Department for Science, Innovation & Technology

ANNUAL REPORT AND ACCOUNTS 2025–26

HC 364

Department for Science, Innovation & Technology

ANNUAL REPORT AND ACCOUNTS 2025–26

For the period 1 April 2025 to 31 March 2026

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

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

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This is part of a series of departmental publications which, along with the Main Estimates 2026–27 and the document Public Expenditure: Statistical Analyses 2025, present the government's outturn for 2025–26 and planned expenditure for 2026–27.

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Photo by the Department for Science, Innovation and Technology photographer.

Secretary of State for Science, Innovation and Technology: statement on performance

Eight months ago, I took on the role of Secretary of State at DSIT. And from the outset, I have believed there is no path to stronger growth in this country – no answer to how we pay our way, and compete in the world – without science and technology at the forefront.

We launched 5 AI Growth Zones, including these 4 while I've been in post - AI Growth Zones in the north-east, north and south Wales, and Lanarkshire. We are putting the places that led the Industrial Revolution at the heart of the AI transformation. We've established a new Sovereign AI fund to back cutting-edge British firms. We announced a world-first commitment to procure useful, large-scale quantum computers by the early 2030s, backed by £2 billion in funding. We are transforming and modernising our public services. And as a government we are investing a record £86 billion in British research and development, to spark the next wave of discoveries.

But the task is not only to fuel innovation. It is also to help people through the changes technology inevitably brings and shape a future that works for all – not just a few at the top. That is why we are giving one million secondary school pupils, 40% from disadvantaged schools, the opportunity to learn about technology and AI in the classroom, and piloting apprenticeships and bootcamps for young people who are not in education, employment or training. It's why I started the Women in Tech Taskforce. It's why we are backing places like Barnsley, the UK's first Tech Town. And it's why we are upskilling 10 million people in AI – around a third of the workforce – in the largest national training effort since Harold Wilson's Open University.

Finally, I believe we will only realise the full potential of technology if parents know that they and their children are safe online. So, I have made it a personal priority to stamp out illegal and harmful material online, including making self-harm and suicide content a priority offence, criminalising intimate image abuse and cyberflashing, and banning AI 'nudification' apps. We have taken the decisive step of banning social media companies from providing their services to under 16s – to put power back into parents' hands, and give children the freedom to be kids again.

I am proud of everything we have achieved so far. I know there is much, much more to do. But I believe this country has the talent, the ambition and the optimism to succeed – and that, together, we can shape a future that works for all.

Rt Hon Liz Kendall MP
Secretary of State for Science, Innovation and Technology

Permanent secretary: statement on performance

A more integrated department: DSIT has this year consolidated its role as the centre of digital transformation, science and innovation in government. The Government Cyber Directorate transferred from the Cabinet Office in June 2025, bringing responsibility for the cyber resilience of public services into the same department as the wider digital and AI agendas. Building Digital UK transitioned from executive agency to directorate within DSIT in November, embedding operational delivery on national connectivity at the heart of the department. From 1 April 2026, the UK Space Agency will be merged into DSIT on the same basis.

Artificial intelligence: AI has been at the centre of much of the year's work. The AI Opportunities Action Plan has moved from announcement into delivery: we established the Sovereign AI Unit in November 2025, backed by up to £500 million; the first AI Growth Zones have been designated; and Isambard-AI was launched at the University of Bristol in July. The AI Security Institute is now the leading government capability in the world dedicated to AI safety and security research. It has tested more than 30 of the most advanced models, published its first Frontier AI Trends Report, secured access agreements with the major frontier developers,

Photo by the Department for Science, Innovation and Technology photographer.

and grown to over a 100 technical staff. AISI's open-source Inspect platform has become an international reference point for AI evaluations.

Strategy and investment: The Industrial Strategy and the Digital and Technologies Sector Plan, both published in June, set out a 10-year direction for frontier technologies, including over £670 million for quantum computing, £380 million for engineering biology research, and a major package for advanced connectivity technologies. The Spending Review delivered a £38.6 billion 4-year settlement overall for UKRI. We have also reset UKRI's mission and introduced a new outcome-focused framework for how it invests, aligning public R&D more closely to the country's research and growth priorities.

Digital government: The Government Digital Service has continued to deliver visibly for the public it serves. The Roadmap for Modern Digital Government, published in January 2026, set out how we will deliver against the blueprint through to 2030. GOV.UK One Login now has around twelve million accounts; the GOV.UK App moved into public beta in July 2025 with over 300,000 downloads to date; and GOV.UK Wallet now houses its first credential, the digital veteran card. Cross-government AI products built inside DSIT, including Consult, Redbox and the Frontier AI Exemplars, are now in active use across departments. The new CustomerFirst unit, launched in January, brings together civil service and private sector expertise to rewire end-to-end public services, beginning with DVLA.

Legislation and cyber: On legislation, the Data (Use and Access) Act received Royal Assent in June 2025, and implementation of the Online Safety Act has continued, with Ofcom bringing its Illegal Harms Codes into force in March 2025. The Cyber Security and Resilience Bill was introduced to Parliament in November. The Bill, alongside the new Government Cyber Unit and the £210 million-backed Government Cyber Action Plan published in January, represents a substantial strengthening of the UK's cyber defences. Against a backdrop of major cyber incidents at UK firms and a worsening threat from state and criminal actors – including the early signs of AI itself reshaping the threat landscape – we have worked closely with NCSC, regulators and industry to respond.

Expertise for a digital age: We have continued to bring exceptional external expertise into the department, both through the Expert Exchange Programme and through a new AI sourcing function that is bringing some of the world's leading AI talent into government. The £187 million TechFirst programme, launched in June, is helping to build the digital and cyber skills the economy needs across every sector. Our regional presence has also continued to expand, with the confirmed Manchester Digital Campus on track to host thousands of digital and technology civil servants when operational, contributing to the government's ambition for one in 10 civil servants to be in technology and digital roles by 2030. DSIT staff are themselves using AI in their day-to-day work at higher rates than anywhere else in government, with the most recent Civil Service People Survey showing 57% saving an hour or more a week through AI tools, against a Civil Service benchmark of 27%.

Our values: This year the department also agreed 3 values that reflect the best of how DSIT works: that we are expert together, that we are inventive, and that we are impact driven. They will guide how we work as the department matures.

Managing risk: The principal risks set out elsewhere in this report give a candid view of what the department is managing – among them unplanned exit of a research-intensive higher education institution, research security, and the resilience of public-facing digital services. None resolves quickly and managing them well will continue to be a central focus for the leadership team in the year ahead.

Thank you: I want to thank colleagues across DSIT and our public bodies. They have effected substantial change and delivered against an exceptionally broad agenda with extraordinary professionalism.

Emran Mian
Permanent Secretary and
Principal Accounting Officer

Purpose and activities

PURPOSE

DSIT fuels scientific and technological breakthroughs that improve people's lives across the UK. DSIT backs British businesses at the forefront of new technologies, transforms public services to make them simpler for people, ensures people have the digital skills they need, and makes sure the benefits of new technologies are shared across the country to build a future that works for all.

BUSINESS MODEL AND ENVIRONMENT

Stakeholder engagement: DSIT consults a wide range of stakeholders to support delivery of its objectives, including small and large businesses, business representative organisations, trade unions and research institutions. It also consults the public on key policy decisions.

Public bodies: DSIT sponsors a number of arm's length bodies (ALBs) that contribute to delivery of its objectives. Further information on these bodies is included within the governance statement.

Funding: DSIT annual funding is agreed with HM Treasury and Parliament. See the sections below for an overview of DSIT's expenditure for the year.

ORGANISATIONAL STRUCTURE

Building Digital UK (BDUK) and the UK Space Agency (UKSA) were brought into DSIT on 1 November 2025 and 1 April 2026 respectively. In 2025–26, DSIT was organised into the following 6 groups and operated through regional offices across the UK.

- Science, Innovation and Growth
- Digital Technologies and Infrastructure
- Artificial Intelligence
- GDS (including the 2 DG groups: Digital Centre Design, and Product Group)
- Corporate Services

From 1 April 2026, following an organisational restructure, DSIT was organised into the following 6 groups:

- Growth, Science and International
- Emerging Technology and AI
- Digital Foundations
- GDS Digital Products

- GDS Digital Transformation
- Chief Operating Officer

In addition, DSIT benefits from the expertise of 2 key adviser roles:
- National Technology Adviser
- DSIT Chief Scientific Adviser

There are 2 parts of DSIT that are functionally independent of the department:
- the Government Office for Science advises government on science-related issues. It is led by the government chief scientific adviser.
- the Regulatory Horizons Council (RHC), is a committee that provides independent expert advice on regulatory reform to support technological innovation. It is led by the chair of the RHC.

Photo by the Department for Science, Innovation and Technology photographer.

2025–26 outcomes

The 3 outcomes below were in place from April 2025 until December 2025 and were documented in the Outcome Delivery Plan (ODP) for 2025–26. The ODP was agreed internally but not published.

- Outcome 1: driving economic growth
- Outcome 2: improving the performance and productivity of government
- Outcome 3: empowering citizens

Update to DSIT's priority outcomes: From December 2025, DSIT's priority outcomes were updated following a change in Secretary of State and changes to the ministerial team. The 4 outcomes below were in place for the rest of 2025–26. This performance report sets out DSIT's performance against this updated set of outcomes.

OUTCOME 1: GROWTH AND PROSPERITY

Harnessing and accelerating science and technology to drive economic growth, raise living standards, and make life more affordable across the UK.

OUTCOME 2: TECHNOLOGY ADOPTION AND SKILLS

Ensuring everyone – across all regions and backgrounds – can access the skills, tools and opportunities to thrive in a digital economy.

OUTCOME 3: TECHNOLOGY YOU CAN TRUST

Making sure technology is safe, trusted, and delivers positive outcomes for society, with a particular focus on keeping children healthy online.

OUTCOME 4: MODERNISING PUBLIC SERVICES

Using technology to make public services more responsive to people's needs, and to deliver better value for them.

Key indicators for outcomes

DSIT tracks a set of metrics that indicate progress in science, innovation and technology across the UK. They reflect the areas DSIT seeks to influence and are being updated to align more closely with revised strategic outcomes and the delivery plan. They are drawn from official statistics or other publicly available sources. For a list of indicators see below.

Overview: performance on outcomes

OUTCOME 1: GROWTH AND PROSPERITY

Over the past year, DSIT has delivered a wide range of projects and programmes to support growth and prosperity across the UK.

AI opportunities action plan: DSIT made significant progress against the commitments in our AI Opportunities Action Plan. Key achievements included announcing 5 AI Growth Zones to attract investment and jobs across the UK.

R&D investment: DSIT is responsible for £58.5 billion of public sector research and development investment as part of the government's record R&D settlement for 2026–27 to 2029–30.

Investment in future technologies and sectors: We are also investing in future technologies and sectors through the Digital and Technologies Sector Plan and the Life sciences sector plan. The Digital and Technologies Sector Plan invests up to £2 billion to maintain the UK's global leadership in quantum technologies.

KEY INDICATORS

- Metric 1.1: gross expenditure on research and development (GERD) as a percentage of GDP
- Metric 1.2: business expenditure on research and development (BERD)
- Metric 1.3: field-weighted citation impact
- Metric 1.4: number of new UK unicorns
- Metric 1.5: value of equity investment into R&D-intensive businesses in the UK
- Metric 1.6: UK digital sector gross value added

OUTCOME 2: TECHNOLOGY ADOPTION AND SKILLS

DSIT plays a central role in driving technology adoption and skills across the UK. Over the past year, the department focused on widening access to digital skills to ensure more people and places benefit from technological change.

Women in Tech: We launched the Women in Tech Taskforce to advise on practical actions to improve diversity and support women to enter, remain and progress in the UK tech sector.

Tech Towns: We named Barnsley as the UK's first Tech Town, demonstrating how AI can improve everyday services while creating local opportunities.

AI skills boost: We launched the AI Skills Boost programme to upskill 10 million UK workers in AI by 2030. We also launched the £187 million TechFirst programme to support digital and AI skills from school to specialist training and community learning.

Project gigabit: DSIT continued the rollout of gigabit-capable broadband across the UK and improving rural mobile coverage.

KEY INDICATORS

- Metric 2.1: percentage of premises passed with gigabit-capable broadband
- Metric 2.2: percentage of geographic area with 4G coverage from at least 1 mobile network operator (outdoor)
- Metric 2.3: percentage of premises with 5G coverage from at least 1 mobile network operator (coverage outside premises)
- Metric 2.4: business adoption of AI

OUTCOME 3: TECHNOLOGY YOU CAN TRUST

Ensuring technology and the online world are safe, and deliver positive outcomes, particularly for children, remains a core priority for DSIT.

Online safety: New provisions of the Online Safety Act came into force, introducing stronger protections for children online. DSIT has taken measures to tackle AI-generated child sexual abuse material, legislative action to ensure chatbots comply with the Act, and intervention to prevent the generation of intimate deepfake images.

Cyber security and resilience: DSIT launched the Government Cyber Action Plan to strengthen cyber security. DSIT introduced the Cyber

Security and Resilience Bill to raise security standards and incident reporting requirements for essential services and key suppliers.

AI Security Institute: DSIT continues to build the UK's capability to assess and respond to advanced AI risks. The AI Security Institute published the Frontier AI Trends Report.

KEY INDICATORS

- Metric 3.1: percentage of adults in the UK who report they have experienced potentially harmful online content or behaviour in a 4-week period

OUTCOME 4: MODERNISING PUBLIC SERVICES

DSIT is leading work to make public services accessible, efficient and responsive, as set out in the publication 'A Roadmap for a Modern Digital Government'.

GOV.UK App: We developed and launched a GOV.UK App into public beta, as the first step to enabling the next generation of personalised public services.

Digital UK Veteran's Card: We launched the UK's first digital credential – a Digital UK Veteran's Card.

Public sector AI adoption: We established the CustomerFirst Unit within DSIT to test how government can deliver better services with users at the centre. DSIT has delivered greater efficiency across the public sector through responsible AI adoption, supporting test and learn initiatives and building AI tools to improve how services are delivered.

KEY INDICATORS

- Metric 4.1: percentage of civil servants working in digital, data and technology roles

Overview: principal risks

The department has identified the principal risks to delivering its priority outcomes. These risks were held on the departmental risk register during the year.

DSIT's principal risks reflect the challenges of delivering outcomes within a rapidly changing global digital, scientific and growth environment. The risks on the principal risk register represent the most significant challenges to delivery, and to society, the economy and the expectations of DSIT's sectors more broadly.

At the start of the year, as of 1 April 2025, there were 12 principal risks. During the year, 5 were closed and 3 were added. At the end of the year, as of 31 March 2026, there were 10 principal risks. Overall, the principal risks did not materialise during the year. This largely reflects the effective application of mitigations and governance.

For more detail on principal risks, see principal risks on page 40

Table: principal risks in 2025–26

Risk	From 2024–25, new or closed
Outcome 1: growth and prosperity	
Risk 1.1: Unplanned exit of a research-intensive higher education institution – failure to manage the impact of an exit may lead to a loss of research and development (R&D) talent and capability and reduce high-quality research in the UK. This may result in reputational damage to UK science and reduce private R&D investment in higher education.	Continued from 2024–25
Risk 1.2: Research security – failure to balance openness and security could affect national security, prosperity and international competitiveness, resulting in a deterioration of confidence in the UK's broader R&D sector.	Continued from 2024–25
Risk 1.3: Geopolitical conditions – failure to manage the effects of geopolitical change may affect delivery of the priority of supporting economic growth.	Continued from 2024–25
Risk 1.4: Industrial Strategy investment – being unable to meet publicly stated ambitions for the industrial Strategy (IS) might affect delivery of DSIT priorities due to an inability to scale industries and strategic capabilities, or to attract and retain investment, impacting growth	New
Outcome 2: technology adoption and skills	
Risk 2.1: Shifting tech trends – failure to spot strategically and economically important technologies could reduce the ability to secure strategic advantage and drive long-term growth across all Industrial Strategy sectors.	Continued from 2024–25
Outcome 3: technology you can trust	
Risk 3.1: Security, domains – public-facing services could face outages for days or weeks during which UK citizens cannot access essential services.	Continued from 2024–25
Risk 3.2: Cyber and resilience – potential disruption to essential public-facing services leading to potential regulatory breaches, reputational damage and loss of public trust.	New
Outcome 4: modernising public services	
Risk 4.1 Skills and capability – failure to build sufficient skills, particularly for digital, may affect delivery of digital objectives to deploy technology into public services and grow digital capacity and capability across government.	Continued from 2024–25

Risk	From 2024–25, new or closed
Cross-cutting risks	
Risk 5.1: Major incidents – an absence of tested plans could delay response and increase the potential for disruption to critical facilities, increasing the likelihood of operational failure and loss of public confidence.	Continued from 2024–25
Risk 5.2: Prioritisation – failure to deliver departmental objectives and priorities to time due to reduced efficiency and effectiveness affecting continuity and morale, leading to reputational damage.	New
Closed risks	
Digital centre – the new Digital Centre is not designed or implemented in a way that delivers a step change in digital government, resulting in limited improvement to user experience and missed opportunities to improve efficiency and productivity across government.	Closed
UK R&D and innovation competitiveness – DSIT's R&D and innovation policies and investments do not create a sufficiently internationally competitive innovation ecosystem to attract top talent and investment to the UK.	Closed
Loss of reputation of DSIT's digital products and services – users and departments lose trust and confidence in DSIT's digital products and services, leading to reduced usage and reliance on alternative channels.	Closed
Loss of critical public facing products and services – successful compromise of systems resulting in service outages, unauthorised access to sensitive data, and loss of data integrity and confidentiality.	Closed
Resilience – DSIT's organisational resilience declines, evidenced by leadership and people metrics indicating reduced wellbeing, such as lower productivity, increased absence, higher demand for health, safety and wellbeing support, or deteriorating staff survey results.	Closed

Overview: risk management

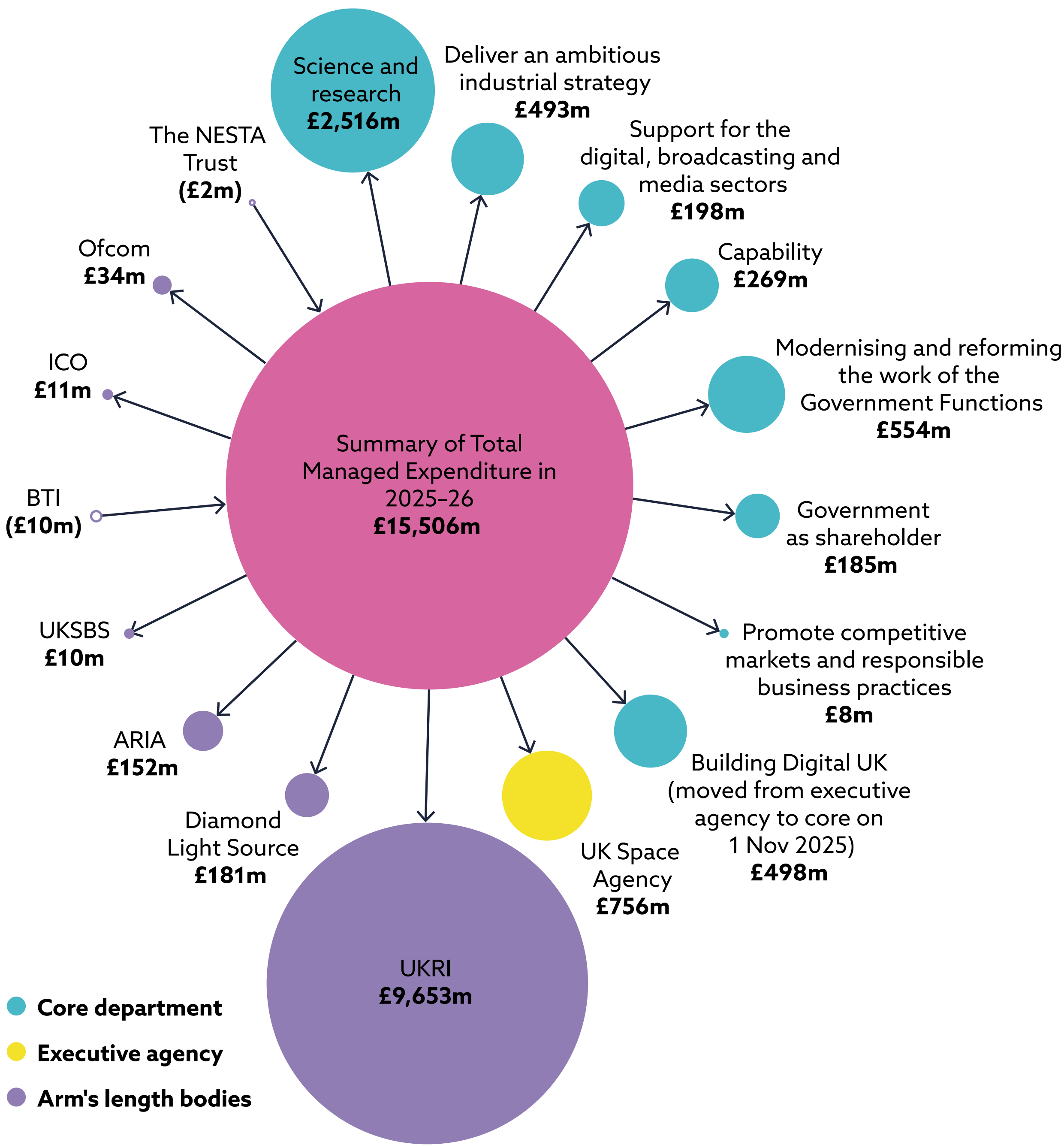
The process for risk management – risk identification, evaluation, management, monitoring, review and assurance, is reported in the governance statement part 2: risk management and internal controls on page 85. The accounting officer is accountable for identifying risks and for ensuring that risks and internal controls are effectively managed. The accounting officer is supported by the senior leadership team (SLT). The audit and risk assurance committee (ARAC) provides advice to the accounting officer.

Overview: expenditure

The total expenditure shown below is the total outturn for the departmental group, as stated in the statement of outturn against parliamentary supply on page 127 (SOPS). The SOPS differs from the financial statements. This difference is explained in the financial review on page 49.

The total outturn is broken down between the core department and the grants provided to bodies within the departmental group. The core department is further broken down by Estimate line (budget area). The core department includes some small entities, in line with Estimate reporting.

Chart: expenditure for the departmental group in 2025–26



PERFORMANCE ANALYSIS

Photo by the Department for Science, Innovation and Technology photographer.

Outcome 1: growth and prosperity

Over the past year, DSIT has delivered a wide range of projects and programmes to support growth and prosperity across the UK.

AI OPPORTUNITIES ACTION PLAN

DSIT strengthened the UK's position as a world-leading AI nation. DSIT has made strong progress against the AI Opportunities Action Plan. Successes have included:

- announcing 5 AI Growth Zones (AIGZs) in Oxfordshire, Lanarkshire, the north-east, north Wales and south Wales – this creates hubs for AI-enabled data centres and research and unlocks significant potential for investment and jobs
- committing £1 billion to increase the capacity of the UK's AI research resource by 20-fold
- launching the AI for Science Strategy to unlock AI-enabled scientific breakthroughs in the UK

R&D INVESTMENT

This government announced a record investment of £86 billion in public sector R&D over 4 years 2026–27 to 2029–30. Annual investment will peak at £22.6 billion in 2029–30. Of the £86 billion, DSIT's R&D budget is £58.5 billion. This provides the investment needed to protect curiosity-driven research, support the government's priorities, and scale and grow innovative companies.

From DSIT's R&D budget, UKRI will deliver an expected £38.6 billion on behalf of DSIT e.g. on critical technologies. DSIT's budget also includes a total of £1.2 billion for the Advanced Research and Invention Agency (ARIA) to grow and invest in high-risk, high-reward research. DSIT's budget includes a total of £240 million continued investment in the AI Security Institute to equip government with a scientific understanding of the risks posed by advanced AI.

The government published the Post-16 Education and Skills white paper. It sets out a joint vision between DSIT and DfE for a world-leading and financially sustainable Higher Education sector to deliver government's growth and skills agenda. It sets out a plan for universities to increase specialisation and collaboration where there is opportunity and potential. In addition, DSIT set out reforms to the Research Excellence Framework, to make sure that at its core, it incentivises and rewards research excellence and impact. We are reforming the Higher Education Innovation Fund to focus on driving economic growth and increased collaboration between universities and businesses.

DIGITAL AND TECHNOLOGIES SECTOR PLAN

DSIT published the Digital and Technologies Sector Plan. It sets an ambition for the UK to be one of the top 3 global destinations to build and scale

Photo by the Department for Science, Innovation and Technology photographer.

a technology business. It includes actions to boost R&D investment, support frontier technologies and strengthen regional clusters.

It invests up to £2 billion to cement the UK as a world leader in quantum technologies – this includes a world-first commitment to procure large scale quantum computers by the early 2030s. It invests over £500 million in quantum computing research and development – this includes our ProQure programme to work with industry to build, validate, and scale integrated hardware and software solutions.

The UK hosted leading quantum nations at the Quantum Development Group in London in March 2026. This secured joint commitments with 12 leading international partners to cooperate more on security, investment and technical standards to support the responsible growth of the quantum sector.

The sector plan also backs UK cyber security start-ups and the commercialisation of research through the Cyber ASAP and Cyber Runway programmes

LIFE SCIENCES SECTOR PLAN

DSIT, DHSC and DBT published the Life Sciences Sector Plan, as part of the UK's Modern Industrial Strategy and aligned with the 10 Year Health Plan. It aims to position the UK as Europe's leading life sciences economy by 2030. It is underpinned by more than £2 billion in government funding. While there is more to do to support the sector, successes in 2025–26 have included:

- establishing a health data platform – the world's most advanced and secure, through the Health Data Research Service (HDRS)
- accelerating the development of breakthrough treatments for cancer and dementia through the Healthcare Goals programme
- catalysing major life sciences manufacturing investments through the Life Sciences Innovative Manufacturing Fund (LSIMF) – by 31 March 2026, LSIMF had supported 5 projects, unlocking more than £560 million in public/private investment
- outside of LSIMF, bringing globally mobile investments to the UK – this includes Prologis' £3.9 billion commitment over the next 5 years, Convatec confirming £500 million for a new UK research & development hub in Manchester, government backing for Eli Lilly's £85 million Obesity Pathway programme, and Moderna's £50 million Innovation and Technology Centre

SPACE

The UK Space Agency joined DSIT in April 2026 to help streamline support for the UK's growing space industry. DSIT continued to back the sector through a £1.7 billion investment package in European Space Agency (ESA) programmes and a £500 million investment package in national space programmes. This investment is driving growth and strengthening national security and defence.

REGULATORY INNOVATION OFFICE

Through the Regulatory Innovation Office (RIO), DSIT has cut red tape and helped to create a pro-innovation regulatory environment for frontier technology businesses. The RIO's One Year On report highlights progress made in the first year. This includes its impact across the first 4 priority sectors – space, drones and autonomous technology, engineering biology, and AI in healthcare. It awarded £8.9 million through the Regulators' Pioneer Fund to deliver more effective, pro-innovation regulation.

GLOBAL TALENT FUND

DSIT announced a new £54 million Global Talent Fund, to recruit the world's top researchers to the UK. It is delivered by 12 UK leading universities and research institutions and supported by the Global Talent Taskforce. This initiative has already attracted 8 leading researchers to the UK as of end of May 2026. This fund is supporting the products, jobs and industries that will define the future economy.

THE DATA (USE AND ACCESS) ACT

In June 2025, the DSIT-led Data (Use and Access) Act received Royal Assent. It introduced new laws to unlock the power of data for people and the economy. The Act is expected to inject £10 billion into the economy over 10 years, reduce the time citizens spend on administrative tasks and support the delivery of efficient public services.

KEY INDICATORS FOR OUTCOME 1

METRIC 1.1: GROSS EXPENDITURE ON RESEARCH AND DEVELOPMENT AS A PERCENTAGE OF GDP

Definition: Gross expenditure on research and development (GERD) is the total spending on R&D. It combines spending from business enterprise (BERD), higher education (HERD), government (GovERD), and private non-profit organisations (PNPRD). Gross domestic product (GDP) measures the total economic output of a country. GERD as a percentage of GDP indicates the contribution of R&D activities to the economy.

Whether performance has met expectation: UK R&D expenditure as a share of GDP has fallen from its COVID-related peak in 2020 but has retained its 4th-place ranking among G7 nations. The United States, Japan and Germany each invested more than 3% of GDP in R&D.

Chart: UK gross expenditure on R&D as a percentage of GDP

Source title: ONS Gross Expenditure on R&D statistics (2023)

Release schedule: Annual, with an approximate 2-year lag. Next update expected summer 2026.

Note

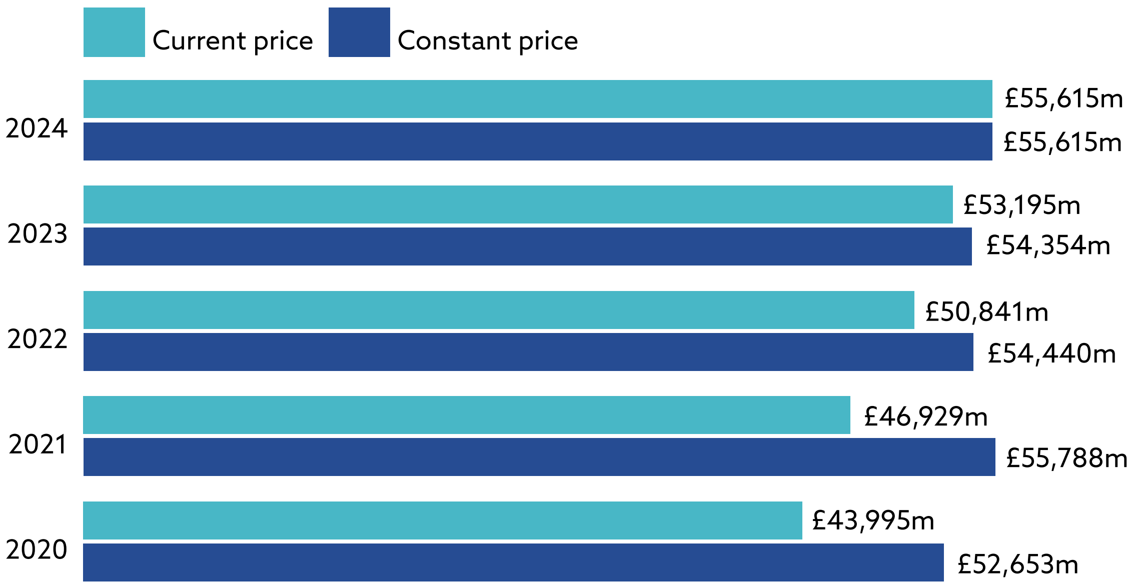
GERD combines business and private non-profit spending for the calendar year, government spending for the financial year, and higher education spending for the academic year. This is standard convention.

METRIC 1.2: BUSINESS EXPENDITURE ON RESEARCH AND DEVELOPMENT

Definition: Business expenditure on research and development (BERD) is the total spending on R&D by UK businesses.

Whether performance has met expectation: In 2024, business expenditure on R&D increased by 5% in nominal terms to the highest level on record. In real terms, expenditure has remained broadly flat since a peak in 2021.

Chart: expenditure on R&D performed by UK businesses, current and constant prices, in £ millions



Source title: ONS Business Expenditure on R&D statistics (2024)

Release schedule: Annual. Next release expected at the end of 2026 or early 2027.

Note

Constant prices are used to account for the effects of inflation.

METRIC 1.3: FIELD-WEIGHTED CITATION IMPACT

Definition: Field-weighted citation impact (FWCI) measures how often publications are cited compared with the global expectation, taking account of field, type and age. Individual publications are aggregated to produce a country-level FWCI. This metric is based on international bibliometric data and is reported with a lag, as citation data takes time to be compiled and validated.

Whether performance has met expectation: The UK retained its top ranking among major research-intensive countries in 2022, with research cited 54% more than the world average. FWCI declined slightly in 2022, largely reflecting a significant increase in publications from countries such as China and India.

Chart: UK field-weighted citation impact

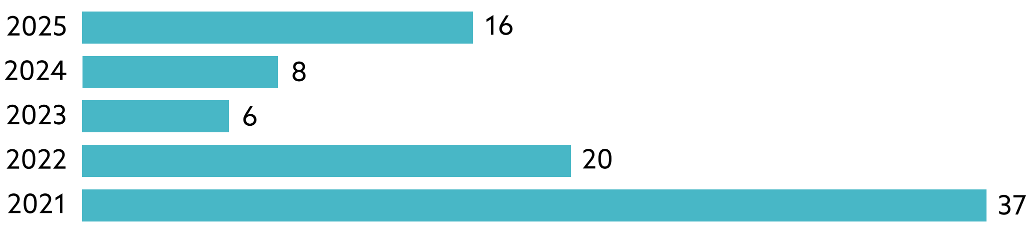
Source title: International comparison of the UK research base, 2025
Release schedule: Every 2–3 years. Next release to be confirmed.
Note
SciVal® database, Elsevier B.V., https://www.scival.com (downloaded on 28 November 2024).

METRIC 1.4: NUMBER OF NEW UK UNICORNS

Definition: Unicorns are start-up companies with a valuation exceeding $1 billion. The number of new unicorns indicates the rate at which companies are scaling successfully.

Whether performance has met expectation: Following 2 years of strong venture capital investment in 2021 and 2022, the decline in new unicorns in 2023 and 2024 was also observed in the United States, China and other European countries. The number of new unicorns in 2025 was double that in 2024.

Chart: number of new UK unicorns



Source title: Dealroom.co
Release schedule: Continuously updated.
Note
Data downloaded on 21 April 2026. To date, there have been 8 new UK unicorns in 2026.

METRIC 1.5: VALUE OF EQUITY INVESTMENT INTO R&D-INTENSIVE BUSINESSES

Definition: This metric uses keyword selection to define the R&D sector in line with the British Business Bank's Small Business Equity Tracker 2024. It provides an indicative measure of the scale of equity investment into R&D-intensive companies.

Whether performance has met expectation: Venture capital investment is inherently volatile. Recent trends reflect recovery from a market downturn that began in 2022. In 2025, investment returned to near-2021 levels.

Chart: value of equity investment into R&D-intensive businesses, in £ millions

Source title: PitchBook Data, Inc.
Release schedule: continuously updated.
Note
Data downloaded on 6 January 2026. The data has not been reviewed by PitchBook analysts.

METRIC 1.6: UK DIGITAL SECTOR GROSS VALUE ADDED

Definition: This metric estimates the annual contribution of the digital sector to the UK economy. Gross value added (GVA) measures output minus the value of intermediate consumption used in production.

Whether performance has met expectation: The digital sector recorded higher GVA growth than the UK average in 2024, continuing a pattern observed in every year since 2010 except 2020 and 2021. Since 2010, the telecommunications subsector has experienced the largest proportional growth, contributing significantly to overall digital sector performance.

Chart: estimated annual gross value added in current prices, digital sector, in £ millions

Source title – Economic Estimates: Digital Sector Annual (2010 to 2024) and Regional (2010 to 2022) Gross Value Added.

Release schedule: annual.

Notes

Revisions since the previous release indicate an increase in GVA in 2023 rather than a decrease. Revisions reflect updated balancing of the National Accounts, revised Annual Business Survey (ABS) data, and updates to underlying current-price GVA data.

Outcome 2: technology adoption and skills

DSIT plays a central role in driving technology adoption and skills across the UK. Over the past year, the department focused on widening access to digital skills to ensure more people and places benefit from technological change.

DIGITAL INCLUSION AND WOMEN IN TECH

DSIT made strong progress against the Digital Inclusion Action Plan. DSIT delivered the £11.7 million Digital Inclusion Innovation Fund which addresses digital inequality across the UK. It supports local councils, charities and community groups to deliver workshops and donate devices. This work is helping the 1.6 million people living offline to gain essential digital skills.

The Secretary of State launched the Women in Tech Taskforce. It brings together leading industry figures and experts from the technology sector to advise government on how it can better support diversity – how to ensure women can enter, stay and lead in the sector.

TECH TOWNS

Barnsley was named the UK's first Tech Town. It acts as a national blueprint for how AI can improve everyday life. This includes delivering AI and digital training to boost local skills, helping businesses to adopt AI to support growth, using AI to improve and streamline healthcare services, and using AI and education technology tools to support teaching and learning to deliver better outcomes for pupils.

AI SKILLS BOOST

DSIT launched AI Skills Boost. This is a government–industry initiative to upskill 10 million UK workers in AI skills by 2030. It supports workers to thrive in workplaces where AI tools are increasingly widespread. It facilitates the uptake of AI across the economy to support productivity and growth.

TECHFIRST

The government launched the £187 million TechFirst programme to bring digital skills and AI learning into classrooms and communities. We aim to reach 400,000 children from disadvantaged backgrounds. The programme brings together 4 complementary strands to strengthen the UK's talent pipeline and also ensure people at every stage of life can benefit from the opportunities of the digital age. The 4 strands are:

- TechYouth, which equips school-age learners with foundational digital and AI capabilities
- TechGrad, which supports graduates to enter cutting-edge technology careers
- TechExpert, which accelerates advanced skills development for specialists and researchers
- TechLocal, which helps communities and local economies build digital confidence through accessible, place-based training

DIGITAL INFRASTRUCTURE AND CONNECTIVITY

DSIT continued the rollout of gigabit-capable broadband across the UK. This is being done through Project Gigabit and the Shared Rural Network programme, which aims to improve mobile coverage in rural communities across the UK. DSIT rolled out a £157 million contract to deliver lightning-fast broadband to around 65,000 homes and businesses in Scotland's most remote areas. DSIT is committed to ensuring people across the UK can access the fast, reliable connectivity they need.

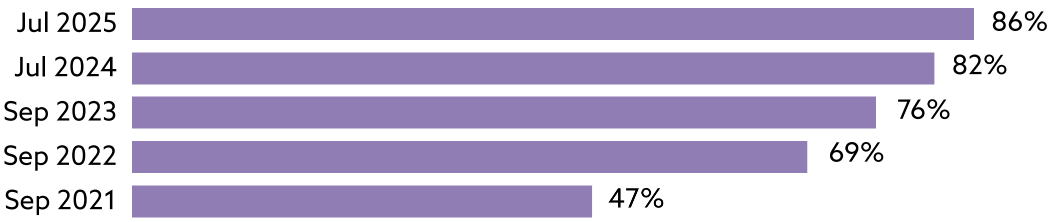
KEY INDICATORS FOR OUTCOME 2

METRIC 2.1: PERCENTAGE OF PREMISES PASSED WITH GIGABIT-CAPABLE BROADBAND

Definition: This metric measures the proportion of premises that have access to a gigabit-capable broadband network, defined as a network able to offer download speeds of 1 Gbit/s or above. This includes full-fibre (FTTP) and hybrid fibre coaxial (HFC) cable networks.

Whether performance has met expectation: This metric tracks DSIT's progress in improving access to gigabit-capable broadband, including delivery to premises not included in suppliers' commercial plans through the Project Gigabit programme. The proportion of premises able to access gigabit-capable broadband has increased significantly in recent years. The initial government target of 85% coverage by the end of 2025 was met, as reported in the November 2025 update.

Chart: percentage of premises passed with gigabit-capable broadband



Source title: Ofcom Connected Nations reports

Release schedule: twice yearly.

Notes

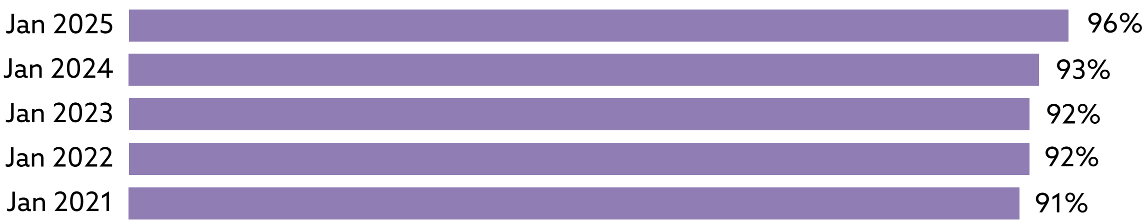
Includes residential and business premises with access to FTTP and/or DOCSIS3.1 technologies. Excludes a small number of premises with gigabit-capable services available via fixed wireless access.

METRIC 2.2: PERCENTAGE OF GEOGRAPHIC AREA WITH 4G COVERAGE FROM AT LEAST ONE MOBILE NETWORK OPERATOR (UK, OUTDOOR)

Definition: This metric measures the proportion of the UK's landmass that is covered by an outdoor 4G signal from at least one mobile network operator.

Whether performance has met expectation: This metric tracks DSIT's progress in improving 4G coverage in areas with limited or no coverage through the Shared Rural Network programme. Geographic 4G coverage has increased steadily since the programme began. In its 2025 report, Ofcom confirmed that the government target of 95% geographic coverage was met at the end of 2024, one year ahead of the December 2025 deadline.

Chart: 4G geographic coverage from at least one mobile network operator (%)



Source title: Ofcom Connected Nations reports

Release schedule: twice yearly.

Note

Coverage figures are rounded to the nearest whole percentage. Small year-on-year changes may reflect ongoing improvements to modelling methodology and should be interpreted with caution.

METRIC 2.3: PERCENTAGE OF PREMISES WITH 5G COVERAGE FROM AT LEAST ONE MOBILE NETWORK OPERATOR (UK, COVERAGE OUTSIDE PREMISES)

Definition: This metric measures the proportion of UK premises where 5G coverage is available outside the premises from at least one mobile network operator.

Whether performance has met expectation: This metric tracks DSIT's progress in increasing the availability of 5G coverage in populated areas, including rural communities. Ofcom began reporting high-confidence standalone 5G coverage outside premises in 2025, at 83%.

Chart: total 5G coverage outside premises from at least one mobile network operator (%)

Source title: Ofcom Connected Nations reports

Release schedule: twice yearly.

Note

Combined standalone and non-standalone 5G coverage is shown due to the availability of historic data. Coverage figures are rounded to the nearest whole percentage.

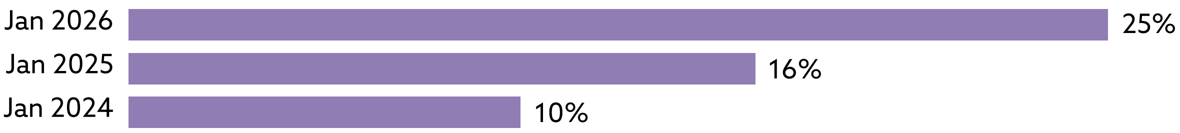
METRIC 2.4: BUSINESS ADOPTION OF AI

Definition: This metric estimates the percentage of businesses that report currently using any artificial intelligence (AI) technology. This includes autonomous vehicles, machine learning-based data or image processing, robotics, large language model text generation, visual content creation and other AI applications.

Whether performance has met expectation: UK business adoption of AI more than doubled over 2 years, increasing from 10% in January 2024 to 25% in January 2026. Growth has been driven primarily by generative AI, with large language model text generation and visual content creation now the most widely used technologies.

Adoption continues to increase with firm size. In January 2026, adoption among large firms (250 or more employees) reached 44%, almost double the rate among micro-businesses at 24%. Adoption also varies significantly by sector, with knowledge-intensive sectors such as information and communication (49%) and professional services (42%) leading, while transport (6%) and hospitality (8%) remain significantly lower.

Chart: business adoption of AI (%)



Source title: Business insights and impact on the UK economy – Office for National Statistics
Release schedule: quarterly.

Outcome 3: technology you can trust

Ensuring technology and the online world are safe, and deliver positive outcomes, particularly for children, remains a core priority for DSIT.

ONLINE SAFETY

New provisions of the Online Safety Act came into force in August 2025, introducing stronger protections for children online. Platforms are required to implement secure age verification to prevent under-18s from accessing harmful content. The changes also require platforms to block direct messages from strangers to children and to ensure data privacy during age checks. Ofcom has been empowered to enforce compliance, with penalties of up to £18 million or 10% of global revenue for breaches. These measures represent a significant step forward in safeguarding young people's online experiences while upholding freedom of expression.

The government has backed the Online Safety Act with decisive action against the most serious harms. This includes introducing protections to tackle AI-generated child sexual abuse material, bringing forward legislative measures to ensure chatbots comply with the Act, and making self-harm, suicide and cyberflashing content priority offences under the Act. The government has also launched a national consultation on children's relationship with the online world, to support evidence-based action to improve safety and wellbeing.

GOVERNMENT CYBER ACTION PLAN

DSIT launched the Government Cyber Action Plan to rapidly strengthen the cyber security and resilience of public services in the face of growing cyber threats. The plan responds to an increasingly complex risk environment by setting clear expectations for how government should identify, manage and respond to cyber risks. It is supported by a new Government Cyber Unit and a consistent, modern approach to securing digital services, helping to protect essential services and maintain public trust in digital government.

CYBER SECURITY AND RESILIENCE BILL

In November, the Cyber Security and Resilience Bill was introduced to Parliament. It sets out new laws to strengthen cyber defences for essential public services, including healthcare, energy, water and transport. The bill will require critical suppliers and IT service providers to meet robust security standards and report incidents promptly, with tougher penalties for breaches. These measures aim to protect the UK economy. It is estimated to lose nearly £15 billion a year to cyberattacks.

AI SECURITY INSTITUTE

DSIT advanced the work of the AI Security Institute (AISI), to research on advanced AI systems. A key achievement this year was the publication of AISI's Frontier AI Trends Report. It set out clear, evidence-based reviews of the capabilities of the most advanced AI systems in areas critical to innovation and security, including cyber, chemistry and biology.

POSITION, NAVIGATION AND TIMING RESILIENCE

DSIT delivered significant progress in strengthening the UK's critical position, navigation and timing (PNT) resilience. DSIT launched the £180 million National Timing Centre programme to provide a secure, terrestrial timing signal to protect vital digital services from satellite disruption. This has been complemented by £71 million to establish a UK eLoran programme. It creates a sovereign ground-based backup for positioning, navigation and timing to further safeguard critical national infrastructure.

KEY INDICATORS FOR OUTCOME 3

METRIC 3.1: PERCENTAGE OF ADULTS IN THE UK WHO REPORT THEY HAVE EXPERIENCED POTENTIALLY HARMFUL ONLINE CONTENT OR BEHAVIOUR IN A 4-WEEK PERIOD

Definition: Ofcom surveys people's experiences of using online services. This metric estimates the proportion of UK adults who report they have seen or experienced potentially harmful online content or behaviour in the 4-week period preceding the survey date.

The measure draws on a list of approximately 50 types of potential harms, which extends beyond the illegal, priority and primary priority harms set out in the Online Safety Act. The list was developed through the 2020 Pilot Online Harms Survey and covers harms across content, contact, conduct and commerce categories.

Whether performance has met expectation: 'Potentially harmful content' includes illegal content as well as other categories of harm. The increase observed between 2021 and 2025 partly reflects the addition of new content categories over time, although reported exposure has also increased within several existing categories. The Illegal Content Codes of Practice came into effect in March 2025.

Chart: percentage of adults (aged 18 and over) in the UK who report experiencing potentially harmful online content or behaviour in a 4-week period

Source title: Ofcom, Online Experiences Tracker survey
Release schedule: twice yearly, in spring and autumn.

Note

Figures are taken from the autumn reports only to provide an annual time series. Dates refer to the survey period.

Outcome 4: modernising public services

DSIT is leading work to make public services accessible, efficient and responsive, as set out in the publication 'A Roadmap for a Modern Digital Government'.

GOV.UK APP

We scaled government's single sign on and authentication platform – GOV.UK One Login – to more than 200 services. DSIT developed a GOV.UK App and in July 2025 launched it into public beta. This places essential public services directly in citizens' pockets. It marks a new chapter in digital government. It is designed to save time and reduce administrative burden. It is the first step to enabling the next generation of personalised public services.

DIGITAL VETERAN CARD

DSIT has progressed the design of the UK government's first digital wallet. DSIT launched the UK's first digital credential – a digital UK Veteran's Card. It enables nearly 2 million veterans to access proof of status securely through the GOV.UK One Login app. It allows them to confirm their service and access support, including healthcare, housing and discounts, on their smartphones. It is quick and convenient and reduces reliance on physical documents.

CUSTOMERFIRST

In January 2026, DSIT established the CustomerFirst Unit to use innovative AI and technology solutions to modernise government services. The unit aims to ensure faster response times and fewer delays. This will deliver an improved experience for millions of people who rely on government services.

