Consolidated Fund

Annual Report and Account 2025-26

HC 241

JULY 2026

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Contents

Performance Report

The Performance report includes:

- **Performance overview** which outlines the purpose, activities of the Consolidated Fund (CF).
- **Performance Analysis** which provides a more detailed look at the receipts and payments and core activity of the CF during 2025-26.

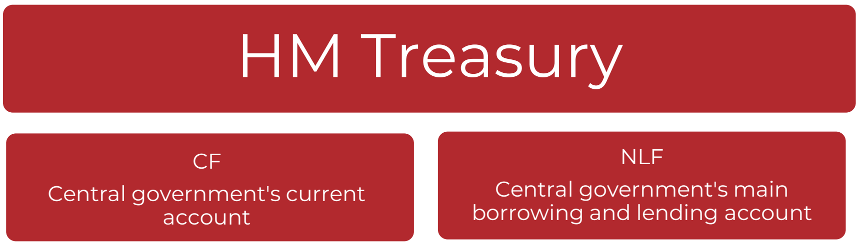
Overview

Purpose and activities of the Consolidated Fund Account

The CF was first set up in 1787 as, 'One fund into which shall flow every stream of public revenue, and from which shall come the supply for every service'. The basis of the financial mechanism by which the CF is operated is governed by the Exchequer and Audit Departments Act 1866.

In order to separate government revenue and expenditure on the one hand and government borrowing and lending on the other, the National Loans Fund (NLF) was established on 1 April 1968 by the National Loans Act 1968 to account for government borrowing and lending which were until then accounted for within the CF. The accounts for the CF and NLF are now published separately.

Both the CF and NLF are administered by HM Treasury, with the bank accounts maintained at the Bank of England. By virtue of section 19(1) of the National Loans Act 1968, the net liabilities of the NLF are a liability of the CF.



The CF receives the proceeds of most taxation and certain other government receipts, makes issues to finance Supply Services, meets the Standing Services directly charged by statute and reimburses the NLF for net interest costs. The finance needs of the CF are met by the NLF (via the proceeds of borrowing) to the extent that taxation and other receipts are insufficient to meet its outgoings. The CF finishes every day with a nil balance on its bank account because any surpluses or deficits are offset by transfers to or from the NLF.

The receipts of the CF mainly consist of:

- tax revenues such as those collected by His Majesty's Revenue and Customs (HMRC)
- other receipts paid over by departments known as Consolidated Fund Extra Receipts (CFERs)
- tax-type revenues such as fines, penalties and certain licence fees paid over by departments and known as Trust Statement income
- repayments from the Contingencies Fund reflecting repayment of funding provided for advances.
- balancing payments from the NLF when daily payments by the CF exceed its receipts (deficit funding)

The payments from the CF are mainly for:

- Supply Services, which are payments issued to government departments to finance their net expenditure. Parliament votes the necessary financial provision normally through the Supply Estimates process, which confers formal statutory authority through the Supply and Appropriation Acts that follow. The departments then use the cash for the purposes approved by Parliament.
- Standing Services, which are charges exempt from any need to be voted annually by Parliament because it has, by statute, permanently authorised the payments. These include for example the salaries of members of the higher judiciary, expenses of holding general elections and Political and Public salaries and pensions.
- issues to the Contingencies Fund to provide funding for advances to departments.
- balancing payments to the NLF when daily receipts into the CF exceed its payments.

The financing needs of the CF are expected to be met over the long term mainly through future tax revenue receipts and other government revenues. Whilst the level of receipts in any year is subject to policy changes and, relatedly the UK's economic position, any shortfall can be met through the issuance of debt from the NLF, the demand for which remains robust. Therefore, in accordance with the Government Financial Reporting Manual, whilst the accounts are prepared on a cash basis it has been concluded that it is appropriate to consider the CF as a going concern.

Key issues and risks

The key issues and risks facing the CF are considered in the Governance Statement on pages 12 to 17.

Performance analysis

2025-26 Receipts and Payments totalling **£915.8 billion** (2024-25: 887.0 billion).

Receipts included £131.3 billion (2024-25: £151.2 billion) from the NLF to cover what would have been the deficit for the year. The deficit arises when the CF does not have enough receipts coming in to cover all the payments it needs to make.

