 2020/21

As the net change on the statement of financial position at the beginning of the prior period is material, a third balance sheet has been presented. The provisions balance as at 1 April 2024 was originally £172k, and has been restated to £8,848k.

At the time of signing these financial statements, formal correspondence has been opened with HMRC. Upon conclusion of this compliance investigation, the final definitive obligation will be settled.

Prior year restatements are detailed below:		As previously 2024/25 £000	Restatement 2024/25 £000	Restated Amount 2024/25 £000
<b>Statement of Comprehensive Income - Extract</b>				
Cost of sales	6	(204,676)	(3,045)	(207,721)
Operating expenses	6	(48,788)	(408)	(49,196)
<b>Total</b>		<b>(253,464)</b>	<b>(3,453)</b>	<b>(256,917)</b>
<b>Statement of Financial Position - Extract</b>				
Provisions	14	(8,848)	(3,425)	(12,273)
<b>Total</b>		<b>(8,848)</b>	<b>(3,425)</b>	<b>(12,273)</b>
<b>Statement of Cash Flows - Extract</b>				
Surplus on ordinary activities before dividend payable		14,507	(3,453)	11,054
Increase in provisions	12	(27)	3,453	3,426
<b>Cost of Sales and Operating Expenses - Extract</b>				
Net Agency and Fee Paid Staff Costs – Cost of Sales	6	24,419	3,045	27,464
Net Agency and Fee Paid Staff Costs – Operating Expenses	6	3,176	408	3,584
Net Agency and Fee Paid Staff Costs - Total	6	27,595	3,453	31,048
<b>Provisions</b>				
Balance as at 1 April	15	172	8,676	8,848
Provided in year	15	69	3,453	3,522
Written Back	15	(97)	0	(97)
<b>Balance as at 31 March</b>	<b>15</b>	<b>144</b>	<b>12,129</b>	<b>12,273</b>

### 3. Revenue from contracts with customers, other income, and finance income

#### 3a. Revenue from contracts with customers

	31 March 2026 £'000	31 March 2025 £'000
Foreign, Commonwealth and Development Office	160,707	168,978
Other UK Government bodies, and UK and international organisations (non-FCDO)	91,639	93,189
<b>Total revenue from contracts with customers</b>	<b>252,346</b>	<b>262,167</b>

FCDO Services has seen a slight decline in overall revenue, however revenue from the Foreign, Commonwealth and Development Office has remained above pre-COVID-19 levels. Wider market revenue has reduced year on year due to the completion of some large programmes of work for key strategic customer, and a stronger focus on delivery for the FCDO.

31 March 2026				
Project type	Primary method of revenue recognition	FCDO £'000	Non-FCDO £'000	Total £'000
Call off	Point in time	33,347	11,224	44,571
Fixed price	Over time	61,299	40,195	101,494
Subscription	Over time	45,366	35,943	81,309
Time and direct costs	Over time	20,695	4,277	24,973
		<b>160,707</b>	<b>91,639</b>	<b>252,346</b>

31 March 2025				
Project type	Primary method of revenue recognition	FCDO £'000	Non-FCDO £'000	Total £'000
Call off	Point in time	27,893	11,882	39,775
Fixed price	Over time	66,902	40,764	107,666
Subscription	Over time	53,216	34,850	88,066
Time and direct costs	Over time	20,967	5,693	26,660
		<b>168,978</b>	<b>93,189</b>	<b>262,167</b>

#### 3b. Other income

	31 March 2026 £'000	31 March 2025 £'000
Other income*	232	2,231
	<b>232</b>	<b>2,231</b>

\* Other income relates to the Apprenticeship Scheme and FCDO funding for the exit scheme.

#### 3c. Financing income

	31 March 2026 £'000	31 March 2025 £'000
Interest receivable	3,057	3,442
	<b>3,057</b>	<b>3,442</b>

### 4. Segmental reporting

FCDO Services is organised on three service delivery providers, Engineering, Technology and Global Services:

**Engineering** manages all commercial and delivery aspects of multiple, project-based programmes including installations, technical architecture and construction project management. It delivers global secure technical services, technical security and leads on the innovation of new products and services.

**Technology** delivers ICT operations across the UK and internationally, as well as managing the internal digital capability of FCDO Services systems and our Sensitivity Review Service.

**Global Services** delivers the Global Technical Security Service and King's Messengers services across the UK and internationally, translation and interpreting and logistics.