PUBLIC SECTOR AI ADOPTION

DSIT accelerated the rollout of AI across government, to deliver significant efficiency gains and cost savings. DSIT ensured the risks of deploying these systems are understood and monitored. A major success has been the use of AI to analyse responses to public consultations and match human accuracy. This has saved officials hours of manual review. 'Consult' has saved £200,000 and 2,418 staff hours on 3 public consultations. 'Extract' has cut planning document processing from 2 hours to 40 seconds.

DIGITAL ID

The government announced plans to introduce a free digital ID scheme for all UK citizens and legal residents. It is intended to be a useful, inclusive and trusted system that people will want to use. There is no legal obligation to have or present a digital ID. A consultation on the government's approach is underway. Cabinet Office leads on the overarching policy and strategic direction. DSIT, in conjunction with Home Office, will lead on the overall design, build and delivery of the system.

PUBLIC SECTOR DIGITAL CAPABILITY

DSIT has led efforts to upskill public servants in digital and AI. This supports the government's pledge to have one in 10 civil servants working in digital or data roles by 2030. In June 2025, DSIT announced a strategic partnership with Google Cloud. It aims to modernise outdated government IT systems and upskill up to 100,000 civil servants in digital and AI by 2030.

GOVERNMENT DIGITAL SERVICE LOCAL

Government Digital Service (GDS) Local was launched in November 2025. It worked with local authorities to enable access to both national and local services through – GOV.UK One Login and the GOV.UK App, reform technology procurement to break costly long-term contracts, and support data sharing.

KEY INDICATORS FOR OUTCOME 4

METRIC 4.1: PERCENTAGE OF CIVIL SERVANTS WORKING IN DIGITAL, DATA AND TECHNOLOGY ROLES

Definition: These government statistics report the proportion of civil servants who are members of the Government Digital and Data profession (previously Digital, Data and Technology), as defined by the Government Digital and Data Profession Capability Framework. This includes technology roles. The Government Digital Service (GDS) also tracks this metric in more detail as part of its biannual workforce commission.

Whether performance has met expectation: The profession has experienced year-on-year growth. The government has set a target for 10% of civil servants to be working in digital, data and technology roles by 2030.

Chart: percentage of civil servants working in digital, data and technology roles

Source title: Civil Service statistics
Release schedule: Annual. Next update expected July 2026.

United Nations Sustainable Development Goals

Member states of the United Nations agreed 17 Sustainable Development Goals (UN SDGs) for 2015 to 2030. The UK is delivering the SDGs through the government's existing planning and performance frameworks. Departments are responsible for delivering the SDGs relevant to their accountable policy areas. DSIT contributes directly to SDGs 8 and 9. The table below highlights DSIT's contribution to SDGs from its performance on priority outcomes in 2025–26. For further details, see the performance on outcomes above.

Table: DSIT contributions to SDG 8 and 9 in 2025–26

	Outcome 1	Outcome 2	Outcome 3	Outcome 4
SDG 8: Decent work and economic growth: promote sustained inclusive and sustainable economic growth, full and productive employment, and decent work for all.	AI Opportunities Action Plan. Life Science Sector Plan. Digital & Technologies. Sector Plan.		Digital Inclusion & Women in Tech. AI Skills Boost. Tech Towns. TechFirst.	
SDG 9: Industry, innovation and infrastructure: build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	R&D Investment. Regulatory Innovation Office.	Public sector AI adoption.	Digital infrastructure & connectivity.	Position, Navigation and Timing Resilience.

Principal risks

The department has identified the principal risks to delivering its priority outcomes. These risks were held on the departmental risk register.

At the start of the year, as of 1 April 2025, there were 12 principal risks. During the year, 5 were closed and 3 were added. There were 10 risks as at year-end, 31 March 2026. Overall, the principal risks did not materialise during the year. This largely reflects the effective application of mitigations and governance.

This section provides more detail to the overview: principal risks on page 19 For each risk, the nature of the risk, its effect on delivery during the year, key mitigations, potential impacts on future plans and performance, and any significant changes in risk rating are described.

The process for risk management – risk identification, evaluation, management, monitoring, review and assurance, is reported in the governance statement part 2: risk management and internal controls on page 85.

OUTCOME 1: GROWTH AND PROSPERITY

Table: risk 1.1. unplanned exit of a research-intensive higher education institution

	Detail
i. Risk	Unplanned exit of a research-intensive higher education institution: failure to manage the impact of an exit may lead to a loss of research and development (R&D) talent and capability and reduce high-quality research in the UK. This may result in reputational damage to UK science and reduce private R&D investment in higher education.
ii. How risk has affected DSIT in achieving its objectives	This risk has not materialised and has therefore not affected DSIT's ability to deliver its growth and prosperity objective.
iii. Mitigations during the year	DSIT strengthened preparedness to safeguard research capability should the risk materialise, or to manage the impact of a loss of capability.
iv. How risk may affect future plans and performance	Loss of UK R&D capability or damage to the reputation of UK science may hinder R&D reform or damage research security through the loss of sensitive research, personnel and intellectual property'
v. Significant changes in risk	Likelihood: remained constant during the year, rated as 'possible'. Impact: decreased from 'very high' to 'high'. Rating at year-end: amber-red
vi. How existing and new risks could affect the entity in delivering its plans and performance in future years	The risks that remain into 2026–27 will require the successful delivery of plans that remove barriers to economic growth. This will predominantly involve supporting public investment in higher education.

Table: risk 1.2. research security

	Detail
i. Risk	Research security: failure to balance openness and security could affect national security, prosperity and international competitiveness, resulting in a deterioration of confidence in the UK's broader R&D sector.
ii. How risk has affected DSIT in achieving its objectives	This risk has reinforced the need to support a balanced portfolio of R&D investment to help build comparative advantage.
iii. Mitigations during the year	Risks were managed through measures that included a work programme delivered in coordination with international partners, and policy development resulting from the Science and Research Security Review.
iv. How risk may affect future plans and performance	Failure to balance openness and security could affect national security, prosperity and international competitiveness, and reduce confidence in the UK's broader R&D sector.
v. Significant changes in risk	Likelihood: remained constant during the year, rated as 'possible'. Impact: remained constant during the year, rated as 'high' Rating at year-end: amber-red
vi. How existing and new risks could affect the entity in delivering its plans and performance in future years	The risks that remain into 2026–27 will require the successful delivery of plans that remove barriers to economic growth. This will predominantly involve supporting public investment in research and development by using opportunities to strengthen the research security ecosystem.

Table: risk 1.3. geopolitical conditions

	Detail
i. Risk	Geopolitical conditions: failure to manage the effects of geopolitical change may affect delivery of the priority of supporting economic growth.
ii. How risk has affected DSIT in achieving its objectives	This risk has reinforced the need for proactive protection of the UK's critical infrastructure and supply chains through preparation for changing geopolitical conditions.
iii. Mitigations during the year	Cross-government working on both security and priority international engagement for information sharing and to agree approach.
iv. How risk may affect future plans and performance	Consideration of this risk has strengthened DSIT's resilience in the context of ongoing geopolitical conflict in Europe, the Middle East and other parts of the world. It has increased visibility of vulnerabilities requiring further strengthening to ensure the department remains resilient and able to deliver its priorities.
v. Significant changes in risk	Likelihood: remained constant during the year, rated as 'unlikely' Impact: remained constant during the year, rated as 'high impact' Rating at year-end: amber-red
vi. How existing and new risks could affect the entity in delivering its plans and performance in future years	The risks that remain into 2026–27 will require the successful delivery of plans that remove barriers to economic growth. This will predominantly involve supporting public investment and securing plans to deal with geopolitical instability and change.

Table: risk 1.4. Industrial Strategy investment (new risk)

	Detail
i. Risk	Industrial Strategy (IS) investment: being unable to meet publicly stated ambitions for the IS might affect delivery of DSIT priorities due to an inability to scale industries and strategic capabilities, or to attract and retain investment, impacting growth. (New risk opened in December).
ii. How risk has affected DSIT in achieving its objectives	We continued to be broadly on track for delivering our publicly stated ambitions for the IS. We have taken action to support companies to scale through measures including our Sovereign AI, quantum, space and engineering biology programmes.
iii. Mitigations during the year	DSIT stimulated investment with partners, including HM Treasury, the National Wealth Fund and the British Business Bank.
iv. How risk may affect future plans and performance	Delivery against agreed investments to support Industrial Strategy sectors may not achieve a good return on public investment or attract additional investment for R&D-led growth.
v. Significant changes in risk	Likelihood: 'very likely'. Impact: 'high' Rating at year-end: red
vi. How existing and new risks could affect the entity in delivering its plans and performance in future years	The risks that remain into 2026–27 will require the successful delivery of plans that remove barriers to economic growth.

OUTCOME 2: TECHNOLOGY ADOPTION AND SKILLS

Table: risk 2.1. shifting tech trends

	Detail
i. Risk	Shifting tech trends: failure to spot strategically and economically important technologies could reduce the ability to secure strategic advantage and drive long-term growth across all Industrial Strategy sectors.
ii. How risk has affected DSIT in achieving its objectives	This risk has reinforced the importance of continual horizon scanning to support timely government response to emerging technological developments.
iii. Mitigations during the year	Mitigations include improved horizon scanning; use of the Tech Surprise Matrix to identify and prioritise potential technology surprises; strengthened engagement with industry and academia; and cross-government arrangements to triage signals and agree policy action.
iv. How risk may affect future plans and performance	Failure to spot strategically and economically important technologies could reduce the ability to secure strategic advantage and drive long-term growth across all Industrial Strategy sectors.
v. Significant changes in risk	Likelihood: remained constant, rated as 'possible'. Impact: remained constant, rated as 'high impact' Rating at year-end: amber-red

	Detail
vi. How existing and new risks could affect the entity in delivering its plans and performance in future years	The risks that remain into 2026–27 will require the successful delivery of plans that remove barriers to strategic advantage and increase opportunities for growth.

OUTCOME 3: TECHNOLOGY YOU CAN TRUST

Table: risk 3.1. security, domains

	Detail
i. Risk	Security, domains: public-facing services could face outages for days or weeks during which UK citizens cannot access essential services.
ii. How risk has affected DSIT in achieving its objectives	This risk has not materialised during the reporting period and has not adversely affected DSIT's ability to achieve its objectives. Strengthened monitoring and remediation arrangements have supported the continued availability and integrity of public sector online services.
iii. Mitigations during the year	Mitigations include active monitoring and remediation of vulnerabilities across public sector internet domains; a central scanning and remediation service; working with domain owners to detect vulnerabilities; strengthened team capacity; and automated tooling to reduce vulnerabilities.
iv. How risk may affect future plans and performance	Public-facing services could face outages for days or weeks during which UK citizens cannot access essential services.
v. Significant changes in risk	Likelihood: remained constant, rated as 'very likely'. Impact: remained constant, rated as 'high impact' Rating at year-end: red
vi. How existing and new risks could affect the entity in delivering its plans and performance in future years	The risks that remain into 2026–27 will require the successful delivery of plans to strengthen the availability of digital products and services.

Table: risk 3.2. cyber and resilience (new risk)

	Detail
i. Risk	Cyber and resilience: potential disruption to essential public-facing services leading to potential regulatory breaches, reputational damage and loss of public trust. (new risk)
ii. How risk has affected DSIT in achieving its objectives	This risk has not materialised during the reporting period and has not adversely affected DSIT's ability to deliver its objectives. Cyber security assurance, monitoring and incident-response arrangements underpin the continued availability, integrity and security of digital products and services.

	Detail
iii. Mitigations during the year	DSIT mitigated this risk through ongoing compliance with Gov-Assure and Secure by Design standards, supported by cyber assurance testing, enhanced monitoring, and strengthened incident response and business continuity arrangements.
iv. How risk may affect future plans and performance	DSIT's standards for cyber security and resilience could be undermined if any loss of service suggests DSIT has not applied its own standards.
v. Significant changes in risk	Likelihood: 'very likely'. Impact: 'high impact' Rating at year-end: red
vi. How existing and new risks could affect the entity in delivering its plans and performance in future years	The risks that remain into 2026–27 will require the successful delivery of plans to increase cyber security and resilience across public services.

OUTCOME 4: MODERNISING PUBLIC SERVICES

Table: risk 4.1. skills and capability

	Detail
i. Risk	Skills and capability: failure to build sufficient skills, particularly for digital, may affect delivery of digital objectives to deploy technology into public services and grow digital capacity and capability across government.
ii. How risk has affected DSIT in achieving its objectives	We have continued to be successful in developing colleagues and attracting new recruits with the skills we need. It has had the effect of informing strengthened workforce and capability planning to support delivery of DSIT's priorities.
iii. Mitigations during the year	Mitigations include strengthened workforce and capability planning, focused on the pace and scalability of recruiting, retraining and deploying skills, particularly in digital and AI.
iv. How risk may affect future plans and performance	DSIT needs to recruit and retain digital and cyber talent to fully support public service modernisation. Without strong cyber, digital and technological capabilities, DSIT may also struggle to maximise public value when adopting AI in public services or procuring and developing digital solutions.
v. Significant changes in risk	Likelihood: increased from 'possible' to 'likely', Impact: decreased from 'high' to 'medium'. Rating at year-end: amber-red
vi. How existing and new risks could affect the entity in delivering its plans and performance in future years	The risks that remain into 2026–27 will require the successful delivery of plans that remove barriers to, and boost opportunities for, modernising public services by growing digital capacity and capability across government.

CROSS CUTTING RISKS

Table: risk 5.1. major incidents

	Detail
i. Risk	Major incidents: an absence of tested plans could delay response and increase the potential for disruption to critical facilities, increasing the likelihood of operational failure and loss of public confidence.
ii. How risk has affected DSIT in achieving its objectives	This risk has not materialised during the reporting period and has not adversely affected DSIT's ability to deliver its objectives. Development has reinforced the importance of preparedness and coordination with sector and industry partners.
iii. Mitigations during the year	Mitigations included securing surge volunteer capacity; planning and running Lead Government Department exercises; improved Emergency Operations Centre access; crisis teams coordinated across the department; and appointment of crisis management senior responsible owners (SROs).
iv. How risk may affect future plans and performance	Without robust cyber security planning, national infrastructure is less protected, increasing vulnerability to cyber criminals and hostile states, weakening overall defences and the ability to respond to major incidents.
v. Significant changes in risk	Likelihood: remained constant, rated as 'likely'. Impact: decreased from 'high' to 'medium'. Rating at year-end: amber-red

Table: risk 5.2. Prioritisation (new risk)

	Detail
i. Risk	Prioritisation: failure to deliver departmental objectives and priorities to time due to reduced efficiency and effectiveness affecting continuity and morale, leading to reputational damage. (New risk opened in November 2025)
ii. How risk has affected DSIT in achieving its objectives	This new risk has not materialised since being introduced, and there was no evidence of adverse effects on continuity in the delivery of DSIT's objectives.
iii. Mitigations during the year	DSIT has mitigated this risk through the development of a strategic plan in line with government standards, with defined priority activities and integration of prioritisation into business planning cycles.
iv. How risk may affect future plans and performance	Delivery across DSIT's priorities and objectives could be siloed, leading to less informed and more isolated decisions, decreased efficiency and reduced resilience to change.
v. Significant changes in risk	Likelihood: 'likely'. Impact: 'high impact' Rating at year-end: red

CLOSED RISKS

Table: digital centre (closed)

	Detail
i. Risk	Digital centre: the new Digital Centre is not designed or implemented in a way that delivers a step change in digital government, resulting in limited improvement to user experience and missed opportunities to improve efficiency and productivity across government.
ii. How risk has affected DSIT in achieving its objectives	Closed risk: this risk was closed in June 2025.
iii. Mitigations during the year	Clear governance, delivery roadmaps and engagement arrangements were put in place to establish the Digital Centre, supported by integrated Government Digital Service (GDS) oversight, staff and stakeholder engagement, and alignment with Spending Review decisions.
iv. How risk may affect future plans and performance	Not applicable. Closed risk.
v. Significant changes in risk	Likelihood: remained constant, rated as 'possible' Impact: decreased from 'high' to 'medium'.

Table: UK R&D and innovation competitiveness (closed)

	Detail
i. Risk	UK R&D and innovation competitiveness: DSIT's R&D and innovation policies and investments do not create a sufficiently internationally competitive innovation ecosystem to attract top talent and investment to the UK.
ii. How risk has affected DSIT in achieving its objectives	This risk was closed in October 2025.
iii. Mitigations during the year	Mitigations included cross-government action to strengthen the UK's research and innovation investment environment and delivery of the Growth Mission and Industrial Strategy.
iv. How risk may affect future plans and performance	Not applicable. Closed risk.
v. Significant changes in risk	Likelihood: decreased from 'likely' at the beginning of the year to 'very unlikely' at time of closure. Impact: remained constant, rated as 'high'.

Table: loss of reputation of DSIT's digital products and services (closed)

	Detail
i. Risk	Loss of reputation of DSIT's digital products and services: users and departments lose trust and confidence in DSIT's digital products and services, leading to reduced usage and reliance on alternative channels.
ii. How risk has affected DSIT in achieving its objectives	This risk was closed in December 2025.
iii. Mitigations during the year	Mitigations included strengthened preventative, detective and corrective cyber controls, including Secure by Design delivery; enhanced monitoring capability; and effective incident response and business continuity processes.
iv. How risk may affect future plans and performance	Not applicable. Closed risk.
v. Significant changes in risk	Rating at closure: 'unlikely' and 'high impact'

Table: loss of critical public facing products and services (closed)

	Detail
i. Risk	Loss of critical public facing products and services – successful compromise of systems resulting in service outages, unauthorised access to sensitive data, and loss of data integrity and confidentiality.
ii. How risk has affected DSIT in achieving its objectives	This risk did not materialise during the reporting period and did not adversely affect DSIT's ability to deliver its objectives. Continued focus on Secure by Design delivery and cyber assurance supported the availability, integrity and security of digital services before the risk was closed and merged into Cyber and resilience.
iii. Mitigations during the year	Before closure, DSIT mitigated this risk by embedding Secure by Design principles and Indicators of Good Practice across live and developing services.
iv. How risk may affect future plans and performance	This risk closed in December 2025 and merged into cyber and resilience due to significant overlap in mitigations. Future impacts relating to cyber security, service availability or data integrity will be managed through the consolidated risk and its associated controls.
v. Significant changes in risk	Rating before merger: 'very high impact' and 'likely'. Merged with Loss of reputation of DSIT's digital products and services to create cyber and resilience.

Table: resilience (closed)

	Detail
i. Risk	Resilience: DSIT's organisational resilience declines, evidenced by leadership and people metrics indicating reduced wellbeing, such as lower productivity, increased absence, higher demand for health, safety and wellbeing support, or deteriorating staff survey results.
ii. How risk has affected DSIT in achieving its objectives	This risk did not materialise and did not adversely affect DSIT's ability to deliver its objectives. It was closed following completion of agreed mitigations, with ongoing wellbeing and resilience now managed through established corporate and group-level arrangements, as approved by senior leadership in December 2025.
iii. Mitigations during the year	DSIT completed targeted mitigations to support wellbeing and resilience, including strengthened support during geopolitical events, improved support for teams exposed to emotional labour, clear strategic direction following Machinery of Government changes, and clearer prioritisation through business planning and Spending Review processes.
iv. How risk may affect future plans and performance	Not applicable. Closed risk.
v. Significant changes in risk	Likelihood: 'possible' Impact: 'high' Rating remained unchanged at closure.

Financial review

THE STATEMENT OF OUTTURN AGAINST PARLIAMENTARY SUPPLY

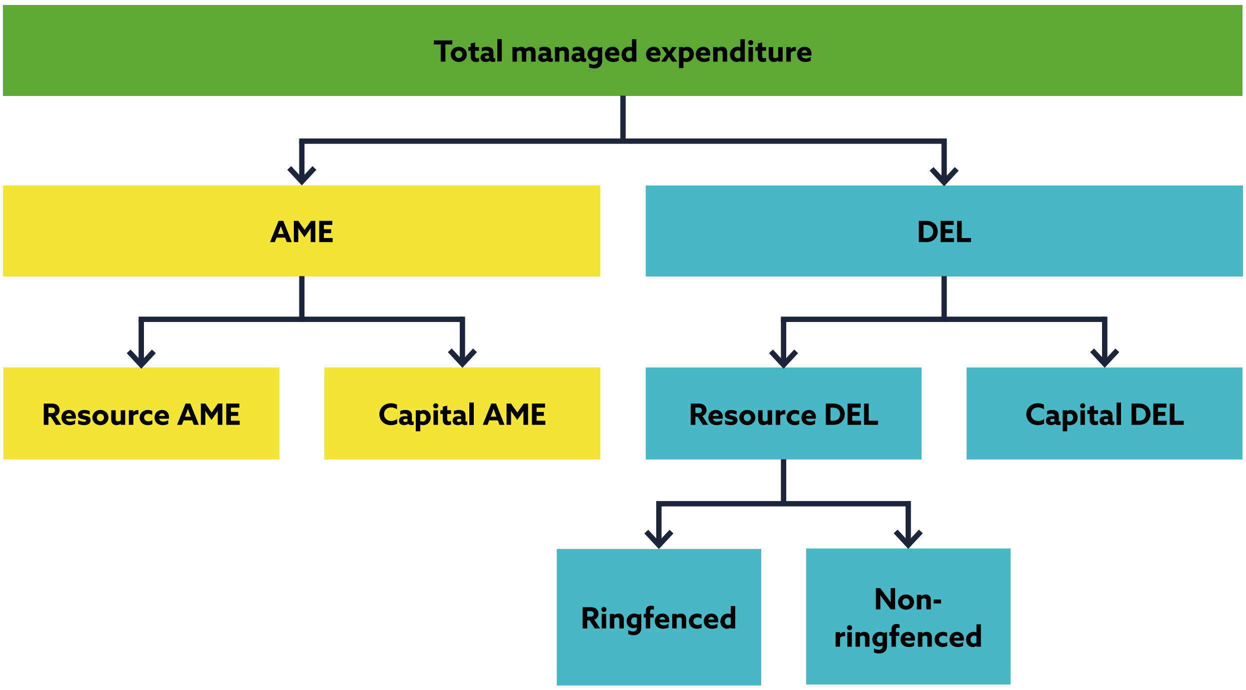
The statement of outturn against parliamentary supply on page 127 (SOPS) reports the department's financial performance against the budgets (also known as Estimate) agreed by Parliament. It is broken down by resource and capital. Resource is for day-to-day spending, while capital is for investment and infrastructure.

Within resource and capital are subsets of departmental expenditure limit (DEL) and annually managed expenditure (AME). DEL is agreed at Spending Reviews, which take place every few years. AME is spending that does not fall within DEL. It is generally less predictable and less controllable than expenditure in DEL.

The total resource and capital for the year is known as the total managed expenditure (TME). It is spent within the core department and distributed as grants to DSIT bodies. (Note 23. list of bodies in the dsit group on page 238.)

Entities must operate within their control limits. The SOPS is a key accountability statement that is audited.

Chart: the budget framework



OUTTURN COMPARED TO BUDGET

Figures in this table tie directly to the SOPS.

Table: Outturn against budget for 2025–26

	2025–26 estimate £m	2025–26 outturn £m	Variance £m	Variance %	Underspend or overspend
Resource DEL	1,177.5	1,099.3	78.2	7%	Underspend
Resource AME	704.5	163.6	540.9	77%	Underspend
Capital DEL	14,486.3	14,353.9	132.4	1%	Underspend
Capital AME	0.3	(110.7)	111.0	37000%	Underspend
TME	**16,368.6**	**15,506.1**	**862.5**	**5%**	**Underspend**

Notes

Figures may not add up exactly due to rounding.

COMMENTARY ON VARIANCES OF OUTTURN AGAINST BUDGET

Resource DEL: includes a £16.2 million underspend relating to administration expenditure, relating to accruals adjustments and VAT recovered. The main underspends for programme relate to Eutelsat £15.4 million budgeted for but later reclassified as non-budget spend, £8.7 million underspend relating to BTI activity, GDS £7.6 million relating to Notify VAT, and £4.0 million surplus income for Information Commissioner's Office and £7.9 million for Ofcom. Also includes £15.8 million underspend against the budget for ring-fenced depreciation across the department.

Resource AME: the most material variance relates to a £315 million underspend against the budget for EU programmes for foreign exchange losses and gains, which were not fully utilised in 2025–26. Also includes underspends of £37.6 million against ESA forward contracts and £19 million for NESTA.

Capital DEL: includes £19.1 million underspend relating to BDUK due to programme slippage and £21.3 million underspend in AI Group due to the supercomputer project. The remainder of the underspend relates to £43 million for UKRI, £15.9 million for BTI gain on a sale of investment. Also includes a £5.1 million underspend in financial transactions relating to BTI.

Capital AME: the most material variance relates to UKRI pension revaluations which resulted in a credit of £117 million.

OUTTURN TREND: BY BUDGET TOTALS

The figures in the table tie to the statement of outturn against parliamentary supply on page 127 and annex A: common core tables on page 241.

Table: Outturn trend by budget totals

	2021–22 restated	2022–23 restated	2023–24 restated	2024–25 restated	2025–26	2026–27 plans
Resource DEL	323.4	401.8	460.4	545.0	1,099.3	1,381.5
Resource AME	563.3	499.0	580.8	695.8	163.6	679.5
Capital DEL	9,862.8	10,872.3	12,438.2	13,156.7	14,353.9	15,209.2
Capital AME	(67.0)	(68.5)	(104.9)	(158.5)	(110.7)	0.3
TME	**10,682.6**	**11,704.7**	**13,374.5**	**14,239.0**	**15,506.1**	**17,270.4**

Notes

Figures may not add up exactly due to rounding. Restatement due to machinery of government (MOG) changes.

In line with HMT direction, depreciation will move from Resource DEL to Resource AME from 2026–27 onwards. For 2025–26 SOPS and common core tables, depreciation has been shown within Resource DEL, for all years, to align with 2025–26 outturn reports. For 2026–27 SOPS, depreciation outturn for comparator and future years will be moved to Resource AME, for consistency.

OUTTURN TREND: BY MAIN AREAS OF SPEND

The figures in the table do not tie directly to the SOPS or the common core tables. They are based on internal reporting.

Table: Outturn trend by main areas of spend

	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27 plans
UK Research & Innovation (UKRI)	8,707.9	9,397.0	9,579.9	10,023.3	9,653.0	9,299.0
Diamond Light Source	117.5	104.8	46.2	167.9	180.9	35.2
Meteorological Office	240.4	191.5	183.7	255.2	346.6	378.6
National Measurement System	126.3	124.2	152.7	153.3	190.0	216.5
Building Digital UK (executive agency from 2022–23 to 2025–26)	-	101.7	132.7	311.8	497.5	681.5
UK Space Agency (executive agency until 2026–27)	492.9	635.6	634.3	610.4	755.9	652.1
Other Science and Research	327.1	473.2	756.7	572.7	440.7	1,603.4
Horizon and Copernicus association	-	-	1,059.9	1,155.3	2,043.7	2,564.6

	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27 plans
Digital, Broadcasting, Media and Broadband	288.8	175.6	251.3	288.0	243.3	631.3
Geospatial Commission*	135.5	139.7	149.9	147.1	158.7	195.3
Government Digital Service	111.4	178.6	250.1	283.4	395.9	618.7
Other	134.6	182.8	177.1	270.7	600.0	394.4
Total	**10,682.6**	**11,704.7**	**13,374.5**	**14,239.0**	**15,506.1**	**17,270.4**

Notes

Figures may not add up exactly due to rounding.

A SUMMARY RECONCILIATION OF BUDGETS TO THE FINANCIAL STATEMENTS

SOPS note 2 provides a reconciliation between budget outturn in the SOPS and financial statement net expenditure. SOPS note 2 is considered sufficient to explain how budget outturn links to net expenditure. Therefore, no further summary is provided in the financial review.

STATEMENT OF FINANCIAL POSITION

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The table below summarises the main figures from the statement of financial position (SOFP). As at 31 March 2026, the department remains in a net asset position. Net assets have increased by £1.0 billion during the year, from £6.3 billion at 31 March 2025 to £7.3 billion at 31 March 2026. There was a £0.4 billion increase in current assets, largely attributable to increases in prepayments at year end, and a £0.5 billion decrease in current liabilities, primarily relating to fewer grant accruals held at year end.

Table: main figures from the statement of financial position

	2025–26	2024–25
Non-current assets	8,054	7,873
Current assets	4,059	3,691
Current liabilities	(4,258)	(4,776)
Non-current liabilities	(539)	(519)
Net assets or liabilities	7,316	6,269

OFFICIAL DEVELOPMENT ASSISTANCE

Official development assistance (ODA) is aid from countries within the OECD Development Assistance Committee (DAC), to developing countries, for economic development. The UK is an OECD DAC country.

ODA is reported based on cash spent in a calendar year. DSIT ODA relates to research and innovation. DSIT ODA for 2025, as a preliminary figure is £199.0 million.

The final figure, including the breakdown by sector will be published by the Foreign, Commonwealth and Development Office (FCDO) in September 2026, available at: Statistics on International Development – GOV.UK

Sustainability: climate risks and opportunities

Climate change and its impacts, including rising temperatures, climate-related policy changes and emerging technologies, create risks to and opportunities for DSIT's operations and work. The task force for climate-related financial disclosures (TCFD) recommend climate reporting across 4 pillars: governance, strategy, risk management, metrics and targets.

TCFD COMPLIANCE STATEMENT

DSIT's reporting of climate-related financial disclosures is consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the TCFD framework for the UK public sector.

DSIT does not currently consider climate change to be a principal risk to departmental objectives. This judgement reflects the limited impact of DSIT's climate risks on operational delivery and strategic objectives. This position will be kept under review. Telecommunications infrastructure and AI data centres are expected to be key areas of focus in future assessments, alongside other high-priority policy and service delivery areas.

As climate is not assessed as a principal risk, DSIT has complied with the TCFD recommended disclosures applicable in these circumstances.

Where climate is deemed a principal risk, further disclosures become mandatory. Although climate change is not identified as a principal risk, DSIT has identified climate risks and opportunities over the short, medium and long term, and described their impacts.

GOVERNANCE

DSIT's governance structure is set out in the governance statement part 1: the board on page 80. This structure also applies to climate-related issues.

Board oversight: The departmental board (the board) provides independent challenge to the senior leadership team (SLT). The audit and risk assurance committee (ARAC) supports the board on approaches to risk and assurance, including climate-related risks.

Management's role: SLT is responsible for the day-to-day management of the department. It assesses DSIT's plans to support the government's commitment to reach net zero emissions by 2050. The investment committee is a sub-committee of SLT and assesses investments in new projects valued above £40 million. Climate risk assessments are included in business cases reviewed by the committee, in line with HM Treasury's Green Book guidance.

STRATEGY: CLIMATE RISKS AND OPPORTUNITIES

Although climate change is not identified as a principal risk, DSIT has identified climate risks and opportunities over the short, medium and long term, and described their impacts.

CLIMATE RISK 1: LACK OF COHESION AND RESOURCES FOR CLIMATE-RELATED ACTIVITIES

- Explanation: The absence of coordinated sustainability planning across directorates could lead to duplicated effort, inefficient use of resources and reduced effectiveness.
- Rating: medium to high
- Planned mitigations: Establish a departmental sustainability team to embed a climate-aware culture across DSIT. This will support identification, reporting and management of climate-related risks and opportunities, and help ensure activities are planned and resourced through the business planning process.

CLIMATE RISK 2: POLICY AND DELIVERY ACTIVITIES DO NOT TAKE ACCOUNT OF FUTURE CLIMATE RISKS OR ADAPTATION

- Explanation: Policies and delivery approaches may not sufficiently address climate risks, leading to low awareness, ineffective decision-making, non-compliance and potential reputational damage.
- Rating: medium
- Planned mitigations: Increase awareness of climate risks in policy development and delivery. Review DSIT policies and programmes to ensure alignment with departmental guidance on climate risks and opportunities. Implement annual reviews of policy and programme climate impacts and ensure climate considerations are explicitly incorporated into decision-making for new initiatives.

CLIMATE RISK 3: SUPPLY CHAINS AND PARTNERS MAY BE VULNERABLE TO CLIMATE RISKS

- Explanation: Extreme weather events, both domestic and international, may disrupt supply chains, delaying programme or policy delivery and causing financial or delivery impacts.
- Rating: medium
- Planned mitigations: Assess the resilience of policies, procurement and supply chains. Develop contingency plans for adverse weather impacts and train contract and delivery teams to manage climate-related disruption.

CLIMATE OPPORTUNITY 1: POSITION DSIT AS A CLIMATE-RESPONSIBLE LEADER IN GOVERNMENT

- Explanation: Embedding climate-related risks, opportunities and outcomes across DSIT's policies and programmes, including understanding the impacts of AI and data requirements on land, energy and water resources, and interdependencies between telecommunications and power infrastructure. This approach can enhance DSIT's reputation and influence with stakeholders.
- Rating: medium to high
- Planned mitigations: Integrate climate risks and opportunities into new DSIT policy frameworks. Improve evidence on whole-system impacts across telecommunications, data and energy demand. Communicate DSIT's climate commitments more widely and showcase successful initiatives to strengthen stakeholder confidence.

CLIMATE OPPORTUNITY 2: ENCOURAGE INNOVATION IN LOW-CARBON TECHNOLOGIES AND CLIMATE SOLUTIONS

- Explanation: Supporting research, development and adoption of low-carbon solutions could strengthen the UK's competitive advantage and attract inward investment.
- Rating: medium
- Planned mitigations: Prioritise funding for green technology by embedding sustainability criteria in research, procurement and grant processes.

CLIMATE OPPORTUNITY 3: IMPROVE DSIT'S SUSTAINABILITY EFFICIENCY

- Explanation: Improve environmental outcomes beyond Greening Government Commitments (GGCs) by reducing emissions and strengthening the resilience of service delivery.
- Rating: medium
- Planned mitigations: Establish a cross-directorate sustainability working group. Identify available data, define metrics and priority areas, implement sustainability initiatives, and monitor and report progress against environmental improvement targets.

RISK MANAGEMENT

The management of climate risks follows the standard risk management process, which is set out in the governance statement part 2: risk management and internal controls on page 85.

The department developed a draft Risk Framework with approaches to define and mitigate climate risks using the climate scenarios developed by the Intergovernmental Panel on Climate Change (IPCC). This work supported identification of key risks and opportunities.

DSIT also participated in cross-departmental TCFD reviews, using this experience to provide assurance that identified climate risks and opportunities are comprehensive.

METRICS AND TARGETS

Climate change is not currently considered a principal risk. Therefore, DSIT is not required to report specific TCFD metrics and targets.

DSIT's scope 1, scope 2 and scope 3 carbon emissions are reported in the sustainability: greening government commitments on page 58. Further work is underway to determine whether scope 3 emissions are material to DSIT's operations and service delivery.

PLANS FOR TCFD DISCLOSURES FOR 2026–27

In 2026–27, DSIT will continue to strengthen its approach to identifying and managing climate risks and opportunities by:

- appoint a chief sustainability officer by 31 March 2027, as required by GGC, and confirm the resources needed to deliver agreed outputs/deliverables.
- preparing more detailed risk assessments that include data, metrics, priorities, costs and impacts
- developing climate governance and oversight through ARAC
- increasing understanding of climate risks and opportunities faced by key suppliers

Sustainability: climate change adaptation

Climate change adaptation is action to protect our communities, economy and environment from the impacts of climate change. HM Treasury requires departments to manage climate change adaptation using the principles below.

PRINCIPLE 1: HOW CLIMATE CHANGE ADAPTATION IS EMBEDDED WITHIN OVERALL GOVERNANCE, DECISION MAKING AND ASSURANCE PROCESSES

Refer to the sustainability: climate risks and opportunities on page 54.

PRINCIPLE 2: HOW CLIMATE CHANGE ADAPTATION FEATURES IN PERFORMANCE AND PROJECT MANAGEMENT, INCLUDING THE MONITORING OF IMPACT ASSESSMENTS AND THE EFFECTIVE USE OF SOUND EVIDENCE IN POLICY MAKING

DSIT prepares business cases for all investments in new projects and programmes. The DSIT business case template includes the economic case, which include net zero and climate change mitigation. Economic analysts will address these if the new project or programme has clear environmental or climate changes.

For regulatory changes to policy, DSIT prepares options and impact assessments to appraise the social costs and benefits. The assessments consider natural capital and decarbonisation, including consideration of climate change. This approach is prescribed by the Better Regulation Framework and HM Treasury's Green Book guidance.

PRINCIPLE 3: WHETHER CLIMATE CHANGE ADAPTATION FEATURES IN PROGRAMME AND PROJECT GATEWAY REVIEWS

For business cases above £40 million, independent gateway reviews are conducted before they are reviewed at DSIT investment committee. Consideration of climate change adaptation is included within gateway reviews, where relevant. HM Treasury sets the policy for conducting gateway reviews.

PRINCIPLE 4: IN RELATION TO CLIMATE CHANGE ADAPTATION, WHERE POLICY DEVELOPMENT HAS BEEN CHALLENGED AND INFORMED, WHERE APPROPRIATE, THROUGH CONSULTATION AND STAKEHOLDER ENGAGEMENT

DSIT has established processes to consult stakeholders on policy development, as appropriate.

PRINCIPLE 5: IN RELATION TO CLIMATE CHANGE ADAPTATION, HOW THE DEPARTMENT SUPPORTS STAFF LEARNING AND PARTICIPATION THROUGH PERFORMANCE MANAGEMENT, LEARNING MODULES, TOOLS AND GUIDANCE FOR POLICY MAKERS, AWARENESS CAMPAIGNS, LOCAL CHAMPIONS, VOLUNTEERING AND MEMBERSHIP OF DEPARTMENTAL, GOVERNMENT OR EXTERNAL GROUPS

DSIT supports its staff with relevant learning and development to deliver their objectives and upskilling. This includes objectives related to the impacts of climate change.

PRINCIPLE 6: IN RELATION TO CLIMATE CHANGE ADAPTATION, HOW THE DEPARTMENT HAS SUPPORTED DELIVERY

Climate change adaptation does not yet materially impact the delivery of DSIT's objectives. DSIT has currently identified a limited need for climate change adaptation. This will be kept under review.

PRINCIPLE 7: IN RELATION TO CLIMATE CHANGE ADAPTATION, THE FORWARD-LOOKING COMMITMENTS FOR IMPROVING PERFORMANCE

See reporting on DSIT's sustainability: climate risks and opportunities on page 54.

Sustainability: greening government commitments

The Greening Government Commitments (GGCs) framework sets out actions by departments and their public bodies to improve environmental impact of the government estate and its operations. The Department for Environment, Food and Rural Affairs (Defra) compiles, mandates and coordinates the GGCs.

GGC targets were in place up to March 2025 under the 2021–25 framework, which has now ended. Defra is working on a new framework for 2025–30, to be published in due course. Within the new framework, 2025–26 will form the baseline year to track progress each year.

The figures reported are for the DSIT GGC family, made up of the core department and 7 public bodies in scope: National Physical Laboratory (NPL), Intellectual Property Office (IPO), Met Office (MO), UK Space Agency (UKSA), UK Research and Innovation (UKRI), Information Commissioner's Office (ICO) and UKSBS.

The Government Property Agency (GPA) manages all the estate occupied by the core department and a small proportion of some public bodies. In these cases, GPA is responsible for ensuring the estates deliver on the GGC targets. The organisations perform an assurance role to support the GPA. The GPA has an environmental management system accredited to ISO 14001, to monitor energy, waste and water use. This aligns with the Government Property Strategy 2022–30 mission to move to a smaller, better, and greener estate.

EMISSIONS

The GPA is running a net zero programme to reduce carbon emissions and energy use across its estate. DSIT has benefited from carbon emissions and energy savings from lighting improvements, sub-metering improvements and design work to improve the building management system at 10 South Colonnade, London, and a solar panel review at Feethams House, Darlington. Public bodies that do not occupy the GPA estate have also made efforts to reduce emissions.

Table: Carbon emissions

	Unit	2025–26
Scope 1		
Emissions: (direct – sources owned or controlled by the organisation) (gas)	Tonnes CO_2 equivalent	15,249
Related gas consumption	KWh	80,718,319
Related expenditure	£'000	5,036
Scope 2		
Emissions: (indirect – energy consumed which is supplied by another party) (electricity)	Tonnes CO_2 equivalent	37,072
Related electricity consumption	KWh	210,809,243
Related expenditure	£'000	52,402
Scope 3		
Emissions from business travel	Tonnes CO_2 equivalent	7,106
Scope 3 related expenditure from business travel	£'000	15,831
Emissions from ICT	Tonnes CO_2 equivalent	17,497

Notes

- Scope 3 emissions from business travel: UKSBS data unavailable
- Scope 3 emissions from ICT: UKSBS, IPO & MO data unavailable

CARBON OFFSETS

The Met Office has purchased (£17,690) high-quality UK nature-based carbon removal credits from Beyond Zero to offset some of its business travel, including air travel from its overseas customer-driven programmes. These removal credits are certified by the UK Carbon Code of Conduct. It also continues to invest with Beyond Zero in the development of UK nature-based sequestration solutions from land management and agroforestry. This will provide carbon removal credits for future years. No further carbon offsetting has been done by the remainder of the DSIT family.

WASTE ORGANISATION AND MANAGEMENT

In 2025, the GPA developed a new sustainability strategy for its workplace services. The strategy focuses on areas such as minimising energy use. Collaborative projects are being run across the GPA's portfolio occupied by DSIT core, and a small portion of some public bodies.

Table: Municipal waste, major mineral waste, other waste

	2025–26
Municipal waste	
Total municipal waste arising, in tonnes	1,749
Of which:	
Recycling	960
Anaerobic digestion	107
Incineration with energy recovery	570
Composting	32
Incineration without energy recovery	1
Landfill	17
Other	62
Major mineral waste	
Total major mineral waste arising, in tonnes	90
Of which:	
Recycled	47
ICT waste recycled, reused, and recovered (externally)	38
Composted/ food waste	-
Incinerated with energy recovery	1
Incinerated without energy recovery	4
To landfill	-
Other waste	
Total other waste arising, in tonnes	353
Of which:	
Recycled	70
ICT waste recycled, reused, and recovered (externally)	-
Composted/ food waste	-
Incinerated with energy recovery	211
Incinerated without energy recovery	71
To landfill	1

Notes

- UKSBS data unavailable

WATER CONSUMPTION (FINITE RESOURCE)

GPA continued to implement water efficiency measures across the estate, such as rolling out water meters across most sites. Apart from the GGC disclosures below, the estate occupied by DSIT does not use other finite resources.

Table: Water consumption

	Unit	2025–26
Water consumption	cubic meters m^3	297,609
Water supply and sewage costs	£'000	1,362

Notes

- UKSBS data unavailable

SUSTAINABLE CONSTRUCTION AND RESTORING AND ENHANCING NATURE

The GPA's new government hub offices are designed to meet GGC sustainability targets to deliver on our commitments. They achieve these through the sustainable design and construction aiming for ambitious EPC and BREEAM ratings where possible.

The GPA has updated the Government Workplace Design Guide with an updated annex on net zero and sustainability and a new annex on biodiversity and nature recovery. Both publications demonstrate the GPA's commitment to protecting the environment on behalf of DSIT.

ADAPTING TO CLIMATE RISKS

For the parts of the DSIT GGC family GPA look after, GPA has completed a climate change adaptation strategy and action plan to mitigate against the impacts of climate change. Roll-out of the action plan will continue into 2026 and beyond. During 2025–26 flood risk assessments were reviewed and further site level data collected, defining risks and actions required.

Other performance: fraud and error analysis

SIGNIFICANT RISKS RELATED TO FRAUD AND ERROR

DSIT's primary risks are reported in principal risks on page 40. In 2025–26, the principal risk register did not hold any risks related to fraud and error.

However, departments are required to maintain an Enterprise Fraud Risk Assessment (EFRA), which details the leading strategic fraud risks. These risks are owned by relevant DSIT employees with strategic influence over their mitigation. Each risk is reviewed quarterly, with an annual review of the EFRA.

DSIT identifies its greatest fraud risks as arising from cyber-enabled and AI-facilitated fraud, high-value grant schemes and core programmes, supplier and procurement activity, and delivery through partners and arm's length bodies. In these areas, complexity, scale and in some instances, reliance on third parties increase exposure. These risks have been amplified over the last year by significant organisational change, including Machinery of Government transitions.

AREAS OF MAJOR SPEND AND HIGH-RISK: ACTIVITIES TO DETECT, PREVENT AND ESTIMATE FRAUD AND ERROR

Targeted training is delivered in areas of greatest risk to upskill decision-makers in identifying and managing fraud risk.

A counter fraud function is provided by Integrated Corporate Services (ICS), as a second line of defence. This provides oversight and assurance of DSIT's day-to-day counter fraud response.

The table below provides figures on all fraud and error detected, recovered and prevented. Departments report these figures quarterly to the Public Sector Fraud Authority (PSFA). The most recent validated figures are for 2024–25. Reporting for 2025–26 is ongoing and will be validated in 2026–27.

Table: DSIT (core) fraud and error detected, recovered and prevented for 2024–25

	2024 Apr–Jun £	2024 Jul–Sep £	2024 Oct–Dec £	2025 Jan–Mar £	2024–25 Total £	2023–24 Total £
Fraud detected	-	-	-	-	-	-
Fraud recovered	-	-	-	-	-	-
Fraud prevented	-	8,952	-	-	8,952	-
Error detected	124,639	154,173	77,385	334,165	690,362	504,773
Error recovered	79,095	44,839	43,685	164,241	331,860	351,801

Other performance: advertising campaigns

DSIT uses communications to deliver its priorities. Where necessary, DSIT uses paid advertising to reach and influence its audiences. Below are the areas of paid advertising between 1 April 2025–31 March 2026.

BOOSTING PARTICIPATION IN HORIZON EUROPE

Horizon Europe is the world's largest research and innovation funding programme. Building on the success of the 2024–25 campaign, in 2025–26 we delivered domestic and international marketing to boost UK participation in the scheme.

Domestic marketing ran from November 2025–March 2026 as part of the "Backing Your Business" campaign. It was delivered in partnership with the Department for Business and Trade, the Department for Work and Pensions, and UK Export Finance.

Activity ran across online banner ads, YouTube, social media, podcasts, Google search and print adverts. We also partnered with publishers including News UK and Future (which run a range of targeted magazines and websites) to deliver content across their channels, including The Times, The Sun, TechRadar Pro and MoneyWeek. All ads drove traffic to horizoneuropeuk.org.

International marketing ran from January–March 2026 as part of the GREAT campaign. It aimed to encourage existing Horizon participants in Spain and Germany to consider partnering with the UK on their next Horizon bid.

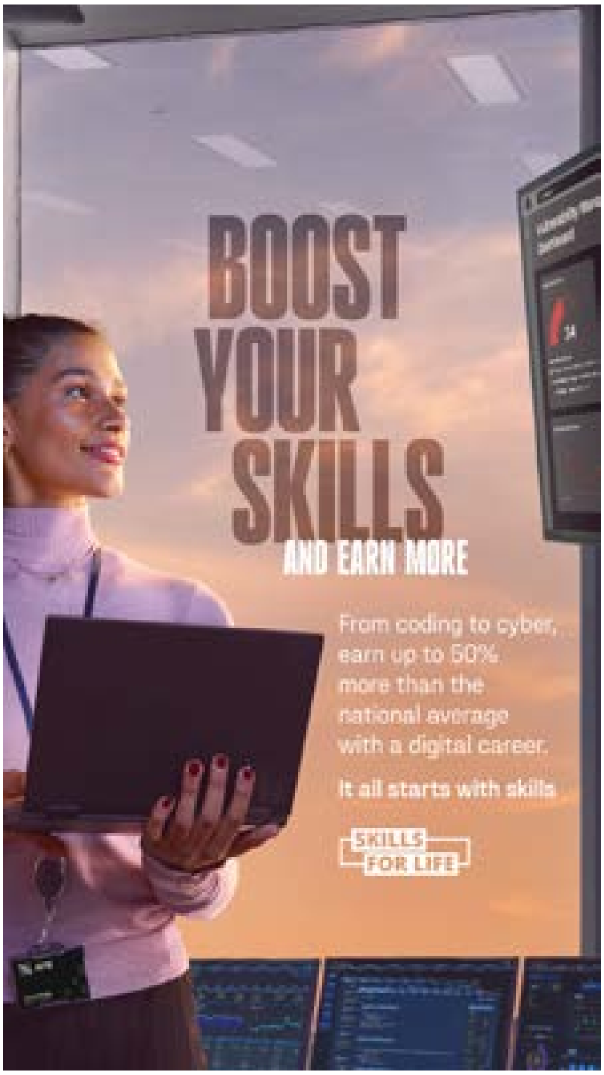
The campaign showcased the UK's strengths in research and innovation using case studies to present success stories of strong UK-EU Horizon partnerships.