Some transactions internal to the Exchequer that are recorded in the CF accounts make both receipts and payments appear higher than they are. These include:

- Funding temporarily moved to and from the Contingencies Fund for the advances made by that account.
- Short term advances to HMRC to cover daily revenue shortfalls (see Note 2, Tax Revenue to the accounts) having the effect of increasing tax receipts to the CF by funding payments that would otherwise have been funded by HMRC from tax receipts.

Removing these transactions leads to a decrease in both underlying net receipts and payments as outlined in the table below:

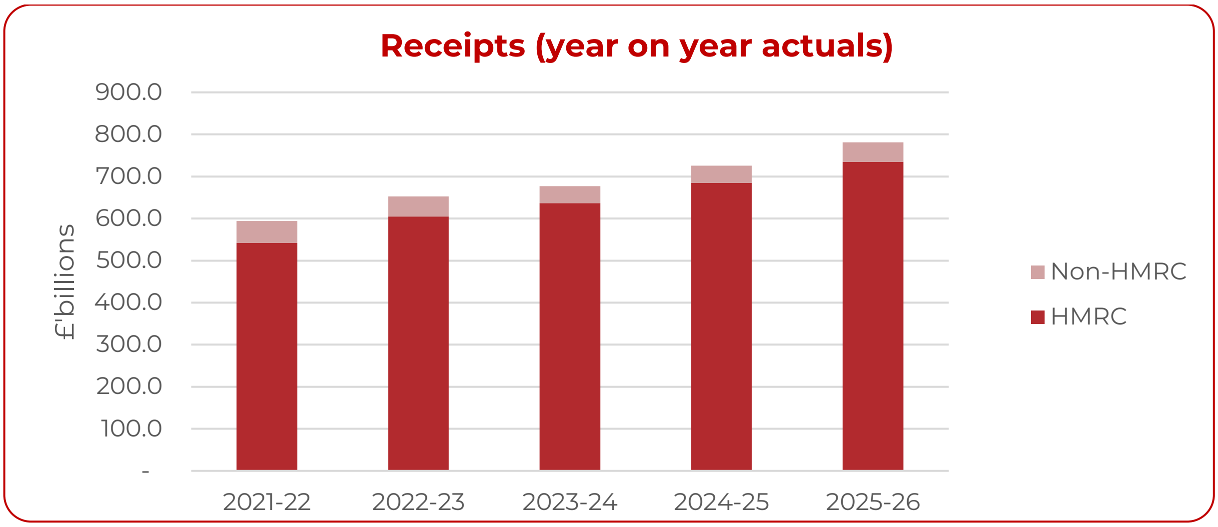
	Receipts		**Payments**	
£m	**2025-26 £bn**	2024-25 £bn	**2025-26 £bn**	2024-25 £bn
Total receipts / payments	**915.8**	887.0	**915.8**	887.0
Less Advances to HMRC	**(9.8)**	(7.9)	**(9.8)**	(7.9)
Less Transactions with the Contingencies Fund	**(3.0)**	(10.0)	**(3.0)**	(10.0)
Less Deficit funding from the NLF	**(131.3)**	(151.2)	**-**	-
Net receipts	**771.7**	717.9	**903.0**	869.1