Analysis of operating surplus by service delivery group*	Engineering £'000	Technology £'000	Global Services £'000	Total £'000
<b>31 March 2026</b>				
External revenue	73,174	76,674	102,498	252,346
Internal revenue - Charged to Engineering	-	736	2,834	3,570
Internal revenue - Charged to Technology	-	-	188	188
Internal revenue - Charged to Global Services	-	357	-	357
Internal revenue - Charged to Corporate Areas	-	114	437	551
<b>Total revenue</b>	<b>73,174</b>	<b>77,881</b>	<b>105,957</b>	<b>257,012</b>
Cost of sales	(60,505)	(59,326)	(75,890)	(195,721)
Depreciation	(473)	(2,977)	(24)	(3,474)
Amortisation	(84)	(1)	(1)	(85)
Impairments and revaluation	-	-	-	-
Internal cost charges	(3,570)	(188)	(357)	(4,115)
<b>Total cost</b>	<b>(64,632)</b>	<b>(62,492)</b>	<b>(76,272)</b>	<b>(203,396)</b>
<b>Gross surplus</b>	<b>8,542</b>	<b>15,389</b>	<b>29,685</b>	<b>53,616</b>
Other income	196	36	-	232
Operating expenses	(16,077)	(15,973)	(20,135)	(52,185)
Allocated internal cost charges	(160)	(167)	(224)	(551)
Depreciation	(172)	(180)	(241)	(593)
<b>Total operating expenses</b>	<b>(16,213)</b>	<b>(16,284)</b>	<b>(20,599)</b>	<b>(53,097)</b>
<b>Surplus before financing</b>	<b>(7,671)</b>	<b>(895)</b>	<b>9,086</b>	<b>520</b>

## 4. Segmental reporting continued

Analysis of operating surplus by service delivery group*	Engineering £'000	Technology £'000	Global Services £'000	Total £'000
<b>31 March 2025 Restated (Note 2)</b>				
External revenue	77,950	78,857	105,360	262,167
Internal revenue – Charged to Engineering	-	748	3,029	3,777
Internal revenue – Charged to Technology	-	-	463	463
Internal revenue – Charged to Global Services	(1)	434	-	433
Internal revenue - Charged to Corporate Areas	-	120	488	608
<b>Total revenue</b>	<b>77,949</b>	<b>80,159</b>	<b>109,340</b>	<b>267,448</b>
Cost of sales	(63,188)	(54,078)	(81,357)	(198,623)
Depreciation	(415)	(6,096)	(24)	(6,536)
Amortisation	(83)	(1)	(1)	(84)
Impairments and revaluation	-	-	-	-
Internal cost charges	(3,777)	(463)	(433)	(4,673)
<b>Total cost</b>	<b>(67,463)</b>	<b>(60,638)</b>	<b>(81,815)</b>	<b>(209,916)</b>
<b>Gross surplus</b>	<b>10,486</b>	<b>19,521</b>	<b>27,525</b>	<b>57,532</b>
Other income	1,846	308	77	2,231
Operating expenses	(16,005)	(15,117)	(19,903)	(51,025)
Allocated internal cost charges	(181)	(183)	(244)	(609)
Depreciation	(154)	(156)	(209)	(519)
<b>Total operating expenses</b>	<b>(14,494)</b>	<b>(15,148)</b>	<b>(20,279)</b>	<b>(49,922)</b>
<b>Surplus before financing</b>	<b>(4,008)</b>	<b>4,374</b>	<b>7,246</b>	<b>7,612</b>

\* Inter-segment sales and transfers within the Trading Fund are at cost.

## 4. Segmental reporting continued

Analysis of assets less liabilities by service delivery group	Engineering £'000	Technology £'000	Global Services £'000	Corporate £'000	Total £'000
<b>31 March 2026</b>					
<b>Segment assets</b>					
Intangible assets	-	80	-	-	80
Intangible additional in year	-	164	-	-	164
Property, plant and equipment	3,050	4,103	960	268	8,381
Property, plant and equipment additions in year	566	7,796	278	-	8,640
Inventories	1,146	-	1,729	99	2,974
Trade and other receivables	15,098	13,146	18,452	1,318	48,014
Cash and cash equivalents	-	-	-	72,399	72,399
<b>Segment liabilities</b>					
Current liabilities	(15,734)	(10,555)	(8,205)	(30,573)	(65,068)
Non-current liabilities	-	-	-	-	-
<b>Segment assets less liabilities</b>	<b>4,125</b>	<b>14,734</b>	<b>13,213</b>	<b>43,511</b>	<b>75,584</b>