Ads ran across LinkedIn, Google, online banners and a partnership with New Scientist. All ads drove traffic to greatcampaign.com/horizon-europe/, which included a new matchmaking service to connect Horizon participants with UK partners.

GETTING AHEAD WITH DIGITAL SKILLS

In partnership with the Department for Education (DfE)'s Skills for Life campaign, DSIT delivered targeted marketing to drive sign-ups to digital skills courses. Activity focused on 2 priority audiences.

Essential Digital Skills (EDS) targeted 30–44-year-olds who lack core digital capabilities for work and are looking to move into employment across a range of sectors that require baseline skills such as handling information and problem solving.



Advanced Digital Skills (ADS) focused on 18–25-year-olds working in non-tech roles who are motivated to transition into digital careers, often without formal qualifications. The campaign promoted pathways into high-demand areas including cloud computing, data and analytics, web development and cyber security.

In July 2025, we delivered a month-long paid social campaign for EDS as part of a DfE and Disney partnership. From December 2025–June 2026, activity expanded across both audiences using a full channel mix, including programmatic display, online video, social media, podcasts and search. For the first time, we also included advertising on Xbox, enabling us to reach a highly engaged and typically harder-to-reach audience in an environment where they spend significant time. This approach reflects a broader shift towards more addressable and platform-specific channels to improve campaign effectiveness.

Across both bursts, the campaigns highlighted the long-term benefits of digital skills, including improved employability and earning potential. Users were directed to bespoke digital skills pages on the Skills for Life website: Digital skills – Skills for Careers.

IMPROVING MEDIA LITERACY FOR FAMILIES

By age 11, 90% of children have a mobile phone. Online content can affect a child's behaviour and wellbeing, so it is important they learn how to navigate the internet safely. This campaign helps parents speak to their children (aged 8–14) about misleading and toxic online content, encouraging them to ask questions about who shared content and why. The campaign complements DSIT's wider efforts to improve children's online safety, including the government's national consultation on children's social media use.

The campaign was launched as a regional pilot in February 2026, running across social media, digital channels, video-on-demand TV, and radio, in Yorkshire and the Midlands. It was supported by partners including Virgin Media O2, who promoted the campaign in 50 of their stores. Pending results from the pilot, it will be rolled out more widely.

EVALUATION

DSIT is evaluating the performance of its campaigns, including through audience surveys; results will be finalised in late summer 2026.

Other performance: public correspondence

DSIT receives public correspondence and aims to respond within 20 working days for 80% of these. The table below shows monthly performance.

The large volume of enquiries in February and March 2026 were from correspondence relating to campaigns. DSIT's response to these significantly improved overall timeliness performance for the year. DSIT is seeking to sustain this performance by reviewing processes and digital tools.

Table: public correspondence

	Number of written incoming enquiries in the period	Number responded to in 20 working days	% responded to in 20 working days
Apr 2025	211	135	64%
May 2025	168	84	50%
Jun 2025	188	108	57%
Jul 2025	260	182	70%
Aug 2025	269	182	68%
Sep 2025	253	148	58%
Oct 2025	212	123	55%
Nov 2025	156	87	56%
Dec 2025	218	102	47%
Jan 2026	182	95	52%
Feb 2026	9,164	8,943	98%
Mar 2026	819	557	68%
2025–26 total	**12,100**	**10,746**	**89%**
2024–25 total	**3,544**	**2,199**	**62%**

Other performance: complaints to the Parliamentary Ombudsman

Complaints about DSIT to the Parliamentary Ombudsman are handled directly by the Ombudsman. The information in the table below is extracted from the Parliamentary Ombudsman complaints report. The latest available report is for 2024–25.

Table: Complaints to the Parliamentary Ombudsman report relating to DSIT, 2024–25

	2024–25	2023–24
Number of complaints accepted for investigation by the Parliamentary Ombudsman in the year	-	1
The number of investigations reported on by the Parliamentary Ombudsman in the year and the percentage of those reports where the complaint was:		
Upheld in full	-	-
Upheld in part	-	-
Not upheld	-	-

Source: Parliamentary and Health Service Ombudsman (PHSO). Annual complaints data: UK government departments

Complaints made directly to DSIT

DSIT's process for managing complaints has 2 stages. At stage 1, the complaint is passed to the relevant policy team to investigate and respond. If the complainant is not satisfied with the response, it moves to stage 2, where an independent SCS investigates the complaint and responds. The table below shows the number of complaints made to DSIT in 2025–26. The department saw an increase in complaints about GOV.UK One Login, which now falls within DSIT's remit.

Table: complaints to DSIT

	2025–26	2024–25
Number of complaints	62	26

Emran Mian
Permanent Secretary and Principal Accounting Officer
3 July 2026

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

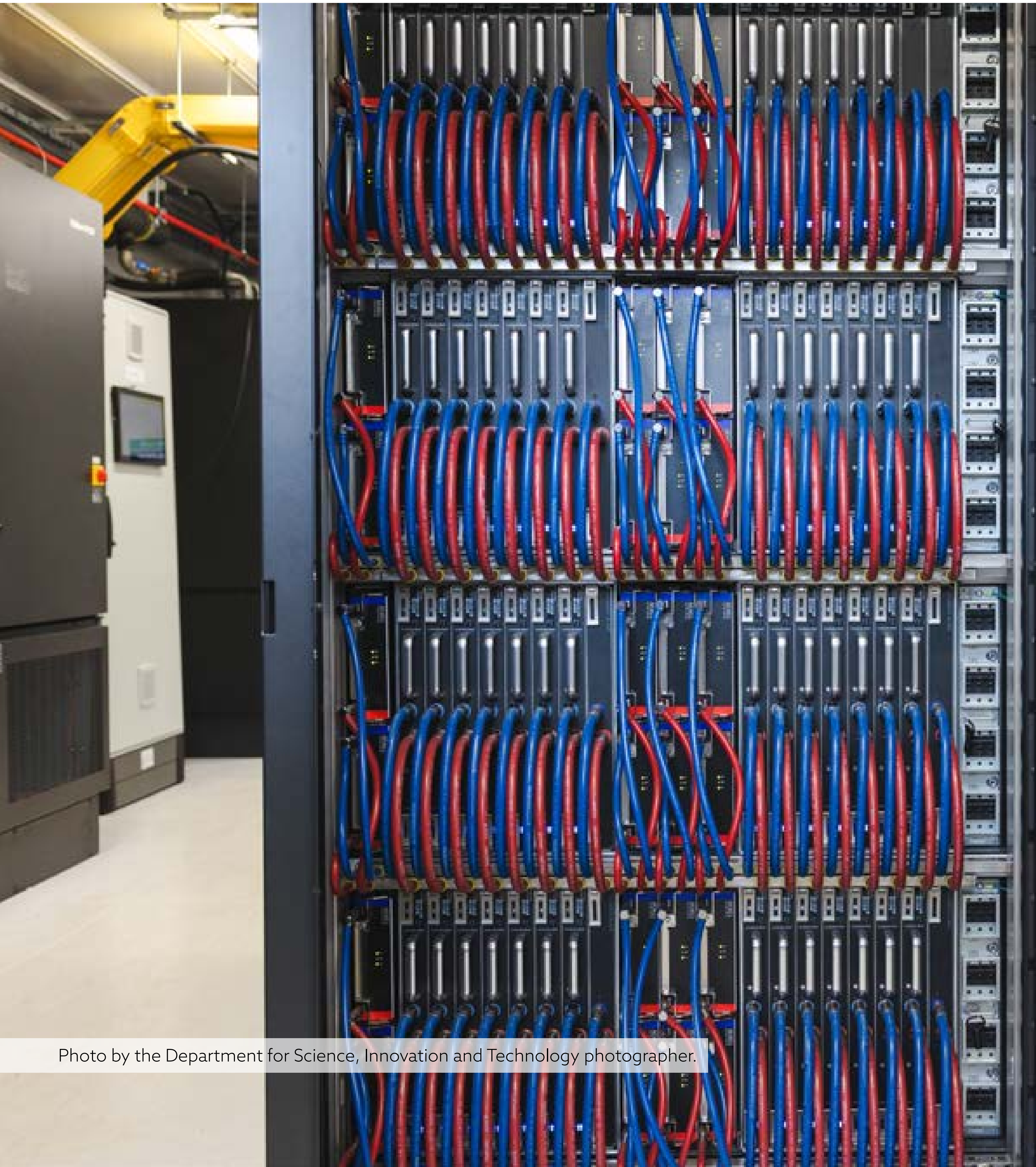


Photo by the Department for Science, Innovation and Technology photographer.

Lead non-executive director's report

Since taking up the role of lead non-executive board member in November 2024, it has been a privilege to observe the department's continued progress and the consolidation of its achievements over the past 2 years.

Key achievements in 2025–26 include the announcement of 4 AI growth zones in Oxfordshire, north Wales, south Wales and the north-east, alongside billions of pounds of investment from across the public and private sectors to support delivery of the Prime Minister's AI Opportunities Action Plan. The department also announced a record-breaking £38.6 billion 4-year funding settlement for UK Research and Innovation (UKRI), to protect curiosity-driven foundational science, support strategic government and societal priorities, and enable innovative UK-based companies to grow.

Over the coming year, I look forward to continuing to work alongside my non-executive colleagues: Adam Tickell, Liz Cohen and Jason Chin. Drawing on our collective experience and expertise, we will continue to provide support, constructive challenge and assurance across the full range of the department's responsibilities. We remain committed to the department's success and to supporting officials and the ministerial team in delivering the Government's Plan for Change and DSIT's key priorities.

I would like to thank Paul Willmott, who stepped down as a non-executive board member in July 2025, and Nicola Hodson and Helen Milner whose terms ended in April 2026, for their invaluable contribution to the department and their steadfast support during a period of ongoing change. I wish them well for the future.

On behalf of the non-executive team, I would like to thank colleagues across DSIT for their continued efforts to drive the department forward, their unwavering commitment to public service, and to congratulate them on their achievements over the past 12 months.

Dominic Field,
Lead Non-executive Director

Directors' report

The directors' report lists those who had responsibility for the department during the year from 1 April 2025 to 31 March 2026. These are ministers, non-executive directors and executive directors.

Executive directors: In DSIT's 2024–25 directors' report, the executive directors/senior officials disclosed were members of the departmental board. In this 2025–26 directors' report, executive directors/senior officials disclosed were members of the departmental board or members of the senior leadership team (formerly the executive committee up to 10 July 2025). The senior leadership team operates as a sub-committee of the departmental board. In addition, the government chief scientific adviser is disclosed based on the position's seniority.

Table: ministers in 2025–26

Name	Dates	Title
Secretary of state		
Rt Hon Liz Kendall MP	From 5 Sep 2025	Secretary of State for Science, Innovation and Technology
Rt Hon Peter Kyle MP	To 5 Sep 2025	Secretary of State for Science, Innovation and Technology
Ministers – full year		
Lord Patrick Vallance	Full year	Minister of State for Science, Research, Innovation and Nuclear
Ministers – joiners		
Rt Hon Ian Murray MP	From 6 Sep 2025	Minister of State for Digital Government and Data
Rt Hon Kanishka Narayan MP	From 7 Sep 2025	Parliamentary Under-Secretary of State for AI and Online Safety
Baroness Lloyd of Effra	From 11 Sep 2025	Parliamentary Under-Secretary of State for Digital Economy
James Frith MP	From 3 Mar 2026	Parliamentary Under-Secretary of State
Ministers – leavers		
Josh Simons MP	From 9 Jan 2026 to 28 Feb 2026	Parliamentary Under-Secretary of State for design and cross-government delivery of the digital ID
Chris Bryant MP	To 6 Sep 2025	Minister of State for Data Protection and Telecoms
Feryal Clark MP	To 7 Sep 2025	Parliamentary Under-Secretary of State for AI and Digital Government
Baroness Jones of Whitchurch	To 7 Sep 2025	Parliamentary Under-Secretary of State for the Future Digital Economy and Online Safety

Table: non-executive directors in 2025–26

Name	Dates
Lead non-executive director	
Dominic Field	Full year
Non-executive directors – full year	
Liz Cohen	Full year
Jason Chin	Full year
Nicola Hodson	Full year
Helen Milner	Full year
Adam Tickell	Full year
Bryan Ingleby	Full year
Gillian Leng	Full year
Mark Poulton	Full year
Non-executive directors – leavers	
Paul Willmott	To 31 Jul 2025

Table: executive directors in 2025–26

Name	Dates
Permanent secretary	
Emran Mian (executive director prior to 2 Jul 2025)	From 2 Jul 2025
Sarah Munby	To 1 Jul 2025
Executive directors – full year	
Freya Guinness	Full year
Alexandra Jones	Full year
Dave Smith	Full year
Jessie Mitchell	Full year
Leah Sparks	Full year
Christine Bellamy	Full year
Angela McLean	Full year
Helen Mills	Full year
Emily Middleton	Full year
Executive directors – joiners	
Erin Robinson (job share / Helen Mills)	From 10 Jul 2025
Ollie Ilott	From 11 Aug 2025
Sarah Connolly	From 13 Aug 2025
Adam Jackson	From 15 Dec 2025
James Staff	From 19 Jan 2026
Executive directors – leavers	
Joanna Cavan	To 3 Aug 2025
Joanna Davinson	To 10 Sep 2025
David Knott	From 11 Sep to 31 Dec 2025
Ros Trinick	From 10 Jul 2025 to 31 Jan 2026

CONFLICTS OF INTEREST

Conflicts of interest are personal, or business interests held by individuals that may conflict, or be perceived to conflict, with their management responsibilities. The tables below disclose significant interests held by all non-executive directors and executive directors.

SIGNIFICANT INTERESTS: NON-EXECUTIVE DIRECTORS

Table: Dominic Field

Name of body	Position held
Executive Council of o9	Member
The Design Museum	Trustee
London & Partners	Non-executive director

Table: Liz Cohen

Name of body	Position held
The Copper Mark	Independent director
Australian Doctors International	Non-executive director
Home Office	Non-executive director

Table: Jason Chin

Name of body	Position held
MRC Laboratory of Molecular Biology	Programme leader and executive committee member
Cambridge University	Professor of chemistry and chemical biology
Wellcome Trust Sanger Institute	Associate faculty
Trinity College, Cambridge	Fellow
Genus PLC	Member of scientific advisory board
Constructive Biology Ltd	Director
Recorded Genomics (subsidiary of Constructive Bio)	Director
Synaffix	Member of scientific advisory board
Okapi Bioscience Ltd	Director
Generative Biology Institute, Ellison Institute of Technology	Founding director
Oxford University, Department of Chemistry	Professor
Magdalen College, Oxford University	Fellow

Table: Nicola Hodson

Name of body	Position held
IBM UK Ltd	Chair
Drax Group PLC	Non-executive director
Beazley PLC	Non-executive director
techUK	Deputy president
Moebius One Ltd	Director
Moebius Two Ltd	Director

Table: Helen Milner

Name of body	Position held
Good Things Foundation	Group CEO and trustee
Climate Subak CIC (known as 'Subak')	Chair and non-executive director

Table: Adam Tickell

Name of body	Position held
University of Birmingham	Vice-chancellor
Universities Superannuation Scheme Ltd	Non-executive director

Table: Bryan Ingleby

Name of body	Position held
Frimley Health NHS Foundation Trust	Chair
Department for Business, Energy and Industrial Strategy and the Department for Energy Security and Net Zero	Formerly a non-executive director of the Audit, Risk and Assurance Committee
Alliance for Better Care Community Interest Company	Senior Independent Director
Raven Housing Trust	Non-executive director
Bryan Ingleby Consulting Limited	Director

Table: Gillian Leng

Name of body	Position held
Brevia Health	Adviser
The Royal Society of Medicine	President
Department of Health and Social Care	Independent Reviewer

Name of body	Position held
Cochrane Collaboration	Trustee
NHS Innovation and Life Science Commission	Contributor
Cambridge Life Science Group	Member
Industrial Injuries Advisory Council	Chair

Table: Mark Poulton

Name of body	Position held
Industrial Development Advisory Board	Member
Council of the London School of Hygiene and Tropical Medicine	Independent Member of Council
Clifford Chance LLP	Consultant

Table: Paul Willmott

Name of body	Position held
KIRBI A/S (holding company of LEGO A/S)	Employee
BrainPOP Inc.	Board member
Area 9 Lyceum A/S	Board member

SIGNIFICANT INTERESTS: EXECUTIVE DIRECTORS

Table: Emran Mian

Name of body	Position held or significant Interest
Quantoom/ Unizima	Close family connection to a senior executive role within a life sciences company
Blockmakers Ltd	Close family connection to ownership of an independent consulting company that may engage in publicly funded research and future UK contracts.
Holcom	Close family connection to majority ownership of an international distribution company

Table: Alexandra Jones

Name of body	Position held or significant Interest
UK Export Finance	Close family connection to a senior role within a government body with relevant policy interests.
Ministry of Housing, Communities and Local Government	Close family connection to a senior role within central government with related policy interests.
Rolls-Royce	Close family connection to a senior engineering role within the organisation

Name of body	Position held or significant Interest
Qualcomm Technologies International Ltd	Close family connection to a senior role within a multinational technology company.
HM Treasury	Close family connection to a senior private office role within central government

Table: Angela McLean

Name of body	Position held or significant Interest
Royal Society	Professional fellowship
Academia Europaea	Professional membership
Royal Academy of Engineering	Honorary fellowship
Academy of Medical Sciences	Honorary fellowship
University of Oxford	Honorary academic affiliation
Loughborough University	Honorary academic affiliation
Goodenough College	Honorary academic affiliation
Waltonwell Ltd	Close family connection to ownership and directorship of a private company.
Oxford Capital Partners Holdings Ltd	Close family connection to a non-executive role within an investment firm.
PwC UK	Close family connection to a former senior partnership role.

Table: Dave Smith

Name of body	Position held or significant Interest
Institution of Engineering and Technology	Professional fellowship
Royal Aeronautical Society	Professional fellowship
Royal Society of Arts	Professional membership
Royal Academy of Engineering	Professional fellowship
Rolls-Royce	Previous senior employment; ongoing advisory engagement to government in relation to the organisation, with no financial interest

Table: Emily Middleton

Name of body	Position held or significant Interest
Public Digital Ltd	Previous employment relationship, including senior management involvement
Plan International UK	Previous voluntary role as a trustee and board member.
Unicef UK	Previous voluntary membership
Boston Consulting Group	Previous internship and employment relationship with a stakeholder organisation

Accounting officer's responsibilities

CONSOLIDATED ACCOUNTS

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed the Department for Science, Innovation and Technology (DSIT) to prepare, for each financial year, consolidated resource accounts. It details the resources acquired, held or disposed of, and the use of resources, during the year.

It is prepared for the department (inclusive of its executive agencies) and its sponsored non-departmental (and other arm's length) public bodies designated by order made under the **GRAA by Statutory Instrument 2025 no 1336.**

The entities are together known as the 'departmental group', consisting of the department and sponsored bodies listed at note 23 to the accounts.

The accounts are prepared on an accruals basis. They must give a true and fair view of the state of affairs of the department and the departmental group and of the income and expenditure, Statement of Financial Position and cash flows of the departmental group for the financial year.

REQUIREMENTS OF THE GOVERNMENT FINANCIAL REPORTING MANUAL

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

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

THE ACCOUNTING OFFICER

HM Treasury has appointed the permanent head of the department as accounting officer of DSIT. The accounting officer of the department has also appointed the chief executives (or equivalents) of its sponsored non-departmental (and other arm's length) public bodies as accounting officers of those bodies.

PUBLIC BODIES

The accounting officer of the department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the department makes to its sponsored bodies are applied for the purposes intended.

The accounting officer of the department is responsible that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts.

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

MANAGING PUBLIC MONEY

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

ACCOUNTING OFFICER'S CONFIRMATIONS

- 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 DSIT auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.
- As the accounting officer, I confirm that the annual report and accounts as a whole is fair, balanced and understandable. I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Emran Mian
Permanent Secretary and
Principal Accounting Officer
3 July 2026

Governance statement

This governance statement sets out the activities of the departmental board (the board) and its committees, including risk management and internal controls, and other governance matters.

This governance statement should be read alongside the DSIT Accounting Officer System Statement (AOSS). The AOSS is a separate governance document and is not updated annually. It will be updated in 2025–26 and published alongside the annual report and accounts (ARA).

Governance statement part 1: the board

BOARD OPERATING FRAMEWORK AND COVERAGE OF WORK

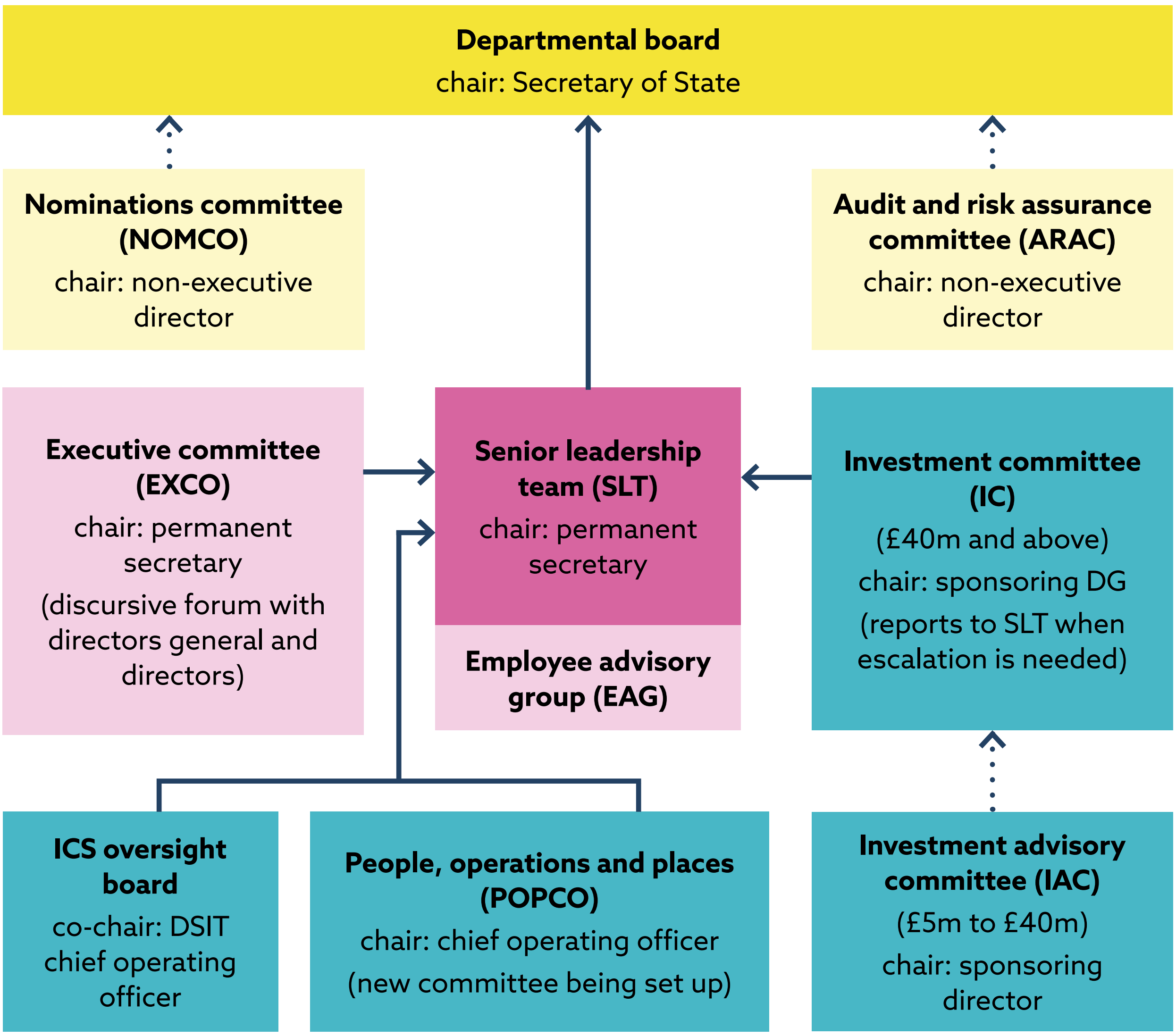
The departmental board aims to provide independent and strategic advice and targeted scrutiny on the delivery of key science, technology and digital priorities. It helps to ensure alignment with wider government priorities.

The audit and risk assurance committee (ARAC) supports the accounting officer and the board. It reviews and interrogates the nature, adequacy and proportionality of assurances on governance, risk management and internal controls. It helps to ensure that DSIT meets its reporting obligations to HM Treasury, the Cabinet Office and Parliament.

The nominations committee (NOMCO) provides advice on the effectiveness of DSIT's people-related processes. This includes its approach to the senior workforce and to rewarding senior officials for their performance and delivery of DSIT's objectives.

The senior leadership team (SLT) is the department's primary decision-making forum for high-priority, cross-cutting and operationally significant issues. SLT was formerly the executive committee up to 10 July 2025. (A new executive committee was formed chaired by the permanent secretary as a discursive forum with directors general and directors.)

Chart: DSIT's board operating framework



Key:

Advisory committees
provide independent scrutiny and advice

Permanent secretary committees
make decisions and set strategic direction for the department

Sub-committees
propose strategy, steer and shape delivery, provide assurance, make decisions on delegated matters

Advising

Reporting to

Board and committee attendance

In 2025–26, meetings were held either virtually or as hybrid meetings, and challenge and discussion were encouraged.

X / X = number of meetings attended / number of meetings eligible to attend
A = attendees of the committee, but not committee members

Table: board and committee attendance

Name	Dates	The board	NOMCO	ARAC	EXCO (pre-Jul 2025)	SLT (post-Jul 2025)
Ministers						
Rt Hon Liz Kendall MP	From 5 Sep 2025	0 / 1				
Rt Hon Peter Kyle MP	To 5 Sep 2025	1 / 1				
Lord Patrick Vallance		2 / 2				
Rt Hon Ian Murray MP	From 6 Sep 2025	0 / 2				
Rt Hon Kanishka Narayan MP	From 7 Sep 2025	1 / 2				
Baroness Lloyd of Effra	From 11 Sep 2025	1 / 2				
James Frith MP	From 3 Mar 2026	0 / 0				
Josh Simons MP	From 9 Jan 2026 to 28 Feb 2026	0 / 0				
Chris Bryant MP	To 6 Sep 2025	1 / 2				
Feryal Clark MP	To 7 Sep 2025	0 / 2				
Baroness Jones of Whitchurch	To 7 Sep 2025	1 / 2				
Non-executive directors						
Dominic Field		2 / 2	1 / 1	3 /4 (A)		
Liz Cohen		1 / 2		4 / 4		
Jason Chin		1 / 2				
Nicola Hodson		2 / 2				
Helen Milner		2 / 2				
Adam Tickell		2 / 2				
Bryan Ingleby				4 / 4		
Gillian Leng				4 / 4		
Mark Poulton				4 / 4		
Paul Willmott	To 31 Jul 2025	1 / 1				
Executive directors						
Emran Mian	From 2 Jul 2025	1/ 1	1/ 1	3 / 4 (A)	4 / 4	12 / 15
Sarah Munby	To 1 Jul 2025	1/ 1	0/ 0	0 / 1 (A)	3 / 4	
Freya Guinness				3 / 4 (A)	4 / 4	11 / 15
Alexandra Jones		2 / 2		4 / 4 (A)	4 /4	14 / 15
Dave Smith				0 / 4 (A)	3 / 4	14 / 15

Name	Dates	The board	NOMCO	ARAC	EXCO (pre-Jul 2025)	SLT (post-Jul 2025)
Jessie Mitchell / Leah Sparks (job share)		1 / 1		2 / 2 (A)	4/ 4 (A)	2 / 2 (A)
Christine Bellamy				2 / 4 (A)	4 / 4	8 / 15
Angela McLean		0 / 1			2 / 4 (A)	
Emily Middleton	From 5 Dec 2025	1 / 1		0 / 4 (A)	3 / 4	12 / 15
Helen Mills / Erin Robinson (job share)	From 10 Jul 2025		1 / 1		3 / 4 (A)	14 / 15
Ollie Ilott	From 11 Aug 2025			2 / 3 (A)		7 / 15
Sarah Connolly	From 11 Aug 2025			2 / 3 (A)		8 / 15
Adam Jackson	From 15 Dec 2025					7 / 7
James Staff	From 19 Jan 2026					5 / 5
Joanna Cavan	To 3 Aug 2025	1 / 1			4 / 4	
Joanna Davinson	To 10 Sep 2025	1 / 1		1 / 1 (A)	4 / 4	
David Knott	From 11 Sep to 31 Dec 2025			1 / 3 (A)		4 / 8
Ros Trinick	From 10 Jul 2025 to 31 Jan 2026					10 / 15

BOARD'S PERFORMANCE AND ASSESSMENT OF ITS EFFECTIVENESS

Number of board meetings held in 2025–26: 2

The key areas of focus for the board in 2025–26 were:

- Industrial Strategy
- scaling of AI across the public sector
- progress towards delivering a modern digital government
- delivering growth

The board maintained oversight of governance and assurance, including subcommittee reporting (from ARAC and NOMCO), and the management of conflicts of interest, with a focus on maximising non-executive challenge.

Board effectiveness: A formal board effectiveness evaluation was not completed during the reporting period. Nevertheless, the board considered its performance on an ongoing basis through routine feedback and reflective discussion, supporting the continuous improvement of its effectiveness, and as stated below, an externally led board effectiveness evaluation will be taken forward in 2026–27.

HIGHLIGHTS OF REPORTS BY NOMCO

Number of NOMCO meetings held in 2025–26: 1

The committee reviewed key insights into senior civil service workforce data, particularly performance and talent trends.

HIGHLIGHTS OF REPORTS BY ARAC

Number of ARAC meetings held in 2025–26: 4

The key areas of focus for the ARAC in 2025–26 were:

- principal risks and DSIT's approach to risk management, including mitigations, risk appetite, and wider risk reporting arrangements
- oversight of DSIT's public bodies, including their reporting and risk management, and DSIT's line of sight into ALB risks and assurance arrangements
- preparation of the annual report and accounts, including significant accounting judgements and estimates (such as the accounting treatment for the investment in EUTELSAT, and the hedging for Horizon Europe and Copernicus), performance reporting, and the governance statement assurance process
- the work of internal audit and external audit, including audit planning, annual reporting, assurance ratings, and progress against audit activity
- DSIT's fraud, bribery and corruption arrangements and whistleblowing reporting
- compliance with HM Treasury guidance, including review of the Orange Book comply or explain statement
- cyber security and resilience, including GDS cyber assurance and the department's wider cyber risk posture
- Formal ARAC meetings were supplemented by 4 informal focus sessions covering the integration into the department of the UK Space Agency (UKSA) and Building Digital UK (BDUK) respectively, cyber security, the matrix cluster transformation programme, and data management.

BOARD'S ASSESSMENT OF ITS COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE, WITH DEPARTURES EXPLAINED

DSIT has assessed its compliance with the code of good practice (Corporate Governance in Central Government Departments: Code of Good Practice). In 2025–26, the board met on 2 occasions and a formal board effectiveness evaluation was not completed, representing a slight departure from the recommended code of good practice. Notwithstanding this, the board continued to operate in line with the recognised principles of good corporate governance in business: leadership, effectiveness, accountability, and sustainability.

Now that DSIT is more than 3 years old as a department, an externally led board effectiveness evaluation will be taken forward in 2026–27. The results of this, including key actions identified, will inform improvements to DSIT's board and its subcommittees.

QUALITY OF DATA USED BY THE BOARD

All boards and committees were provided with high-quality papers. These used standard templates and considered risks, resource implications, and the Public Sector Equality Duty and Environmental Principles Duty.

The board and committees were supported by a dedicated secretariat team, which worked closely with the department to ensure members and presenters had the relevant information and that chairs were well prepared.

Governance statement part 2: risk management and internal controls

RESPONSIBILITIES FOR RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS, AND FOR REVIEWING THEIR EFFECTIVENESS

The accounting officer is accountable for identifying risks and for ensuring that risks and internal controls are effectively managed. The accounting officer is supported by the senior leadership team (SLT). The audit and risk assurance committee (ARAC) provides advice to the accounting officer.

PROCESSES AND STRUCTURES FOR IDENTIFYING, EVALUATING AND MANAGING RISK PRINCIPAL AND EMERGING RISKS (FOR THE YEAR AND BEYOND, TO THE DATE OF APPROVAL OF THE ANNUAL REPORT AND ACCOUNTS)

Risk identification: Directors general (DGs) work closely with their directors to identify emerging risks in a timely manner. The initial selection of principal risks was determined through horizon scanning by the former executive committee.

Risk evaluation: When risks are identified, they are evaluated for likelihood and impact. Risk owners regularly evaluate risks throughout the year.

Risk management: Risk owners identify how risks will be mitigated. Risk owners are responsible for updating risks, including closing, merging or establishing new risks. The approach to managing risk is set out in DSIT's risk and issues policy, the risk and issues management framework and the risk appetite statement. They apply to all the DG led groups and govern the approach to risk across the 4 priority outcomes.

MONITORING, REVIEW AND ASSURANCE

Risk monitoring: The SLT receives quarterly progress reports on principal risks and DG group-level risks. ARAC receives quarterly reports on principal risks.

Review and assurance: Risk owners regularly review their risks. A central risk team support risk owners and monitor compliance. ARAC provide an independent review. The accounting officer approves changes to principal risks, such as closure or introduction of principal risks.

COMPLIANCE WITH THE ORANGE BOOK

DSIT is required to comply with all 5 principles of risk management set out in HM Treasury's Orange Book, or to explain the reasons for non-compliance. DSIT has improved compliance compared with 2024–25. However, some gaps remain. Principle E is fully complied with.

PRINCIPLE A. LEADERSHIP AND GOVERNANCE: RISK MANAGEMENT SHALL BE AN ESSENTIAL PART OF GOVERNANCE AND LEADERSHIP, AND FUNDAMENTAL TO HOW THE ORGANISATION IS DIRECTED, MANAGED AND CONTROLLED AT ALL LEVELS

Principle A is partially complied with.

DSIT has an established risk and issues management framework and a risk appetite Statement. Both are due to be updated in 2026–27 to reflect changes to DSIT following a number of machinery of government expansions.

Governance structures were comprehensively revised during the year, affecting progress in compliance with Principle A. The SLT assumed overall leadership of risk management in the second half of the year, alongside the appointment of a new chief risk officer (CRO). A review of end-to-end governance was commissioned, and risk was part of this review. This work is expected to continue into 2026–27 to test the appropriateness of the updated governance arrangements.

Principal risks were owned by the most senior leadership, with the SLT collectively overseeing how they are managed. There was a renewed focus on the substance of risk management and controls, and on bringing principal risks within appetite. This will need to remain a priority next year, supported by regular deep dives into principal risks.

There was greater visibility of risk through the introduction of a new reporting system across DSIT. This resulted in new DG-level dashboards with improved visibility of risk progress, including progress in managing national security risks. Further work to improve these dashboards will continue in 2026–27. We will also introduce an overarching delivery and risk tracker, to increase access and breadth of risk information available to the wider DSIT leadership.

PRINCIPLE B. INTEGRATION: RISK MANAGEMENT SHALL BE AN INTEGRAL PART OF ALL ORGANISATIONAL ACTIVITIES TO SUPPORT DECISION MAKING IN ACHIEVING OBJECTIVES

Principle B is partially complied with.

To fully comply with this principle, the risk team will continue to upskill the department to better integrate risk management into its work. Mapping of risks to DSIT priorities and objectives commenced during the year and will continue. This will form part of the risk information provided to the SLT, to improve visibility of risk integration and support decisions to rebalance risk where appropriate.

Risks are integrated into organisational activities. They are assessed during business case lifecycles and identified through group-level and DG-led horizon scanning. Further work is required to strengthen risk management in projects and programmes. This includes second line review of Risk Potential Assessments for major projects. Engagement with directors and directorates focused on embedding risk into policy and service cycles. There was some early success. This work was paused during organisational restructuring. It will continue next year and extend to functional areas.

PRINCIPLE C. COLLABORATION AND INFORMATION: RISK MANAGEMENT SHALL BE COLLABORATIVE AND INFORMED BY THE BEST AVAILABLE INFORMATION AND EXPERTISE

Principle C is partially complied with.

DSIT introduced a new collaborative risk management and reporting system. It has improved transparency and information sharing across the organisation and its major projects. DG dashboards are now available covering progress on principal risks, major project risks and national security risks. Further improvements will continue next year, including the introduction of an overarching delivery and risk tracker to increase access and breadth of risk information to the full DSIT leadership.

To support compliance with this principle, risk management between DSIT and its public bodies needs to improve. A new sponsor-led risk framework will be introduced to improve oversight information provided during the year. Visibility of public body top risks will supplement this work next year. The new reporting tool will also improve transparency and information sharing.

PRINCIPLE D. RISK MANAGEMENT PROCESSES: RISK MANAGEMENT PROCESSES SHALL BE STRUCTURED

Principle D is not fully complied with.

To achieve full compliance, DSIT will need to fully integrate and coordinate its extensive assurance activity. DSIT has in place a clear risk and issues management framework, a risk policy, a risk appetite statement, a comprehensive self-service intranet portal, monthly training to support implementation of the framework, a robust risk management and reporting system available across the organisation and to public bodies, and clear executive leadership and third line assurance arrangements.

PRINCIPLE E. CONTINUOUS IMPROVEMENT: RISK MANAGEMENT SHALL BE CONTINUALLY IMPROVED THROUGH LEARNING AND EXPERIENCE

Principle E is fully complied with.

DSIT continually improved its approach to risk following a programme of improvements and culture building. This included incorporating learning and integrating cultures from incoming business units into DSIT, while remaining focused on improving the controllable aspects of the risk infrastructure and processes in a period of significant change.

Foundational elements are embedded, reviewed annually and improved using stakeholder feedback. Stakeholders were involved in the selection and ongoing development of the risk management and reporting tool, the risk maturity assessment and the development of the risk culture plan. Although further work is required to build risk maturity across the organisation, all groups improved to reach the level 3 benchmark by the end of December 2025. This is corroborated by the risk practice theme in the GovS002 Continuous Improvement Assessment Framework.

With restructuring and further work required to ensure appropriate governance for risk, there is a risk that progress could stall over the next year. This risk is addressed within the updated risk improvement plan for the next year.

PROCESS FOR REVIEWING THE EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROLS

Governance assurance: A governance assurance process was carried out with each director general (DG) group. Directors completed self-assessments. DGs completed assurance returns based on the central government assurance directory, with self-assessed ratings. The ARAC chair led governance assurance panels with each DG to provide challenge on the effectiveness of their governance, control and assurance activities. Common themes were identified. Results from the process were reported to ARAC. ARAC provided independent assurance to the board and the permanent secretary.

Overall, the 2025–26 governance assurance panel exercise concluded that, despite the challenges of ongoing change and a maturing department, governance, control and assurance activities are continuing to develop and are operating effectively.

The Government Internal Audit Agency: The Government Internal Audit Agency (GIAA) provided internal audit assurance on the framework of governance, risk management and control within DSIT. GIAA's overall assurance opinion for 2025–26 was moderate.

GIAA highlighted changes in the control environment over the previous 12 months that require ongoing management focus. This reflects the extent of organisational change across DSIT, including multiple machinery of government changes, a new permanent secretary and senior leadership changes, and a DSIT-wide organisational redesign exercise.

GIAA concluded that capacity and capability remain delivery risks across DSIT. Business planning was completed during the year, and workforce planning is now building on this activity. The transition of operational delivery from Building

Digital UK (BDUK) and the UK Space Agency was well managed. However, the departure of experienced personnel has affected the stability of the control framework. Risk management has been strengthened through new leadership and the introduction of a delivery and risk tracker to capture and share data on DSIT projects. GIAA also evidenced good practice controls across many of its engagements.

GIAA reported that 73 DSIT actions and 9 BDUK actions were agreed to address the risks identified through its 2025–26 internal audits.

GOVERNMENT FUNCTIONAL STANDARDS

Government functional standards set expectations for the management of functional work across government. The functions covered are project delivery, people, property, digital, finance, security, commercial, internal audit, analysis, communication, counter fraud, debt and grants. Departments and their public bodies are required to use the functional standards. In 2025–26, compliance assessments were conducted for all functional standards. Identified areas for improvement have been incorporated into functional plans.

Governance statement part 3: other

DATA PROTECTION: PERSONAL DATA BREACHES

Under UK data protection law, a personal data breach occurs when personal data is accidentally lost, destroyed, disclosed to, or accessed by an unauthorised party. If the breach is likely to create a risk to the rights and freedoms of individuals, such as identity theft, financial loss, discrimination or damage to an individual's reputation, the breach must be reported to the Information Commissioner's Office (ICO).

The data protection team investigates all reported personal data breaches. In 2025–26, DSIT did not report any personal data breaches to the ICO.

MINISTERIAL DIRECTIONS

All use of public funds is under the stewardship of the accounting officer and must comply with the standards set out in Managing Public Money: regularity, propriety, value for money and feasibility. Ministers issue a formal written direction to proceed with a spending commitment that does not meet these standards.

There were no ministerial directions made in 2025–26.

CONFLICTS OF INTEREST (MANAGING OUTSIDE INTERESTS)

DSIT has a policy for the declaration and management of outside interests. It adheres to the requirements of the Civil Service management code and Declaration and management of outside interests in the Civil Service.

Areas of potential conflict of interest include sources of remuneration, non-financial interests and related-party interests. The new starter checklist includes a check to identify conflicts of interest. Staff must make declarations as soon as they are aware of a potential conflict. Declarations are reviewed by line management, mitigating actions are agreed and submitted to the DSIT Partnerships team. All senior civil servants (SCS) are required to complete a conflict-of-interest declaration form annually, including submitting a nil return.

Remunerated outside employment held by SCS, and agreed through the management of outside interests' process, is set out below.

Table: 2025–26, remunerated outside employment held by SCS

Name of SCS	Role (in the department)	Paid outside employment
Martin Bowyer	Deputy Director Solutions	Sadler's Wells Theatres
Henry DeZoete	Investment and AI Advisor	ImpactEd Group
Chris Johnson	DSIT Chief Scientific Adviser	Queens Belfast University
Orla MacRae	Director – Security and Online Harms	J.E. and F.A. Bartleet.
Edward McCutcheon	Government Chief Architect	Sports & Leisure Management Ltd.
Tristan Thomas	Director of CustomerFirst	Andrena Ventures

Details of remunerated outside employment held by SCS are published on GOV.UK, the latest publication being: https://www.gov.uk/government/publications/dsit-senior-civil-servant-secondary-paid-employment-2023-to-2024.

CONFLICTS OF INTEREST (MANAGING OUTSIDE INTERESTS): SPECIAL ADVISERS

In line with the current declaration of interests policy for special advisers, all special advisers have declared any relevant interests or confirmed that they do not consider they have any relevant interests. The permanent secretary has considered these returns, and the relevant interests are set out publicly below.

Table: Kirsty Innes

Name of body	Position held
Centre for British Progress	Unpaid role as advisor for the Centre for British Progress

Table: Darren Murphy (left 5 September 2025)

Name of body	Position held
University of Birmingham	Doctoral researcher at the University of Birmingham

Table: Nicola Bartlett (left 5 September 2025)

Name of body	Position held
West Green Ward, Haringey Borough Council	Local Councillor for the West Green Ward at Haringey Borough Council.

DSIT PUBLIC BODIES

DSIT is supported by public bodies. The table below lists DSIT's public bodies for 2025–26, as determined by the Cabinet Office.

Table: Names and number of DSIT public bodies in 2025–26

DSIT public bodies	Organisations	Number
Executive agencies	Intellectual Property Office (IPO), Met Office, UK Space Agency (UKSA), Building Digital UK (BDUK)	4
Non-departmental public bodies	Advanced Research and Invention Agency (ARIA), British Technology Investments (BTI) Copyright Tribunal (CT), Information Commissioner's Office (ICO), UK Shared Business Services Ltd (UKSBS) and UK Research and Innovation (UKRI)	6
Public corporation	National Physical Laboratory (NPL), Ordnance Survey (OS)	2
Statutory corporation	Office for Communications (Ofcom)	1
Unclassified	Phone-paid Services Authority (PSA)	1
Total number		**14**

Notes

These entities are separate from the list of entities considered for the DSIT departmental group in the financial statements. For those entities, see note 23. list of bodies in the DSIT group on page 238

- In 2025–26, the government reviewed public bodies and recommended that 2 of DSIT's executive agencies be absorbed into the department. BDUK was integrated into DSIT on 1 November 2025, and UKSA followed on 1 April 2026.
- The legal process to close PSA and transfer its staff and functions to Ofcom is ongoing. This process commenced in February 2025.

GOVERNANCE AND OVERSIGHT OF PUBLIC BODIES

Each public body has a governance structure that is independent of DSIT. Most public bodies have a chief executive officer (CEO) responsible for leading the organisation. DSIT ministers usually appoint the non-executive directors of public bodies. A senior sponsor from DSIT, typically a director general, is assigned to each public body to oversee strategic engagement. Policy sponsors lead the day-to-day relationships. The DSIT permanent secretary held a collective forum with the public body chief executives and chairs.

QUALITY ASSURANCE FOR ANALYTICAL MODELS

DSIT uses analytical models to support policymaking, evaluation and operational activity. These models are quality assured to ensure they are fit for purpose, in line with guidance in the government's Analytical Quality Assurance (AQuA) Book.

In 2025–26, DSIT had 12 business-critical analytical models. The department is establishing a monitoring system to ensure models are quality assured proportionately, reflecting their impact, risk and complexity. DSIT also provides quality assurance support to its public bodies that undertake modelling.

APPLICATION OF BUSINESS APPOINTMENT RULES

Business Appointment Rules (BARs) apply to civil servants, including special advisers, leaving the Civil Service (Crown Service) to take up new roles. They restrict former civil servants and their new employers from using insider knowledge to gain an unfair advantage.

All staff preparing to leave the Civil Service must review the BARs policy with their line manager to determine whether they are required to submit a BARs application. HR assesses all BARs applications. Agreed outcomes are communicated to the individual by letter. It is the responsibility of the individual to communicate the outcome to their new employer. BARs apply for up to 2 years after leaving the Civil Service for Senior Civil Servants (SCS), and for up to one year for those below SCS.

To raise awareness of BARs, DSIT includes information on the rules within the leavers' process, which is available on the intranet.

BARS: COMPLIANCE STATEMENT

In compliance with BARs, the department is transparent in the advice given on individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on GOV.UK:
Business Appointment Rules – GOV.UK

Table: BARs statistics

	Total number	SCS pay band 2	SCS pay band 1	Grade 6	Grade 7	Grade SEO	Special advisers
Number of exits from the Senior Civil Service (SCS)	**21**	5	16	non-SCS, not applicable	non-SCS, not applicable	non-SCS, not applicable	non-SCS, not applicable
Number of BARs applications submitted to DSIT in 2025–26	**33**	3	7	7	8	8	-
Number of BARs applications approved by DSIT in 2025–26	**33**	3	7	7	8	8	-
Number of BARS applications where conditions were set	**12**	3	4	2	2	1	-
Number of applications found to be unsuitable for the applicant to take up	**-**	-	-	-	-	-	-
Number of breaches of the rules in 2025–26	**-**	-	-	-	-	-	-

EFFECTIVENESS OF ARRANGEMENTS FOR WHISTLEBLOWING

Whistleblowing arrangements provide opportunities for staff, or anyone outside the department, to report concerns. Up to September 2025, DSIT operated separate legacy whistleblowing policies inherited from the Cabinet Office, BEIS and DCMS. A new, harmonised whistleblowing policy was introduced in September 2025. The policy is easily accessible to all staff via the intranet and sets out protections, procedures and support available to whistleblowers.

Seven nominated officers, at deputy director or director level, act as dedicated points of contact for whistleblowers. They ensure whistleblowers are supported and that cases are progressed promptly and sensitively. In line with best practice and National Audit Office recommendations, DSIT plans to expand nominated officer coverage, enhance training and consider introducing a whistleblower survey.

In 2025–26, 5 whistleblowing complaints were received. These have either been closed or are being actively managed. Regular reports on whistleblowing are provided to the audit and risk assurance committee (ARAC).

There is also a Civil Service whistleblowing hotline available to staff. In 2025–26, DSIT did not receive any whistleblowing reports via this hotline.

The 2025 People Survey highlighted that the majority of DSIT employees (71%) had confidence that any concerns raised under the Civil Service Code would be investigated properly.