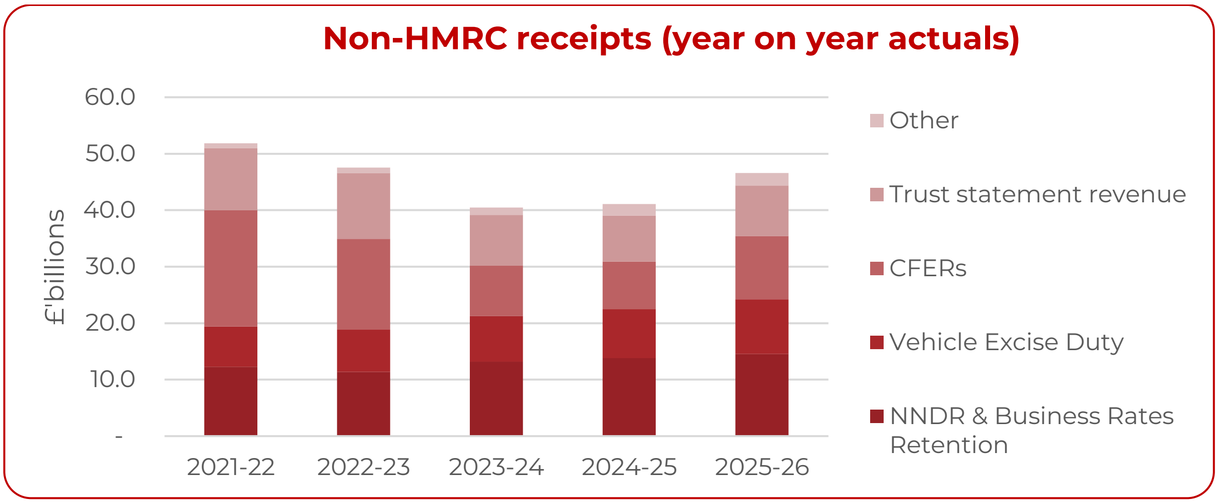
Receipts

Tax receipts from HMRC continued to represent the largest source of receipts for the Consolidated Fund in 2025-26, increasing by £50.2 billion compared to 2024-25. More information on tax revenue is set out in the Annual Report and Accounts and Trust Statement prepared by HMRC[1].

Other receipts (excluding repayments from the Contingencies Fund and NLF deficit funding) rose by £5.5 billion year-on-year. The increase was driven by a combined £1.9 billion increase across NNDR and Business Rates, Vehicle Excise Duty and Other receipts alongside a £3.6 billion increases in CFERs and Trust Statement revenue. Further information on receipts by department is provided in Note 3, Miscellaneous Receipts.

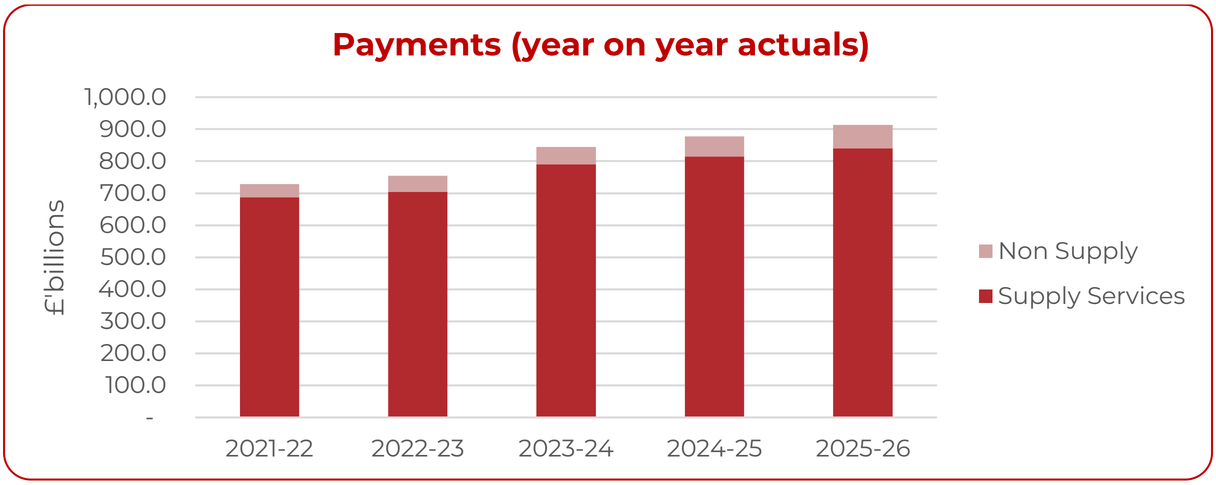
[1] https://www.gov.uk/government/collections/hmrcs-annual-report-and-accounts