Analysis of assets less liabilities by service delivery group	Engineering £'000	Technology £'000	Global Services £'000	Corporate £'000	Total £'000
<b>31 March 2025 Restated (Note 2)</b>					
<b>Segment assets</b>					
Intangible assets	-	80	-	462	542
Intangible additional in year	326	-	-	3	329
Property, plant and equipment	786	7,702	85	873	9,445
Property, plant and equipment additions in year	1,892	3,957	729	303	6,881
Inventories	551	-	2,468	-	3,019
Trade and other receivables	18,188	13,743	13,665	944	46,540
Cash and cash equivalents	-	-	-	73,780	73,780
<b>Segment liabilities</b>					
Current liabilities	(15,149)	(14,799)	(11,158)	(25,631)	(66,737)
Non-current liabilities	-	-	(38)	-	(38)
<b>Segment assets less liabilities</b>	<b>6,594</b>	<b>10,683</b>	<b>5,751</b>	<b>50,733</b>	<b>73,761</b>

## 5. Staff costs

	31 March 2026		
	Permanent*	Other**	Total
	£'000	£'000	£'000
Salaries / agency staff and fee paid officers	67,766	22,440	90,206
Social security costs	7,828	2,694	10,523
Apprenticeship levy	488	-	488
Other pension costs	14,856	-	14,856
<b>Total staff costs</b>	<b>90,938</b>	<b>25,135</b>	<b>116,073</b>
Capitalised staff costs	(273)	(727)	(1,000)
<b>Total net staff costs</b>	<b>90,665</b>	<b>24,407</b>	<b>115,072</b>

	31 March 2025 Restated (Note 2)		
	Permanent*	Other**	Total
	£'000	£'000	£'000
Salaries / agency staff and fee paid officers	66,598	28,348	94,946
Social security costs	6,156	3,463	9,619
Apprenticeship levy	615	-	615
Other pension costs	14,160	-	14,160
<b>Total staff costs</b>	<b>87,529</b>	<b>31,811</b>	<b>119,340</b>
Capitalised staff costs	(175)	(763)	(938)
<b>Total net staff costs</b>	<b>87,354</b>	<b>31,048</b>	<b>118,402</b>

\* Inward seconded staff costs have been included in agency staff cost.

\*\* Other comprises agency staff and fee paid officers.

## 6. Cost of sales and operating expenses

	31 March 2026			31 March 2025 Restated		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net staff costs	55,926	34,744	90,670	54,283	33,071	87,354
Net agency staff and fee paid officers*	21,420	2,981	24,401	27,464	3,584	31,048
Training and recruitment	59	2,125	2,184	101	2,013	2,114
Travel	14,863	326	15,189	15,924	476	16,400
Professional services*	23,340	805	24,145	25,329	557	25,886
Legal services	78	136	214	58	139	197
Work packages	5,029	470	5,499	7,025	406	7,431
Communications	973	558	1,531	709	521	1,230
Other supplies, services and facilities management	1,367	5	1,372	(3,529)	-	(3,529)
Management charges from the FCDO	1,909	256	2,165	1,625	204	1,829
IS hardware	2,934	-	2,934	2,575	-	2,575
IS software	6,206	-	6,206	4,972	-	4,972
Other machinery and equipment under £3k	2,078	248	2,326	2,472	143	2,615
Security equipment	9,903	-	9,903	4,791	29	4,820
Work in progress	347	-	347	1,196	-	1,196
Freight	24,770	(7)	24,763	28,568	23	28,591
Maintenance	20,159	3,615	23,774	23,867	2,535	26,402
Operating leases - other	28	-	28	35	-	35
Accommodation charges**	1,950	3,050	5,000	1,806	2,826	4,632
Loss/(gain) on currency exchange	(0)	13	13	0	(2)	(2)
Other	1,481	2,522	4,003	1,092	1,859	2,951
Insurance	900	171	1,071	736	140	876
Depreciation	3,475	593	4,068	6,536	519	7,055
Amortisation of intangible assets	85	-	85	84	-	84
Impairment losses on PPE assets	(0)	-	(0)	(0)	-	(0)
Auditors' remuneration and expenses***	-	167	167	-	153	153
<b>Total costs</b>	<b>199,280</b>	<b>52,778</b>	<b>252,058</b>	<b>207,721</b>	<b>49,196</b>	<b>256,917</b>

\* Agency staff, fee paid officers, and professional services charged to cost of sales are fee earning.