Emran Mian
Permanent Secretary and Principal Accounting Officer
3 July 2026

Photo by the Department for Science, Innovation and Technology photographer.

STAFF AND REMUNERATION REPORT

Photo by the Department for Science, Innovation and Technology photographer.

Staff report

STAFF ENGAGEMENT SCORES FROM THE PEOPLE SURVEY

The 2025 DSIT People Survey ran from 23 September to 21 October 2025. The staff engagement score is a measure of pride, advocacy, attachment, inspiration and motivation. The staff engagement score is shown in the table below.

The People Survey response rate has dropped considerably compared with 2024–25. This is likely to reflect the comprehensive Summer of Listening undertaken by DSIT in 2025, which provided staff with opportunities to share insight and feedback directly with directors. This may have reduced the perceived need to provide feedback through other channels, such as the People Survey. Directors are considering their results locally and are integrating identified actions into ongoing change management plans.

Table: Staff engagement score from the People Survey

	2025–26 DSIT	2025–26 Civil Service average	2024–25 DSIT
Staff engagement score	58%	65%	61%
People survey response rate	67%	59%	88%

STAFF POLICIES FOR DISABLED PERSONS

Applications for employment: DSIT is accredited under the Disability Confident Leader scheme. This reflects the department's commitment to encouraging disabled candidates to apply for roles. The scheme provides assurance that candidates who meet the minimum criteria will be given the opportunity to demonstrate their abilities at interview.

Continuing employment: For staff who are disabled or who have long-term health conditions, DSIT carries out assessments and provides appropriate equipment and training. Where possible, accessible working environments are incorporated into design and refurbishment requirements. HR works closely with the DSIT disability staff network. Disability leave, a form of special leave, is also available to support staff whose absence is directly related to their disability rather than sickness. This absence does not count towards sickness review points or sick pay calculations.

Training, career development and promotion: DSIT ensures that the offer of reasonable adjustments is actively communicated and delivered at the appropriate time.

DIVERSITY AND INCLUSION

Inclusion is a priority for DSIT to ensure the workforce reflects the communities it serves and to enable the department to serve citizens better. In 2025–26, DSIT:

- achieved an 'inclusion and fair treatment' score of 80% in the 2025 People Survey
- commenced development of a strategic approach to inclusion and wellbeing, aligned with DSIT's mission, values and the wider Civil Service Strategy
- focused on increasing diversity declaration rates to support evidence-based decision-making
- implemented a policy to unify staff networks from all organisations that joined DSIT
- published data for the first Ethnicity and Disability Pay Gap in October 2025 and is developing an action plan to address the gaps identified

EQUALITY OBJECTIVES

The Public Sector Equality Duty (PSED) in the UK requires public authorities to assess how their policies and decisions affect individuals protected under the Equality Act 2010. For 2026–2030, DSIT has set 4 equality objectives focusing on accessibility, empowerment, user-centred design and diverse digital teams. These objectives aim to ensure that digital transformation delivers benefits for all, regardless of background or circumstances. DSIT's equality objectives will soon be published.

HEALTH AND SAFETY AT WORK

In 2025, there were no reported accidents under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

DSIT ensured that staff had the appropriate equipment and training to carry out their duties safely.

Wellbeing support during the year included: access to the Employee Assistance Programme for confidential counselling, over 100 trained mental health first aiders providing informal support, staff networks offering peer support workshops and guidance on topics such as stress management, resilience and mental health, disability, trauma and change management.

STAFF TURNOVER PERCENTAGE

Table: staff turnover percentage

	2025–26 Core (excluding BDUK)	2025–26 BDUK	2024–25	2024–25 Civil service benchmark
Departmental turnover Those who left the department	12.8%	11.5%	13.6%	Not applicable
Turnover Those who left the Civil Service	6.3%	7.1%	6.3%	7.1%

Notes
The Civil Service benchmark for 2024–25 can be found in the published report: Statistical bulletin – Civil Service Statistics: 2025 – GOV.UK

SICKNESS ABSENCE DATA

Table: sickness absence data

	2025–26 Core (excluding BDUK)	2025–26 BDUK	2024–25
Average working days lost to sickness absence	4.0	5.8	3.7

STAFF COMPOSITION

Staff composition figures are based on headcount data from staff on payroll. They align with staff numbers published in the Annual Civil Service Employee Survey (ACSES).

The total number of staff has increased compared with previous years. This change in staffing levels has had minimal impact on gender, disability, ethnicity and sexual orientation profiles.

Chart: executive directors by gender

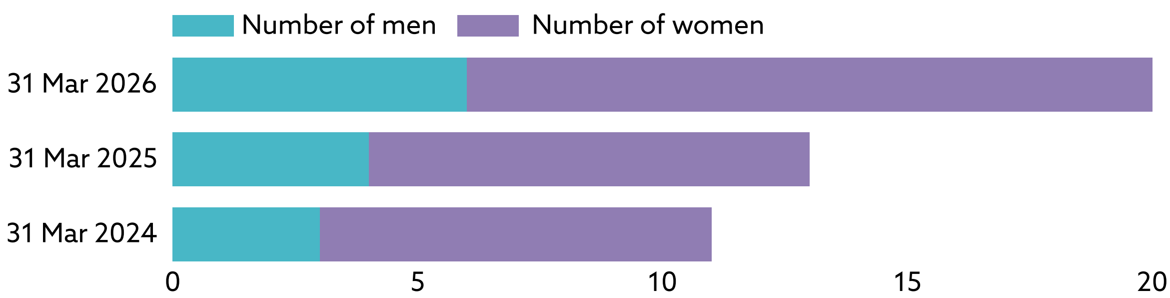


Chart: senior civil servants by gender

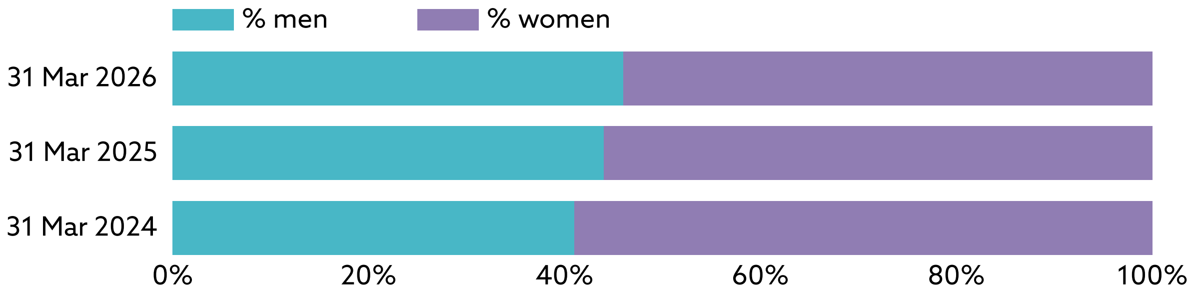


Chart: all staff by gender

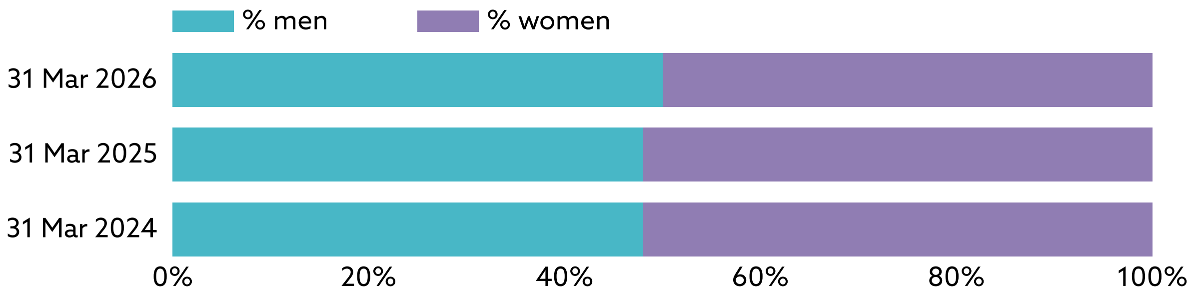


Table: gender

	31 Mar 2026 Core (excluding BDUK)	31 Mar 2026 BDUK	31 Mar 2026 Total	31 Mar 2025	31 Mar 2024
Executive directors					
Executive directors	20	Not applicable	20	13	11
Number of men	6	Not applicable	6	4	3
Number of women	14	Not applicable	14	9	8
Senior civil servants					
Senior civil servants (SCS)	199	7	206	138	128
% men	45%	71%	46%	44%	41%
% women	55%	29%	54%	56%	59%
All staff					
All staff	3,648	247	3,895	2,319	2,069
% men	49%	53%	50%	48%	48%
% women	51%	47%	50%	52%	52%

Chart: disability

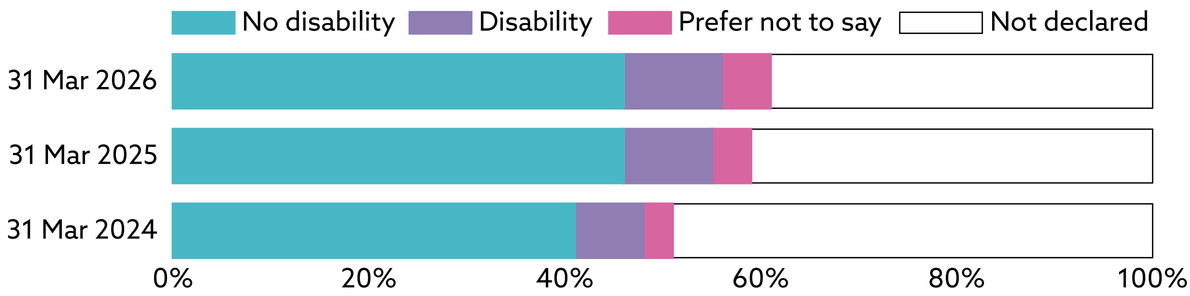


Table: disability

	31 Mar 2026 Core (excluding BDUK)	31 Mar 2026 BDUK	31 Mar 2026 Total	31 Mar 2025	31 Mar 2024
Declaration rate	61%	47%	61%	59%	51%
Of which:					
No disability	75%	75%	75%	78%	80%
Disability	17%	21%	17%	16%	13%
Prefer not to say	9%	4%	9%	7%	6%

Chart: ethnicity

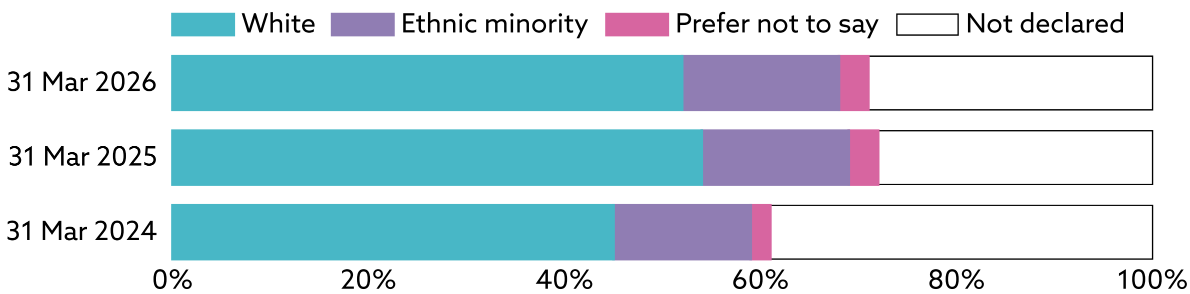


Table: ethnicity

	31 Mar 2026 Core (excluding BDUK)	31 Mar 2026 BDUK	31 Mar 2026 Total	31 Mar 2025	31 Mar 2024
Declaration rate	73%	69%	71%	72%	61%
Of which:					
White	73%	71%	73%	75%	73%
Ethnic minority	22%	26%	23%	21%	23%
Prefer not to say	5%	4%	5%	4%	4%

Chart: sexual orientation

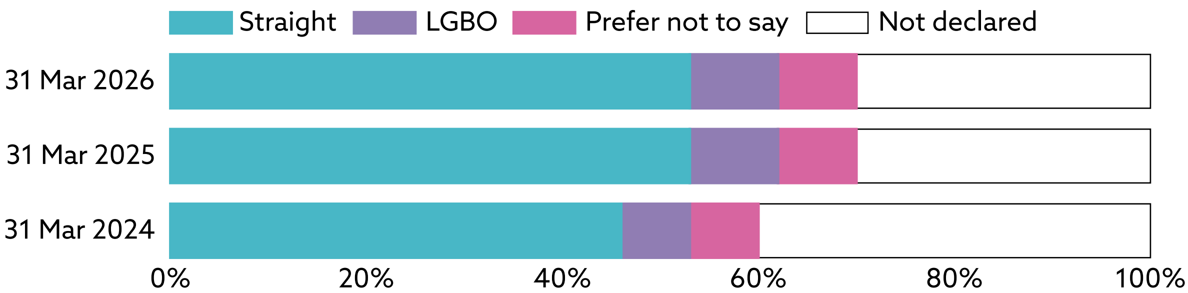


Table: sexual orientation

	31 Mar 2026 Core (excluding BDUK)	31 Mar 2026 BDUK	31 Mar 2026 Total	31 Mar 2025	31 Mar 2024
Declaration rate	71%	70%	71%	71%	60%
Of which:					
Straight	74%	74%	74%	75%	77%
LGBO	13%	16%	13%	13%	12%
Prefer not to say	13%	10%	13%	11%	11%

NUMBER OF SENIOR CIVIL SERVANTS BY PAY BAND

The table below shows the number of senior civil servants (SCS) by pay band as at 31 March. They exclude inactive workers such as those on maternity leave and outward loans.

This year, the number of SCS has increased due to growth in the Government Digital Service and the machinery of government changes covered in accounting policy 1.5.

Table: number of senior civil servants by pay band

Pay band	Number of SCS as at 31 Mar 2026	Number of SCS as at 31 Mar 2025
SCS 1	159	133
SCS 2	41	35
SCS 3	6	6
Permanent secretary	2	2
Total	**208**	**176**

STAFF NUMBERS

This is audited information.

Staff numbers are counted as the average number of full-time equivalent persons employed in the year. They include active workers and exclude inactive workers such as those on maternity leave and outward loans.

Table: staff numbers

	2025–26 Permanent employed staff	2025–26 Others	2025–26 Ministers	2025–26 Special advisers	2025–26 Total	2024–25 Total
Core dept	3,578	242	6	5	**3,831**	**2,974**
Agencies	307	12	-	-	**319**	**600**
Non departmental public bodies (NDPBs)	11,779	1,876	-	-	**13,655**	**13,519**
Total	**15,664**	**2,130**	**6**	**5**	**17,805**	**17,093**
Of which: core dept and agencies	3,885	254	6	5	**4,150**	**3,574**
Of which: NDPBs and other designated bodies	11,779	1,876	-	-	**13,655**	**13,519**
Total	**15,664**	**2,130**	**6**	**5**	**17,805**	**17,093**

STAFF COSTS

This is audited information.

Table: staff costs

	2025-26 Permanent employed staff £m	2025-26 Others £m	2025-26 Total £m	2024–25 Permanent employed staff £m	2024–25 Others £m	2024–25 Total £m
Wages and salaries	923	152	**1075**	853	93	**946**
Social security costs	133	1	**134**	99	-	**99**
Other pension costs	220	-	**220**	207	-	**207**
Sub total	**1,276**	**153**	**1,429**	**1,159**	**93**	**1,252**
Less recoveries in respect of outward secondments	(1)	-	**(1)**	(1)	-	**(1)**
Total net costs	**1,275**	**153**	**1,428**	**1,158**	**93**	**1,251**
Of the total: Core dept and agencies	328	93	**421**	278	37	**315**
Of the total: NDPBs and other designated bodies	947	60	**1,007**	880	56	**936**
Total net costs	**1,275**	**153**	**1,428**	**1,158**	**93**	**1,251**

Staff severance costs: 'wages and salaries' include staff severance costs. For further details see disclosures on exit packages below.

Other staff costs: 'Others' in the table above includes ministers' total net costs of £218,251 (2024–25: £215,690).

Table: staff costs capitalised

	2025-26 DSIT group	2024-25 DSIT group
Number of employees engaged on capital projects	748	701
Capitalised staff costs (£m)	57	51

STAFF PENSION: PRINCIPAL CIVIL SERVICE PENSION SCHEME

The principal civil service pension scheme (PCSPS) and the civil servant and other pension scheme (CSOPS), known as 'alpha', are an unfunded multi-employer defined benefit scheme in which the department is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2020. You can request details of the Cabinet Office: Civil Superannuation resource accounts by contacting:

resourceaccounts@civilservicepensionscheme.org.uk

For 2025–26, employer contributions of £135,925,536 were payable to the PCSPS (2024–25: £124,272,091) at 28.97% (2024–25: 28.97%) of pensionable pay, based on salary bands.

The scheme's 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.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £1,836,311 (2024–25: £1,433,680) 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 £12,175 (2024–25: £8,501), 0.5% (2024–25: 0.5%) were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to/(from) the partnership pension providers as at 31 March 2026 were £118,608 (2024–25: £72,832). Contributions prepaid at that date were £nil (2024–25: £nil).

Staff pension costs: ill-health retirement

In 2025–26, 4 persons (2024–25: 10 persons) across the DSIT group retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £nil (2024–25: £nil).

STAFF PENSION: OTHER

Employer contributions to other pension schemes in 2025–26, amounted to £83,698,488 (2024–25: £84,006,173). Employer contributions include employers' contributions, current service costs and, where appropriate, past service costs of funded pension schemes. Further details can be found in the accounts of the department's NDPBs and other designated bodies. A list of these bodies is provided in note 23. list of bodies in the DSIT group on page 238.

CONSULTANCY AND TEMPORARY STAFF EXPENDITURE

Consultancy can be a cost effective and efficient way of getting temporary and skilled input the department needs. DSIT is committed to the consistent application of the Cabinet Office's 2010 and 2024 controls on consultancy and other spending. Consultants are hired to work on projects in specific situations, where:

- the department does not have the skill set required
- the requirement falls outside the core business of civil servants
- an external, independent perspective is required

Temporary staff costs are included in note 2. staff costs on page 190.

Table: consultancy and temporary staff expenditure

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Consultancy expenditure	104	110	52	54
Temporary staff expenditure	92	152	36	93

OFF-PAYROLL ENGAGEMENTS

Off-payroll working rules make sure that a worker (sometimes known as a contractor) pays broadly the same Income Tax and National Insurance as an employee would. The rules are sometimes known as 'IR35'.

Table: highly paid off-payroll worker engagements as at 31 Mar 2026, earning £245 per day or greater

	Core dept	Agencies	Arm's length bodies
No. of existing engagements as of 31 Mar	253	11	371
Of which, no. that existed less than 1 year	183	10	172
Of which, no. that existed for between 1 and 2 years	35	1	76
Of which, no. that existed for between 2 and 3 years	21	0	41
Of which, no. that existed for between 3 and 4 years	5	0	31
Of which, no. that existed for 4 years or more	9	0	51

Table: all highly paid off-payroll workers engaged at any point during the year ended 31 Mar 2026, earning £245 per day or greater

	Core dept	Agencies	Arm's length bodies
No. of temporary off-payroll workers engaged during the year ended 31 Mar	253	14	467
Not subject to off-payroll legislation	0	0	39
Subject to off-payroll legislation and determined as in-scope of IR35	214	13	375
Subject to off-payroll legislation and determined as out-of-scope of IR35	39	1	53
No. of engagements reassessed for compliance or assurance purposes during the year	0	0	35
Of which: No. of engagements that saw a change to IR35 status following review	0	0	0

Table: for any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 Apr 2025 and 31 Mar 2026

	Core dept	Agencies	Arm's length bodies
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0	0	1
Total no. of individuals on payroll and off-payroll that have been deemed 'board members and/or senior officials with significant financial responsibility', during the financial year.	41	10	80

Notes

The core total number of individuals on payroll and off-payroll who were deemed to be 'board members and/or senior officials with significant responsibility' during the financial year comprises 10 non-executive directors, 11 ministers and 20 senior officials.

DETAILS OF THE EXCEPTIONAL CIRCUMSTANCES THAT LED TO THE OFF-PAYROLL ENGAGEMENT OF BOARD MEMBERS/SENIOR OFFICIALS WITH SIGNIFICANT FINANCIAL RESPONSIBILITY

UKRI: An individual was appointed as interim chief people officer in January 2025, following the departure of the previous off-payroll position holder. UKRI continued to require continuity of leadership for key people-led programmes during this period. This individual's contract ended in September 2025 when a permanent appointment was made to the role.

EXIT PACKAGES

This is audited information.

Exit packages refer to Civil Service and other compensation schemes.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972.

Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme.

Ill-health retirement costs are met by the pension scheme and are not included in the table.

The table below shows the total cost of exit packages agreed and accounted for in 2025–26. £5,152,755 exit costs were paid in 2025–26, the year of departure (2024–25: £6,737,934).

Table: number and costs of exit packages

	2025–26 Compulsory redundancies	2025–26 Other departures agreed	2025–26 Total	2024–25 Compulsory redundancies	2024–25 Other departures agreed	2024–25 Total
Number by cost band						
Less than £10,000	3	29	**32**	-	13	**13**
£10,000 – £25,000	14	63	**77**	2	36	**38**
£25,000 – £50,000	10	39	**49**	3	32	**35**
£50,000 – £100,000	5	41	**46**	1	53	**54**
£100,000 – £150,000	-	8	**8**	-	4	**4**
£150,000 – £200,000	-	-	**-**	-	1	**1**
Total number	**32**	**180**	**212**	**6**	**139**	**145**

	2025-26 Compulsory redundancies	2025-26 Other departures agreed	2025-26 Total	2024-25 Compulsory redundancies	2024-25 Other departures agreed	2024-25 Total
Of which: core dept & agencies	1	8	**9**	1	3	**4**
Of which: NDPBs and other designated bodies	31	172	**203**	5	136	**141**
Total cost (£)	**915,085**	**7,077,364**	**7,992,449**	**207,286**	**6,655,119**	**6,862,405**
Of which: core dept & agencies	20,354	562,328	**582,682**	19,448	273,515	**292,963**
Of which: NDPBs and other designated bodies	894,731	6,515,036	**7,409,767**	187,838	6,381,604	**6,569,442**

STAFF REDEPLOYMENTS

Staff loaned are staff permanently employed by the core department, who were on loan to another organisation. Where the core department paid the cost as the home department, the short-term costs were charged to the administration budget.

Staff hosted are those attached to the core department, who were on loan from other organisations. Where the core department paid the cost as the host department, the short-term costs were charged to the administration budget.

The department does not currently hold information centrally to support the disclosure of average likely durations of redeployments.

The table below shows the number of staff loaned and staff hosted as at 31 Mar 2026.

Table: loans in

Grade	Short-term, non-payroll	Short-term, payroll	Total short-term	Longer-term, non-payroll	Longer-term, payroll	Total longer-term
EO	-	-	-	-	3	3
HEO	4	1	5	-	8	8
SEO	18	1	19	-	21	21
G7	16	2	18	1	58	59
G6	5	1	6	2	22	24
SCS 1	7	-	7	-	10	10
SCS 2	3	1	4	2	-	2
Total	**53**	**6**	**59**	**5**	**122**	**127**

Table: loans out

Grade	Short-term, non-payroll	Short-term, payroll	Total short-term	Longer-term, non-payroll	Longer-term, payroll	Total longer-term
EO	1	-	**1**	2	-	**2**
HEO	2	-	**2**	16	-	**16**
SEO	11	-	**11**	8	-	**8**
G7	12		**12**	15		**15**
G6	1	-	**1**	5	-	**5**
SCS1	1		**1**	2		**2**
Total	**28**	**-**	**28**	**48**	**-**	**48**

Remuneration report

SERVICE CONTRACTS

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

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

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

REMUNERATION POLICY FOR MINISTERS

The remuneration of ministers is set in accordance with the Ministerial and other Salaries Act 1975, as amended by the Ministerial and other Salaries Order 1996, and the Ministerial and other Pensions and Salaries Act 1991.

REMUNERATION POLICY FOR SENIOR OFFICIALS

The Senior Salaries Review Body (SSRB) is an independent advisory body that provides the Prime Minister with recommendations on the pay of senior civil servants. The SSRB considers economic conditions, regional differences in labour markets and the budgets available to government departments. The SSRB does not deal with the remuneration of ministers.

SINGLE TOTAL FIGURE OF REMUNERATION

This is audited information.

Salary FYE stands for 'full year equivalent'.

Table: single total figure of remuneration for ministers

	2025–26 Salary £	2025–26 Severance payment £	2025–26 Pension benefits (nearest £1,000)	2025–26 Total (nearest £1,000)	2024–25 Salary £	2024–25 Severance payment £	2024–25 Pension benefits (nearest £1,000)	2024–25 Total (nearest £1,000)
Rt Hon Liz Kendall MP Secretary of State (from 5 Sep 2025)	33,753 (FYE: 67,505)	–	10,000	**44,000**	-	-	–	**–**
Rt Hon Peter Kyle MP Secretary of State (from 5 Jul 2024 to 5 Sep 2025)	33,753 (FYE: 67,505)	–	7,000	**41,000**	49,903 (FYE: 67,505)	-	13,000	**63,000**
Lord Patrick Vallance Minister of state (from 5 Jul 2024)	81,485	–	–	**81,000**	60,238 (FYE: 81,485)	-	-	**60,000**
Rt Hon Ian Murray MP Minister of state (from 6 Sep 2025)	–	–	–	**-**	-	-	-	**-**
Rt Hon Kanishka Narayan MP Parliamentary under-secretary of state (from 7 Sep 2025)	12,617 (FYE: 22,375)	–	3,000	**16,000**	-	-	-	**-**
Baroness Lloyd of Effra Parliamentary under-secretary of state (from 11 Sep 2025)	–	–	–	**-**	-	-	–	**–**
James Frith MP Parliamentary under-secretary of state (from 3 Mar 2026)	–	–	–	**-**	-	-	–	**–**
Josh Simons MP Parliamentary under-secretary of state (from 9 Jan 2026 to 28 Feb 2026)	-	-	-	**-**	-	-	-	**-**

	2025-26 Salary £	2025-26 Severance payment £	2025-26 Pension benefits (nearest £1,000)	2025-26 Total (nearest £1,000)	2024-25 Salary £	2024-25 Severance payment £	2024-25 Pension benefits (nearest £1,000)	2024-25 Total (nearest £1,000)
Chris Bryant MP Minister of state (from 8 Jul 2024 to 6 Sep 2025)	15,840 (FYE: 31,680)	–	3,000	**19,000**	23,419 (FYE: 31,680)	-	6,000	**29,000**
Feryal Clark MP Parliamentary under-secretary of state (from 9 Jul 2024 to 7 Sep 2025)	9,758 (FYE: 22,375)	5,593	2,000	**17,000**	16,541 (FYE: 22,375)	-	4,000	**21,000**
Baroness Jones of Whitchurch Parliamentary under-secretary of state (from 9 Jul 2024 to 7 Sep 2025)	–	–	–	**–**	-	-	–	**–**

Notes

- Salary information excludes employers' National Insurance contributions. None of the ministers of the department received benefits in kind during the year. Minsters in the House of Commons are remunerated on a different basis to those in the House of Lords as explained in notes to the remuneration report.
- 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.
- The role held by **Rt Hon Ian Murray MP and previously held by Chris Bryant MP** is a joint role between DSIT & the Department for Culture, Media and Sport (DCMS). For Chris Bryant MP this role was paid by DSIT whereas for Rt Hon Ian Murray MP this role is paid by DCMS and is disclosed in the DCMS annual report and accounts 2025–26.
- The role held by **Baroness Lloyd of Effra and previously held by Baroness Jones of Whitchurch** is an unpaid joint role with DSIT and Department for Business and Trade. The role of Baroness in Waiting (Government Whip) is paid by HM Treasury.
- **Josh Simons MP** held an unpaid role at DSIT but was paid as parliamentary secretary through the Cabinet Office.
- **James Frith MP** holds an unpaid role in both DSIT and the Cabinet Office.
- **Lord Patrick Vallance** has opted out of the pension scheme with effect from 5 July 2024, prior year figures have been restated to account for this.

Table: single total figure of remuneration for executive directors

	2025-26 Salary £'000	2025-26 Bonus £'000	2025-26 Pension nearest £1,000	2025-26 Total £'000	2024-25 Salary £'000	2024-25 Bonus £'000	2024-25 Pension nearest £1,000	2024-25 Total £'000
Emran Mian Permanent secretary (from 2 July 2025) Director general (to 1 July 2025)	165–170 (FYE: 170–175) (FYE:140–145)	10–15	105	**280-285**	135–140	10–15	76	**225-230**
Sarah Munby Permanent secretary (to 1 Jul 2025)	45–50 (FYE: 185–190)	-	18	**65-70**	180–185	–	70	**250-255**
Freya Guinness Director general	170–175	10–15	67	**250-255**	165–170	5–10	65	**240-245**
Alexandra Jones Director general	140–145	5–10	55	**200-205**	135–140	5–10	47	**190-195**
Dave Smith National technology adviser	145–150	-	57	**200-205**	140–145	0–5	54	**195-200**
Jessie Mitchell Strategic finance director	85–90	5–10	34	**130-135**	75–80	5–10	32	**115-120**
Leah Sparks Strategic finance director	110–115	5–10	45	**165-170**	100–105	5–10	43	**150-155**
Christine Bellamy Government chief product officer/ interim director general (from 8 Jul 2024)	165–170	10–15	62	**240-245**	115–120 (FYE: 155–160)	5–10	40	**160-165**
Angela McLean Government chief scientific adviser	205–210	-	81	**290-295**	205–210	–	81	**290-295**

	2025-26 Salary £'000	2025-26 Bonus £'000	2025-26 Pension nearest £1,000	2025-26 Total £'000	2024-25 Salary £'000	2024-25 Bonus £'000	2024-25 Pension nearest £1,000	2024-25 Total £'000
Emily Middleton Director general/ interim director general (from 1 Apr 2025)	150–155	0–5	60	**215-220**	–	–	–	**–**
Helen Mills Interim strategy and delivery director / People and transformation director (from 10 Jul 2025)	90–95 (FYE: 125–130)	0–5	37	**125-130**	–	–	–	**–**
Erin Robinson Interim strategy and delivery director / People and transformation director (from 10 Jul 2025)	80–85 (FYE: 115–120)	0–5	37	**120-125**	–	–	–	**–**
Ollie Ilott Interim director general (from 11 Aug 2025)	85–90 (FYE: 135–140)	-	35	**120-125**	–	–	–	**–**
Sarah Connolly Interim director general (from 13 Aug 2025)	80–85 (FYE: 130–135)	0–5	63	**145-150**	–	–	–	**–**
Adam Jackson Strategy and delivery director (from 15 Dec 2025)	30–35 (FYE: 110–115)	-	13	**45-50**	–	–	–	**–**
James Staff Communications director (from 19 Jan 2026)	15–20 (FYE: 95–100)	-	8	**25-30**	–	–	–	**–**
Joanna Cavan Strategy and delivery director (from 1 May 2024 to 3 Aug 2025)	50–55 (FYE: 150–155)	-	8	**55-60**	130–135 (FYE: 145–150)	–	69	**200-205**

	2025-26 Salary £'000	2025-26 Bonus £'000	2025-26 Pension nearest £1,000	2025-26 Total £'000	2024-25 Salary £'000	2024-25 Bonus £'000	2024-25 Pension nearest £1,000	2024-25 Total £'000
Joanna Davinson Government chief digital officer (from 9 Dec 2024 to 10 Sep 2025)	45–50 (FYE: 105–110)	-	19	**65–70**	30–35 (FYE: 100–105)	0–5	13	**45–50**
David Knott Government chief technology officer (from 11 Sep 2025 to 31 Dec 2025)	50–55 (FYE: 165–170)	10–15	19	**80–85**	30–35 (FYE 165–170)	-	12	**40–45**
Ros Trinick Communications director (from 10 Jul 2025 to 31 Jan 2026)	80–85 (FYE: 145–150)	-	32	**115-120**	–	–	–	**-**

Notes

- Salary: None of the board members received benefits in kind during the year.
- Pension benefits (to nearest £1000): 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 decreases due to a transfer of pension rights.
- Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.
- **Executive directors**: In DSIT's 2024–25 directors' report, the executive directors/senior officials disclosed were members of the departmental board. In this 2025–26 directors' report, executive directors/senior officials disclosed were members of the departmental board or members of the senior leadership team (formerly the executive committee up to 10 July 2025). The senior leadership team operates as a sub-committee of the departmental board. In addition, the government chief scientific adviser is disclosed based on the position's seniority.
- **Emran Mian** was employed as director general for the full duration of 2024–25 and part of 2025–26 before his appointment to permanent secretary and principal accounting officer from 2 July 2025. His previous director general position has since been restructured into 2 posts, which Sarah Connolly and Ollie Ilott fill as interims.

- **Helen Mills and Erin Robinson** were considered members of the senior leadership team in their capacity as People and Transformation directors. Following Joanna Cavan's departure, they covered the Strategy and Delivery director position until Adam Jackson's subsequent appointment. Following this, Helen Mills and Erin Robinson continue to be members of the senior leadership team in their capacity as People and Transformation directors.
- **David Knott** was included in DSIT's 2024–25 remuneration report in his capacity as a member of the departmental board from 1 October 2024 to 8 December 2024. He is disclosed in DSIT's 2025–26 remuneration report in his capacity as an interim member of the senior leadership team following Joanna Davinson's departure.
- **Christine Bellamy** was a member of the board, senior leadership team (and former executive committee) in her capacity as government chief product officer up to December 2025. Following David Knott's departure in December 2025, the department transitioned to new director general group structures and Christine Bellamy continues to be a member of the senior leadership team as interim director general for Digital Products Group.
- **Emily Middleton** was a member of the senior leadership team (and former executive committee) in her capacity as director general for Digital Centre and Design up to December 2025. Following David Knott's departure in December 2025, the department transitioned to new director general group structures and Emily Middleton continue to be a member of the senior leadership team as interim director general for Digital Transformation Group.
- 2024–25 pension benefits have been restated for the following individuals: Emran Mian, Jessie Mitchell, Joanna Cavan. This is due to the availability in 2025/26 of more up to date data relevant to the calculation of the prior year benefits.

SINGLE TOTAL FIGURE OF REMUNERATION

Salary: 'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts. In respect of Ministers in the House of Commons, departments bear only the cost of the additional Ministerial remuneration; the salary for their services as an MP £93,904 (from 1 April 2025) and various allowances to which they are entitled are borne centrally. However, the arrangement for Ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their Ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the Department, and is therefore shown in full in the figures above.

Bonuses: Bonuses are based on performance levels attained and are made as part of the appraisal process. The bonuses reported in 2025–26 relate to end of year performance awards in 2024–25 and some in year awards. The bonuses reported in 2024–25 relate to end of year performance awards in 2023–24 and some in year awards.

PENSION BENEFITS

This is audited information.

Table: pension benefits for minsters

	Pension benefits at age 65 as at 31 Mar 2026 £'000	Real increase in pension at age 65 £'000	CETV at 31 Mar 2026 £'000	CETV at 31 Mar 2025 £'000	Real increase in CETV £'000
Rt Hon Liz Kendall MP Secretary of state (from 5 Sep 2025)	0–5	0–2.5	35	23	7
Rt Hon Peter Kyle MP Secretary of state (from 5 Jul 2024 to 5 Sep 2025)	0–5	0–2.5	23	15	5
Lord Patrick Vallance Minister of state (from 5 Jul 2024)	-	-	-	-	-
Rt Hon Ian Murray MP Minister of state (from 6 Sep 2025)	-	-	-	-	-
Rt Hon Kanishka Narayan MP Parliamentary under-secretary of state (from 7 Sep 2025)	0–5	0–2.5	3	-	1
Baroness Lloyd of Effra Parliamentary under-secretary of state (from 11 Sep 2025)	-	-	-	-	-
James Frith MP Parliamentary under-secretary of state (from 3 Mar 2026)	-	-	-	-	-
Josh Simons MP Parliamentary under-secretary of state (from 9 Jan 2026 to 28 Feb 2026)	-	-	-	-	-
Chris Bryant MP Minister of state (from 8 Jul 2024 to 6 Sep 2025)	0–5	0–2.5	36	31	3
Feryal Clark MP Parliamentary under-secretary of state (from 9 Jul 2024 to 7 Sep 2025)	0–5	0–2.5	6	4	1
Baroness Jones of Whitchurch Parliamentary under-secretary of state (from 9 Jul 2024 to 7 Sep 2025)	-	-	-	-	-

Notes

- Where ministers joined or left during the year, their CETV opening or closing amounts are as at their joining or leaving dates.

- Ian Murray MP is paid by Department for Culture, Media and Sport (DCMS). Pension details will be disclosed in the DCMS 2025–26 annual report and accounts.
- The role held by Baroness Lloyd of Effra and previously held by Baroness Jones of Whitchurch is an unpaid joint role with DSIT and Department for Business and Trade. The role of baroness in waiting (government whip) is paid by HM Treasury.
- Josh Simons MP held an unpaid role at DSIT but was paid as parliamentary secretary through the Cabinet Office
- James Frith MP holds an unpaid role in both DSIT and the Cabinet Office.
- Lord Patrick Vallance has opted out of the pension scheme with effect from 5 July 2024, prior year figures have been restated to account for this.

PENSION BENEFITS FOR MINISTERS

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

Those Ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report).

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

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

The Cash Equivalent Transfer Value (CETV): This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme, and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total Ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

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

Table: Pension benefits for executive directors

	Accrued pension at pension age as at 31 Mar 2026 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 Mar 2026 £'000	CETV at 31 Mar 2025 £'000	Real increase in CETV £'000
Emran Mian Permanent secretary / director general	45–50	5–7.5	783	662	77
Sarah Munby Permanent secretary (to 1 Jul 2025)	25–30	0–2.5	312	289	10
Freya Guinness Director general	75–80	2.5–5	1272	1170	51
Alexandra Jones Director general	25–30	2.5–5	347	295	32
Dave Smith National technology adviser	5–10	2.5–5	142	83	46
Jessie Mitchell Strategic finance director	20–25	0–2.5	294	261	18
Leah Sparks Strategic finance director	25–30	2.5–5	370	323	28
Christine Bellamy Government chief product officer/ interim director general (from 8 Jul 2024)	10–15	2.5–5	204	143	45
Angela McLean Government chief scientific adviser	25–30	2.5–5	478	379	68
Emily Middleton Director general/ interim director general (from 1 Apr 2025)	5–10	2.5–5	66	26	27
Helen Mills Interim strategy and delivery director / people and transformation director (from 10 Jul 2025)	45–50	0–2.5	729	675	19
Erin Robinson Interim strategy and delivery director / people and transformation director (from 10 Jul 2025)	50–55	0–2.5	844	783	21
Ollie Ilott Interim director general (from 11 Aug 2025)	20–25	0–2.5	224	195	16

	Accrued pension at pension age as at 31 Mar 2026 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 Mar 2026 £'000	CETV at 31 Mar 2025 £'000	Real increase in CETV £'000
Sarah Connolly Interim director general (from 13 Aug 2025)	45–50	2.5–5	798	731	46
Adam Jackson Strategy and delivery director (from 15 Dec 2025)	35–40	0–2.5	487	478	7
James Staff Communications director (from 19 Jan 2026)	15–20	0–2.5	185	179	4
Joanna Cavan Strategy and delivery director (from 1 May 2024 to 3 Aug 2025)	55–60	0–2.5	1006	991	-
Joanna Davinson Government chief digital officer (from 9 Dec 2024 to 10 Sep 2025)	20–25	0–2.5	430	396	16
David Knott Government chief technology officer (from 11 Sep 2025 to 31 Dec 2025)	10–15	0–2.5	164	140	14
Ros Trinick Communications director (from 10 Jul 2025 to 31 Jan 2026)	0–5	0–2.5	23	-	17

Notes

- Opening balances for pension disclosures for some members are not consistent with the closing balances reported in the prior year. CETV at 31 Mar 2025 has been restated for the following individuals following updated information: Emran Mian, Joanna Cavan and David Knott. This is due to the availability in 2025/26 of more up to date data relevant to the calculation of the prior year benefits.

CIVIL SERVICE PENSION BENEFITS

Civil Service pensions: Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. 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. All newly appointed civil servants, and the majority of those already in service, are in alpha.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had 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 accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal 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 in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as "rollback".

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2025 and 31 March 2026, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable 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).

Further details about the Civil Service pension arrangements can be found at the website 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.

FEE ENTITLEMENTS FOR NON-EXECUTIVE BOARD MEMBERS

This is audited information.

The table below shows fees to the non-executive directors who were also members of the departmental board.

Table: fee entitlements for non-executive director board members

	2025–26 Fee entitlement £'000	2025–26 Fee entitlement: full year £'000	2024–25 Fee entitlement £'000	2024–25 Fee entitlement: full year £'000
Dominic Field From 22 Apr 2024 Interim lead non-executive board member from 1 Nov 2024	15–20	-	15–20	-
Liz Cohen From 22 Apr 2024 Chair of audit and risk assurance committee (ARAC)	15–20	-	15–20	-
Jason Chin From 22 Apr 2023	10–15	-	10–15	-
Nicola Hodson From 1 Nov 2024	10–15	-	5–10	10–15
Helen Milner From 1 Nov 2024	10–15	-	5–10	10–15
Adam Tickell From 1 Nov 2024	-	-	-	-
Paul Wilmott From 1 Nov 2024 to 31 July 2025	-	-	-	-

Notes

Adam Tickell and Paul Wilmott: This is an unpaid role.

FAIR PAY

This is audited information.

The disclosures below show the relationship between the remuneration of the highest-paid director and the remuneration of the total workforce of the core department and agencies.

The banded remuneration of the highest-paid director in DSIT in 2025–26 was £205,000–£210,000 (2024–25: £205,000– £210,000). This was 3.4 times the median remuneration of the workforce (2024–25: 3.5 times), which was £61,431 (2024–25: £59,379).

In 2025–26, 13 (2024–25: 23) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £23,575 to £312,000 (2024–25: £22,375–£259,896).

Total remuneration includes salary, allowances, non-consolidated performance-related pay, and benefits-in-kind paid to 31st March 2026. It does not include the 2025 pay award which will be implemented in 2026–27, severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Table: percentage change in remuneration between 2025–26 and 2024–25

	Highest paid director	Staff average
Salary and allowances	Nil	+8.6%
Performance pay & bonuses	Nil	+34.7%

Table: remuneration of highest paid director vs workforce: lower quartile, median, and upper quartile

	2025–26 Lower quartile	2025–26 Median	2025–26 Upper quartile	2024–25 Lower quartile	2024–25 Median	2024–25 Upper quartile
Workforce salary	45,067	60,887	73,203	42,495	58,040	62,738
Workforce total pay & benefits (includes salary, non-consolidated performance related pay and benefits)	45,811	61,431	73,934	44,557	59,379	66,974
Ratio: highest paid director to workforce total pay and benefits	4.5 to 1	3.4 to 1	2.8 to 1	4.7 to 1	3.5 to 1	3.1 to 1

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Photo by the Department for Science, Innovation and Technology photographer.

Statement of outturn against parliamentary supply

This is audited information.

OVERVIEW OF STATEMENT OF OUTTURN AGAINST PARLIAMENTARY SUPPLY

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FREM) requires the Department for Science, Innovation and Technology to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the certificate and report of the comptroller and auditor general to the House of Commons.

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

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

The format of the SOPS mirrors the supply estimates, published on GOV.UK, to enable comparability between what Parliament approves and the final outturn.

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

Non-voted Budgets generally comprise CFERs (Consolidated Fund Extra Receipts) that represent operating income or expenditure financed directly from the Consolidated Fund as a standing service or from the National Insurance Fund. Non-voted expenditure does not require Parliamentary authority but is included within budgets set by HMT for completeness.

Estimates and outturn spend are disclosed gross (gross expenditure and income) for activities of the core department and net for the activities of the DSIT group's arm's length bodies.

The notes to the SOPS on page 130 detail the following:

- outturn by estimate line, providing a more detailed breakdown (note 1)
- a reconciliation of Outturn to Net operating expenditure in the Statement of Comprehensive Net Expenditure (SOCNE), to tie the SOPS to the financial statements (note 2)
- a reconciliation of Outturn to Net cash requirement (note 3)
- an analysis of income payable to the Consolidated Fund (note 4)

The SOPS and estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided in the financial review on page 49. Further information on the public spending framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on GOV.UK.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, in the performance report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures.

SOPS SUMMARY TABLES – MIRRORS PART 1 OF THE ESTIMATES

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament.

For detail on the control limits voted by Parliament, refer to the Supply Estimates guidance manual, available on GOV.UK.

The financial review on page 49 in the performance report explains significant variances between outturn and the Estimate.

Table: SOPS summary, 2025–26, in £000's

	Outturn Voted	Outturn Non-voted	Outturn Total	Estimate Voted	Estimate Total	Outturn vs Estimate: saving or (excess) Voted	Outturn vs Estimate: saving or (excess) Total	Prior year outturn total restated 2024–25
Resource DEL See SOPS 1.1	1,099,331	-	1,099,331	1,177,546	1,177,546	78,215	78,215	875,264
Capital DEL See SOPS 1.2	14,353,926	-	14,353,926	14,486,327	14,486,327	132,401	132,401	13,156,677
Total DEL	**15,453,257**	**-**	**15,453,257**	**15,663,873**	**15,663,873**	**210,616**	**210,616**	**14,031,941**
Resource AME See SOPS 1.1	163,576	-	163,576	704,482	704,482	540,906	540,906	365,590
Capital AME See SOPS 1.2	(110,713)	-	(110,713)	260	260	110,973	110,973	(158,535)
Total AME	**52,863**	**-**	**52,863**	**704,742**	**704,742**	**651,879**	**651,879**	**207,055**
Total resource See SOPS 1.1	1,262,907	-	1,262,907	1,882,028	1,882,028	619,121	619,121	1,240,854
Total capital See SOPS 1.2	14,243,213	-	14,243,213	14,486,587	14,486,587	243,374	243,374	12,998,142
Total budget expenditure	**15,506,120**	**-**	**15,506,120**	**16,368,615**	**16,368,615**	**862,495**	**862,495**	**14,238,996**
Total budget and non-budget	**15,506,120**	**-**	**15,506,120**	**16,368,615**	**16,368,615**	**862,495**	**862,495**	**14,238,996**

Table: net cash requirement, 2025–26, in £000's

	SOPS note	Outturn	Estimate	Outturn vs Estimate: saving or (excess)	Prior year outturn total restated 2024–25
Net cash requirement	SOPS 3	15,505,457	17,038,840	1,533,383	13,173,596

Table: administration costs, 2025–26, in £000's

	SOPS note	Outturn	Estimate	Outturn vs Estimate: saving or (excess)	Prior year outturn total restated 2024–25
Administration costs	SOPS 1.1	339,026	365,421	26,395	315,166

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

Notes to the SOPS

SOPS 1. OUTTURN DETAIL, BY ESTIMATE LINE

The financial review on page 49 in the performance report explains the significant variances between outturn and estimate.

SOPS 1.1 RESOURCE OUTTURN BY ESTIMATE LINE

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

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

Significant variances between Outturn and Estimate are explained in the financial review on page 49.