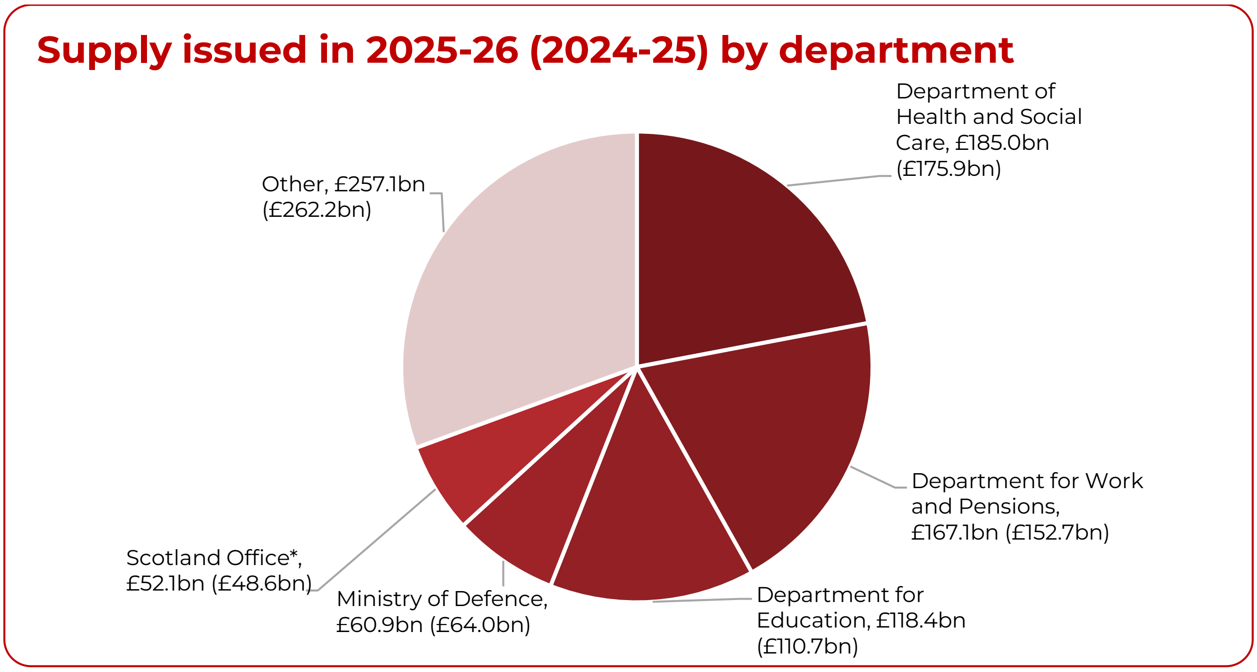
Payments

Payments out of the CF are made up of Supply and Non-supply, the analysis that follows



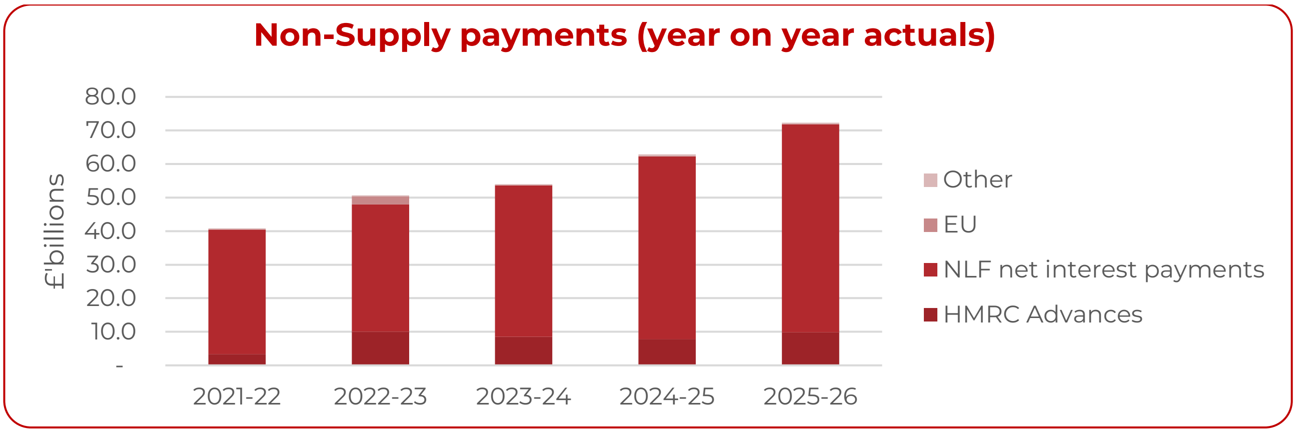
Supply payments to government departments totalled £840.6 billion, an increase of £26.4 billion compared to the previous year (2024-25: £814.2 billion).