\*\* Accommodation charges are payable to the FCDO.

\*\*\* There were no non-audit services provided during the current year or prior year. 2025/26 includes costs of £17k relating to the 2024/25 audit.

Refer to Note 2 for further details on restated amounts.

The total amount of research and development expenditure recognised as an expense during the period was £Nil (31 March 2025 £Nil). This includes staff costs and an appropriate recovery of overheads. Refer to Note 2 for further details on restated amounts.

## 7. Dividend

	31 March 2026	31 March 2025
	£'000	£'000
Statutory dividend charged	1,754	2,869
Dividend	1,754	2,869

The dividend is payable to the Foreign, Commonwealth and Development Office.

## 8. Intangible assets

	Assets under development	Research and Development	Software licences	Total
	£'000	£'000	£'000	£'000
<b>31 March 2026</b>				
<b>Cost or valuation</b>				
At 1 April 2025	543	439	605	1,587
Additions	145	-	-	145
Reclassification to PPE	(687)	-	-	(687)
Assets brought in to use	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2026	1	439	605	1,045
<b>Amortisation</b>				
At 1 April 2025	-	119	597	716
Provided during the year	-	79	6	85
Disposals	-	-	-	-
As at 31 March 2026	-	198	603	801
<b>Net book value</b>				
As at 31 March 2026	1	241	2	244
As at 31 March 2025	542	321	8	871
Owned as at 31 March 2026	1	242	2	244

## 8. Intangible assets continued

	Assets under development	Research and Development	Software licences	Total
	£'000	£'000	£'000	£'000
<b>31 March 2025</b>				
<b>Cost or valuation</b>				
At 1 April 2024	617	331	605	1,553
Additions	34	-	-	34
Assets brought in to use	(108)	108	-	-
Disposals	-	-	-	-
As at 31 March 2025	543	439	605	1,587
<b>Amortisation</b>				
At 1 April 2024	-	43	589	632
Provided during the year	-	76	8	84
Disposals	-	-	-	-
As at 31 March 2025	-	119	597	716
<b>Net book value</b>				
As at 31 March 2025	543	320	8	871
As at 31 March 2024	617	288	16	921
Owned as at 31 March 2025	543	320	8	871

## 9. Property, plant and equipment

	Right-of-use assets - plant and machinery £'000	Assets under construction £'000	Fixtures £'000	Information technology £'000	Transport equipment £'000	Plant and machinery £'000	Total £'000
<b>31 March 2026</b>							
<b>Cost or valuation</b>							
At 1 April 2025	162	9,368	1,903	21,081	2,175	7,186	41,875
Reclassifications from Intangible assets	-	687	-	-	-	-	687
Additions	-	4,079	-	-	-	-	4,079
Assets brought in to use	-	(5,496)	310	3,781	316	1,089	-
Disposals	-	-	(279)	(961)	(221)	(765)	(2,226)
Revaluation	-	-	-	-	-	-	-
As at 31 March 2026	162	8,638	1,934	23,901	2,270	7,510	44,415
<b>Depreciation</b>							
At 1 April 2025	84	-	1,305	17,191	1,569	5,399	25,548
Charged in year	24	-	68	3,116	200	660	4,068
Disposals	-	-	(279)	(961)	(221)	(760)	(2,221)
Revaluation	-	-	-	-	-	-	-
As at 31 March 2026	108	-	1,094	19,346	1,548	5,299	27,395
<b>Net book value</b>							
As at 31 March 2026	52	8,639	840	4,555	723	2,211	17,020
As at 31 March 2025	76	9,369	598	3,890	607	1,787	16,327
Owned as at 31 March 2026	52	8,639	840	4,555	723	2,211	17,020