Table: SOPS 1.1 analysis of resource outturn by estimate line, in £'000s

Resource spend	Section	Admin Gross	Admin Income	Admin Net	Prog Gross	Prog Income	Prog Net	Resource outturn Total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate: saving/ (excess)	Prior year outturn total restated 2024–25
DEL voted	A) Deliver an ambitious industrial strategy	-	-	-	17,274	(13,855)	3,419	**3,419**	7,439	-	**7,439**	4,020	5,378
DEL voted	C) Science and Research	1,475	-	1,475	79,489	(201)	79,288	**80,763**	82,178	(1,214)	**80,964**	201	35,435
DEL voted	D) Capability	250,890	(2,788)	248,102	5,053	(24)	5,029	**253,131**	318,366	(60,104)	**258,262**	5,131	210,916
DEL voted	E) Government as Shareholder	-	-	-	2,979	(23,963)	(20,984)	**(20,984)**	(20,058)	-	**(20,058)**	926	(18,860)
DEL voted	F) Support for the Digital, Broadcasting and Media sectors	40,797	(60)	40,737	35,661	(149)	35,512	**76,249**	98,992	-	**98,992**	22,743	88,710
DEL voted	G) Modernising and reforming the work of the Government Functions	31,877	(261)	31,616	356,890	(60,112)	296,778	**328,394**	345,106	-	**345,106**	16,712	214,389
DEL voted	H) Building Digital UK	1	-	1	31,274	(42)	31,232	**31,233**	41,630	-	**41,630**	10,397	42,700

Resource spend	Section	Admin Gross	Admin Income	Admin Net	Prog Gross	Prog Income	Prog Net	Resource outturn Total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate: saving/ (excess)	Prior year outturn total restated 2024–25
DEL voted	I) Science and Research (ALB) net	67	-	67	345,466	-	345,466	**345,533**	293,346	52,187	**345,533**	-	266,082
DEL voted	J) Capability (ALB) net	9,132	-	9,132	-	-	-	**9,132**	1	9,131	**9,132**	-	8,726
DEL voted	K) Government as Shareholder (ALB) net	-	-	-	(7,587)	-	(7,587)	**(7,587)**	1,100	-	**1,100**	8,687	8,893
DEL voted	L) Broadcasting and Media ALB (net)	7,896	-	7,896	(7,848)	-	(7,848)	**48**	9,446	-	**9,446**	9,398	12,895
DEL voted	**Total**	**342,135**	**(3,109)**	**339,026**	**858,651**	**(98,346)**	**760,305**	**1,099,331**	**1,177,546**	**-**	**1,177,546**	**78,215**	**875,264**
DEL non-voted	**Total**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
DEL	**Total**	**342,135**	**(3,109)**	**339,026**	**858,651**	**(98,346)**	**760,305**	**1,099,331**	**1,177,546**	**-**	**1,177,546**	**78,215**	**875,264**
AME voted	N) Deliver an ambitious industrial strategy	-	-	-	153	-	153	**153**	153	-	**153**	-	153
AME voted	O) Science and Research	-	-	-	82,848	(361)	82,487	**82,487**	547,280	(5,356)	**541,924**	459,437	249,165

Resource spend	Section	Admin Gross	Admin Income	Admin Net	Prog Gross	Prog Income	Prog Net	Resource outturn Total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate: saving/ (excess)	Prior year outturn total restated 2024–25
AME voted	P) Deliver an ambitious industrial strategy (ALB) net	-	-	-	(9,278)	-	(9,278)	**(9,278)**	13,322	(25)	**13,297**	22,575	(3,702)
AME voted	Q) Science and Research (ALB) net	-	-	-	84,670	-	84,670	**84,670**	140,530	-	**140,530**	55,860	127,699
AME voted	R) Broadcasting and Media ALB (net)	-	-	-	163	-	163	**163**	3,197	-	**3,197**	3,034	644
AME voted	- Capability	-	-	-	5,356	-	5,356	**5,356**	-	5,356	**5,356**	-	34
AME voted	- Government as Shareholder (ALB) net	-	-	-	25	-	25	**25**	-	25	**25**	-	(8,403)
AME voted	**Total**	**-**	**-**	**-**	**163,937**	**(361)**	**163,576**	**163,576**	**704,482**	**-**	**704,482**	**540,906**	**365,590**
AME	**Total**	**-**	**-**	**-**	**163,937**	**(361)**	**163,576**	**163,576**	**704,482**	**-**	**704,482**	**540,906**	**365,590**
Resource	**Total**	**342,135**	**(3,109)**	**339,026**	**1,022,588**	**(98,707)**	**923,881**	**1,262,907**	**1,882,028**	**-**	**1,882,028**	**619,121**	**1,240,854**
Resource	**Total and non-budget spending**	**342,135**	**(3,109)**	**339,026**	**1,022,588**	**(98,707)**	**923,881**	**1,262,907**	**1,882,028**	**-**	**1,882,028**	**619,121**	**1,240,854**

Notes

- In 2025–26 Geospatial Commission outturn is shown under ‘Modernising and reforming the work of the Government Functions’, reflecting its becoming part of the Government Digital Service, while in the prior year it appears on ‘Deliver an ambitious industrial strategy’.

SOPS 1.2: CAPITAL OUTTURN BY ESTIMATE LINE

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

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

Significant variances between Outturn and Estimate are explained in the financial review on page 49.

Table: SOPS 1.2 analysis of capital outturn by estimate line, in £000's

Capital spend	Section	Outturn Gross	Outturn Income	Capital Outturn Net total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate, savings or (excess)	Prior year outturn total restated 2024–25
DEL voted	A) Deliver an ambitious industrial strategy	509,633	(20,189)	**489,444**	415,929	73,515	**489,444**	-	458,188
DEL voted	B) Promote competitive markets and responsible business practices	7,906	(50)	**7,856**	10,322	(2,416)	**7,906**	50	6,522
DEL voted	C) Science and Research	3,166,677	(57,717)	**3,108,960**	3,226,914	(60,237)	**3,166,677**	57,717	2,047,515
DEL voted	D) Capability	10,602	-	**10,602**	21,957	(11,355)	**10,602**	-	49,232
DEL voted	E) Government as Shareholder	244,252	(38,120)	**206,132**	314,683	(70,431)	**244,252**	38,120	125,266
DEL voted	F) Support for the Digital, Broadcasting and Media sectors	122,097	4	**122,101**	232,378	(110,277)	**122,101**	-	181,403
DEL voted	G) Modernising and reforming the work of the Government Functions	226,203	(63)	**226,140**	242,948	(1,312)	**241,636**	15,496	69,016
DEL voted	H) Building Digital UK	466,848	(610)	**466,238**	487,256	-	**487,256**	21,018	269,127
DEL voted	I) Science and Research (ALB) net	9,673,100	-	**9,673,100**	9,510,204	162,896	**9,673,100**	-	9,935,707
DEL voted	J) Capability (ALB) net	770	-	**770**	-	770	**770**	-	1,793
DEL voted	K) Government as Shareholder (ALB) net	(2,170)	-	**(2,170)**	20,000	(22,170)	**(2,170)**	-	8,589
DEL voted	L) Broadcasting and Media ALB (net)	44,753	-	**44,753**	5,873	38,880	**44,753**	-	4,319

Capital spend	Section	Outturn Gross	Outturn Income	Capital Outturn Net total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate, savings or (excess)	Prior year outturn total restated 2024–25
DEL voted	**Total**	**14,470,671**	**(116,745)**	**14,353,926**	**14,488,464**	**(2,137)**	**14,486,327**	**132,401**	**13,156,677**
DEL non-voted	M) Science and Research (CFER)	-	-	**-**	(2,137)	2,137	**-**	-	-
DEL non-voted	**Total**	**-**	**-**	**-**	**(2,137)**	**2,137**	**-**	**-**	**-**
DEL	**Total**	**14,470,671**	**(116,745)**	**14,353,926**	**14,486,327**	**-**	**14,486,327**	**132,401**	**13,156,677**
AME voted	N) Deliver an ambitious industrial strategy	-	-	**-**	-	-	**-**	-	(2)
AME voted	O) Science and Research	-	-	**-**	260	-	**260**	260	-
AME voted	P) Deliver an ambitious industrial strategy (ALB) net	7,103	-	**7,103**	-	7,103	**7,103**	-	(50,974)
AME voted	Q) Science and Research (ALB) net	(117,816)	-	**(117,816)**	-	(7,103)	**(7,103)**	110,713	(107,559)
AME voted	**Total**	**(110,713)**	**-**	**(110,713)**	**260**	**-**	**260**	**110,973**	**(158,535)**
AME	**Total**	**(110,713)**	**-**	**(110,713)**	**260**	**-**	**260**	**110,973**	**(158,535)**
Capital	**Total**	**14,359,958**	**(116,745)**	**14,243,213**	**14,486,587**	**-**	**14,486,587**	**243,374**	**12,998,142**
Capital	**Total and non-budget spending**	**14,359,958**	**(116,745)**	**14,243,213**	**14,486,587**	**-**	**14,486,587**	**243,374**	**12,998,142**

Notes

- In 2025–26 Geospatial Commission outturn is shown under 'Modernising and reforming the work of the Government Functions', reflecting its becoming part of the Government Digital Service, while in the prior year it appears on 'Deliver an ambitious industrial strategy'.

SOPS 2. RECONCILIATION OF OUTTURN TO NET OPERATING EXPENDITURE

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

The prior year comparatives present the net operating expenditure as reported on 31 Mar 2025.

Table: SOPS 2. reconciliation of outturn to net operating expenditure, in £000's

	SOPS note	Outturn total	Prior year outturn total restated 2024–25
Total resource outturn in Statement of Outturn against Parliamentary Supply	**SOPS 1.1**	**1,262,907**	**1,240,854**
Add			
Capital grants		567,325	578,644
Share of profit/loss of joint ventures and associates		90,181	76,312
Other non-budget		45,227	(99,016)
Research and development costs		13,773,591	13,637,441
Total		**14,476,324**	**14,193,381**
Less			
Expected return on pension scheme assets		(111,137)	(95,955)
Capital income in SOCNE		(2,269)	(5,519)
Research and development income		(921,434)	(998,686)
Other differences		(391)	(2,499)
Total		**(1,035,231)**	**(1,102,659)**
Net operating expenditure for the period in consolidated statement of comprehensive net expenditure	**SOCNE**	**14,704,000**	**14,331,576**

Notes

- Capital grants are budgeted for as capital departmental expenditure limit (CDEL) but accounted for as expenditure and income in the SOCNE, and therefore function as a reconciling item between resource and net operating expenditure.
- Share of profit/loss of joint ventures and associates is accounted for in the SOCNE as a non-budget item and therefore function as a reconciling item.
- Other non-budget includes intra group transactions where the cash payment is eliminated, and the budget impact is therefore recognised as a reconciling item.
- Research and Development is budgeted for as CDEL but accounted for as income and expenditure in the SOCNE and therefore function as a reconciling item.
- The prior year SOPS 2 breakdown reflects budgetary restatements within "other differences" to ensure the total reconciles to SOCNE, as while prior year budgetary data was restated, accounting primaries and notes were not restated on the basis of materiality. See accounting policies note 1.5 for further information.

SOPS 3. RECONCILIATION OF NET RESOURCE OUTTURN TO NET CASH REQUIREMENT

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

Table: SOPS 3. reconciliation of net resource outturn to net cash requirement, in £000's

	SOPS note	Outturn	Estimate	Outturn vs Estimate: saving/ (excess)
Total Resource Outturn	**SOPS 1.1**	**1,262,907**	**1,882,028**	**619,121**
Total Capital Outturn	**SOPS 1.2**	**14,243,213**	**14,486,587**	**243,374**
Adjustments for ALBs				
Remove voted resource and capital		(10,033,802)	(9,997,019)	36,783
Removal of intra-group transactions		23,402	-	(23,402)
Add cash in grant-in-aid		9,998,117	11,292,181	1,294,064
Adjustments to remove non-cash items				
Depreciation		(134,415)	(250,026)	(115,611)
New provisions and adjustments to previous provisions		(6,263)	(300)	5,963
Other non-cash items		31,091	(376,748)	(407,839)
Adjustments to reflect movements in working balances				
Increase/(decrease) in receivables		(31,040)	-	31,040
(Increase)/decrease in payables		152,247	-	(152,247)
Total		**(663)**	**668,088**	**668,751**
Removal of non-voted budget items				
Other non-voted budget items		-	2,137	2,137
Total		**-**	**2,137**	**2,137**
Net cash requirement		**15,505,457**	**17,038,840**	**1,533,383**

SOPS 4. AMOUNTS OF INCOME TO THE CONSOLIDATED FUND

SOPS 4.1. analysis of income payable to the Consolidated Fund, in £000's

In addition to income retained by the department, the following income is payable to the Consolidated Fund.

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

Table: analysis of income payable to the Consolidated Fund

	2025–26 Accruals	2025–26 Cash basis	2024–25 Accruals	2024–25 Cash basis
Income outside the ambit of the Estimate	-	-	2,638	2,638
Total amount payable to the Consolidated Fund	**-**	**-**	**2,638**	**2,638**

SOPS 4.2: Consolidated Fund income

The significant income streams collected as agent for the Consolidated Fund (which are otherwise excluded from these group financial statements) are set out in the table below.

Table: consolidated fund income streams

Income stream	Description
Licence Fees	Spectrum management annual licence fees – these are annual licences issued by Ofcom under the Wireless Telegraphy Act (WTA) and charges for Crown use of spectrum.
Licence Fees	Spectrum management auction fees – these are the proceeds of the auction managed by Ofcom that concluded in October 2025. Further details are reported in the 'Ofcom Section 400 Licence Fees and Penalties Account 2025–26'.
Other	BDUK superfast broadband programme – take-up claw-back – recovery of grants paid to suppliers for provision of superfast broadband in areas that were deemed at the time not to be commercially viable. Since installation and with the increased uptake of broadband nationally, suppliers have made higher than originally anticipated profits in some areas. Under the terms of this grant programme, these excess profits are clawed back by the department.

Table: SOPS 4.2 consolidated fund income, in £000's

	2025–26	2024–25
Taxes and licences fees		
Spectrum Management fees: Wireless Telegraphy Act annual licence fees and charges to Crown spectrum users	312,709	418,441
Spectrum management fees: auction proceeds	39,008	-
Total	**351,717**	**418,441**
Fines and penalties		
Information Commissioner civil monetary penalties issued	11,228	2,272
Total	**11,228**	**2,272**
Other		
BDUK Superfast Broadband programme – take-up claw-back	38,768	34,584
Innovate UK Interest Income	2,066	463
CFER Overpayment recovered from HM Treasury	-	6,465
Amount payable to the Consolidated Fund	**403,779**	**462,225**
Balance held at start of year	621	134,501
Payments into the Consolidated Fund	(373,952)	(598,743)
Balance held on trust at end of year	**30,448**	**621**

Other parliamentary accountability disclosures

This is audited information.

LOSSES STATEMENT

Table: losses statement

	2025–26 Core dept & agencies	2025–26 DSIT group	2024–25 Core dept & agencies	2024–25 DSIT group
Total number of losses	14	254	52	88
Total value of losses £'000	35,281	37,821	11,504	11,703

DETAILS OF INDIVIDUAL LOSSES OVER £300,000

The core department incurred exchange rate and hedging losses of £22.1 million in 2025–26. This arose as a result of the settlement of 13 forward contracts used to hedge against the Horizon and Copernicus EU programme contract costs, which resulted in a realised revaluation loss on these financial instruments at the date of settlement. This was offset by the corresponding FX gain achieved on the hedged item upon settlement of the contract, consistent with DSIT's policy to mitigate exposure to exchange rate volatility, including both adverse and favourable movements.

UK Space Agency incurred exchange rate and hedging losses of £12.8 million in 2025–26. This arose as a result of the settlement of 8 forward contracts used to hedge against European Space agency contract costs, which resulted in a realised revaluation loss on these financial instruments at the date of settlement. This was offset by the corresponding FX gain achieved on the hedged item upon settlement of the contract, consistent with UKSA's policy to mitigate exposure to exchange rate volatility, including both adverse and favourable movements.

UKRI claims abandoned: UK Research and Innovation incurred a loss of £1.7 million net impact of written-off debts related to Advanced Oncotherapy PLC, they are in administration with 0% expectation of any receipt of funds as an unsecured creditor. Secured creditors will be paid a very small percentage in the pound. The write-off of the gross value of invoices on the sales ledger is £2.3 million, this is offset by recoverable VAT of £93,000 and a prepayment from the customer at the start of the lease of £491,000.

BDUK claims abandoned: Building Digital UK incurred a loss of £339,757. This was in relation to a write-off of a debt where the agency was looking to recover amounts paid to a supplier under the Gigabit voucher scheme. It was concluded that the supplier had breached the scheme's terms and conditions on several matters including significant discrepancies between estimated and evidenced costs. Amounts were therefore repayable. BDUK concluded during the financial year that recoverability was extremely unlikely and therefore the debt was written off.

ICO claims abandoned: ICO acts as an agent for the Consolidated Fund for the collection of civil monetary penalties (CMPs). These CMPs are then paid over to the Consolidated Fund except where amounts are allowed to be retained under a direction from DSIT with the consent of HM Treasury. Where CMPs are deemed uncollectable, DSIT approval is sought to write-off the amount. The write-off total is disclosed below:

Table: write-offs where ICO acts as an agent

	2025-26 £	2024-25 £	2023-24 £
Civil monetary penalties write-off	1,119,000	40,000	2,000

SPECIAL PAYMENTS

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

Table: special payments

	2025–26 Core dept & agencies	2025–26 DSIT group	2024–25 Core dept & agencies	2024–25 DSIT group
Total number of special payments	1	4	3	13
Total value of special payments – £'000	84	163	162	532

DETAILS OF INDIVIDUAL SPECIAL PAYMENTS OVER £300,000

There were no individual special payments above £300,000 made by the core department or DSIT group.

There was 1 special severance payment for UK Research and Innovation. The total amount of the special severance payment paid out was £44,926.

GIFTS OVER £300,000

During 2025–26, the core department did not give any reportable gifts above £300,000.

FEES AND CHARGES

See note 4. operating income on page 195 for further detail.

Core department and agencies: The core department and agencies income related to fees and charges was £76 million as at 31 March 2026 (31 March 2025: £58 million).

Arm's length bodies: The majority of the DSIT group's income relating to fees and charges was attributable to the Office of Communications, £203 million as at 31 March 2026 (31 March 2025: £184 million). The Office of Communications sets fees to recover its costs from its regulatory sectors, and has a range of fees including:

- Networks and services, postal services administrative charges
- Broadcasting licence and application fees
- Network and information systems regulatory fees
- WTA receipts retention, related to relevant expenditure including spectrum management duties

No subsidy or overcharging arose from provisions of relevant facilities. All under or over recovery of fees are included in the following year's charges in accordance with statutory requirements.

REMOTE CONTINGENT LIABILITIES

In addition to contingent liabilities reported in the financial statements, under IAS 37, the department also reports remote contingent liabilities. Remote contingent liabilities have a small, remote likelihood of resulting in a transfer of economic benefit by the department. The department has given the following guarantees, indemnities, or letters of comfort.

Table: quantifiable remote contingent liabilities

	1 Apr 2025 £m	31 Mar 2026 £m
BT guarantee	3,700	3,700
BDUK Shared Rural Network indemnity	9	9
Total	**3,709**	**3,709**

BT guarantee: When BT was privatised in 1984 the government gave a guarantee (contained in the Telecommunications Act 1984) in respect of certain liabilities of the privatised company. Following High Court and Court of Appeal proceedings on the terms and scope of the Crown Guarantee, which would only apply if BT were to enter insolvent winding-up, the contingent liability is approximately the size of the BT pension scheme (BTPS) deficit. The last triennial actuarial valuation of the pension scheme as at 30 June 2023 valued the deficit at £3.7bn. BT has closed the BTPS for future accruals of benefit from 1 June 2018, as a result the liabilities covered by the Crown guarantee will be limited to those relating to benefits accrued before that date (together with indexing and any legally required increments). These liabilities remain with BT plc and so legislation is no longer required on the scope of the guarantee. The contingent liability largely consists of the considerable deficit on the BTPS fund but, providing BT takes steps to reduce that, possible growth in the liability should now be limited.

BDUK Shared Rural Network indemnity: BDUK Shared Rural Network indemnity results from a legally binding agreement to indemnify mobile network operators (MNO), via their subsidiary, Digital Mobile Spectrum Limited in respect of costs up to £9 million that may arise if there is a change in the operator of the Emergency Services Network (ESN). The probability of crystallisation occurring from 2024 is low, due to a possible extension of the existing ESN contract and ongoing merger discussions between MNOs. The liability will cease to exist in 2041 which marks the end of the programme.

UNQUANTIFIABLE REMOTE CONTINGENT LIABILITIES

Table: core department

	Description
Statutory indemnities	The Cabinet Secretary has provided a government wide indemnity to Public Appointments Assessors (PAAs). This will ensure that PAAs will not have to meet any personal civil liability incurred in the execution of their PAA functions.
Intellectual property	A liability to the European Patent Office could arise under Article 40 of the European Patent Convention of 1973 as the UK is one of the contracting states. A liability to the World Intellectual Property Organisation could arise under Article 57 of the Patent Cooperation Treaty as the UK is one of the contracting states.
Legal costs	A contingent liability exists in relation to various ongoing legal cases. The cost is dependent on the outcome of cases which currently cannot be reliably estimated.
Indemnities against personal liability	Indemnities have been given to the directors appointed by the core department to wholly owned subsidiaries. These indemnities are against personal liability following any legal action against the companies.
Others	A contingent liability exists in relation to the disposal of radioactive sources on the Teddington site should the radiological work at NPL cease and the normal practice of returning depleted sources to the supplier of replacement sources, no longer occurs. These costs cannot be reliably estimated. As a member of EUMETNET, the Met Office is indemnified to pay any liabilities transferred to the individual member state shareholders in the event that the organisation was no longer a going concern. Ordnance Survey issue indemnity letters to non-executive directors. European Centre for Medium range Weather Forecasts (ECMWF) has a lease with University of Reading. In the event the lease expires and ECMWF do not leave without alternative premises being offered by UK Government, the University of Reading could claim for costs arising out of the situation.

DSIT group – UK Space Agency: Under the UN Space Treaties (the Outer Space Treaty and the Convention on International Liability for Damage Caused by Space Objects (the 'Liability Convention')), the government is ultimately liable to pay compensation to third parties for damage caused by its space objects. For damage arising on the surface of the earth, or to an aircraft in flight the liability is absolute (which means that the claimant does not have to prove fault), whereas damage arising in space is a fault-based regime.

To manage the risk to the government, the Outer Space Act 1986 (which regulates spaceflight activities carried out by UK entities overseas) and the Space Industry Act 2018 (which regulates spaceflight activities in the UK) requires licensees to indemnify the government against any claims made by third parties against the government. The Space Industry Act also requires the licensee to indemnify claims made by third parties against the licensee with respect to damage arising in the UK. Limits of operator liability are to be included as licence conditions in all licences issued under both Acts.

The UK Space Agency and DSIT hold the contingent liability arising from satellite operations and procuring a launch under both the Space Industry Act and the Outer Space Act. In the event that a contingent liability crystallises, the UK Space Agency will in the first instance assess whether it can meet the level of claim. If this is not the case, it is expected that the department will fund this liability. The Department for Transport holds the contingent liability for launch activities taking place from the UK.

For satellite operations, an operator's limit of liability for licenses issued under either the Outer Space Act and the Space Industry Act is currently set at €60 million for standard missions licensed and can be increased for higher risk missions. For procuring a launch, the limit of liability is currently set at €60 million for launches taking place overseas and the limit of liability for the procurement of a UK launch will be set in licences at the same level as the limit of liability applying to the launch vehicle. There is a requirement on licensees to obtain third party liability insurance to the level of the limit of liability set out in the licence for the duration of the licensed activity, with the government a named beneficiary.

These requirements are currently under review as part of a wider review of insurance requirements and liability limits and the government launched a consultation on proposals to apply a new variable approach to setting operator limits of liability for satellite operations with a focus on the sustainability of the missions: https://www.gov.uk/government/consultations/consultation-on-orbital-liabilities-insurance-charging-and-space-sustainability.

The government is therefore exposed to a potential liability for third party costs which are not recoverable from the licensee. It is not possible to definitively quantify the extent of the contingent liability given the uncertainty around the nature and extent of any damage and that the risk of crystallisation is considered to be remote (less than 1%). For accounting purposes and to reflect the current limits of operator liability, a reasonable worst-case loss has been set at £1 million.

In conjunction with the contingent liabilities stemming from the Space Industry Act 2018 and the Outer Space Act 1986, a contingent liability relevant to the Crown Dependencies and Overseas Territories (CDOTs) also exists for historic and extant licences issued under the Outer Space Act 1986. This pertains to scenarios where the government has agreed to address any claims directed at a CDOT concerning licensed activities within that jurisdiction where a licence has either been issued through the Civil Aviation Authority or by the jurisdiction itself.

In the event that a claim is made against a licensee licensed through these jurisdictions, in the first instance the authorities of these jurisdictions must cover any losses in excess of the operator's limit of liability/insurance requirement, with the government covering any losses which cannot be accommodated by those authorities.

The government has stated in the letters of agreement and memorandum of understanding with a number of the jurisdictions that the government would not be seeking a level of contribution to any claim from these jurisdictions which would destabilise their economies.

This contingent liability is accounted for by UKSA on behalf of the government as per the arrangements above. The liability agreements between the government and each CDOT, managed through individual Outer Space Act extensions, letters of agreement and memorandums of understanding, is different for each CDOT. The UK Space Agency is actively collaborating with the CDOTs to ensure their regulatory frameworks and insurance provisions continue to effectively mitigate the risk of this contingent liability becoming a reality. As above, currently the liability remains unquantifiable, but a reasonable worst-case loss could be anticipated.

DSIT group – UKRI: UKRI collaborates with a number of other international partners in the funding, management and operation of technical facilities which are not owned by UKRI. In the event of a decision to withdraw from any of these arrangements, it is likely that UKRI would assist in the search for a replacement partner to ensure that technical commitments were met. The most significant international collaborations are in respect of European Organisation for Nuclear Research (CERN) and European Southern Observatory (ESO). For both of these facilities there is the possibility that UKRI would be obliged to contribute to decommissioning costs arising from a decision taken to discontinue operations. The decisions to decommission are not wholly within UKRI's control.

RECONCILIATION OF CONTINGENT LIABILITIES

This is not audited information.

The tables below set out a reconciliation of differences between contingent liabilities reported in the supply estimates and those reported in the annual report and accounts. Further detail on the contingent liabilities can found be in note 20. contingent liabilities on page 236 and in the Supplementary Estimates 2025–26.

Table: reconciliation of quantifiable contingent liabilities

Description	Amount in the supply estimate £'000	Amount in ARA £'000	Variance £'000
DSIT core department – BT guarantees	Not disclosed	£3,700,000	£3,700,000
UKRI – STFC share of Institut Laue-Langevin (ILL) unfunded provision for staff related costs and decommissioning on closure	£10,500	£9,700	£800 movement as a result of the costs changing in the year alongside foreign exchange movements.

Table: reconciliation of unquantifiable contingent liabilities

Description	Included in the supply estimates	Disclosed in ARA	Variance
Core			
DSIT core and group – claims from suppliers, employees and third parties.	Unquantifiable	Unquantifiable	No variance
Indemnities to directors of wholly owned subsidiaries	Unquantifiable	Unquantifiable	No variance
Intellectual Property – liabilities to European Patent Office under Article 40 of the European Patent Convention	Unquantifiable	Unquantifiable	No variance
Intellectual Property- liability to the World Intellectual Property Organisation under Article 57 of the Patent Cooperation Treaty	Unquantifiable	Unquantifiable	No variance
Indemnity to Public Appointment Assessors	Unquantifiable	Unquantifiable	No variance
Disposal of reactive sources at the Teddington site	Unquantifiable	Unquantifiable	No variance
EUMETNET – Met Office is indemnified to pay liabilities transferred to the individual member shareholders	Unquantifiable	Unquantifiable	No variance

Description	Included in the supply estimates	Disclosed in ARA	Variance
Legal costs	Not disclosed	Unquantifiable	Undisclosed in supply estimates
Ordnance Survey indemnities	Unquantifiable	Unquantifiable	No variance
BDUK Shared Rural Network	Unquantifiable	£9,000	£9,000
BDUK ERDF	Unquantifiable	£2,500	£2,500
DSIT group			
UKSA – liability for accidental damage arising from UK space activities	Unquantifiable	Unquantifiable	No variance
UKRI – decommissioning of CERN and ESO	Unquantifiable	Unquantifiable	No variance
UKRI – operations linked to global fiscal obligations	Not disclosed	Unquantifiable	Undisclosed in supply estimates
Harwell-guarantee to HSIC General Partner Ltd	Not disclosed	Unquantifiable	Undisclosed in supply estimates
European Centre for Medium range Weather Forecasts (ECMWF) lease with University of Reading	Not disclosed	Unquantifiable	Undisclosed in supply estimates

USE OF GOVERNMENT FUNCTIONAL STANDARDS

Refer to government functional standards on page 89 in the governance statement.

Emran Mian

Permanent Secretary and Principal Accounting Officer

3 July 2026

Audit report: The certificate and report of the Comptroller and Auditor General to the House of Commons

OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of the Department for Science, Innovation and Technology (The Department) and of its Departmental Group for the year ended 31 March 2026 under the Government Resources and Accounts Act 2000. The Department comprises the core Department and its agencies. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2025. The financial statements comprise: the Department's and the Departmental Group's:

- Consolidated Statement of Financial Position as at 31 March 2026
- Consolidated Statement of Comprehensive Net Expenditure, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Taxpayers' Equity for the year then ended; and
- The related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- Give a true and fair view of the state of the Department and the Departmental Group's affairs as at 31 March 2026 and their net expenditure for the year then ended; and
- Have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

OPINION ON REGULARITY

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2026 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

BASIS FOR OPINIONS

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

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

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

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

Framework of Authorities

Authorising legislation	Government Resources and Accounts Act 2000 Higher Education and Research Act 2017 Science and Technology Act 1965 European Union (Future Relationship) Act 2020 Space Industry Act 2018
Parliamentary authorities	Supply and Appropriations (Main Estimates) Act 2025
HM Treasury and related authorities	Managing Public Money

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

OVERVIEW OF MY AUDIT APPROACH

Key audit matters

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

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

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed in response to the presumed risk of management override of controls in the Department and its group, which I identified as a significant risk in accordance with the requirements of ISA (UK) 240 The Auditor's Responsibility Relating to Fraud in Financial Statements. My work has not identified any matters to report. I also have noted the disclosure of commitments within UK Research and Innovation (UKRI) to be a significant risk, but not a key audit matter as it does not rely on significant management judgement and the audit of this area does not have the greatest effect on my overall audit strategy or resource allocation.

The key audit matters were discussed with the Audit and Risk Committee; their report on matters that they considered to be significant to the financial statements is set out in highlights of reports by ARAC on page 84.

In this year's report the following changes to the key audit matters identified have been made compared to my prior year report:

- The Key Audit Matter I reported in the prior year in relation to UKRI Grant Profiling, Recognition and Regularity has been narrowed to focus only on regularity. I no longer considered grant profiling and recognition to be a significant risk due to the improvements to UKRI processes for assessing grants and the absence of errors in the prior year;
- I am reporting a new Key Audit Matter relating to UKRI's implementation of a new accounting system which is a new significant risk at the group level.

UKRI GRANT REGULARITY

Description of risk

Research grant expenditure is the most highly material expenditure stream within the Department's group accounts. As disclosed in note 3.3 to the financial statements, UKRI spent £8,687 million on research grants in 2025–26 (£9,201 million in 2024–25). Given the high level of grant funding paid out by UKRI to external organisations, any significant irregularity could have a potentially sizeable impact.

The grants are paid to a variety of sectors and types of organisations with a varied level of internal control environments, established governance and regulations. I judged that there was a significant risk that funding may not be spent and utilised for the purposes agreed within funding arrangements.

How the scope of my audit responded to the risk

To address the key audit matter, I performed the following procedures:

- I assessed the design and implementation of controls around grant regularity including updating my understanding and documentation of the end-to-end pre and post award process and controls across the key grant streams in UKRI that support grant regularity.
- Verified through my grant expenditure sample testing the occurrence of adequate pre and post award process against each of the grants selected for testing.
- Reviewed the expertise of Monitoring Service Provides – external experts that provide ongoing post award review of IUK grants – to provide assurance over the regularity of grant spend overseen by these individuals.
- Identified Funding Assurance visits conducted by UKRI during the year and evaluated their results.
- Obtained and reviewed management's assessment of the impact of fraud and error identified in year.

Key observations

I am content that no material irregularities have been identified.

VALUATION OF UKRI'S DEFINED BENEFIT PENSION SCHEME

Description of risk

The Departmental Group financial statements include assets and liabilities associated with the funded defined benefit pension scheme (the scheme) of the Medical Research Council, which is part of UKRI. The scheme is in a net surplus position of £956 million as at 31 March 2026 recognised as a net asset in the Statement of Financial Position (note 16). This surplus comprises the scheme's gross assets of £2.040 billion less the scheme's pension obligation liability of £1.084 billion.

The net pension surplus is a material balance and relies on valuations which are subject to high levels of estimation uncertainty. The scheme's asset portfolio comprises un-quoted or harder to value assets of £1.044 billion. Such assets principally comprise property investments and private equity investments made through pooled investment vehicles. These assets are not traded in an active market and so a greater degree of judgement is applied in their valuation. The pension obligation is derived from an actuarial valuation of the pension liabilities, which are based on significant assumptions subject to high levels of estimation uncertainty. Further detail about the scheme and its impact on the Department's financial statements, including sensitivity disclosures for key assumptions, can be found in note 16.

I judged that there was a significant risk in the valuation of the harder to value assets held by the scheme, as well as in the material assumptions used to derive the pension liability.

How the scope of my audit responded to the risk

I performed the following procedures:

- Updated my understanding of the internal control process and tested the design and implementation of these in relation to the pension assets and liabilities.
- For harder to value pension assets, I performed the following:
- For coterminous valuations, I performed a sample test of pension assets by obtaining up to date valuations from external fund managers and the comparable coterminous audited accounts of fund managers.
- For non-coterminous valuations, I performed a substantive analytical procedures and reviewed reasonableness of cash movements within the fund to 31 March 2026, reviewed (where relevant external reports are available) operating effectiveness of controls supporting valuations, and assessed reasonableness of fund manager valuations via comparison to non-coterminous audited accounts, trend analysis and comparison to industry benchmarks where available.
- I reviewed management's judgement around the recognition of a net pension asset on the balance sheet under IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction to confirm all surpluses are recognisable.
- Assessed the liability estimate by considering the independence and expertise of the Government Actuarial Department and the scope of the work it has performed. I also tested the actuarial roll forward from 31st December 2022, examined the financial and demographic assumptions used by the actuary, and benchmarked against suitable external market data and comparable NAO clients.

Key observations

In the course of completing this work, I did not identify any material misstatements in the valuation of the UKRI net defined benefit pension surplus.

UKRI – IMPLEMENTATION OF NEW ACCOUNTING SYSTEM

Description of risk

During 2025–26 UKRI implemented a new finance system which continues to be provided and serviced via the UK Shared Business Services (UKSBS). As the system is used to process financial transactions and prepare the financial statements, I am required, under the International Standard on Auditing (UK) 315, to assess the impact of this change relevant to financial reporting.

This is a major IT change, and I consider there to be an inherent risk to the financial statements arising from this new system implementation. Given that the major IT change is pervasive to the financial statements, there is a risk that any issues or errors in the capability of implementation of the new system may impact upon the accuracy, completeness and/ or classification of balances and transactions reported in the financial statements.

There is also a significant risk that the data migration may result in a full or partial loss of accounting records due to an inaccurate or incomplete transfer of data.

How the scope of my audit responded to the risk

I performed by the following procedures:

- Evaluated the design and implementation of controls surrounding the implementation of the new system and data migration using internal IT audit specialists.
- Reviewed UKRI's data migration reconciliations to confirm balances, transactions and other significant data had been transferred accurately and completely.
- Reconciled opening balances in the new system to audited closing balances from the prior year.
- Reviewed the account mapping and reconciled trial balances to the accounts.
- Reviewed the inter-council reporting process.

Key observations

In the course of completing this work, I did not identify any material misstatements in the migration of data into the new finance system, or any significant control deficiencies.

APPLICATION OF MATERIALITY

Materiality

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

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

	Departmental Group	Department Parent
Materiality	£240 million	£227 million
Basis for determining materiality	Approximately 1.5% of the gross Departmental group operating expenditure of £16,038 million.	Approximately 1.5% of the gross Department and Agencies operating expenditure of £15,168 million, capped at group materiality.

	Departmental Group	Department Parent
Rationale for the benchmark applied	Expenditure is the most significant financial statements element for the Departmental group, since its main objectives are delivered through expenditure on since, innovation and research initiatives, particularly through grants from UKRI. I have set this level of materiality with reference to my expectations that key users will have a high level of interest in the disclosures relating to expenditure.	Expenditure is the most significant financial statements element for the core department, since its main objectives are delivered through expenditure on science, innovation and research initiatives. I have set this level of materiality with reference to my expectations that key users will have a high level of interest in the disclosures relating to expenditure.

Performance Materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 75% of Group materiality for the 2025–26 audit (2024–25: 75%). As the Department is now in its third year of operation, I have set performance materiality at 75% given the absence of systematic errors being identified in the prior year audit.

Other Materiality Considerations

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

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

Error Reporting Threshold

I agreed with the Audit and Risk Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £1 million, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences reported to the Audit, Risk and Assurance Committee have increased net expenditure and decreased net assets by £2.651 million.

AUDIT SCOPE

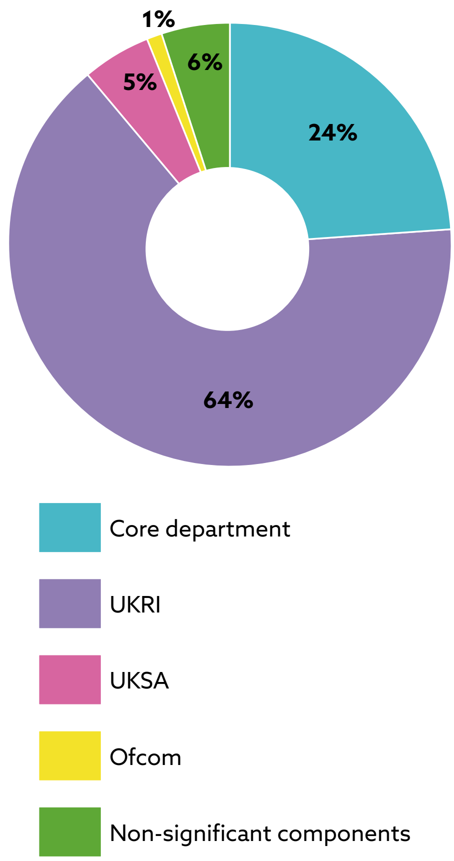
The scope of my Group audit was determined by obtaining an understanding of the Department and its Group's and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The Departmental group has total operating expenditure of £16.0 billion. The group's largest component, UK Research and Innovation (UKRI), is responsible for the majority of the research and innovation grant spend in 2025–26. I have also considered the UK Space Agency (UKSA) to be a material component in my audit of the departmental group, to ensure sufficient coverage of group expenditure, as this is the next largest component. UKSA's largest expenditure is on professional and international subscriptions; £603 million in 2025–26 (£370 million in 2024–25).

I have audited the full financial information of the core department, as well as the group consolidation. As the group auditor, I have gained assurance from the auditors of the components within scope of the group audit and engaged regularly on the group significant risks such as the regularity of grant expenditure and the balances related to the pension scheme.

I covered 94% of the group's gross expenditure and 83% of the group's gross assets through audit work on scoped in components. Together with my audit work on consolidation adjustments, for instance on accounting policy alignment of the valuation of Diamond Light Source property and plant assets, this work gave me the assurance I needed for my opinion on the group financial statements as a whole.

GROSS EXPENDITURE OF INDIVIDUAL COMPONENTS OF THE DEPARTMENTAL GROUP (AS AT 31 MARCH 2026)



OTHER INFORMATION

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

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

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

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

I have nothing to report in this regard.

OPINION ON OTHER MATTERS

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

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

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

MATTERS ON WHICH I REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Department and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- Adequate accounting records have not been kept by the Department and its Group 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 the Department and its Group from whom the auditor determines it necessary to obtain audit evidence;
- Ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- Preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- Preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- Assessing the Department and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Department and its Group will not continue to be provided in the future.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

- Considered the nature of the sector, control environment and operational performance including the design of the Department and its Group's accounting policies
- Inquired of management, the Department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Department and its Group's policies and procedures on:
- Identifying, evaluating and complying with laws and regulations;
- Detecting and responding to the risks of fraud; and
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Department and its Group's controls relating to the Department's compliance with the Government Resources and Accounts Act 2000, the Higher Education and Research Act 2017, the Science and Technology Act 1965, the European Union (Future Relationship) Act 2020, the Space Industry Act 2018, , the Supply and Appropriations Act and Managing Public Money.
- Inquired of management, the Department's head of internal audit and those charged with governance whether:
- They were aware of any instances of non-compliance with laws and regulations;
- They had knowledge of any actual, suspected, or alleged fraud,
- Discussed with the engagement team including relevant component audit teams regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Department and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions 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 the Department and Group's framework of authority and other legal and regulatory frameworks in which the Department and Group operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Department and its Group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, , the Higher Education and Research Act 2017, the Science and Technology Act 1965, The European Union (Future Relationship) Act 2020, the Space Industry Act 2018, the Supply and Appropriation (Main Estimates) Act 2025, Managing Public Money the Subsidy Control Act 2022 and relevant employment law and pension legislation.

I considered the risks of irregularity relating to research grants, where there is a risk that grant recipients may inappropriately submit grant claims. For instance, the underlying activity did not occur, or grant conditions were not complied with.

Audit response to identified risk
To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I addressed the risk of irregularity in grant expenditure in the Department by performing testing to ensure that spend was in line with Parliamentary authority and obtaining and assessing evidence of the necessary HM Treasury approval of grant expenditure under the Science and Technology Act.
- I addressed the risk of irregularity in grant expenditure at UKRI by reviewing the design and implementation of controls underpinning the pre and post award of grants and verifying through my sample test of grant expenditure the occurrence of adequate pre and post award processes. I also performed sample testing over the expertise of monitoring service providers engaged to oversee Innovate UK awards and assess the regularity of this grant stream. I performed sample testing on total award amounts to grant recipients by obtaining independent external confirmations from recipient organisations. Finally, I reviewed the annual UKRI

Funding Assurance Programme Report and evaluated findings to assess if there was any increase in risk around grant irregularity that would affect my audit response.

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

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

Other auditor's responsibilities

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

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
10 July 2026

Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

FINANCIAL STATEMENTS

Consolidated statement of comprehensive net expenditure for the year ended 31 Mar 2026

Table: consolidated statement of comprehensive net expenditure

	Note	2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024-25 Core dept & agencies £m	2024-25 DSIT group £m
Revenue from contracts with customers	4	(137)	(1,344)	(138)	(1,376)
Total operating income		**(137)**	**(1,344)**	**(138)**	**(1,376)**
Staff costs	2	421	1,428	315	1,251
Purchase of goods and services	3.1	3,386	4,279	2,871	3,784
Amortisation, depreciation and impairment charges	3.2	145	508	61	360
Provision and other liabilities expenses		5	11	-	16
Grants	3.3	11,215	9,839	11,003	10,312
Other operating expenditure		(4)	(27)	-	(18)
Total operating expenditure		**15,168**	**16,038**	**14,250**	**15,705**
Net operating expenditure		**15,031**	**14,694**	**14,112**	**14,329**
Finance income		(35)	(75)	(33)	(62)
Finance expense		26	(5)	8	(12)
Share of post-tax loss/(profits) of associates and joint ventures	10	65	90	128	76
Net expenditure for the year		**15,087**	**14,704**	**14,215**	**14,331**
Other comprehensive net expenditure					
Items which will not be reclassified to net operating expenditure					
Revaluation of property, plant and equipment		(7)	(73)	-	(15)
Revaluation of intangible assets		-	-	-	(11)
Revaluation of investments		(8)	(7)	11	22
Actuarial (gains)/losses		-	(17)	-	(50)
Items which may be reclassified to net operating expenditure					
Revaluation of derivatives		(111)	(131)	111	109

	Note	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Other revaluation movements		-	(22)	-	(85)
Total other comprehensive net expenditure		**(126)**	**(250)**	**122**	**(30)**
Comprehensive net expenditure for the year					
Comprehensive net expenditure for the year		**14,961**	**14,454**	**14,337**	**14,301**

Notes

- Core department and agencies comprise: the core department, Building Digital UK (BDUK) who were an executive agency until 31 October 2025 and part of the core department from 1 November 2025, and UK Space Agency (UKSA).
- All operations are continuing.
- Further analysis of staff costs can be found in staff costs on page 104 of the accountability report.
- The notes to the accounts starting on page 174 form part of these accounts.

Consolidated statement of financial position as at 31 Mar 2026

Table: consolidated statement of financial position

	Note	2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Non-current assets					
Property, plant and equipment	5	390	4,148	338	4,024
Right of use assets	6	56	323	66	291
Investment properties		3	52	(1)	48
Intangible assets	7	157	318	180	353
Investment and loans in public bodies	8	538	537	507	506
Other financial assets	9	21	613	41	604
Investment in joint ventures and associates	10	175	831	97	772
Trade and other receivables	11	217	249	351	368
Retirement benefit obligations	16	-	969	-	907
Derivative financial instruments	19	-	14	-	-
Total non-current assets		**1,557**	**8,054**	**1,579**	**7,873**
Current assets					
Trade and other receivables	11	659	1,605	317	1,345
Investments and loans in public bodies		45	45	40	40
Other financial assets	9	2	2	2	2
Cash and cash equivalents	12	1,564	2,405	1,669	2,304
Derivative financial instruments	19	-	2	-	-
Total current assets		**2,270**	**4,059**	**2,028**	**3,691**
Total assets		**3,827**	**12,113**	**3,607**	**11,564**
Current liabilities					
Trade payables and other liabilities	13	(2,717)	(4,186)	(2,980)	(4,667)
Lease liabilities	14	(8)	(19)	(6)	(16)
Provisions for liabilities and charges	15	(1)	(26)	-	(19)

	Note	2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024-25 Core dept & agencies £m	2024-25 DSIT group £m
Financial guarantees, loan commitment liabilities and re-insurance contracts		-	(8)	-	(3)
Derivative financial instruments	19	(19)	(19)	(66)	(71)
Total current liabilities		**(2,745)**	**(4,258)**	**(3,052)**	**(4,776)**
Non-current assets plus / less net current assets / liabilities		**1,082**	**7,855**	**555**	**6,788**
Non-current liabilities					
Trade payables and other liabilities	13	(55)	(162)	-	(115)
Lease liabilities	14	(45)	(159)	(49)	(125)
Provisions for liabilities and charges	15	(6)	(207)	(2)	(205)
Derivative financial instruments	19	(11)	(11)	(74)	(74)
Total non-current liabilities		**(117)**	**(539)**	**(125)**	**(519)**
Total assets less liabilities		**965**	**7,316**	**430**	**6,269**
Taxpayers' equity and other reserves					
General fund		938	3,964	525	3,121
Revaluation reserve		27	1,781	(95)	1,660
Pension reserve		-	969	-	868
Charitable funds		-	430	-	423
Non-controlling interests		-	172	-	197
Total equity		**965**	**7,316**	**430**	**6,269**

Notes

- Core department and agencies comprise: the core department, Building Digital UK (BDUK) who were an executive agency until 31 October 2025 and part of the core department from 1 November 2025, and UK Space Agency (UKSA).
- The notes to the accounts starting on page 174 form part of these accounts.

Emran Mian
Permanent Secretary and Principal Accounting Officer
3 July 2026

Consolidated statement of cash flows for the year ended 31 Mar 2026

The statement of cash flows shows the changes in cash and cash equivalents of the department during the reporting period. It shows how the department generates and uses cash and cash equivalents by classifying cashflows as operating, investing and financing activities. The amount of net cashflows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the departments' future public service delivery.