The chart below illustrates the distribution of supply issued across the Top 5 departments. Further details on how Supply has been spent, and the drivers of year-on-year movements can be found in individual departmental Annual Reports & Accounts.



*Includes payments to the Scottish CF for Scottish Government spending, further details can be found in each Supply Estimate.

Non-supply payments increased by £9.4 billion to £72.3 billion in 2025-26 (2024-25: £62.8 billion). This was primarily driven by a £7.6 billion increase in payments made to the NLF for net interest payments incurred on that account and a £1.9 billion increase in HMRC advances. Further information on the interest cost incurred on NLF borrowing is provided within the NLF Accounts.



EU withdrawal: the financial settlement

The European Union (Withdrawal Agreement) Act 2020 implements the Withdrawal Agreement. The UK's payments under the financial settlement are primarily covered under HM Treasury's budget and detailed in HM Treasury's Annual Report and Accounts. However, under the main financial provision of the Act, any payment in relation to customs duties on imports from outside the EU before the end of the transition period, are met by the CF.

Long-term expenditure trends

Since the function of the CF is to account for the proceeds of taxation and certain other government receipts, make issues to finance Supply Services, meet the Standing Services directly charged by statute and reimburse the NLF for net interest costs, it has no long-term expenditure trends.

Sustainability reporting

Operationally, the CF is part of HM Treasury and does not have its own staff or buildings. The Fund's impact on the environment is the same as that of the Department. Further detail on environmental impact and climate change adaptation, including how it is embedded within overall decision making and assurance processes is provided within the HM Treasury's Annual Report and Accounts Performance Report.

James Bowler 10 July 2026

Accounting Officer
HM Treasury

Accountability Report

The accountability report contains the following sections:

- **Corporate governance report** which explains the composition and organisation of the CF's governance structures and how they support the achievement of the CF's objectives. It includes the Statement of Accounting Officer's responsibilities and the Governance statement.
- **Parliamentary accountability and audit report** which includes key Parliamentary accountability information on regularity of expenditure and remote contingent liabilities as well as the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

Corporate governance report

The CF is administered by HM Treasury, with all staff being employees of the department. Consequently, the CF does not have its own workforce. Further information of HM Treasury's staffing and related costs is available in HM Treasury's Annual Report and Accounts. Separately, the CF makes funding available for certain salaries and pensions but is not an employer.

Directors' conflicts of interest

HM Treasury requires all employees to disclose any actual or perceived conflict of interest. Conflicts of interest may be financial and can also stem from the interests of household members or other associates; all potential conflicts must be declared and assessed to ensure they do not undermine integrity, reputation or decision-making of HM Treasury.

Staff receive clear guidance on how to identify and manage conflicts, and what to do if one arises. There is a strong process in place for declaring, reviewing, approving, mitigating and recording both actual and perceived conflicts. With proportionate measures put in place to manage them and sanctions (up to contract termination) for failure to declare or comply, whether intentional or not. The declarations process utilises a digital system, which has enhanced both the efficiency and accessibility of declaring conflicts across the department

In 2025-26, no material conflicts of interest have been noted by the senior management overseeing the CF (2024-25: none).

Personal data related incidents

The CF had no protected personal data related incidents during 2025-26 (2024-25: nil).

Statement of Accounting Officer's Responsibilities

Under section 21(1) of the National Loans Act 1968, HM Treasury is required to prepare a statement of Account relating to the CF for each financial year in the form and on the basis considered appropriate by HM Treasury.

The Account is prepared on a cash basis and should give a true and fair view of the state of affairs of the CF and of its receipts and payments for the financial year. Notes 7-10 accompanying the Account disclose certain information relating to the CF on an accruals basis to assist preparation of Whole of Government Accounts.

In preparing the Account the Accounting Officer is required to:

- observe the relevant accounting and disclosure requirements of the Government Financial Reporting Manual (FReM) in so far as they are relevant to the Account and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis prepare the accounts on a going concern basis as defined in the Government Financial Reporting Manual
- confirm that the Annual Report and Accounts are fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced and understandable.