## 9. Property, plant and equipment continued

	Right-of-use assets - plant and machinery £'000	Assets under construction £'000	Fixtures £'000	Information technology £'000	Transport equipment £'000	Plant and machinery £'000	Total £'000
<b>31 March 2025</b>							
<b>Cost or valuation</b>							
At 1 April 2024	125	6,963	1,903	17,723	2,259	7,020	35,993
Additions	37	6,125	-	-	-	-	6,162
Assets brought in to use	-	(3,712)	-	3,358	127	227	-
Disposals	0	(8)	-	-	(211)	(61)	(280)
Revaluation and impairment	-	-	-	-	-	-	-
As at 31 March 2025	162	9,368	1,903	21,081	2,175	7,186	41,875
<b>Depreciation</b>							
At 1 April 2024	60	-	1,211	11,006	1,572	4,902	18,751
Charged in year	24	-	94	6,185	197	555	7,055
Disposals	-	-	-	-	(200)	(58)	(258)
Revaluation	-	-	-	-	-	-	-
As at 31 March 2025	84	-	1,305	17,191	1,569	5,399	25,548
<b>Net book value</b>							
As at 31 March 2025	78	9,368	598	3,890	606	1,787	16,327
As at 31 March 2024	65	6,963	692	6,717	687	2,118	17,242
Owned as at 31 March 2025	78	9,368	598	3,890	606	1,787	16,327

## 10. Inventories

	31 March 2026 £'000	31 March 2025 £'000
Raw materials and consumables	1,104	1,318
Work in progress	1,871	1,701
	2,974	3,019
Amount of inventory write off	(38)	(77)

## 11. Trade receivables, financial and other assets

### Analysis by type

	31 March 2026 £'000	31 March 2025 £'000
<b>Amounts falling due within one year:</b>		
Trade receivables	20,812	16,214
Other receivables	715	721
Prepayments, contract assets and accrued income*	26,487	29,605
	<b>48,015</b>	<b>46,540</b>

For further detail on the decrease in prepayments, contract assets and accrued income please refer to Note 2.

\*Included within prepayments, contract assets and accrued income is £14,721,000 relating to the FCDO (31 March 2025 £18,312,000).

## 12. Cash and cash equivalents

	31 March 2026 £'000	31 March 2025 £'000
Balance at 1 April	73,780	66,826
Net change in cash and cash equivalents	(1,381)	6,954
Balance at 31 March	<b>72,399</b>	<b>73,780</b>

The above balances were within the Government Banking Service. FCDO Services does not have any cash equivalents.

## 13. Trade payables and other current liabilities

	31 March 2026 £'000	31 March 2025 £'000
<b>Amounts falling due within one year:</b>		
Trade payables	745	644
Accruals *	24,688	26,938
Contract liabilities and payments on account **	14,057	22,910
Other payables ***	9,775	219
VAT	699	2,350
Dividends payable****	254	1,369
	<b>50,218</b>	<b>54,430</b>

For further detail on the decrease in contract liabilities and payments on account please refer to Note 2.

\* Included within accruals is £8,478k (2024/25 £8,332k) due to FCDO in respect of payroll and accrued costs.

\*\* Included within contract liabilities and payments on account is £5,686k from the FCDO (2024/25 £7,864k).

\*\*\* Included in other payables is £5,368k (2024/25 £210k) due to FCDO in respect of management charges and accommodation.

\*\*\*\* These values represent the balance of the unpaid elements of the statutory dividend for that financial year.

## 14. Lease liabilities

	31 March 2026 £'000	31 March 2025 £'000
<b>Analysis by type</b>		
<b>Amounts falling due less one year:</b>		
Lease liabilities	<b>38</b>	<b>34</b>
<b>Analysis by type</b>		
<b>Amounts falling due after one year:</b>		
Lease liabilities	<b>0</b>	<b>38</b>
<b>Amounts falling due:</b>		
Not later than one year	<b>38</b>	<b>34</b>
Later than one year and not later than 5 years	<b>0</b>	<b>38</b>
Later than five years	-	-
Balance as at 31 March	<b>38</b>	<b>72</b>

## 15. Provision for liabilities and charges

	31 March 2026 £'000	31 March 2025 Restated £'000
Balance at 1 April*	12,273	8,848
Provided in the year**	2,683	3,522
Provisions not required written back***	(144)	(97)
Provisions utilised in the year	-	-
Balance at 31 March	<b>14,812</b>	<b>12,273</b>

As at 31 March 2026 total provisions comprised of a travel provision £3k (2024/25 £0k) and remediation costs of Enil (2024/25 £144k) and IR35 provision of £14,809k (2024/25 Restated IR35 provision of £12,129k).

Refer to Note 2 for further details on restated amounts.