Table: consolidated statement of cash flows

	Note	2025–26 Core dept and agencies £m	2025–26 DSIT group £m	2024–25 Core dept and agencies £m	2024–25 DSIT group £m
Cash flows from operating activities					
Net operating cost		(15,087)	(14,704)	(14,215)	(14,331)
Adjustment for non-cash expenditure		236	578	755	414
(Increase)/decrease in trade and other receivables	11	(208)	(141)	243	142
Less movements in receivables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure		-	(1)	-	-
Increase/(decrease) in trade payables and other liabilities	13	(208)	(434)	758	892
Less movements in payables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure		102	105	(13)	(14)
Use of provisions	15	-	(2)	-	(1)
Interest on lease liabilities		3	6	2	5
Payments to retirement benefit obligations		-	(7)	-	(12)
Other cash flow adjustments		(1)	-	(1)	-
Net cash outflow from operating activities		**(15,163)**	**(14,600)**	**(12,471)**	**(12,905)**
Cash flows from investing activities					
Purchase of property, plant and equipment		(79)	(393)	(27)	(305)

	Note	2025–26 Core dept and agencies £m	2025–26 DSIT group £m	2024–25 Core dept and agencies £m	2024–25 DSIT group £m
Purchase of intangible assets		(75)	(80)	(66)	(83)
Proceeds of disposal of property, plant and equipment		-	-	-	1
Disposal of right-of-use assets		-	-	-	4
Repayments of loans and investments		44	111	40	232
Other investments and loans made		(76)	(167)	(62)	(245)
Investment in joint ventures and associates		(143)	(143)	-	-
Net cash outflow from investing activities		**(329)**	**(672)**	**(115)**	**(396)**
Cash flows from financing activities					
From Consolidated Fund (supply) – current year		15,364	15,364	13,318	13,318
Payment of lease liabilities		(7)	(21)	(9)	(22)
Grant-in-aid received from DSIT		-	-	(566)	-
Net financing		**15,357**	**15,343**	**12,743**	**13,296**
Net increase/(decrease) in cash and cash equivalents in the year before adjustment for receipts and payments to the Consolidated Fund		**(135)**	**71**	**157**	**(5)**
Receipts due to the Consolidated Fund which are outside the scope of the department's activities		404	404	599	599
Payments of amounts due to the Consolidated Fund		(373)	(373)	(599)	(599)
Payments of amounts due to the Consolidated Fund for prior year		(1)	(1)	(140)	(140)
Net increase/(decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the Consolidated Fund		**(105)**	**101**	**17**	**(145)**
Cash and cash equivalents opening balance		**1,669**	**2,304**	**1,652**	**2,449**
Cash and cash equivalents at the end of the year	**12**	**1,564**	**2,405**	**1,669**	**2,304**

Notes

The notes to the accounts starting on page 174 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 Mar 2026

Table: core department and agencies – statement of changes in taxpayers' equity

	Note	General fund(a) £m	Revaluation reserve(b) £m	Total taxpayers' equity £m
Balance at 1 Apr 2024		**1,595**	**31**	**1,626**
Net parliamentary funding – drawn down		13,318	-	**13,318**
Net parliamentary funding – deemed		1,520	-	**1,520**
Supply (payable)/receivable adjustment		(1,675)	-	**(1,675)**
Net expenditure for the year		(14,215)	-	**(14,215)**
Non-cash adjustments				
Auditors' remuneration	3.1	1	-	**1**
Movement in reserves				
Other Comprehensive Net Expenditure/Income for the year		-	(122)	**(122)**
Transfers between reserves		3	(4)	**(1)**
Other movements		(22)	-	**(22)**
Balance at 31 Mar 2025		**525**	**(95)**	**430**
Balance at 1 Apr 2025		**525**	**(95)**	**430**
Net parliamentary funding – drawn down		15,364	-	**15,364**
Net parliamentary funding – deemed		1,675	-	**1,675**
Supply (payable)/receivable adjustment		(1,533)	-	**(1,533)**
Net expenditure for the year		(15,087)	-	**(15,087)**
Non-cash adjustments				
Auditors' remuneration	3.1	1	-	**1**
Movement in reserves				
Other Comprehensive Net Expenditure/Income for the year		-	126	**126**
Transfers between reserves		4	(4)	**-**

	Note	General fund(a) £m	Revaluation reserve(b) £m	Total taxpayers' equity £m
Other movements		(11)	-	**(11)**
Balance at 31 Mar 2026		**938**	**27**	**965**

Notes

- (a) General fund: The general fund represents total assets less liabilities, to the extent that the total is not represented by other reserves and financing items for the department and its agencies and NDPBs.
- (b) Revaluation reserve: Reflects the unrealised element, net of tax, of the cumulative balance of gains/(losses) on revaluations of assets.

Table: group consolidated statement of changes in taxpayers' equity

	Note	General fund £m	Revaluation reserve £m	Total taxpayers' equity £m	Pension reserve £m	Charitable funds – unrestricted/ restricted £m	Non controlling interest £m	Total reserves £m
Balance at 1 Apr 2024		**4,240**	**1,763**	**6,003**	**818**	**424**	**153**	**7,398**
Net parliamentary funding – drawn down		13,318	-	**13,318**	-	-	-	**13,318**
Net parliamentary funding – deemed		1,520	-	**1,520**	-	-	-	**1,520**
Supply (payable)/receivable adjustment		(1,675)	-	**(1,675)**	-	-	-	**(1,675)**
Net expenditure for the year		(14,331)	-	**(14,331)**	-	-	-	**(14,331)**
Non-cash adjustments								
Auditors' remuneration	3.1	2	-	**2**	-	-	-	**2**
Movements in reserves								
Other Comprehensive net (expenditure)/income for the year		51	(21)	**30**	-	-	-	**30**
Transfers between reserves		43	(82)	**(39)**	-	(1)	44	**4**
Actuarial gain in the pension scheme		(50)	-	**(50)**	50	-	-	**-**
Other movements		3	-	**3**	-	-	-	**3**
Balance at 31 Mar 2025		**3,121**	**1,660**	**4,781**	**868**	**423**	**197**	**6,269**
Balance at 1 Apr 2025		**3,121**	**1,660**	**4,781**	**868**	**423**	**197**	**6,269**
Net parliamentary funding – drawn down		15,364	-	**15,364**	-	-	-	**15,364**

	Note	General fund £m	Revaluation reserve £m	Total taxpayers' equity £m	Pension reserve £m	Charitable funds – unrestricted/restricted £m	Non controlling interest £m	Total reserves £m
Net parliamentary funding – deemed		1,675	-	**1,675**	-	-	-	**1,675**
Supply (payable)/receivable adjustment		(1,533)	-	**(1,533)**	-	-	-	**(1,533)**
Income payable to the Consolidated Fund		3	-	**3**	-	-	-	**3**
Net expenditure for the year		(14,704)	-	**(14,704)**	-	-	-	**(14,704)**
Non-cash adjustments								
Auditors' remuneration	3.1	2	-	**2**	-	-	-	**2**
Movements in reserves								
Other comprehensive net (expenditure)/income for the year		17	233	**250**	-	-	-	**250**
Transfers between reserves		45	(112)	**(67)**	84	7	(24)	**-**
Actuarial gain in the pension scheme		(17)	-	**(17)**	17	-	-	**-**
Other movements		(9)	-	**(9)**	-	-	(1)	**(10)**
Balance at 31 Mar 2026		**3,964**	**1,781**	**5,745**	**969**	**430**	**172**	**7,316**

Notes

- The notes to the accounts starting on page 174 form part of these accounts.
- General fund: The general fund represents total assets less liabilities, to the extent that the total is not represented by other reserves and financing items for the department and its agencies and NDPBs.
- Revaluation reserve: Reflects the unrealised element, net of tax, of the cumulative balance of gains/(losses) on revaluations of assets.
- Pension reserve: This is a reserve used to cover pension-related transactions and obligations.
- Charitable funds – unrestricted/restricted: This is a legacy reserve created from historical transactions relating to NESTA charitable funds.
- Non-controlling interest: DSIT considers all ALBs presented in the GRAA for group consolidation, the non-controlling interest recognises that DSIT may not hold a 100% shareholding in select ALBs.

NOTES TO THE ACCOUNTS

1. Accounting policies

1.1 BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with IFRS as adapted and interpreted by the HM Treasury 2025–26 FREM and as set out in the accounts direction to the department pursuant to section 5(2) of the GRAA except as described at 1.2 below.

Where the FREM permits a choice of accounting policy, the policy selected is that judged to be most appropriate to the particular circumstances of the core department and its consolidated entities (the departmental group) for the purpose of giving a true and fair view. The policies adopted by the departmental group are described below; they have been applied consistently to items considered material to the accounts.

The Consolidated Statement of Financial Position (SOFP) shows significant net assets, and Annex A sets out DSIT's planned budget for 2026–27, in accordance with total expenditure plans in the published Spending Review 2025 document. DSIT has accordingly prepared these financial statements on a going concern basis, assuming that it will continue its operations for the foreseeable future.

1.2 ACCOUNTING CONVENTION

These financial statements have been prepared on an accruals basis under the historical cost convention, modified by the revaluation of property, plant and equipment, investment properties and financial instruments at fair value to the extent required or permitted under IFRS as set out in these accounting policies.

1.3 PRESENTATIONAL CURRENCY

The financial statements are presented in the functional currency of the departmental group, pounds sterling, as mandated by the FREM.

1.4 BASIS OF CONSOLIDATION

The departmental group accounts consolidate the balances of the core department and designated bodies listed in note 23, which fall within the departmental boundary as defined in the FREM and make up the departmental group, excluding transactions and balances between them.

Where the Office for National Statistics (ONS) designates a body retrospectively such that the body should have been designated for consolidation in a prior period, the accounts are voluntarily restated to reflect the position from the effective date of classification.

The consolidated bodies prepare accounts in accordance with either the FREM, the Charities' Statement of Recommended Practice (for charities), or IFRS applied in accordance with the provisions of the Companies Act 2006 (for limited companies). For those bodies that do not prepare accounts in accordance with the FREM, adjustments are made upon consolidation, if necessary, where differences would have a significant effect on the accounts.

The core department and its designated bodies are all domiciled in the UK.

1.5 MACHINERY OF GOVERNMENT CHANGES

In a written statement on 3rd June 2025, the prime minister announced that effective immediately, responsibility for government and public sector cyber-security would move from the Cabinet Office to DSIT. This meant that the Cyber Directorate transferred to DSIT.

The integration is accounted for as a transfer by merger, meaning that 2025–26 balances reflect the combined entity results as if the updated DSIT structure had always existed. However, DSIT have not restated 2024–25 accounting balances (although budgeting data has been restated). This is based on the immateriality of the Cyber Directorate 2024–25 balances to the group and in accordance with FREM guidance.

Following the Cabinet Office's review of ALBs across government, BDUK ceased to exist as an executive agency from 1st November 2025 and was transferred into DSIT Core to become a new directorate within the Digital Technologies and Infrastructure (DTI) Group.

Integrating BDUK ensures that its operational expertise is leveraged to help continue DSIT's transformation into a delivery-focused organisation, enabling more effective delivery of digital infrastructure and supporting the department's wider ambition to accelerate innovation and drive economic growth across the UK. It builds on the integration of other digital delivery bodies into DSIT, including the Government Digital Service (GDS).

The integration is accounted for as a transfer by merger, meaning the group accounts reflect results as if the updated DSIT structure had always existed. In practice, there is no difference in the presentation of 2024–25 and 2025–26 results as BDUK continue to be shown as part of core and agency figures.

Please see note 22 for further details of the machinery of government changes and BDUK results as at the executive agency closing date of 31 October 2025.

1.6 CHANGES IN ACCOUNTING POLICIES

Language in the policies on PPE and intangible assets have been updated to reflect revised FREM guidance. See sections 1.7, 1.14 and 1.15.

1.7 NEW ACCOUNTING STANDARDS ADOPTED IN THE YEAR AND FREM CHANGES

IFRS 17: IFRS 17 Insurance Contracts replaces IFRS 4 Insurance Contracts and was included in the FREM for mandatory implementation from 2025–26. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard.

IFRS 17 requires insurance contracts, including reinsurance contracts, to be recognised on the SOFP as the total of the fulfilment cashflows and the contractual service margin (CSM). The fulfilment cashflows consist of the present value of future cash flows calculated using best estimate assumptions with an explicit risk adjustment for non-financial risk.

The risk adjustment is released to the SOCNE as risk expires. The CSM is the unearned profit on insurance contracts and is released to the SOCNE over the insurance contract period as insurance services are provided. Where an insurance contract is onerous, it will have no CSM and the onerous element of the insurance contract will be recognised immediately in the SOCNE.

IFRS 17 had nil impact on taxpayers' equity at 31 March 2025 or 31 March 2026; or to comprehensive net expenditure for 2024–25 and 2025–26. This is driven by the absence of relevant contracts or commitments issued by the department that are within the scope of IFRS 17. An updated assessment will be performed at each year end to identify any contracts which fall within the scope of the standard.

FREM changes to asset valuation regimes: from 1 April 2025, HM Treasury changed the requirements in the FREM in respect of valuation of PPE and intangible assets.

For PPE, the distinction between specialised and non-specialised assets has been removed. Instead, all assets held for their operational capacity follow the same asset valuation regime, with alternative requirements for surplus assets and assets held for sale as outlined in the FREM.

The PPE valuation regime for operational assets has been simplified with fewer allowable valuation options. PPE must generally be revalued every 5 years, either with overall quinquennial valuations or a rolling programme of valuations, supplemented by annual indexation. Depreciated historic cost may continue to be used as a proxy for assets that have short useful lives or low values. An indexation only approach can also still be applied for non-property assets only.

Revaluations carried out prior to 2025–26 remain valid through the transition period e.g. 1 April 2025 through to the date the next revaluation is due for a given asset. During the transition period, the maximum period between revaluations must not exceed five years.

For intangible assets, the option to measure assets using the revaluation model is withdrawn. Instead, intangible assets should be measured at historic cost, with the carrying values at the transition date of 1 April 2025 deemed to be historic cost.

Sections 1.14 and 1.15 have been updated to reflect the revised FREM guidance. The impact of the changes is unlikely to be significant for the DSIT group.

1.8 APPLICABLE ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

IFRS 18 has been endorsed by the UK endorsement board in 2025–26. The purpose of this standard is to establish principles for the presentation and disclosure of information in the financial statements. HM Treasury have not yet determined when or how this will be interpreted and applied within FREM guidance for central government.

1.9 OPERATING INCOME

Operating income relates directly to the operating activities of the departmental group and includes the following types of income: fees charges and recharges to and from external customers and central government organisations, income from other government departments and the public sector, sales of goods and services, European Union funding, current and capital grants, and miscellaneous and other income. The key categories are income from contracts with customers, and grants.

Operating income from contracts with customers: income from contracts with customers, which includes all non-grant income, is allocated to performance obligations, on a stand-alone selling price basis, and is recognised when the related performance obligation is satisfied, either over time or at a point in time.

The performance obligations are typically satisfied upon delivery of goods and services in accordance with the contractually defined timescales. The payment terms for the invoices are typically 30 days. Where the departmental group receives consideration prior to the transfer of goods and services, the amount is recorded as contract liabilities. Where the departmental group has transferred goods and services to a customer and the right to consideration is conditioned on something other than the passage of time, the amount is recorded as contract assets.

The measurement of income takes account of significant financing components, variable consideration, and any discounts or rebates.

Operating income includes fees, charges and recharges, including for fees associated with UKRI managed programmes. Further details are provided in Note 4 Operating income.

Grant income: grant income, including European funding, is recognised when there is reasonable assurance that there are no conditions attached, or that any such conditions have been complied with and there is reasonable assurance the grant will be received.

Grant income receivable and funding for collaborative projects are recognised as income over the period in which the related costs are recognised for which the grant or funding is intended to compensate in accordance with IAS 20.

1.10 STAFF COSTS

Staff costs are recognised as expenses when the departmental group becomes obligated to pay them, including the cost of any untaken leave entitlement.

1.11 GRANTS PAYABLE

Grants payable are recognised when the grant recipient has performed the activity that creates an entitlement to the grant under the terms of the scheme and includes estimates for claims not yet received.

Where an intermediary acts as agent in distributing grant on behalf of the department, grants payable are recognised when the grant recipient becomes entitled to the grant.

Research grants, fellowships and studentships: research grants and fellowships are paid on an instalment basis in accordance with an agreed payment profile. Grant payments made in advance or in arrears are accounted for on a prepayments or accruals basis in the financial statements. Where the grant documentation does not specify a pre-agreed payment profile or other matching considerations, obligations are recognised in full. Studentship payments are paid on a quarterly instalment basis in advance or arrears directly to the research institute.

Where the profile indicates that an unclaimed and/or unpaid amount exists at the SOFP date, such sums are accrued in the financial statements. Where the profile indicates a payment of grant that is yet to be utilised by the recipient, a prepayment is recognised.

Research England grants: most grants are paid on an agreed profile, as a contribution to research costs within institutions. The profiles are periodically updated throughout the academic year, and as such no financial year-end accruals are expected for these streams of expenditure. For Research England grants, such as the Strength in Places Fund, which fund agreed and specified eligible activity, expenditure is recognised in the period in which eligible activity creates an entitlement in line with the terms and conditions of the grant. Future commitments at the SOFP date are disclosed in Note 17.

1.12 TAXATION

The core department and its agencies are exempt from corporation tax by way of Crown exemption. Some consolidated bodies are subject to corporation tax on taxable profits.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to HM Revenue and Customs, based on tax rates and laws that are enacted or substantively enacted by the reporting date.

Value-added tax (VAT) is accounted for in the accounts, in that the amounts are shown net of VAT except for irrecoverable VAT, which is aggregated with the cost of purchased items.

1.13 FOREIGN CURRENCY

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange on the date of each transaction.

In preparing the financial statements, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the reporting date. All translation differences of monetary assets and liabilities are included in net expenditure for the year. Values are rounded to the nearest million pounds (£m) unless the FREM requires a lower threshold.

1.14 PROPERTY, PLANT AND EQUIPMENT (PPE)

Assets are capitalised as PPE if they are intended for use on a continuing basis and their original carrying value, on an individual or asset pool basis, exceeds the relevant capitalisation threshold which ranges from £500 to £25,000 across the departmental group.

Valuation of PPE: PPE is carried at either current value in existing use or fair value, except for assets under construction which are held at cost. Assets which are held for their operational capacity (i.e. operational assets) and which are in use are measured at current value in existing use.

In accordance with the FREM, assets that have short useful lives or are of low value are carried at depreciated historical cost less impairment as a proxy for current value in existing use or fair value.

Revaluation of PPE: any accumulated depreciation at the date of revaluation is eliminated and the resulting net book value restated to equal the revalued amount. Any revaluation increase arising is credited to the revaluation reserve except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to net expenditure for the year to the extent of the decrease previously charged.

A decrease in carrying amount arising on revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

On derecognition, any revaluation surplus remaining in the revaluation reserve attributable to the asset is transferred directly to the general fund.

Land, buildings, Polar research stations, ships and aircraft are professionally revalued every five years and in the intervening period relevant indices are used. Indexation is not applied to assets under construction. See note 5 for further details.

Estimated useful lives: PPE assets are depreciated to estimated residual values. This is done on a straight-line basis over their estimated useful lives, given in the table below. Residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. Freehold and long leasehold land are not depreciated. Assets under construction are not depreciated until available for use as intended by management.

Table: PPE useful life for depreciation

PPE asset category	Estimated useful life
Freehold buildings	10 – 60 years
Leasehold improvements	Shorter of remaining useful life or outstanding term of lease
Computer equipment	2 – 20 years
Plant and machinery	3 – 50 years
Office machinery (included in plant and machinery), furniture, fixtures and fittings	2 – 11 years
Transport equipment	2 – 50 years

1.15 INTANGIBLE NON-CURRENT ASSETS

Intangible non-current assets are capitalised if they are intended for use on a continuing basis and their original carrying value, on an individual or asset pool basis, exceeds the relevant capitalisation threshold, which ranges from £500 to £25,000 across the departmental group.

The departmental group's intangible non-current assets are held at historical cost less any accumulated amortisation and impairment losses. Historical cost is deemed to be the cost at 1 April 2025 for assets previously measured under the revaluation approach, in accordance with the FREM. Amortisation is performed on a straight-line basis.

Table: intangible asset useful life for amortisation

Intangible asset category	Estimated useful life
Software licences	3 – 15 years
Internally developed software	Up to 10 years
Website development costs	2 – 5 years
Patents, licences and royalties	7 – 15 years
Assets under construction	Not amortised until available for use as intended by management

1.16 IMPAIRMENT OF PPE AND INTANGIBLE NON-CURRENT ASSETS

The departmental group reviews carrying amounts at each reporting date. If an indicator for impairment occurs, then the recoverable amount of the asset (the higher of fair value less costs to sell and value in use) is estimated and an impairment loss recognised to the extent that it is lower than the carrying amount.

Losses arising from a clear consumption of economic benefit are charged to net expenditure for the year.

Losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve, to the extent that a revaluation reserve exists for the impaired asset; otherwise, to net expenditure for the year.

1.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and other short term highly liquid investments which are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and have an original maturity of three months or less. Any bank overdraft amounts are included within trade payables and other liabilities.

1.18 LEASES

Interpretations and adaptations: the group applies IFRS 16 as adapted and interpreted for the public sector by the FREM. Please refer to the FREM for details of the adaptations and interpretations.

Initial measurement of right-of-use assets: the group measures the right-of-use asset at cost. This comprises the initial measurement of the lease liability, adjusted for any prior lease payments made, lease incentives received, initial direct costs incurred and estimated costs for removing and dismantling the asset and restoring the site, in accordance with lease terms and conditions.

Subsequent measurement of right-of-use assets: right-of-use assets are subsequently measured in line with the class of PPE asset to which the lease relates. The cost model for IFRS 16 is used as a proxy for valuation except where:

- A longer-term contract has no provisions to assess lease payments for market conditions
- There is a significant period of time between these assessments
- The valuation of the underlying asset is likely to fluctuate significantly due to changes in market prices.

Depreciation of right-of-use assets: right-of-use assets are depreciated on a straight-line basis from commencement date to the earlier of the end of the asset's useful life or its lease term.

Impairment of right-of-use assets: The departmental group applies IAS 36 'Impairment of Assets' to determine whether a right-of-use asset is impaired and to account for any impairment loss identified.

Initial measurement of lease liabilities: at the commencement date, the departmental group measures the lease liability at the present value of the lease payments that are not paid at that date. This includes fixed payments (adjusted for any lease incentives received), variable lease payments which depend on an index or rate, and amounts expected to be payable under a residual value guarantee. It also includes the exercise price of any purchase options the group is reasonably certain to exercise, along with payment of lease termination penalties where the group is reasonably certain to terminate the lease and this is reflected in the lease term recognised.

Lease payments are discounted using the HM Treasury discount rate, except in cases where the interest rate implicit in the lease can be readily determined (in which case this is used) or cases where another discount rate is judged to more accurately represent the interest rate.

The HM Treasury discount rate is:

- 4.81% for leases that commence or are remeasured between 1 January 2025 to 31 December 2025
- 5.32% between 1 January 2026 and 31 March 2026

Subsequent measurement of lease liabilities: the lease liability is remeasured to reflect changes to the lease payments. The departmental group remeasures the lease liability by discounting the revised lease payments using a revised discount rate if there is a change in the lease term, our assessment of an option to purchase the underlying asset, amounts expected to be payable under a residual value guarantee, or future lease payments resulting from a change in the index or rate used to determine these.

The amount of remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset, or in the SOCNE where there is a downward remeasurement to a right of use asset valued at £nil.

1.19 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Subsidiaries and public sector joint ventures are consolidated where designated within the departmental group boundary (note 23).

Those subsidiaries, joint ventures and associates that are outside of the departmental group boundary are measured in accordance with IFRS 9 'Financial Instruments' or IAS 28 'Investments in Associates and Joint Ventures' as relevant.

The financial asset is recognised when the departmental group becomes party to the contractual provisions of the instrument. Equity investments in associates or joint ventures outside the public sector are initially recorded at cost post-acquisition plus the department's share of net assets and subsequently adjusted to reflect the departmental group's share of net profit or loss and other comprehensive income of the associate or joint venture.

Additional shares acquired in an existing associate without a change in significant influence are accounted for by recognising the cost as an addition to the carrying value of the associate.

In line with IAS 28, an impairment assessment is also performed at year end to determine if there is objective evidence that a loss event has occurred. Any impairments will reduce the carrying amount of the net investment and be recognised as an impairment cost in the SOCNE occurred.

1.20 FINANCIAL INSTRUMENTS

Financial assets and liabilities are measured initially at fair value plus transaction costs, unless measured at fair value through profit or loss in which case transaction costs are charged to net expenditure for the year. Fair value is determined by reference to quoted prices where an active market exists for the instrument; otherwise, it is determined using generally accepted valuation techniques including discounted estimated cashflows.

Classification and measurement of financial assets: the classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cashflow characteristics. Derivatives embedded in contracts where the host is a financial asset in scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Financial assets held at Amortised Cost: these are financial assets whose contractual cashflows are solely payments of principal and interest and the objective of the business model is to hold financial assets to collect contractual cashflows only. They are initially recognised at fair value and thereafter at amortised cost using the effective interest method less any impairment. These mainly comprise: cash and cash equivalents, trade receivables (arising from a contractual arrangement) and loans to public sector bodies, including the core department's loans to the Met Office.

Financial assets held at Fair Value Through Other Comprehensive Income (FVOCI): after initial recognition, these assets are subsequently measured at fair value. Gains and losses in fair value are recognised directly in equity. On derecognition, the cumulative gain or loss previously recognised in equity is recognised in net expenditure for the year for debt instruments and transferred to general fund for equity instruments.

These comprise of equity investments in public sector companies that are neither held for trading nor contingent consideration recognised in a business combination, as the departmental group made an irrevocable election at initial recognition.

Financial assets held at Fair Value through Profit or Loss (FVPL): all financial assets which do not meet the criteria for classification to be recognised and measured at amortised cost or FVOCI are recognised and measured at Fair Value Through Profit or Loss (FVPL). Transaction costs and any subsequent movements in the valuation of the asset are recognised in net expenditure for the year. These comprise mainly of private sector shares and investment funds.

Impairment of financial assets: financial assets, other than equity instruments and those at FVPL, are assessed for impairment at each reporting date using the expected credit loss (ECL) model. The three-stage model based on the level of credit risk is applied to any financial assets other than long term trade receivables, contract assets which do not contain a significant financing component and lease receivables within the scope of IFRS 16 'Leases'. Balances with other core central government departments (including their executive agencies), the Government's Exchequer Funds, the Bank of England, and the Government Banking Service are also excluded from recognising stage 1 and stage 2 impairments. Otherwise, the model applies as follows:

- For financial assets with low credit risk or assets that have not had a significant increase in credit risk since initial recognition, 12-month ECL are recognised and interest revenue is calculated on the gross carrying amount of the asset without the reduction of credit allowance.
- For financial assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment, lifetime ECL are recognised, and interest revenue is calculated on the gross carrying amount of the asset.
- For financial assets that have objective evidence of impairment at the reporting date, lifetime ECL are recognised, and interest revenue is calculated on the net carrying amount net of credit allowance.

Impairment gains or losses, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with the standard, are recognised in profit or loss.

For long-term trade receivables, contract assets which do not contain a significant financing component and lease receivables within the scope of IFRS 16 'Leases', the simplified approach is applied and lifetime ECL are recognised as dictated by the FREM.

The impairment methodology is detailed in the financial instruments note 18.

Derecognition of financial assets: financial assets are derecognised when the rights to receive future cashflows have expired or are transferred and the risks and rewards of ownership have been substantially transferred.

Classification and measurement of financial liabilities: the departmental group's financial liabilities excluding derivatives and some financial guarantees are initially recognised at fair value including directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, except for:

Financial liabilities at fair value through profit or loss, which is applied to derivatives and other financial liabilities designated as such at initial recognition.

Financial liabilities arising from the transfer of financial assets which do not qualify for derecognition and financial guarantee contracts and loan commitments whereby a financial liability is recognised for the consideration received for the transfer.

Derecognition of financial liabilities: financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Derivative financial instruments: these are treated in accordance with note 1.21 below.

1.21 HEDGE ACCOUNTING UNDER IFRS 9 FINANCIAL INSTRUMENTS

Derivative financial instruments comprise forward exchange contracts held to hedge the departmental group's exposure to foreign currency risk. They are designated as cash flow hedges. The effective portion of change in the fair value is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the SOCNE. Amounts accumulated in equity are recycled to the SOCNE in the periods when the hedged item affects the SOCNE.

Financial instruments held to hedge foreign currency risk exposures are designated as cash flow hedges if the criteria for applying cash flow hedge accounting under IFRS 9 are met. If the criteria are not met, such as when a forecast transaction is no longer expected to occur, the forward contract is accounted for as a financial instrument held for trading purposes and any cumulative gain or loss that was reported in taxpayer's equity is immediately transferred to the SOCNE.

The departmental group does not hold or issue derivative financial instruments for trading purposes.

1.22 PENSIONS

Funded defined-benefit pension schemes: the departmental group has three funded defined-benefit pension schemes, the Medical Research Council pension scheme and two for Ofcom.

The net assets/liabilities recognised in the SOFP for funded defined benefit schemes are calculated by independent actuaries by deducting the fair value of scheme assets from the present value of defined benefit obligations (estimated using the projected unit credit method, less any amounts receivable from third parties). Where the scheme is in surplus, the asset recognised in these statements is limited to the present value of benefits available from future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements. Actuarial gains and losses are recognised as other comprehensive net income and expenditure.

Unfunded defined benefit pension schemes: the departmental group contributes towards a number of unfunded defined benefit pension schemes of which employees are members: these include the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS). The participating employers in these schemes are unable to identify their share of the underlying net liability; as such these schemes are accounted for as defined contribution pension schemes, with employers' contributions charged to the SOCNE in the period to which they relate. Further information regarding PCSPS and CSOPS is presented in the staff report.

Defined contribution pension schemes: contributions are charged to the SOCNE when they become payable. The departmental group has no further liabilities in respect of benefits to be paid to members.

More information about the departmental group's pension schemes can be found in; the accounts of the consolidated entities, note 2 and the staff and remuneration reports for the core department, and note 16 for the groups' three funded defined-benefit pension schemes.

1.23 PROVISIONS

A provision is recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation (legal or constructive) that can be reliably measured, and which results from a past event. Where the time value of money is material, the provision is measured at present value using discount rates prescribed by HM Treasury except in the case of UKRI's Institut Laue-Langevin (ILL) decommissioning provision, where an alternative rate is calculated in accordance with the relevant international treaty (see the significant judgements section for more information on UKRI decommissioning provisions). HM Treasury issues nominal rates that do not take account of inflation, unlike real rates. Using these nominal rates, the cashflows are inflated using the inflation rates provided by HM Treasury except where a more appropriate forecast has been identified for specific provisions. Please refer to note 15 'Provisions for liabilities and charges' for a table of discount rates used for 2025–26 and 2024–25.

1.24 CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities: where an outflow of economic benefits from a past event is possible but not probable, the departmental group discloses a contingent liability. In addition to contingent liabilities disclosed in these financial statements in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote are disclosed in the accountability report for parliamentary reporting and accountability purposes. Remote contingent liabilities reported in the accountability report are stated at the amounts reported to Parliament.

Contingent assets: where an inflow of economic benefits from a past event is probable, the departmental group discloses a contingent asset.

Estimates of the financial effects are disclosed where practicable; where the time value of money is material, contingent liabilities and assets are stated at discounted amounts and the amount reported to Parliament separately noted.

1.25 THIRD PARTY ASSETS

The departmental group holds certain cash balances belonging to third parties as custodian or trustee. These balances are not recognised in the financial statements since neither the departmental group nor government more generally has a direct beneficial interest in them.

1.26 SIGNIFICANT JUDGEMENTS

Core department

Investments in associates (shareholding in Eutelsat): In the absence of specific guidance in IAS 28 for additional investment that does not result in a change in ownership, the Department has concluded that the subscription amount paid to maintain its shareholding in Eutelsat should be recognised within the carrying amount of the associate. Further information regarding the departments investment in Eutelsat can be found in the investments in joint ventures and associates note.

Horizon and Copernicus programmes (note 17): the department made contribution payments for the Horizon and Copernicus programmes during 2025–26 and several judgements have been made around the accounting treatment for these costs. These are consistent with judgements made in 2024–25. Further details on the values of Horizon and Copernicus contributions in the year can be found in the operating expenditure, purchase of goods and services note.

The contributions that the department pays through our associate membership are providing UK entities with the right to participate in these programmes and the benefits to the UK research sector will accrue over the lifetime of participation. We have therefore concluded that the department's obligation to these programmes accrue over the life of the programmes, as opposed to recognising the total cost at its commencement.

Both the participation fee and operational contribution for each annual work programme will be accounted for by accruing the annual cost evenly over the calendar year and recognising corresponding accruals or prepayments on the SOFP, depending on the timing of payments. The annual cost is determined by the annual charge issued by the European Commission.

An estimate of the future commitments payable under both programmes has been disclosed within the Other Financial Commitments note (note 17).

Group

Grants

Grant accruals and prepayments within UKRI (note 13): financial statements include a grant accrual for each project (including fellowships, studentships and grants) where it has been determined that there is an unclaimed amount at the year-end that is due to participants. UKRI grant accruals for the year are shown in the trade payables and other liabilities note.

Given the nature of this estimate and the history of recipients not spending, and therefore not being reimbursed for, their full entitlement, an expected future underspend percentage is calculated based on historic data of underspend against payment profile and applied to the year-end balance.

Innovate UK grant accruals (note 13): the grant accrual is based on participants' forecast of expenditure submitted with their latest claim. For a number of large non-core projects, the Knowledge Transfer Network (KTN) and Catapult Centres, Innovate UK (IUK) contacts the participants directly to obtain further information and assurances on claims due at the year-end date. For those grants that are based on procurements, IUK confirms the accruals based on purchase orders raised for the period. Innovate grant accruals for the year are shown in the trade payables and other liabilities note.

The major sources of uncertainty in the estimate relate to the profiling of incurring and defraying the project costs that create the entitlement to the grant, and the amount of the grant not utilised at the end of the project. The projects funded by IUK are typically collaborations between private businesses and academia; this aspect introduces a degree of interdependency between project partners that may impact on the timing of individual work packages. In addition, projects are typically two to five years long, which permits a degree of flexibility for grant recipients in the scheduling of their project activity. These projects seek to develop new technology-based products and services for future markets and, as such, are inherently uncertain in terms of their success and, related to this, the project duration and activity costs ultimately incurred.

Recognition of research grants and fellowships expenditure and payment profiles within UKRI: UKRI judges that there is an alignment between the payment profile, the underlying activity it supports, and costs incurred by grant recipients. UKRI makes this judgement because the majority of costs incurred by grant recipients are similarly linear (for example, direct costs of employing a researcher and overheads associated with a grant), and therefore sufficiently aligned with the payment profile of the grant, such that it is the most reasonable and appropriate basis for recognising expenditure.

Based on detailed analysis of the full UKRI Research and Fellowship Grants portfolio, it has been established that any non-standard profiled grants following a more variable profile during the life of a project, e.g. due to specified milestones within the approved grant agreement, are limited to less than 5.3% of total UKRI grant expenditure. It remains in line with historic sampling results which consistently show this average for these research council grant types within the overall portfolio year-on-year.

The current grant profiling policy output represents a true and fair reflection of the economic activity being undertaken, as supported by the update of grant activities through ongoing submissions from research organisations, in line with UKRI terms and conditions. This results in the reprofiling of grants on system, ensuring that expenditure is captured as incurred and recognised in the appropriate accounting period.

Provisions

Decommissioning provisions within UKRI (note 15): calculation of the decommissioning provision for scientific facilities uses assumptions and estimates to forecast the cost of work to be undertaken, based on the latest decommissioning plans, technology and any legal requirement. Internal experts provide a profiled estimate of the current cost of the work to be undertaken which is then translated into a provision using discount and inflation rates provided by HMT. The estimates and assumptions are reviewed annually, and any future changes could significantly change the provision.

UKRI has recognised a decommissioning provision of £23.1 million for the ISIS facility at RAL. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site, radioactive waste disposal and clean-up costs and the expected timing of those costs. ISIS is forecast to be decommissioned over 60 years, commencing in approximately 2045–46. The decommissioning costs are estimated to total £296 million at current prices with HMT inflation rates applied. The decommissioning provision for ISIS is sensitive to changes in inflation/discount rates that are provided by HMT. This year the long-term discount rate (11–40 years) increased from 4.81% to 5.32%, and the very-long-term rate (> 40 years) increased from 4.55% to 5.07%, the inflation rate staying the same at 2%. A 1% increase/decrease in the discount rate would decrease/increase the provision by between £6m and £10m. The start of decommissioning has moved from 2040 to 2045 and extended by 5 years.

UKRI has recognised a provision of £120.2 million for its share of the decommissioning costs of the ILL; this has been taken to be its share of the ILL decommissioning provision recognised in the ILL latest accounts. The calculation by the ILL assumes that the ILL will shut down in 2030 and decommissioning will be completed in 2057. The main sources of uncertainty are associated with future developments in waste processing and site rehabilitation technology, and with nuclear and conventional safety constraints and environmental requirements. The value of UKRI's provision will also be affected by the EUR to GBP exchange rate.

Pensions

Funded pension scheme (note 16): the determination of the pension cost and defined benefit obligation (liabilities) of the Medical Research Council and Ofcom Pension Schemes depends on the selection of certain assumptions, which include the discount rate, inflation rate, salary growth, mortality rates and expected rate of return. The pension assets include property investments and unquoted equity investments, which are estimates based on fund manager valuation reports, and valued by the expert valuation reports as at 31 March 2026. The net pension asset for the funded pension schemes consolidated in the group accounts is £969 million at 31 March 2026. See note 16 for further details.

Loans

UKRI innovation loans (note 9): The measurement of the expected credit loss under IFRS 9 for UKRI's innovation loans made to UK small or medium- sized enterprises is an accounting estimate.

In assessing the expected credit loss provision which management believes is required, the most critical accounting judgements are:

- the approach to applying the staging requirements – identifying significant increases in credit risk and identifying credit impaired loans and the definition of default
- the basis of forward-looking information and multiple economic scenarios and the application of weightings of expected credit loss models for the sensitivity of systemic risk factors

In assessing the fair values of innovation loans, management believes the most critical accounting judgements are:

- the approach of calculating a fair value at origination of an innovation loan including discount rate
- the approach to calculating a fair value at the reporting date for loans classified as FVTPL

2. Staff costs

Table: staff costs

	2025-26 Permanent employed staff	2025-26 Others	2025-26 Total	2024-25 Total
	£m	£m	£m	£m
Wages and salaries	923	152	**1,075**	946
Social security costs	133	1	**134**	99
Other pension costs	220	-	**220**	207
Sub total	**1,276**	**153**	**1,429**	**1,252**
Less recoveries in respect of outward secondments	(1)	-	**(1)**	(1)
Total net costs	**1,275**	**153**	**1,428**	**1,251**
Of the total: Core dept and agencies	328	93	**421**	315
Of the total: NDPBs and other designated bodies	947	60	**1,007**	936
Total net costs	**1,275**	**153**	**1,428**	**1,251**

Notes

For further information on staff costs and numbers, see the staff report on page 97

3. Operating expenditure

3.1 PURCHASE OF GOODS AND SERVICES

Table: purchase of goods and services

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Accommodation and office equipment costs	27	190	49	208
Legal, professional and consultancy costs	161	250	139	238
Finance, HR, IT and support costs	116	267	129	234
Travel and subsistence costs	9	39	8	38
Advertising and publicity	3	21	3	22
International subscriptions	603	900	370	732
Donations	-	21	-	35
Purchase of geographical and scientific equipment	171	219	118	161
Purchase of weather information and weather related services	177	177	168	168
Public Sector Geospatial Agreement	144	144	138	136
Horizon Europe and Copernicus programmes	1,883	1,883	1,635	1,593
Payment of taxes and levies	-	(1)	-	22
Other purchase of goods and services cost	92	169	114	197
Total	**3,386**	**4,279**	**2,871**	**3,784**

Core department: included in the 'Horizon Europe and Copernicus programmes' heading is £1,753 million (2024–25: £1,510 million) relating to the department's participation in the Horizon Europe programme and £130 million (2024–25: £125 million) for our participation in the Copernicus programme.

DSIT group: international subscriptions include £602 million (2024–25: £370 million) paid to the European Space Agency by UKSA. Commitments to ESA to deliver international space programmes are agreed at Council of Ministers (CMIN) meetings held every two to four years, with additional funding agreed at CMIN 2025. This investment secured UK involvement in international space missions and the development of new technologies.

They also include £295 million (2024–25: £319 million) for international subscriptions held by UKRI.

Table: audit fees

	2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024-25 Core dept & agencies £m	2024-25 DSIT group £m
NAO audit fees	1	2	1	2
Total audit fees	**1**	**2**	**1**	**2**

Core department: the core department and agencies balance includes £595,000 (2024–25: £577,000) relating to statutory NAO audit fees for the DSIT accounts.

DSIT group: the largest costs related to statutory fees for NAO audit work at £2,005,200 (2024–25: £2,020,500).

3.2 AMORTISATION, DEPRECIATION AND IMPAIRMENT

Table: amortisation, depreciation and impairment

	Note	2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024-25 Core dept & agencies £m	2024-25 DSIT group £m
Depreciation		43	292	40	287
Amortisation		99	136	20	46
Impairment of property, plant and equipment		2	64	-	-
Impairment of investments and remeasurement of expected credit losses		1	16	1	27
Total		**145**	**508**	**61**	**360**

DSIT group: the majority of the £292 million group depreciation figure (2024–25: £287 million) relates to research councils within the UKRI group (Science and Technology Facilities Council and Natural Environment Research Council), and Diamond Light Source (DLS).

3.3 GRANTS EXPENDITURE

Table: grants expenditure

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Grant in Aid	**9,998**	**-**	**9,753**	**-**
Science and Research, of which:	**713**	**9,334**	**890**	**9,953**
Research England	-	2,644	-	2,836
Innovate UK	-	1,526	-	2,020
Engineering and Physical Sciences Research Council	-	1,704	-	1,629
Medical Research Council	-	1,053	-	890
Biotechnology and Biological Sciences Research Council	-	539	-	525
Science and Technology Facilities Council	-	420	-	527
Natural Environment Research Council	-	338	-	335
Economic and Social Research Council	-	283	-	276
Arts and Humanities Research Council	-	181	-	163
Other science and research	713	646	890	752
Innovation Programmes, of which:	**485**	**490**	**332**	**338**
BDUK capital grants	465	465	269	269
Other innovation programmes	20	25	63	69
Other grants	**19**	**15**	**28**	**21**
Total	**11,215**	**9,839**	**11,003**	**10,312**

Core department: in 2025–26, included within the "science and research" heading is:

- £120 million (2024–25: £120 million) of grant funding provided directly to the Research Councils Pension Scheme (RCPS). These grant payments are classified as current grant expenditure rather than grant-in-aid as RCPS is not an ALB of DSIT and they are not consolidated into the DSIT group accounts.
- £113 million (2024–25: £112 million) of core grant funding provided to the Royal Society.
- £101 million (2024–25: £101 million) of grant funding provided to the Met Office to deliver the Supercomputing 2020+ programme.

Grant in aid is paid to the following DSIT ALBs:

- Advanced Research and Invention Agency
- Information Commissioners Office
- British Technology Investments Ltd
- UK Research and Innovation

The majority of the increase in grant in aid from the prior year is due to UKRI, whose grant in aid has increased from £9,688 million in 2024–25 to £9,842 million in 2025–26.

DSIT group: science and research grants provided by UKRI relate to funding and support across a wide range of academic disciplines and industrial areas and they are mainly paid to eligible research organisations in the UK. A breakdown of the UKRI grants paid by each research council is in the table above.

Science and research grant expenditure has decreased by £619 million. This is mainly due to business units in the UKRI group. Most of IUK's reduced spend of £494 million falls under the following programmes: Core Innovation (Co-funding Manufacturing, Materials & Mobility); DfT Zero emission HGV technologies; Other R&D (Technologies Mission Fund – AI and Accelerating Detection of Disease Challenge); and Net Zero Innovation Portfolio Low Cost Nuclear. The other significant contributors to the decrease in science and research grants are STFC (a reduction of £107 million) and Research England (a reduction of £192 million), mainly due to: Non-Core Research (AI Research Resource); and Core Research (Science – R & D). This is partly offset by increased funding in MRC of £163 million, primarily due to the following programmes: Our Future Health; and Responsive research – Science.

Innovation programme grants increased by £152 million. This is predominantly attributable to the increase in capital grants that BDUK awarded relating to Project Gigabit.

4. Operating income

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Fees, charges and recharges to/from external customers and central government organisations	76	442	58	345
Income from other government departments and public sector	-	534	9	665
Sales of goods and services	3	44	4	47
European Union funding	-	6	-	5
Current grants and capital grants	50	225	50	213
Miscellaneous income	8	66	17	72
Other operating income	-	27	-	29
Total	**137**	**1,344**	**138**	**1,376**

Core department and agencies: £49 million of operating income for the core department relates to research and development grant income received from the Department for Education.

DSIT group: fees, charges and recharges to/from external customers and central government organisations for group entities of £442 million (2024–25: £345 million) is primarily due to Office of Communications, which charged £203 million during the year (2024–25: £184 million), and the Information Commissioner's Office, which had income from fees, charges and recoveries of £102 million (2024–25: £75 million).

The decrease in income from other government departments and public sector is primarily driven by IUK income of £546 million (2024–25: £656 million). This includes £219 million income for the Centre for Aerodynamics managed programme (2024–25: £171 million). The reduction in income is due to several large programmes either concluding or having seen the bulk of their activity occur in the prior year such as the technologies mission fund and the industrial strategy challenge fund.

5. Property, plant, and equipment

Table: 2025–26, property, plant, and equipment for the DSIT group

		Land £m	Buildings £m	Information technology £m	Plant, machinery, furniture and fittings £m	Transport equipment £m	Assets under construction £m	Total £m
Cost or valuation	**Opening balance at 1 Apr 2025**	**272**	**3,243**	**286**	**2,676**	**510**	**557**	**7,544**
Cost or valuation	Additions	-	5	9	54	3	321	**392**
Cost or valuation	Disposals	-	(5)	(22)	(85)	(1)	-	**(113)**
Cost or valuation	Impairments	-	-	-	-	-	(62)	**(62)**
Cost or valuation	Transfers	-	125	(1)	26	-	(155)	**(5)**
Cost or valuation	Reclassifications	-	62	19	42	-	(123)	**-**
Cost or valuation	Revaluations	5	185	12	22	(1)	-	**223**
Cost or valuation	**Closing balance at 31 Mar 2026**	**277**	**3,615**	**303**	**2,735**	**511**	**538**	**7,979**
Depreciation	**Opening balance at 1 Apr 2025**	**-**	**(1,297)**	**(179)**	**(1,821)**	**(223)**	**-**	**(3,520)**
Depreciation	Charged in year	-	(74)	(53)	(116)	(25)	-	**(268)**
Depreciation	Disposals	-	5	22	85	1	-	**113**
Depreciation	Revaluations	-	(127)	(7)	(23)	1	-	**(156)**
Depreciation	**Closing balance at 31 Mar 2026**	**-**	**(1,493)**	**(217)**	**(1,875)**	**(246)**	**-**	**(3,831)**
Carrying amount	**Opening balance at 1 Apr 2025**	**272**	**1,946**	**107**	**855**	**287**	**557**	**4,024**
Carrying amount	**Closing balance at 31 Mar 2026**	**277**	**2,122**	**86**	**860**	**265**	**538**	**4,148**

		Land	Buildings	Information technology	Plant, machinery, furniture and fittings	Transport equipment	Assets under construction	Total
		£m	£m	£m	£m	£m	£m	£m
Asset financing	Owned	277	2,122	86	860	265	538	**4,148**
Carrying amount	**Closing balance at 31 Mar 2026**	**277**	**2,122**	**86**	**860**	**265**	**538**	**4,148**
Of the carrying amount	Core dept and agencies	33	199	23	72	-	63	**390**
Of the carrying amount	NDPBs and other designated bodies	244	1,923	63	788	265	475	**3,758**
Carrying amount	**Closing balance at 31 Mar 2026**	**277**	**2,122**	**86**	**860**	**265**	**538**	**4,148**

Table: 2024–25, property, plant and equipment for the DSIT group

		Land	Buildings	Information technology	Plant, machinery, furniture and fittings	Transport equipment	Assets under construction	Total
		£m	£m	£m	£m	£m	£m	£m
Cost or valuation	**Opening balance at 1 Apr 2024**	**268**	**3,028**	**259**	**2,742**	**501**	**616**	**7,414**
Cost or valuation	Additions	-	15	24	43	5	217	**304**
Cost or valuation	Disposals	-	(2)	(21)	(71)	(1)	-	**(95)**
Cost or valuation	Transfers	-	-	(2)	-	-	(5)	**(7)**
Cost or valuation	Reclassifications	-	153	23	94	1	(271)	**-**
Cost or valuation	Revaluations	4	49	3	(132)	4	-	**(72)**
Cost or valuation	**Closing balance at 31 Mar 2025**	**272**	**3,243**	**286**	**2,676**	**510**	**557**	**7,544**

		Land £m	Buildings £m	Information technology £m	Plant, machinery, furniture and fittings £m	Transport equipment £m	Assets under construction £m	Total £m
Depreciation	**Opening balance at 1 Apr 2024**	**-**	**(1,214)**	**(151)**	**(1,871)**	**(198)**	**-**	**(3,434)**
Depreciation	Charged in year	-	(74)	(48)	(119)	(24)	-	**(265)**
Depreciation	Disposals	-	3	21	71	1	-	**96**
Depreciation	Transfers	-	1	-	(1)	-	-	**-**
Depreciation	Revaluations	-	(13)	(1)	99	(2)	-	**83**
Depreciation	**Closing balance at 31 Mar 2025**	**-**	**(1,297)**	**(179)**	**(1,821)**	**(223)**	**-**	**(3,520)**
Carrying amount	**Opening balance at 1 Apr 2024**	**268**	**1,814**	**108**	**871**	**303**	**616**	**3,980**
Carrying amount	**Closing balance at 31 Mar 2025**	**272**	**1,946**	**107**	**855**	**287**	**557**	**4,024**
Asset financing	Owned	272	1,946	107	855	287	557	**4,024**
Carrying amount	**Closing balance at 31 Mar 2025**	**272**	**1,946**	**107**	**855**	**287**	**557**	**4,024**
Of the total	Core dept and agencies	32	176	36	62	-	32	**338**
Of the total	NDPBs and other designated bodies	240	1,770	71	793	287	525	**3,686**
Carrying amount	**Closing balance at 31 Mar 2025**	**272**	**1,946**	**107**	**855**	**287**	**557**	**4,024**

The professional valuations of land and buildings undertaken within the core department and the departmental group were prepared in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards (6th Edition), the 'Red Book'. Unless otherwise stated, land and buildings are professionally revalued every five years and where appropriate in the intervening period, relevant indices are used

Core department: in the core department, land and buildings at the National Physical Laboratory were professionally valued during 2021–22 as at 31 March 2022 by CBRE LTD, Chartered Surveyors, an independent valuer.