HM Treasury has appointed its Permanent Secretary, James Bowler, as Accounting Officer of the CF.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for keeping proper records, are set out in Managing Public Money.

Statement regarding the disclosure of information to auditors

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

I also confirm that the annual report and accounts are fair, balanced, and understandable and I take personal responsibility for judgements required for determining that they are fair, balanced and understandable.

Audit arrangements

The accounts are audited by the Comptroller and Auditor General (C&AG) under the requirements of the National Loans Act 1968. The National Audit Office (NAO) bears the cost of external audit work performed on the CF. During the financial year, no non-audit work was undertaken by the NAO in relation to the CF.

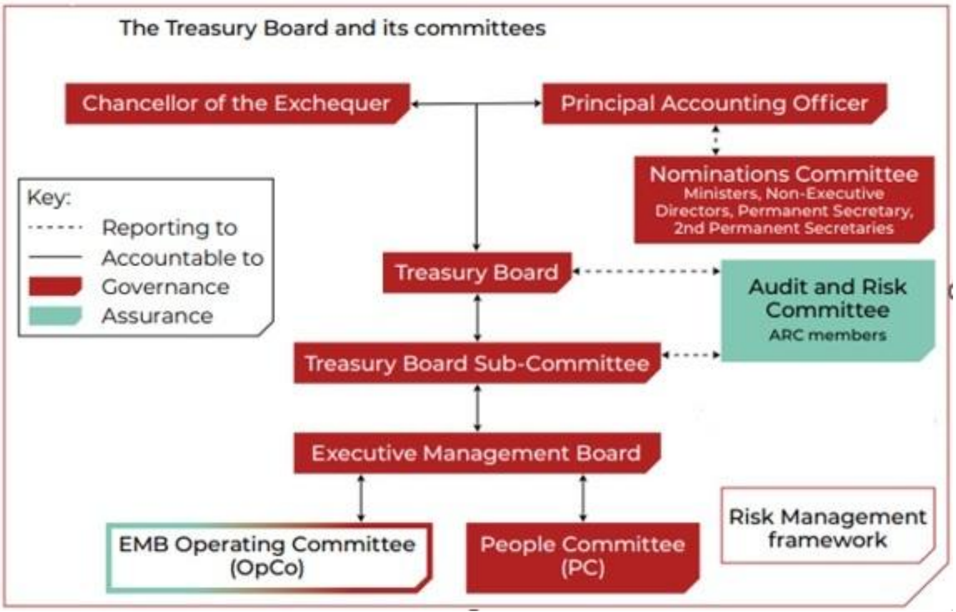
Governance Statement

Governance Framework

The CF is managed within HM Treasury's overall risk and governance framework as set out in the Governance Statement in HM Treasury's Annual Report and Accounts . This includes HM Treasury Board's assessment of its compliance with the Corporate Governance Code.

The Chancellor of the Exchequer, as Minister in charge of HM Treasury, is responsible and answerable to Parliament on all the policies, decisions and actions of HM Treasury, and ultimately of the CF.

As Accounting Officer for the CF, I am personally responsible and accountable to Parliament for the organisation and quality of management of the CF, including its use of public money and the stewardship of its assets, in line with those responsibilities assigned to me in Managing Public Money.



Audit and Risk Committee (ARC)

The Audit and Risk Committee provide advice to the Treasury Board, the Permanent Secretary (Principal Accounting Officer) and HM Treasury's additional Accounting Officers in order to effectively discharge their duties and responsibilities. This includes managing risk, internal control and governance. The Committee considers the integrity of the financial statements and HM Treasury Group's Annual Report and Accounts in relation to the Consolidated Fund, National Loans Fund, Contingencies Fund, Exchange Equalisation Account and Whole of Government Accounts.

In line with its role, the Committee provides independent challenge on the adequacy of the assurance available to the Board and Accounting Officers and oversees the work of GIAA and the NAO. Representatives from both organisations attend meetings as appropriate. The Committee met five times during 2025-26. Pre-meeting discussions with the NAO and GIAA were held where needed.

Internal audit provides an independent internal function forming a key part of the department's overall framework of governance, risk management and internal control. It provides objective assurance to the principal accounting officer on whether controls are properly designed and operating effectively. The committee approves the annual Internal Audit Plan, which is risk based, forward looking and aligned to the department's strategic objectives.