\*Included in the prior year was a restated opening provision of £8,676k in relation to IR35.

\*\*Provisions made in year include £2,679k in relation to estimated IR35 liabilities. See note 1.21 for details of the assumptions and judgements used in arriving at the estimate.

\*\*\*In 2025/26 Enil workplace provision was written back in the year and £144k remediation costs were written back in the year. In 2024/25 £97k workplace provision was written back in the year and £69k remediation costs were written back in the year.

## 16. Adjustments for non-cash transactions

		31 March 2026	31 March 2025
	Note	£'000	£'000
Non cash dividend adjustment		861	-
Profit on disposal of intangible assets and property, plant and equipment		-	(131)
Amortisation	8	85	84
Depreciation	9	4,044	7,031
Depreciation on right of use assets	9	24	24
		<b>5,014</b>	<b>7,009</b>

## 17. Capital commitments

	31 March 2026	31 March 2025
	£'000	£'000
Property, plant and equipment	1,434	3,612
	<b>1,434</b>	<b>3,612</b>

Contracted capital commitments not provided in these accounts.

## 18. Other financial commitments

The Trading Fund has not entered into any non-cancellable contracts (which are not leases or PFI contracts).

## 19. Contingent liabilities disclosed under IAS 37

At 31 March 2026, contingent liabilities existed in respect of employment related matters £75,000 (31 March 2025 £50,000). While the outcome of these matters cannot be determined with certainty, it is anticipated the matters will be resolved within the next financial year. FCDO Services has two legal cases in respect of employment where liabilities cannot reasonably be quantified.

## 20. Financial instruments

For FCDO Services financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. FCDO Services' treasury operations are governed by the FCDO Services Trading Fund Order 2008 (SI 2008 No 590) as supplemented by the Framework document 2020.

FCDO Services' financial instruments comprise cash deposits and other items such as trade debtors and trade creditors. The main purpose of the financial instruments is to finance the Trading Fund's continuing operations.

### Credit risk

Exposures to credit risk are as a result of transactions in FCDO Services' ordinary course of business, the major risks being trade debtors and cash. Customers are mainly The Foreign, Commonwealth and Development Office, other government bodies, other central government bodies and foreign governments. These risks are managed through a robust credit management process.

### Liquidity risk

The Trading Fund is not exposed to a liquidity risk as long as its annual surplus is sufficient to clear any outstanding loans and interest repayments (at the end of both 2025/26 and 2024/25 no loans or interest repayments were outstanding). The level of capital expenditure payments are managed to be met from available cash balances. Further borrowing requirements should they arise will be met by loans from the Secretary of State for Foreign, Commonwealth and Development Affairs.

### Interest rate risk

Under the FCDO Services Trading Fund Order 2008 the Trading Fund may only borrow from the Secretary of State for Foreign, Commonwealth and Development Affairs.

Should the Trading Fund borrow, the interest rates on the loan would be fixed for the period of the loan. Cash not immediately required would be invested with the Government Banking Service. The interest rate earned on cash deposits would vary and would offset the interest, to some extent, on any loans in place.

## Foreign currency risk

The majority of assets and liabilities are denominated in sterling. There are, however, some non-material transactions that are subject to currency fluctuations. Any gains or losses are taken to the Statement of Comprehensive Income in the year.

## 21. Related party transactions

FCDO Services is a Trading Fund of the Foreign, Commonwealth and Development Office who is the sole shareholder. The Foreign, Commonwealth and Development Office (the Department) is regarded as a related party. During the year, FCDO Services had various material transactions with the Department which is a major customer of the Trading Fund. This included the Memorandum of Terms of Occupancy (MOTO) arrangement in place in respect of accommodation provided by the Foreign, Commonwealth and Development Office, which is described in more detail within Note 1.10.

In addition, FCDO Services has had various material transactions with other government departments, other central government bodies and foreign governments. Most of these transactions have been with the Home Office, Ministry of Defence, Mayor's Office for Policing and Crime and National Crime Agency. No board member, key manager or other related party has undertaken any material transaction with FCDO Services during the year.

## 22. Events after the reporting period

There were no reportable events after the date of the Statement of Financial Position.

The Accounting Officer authorised these Financial Statements for issue on the date on which the accounts are certified by the Comptroller and Auditor General.



**Mike Astell**  
Chief Executive Officer and Accounting Officer

25 June 2026



E03620128  
978-1-5286-6566-7