DSIT group: the most significant land and buildings at 31 March 2026 were held by UKRI. The Biotechnology and Biological Sciences Research Council's (BBSRC, part of UKRI) land and buildings were professionally revalued during 2025–26, as at 30 November 2025, by Carter Jonas LLP, Chartered Surveyors, an independent valuer.

UKRI's (MRC and STFC) land and buildings (excluding STFC's Rutherford Appleton Laboratory) were professionally revalued during 2023–24, as at 31 December 2023 by Carter Jonas LLP, Chartered Surveyors, an independent valuer.

UKRI's (Natural Environment Research Council, NERC) research ships (RRS Sir David Attenborough, RRS Discovery, and RRS James Cook) were valued by Clarksons Valuations Limited during 2023–24, as at 31 October 2023. All NERC aircraft were revalued by the International Bureau of Aviation Group Limited in 2023–24 as at 2 November 2023.

STFC Land and buildings at the Rutherford Appleton Laboratory were professionally valued during 2022–23 as at 31 March 2023 by Avison Young Limited, Chartered Surveyors, an independent valuer.

NERC and EPSRC UK land and buildings were professionally revalued during 2021–22 as at 31 December 2021 by Carter Jonas LLP, Chartered Surveyors, an independent valuer. NERC's Antarctic buildings were professionally revalued during 2021–22, as at 31 March 2021 by Powis Hughes Ltd, Chartered Surveyors, an independent valuer.

Included in assets under construction are: STFC's ISIS Neutron and Muon Source; STFC's Vulcan facility; NERC's Antarctic Infrastructure Modernisation Programme and other Antarctic projects; and the Diamond Light Source (DLS) Diamond II investment project.

DLS property, plant and equipment are measured at depreciated historic cost in their accounts. The DLS building is the UK's national synchrotron. In accordance with the FREM the synchrotron has been professionally revalued as at 31 March 2024 on a depreciated replacement cost (DRC) basis by a specialist valuer Carter Jonas.

Further information can be found in note 1.14 and the financial statements of the individual bodies' accounts.

6. Right of use assets

Table: 2025–26 right of use assets for the DSIT group

		Land £m	Buildings £m	Plant, machinery, transport and other £m	Total £m
Cost or valuation	**at 1 Apr 2025**	**183**	**215**	**5**	**403**
Cost or valuation	Additions	-	49	1	**50**
Cost or valuation	Impairments	-	(2)	-	**(2)**
Cost or valuation	Remeasurements	-	2	-	**2**
Cost or valuation	Revaluations	5	4	-	**9**
Cost or valuation	**at 31 Mar 2026**	**188**	**268**	**6**	**462**
Depreciation	**at 1 Apr 2025**	**(42)**	**(67)**	**(3)**	**(112)**
Depreciation	Charged in year	(2)	(21)	(1)	**(24)**
Depreciation	Reclassifications	3	(3)	-	**-**
Depreciation	Revaluations	(1)	(2)	-	**(3)**
Depreciation	**at 31 Mar 2026**	**(42)**	**(93)**	**(4)**	**(139)**
Carrying amount	**at 31 Mar 2025**	**141**	**148**	**2**	**291**
Carrying amount	**at 31 Mar 2026**	**146**	**175**	**2**	**323**
Of the total	Core dept and agencies	3	53	-	**56**
Of the total	NDPBs and other designated bodies	143	122	2	**267**
Carrying amount	**at 31 Mar 2026**	**146**	**175**	**2**	**323**

Table: 2024–25, right of use assets for the DSIT group

		Land £m	Buildings £m	Plant, machinery, transport and other £m	Total £m
Cost or valuation	**at 1 Apr 2024**	**176**	**175**	**5**	**356**
Cost or valuation	Additions	3	54	-	**57**
Cost or valuation	Disposals	-	(18)	-	**(18)**
Cost or valuation	Remeasurements	-	(2)	-	**(2)**
Cost or valuation	Transfers	-	3	-	**3**
Cost or valuation	Revaluations	4	3	-	**7**
Cost or valuation	**at 31 Mar 2025**	**183**	**215**	**5**	**403**
Depreciation	**at 1 Apr 2024**	**(37)**	**(61)**	**(2)**	**(100)**
Depreciation	Charged in year	(4)	(17)	(1)	**(22)**

		Land £m	Buildings £m	Plant, machinery, transport and other £m	Total £m
Depreciation	Disposals	-	14	-	**14**
Depreciation	Transfers	-	(1)	-	**(1)**
Depreciation	Revaluations	(1)	(2)	-	**(3)**
Depreciation	**at 31 Mar 2025**	**(42)**	**(67)**	**(3)**	**(112)**
Carrying amount	**at 31 Mar 2024**	**139**	**114**	**3**	**256**
Carrying amount	**at 31 Mar 2025**	**141**	**148**	**2**	**291**
Of the total	Core dept and agencies	-	66	-	**66**
Of the total	NDPBs and other designated bodies	141	82	2	**225**
Carrying amount	**at 31 Mar 2025**	**141**	**148**	**2**	**291**

DSIT group: Included in Buildings are UKRI's office buildings and scientific buildings.

7. Intangible assets

Table: 2025–26, intangible assets for the DSIT group

		Information technology £m	Software licences and other £m	Patents £m	Assets under construction £m	Total £m
Cost or valuation	**at 1 Apr 2025**	**209**	**74**	**485**	**153**	**921**
Cost or valuation	Additions	1	2	15	77	**95**
Cost or valuation	Disposals	(1)	(6)	-	-	**(7)**
Cost or valuation	Reclassifications	98	34	-	(132)	**-**
Cost or valuation	Transfers	4	1	-	-	**5**
Cost or valuation	**at 31 Mar 2026**	**311**	**105**	**500**	**98**	**1,014**
Amortisation	**at 1 Apr 2025**	**(168)**	**(57)**	**(343)**	**-**	**(568)**
Amortisation	Charged in year	(100)	(12)	(24)	-	**(136)**
Amortisation	Disposals	1	7	-	-	**8**
Amortisation	Reclassifications	23	(23)	-	-	**-**
Amortisation	**at 31 Mar 2026**	**(244)**	**(85)**	**(367)**	**-**	**(696)**
Carrying amount	**at 1 Apr 2025**	**41**	**17**	**142**	**153**	**353**
Carrying amount	**at 31 Mar 2026**	**67**	**20**	**133**	**98**	**318**
Asset financing	Owned	67	20	133	98	**318**
Carrying amount	**at 31 Mar 2026**	**67**	**20**	**133**	**98**	**318**

		Information technology £m	Software licences and other £m	Patents £m	Assets under construction £m	Total £m
Of the total	Core dept and agencies	64	2	-	91	**157**
Of the total	NDPBs and other designated bodies	3	18	133	7	**161**
Carrying amount	**at 31 Mar 2026**	**67**	**20**	**133**	**98**	**318**

Table: 2024–25, intangible assets for the DSIT group

		Information technology £m	Software licences and other £m	Patents £m	Assets under construction £m	Total £m
Cost or valuation	**at 1 Apr 2024**	**185**	**66**	**401**	**101**	**753**
Cost or valuation	Additions	15	11	73	57	**156**
Cost or valuation	Disposals	(1)	(1)	-	-	**(2)**
Cost or valuation	Reclassifications	7	(2)	-	(5)	**-**
Cost or valuation	Transfers	3	-	-	-	**3**
Cost or valuation	Revaluations	-	-	11	-	**11**
Cost or valuation	**at 31 Mar 2025**	**209**	**74**	**485**	**153**	**921**
Amortisation	**at 1 Apr 2024**	**(148)**	**(47)**	**(328)**	**-**	**(523)**
Amortisation	Charged in year	(21)	(10)	(15)	**-**	**(46)**
Amortisation	Disposals	1	-	-	**-**	**1**
Amortisation	**at 31 Mar 2025**	**(168)**	**(57)**	**(343)**	**-**	**(568)**
Carrying amount	**at 1 Apr 2024**	**37**	**19**	**73**	**101**	**230**
Carrying amount	**at 31 Mar 2025**	**41**	**17**	**142**	**153**	**353**
Asset financing	Owned	41	17	142	153	**353**
Carrying amount	**at 31 Mar 2025**	**41**	**17**	**142**	**153**	**353**
Of the total	Core dept and agencies	28	5	-	147	**180**
Of the total	NDPBs and other designated bodies	13	12	142	6	**173**
Carrying amount	**at 31 Mar 2025**	**41**	**17**	**142**	**153**	**353**

Notes

- All software licenses are acquired separately.
- All information technology (IT) assets are internally generated. IT assets are initially classified as assets under construction and are not amortised until they are commissioned, at which time they are reclassified as IT.
- All patent balances relate to UKRI (MRC).

8. Investments and loans in other public sector bodies

Table: investments and loans in other public sector bodies

	Ordinary shares £m	Public dividend capital £m	Other investments and loans £m	Core dept and agencies total £m	Elimination of shares and other investments and loans held in NDPBs £m	NDPBs Ordinary Shares £m	DSIT group Total £m
Balance at 1 Apr 2024	**225**	**65**	**262**	**552**	**(245)**	**223**	**530**
Transfers in	-	-	(41)	**(41)**	-	-	**(41)**
Additions	-	-	32	**32**	-	-	**32**
Redemptions	-	-	(24)	**(24)**	20	-	**(4)**
(Impairments) / Impairment reversal	(1)	-	-	**(1)**	1	-	**-**
Revaluations	(11)	-	-	**(11)**	11	(11)	**(11)**
Balance at 31 Mar 2025	**213**	**65**	**229**	**507**	**(213)**	**212**	**506**
Transfers in	1	-	(47)	**(46)**	(1)	-	**(47)**
Additions	-	-	70	**70**	-	-	**70**
(Impairments) / Impairment reversal	(1)	-	-	**(1)**	1	-	**-**
Revaluations	8	-	-	**8**	(8)	8	**8**
Balance at 31 Mar 2026	**221**	**65**	**252**	**538**	**(221)**	**220**	**537**

8.1 ORDINARY SHARES

Table: ordinary shares

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Balance at 1 Apr	**213**	**212**	**225**	**223**
Transfers In	1	-	-	-
(Impairments) / Impairment reversal	(1)	-	(1)	-
Revaluations	8	8	(11)	(11)
Balance at 31 Mar	**221**	**220**	**213**	**212**

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Of the balance: Ordinary shares held within the departmental boundary – held at cost	1	-	1	-
Of the balance: Ordinary shares held outside the departmental boundary – held at fair value	220	220	212	212
Balance at 31 Mar	**221**	**220**	**213**	**212**

Core department

Ordinary shares held in other public sector bodies within the departmental boundary: UK Shared Business Services Limited (UKSBS)

- The core department through the SoS holds 62,016,358 non-voting shares and one voting share in UKSBS, held at cost less provision for impairment of £0.5 million at 31 March 2026 (31 March 2025: £1 million).
- The company is a specialist business services organisation that provides finance, procurement, grants, information systems and HR and payroll services to the public sector. Its main objective is to improve the economy, efficiency and effectiveness of corporate services to bodies previously within the BEIS departmental group.

Ordinary shares held outside of the departmental boundary: shares held outside the departmental boundary are carried at fair value through other comprehensive income.

Ordnance Survey Limited

- The core department through the SoS holds 34,000,002 ordinary shares in Ordnance Survey Limited (OSL) at a nominal value of £1 each which is 100% of the issued share capital.
- The shareholding is held at fair value, but as there is no active market for these shares the net asset value of OSL is considered to be a reasonable approximation for fair value. The fair value as at 31 March 2026 was £132 million (31 March 2025: £124 million).
- The principal objective of OSL is to produce mapping products and mapping data information.

NPL Management Limited

- The core department through the SoS holds 76 ordinary shares in NPL Management Limited (NPLML) which is 100% of the issued share capital.
- NPLML has been set up to manage and operate the National Physical Laboratory.

- The shareholding is held at fair value, but as there is no active market for these shares the net asset value of NPLML is considered to be a reasonable approximation for fair value. The fair value as at 31 March 2026 was £87 million (31 March 2025: £88 million).

8.2 PUBLIC DIVIDEND CAPITAL

Table: public dividend capital

	UK Intellectual Property Office £m	Met Office £m	Total £m
Balance at 1 Apr 2024	**6**	**59**	**65**
Balance at 31 Mar 2025	**6**	**59**	**65**
Balance at 31 Mar 2026	**6**	**59**	**65**

Core department: PDC is held by the core department. PDC is carried at historical cost less any impairment.

8.2.1 SHARE OF NET ASSETS AND RESULTS FOR PUBLIC DIVIDEND CAPITAL HOLDINGS OUTSIDE THE DSIT CONSOLIDATION BOUNDARY

The department is required to disclose its share of the net assets and the results for the year of other public sector bodies, which are outside of the departmental boundary. The following disclosures relate to the department's trading funds.

Table: share of net assets and results for public dividend capital holdings outside the DSIT consolidation boundary

	UK Intellectual Property Office £m	Met Office £m
Net assets or (liabilities) at 31 Mar 2025	**140**	**347**
Turnover	162	298
Surplus / profit or (deficit / loss) for the year before financing	4	14
Net assets or (liabilities) at 31 Mar 2026	**162**	**343**
Turnover	182	333
Surplus / profit or (deficit / loss) for the year before financing	**26**	**17**

The information presented for the reporting year 2025–26 was derived from the draft unaudited accounts of the entities. The information for 2024–25 was derived from their audited accounts. The accounts were prepared on an IFRS basis, as interpreted and adapted by the FREM.

8.3 OTHER INVESTMENTS AND LOANS

Table: other investments and loans

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Balance at 1 Apr 2025	**229**	**229**	**262**	**241**
Transfers	(47)	(47)	(41)	(41)
Additions	70	70	32	32
Repayments	-	-	(24)	(3)
Balance at 31 Mar 2026	**252**	**252**	**229**	**229**

Core department: Met Office Loans

- The core department's loans with the Met Office fund UK membership of EUMETSAT. EUMETSAT is a non-EU international organisation, set up to develop, launch and monitor meteorological satellites which provide global data for weather forecasting.
- The total carrying amount at 31 March 2026 is £246 million (31 March 2025: £224 million). Of this, the non-current element, reported in the table above, is £205 million (31 March 2025: £187 million). The current element, shown within the 'investments and loans in public bodies' line in the current assets section of the SOFP, is £41 million (31 March 2025: £37 million). The loans are reported at amortised cost under IFRS 9.
- The loans are to a non-consolidated body and not eliminated on consolidation.

9. Other financial assets

Table: other financial assets

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Balance at 1 Apr	**43**	**606**	**13**	**587**
Additions	6	97	31	213
Repayments	(2)	(53)	(2)	(157)
Revaluations	(24)	(12)	1	(26)
Impairments	-	(23)	-	(11)
Balance at 31 Mar	**23**	**615**	**43**	**606**
Due within 12 months	2	2	2	2

	2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024-25 Core dept & agencies £m	2024-25 DSIT group £m
Due after 12 months	21	613	41	604
Total	**23**	**615**	**43**	**606**

9.1 ANALYSIS OF OTHER FINANCIAL ASSETS

Table: analysis of other financial assets

	Gilts and bonds £m	Private sector loans £m	Private sector shares £m	Investment funds £m	Total £m
Balance at 1 Apr 2024	**2**	**158**	**102**	**325**	**587**
Additions	-	64	10	139	**213**
Redemptions	-	(16)	(37)	(104)	**(157)**
Revaluations	-	(10)	(11)	(5)	**(26)**
Impairments	-	(11)	-	-	**(11)**
Balance at 1 Apr 2025	**2**	**185**	**64**	**355**	**606**
Additions	-	45	34	18	**97**
Redemptions	(2)	(19)	(20)	(12)	**(53)**
Revaluations	-	(28)	12	4	**(12)**
Impairments	-	(23)	-	-	**(23)**
Balance at 31 Mar 2026	**-**	**160**	**90**	**365**	**615**
Of the total: Core dept and agencies	-	23	-	-	**23**
Of the total: NDPBs and other designated bodies	-	137	90	365	**592**
Balance at 31 Mar 2026	**-**	**160**	**90**	**365**	**615**

DSIT group

Private sector loans: UKRI have entered into loan agreements with parties within the private sector. The loans within the departmental group are carried at amortised cost and fair value through profit or loss.

As at 31 March 2026, £137 million of loans were held by NDPBs and other designated bodies of which UKRI (STFC and IUKL) held £127 million (31 March 2025: £142 million; UKRI held £131 million).

Private sector shares: at 31 March 2026 £90 million of private sector shares were held by NDPBs and other designated bodies (31 March 2025: £64 million). These were held by, NESTA Trust, BTI and UKRI.

The majority of these are measured at 'fair value through profit or loss', with fair value movements going directly to the SOCNE.

The fair values are estimated based on a variety of valuation techniques, adopted by the investment managers that comply with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines or the valuation guidelines produced by the British Venture Capital Association (BVCA). Valuation techniques used include the use of earnings multiples, discounted cashflows analysis, and net asset values.

Investment funds: the value invested by NDPBs and other designated bodies at 31 March 2026 was £365 million (31 March 2025: £355 million) all held by NESTA Trust. In accordance with IFRS 9, the investments are measured at 'fair value through profit or loss' with fair value movements going directly to the SOCNE.

The carrying value of all investments is at market value except where we are unable to obtain a reliable estimate of market value. The market values of quoted investments are based on externally reported bid prices at the balance sheet date. Equity investments, high yield bonds, and property trusts are held in pooled funds and are stated at market value, being the market value of the underlying investments held. These valuations are provided by the relevant fund manager.

Private equity investments are held through funds managed by private equity managers. As there is no identifiable market price for private equity funds, these funds are included at the most recent valuations adjusted for any cash calls and distributions provided by the private equity managers.

10. Investments in joint ventures and associates

Table: investments in joint ventures and associates

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Balance at 1 Apr	**97**	**772**	**225**	**845**
Additions	143	143	-	-
Profit/(loss)	(65)	(90)	(128)	(76)
Revaluations	-	6	-	3
Balance at 31 Mar	**175**	**831**	**97**	**772**

CORE DEPARTMENT: EUTELSAT GROUP FINANCIAL INFORMATION

Table: Eutelsat group financial information

	2025–26 £m	2024–25 £m
Summarised		
Current assets	1,881	1,068
Non-current assets	4,926	5,231
Current liabilities	(601)	(787)
Non-current liabilities	(2,818)	(2,981)
Revenue	1,041	1,012
Profit or (loss) from continuing activities	(601)	(1,176)
Other		
Cash and cash equivalents	1,368	573
Current financial liabilities (excl trade and other payables and provisions)	(192)	(329)
Non-current financial liabilities (excl trade and other payables and provisions)	(2,321)	(2,442)
Finance costs and interest expense	(154)	(131)
Income tax expense or income	(26)	(3)

Eutelsat Communications group: in 2020–21 the core department made a £374 million equity investment in OneWeb Holdings Limited, which is an operator of cutting-edge satellites in the UK and in the US. This constituted 17.6% of the ordinary shares in circulation.

In July 2022, Eutelsat Communications Group and OneWeb's leading shareholders signed a memorandum of understanding with a view to a business combination between the two companies via a share exchange transaction, aimed at creating a global leader in connectivity. The Extraordinary General Meeting of Eutelsat shareholders approved the combination on 28 September 2023, resulting in the successful completion of the transaction. Upon completion, DSIT took ownership of 10.89% of Eutelsat Group's shares, which are listed on the Paris and London Stock Exchanges.

In June 2025, Eutelsat announced its intention to raise €1.5 billion in equity capital through (i) a reserved capital increase of €828 million and (ii) a Rights Issue amounting to €670 million. The core department committed to participating in Eutelsat's planned capital increase, subscribing £79 million to the reserved capital increase and £64 million to the Rights Issue, for a total investment of £143 million. This investment was finalised in December 2025 and maintains DSIT's ownership at 10.89% of Eutelsat Group's shares.

The core department continues to account for this investment as an associate using the equity method after concluding that the "significant influence" criteria in IAS 28 (Investments in Associates and Joint Ventures) continues to be met.

This is because HMG has representation on the Eutelsat board of directors and continues to hold a special share with protective rights in the OneWeb Holdings subsidiary. A summary of the significant terms of the shareholding has been included below. Further details can be obtained from the annual report and financial statements of the entity or their Articles of Association. The core department does not recognise the special or 'golden' share on its SOFP.

Table: special share

	OneWeb Holdings Limited – special share rights and restrictions
OneWeb Holdings Limited – $0.01USD Special Share	Incorporated in 2020. The Secretary of State for Science, Innovation and Technology has a Special 'B' Share. The written consent of the Special Shareholder is required for any of the following: • any change in the nature or scope of the business of the group or any commencement of new activity outside its existing course of business • any amendments to the company's articles of association or any other governing and constitutional documents • any change to the location of the group's executive management team, headquarters or centre of operations • any group member entering into, or amending, any contract, arrangement or relationship which may prejudice the group's ability to enter into contracts, arrangements or relationships with certain parties • any change to the technical and technology standards of any of the Group's operations • the sale by any group member of any product or service which is going to be used for a defence or national security application • the entry by any group member into arrangements notifiable under a tax disclosure regime • any change to the jurisdiction of tax residence • any change to the corporate structure or activities of any group member which may impact the jurisdiction of tax residence or have a negative reputational impact arising from tax matters

The value of the core department's holding at 31 March 2026 is £174.6 million (2024–25: £96.6 million), reflecting the core department's share of post-acquisition net loss of the associate. There were no dividends received from the associate in 2025–26.

Eutelsat Group's financial statements are prepared in accordance with IFRS. The financial statements are prepared to 30 June and are presented in Euros. Eutelsat's headquarters is located at 32 Boulevard Gallieni, 92130 Issy-les-Moulineaux, Paris. The summarised financial information below has been compiled from:

- Eutelsat Group's consolidated financial statements as of 30 June 2025
- Eutelsat Group's condensed consolidated half year financial statements as of 31 December 2025

Figures from the Statement of Financial Position in the 2025–26 financial information below are based on the unaudited half-year financial statements of Eutelsat Group, as at 31 December 2025, converted to GBP using the spot rate at 31 December 2025.

Figures from the Statement of Comprehensive Net Expenditure in the 2025–26 financial information below are calculated as the sum of the average monthly loss per the consolidated financial statements as of 30 June 2025, converted at the spot rate at 30 June 2025, for the 3 months from 1 April 2025–30 June 2025; the average monthly loss per the consolidated financial statements as of 31 December 2025, converted at the spot rate at 31 December 2025, for the 6 month period from 30 June 2025– 31 December 2025; the average monthly loss per the consolidated financial statements as of 31 December 2025, converted at the spot rate at 31 March 2026, for the 3 month period from 31 December 2025– 31 March 2025.

At the time of publication, consolidated financial statements for the period to 31 March 2026 were not available.

DSIT GROUP: CRICK FINANCIAL INFORMATION

Table: Crick financial information

	2025–26 £m	2024–25 £m
Summarised		
Non-current assets	433	455
Current assets	225	191
Current liabilities	(100)	(91)
Revenue	248	231
Profit/(loss) from continuing activities	-	(10)
Other		
Cash and cash equivalents	37	27
Depreciation and amortisation	(43)	(42)
Capital commitments	6	7

The Francis Crick Institute Limited: the Francis Crick Institute (the Crick) was established in 2010 to deliver a world class interdisciplinary biomedical research centre. UKRI holds 42% (31 March 2025: 42%) of the ordinary shares in the Crick. The remaining shares are held by Cancer Research UK, University College London, the Wellcome Trust, Kings College London and Imperial College of Science, Technology and Medicine. The department accounts for its investment in the Crick as a joint venture under the equity method. The value of the departmental group's investment at 31 March 2026 is £469 million (31 March 2025: £463 million), reflecting the departmental group's share of post-acquisition net profit or (loss) of the joint venture.

- The revaluation of investment in the Crick relates to the adjustment required to account for differences in accounting policy between UKRI and the Crick.

The adjustment is taken to the revaluation reserve. The Crick property was professionally revalued during 2023–24, as at 31 December 2023 by Carter Jonas LLP, Chartered Surveyors, an independent valuer.

- The Crick's financial statements are prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice', applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP 2nd Edition (FRS 102)). The financial statements are prepared to 31 March and presented in pounds sterling.
- The principal place of business is Midland Road, London.

DSIT GROUP: HSIC HOLDINGS LP FINANCIAL INFORMATION

Table: HSIC Holdings LP financial information

	2025–26 £m	2024–25 £m
Summarised		
Non-current assets	566	535
Current assets	67	67
Current liabilities	(17)	(11)
Non-current liabilities	(355)	(279)
Profit/(loss) from continuing activities	(51)	99
Other		
Cash and cash equivalents	29	30

The department consolidates HSIC Public Sector Limited Partnership (HSIC PubSP) into the accounts. HSIC PubSP has a 50% share in HSIC Holdings LP, a joint venture between HSIC PubSP and Harwell Oxford Developments Ltd. HSIC Holdings LP is the sole limited partner of HSIC LP, which manages and develops the Harwell Campus. The department accounts for its investment in HSIC Holdings LP as a joint venture under the equity method. The value of the departmental group's investment at 31 Mar 2026 is £131 million (31 Mar 2025: £156 million), reflecting the departmental group's share of post-acquisition net profit or (loss) of the joint venture.

Within non-current assets there is £566 million of investment properties (31 Mar 2025: £535 million). The investment properties have been valued at market value as at 31 Mar 2026 using information provided by Radice Chartered Surveyors, independent chartered surveyors. The valuation was carried out in accordance with the provisions of RICS definition of market value. The market value has been determined having regard to factors such as current and future projected income levels, taking account of location, quality of the building and recent market transactions in the sector. Changes in these assumptions such as the valuation basis applied in comparable market transactions, or the income level generated by the investment property could materially impact the valuation of the investment properties.

11. Trade and other receivables

Table: trade and other receivables

		2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024-25 Core dept & agencies £m	2024-25 DSIT group £m
Due within 1 year	Trade receivables	20	236	10	251
Due within 1 year	Other receivables	106	115	(1)	31
Due within 1 year	VAT and other taxation	33	33	16	16
Due within 1 year	Contract assets	-	32	-	11
Due within 1 year	Consolidated fund receivable	-	-	25	25
Due within 1 year	Prepayments	459	715	169	401
Due within 1 year	Accrued income	41	474	98	610
Due within 1 year	**Total**	**659**	**1,605**	**317**	**1,345**
Due after 1 year	Trade receivables	(1)	2	(1)	3
Due after 1 year	Other receivables	-	28	1	7
Due after 1 year	Contract assets	-	-	-	5
Due after 1 year	Prepayments	218	218	351	351
Due after 1 year	Accrued income	-	1	-	2
Due after 1 year	**Total**	**217**	**249**	**351**	**368**
Receivables at 31 Mar	**Total**	**876**	**1,854**	**668**	**1,713**

Core department: in 2025–26, prepayments due after one year includes £216 million (2024–25: £351 million), other receivables within one year includes £105 million (2024–25: £nil) and prepayments due within one year includes £387 million (2024–25: £117 million) relating to the department's participation in the Horizon Europe and Copernicus programmes.

DSIT group: in 2025–26, total trade and other receivables was valued at £1,854 million (2024–25: £1,713 million), an increase of £141 million. The increase is largely due to increases in prepayments due within one year as described above, partially offset by decreases to other elements.

12. Cash and cash equivalents

Table: cash and cash equivalents

	2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Balance at 1 Apr	**1,669**	**2,304**	**1,652**	**2,449**
Net change in cash and cash equivalent balances	(105)	101	17	(145)
Balance at 31 Mar	**1,564**	**2,405**	**1,669**	**2,304**
Held at: The Government Banking Service (GBS)	1,564	2,262	1,669	2,145
Held at: Commercial banks and cash in hand	-	131	-	159
Held at: Short term investments	-	12	-	-
Balance at 31 Mar	**1,564**	**2,405**	**1,669**	**2,304**

13. Trade payables, financial, and other liabilities

Table: trade payables, financial, and other liabilities

		2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Due within 1 year	VAT, social security and other taxation	8	31	7	27
Due within 1 year	Trade payables	65	110	112	169
Due within 1 year	Other payables	40	70	25	93
Due within 1 year	Contract liabilities	-	14	-	10
Due within 1 year	Other accruals	1,041	2,287	1,160	2,602
Due within 1 year	of which:				
Due within 1 year	– Grant accruals – Innovate UK Loans Limited	-	508	-	779
Due within 1 year	– Grant accruals – Engineering and Physical Sciences Research Council	-	200	-	174
Due within 1 year	– Grant accruals – Medical Research Council	-	148	-	105

		2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Due within 1 year	– Other grant accruals	7	92	26	150
Due within 1 year	– Goods Received Not Invoiced (GRNI) Accruals	170	318	91	293
Due within 1 year	– Accrued expenses: Horizon Europe & Copernicus	564	564	517	517
Due within 1 year	– Accrued expenses: Other accrued expenses	292	448	520	577
Due within 1 year	– Other	8	9	6	7
Due within 1 year	Deferred income	-	111	-	90
Due within 1 year	Amounts issued from the Consolidated Fund for supply but not spent at year end	1,533	1,533	1,675	1,675
Due within 1 year	Consolidated Fund extra receipts due to be paid to the Consolidated Fund: Received	30	30	1	1
Due within 1 year	**Total**	**2,717**	**4,186**	**2,980**	**4,667**
Due after 1 year	Trade payables	2	2	-	-
Due after 1 year	Contract Liabilities	-	8	-	8
Due after 1 year	Other payables, accruals and deferred income	53	152	-	107
Due after 1 year	**Total**	**55**	**162**	**-**	**115**
Payables at 31 Mar	**Total**	**2,772**	**4,348**	**2,980**	**4,782**

DSIT group: In 2025–26, other accruals totalled £2,287m (2024–25: £2,602m). This includes grant accruals and other accrual types. Within grant accruals, the largest group components relate to grant accruals for IUK (2025–26: £508 million, 2024–25: £779 million), EPSRC (2025–26: £200 million, 2024–25: £174 million), and MRC (2025–26: £148 million, 2024–25: £105 million). These entities are part of UKRI, whose financial statements include a grant accrual for each project where it has been determined that there is an unclaimed amount at the year end that is due to participants.

14. Lease liabilities

Table: lease liabilities

		2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024-25 Core dept & agencies £m	2024-25 DSIT group £m
Land	Later than one year and not later than 5 years	-	1	-	-
Land	Later than 5 years	-	7	-	8
Land	**Total**	**-**	**8**	**-**	**8**
Land	Less interest element	-	(6)	-	(6)
Land	**Present value of obligations**	**-**	**2**	**-**	**2**
Buildings	Not later than one year	8	21	7	19
Buildings	Later than one year and not later than 5 years	19	64	22	68
Buildings	Later than 5 years	54	155	56	125
Buildings	**Total**	**81**	**240**	**85**	**212**
Buildings	Less interest element	(28)	(67)	(30)	(77)
Buildings	**Present value of obligations**	**53**	**173**	**55**	**135**
Other	Not later than one year	-	1	-	1
Other	Later than one year and not later than 5 years	-	2	-	3
Other	Later than 5 years	-	-	-	-
Other	**Total**	**-**	**3**	**-**	**4**
Other	Less interest element	-	-	-	-
Other	**Present value of obligations**	**-**	**3**	**-**	**4**
Total	**Present value of obligations**	**53**	**178**	**55**	**141**
Of which	Current	8	19	6	16
Of which	Non-current	45	159	49	125

Table: additional analysis

		2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024-25 Core dept & agencies £m	2024-25 DSIT group £m
Additional analysis	Interest on lease liabilities	3	6	2	5
Additional analysis	Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	14	1	10

15. Provisions for liabilities and charges

Table: provisions for liabilities and charges

	Note	2025-26 Core dept & agencies £m	2025-26 DSIT group £m	2024-25 Core dept & agencies £m	2024-25 DSIT group £m
Current liabilities: Not later than 1 year		1	26	-	19
Total current liabilities		**1**	**26**	**-**	**19**
Non-current liabilities: Later than 1 year and not later than 5 years		4	12	2	15
Non-current liabilities: Later than 5 years		2	195	-	190
Total non-current liabilities		**6**	**207**	**2**	**205**
Total at 31 Mar 2026		**7**	**233**	**2**	**224**
Other Provisions	15.1	7	233	2	224
Total at 31 Mar 2026		**7**	**233**	**2**	**224**

The provision liabilities in table 15.1 below have been discounted to present value using discount rates as provided by HM Treasury. Discounting as at 31 March 2025 and 31 March 2026 has been applied to nominal cash flows which include allowance for future inflation using a forecast of consumer price inflation provided by HM Treasury except where a more appropriate forecast has been identified for specific provisions. The impact of the change in the discounting approach is included in the 'Change in discount rate' movement of provisions.

Table: discount rates for provisions

	2025-26 Nominal discount rate	2025-26 Inflation rate	2025-26 Equivalent real discount rate	2024-25 Nominal discount rate	2024-25 Inflation rate	2024-25 Equivalent real discount rate
Cash outflows expected within 2 years	3.64%	2.50%	1.11%	4.03%	2.60%	1.40%
Cash outflows expected between 2-5 years	3.64%	2.00%	1.60%	4.03%	2.08%	1.92%
Cash outflows expected between 5-10 years	4.22%	2.00%	2.17%	4.07%	2.00%	2.03%
Cash outflows expected after 10 years	5.11%	2.00%	3.05%	4.59%	2.00%	2.54%

15.1 PROVISIONS ANALYSIS

Allowances for future inflation and discounting can affect reported liabilities. The below table includes lines that demonstrate the impact of discount rate changes and the unwinding of discount.

Table: provisions analysis

	Core dept & agencies £m	DSIT group total £m
Balance at 1 Apr 2024	**2**	**205**
Change in discount rate	-	1
Provisions not required written back	-	(3)
Provisions utilised in the year	-	(1)
Provided in year	-	18
Unwinding of discount	-	4
Balance at 31 Mar 2025	**2**	**224**
Balance at 1 Apr 2025	**2**	**224**
Change in discount rate	-	(1)
Provisions not required written back	-	(16)
Provisions utilised in the year	-	(2)
Provided in year	5	23
Unwinding of discount	-	5
Balance at 31 Mar 2026	**7**	**233**
Estimated forward discounted cash flows as at 31 Mar 2026		
Not later than 1 year	1	26
Later than 1 year and not later than 5 years	4	12
Later than 5 years	2	195
Total	**7**	**233**

DSIT group: overall provisions are £233 million (2024–25: £224 million). The majority of the balance is attributed to STFC (2025–26: £151 million) and NERC (2025–26: £33 million), which both sit under UKRI. This mostly relates to the UKRI's share of Institut Laue-Langevin (ILL) decommissioning provisions, and provisions to cover decommissioning of ISIS Spallation Neutron Source facility and construction of Waste Separation Facility (WSF). Refer to UKRI accounts for more information.

16. Retirement benefit obligations

DSIT group: the departmental group consolidates three defined benefit pension arrangements from ALB's. The details of each scheme are discussed below.

All schemes are accounted for in accordance with IAS 19 'Employee Benefits'. They are subject to the UK regulatory framework and under the scope of the scheme specific funding requirement. The schemes' trustees are responsible for operating these defined benefit plans and have a statutory responsibility for ensuring the schemes are sufficiently funded to meet current and future benefit payments.

Defined benefit scheme liabilities expose the departmental group to material financial uncertainty, arising from factors such as changes in life expectancy and in the amount of pensions payable. Some scheme investments, such as equities, should offer long-term growth in excess of inflation, but can be more volatile in the shorter term than government bonds.

UK Research and Innovation: UKRI operates the legacy MRC funded defined benefit, final salary pension scheme (MRCPS).

Following the transfer of MRC research units and employees to universities, a University section was set up to account for the obligations to individuals that remain in the MRCPS. During the period obligations of £2.1 million were recognised under Section 75 (S.75) of the 1995 Pensions Act in respect of liabilities of transferred employees; the University section, has been set up within MRCPS to manage S.75 liabilities. These costs are reflected in the valuation of the pension scheme.

A full actuarial evaluation was undertaken as at 31 December 2022 which was rolled forward by the actuary to determine the approximate position as at 31 March 2026. The most recent schedule of contributions for the MRC section was signed on 14 March 2025 and the Universities section was signed on 21 December 2023 and are due to be reviewed following the next actuarial valuation of the scheme, which was carried out as at 31 December 2025 and is due to report later in 2026.

The key assumptions are discount rate of 6.1% (2024–25: 5.7%) and rate of increase in pension payments of 2.9% (2024–25: 2.7%). A decrease of 0.5% in the discount rate would lead to an increase of approximately 6.8% in the total liability, while a decrease of 0.5% in the rate of increase in pensions would lead to an approximate 5.3% reduction.

As at 31 March 2026, the weighted average maturity of the scheme as a whole is 13.9 years.

The Office of Communications: Ofcom has a range of pension schemes which include a defined contributions plan, defined benefit plans and unfunded plans. Ofcom's primary means of providing pension benefits to its colleagues is by contributing to a stakeholder pension plan. Ofcom operates two defined benefit pension plans.

Ofcom's cash contributions to these two plans are determined in accordance with the Pensions Act 2004. This requires a significantly more prudent measure of the liabilities than IFRS. Pensions Act 2004 funding valuations with an effective date of 31 March 2024 were completed for both defined benefit plans.

The key assumptions are discount rate of 6.1% (2024–25: 5.8%) and rate of increase in pension payments of 2.9% (2024–25: 2.6%).

As at 31 March 2026, the weighted average maturity of the scheme as a whole is 12 years.

Further details can be found in the accounts of Ofcom.

Table: retirement benefit obligations

	2025–26 Funded pension schemes £m	2024–25 Funded pension schemes £m
Present value of defined benefit obligation at 1 Apr 2025	**(1,259)**	**(1,421)**
Interest cost	(60)	(57)
Current service cost	(15)	(18)
Benefits paid, transfers in and expenses	78	73
Actuarial (gains)/losses	29	169
Employee contributions	(4)	(5)
Transfer out	8	-
Present value of defined benefit obligation at 31 Mar 2026	**(1,223)**	**(1,259)**
Fair value of assets at 1 Apr 2025	**2,166**	**2,239**
Expected return on plan assets	111	97
Employer contributions	9	17
Benefits paid, transfers in and expenses	(78)	(73)
Actuarial gains or (losses)	(12)	(119)
Employee contributions	4	5
Transfer out	(8)	-
Fair value of assets at 31 Mar 2026	**2,192**	**2,166**
Net asset or (liability) at 31 Mar 2026	**969**	**907**

Table: net asset or (liability) by scheme

	2025–26 Present value of defined benefit obligation £m	2025–26 Fair value of assets £m	2025–26 Net (liability)/ asset £m	2024–25 Present value of defined benefit obligation £m	2024–25 Fair value of assets £m	2024–25 Net (liability)/ asset £m
UKRI	(1,084)	2,040	956	(1,106)	2,001	895
Ofcom	(139)	152	13	(153)	165	12
Total net asset or (liability) at 31 Mar	**(1,223)**	**2,192**	**969**	**(1,259)**	**2,166**	**907**

Notes

Pension scheme assets are recognised to the extent that they are recoverable and pension scheme liabilities are recognised to the extent that they reflect a constructive or legal obligation. The accounting judgements applied in recognising net assets for each pension scheme are summarised below:

- UKRI: The net asset is recognised as UKRI derives benefits from the reduced contributions to the scheme.
- Ofcom: IAS19 requires that, where a scheme is in surplus according to IAS19 assumptions, the surplus can only be recognised on the Statement of Financial Position if an economic benefit is available to Ofcom as a result. All of the surplus in the funded arrangements can be recognised as it can be recovered by Ofcom.

Table: asset allocation

	2025–26 £m	2024–25 £m
Equities	522	552
Property	344	360
Bonds	997	817
Other	329	437
Total	**2,192**	**2,166**

The UKRI schemes' total assets of £2,040 million (31 March 2025: £2,001 million) included £522 million (31 March 2025: £552 million) of equities, £996 million (31 March 2025: £816 million) of bonds and £344 million (31 March 2025: £360 million) of property assets. Bonds contain assets that have a quoted market price in an active market. As at March 2026, the value of those assets are £964 million.

An investment strategy is in place which has been developed by the pension trustee, in consultation with the Employer to mitigate the volatility of liabilities, to diversify investment risk and to manage cash. To this end the majority of assets are invested in growth assets, which in the long term are expected to yield a greater return than would be available for fixed income assets such as bonds and gilts.

The Ofcom schemes' total assets included £140 million of annuities (31 March 2025: £145 million).

EXPECTED CONTRIBUTION OVER THE NEXT ACCOUNTING PERIOD

It is possible that the actual amount paid might be different from the estimated amount. This may be due to contributions, benefits payments or pensionable payroll differing from expected, changes to schemes' benefits or settlement/curtailment events that are currently unknown.

Table: expected contribution over the next accounting period

	2025-26 £m	2024–25 £m
UKRI	12	19
Ofcom	1	1
Total	**13**	**20**

Table: major actuarial assumptions for Ofcom and UKRI

	2025–26 Ofcom	2024–25 Ofcom	2025–26 UKRI	2024–25 UKRI
Discount rate	6.1%	5.8%	6.1%	5.7%
Inflation (Consumer Price Index)	2.9%	2.6%	2.9%	2.7%
Life expectancy in years at 65, currently aged 65 (male)	Not applicable[1]	Not applicable[1]	22.1	21.6
Life expectancy in years at 65, currently aged 45 (male)	Not applicable[1]	Not applicable[1]	23.5	23.0
Life expectancy in years at 65, currently aged 65 (female)	Not applicable[1]	Not applicable[1]	23.9	23.6
Life expectancy in years at 65, currently aged 45 (female)	Not applicable[1]	Not applicable[1]	25.2	24.9

Notes

1. Ofcom uses Life expectancy in years at 60, currently aged 40 for both male and females

SENSITIVITY ANALYSIS

The increase in liability that would result from changes in these actuarial assumptions

Table: sensitivity analysis

	Ofcom £m	UKRI £m
0.05 percentage point decrease in annual discount rate	8	74
0.05 percentage point increase in inflation assumption	7	Not applicable
1 year increase in life expectancy	7	38

UKRI

Table: Financial assumptions used to calculate scheme liabilities

	2025–26 %	2024–25 %
Rate of increase on pensionable salaries	3.85	3.70
Rate of increase on pension payments	2.85	2.70
Discount rate	6.10	5.65
Inflation rate	2.85	2.70
Expected return on equities	6.10	5.65
Expected return on bonds	6.10	5.65
Expected return on overall fund	6.10	5.65

The results of any actuarial calculation are inherently uncertain because of the assumptions which must be made. The table below indicates the approximate effects on the actuarial liability as at 31 March 2026 of changes to the main actuarial assumptions.

Table: Analysis of impacts on actuarial liability

Change in assumption	Change in assumption	Approximate effect on total liability	Approximate effect on total liability £m
Discount rate	-0.5%	+6.8%	74
Rate of increase in earnings	-0.5%	-0.7%	(7)
Rate of increase in pensions	-0.5%	-5.3%	(57)
Removing age rate for pensioner mortality one year younger		3.50	38

Table: Analysis of actuarial gain

	2025–26 £m	2024–25 £m
Actual return less expected return on pension scheme assets	(12)	(102)
Experience gains arising on the scheme liabilities	(6)	(8)
Changes in demographic assumptions	(10)	3
Changes in financial assumptions	45	155
Actuarial gain	18	49

Table: Analysis of actuarial gain expressed as a percentage of the scheme's assets and liabilities at the statement of financial position date

	2025–26 %	2024–25 %
Actual return less expected return on pension scheme assets	(0.57)	(5.12)
Experience (loss)/gain arising on the scheme liabilities	(0.57)	(0.69)
Actuarial gain	1.62	4.46

Table: Other finance income

	2025–26 £m	2024–25 £m
Expected return on pension scheme assets	111	96
Interest on pension scheme liabilities	(61)	(58)
Net return – other finance income	50	38

17. Capital and other financial commitments

Table: capital and other financial commitments

	Note	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Contracted capital commitments	17.1	4	619	108	772
Other financial commitments	17.2	6,745	17,647	8,135	20,973
Total		**6,749**	**18,266**	**8,243**	**21,745**

17.1 CAPITAL COMMITMENTS

Table: contracted capital commitments not otherwise included in these financial statements

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Property, plant and equipment	4	567	106	719

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Intangible assets	-	1	2	2
Loans, Investments	-	51	-	51
Total	**4**	**619**	**108**	**772**

Capital commitments as at 31 Mar 2026 include the following significant items:

- Property, plant and equipment commitments for UKRI of £489 million (31 Mar 2025: £550 million).

17.2 OTHER FINANCIAL COMMITMENTS

The departmental group has entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) for subscriptions to international bodies and various other expenditures. Future payments to which the departmental group is committed are shown below.

Table: other financial commitments

	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Not later than one year	2,594	7,562	2,889	8,127
Later than one year and not later than 5 years	3,996	9,675	5,118	12,218
Later than 5 years	155	410	128	628
Total	**6,745**	**17,647**	**8,135**	**20,973**

International subscriptions: the financial commitments payable include subscriptions payable to international bodies, analysed by the period in which the payments are due.

Table: international subscriptions

	Within 1 year £m	Later than 1 year and not later than 5 years £m	Later than 5 years £m	2025–26 Total £m	2024–25 Total £m
Horizon Europe	1,689	1,931	-	**3,620**	5,320
Copernicus	142	141	-	**283**	388
European Space Agency	449	1,614	151	**2,214**	1,679
Other subscriptions	1	3	4	**8**	9
Total core dept and agencies	**2,281**	**3,689**	**155**	**6,125**	**7,396**

	Within 1 year £m	Later than 1 year and not later than 5 years £m	Later than 5 years £m	2025–26 Total £m	2024–25 Total £m
European Organisation for Nuclear Research (CERN)	178	110	-	**288**	270
Institut Laue Langevin (ILL)	20	88	63	**171**	182
Other subscriptions	101	192	14	**307**	294
Total DSIT group	**2,580**	**4,079**	**232**	**6,891**	**8,142**

Notes

- The DSIT group is required to subscribe to a number of bodies on an on-going and continuous basis. These subscriptions are paid in euros, Swiss francs and pounds sterling. The subscriptions described below are paid in euros or Swiss francs and amounts paid are subject to fluctuations due to exchange rate differences.
- Horizon Europe and Copernicus: The core department is responsible for paying the UK's contribution to the Horizon Europe and Copernicus programmes to the European Commission.
- European Space Agency (ESA): The UK Space Agency pays international subscriptions to the ESA and these amounts are agreed several years in advance at ESA Council of Ministers (CMin) meetings. The UK Space Agency's commitments are primarily due to its obligations to ESA under CMin. The last ESA Council of Ministers meeting took place in November 2025 (CMin25) and covered obligations to ESA for the period 2025/26 to 2034/35.
- European Organisation for Nuclear Research (CERN): UKRI shares the funding of the capital and running costs of CERN with other major scientific nations. There is a notice of withdrawal period of 12 months after the end of the current calendar year.
- Institut Laue Langevin (ILL): The UK, through UKRI, has signed up to International Conventions, with respect to ILL. The sixth protocol of the Intergovernmental Convention was signed in September 2021 and will remain in force until 31 December 2033. Thereafter it shall be tacitly extended from year to year unless any of the governments give written notification to the other governments of its intention to withdraw from the Convention. Any such withdrawal will take effect upon the expiry of three years from the date of receipt of the notification by any of the other governments or on such later date as may be specified in the notification.
- Other subscriptions: UKRI had a number of other commitments in respect of membership of international collaborations, including subscriptions to Square Kilometre Array of £59 million as at 31 Mar 2026 (31 Mar 2025: £74 million). Further information will be found in UKRI's financial statements.