In accordance with the ARC Handbook[2], the Committee provides independent challenge on the robustness of the mechanisms in place, and the evidence provided, to deliver the assurance needed by the Board and departmental Accounting Officers. The committee provides oversight of activity performed by the GIAA and NAO.

HM Treasury recognises the importance of maintaining an appropriate balance of skills, experience and capacity across its governance structures. In line with the ARC Handbook, the Audit and Risk Committee will consider the adequacy of skills, experience and capacity across the Committee and will undertake a formal skills audit in 2026-27 to assess whether any capability gaps exist and to inform future Committee composition.

Representatives from GIAA and NAO attend each meeting and provide updates on the plan's delivery, including reporting on key controls and undertakes independent scrutiny of the department's performance. The ARC also receives reports on the work of the Fund's external auditors, the NAO.

Members of the Committee are appointed by the Chair along with the Principal Accounting Officer. The Committee met six times during 2025-26. and membership of the committee at included:

Committee member	Role	Attended
Edward Twiddy[3]	Chair of the Audit and Risk Committee	4/4
Sir Edward Braham	Member of the Audit and Risk Committee	5/6
Catherine Vaughan[3]	Independent member of the Audit and Risk Committee	4/4
Former committee members leaving in year		
Jane Hanson CBE (to 31/12/2025)[3]	Member of the Audit and Risk Committee	4/4
Zarin Patel[3] (to 31/07/2025)	Chair of the Audit and Risk Committee	2/2

The Committee has a robust Conflicts of Interest Policy, which requires members to excuse themselves from discussions where potential conflicts may occur. Members are required to inform me about any potential conflicts and highlight these at the start of each meeting as appropriate.

Internal Audit

Internal audit for the CF is provided by GIAA as part of their wider work on the departmental group. The internal audit team evaluated the governance, accuracy and completeness of transactions and found no errors. For the period, a substantial opinion was issued, providing assurance on the adequacy and effectiveness of the risk management, control and governance relevant to the Fund.

2 Further information on how the Treasury manages risk can be found in the HMT Group Accounts.

3 Zarin Patel retired from her post as Non-Executive Board member and Chair of the Audit and Risk Committee on the 31 July 2025. Jane Hanson CBE's term ended on 31 December 2025, after it was extended for four months for continuity of experience during a period of change. Catherine Vaughan has also joined the Audit and Risk Committee. Edward Twiddy took on the role of Chair from 1 January 2026.

During 2025-26, internal audit work undertaken by GIAA across business continuity and resilience, including cyber related dependencies, confirmed that core controls are in place and operating effectively while identifying opportunities to further strengthen elements of the control framework.

HM Treasury is taking forward actions to support a programme of continuous improvement. This is consistent with the department's wider approach to governance, risk management and internal as set out in HM Treasury Group's Annual Report and Accounts.

Management of the Consolidated Fund

The CF is managed by the Treasury Accountant and the Exchequer Funds and Accounts (EFA) team of HM Treasury, overseen by the Group Finance Director. Any matters concerning the CF are reported directly to me.

Reporting to HM Treasury's Boards

The CF operates within HM Treasury's wider governance and risk management framework. Departmental risk reporting to HM Treasury's Boards covers strategic and operational risks across the department, while risks specific to the administration and operation of the CF are identified and managed separately through EFA's control and risk management processes.

HM Treasury's risk management framework supports the identification and management of risks to the department's strategic objectives. Directors, specialist Risk Groups and the Operating Committee and the Executive Management Board (EMB) are responsible for monitoring, challenging and reporting on performance against risks and HM Treasury's objectives.

HM Treasury's approach to risk management is compliant with the principles set out in The Orange Book. In accordance with this guidance, risk management is embedded in the department's governance, leadership, and activities. HM Treasury's ARC supports the Accounting Officers in overseeing the Risk Management Framework.

Organisational risks that exceed the department's risk appetite are escalated to senior managers via quarterly risk reporting and, where necessary for appropriate action. The EFA's control and risk management processes feed into this.

In 2025-26, the department undertook comprehensive work to review and strengthen its risks and crisis management frameworks. This resulted in streamlined reporting, clear lines of accountability and escalation, and refreshed business continuity arrangements. This will enable the department to respond more effectively to the crystallisation of acute risks in the future.