Other commitments: the financial commitments payable in future years include payments due under non-cancellable contracts to the organisations below.

Table: other commitments

	Within one year £m	Later than one year and not later than 5 years £m	Later than 5 years £m	2025–26 Total £m	2024–25 Total £m
Ordnance Survey	148	307	-	**455**	446
Met Office	150	-	-	**150**	145

	Within one year £m	Later than one year and not later than 5 years £m	Later than 5 years £m	2025–26 Total £m	2024–25 Total £m
Other commitments	15	-	-	**15**	148
Total core dept and agencies	**313**	**307**	**-**	**620**	**739**
UKRI grants	4,666	5,289	178	**10,133**	12,087
Other commitments	3	-	-	**3**	5
Total DSIT group	**4,982**	**5,596**	**178**	**10,756**	**12,831**

Notes

- Ordnance Survey and Met Office: The core departments largest non-cancellable contractual commitments are to Ordnance Survey for the Public Sector Geospatial Agreement and the Met Office for the Public Weather Service.
- UKRI grants: UKRI have contractual obligations for grant commitments. The total commitment as at 31 Mar 2026 is £10,133 million (31 Mar 2025: £12,087 million).

18. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are detailed below at their carrying amounts within the relevant categories.

Table: financial assets

	Notes	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Held at amortised cost					
Cash and cash equivalents	12	1,564	2,405	1,669	2,304
Receivables[1]	11	158	414	25	308
Loans to public sector bodies[2]	8.3	297	297	269	269
Other financial assets	9.1	10	125	43	152
Total		**2,029**	**3,241**	**2,006**	**3,033**
Held at mandatory Fair Value through Profit or Loss (FVPL)					
Derivatives		-	16	-	-
Other financial assets and private sector loans	9.1	13	484	-	439
Total		**13**	**500**	**-**	**439**
Held at Fair Value through Other Comprehensive Income (FVOCI)					
Ordinary shares in public sector companies[3]	8.1	221	220	213	212
Other financial assets	9.1	-	6	-	15

	Notes	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Total		**221**	**226**	**213**	**227**
Public dividend capital					
Public dividend capital	8.2	65	65	65	65
Total		**65**	**65**	**65**	**65**
Total financial assets		**2,328**	**4,032**	**2,284**	**3,764**

Table: financial liabilities

	Notes	2025–26 Core dept & agencies £m	2025–26 DSIT group £m	2024–25 Core dept & agencies £m	2024–25 DSIT group £m
Held at amortised cost					
Payables[1]	13	(1,676)	(1,774)	(1,820)	(1,965)
Total		**(1,676)**	**(1,774)**	**(1,820)**	**(1,965)**
Held at mandatory FVPL					
Derivatives	19	(30)	(30)	(140)	(145)
Total		**(30)**	**(30)**	**(140)**	**(145)**
Held at designated FVPL					
Loan commitment liabilities		-	(8)	-	(3)
Total		**-**	**(8)**	**-**	**(3)**
Total financial liabilities		**(1,706)**	**(1,812)**	**(1,960)**	**(2,113)**

Notes

For financial instruments carried at amortised cost, there is no material difference between amortised cost and fair value.

2. The amounts disclosed above as payables and receivables exclude any assets or liabilities which do not arise from a contractual arrangement.
3. This is comprised of loans to public sector bodies and other loans and investments in other public sector bodies, detailed in 8.3 other investments and loans on page 206.
4. Ordinary shares in public sector companies excludes bodies that are consolidated in the DSIT group, as these are held at cost, see 8.1 ordinary shares on page 203.

Financial risk management: financial instruments can impact an entity's financial performance and position. Their impact on the DSIT group is disclosed below. Cash requirements for the DSIT group are largely met through the estimates process so financial instruments play a more limited role in creating risk compared to a private sector body of a similar size. The DSIT group is exposed to credit risk, market risk, and liquidity risk.

CREDIT RISK

Credit risk is the risk that a party to a financial instrument will cause a financial loss for the other by failing to discharge an obligation. Significant credit risks are summarised below.

Table: Credit risk

DSIT group	Analysis
Other financial assets: Investment funds £365m (31 Mar 2025: £355m)	Investee companies may not perform as expected and the departmental group may not recover its initial investment. The department minimises the risk by monitoring the overall performance of the funds to secure value for the core department as an investor. This includes a full evaluation of each business case submitted prior to committing funds.
Cash and cash equivalents: £2,405m (31 Mar 2025: £2,304m)	The cash and cash equivalents are held with banks and financial institutions which are rated AA- to AA+ based on S&P ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The departmental group considers that cash and cash equivalents have a low credit risk based on the external credit ratings of the holding parties.
Other financial assets: Innovate UK Loans Limited £115m (31 Mar 2025: £120m)	The departmental group's most substantial exposure to credit risk relates to the lending of IUKL. More detailed disclosure is available in the published statutory accounts of this subsidiary. The nature of innovation loans is such that this type of lending is expected to have a relatively higher credit risk profile compared to lower-risk commercial lending secured on a range of tangible and intangible assets at the market interest rates that private sector financial institutions typically offer. IUKL adopts robust credit risk management policies designed to recognise and manage the risks arising from the portfolio. At 31 March 2026 there were 34 innovation loans classified as amortised cost with a significant increase of credit risk and 52 loans that were credit impaired (defaults) (at 31 March 2025 there were 42 loans with a significant increase of credit risk and 29 loans with credit impairment (defaults)), as defined by the IUKL's staging transfer criteria, at the end of the financial year. A consequence of the classification of innovation continuity loans as FVTPL is that these loans are outside the scope of ECL provisions and the provisions for irrevocable commitments, and so provisions cannot be made for these loans.

DSIT group	Analysis
Trade receivables: £414m (31 Mar 2025: £308m)	• The core department applies the IFRS 9 simplified approach using an allowance matrix to measure the lifetime expected loss allowance for trade receivables in accordance with the FREM guidance. • Trade receivables are grouped based on credit risk characteristics and the number of past due days. Default is defined as 90 days past due. The loss rates are estimated using the historic data for each aging group. Forward-looking information such as macroeconomic factors and entity specific situations are considered for entities with significant outstanding balances. Balances with other core central government departments are excluded from recognising stage-1 and stage-2 impairments following the FREM adaptions. • The departmental group has an immaterial expected credit loss on the assets that it holds and has therefore assessed the overall level of credit risk as low.
Public and private sector loans and gilts: £456m (31 Mar 2025: £335m)	• Where possible, the departmental group monitors changes in credit risk by tracking published external credit ratings. An internal credit rating system, which was developed based on other established methodologies, was used to assign credit risks for loans that do not have an external credit rating. 12-month and lifetime probabilities of default are based upon Moody's published research on the global default rate adjusted for historical repayment data and any macroeconomic pressures which could impact the entity's ability to repay the loan. • The departmental group's assessments show that it has an immaterial expected credit loss on the assets that it holds.

MARKET RISK

Market risk is the risk that due to changes in market prices, fair values and cashflows will fluctuate. Market risk generally comprises of foreign currency risk, interest rate risk and other market risk.

FOREIGN CURRENCY RISK

Core dept: DSIT's exposure to foreign currency risk during the year was significant, though this was considerably mitigated by the use of cashflow hedge contracts. The contributions, in Euros, to the European Commission for the Horizon and Copernicus programmes, were made in two instalments during the year, see Note 17 for details of these financial commitments. The department aims to manage a layered portfolio of forward contracts to purchase Euros at 90% of the annual subscription payable to EC during a calendar year thereby fixing the exchange rate to be used. The remaining unhedged portion is translated at the prevailing spot rate.

Detailed disclosures related to these derivative financial instruments are included in Note 19.

Agencies: UKSA pays an annual subscription in euros to the European Space Agency (ESA) and enters into forward contracts to mitigate the risk.

These derivative contracts are designated as cashflow hedges.

ALBs: UKRI are exposed to foreign currency risk in relation to international subscription payments made. This is principally for payments to CERN. UKRI have entered into hedging arrangements to minimise this risk. UKRI and NESTA Trust are subject to minor foreign currency risk through the maintenance of bank accounts in foreign currencies (including US dollar, euros and Swiss francs) to deal with day-to-day overseas transactions.

INTEREST RATE RISK

Core dept: The core department does not invest or access funds from commercial sources so is not exposed to interest rate risk.

OTHER MARKET RISK

Core dept: The core department is exposed to wider risks relating to the performance of the economy as a whole. The main risks resulting from a downward movement in the economy include failures of investee companies of investment funds and loan defaults.

ALBs: The Nesta Trust is exposed to equity price risk due to its investment of a portion of its endowment assets in publicly listed equity investments. The Nesta Trust manages this risk by investing for the medium to long term, diversifying across managers with complementary styles, and investing in funds alongside large institutional investors. The performance of investment managers is monitored regularly.

Financial assets held at fair value through profit or loss are valued using established fair value measurement techniques. Where investments are actively traded, fair value is based on quoted bid prices at the reporting date. For other investments, valuations are provided by fund managers using recognised approaches such as earnings multiples, discounted cash flow analysis or net asset values, consistent with the fair value measurement principles set out in the applicable accounting standards.

LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Core dept, Agencies and ALBs: in common with other government departments, the future financing of its liabilities is to be met by future grants of supply, voted annually by Parliament. There is no reason to believe that future approvals will not be forthcoming, therefore, on this basis the liquidity risk to the core department, its agencies and the wider group is minimal.

Fair value hierarchy: The table below shows financial instruments carried at fair value, by valuation method.

- Level 1 valuation: uses a quoted market price in an active market, for an identical assets or liability. This is the most reliable evidence of fair value. It is used without adjustment.

- Level 2 valuation: uses other observable inputs other than a quoted price for the asset or liability either directly or indirectly.
- Level 3 valuation: uses unobservable inputs for the assets or liabilities, not based on observable market data – such as internal models or other valuation method.

Table: fair value hierarchy for financial assets

	31 Mar 2026 Level 1 £m	31 Mar 2026 Level 2 £m	31 Mar 2026 Level 3 £m	31 Mar 2026 Total £m	31 Mar 2025 Level 1 £m	31 Mar 2025 Level 2 £m	31 Mar 2025 Level 3 £m	31 Mar 2025 Total £m
Held at mandatory FVPL								
Derivatives	-	16	-	**16**	-	-	-	**-**
Private sector loans	-	13	23	**36**	-	-	35	**35**
Private sector shares	-	-	83	**83**	-	-	49	**49**
Investment funds	156	-	209	**365**	141	-	214	**355**
Total	**156**	**29**	**315**	**500**	**141**	**-**	**298**	**439**
Held at FVOCI								
Ordinary shares in public sector companies	-	-	220	**220**	-	212	-	**212**
Private sector shares	3	-	3	**6**	2	-	13	**15**
Total	**3**	**-**	**223**	**226**	**2**	**212**	**13**	**227**
Total financial assets	**159**	**29**	**538**	**726**	**143**	**212**	**311**	**666**

Table: fair value hierarchy for financial liabilities

	31 Mar 2026 Level 1 £m	31 Mar 2026 Level 2 £m	31 Mar 2026 Level 3 £m	31 Mar 2026 Total £m	31 Mar 2025 Level 1 £m	31 Mar 2025 Level 2 £m	31 Mar 2025 Level 3 £m	31 Mar 2025 Total £m
Held at mandatory FVPL								
Derivatives	-	(30)	-	**(30)**	-	(145)	-	**(145)**
Total	**-**	**(30)**	**-**	**(30)**	**-**	**(145)**	**-**	**(145)**
Held at designated FVPL								
Loan commitment liabilities	-	-	(8)	**(8)**	-	-	(3)	**(3)**
Total	**-**	**-**	**(8)**	**(8)**	**-**	**-**	**(3)**	**(3)**
Total financial liabilities	**-**	**(30)**	**(8)**	**(38)**	**-**	**(145)**	**(3)**	**(148)**

Notes

Transfers between levels of the fair value hierarchy are deemed to occur at the end of the reporting period.

Specific valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rate at the reporting date based on level 2 inputs, with the resulting value discounted back to present value

- other techniques, such as discounted cashflow analysis or for non-quoted ordinary shares and investment funds that are not actively traded, the net assets of the company/underlying fund are used – these are classified as level 3
- the fair value of public sector shares is based upon net assets. Following a review the shares are now classified as level 3 with it previously being classified as level 2
- Investment funds are managed by private equity managers. As there is no identifiable market price, these funds are included at the most recent valuations provided by the private equity managers, adjusted for cash calls and distributions. These are classified as level 3.

Table: changes in level 3 instruments, 2025–26, in £ millions

	Ordinary shares in public sector companies	Ordinary shares in unlisted private equities	Investment funds and other financial investments	Loan Commitment Liabilities	Total
Balance at 1 Apr 2025	**212**	**62**	**249**	**(3)**	**520**
Additions	-	34	18	(5)	**47**
Repayments or disposals	-	(1)	(18)	-	**(19)**
Revaluations	8	(3)	(18)	-	**(13)**
Gains and losses recognised in SOCNE	-	(6)	1	-	**(5)**
Balance at 31 Mar 2026	**220**	**86**	**232**	**(8)**	**530**

Table: changes in level 3 instruments, 2024–25, in £ millions

	Ordinary shares in unlisted private equities	Investment funds and other financial investments	Loan Commitment Liabilities	Total
Balance at 1 Apr 2024	**66**	**223**	**(2)**	**287**
Additions	9	89	-	**98**
Repayments or disposals	(2)	(52)	-	**(54)**
Revaluations	(11)	(13)	-	**(24)**
Gains and losses recognised in SOCNE	-	2	(1)	**1**
Balance at 31 Mar 2025	**62**	**249**	**(3)**	**308**

19. Derivative financial instruments

In the current reporting period, the core department entered into a number of derivative contracts that were designated as cashflow hedges to better plan currency fluctuations in relation to international subscriptions commitments payable to the European Commission (EC) in Euros. These contracts are revalued at each year end based on the future forward market rates, as provided by the Bank of England. Any such revaluations at the year end therefore reflected unrealised gains and losses at 31 March.

The core department uses forward exchange contracts as part of a balanced portfolio of hedges designed to control foreign currency risk in line with the level of risk appetite adopted by the executive committee. The core department is fully compliant with the DSIT departmental hedging policy, which forbids using financial instruments for speculative purposes. Forward exchange contracts may be placed with the Bank of England where the expected cost at the current exchange rate represents at least 2% of the total budget or the value of the transaction is greater than £2 million. The only form of hedging foreign currency risk allowed within the DSIT group is the use of forward exchange contracts so as to provide a greater budgetary certainty and therefore plan the future expenditure more effectively.

Throughout the current reporting period, the core department entered into 6 (2024–25: 48) forward exchange contracts to hedge 90% of existing international subscriptions commitments payable to the EC until August 2027. During the reporting period, 13 forward contracts reached maturity and were disposed of accordingly.

Table: derivative financial instruments

	31 Mar 2026 Core dept & agencies £m	31 Mar 2026 DSIT group £m	31 Mar 2025 Core dept & agencies £m	31 Mar 2025 DSIT group £m
Balance at 1 April	**(140)**	**(145)**	**(30)**	**(37)**
Disposals (contracts settled in year)	35	35	17	17
Revaluation movement	75	96	(127)	(125)
Balance at 31 March	**(30)**	**(14)**	**(140)**	**(145)**
Non-current derivative assets	-	14	-	-
Current derivative assets	-	2	-	-
Total derivative assets	**-**	**16**	**-**	**-**
Non-current derivative liabilities	(11)	(11)	(74)	(74)
Current derivative liabilities	(19)	(19)	(66)	(71)
Total derivative liabilities	**(30)**	**(30)**	**(140)**	**(145)**
Net derivative assets and liabilities	**(30)**	**(14)**	**(140)**	**(145)**
Net change in value of cash flow hedges impacting reserves	(75)	(96)	127	125

Notes

Additions (contracts purchased in year): the fair value of the derivatives entered into during the period is assumed to be nil.

Disposals (contracts settled in year): the disposal value arose through the completion of 13 forward contracts with settlement dates falling in the reporting period. This disposal represented a realised loss on the hedging instrument which was recognised in the SOCNE and therefore decreased the liability position at the accounting period end date.

There is no impact on any previously recognised reserves as these contracts were added and disposed of in the same period.

Revaluation movement: revaluation movement represents the difference in the fair value of the contracts on inception as compared to the fair value of the contracts at the year-end date for unsettled contracts and the settlement date for settled contracts.

The GBP to EUR forward rate moved from a weighted average 1.133 to 1.136 during the period from inception to year end across all unsettled contracts; this was 1.162 to 1.175 from inception to year end across all settled contracts.

All derivatives held by the core department are cash flow hedges. The net change in cash flow hedges impacting core department reserves is £79 million (2024–25: £88 million).

CASHFLOW HEDGE CONTRACTS

The hedge contract is designed to allow for cash flow planning and enables effective budgeting to align with the comprehensive spending reviews which are normally undertaken by the government every three years. The hedge contract is not designed to protect against currency risk which will result in an unrealised gain or loss arising each year end when hedges are revalued.

During the reporting period the core department maintained in total a hedge portfolio of 51 forward exchange contracts (2024–25: 48), 13 of which matured during the year. In the reporting period, DSIT entered into several forward exchange contracts to hedge 90% of existing international subscriptions payable to the EC in Euros until August 2027. At the reporting date, the nominal value of these forward contracts was €3,599 million (2024–25: €5,224 million). Forward contracts are to be settled in line with the payment dates of the associated contributions to the EC, as described in note 17.

The fair value of forward exchange contracts is determined by comparing the contractually agreed cost on creation of the contract with the fair value of the contract translated at the future forward market rate provided by the Bank of England at close of trading on 31 March 2026 for the relevant forward exchange contracts' settlement dates. These are indicative rates only, and therefore in accordance with IFRS 13 Fair Value Measurements, the valuation inputs are classified as Level 2. These are included within Note 18 – Financial Instruments.

Hedge effectiveness is assessed at inception and on an ongoing basis by comparing the change in the fair value or cash flows of the hedging instrument with the changes in the fair value or cash flows of the hedged item. All hedges were highly effective at inception, settlement and reporting date and therefore hedge accounting was applied.

20. Contingent liabilities

20.1 UNQUANTIFIABLE CONTINGENT LIABILITIES

DSIT group

UKRI: UKRI recognises a contingent liability against operations linked to global fiscal obligations. They are continuing to investigate historic activity and to ensure future compliance across all operational sites.

Harwell: HSIC PubSP has a contingent liability as a result of a guarantee provided to HSIC General Partner Ltd to make good any shortfall in rent on an investment property at Harwell. This contingent liability is unquantifiable at present and is dependent on certain market conditions. It is not considered likely that these conditions will occur.

Others: there are a number of potential liabilities for the departmental group in respect of claims from suppliers, employees and third parties which depend on actual or potential proceedings. The timing and amounts of any liabilities are uncertain.

20.2 QUANTIFIABLE CONTINGENT LIABILITIES

DSIT Core

BDUK – European Regional Development Fund (ERDF) Superfast liability: This contingent liability for a potential clawback in relation to European Regional Development Fund (ERDF) funding for two broadband projects which were procured through change requests to existing contracts with BT remains in place. The contracts were agreed under the 2012 State Aid National Broadband Scheme (NBS) which expired in June 2015. However, the England ERDF Operational Programme for the 2014–20 period was not agreed until later in 2015 and therefore the funding was added to the contracts in 2016. BDUK believes the funding meets the ERDF criteria given that the contracts had state aid clearance and provision for the extra ERDF funding was included.

However, it is possible that the ERDF auditors decide that the additional funding was not in compliance with ERDF criteria as it was added to the contracts after the expiration of the NBS. Advice from the Ministry of Housing, Communities and Local Government (MHCLG) is that the maximum level of possible fines or penalties would be £2.5 million. The outcome will not be known until the relevant audits have taken place, with the potential of an audit challenge remaining in place until 2026.

DSIT group

UKRI – (STFC) reprocessing and staff commitments: UKRI recognises a contingent liability for its share of Institut Laue-Langevin (ILL) staff-related commitments that will arise on the closure of the facility. The contingent liability will become a provision when a detailed closure plan has been documented and communicated to all those affected. The estimated value of this liability is £9.7 million.

21. Related-party transactions

The core department is the parent of the bodies listed in note 23. list of bodies in the DSIT group on page 238 – these bodies are regarded as related parties and various material transactions have taken place during the reporting period between members of the departmental group. The related parties of the consolidating bodies are disclosed in their respective accounts.

The core department has engaged in material transactions with other consolidated bodies, other government bodies, and devolved administrations (the Northern Ireland Executive, Scottish government and Welsh government). The most significant of these transactions have been with the Exchequer Consolidated Fund and UKRI.

Ministers, board members, key managers of the departmental group or other related party have not undertaken any material transactions with the core department during the year. Details of the department's ministers and senior managers are shown in the Remuneration Report.

In the course of allocating funding during the year, UKRI entered into material transactions with various higher education institutions. Where these bodies have board members who are also members of university councils, each body operates a policy that precludes interested parties from voting on the funding to the university in which they have an interest. Further details of these transactions will be found in statutory accounts of UKRI.

ARIA have also entered into material transactions with a number of higher education institutions during the year and further details will be found in statutory accounts of ARIA.

A number of DSIT's ALBs entered into transactions with the Government Property Agency (GPA) in relation to rental payments for office accommodation.

22. Machinery of government changes

Restatement of DSIT's prior period financial statements to include Cyber-security was not undertaken as total expenditure was £10 million and clearly immaterial to DSIT core and agencies and DSIT group.

BDUK was transferred to DSIT core on 1 November 2025. The BDUK key figures for the period ended 31st October 2025 were as below.

Table: BDUK financial data

	£m
Total expenditure	285
Total assets	28
Total liabilities	(189)
Total taxpayers' equity	161

23. List of bodies in the DSIT group

The list of bodies within the DSIT group is given in the following documents:

- designation order: Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2025
- amendment order: Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2025

Table: designated bodies consolidated in the DSIT group accounts

	Notes	Status
UK Space Agency	-	Executive agency
Building Digital UK	BDUK operated as an executive agency until 31st October 2025. It ceased to exist as an executive agency from 1st November 2025 and was transferred into DSIT Core.	Executive agency
Advanced Research and Invention Agency	-	NDPB
British Technology Investments Limited	-	Other public body
The Copyright Tribunal	No accounts produced as costs are included in the core department's expenditure. It is funded by the core department and operated by UK Intellectual Property Office.	NDPB
Council for Science and Technology	No accounts produced as costs are included in the core department's expenditure.	Expert committee
Diamond Light Source Limited	-	Other public body
Harwell Science and Innovation Campus Public Sector Limited Partnership	Joint venture owned by UKRI and UK Atomic Energy Authority.	Other public body
Information Commissioner's Office	-	NDPB
The NESTA Trust	-	Other public body
Office of Communications	-	Other public body
United Kingdom Research and Innovation	-	NDPB
Medical Research Council	Consolidated by UKRI	-
Innovate UK Loans Limited	Consolidated by UKRI	-
Knowledge Transfer Network Limited	Consolidated by UKRI	-
STFC Innovations Limited	Consolidated by UKRI	-
UK Shared Business Services Limited	-	Other public body

Table: designated bodies not consolidated in the DSIT group accounts

	Notes	Status
Daresbury SIC (PubSec) LLP	A joint venture between the Science and Technology Facilities Council (part of UKRI) and Halton Borough Council. Turnover and net assets are not material to DSIT group accounts.	Other public body
Office of the Adjudicator Broadcast Transmission Services Limited	Turnover and net assets are not material to DSIT group accounts.	Other public body
Office of the Adjudicator Limited	Turnover and net assets are not material to DSIT group accounts.	Other public body
Phone-paid Services Authority Limited	Turnover and net assets are not material to DSIT group accounts. Ofcom formally adopted responsibility for activities previously regulated by Phone-paid Services Authority Limited on 31 January 2025 and the company was dormant from that date until it was dissolved in May 2026.	Other public body

24. Events after the reporting period

Non-adjusting events: on 20 August 2025 the government announced a machinery of government change with the UK Space Agency merging into DSIT Core from 1 April 2026. The department has determined that this is a non-adjusting subsequent event, accordingly the SOFP has not been adjusted.

24.1 DATE ACCOUNTS AUTHORISED FOR ISSUE

DSIT's accounting officer has authorised these accounts to be issued on the same day as they were certified.

ANNEXES

Photo by the Department for Science, Innovation and Technology photographer.

Annex A: common core tables

The core tables present expenditure for resource and capital. Departmental Expenditure Limit (DEL) expenditure is set for each year during the Spending Review process. Annually Managed Expenditure (AME) budgets are agreed annually. (The core tables have been amended to incorporate transfers of functions to other government departments as they have arisen.)

As with the statement of parliamentary supply (SOPS), the core tables do not report on the same basis as the financial statements. They are based on the department's estimated allocation of activities and budgeting. The core tables are produced automatically from HM Treasury's system, which is used by all central government departments to record their spending and plans.

Total departmental spending is the sum of the resource and capital budget, less depreciation. Similarly, total DEL is the sum of the DEL resource and DEL capital budget. Total AME is the sum of the AME resource and AME capital budget, less depreciation in AME.

Table: total departmental spending

	2021–22 Outturn £'000	2022–23 Outturn £'000	2023–24 Outturn £'000	2024–25 Outturn £'000	2025–26 Outturn £'000	2026–27 Planned £'000
Resource DEL						
Deliver an ambitious industrial strategy	8,444	16,627	10,975	5,924	3,419	6,691
Science and Research	40,516	5,681	32,047	35,435	80,763	83,069
Capability	95,411	131,873	165,713	210,916	253,131	379,257
Government as Shareholder	(8,500)	(24,784)	(70,290)	(18,860)	(20,984)	(22,666)
Support for the Digital, Broadcasting and Media sectors	120,614	92,417	115,719	88,710	76,249	160,028
Modernising and reforming the work of the Government Functions	105,799	127,146	187,556	213,840	328,394	436,234
Building Digital UK	-	57,599	39,669	42,700	31,233	33,194
Science and Research (ALB) net	230,771	225,803	305,925	266,082	345,533	288,621
Capability (ALB) net	12,379	50,348	3,171	8,726	9,132	1
Government as Shareholder (ALB) net	1,563	(617)	1,526	8,893	(7,587)	-
Broadcasting and Media (ALB) net	1,931	4,999	17,431	12,895	48	17,045
Science and Research (CFER)	(555)	-	1,139	-	-	-
Promote competitive markets and responsible business practices	1	(1)	-	-	-	-
Delivering affordable energy for households and businesses	-	(402)	-	-	-	-
Taking action on climate change and decarbonisation	-	73	-	-	-	-
Total Resource DEL	**608,374**	**686,762**	**810,581**	**875,261**	**1,099,331**	**1,381,474**
Of which:						
Current grants to persons and non-profit (net)	11,400	11,693	12,029	12,686	7,628	28,984
Depreciation	284,968	284,962	350,194	330,246	486,296	463,668
Income from sales of goods and services	(146,388)	(5,583)	(8,303)	(6,206)	(8,849)	(2,751)
Net public service pensions	1,613	-	-	-	-	-

	2021-22 Outturn £'000	2022-23 Outturn £'000	2023-24 Outturn £'000	2024-25 Outturn £'000	2025-26 Outturn £'000	2026-27 Planned £'000
Other resource	(189,778)	(296,803)	(422,837)	(378,408)	(466,280)	(502,727)
Purchase of goods and services	311,821	291,306	367,099	387,012	434,640	731,162
Rentals	4,700	3,878	2,542	1,037	1,022	340
Staff costs	330,091	389,210	474,911	487,622	573,469	579,177
Subsidies to private sector companies	-	(375)	-	-	-	-
Subsidies to public corporations	1,804	2,804	3,113	5,194	3,628	2,600
Take up of provisions	(2,015)	4,418	10,054	12,802	15,793	15,300
Change in pension scheme liabilities	19	780	624	943	912	-
Current grants abroad (net)	139	246	20,995	20,914	50,839	65,721
Current grants to local government (net)	-	226	160	1,419	233	-
Resource AME						
Deliver an ambitious industrial strategy	-	-	154	153	153	153
Science and Research	65,639	88,947	158,522	249,165	82,487	547,280
Capability	1,337	335	(53)	34	5,356	-
Government as Shareholder	20,700	-	-	-	-	-
Building Digital UK	-	-	-	-	-	-
Science and Research (ALB) net	191,875	82,267	71,584	127,699	84,670	115,530
Capability (ALB) net	10	-	2	-	-	-
Government as Shareholder (ALB) net	(1)	-	-	(8,403)	25	-
Broadcasting and Media (ALB) net	(1,749)	(533)	(767)	644	163	3,197
Deliver an ambitious industrial strategy (ALB) net	473	43,060	1,212	(3,702)	(9,278)	13,322
Total Resource AME	**278,284**	**214,076**	**230,654**	**365,590**	**163,576**	**679,482**
Of which:						
Current grants to persons and non-profit (net)	-	-	-	-	-	26,704
Depreciation	(13,807)	54,376	59,352	50,248	2,995	49,167

	2021–22 Outturn £'000	2022–23 Outturn £'000	2023–24 Outturn £'000	2024–25 Outturn £'000	2025–26 Outturn £'000	2026–27 Planned £'000
Other resource	81,446	139,852	86,706	185,715	58,362	512,786
Purchase of goods and services	38,465	26,428	31,722	37,292	22,810	1,638
Release of provision	457	(595)	(1,804)	(604)	(2,068)	684
Release of provisions covering pension benefits	(1,613)	-	-	-	-	-
Rentals	(2,522)	(2,538)	(2,540)	(2,541)	(2,542)	(2,540)
Take up of provisions	102,111	(79,697)	(14,198)	21,459	10,004	13,619
Unwinding of discount rate on pension scheme liabilities	32,876	43,854	55,158	57,110	60,064	47,582
Change in pension scheme liabilities	40,871	32,396	16,258	16,911	13,951	29,842
Total Resource Budget	**886,658**	**900,838**	**1,041,235**	**1,240,851**	**1,262,907**	**2,060,956**
Of which:						
Current grants to persons and non-profit (net)	11,400	11,693	12,029	12,686	7,628	55,688
Depreciation	271,161	339,338	409,546	380,494	489,291	512,835
Income from sales of goods and services	(146,388)	(5,583)	(8,303)	(6,206)	(8,849)	(2,751)
Net public service pensions	1,613	-	-	-	-	-
Other resource	(108,332)	(156,951)	(336,131)	(192,693)	(407,918)	10,059
Purchase of goods and services	350,286	317,734	398,821	424,304	457,450	732,800
Release of provision	457	(595)	(1,804)	(604)	(2,068)	684
Release of provisions covering pension benefits	(1,613)	-	-	-	-	-
Rentals	2,178	1,340	2	(1,504)	(1,520)	(2,200)
Staff costs	330,091	389,210	474,911	487,622	573,469	579,177
Subsidies to private sector companies	-	(375)	-	-	-	-
Subsidies to public corporations	1,804	2,804	3,113	5,194	3,628	2,600
Take up of provisions	100,096	(75,279)	(4,144)	34,261	25,797	28,919
Unwinding of discount rate on pension scheme liabilities	32,876	43,854	55,158	57,110	60,064	47,582
Change in pension scheme liabilities	40,890	33,176	16,882	17,854	14,863	29,842

	2021-22 Outturn £'000	2022-23 Outturn £'000	2023-24 Outturn £'000	2024-25 Outturn £'000	2025-26 Outturn £'000	2026-27 Planned £'000
Current grants abroad (net)	139	246	20,995	20,914	50,839	65,721
Current grants to local government (net)	-	226	160	1,419	233	-
Capital DEL						
Deliver an ambitious industrial strategy	203,836	219,365	142,823	310,512	489,444	764,712
Science and Research	726,867	965,314	2,404,166	2,047,515	3,108,960	3,480,140
Capability	905	(535)	4,109	49,232	10,602	15,116
Government as Shareholder	143,658	99,952	78,748	125,266	206,132	216,237
Support for the Digital, Broadcasting and Media sectors	152,337	68,144	111,119	181,403	122,101	447,502
Modernising and reforming the work of the Government Functions	141,063	191,231	212,436	216,692	226,140	377,728
Building Digital UK	-	44,092	93,028	269,127	466,238	648,300
Science and Research (ALB) net	8,457,968	9,267,560	9,361,266	9,935,707	9,673,100	9,183,191
Capability (ALB) net	3,558	3,313	4,162	1,793	770	-
Government as Shareholder (ALB) net	19,050	5,541	14,650	8,589	(2,170)	60,000
Broadcasting and Media (ALB) net	15,691	10,565	7,817	4,319	44,753	3,500
Deliver an ambitious industrial strategy (ALB) net	-	-	-	-	-	-
Science and Research (CFER)	(2,091)	-	-	-	-	-
Promote competitive markets and responsible business practices	(1)	-	3,826	6,522	7,856	12,800
Delivering affordable energy for households and businesses	-	-	-	-	-	-
Taking action on climate change and decarbonisation	-	(2,222)	-	-	-	-
Total Capital DEL	**9,862,841**	**10,872,320**	**12,438,150**	**13,156,677**	**14,353,926**	**15,209,226**
Of which:						
Current grants to persons and non-profit (net)	7,052,098	7,554,989	8,624,429	9,661,991	8,968,059	10,624,056
Income from sales of assets	(9,732)	(8,761)	(7,109)	(5,032)	(151)	-
Income from sales of goods and services	(262,021)	(158,598)	(605,383)	(786,891)	(677,842)	(553,702)

	2021–22 Outturn £'000	2022–23 Outturn £'000	2023–24 Outturn £'000	2024–25 Outturn £'000	2025–26 Outturn £'000	2026–27 Planned £'000
Net lending to the private sector and abroad	50,281	15,560	(14,655)	52,706	181,440	139,512
Other capital	(95,067)	(19,384)	(222,134)	(37,911)	(66,689)	55,570
Purchase of assets	376,311	348,354	384,390	438,730	523,341	155,084
Purchase of goods and services	778,972	838,990	961,962	1,183,765	1,277,653	1,828,510
Staff costs	584,153	595,804	679,688	741,112	802,384	112,307
Subsidies to public corporations	31	22	7	-	-	-
Take up of provisions	-	-	-	163	-	-
Capital grants abroad (net)	286,878	306,522	291,238	269,608	48,204	-
Capital grants to persons and non-profit (net)	500,812	664,232	606,648	(62,257)	(57,499)	127,020
Capital grants to private sector companies (net)	53,361	94,686	191,724	253,205	451,399	643,982
Capital support for local government (net)	49,736	5,141	17,375	1,147	4,535	8,200
Capital support for public corporations	84,736	36,486	1,776	(5,369)	27,892	23,488
Current grants abroad (net)	412,292	598,277	1,528,194	1,451,710	2,871,200	2,045,199
Capital AME						
Deliver an ambitious industrial strategy	-	-	-	(2)	-	-
Science and Research	1,271	1,266	-	-	-	260
Capability	144	-	-	-	-	-
Government as Shareholder	-	-	-	-	-	-
Science and Research (ALB) net	(55,125)	(73,901)	(103,987)	(107,559)	(117,816)	-
Government as Shareholder (ALB) net	-	-	-	-	-	-
Deliver an ambitious industrial strategy (ALB) net	(13,310)	4,140	(935)	(50,974)	7,103	-
Promote competitive markets and responsible business practices	-	-	-	-	-	-
Total Capital AME	**(67,020)**	**(68,495)**	**(104,922)**	**(158,535)**	**(110,713)**	**260**
Of which:						
Net lending to the private sector and abroad	(13,310)	4,140	(935)	(50,974)	6,669	-

	2021–22 Outturn £'000	2022–23 Outturn £'000	2023–24 Outturn £'000	2024–25 Outturn £'000	2025–26 Outturn £'000	2026–27 Planned £'000
Other capital	(37,878)	(55,574)	(89,967)	(95,955)	(111,137)	260
Purchase of assets	-	-	-	-	434	-
Purchase of goods and services	1,173	1,208	(1,070)	(86)	36	-
Staff costs	(17,149)	(18,269)	(12,950)	(11,520)	(6,715)	-
Take up of provisions	144	-	-	-	-	-
Total Capital Budget	**9,795,821**	**10,803,825**	**12,333,228**	**12,998,142**	**14,243,213**	**15,209,486**
Of which:						
Current grants to persons and non-profit (net)	7,052,098	7,554,989	8,624,429	9,661,991	8,968,059	10,624,056
Income from sales of assets	(9,732)	(8,761)	(7,109)	(5,032)	(151)	-
Income from sales of goods and services	(262,021)	(158,598)	(605,383)	(786,891)	(677,842)	(553,702)
Net lending to the private sector and abroad	36,971	19,700	(15,590)	1,732	188,109	139,512
Other capital	(132,945)	(74,958)	(312,101)	(133,866)	(177,826)	55,830
Purchase of assets	376,311	348,354	384,390	438,730	523,775	155,084
Purchase of goods and services	780,145	840,198	960,892	1,183,679	1,277,689	1,828,510
Staff costs	567,004	577,535	666,738	729,592	795,669	112,307
Subsidies to public corporations	31	22	7	-	-	-
Take up of provisions	144	-	-	163	-	-
Capital grants abroad (net)	286,878	306,522	291,238	269,608	48,204	-
Capital grants to persons and non-profit (net)	500,812	664,232	606,648	(62,257)	(57,499)	127,020
Capital grants to private sector companies (net)	53,361	94,686	191,724	253,205	451,399	643,982
Capital support for local government (net)	49,736	5,141	17,375	1,147	4,535	8,200
Capital support for public corporations	84,736	36,486	1,776	(5,369)	27,892	23,488
Current grants abroad (net)	412,292	598,277	1,528,194	1,451,710	2,871,200	2,045,199
Total Departmental Spending (excl. depreciation)	**10,411,318**	**11,365,325**	**12,964,917**	**13,858,499**	**15,016,829**	**16,757,607**
Total DEL (excl. depreciation)	**10,186,247**	**11,274,120**	**12,898,537**	**13,701,692**	**14,966,961**	**16,127,032**

	2021–22 Outturn £'000	2022–23 Outturn £'000	2023–24 Outturn £'000	2024–25 Outturn £'000	2025–26 Outturn £'000	2026–27 Planned £'000
Total AME (excl. depreciation)	**225,071**	**91,205**	**66,380**	**156,807**	**49,868**	**630,575**

In line with HMT direction, depreciation will move from Resource DEL to Resource AME from 2026–27 onwards. For 2025–26 SOPS and common core tables, depreciation has been shown within Resource DEL, for all years, to align with 2025–26 outturn reports. For 2026–27 SOPS, depreciation outturn for comparator and future years will be moved to Resource AME, for consistency.

Table: administration budget

	2021–22 Outturn £'000	2022–23 Outturn £'000	2023–24 Outturn £'000	2024–25 Outturn £'000	2025–26 Outturn £'000	2026–27 Planned £'000
Resource DEL						
Science and Research	-	-	-	1,112	1,475	874
Capability	93,178	131,046	162,871	208,509	248,102	321,129
Support for the Digital, Broadcasting and Media sectors	28,714	31,366	33,483	39,274	40,737	57,005
Modernising and reforming the work of the Government Functions	2,921	26,325	33,190	49,488	31,616	48,716
Building Digital UK	-	-	-	-	1	-
Science and Research (ALB) net	6,182	4,064	71	62	67	-
Capability (ALB) net	12,379	50,348	3,171	8,726	9,132	1
Government as Shareholder (ALB) net	-	-	-	-	-	-
Broadcasting and Media (ALB) net	11,432	15,822	25,251	7,992	7,896	13,813
Promote competitive markets and responsible business practices	-	-	-	-	-	-
Total Administration Budget	**154,806**	**258,971**	**258,037**	**315,163**	**339,026**	**441,538**
Of which:						
Current grants to persons and non-profit (net)	24	106	744	334	(103)	-

	2021–22 Outturn £'000	2022–23 Outturn £'000	2023–24 Outturn £'000	2024–25 Outturn £'000	2025–26 Outturn £'000	2026–27 Planned £'000
Depreciation	18,821	22,063	16,345	24,808	21,246	30,813
Income from sales of goods and services	(62,045)	(2,124)	(4,942)	(844)	(1,760)	(665)
Other resource	(30,475)	(59,927)	(124,994)	(18,307)	(57,667)	(64,000)
Purchase of goods and services	72,641	97,944	120,079	125,700	149,788	201,173
Rentals	321	1,258	1,807	472	804	-
Staff costs	155,432	199,431	248,852	182,618	226,641	274,217
Subsidies to public corporations	-	-	-	-	-	-
Take up of provisions	-	42	-	26	17	-
Change in pension scheme liabilities	4	10	-	259	-	-
Current grants abroad (net)	83	168	146	97	60	-

Annex B: financial information by arm's length bodies

The table below shows the total operating income, total operating expenditure, net expenditure for the year, and staff numbers and costs for each of our ALBs.

The figures below will not tie directly to the published ALB accounts as they include some adjustments which would have been captured in the ALB's accounts in the previous year.

Table: financial information by ALB, 2025–26

	Total operating income £m	Total operating expenditure £m	Net expenditure for the year (including financing) £m	Permanent employed staff Number of employees	Permanent employed staff Staff costs £m	Other staff Number of employees	Other staff Staff costs £m
Core department	(134)	13,888	13,810	3,578	283	253	87
UK Space Agency	(3)	781	778	307	26	12	2
Building Digital UK	(1)	500	499	-	19	-	3
Diamond Light Source Ltd	(180)	127	(53)	766	64	120	2
Harwell Science and Innovation Campus Public Sector Limited Partnership	-	-	24	-	-	-	-
UK SBS Ltd	(70)	71	1	731	41	74	4
National Endowment for Science Technology and the Arts	(3)	21	(8)	-	-	-	-
British Technology Investments Ltd	-	(20)	(24)	-	-	-	-
The Office of Communications	(229)	229	(1)	1,665	153	-	2
Advanced Research and Invention Agency (ARIA)	-	152	152	37	5	34	6
Information Commissioners Office	(104)	104	1	1,002	78	56	2
UKRI	(894)	10,469	9,490	7,578	606	1,592	45
Consolidation adjustments	274	(10,284)	(9,965)	-	-	-	-
Total DSIT group	**(1,344)**	**16,038**	**14,704**	**15,664**	**1,275**	**2,141**	**153**

Notes

- The UKRI figures do not contain intra-group UKRI eliminations, as these are shown within the total consolidation adjustments row.

Annex C: glossary

A

ABS: Annual Business Survey

ACSES: Annual Civil Service Employee Survey

ADS: Advanced Digital Skills

AIGZs: AI Growth Zones

AISI: AI Security Institute

ALB: arm's length body

AME: annually managed expenditure

AO: accounting officer

AOSS: Accounting Officer System Statement

ARA: annual report and accounts

ARAC: audit and risk assurance committee

ARIA: Advanced Research and Invention Agency

B

BAME: black, Asian and minority ethnic

BARs: Business Appointment Rules

BBSRC: Biotechnology and Biological Sciences Research Council

BDUK: Building Digital UK

BEIS: Department for Business, Energy and Industrial Strategy

BERD: business expenditure on research and development

BT: British Telecom

BTI: British Technology Investments Ltd

BTPS: BT pension scheme

BVCA: British Venture Capital Association

C

CDEL: capital departmental expenditure limit

CDOTs: Crown Dependencies and Overseas Territories

CERN: European Organisation for Nuclear Research

CETV: cash equivalent transfer value

CFER: Consolidated Fund Extra Receipts

CIC: community interest company

Crick: Francis Crick Institute

CRO: chief risk officer

CSCS: Civil Service Compensation Scheme

CSOPS: civil servant and other pension scheme

CT: Copyright Tribunal

D

DAC: Development Assistance Committee

DCMS: Department for Digital, Culture, Media and Sport

DEL: departmental expenditure limit

DG: director general

DLS: Diamond Light Source

DRC: depreciated replacement cost

DSIT: Department for Science, Innovation and Technology

DTI: Department for Trade and Industry

E

EC: European Commission

ECL: expected credit loss

EDS: Essential Digital Skills

EFRA: Enterprise Fraud Risk Assessment

EO: executive officer

EPSRC: Engineering and Physical Sciences Research Council

ERDF: European Regional Development Fund

ESA: European Space Agency

ESN: Emergency Services Network

ESO: European Southern Observatory

EUMETNET: European Meteorological Network

EUMETSAT: European Organisation for the Exploitation of Meteorological Satellites

EXCO: executive committee

F

FCA: Financial Conduct Authority

FCDO: Foreign, Commonwealth and Development Office

FReM: Government Financial Reporting Manual

FRS: Financial Reporting Standard

FTTP: full fibre to the premises

FVOCI: fair value through other comprehensive income

FVTPL: fair value through profit or loss

FWCI: field-weighted citation impact

FX: foreign exchange

FYE: financial year end

G

GBS: Government Banking Service

GDP: gross domestic product

GDS: Government Digital Service

GERD: gross expenditure on research and development

GGC: Greening Government Commitments

GIAA: Government Internal Audit Agency

GPA: Government Property Agency

GRAA: Government Resources and Accounts Act

GRNI: goods received not invoiced

GVA: gross value added

H

HDRS: Health Data Research Service

HEO: higher executive officer

HERD: higher education expenditure on research and development

HFC: hybrid fibre coaxial

HMG: His Majesty's Government

HMT: HM Treasury

HSIC: Harwell Science and Innovation Campus

I

IAS: International Accounting Standard

IC: Information Commission

ICO: Information Commissioner's Office

ICS: Integrated Corporate Services

ICT: information and communication technology

IFRS: International Financial Reporting Standards

ILL: Institut Laue-Langevin

IPCC: Intergovernmental Panel on Climate Change

IPEV: International Private Equity and Venture Capital Valuation

IPO: Intellectual Property Office

IS: Industrial Strategy

ISIS: ISIS Neutron and Muon Source

IUK: Innovate UK

IUKL: Innovate UK Loans Limited

K

KTN: Knowledge Transfer Network

L

LGBO: lesbian, gay, bisexual and other

LSIMF: Life Sciences Innovative Manufacturing Fund

M

MHCLG: Ministry of Housing, Communities and Local Government

MNO: mobile network operator

MO: Met Office

MRC: Medical Research Council

MRCPS: Medical Research Council Pension Scheme

N

NAO: National Audit Office

NBS: National Broadband Scheme

NCE: no-cost extension

NDPB: non-departmental public body

NERC: Natural Environment Research Council

NESTA: National Endowment for Science, Technology and the Arts

NOMCO: nominations committee

NPL: National Physical Laboratory

NPLML: NPL Management Limited

O

ODA: official development assistance

ODP: Outcome Delivery Plan

OECD: Organisation for Economic Co-operation and Development

ONS: Office for National Statistics

OS: Ordnance Survey

OSL: Ordnance Survey Limited

P

PAA: Public Appointments Assessor

PCPF: Parliamentary Contributory Pension Fund

PCSPS: Principal Civil Service Pension Scheme

PDC: public dividend capital

PFI: Private Finance Initiative

PHSO: Parliamentary and Health Service Ombudsman

PNPRD: private non-profit research and development

PNT: position, navigation and timing

PPE: property, plant and equipment

PSA: Phone-paid Services Authority

PSED: Public Sector Equality Duty

PSFA: Public Sector Fraud Authority

Q

QR: quality-related research funding

R

R&D: research and development

RAL: Rutherford Appleton Laboratory

RAME: resource annually managed expenditure

RCPS: Research Councils Pension Scheme

RDEL: resource departmental expenditure limit

RICS: Royal Institution of Chartered Surveyors

RIO: Regulatory Innovation Office

RRS: Royal Research Ship

S

SBS: Shared Business Services

SCS: senior civil servant

SDGs: Sustainable Development Goals

SIC: Science and Innovation Campus

SLT: senior leadership team

SOCNE: statement of comprehensive net expenditure

SOFP: statement of financial position

SOPS: statement of outturn against parliamentary supply

SORP: statement of recommended practice

SROs: senior responsible owners

SSRB: Senior Salaries Review Body

STFC: Science and Technology Facilities Council

T

TCFD: Task Force on Climate-related Financial Disclosures

TME: total managed expenditure

U

UKRI: UK Research and Innovation

UKSA: UK Space Agency

UKSBS: UK Shared Business Services Limited

UN: United Nations

W

WSF: Waste Separation Facility

WTA: Wireless Telegraphy Act

In relation to the image in United Nations Sustainable Development Goals on page 39, more information about the United Nations Sustainable Development Goals can be found at https://www.un.org/sustainabledevelopment

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