Following the publication of the updated 2025 National Risk Register in January 2026, the department continues to own four risks under the Lead Government Department Model. Updates on these four risks are included in the Quarterly risk note.

Throughout 2025-26 the HM Treasury Operating Committee held discussions on the risk landscape and undertook deep dives into high-priority risks flagged through the quarterly reporting system. These processes have produced tangible recommendations for teams to improve the department's resilience. Risks assessed this year include cyber security, departmental oversight of Arm's Length Body (ALB) governance arrangements and impacts from the voluntary exit scheme on workforce planning. EMB has also addressed varied risks through its regular meetings.

Consolidated Fund Risk management

EFA is managed within HM Treasury's risk management framework, as set out in HM Treasury's Annual Report and Accounts. In addition, specific risks relating to the administration and operation of the CF are identified, assessed and managed by EFA.

The Treasury Accountant holds day-to day responsibility for risk management of those Funds managed by EFA, ensuring that my financial, regularity and propriety responsibilities as Accounting Officer of the CF are met. Key operational staff with responsibilities relating to the CF are trained and equipped to manage risk appropriately within their roles. Risk management underpins all EFA processes, including business continuity resilience planning for the public funds for which EFA is responsible. Business continuity arrangements are regularly tested, both within EFA and business partners, and lessons learned are used to strengthen and improve these arrangements.

Cyber security and information resilience form an integral part of this overall control environment. The administration of the CF relies on HM Treasury systems, infrastructure and cross government partners to support critical financial operations. These arrangements are supported by established security controls, resilience measures and incident response processes, underpinned by ongoing monitoring, assurance activity and alignment with cross-government standards. Business continuity planning explicitly considers disruption scenarios, including those arising from cyber incidents and wider system dependencies.

The Treasury Accountant chairs the Public Finance Business Continuity group, a network that brings together relevant teams across HM Treasury, the Bank of England, Debt Management Office, NAO, HMRC and Government Banking. The Group helps ensure business continuity risks are identified, managed and addressed in a consistent and coordinated manner across all operational partners involved in the stewardship of Exchequer funds. Annual certificates of assurance are obtained from all member organisations.

The risk management strategy includes periodic horizon scanning to identify any changes in risk exposure, to evaluate their potential impact and to determine appropriate mitigating actions. Significant risk issues are recorded in a risk register and are assessed by likelihood and impact. Each risk has an appointed risk owner, who is responsible for its management. The risk register is reviewed quarterly by EFA management and is provided to me alongside the quarterly risks and controls report.

The system of internal control

As Accounting Officer, I am responsible for maintaining a sound system of internal control that supports the achievement of the CF's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The system of internal control is designed to manage risk to an acceptable level, balancing the impact of potential risks with the resources required to manage them, rather than eliminate all risk. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the CF's policies, aims, and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.

The system of internal control has been in place throughout the year ended 31 March 2026 and up to the date of approval of the financial statements and accords with HM Treasury guidance. There were no significant changes to the control environment during the year.

Risk profile

The CF is managed generally within the framework of HM Treasury's system of internal control. Within that broader framework, EFA identifies and manages the principal risks specific to the administration and operation of the CF. This includes resourcing the administration of the CF, security, and the management of risks across HM Treasury's business.

The key operational and control risks specific to the CF, and the main controls in place to mitigate them, are set out in the table below. These risks relate specifically to the operation and administration of the CF and should be read alongside, rather than as a substitute for, HM Treasury's wider departmental risk reporting

Risk Category	Description	Details	Status
🔒 Irregularity of transactions (including fraudulent or erroneous payments)	Risk that payments are made incorrectly, unlawfully or fraudulently either within EFA or through counterparties, leading to financial loss or reputational damage.	Clear separation of duties enforced through user permissions and payment approval panels. NAO Exchequer Section approves regularity of payments in advance and reconciles CF transactions daily (providing additional assurance to Parliament).	Stable
📊 Incorrect accounting	Risk of material misstatement in accounts due to system errors, incorrect inputs or misapplication of accounting standards.	Application controls in IT system used to manage CF receipts/payments and accounting entries. Monthly management accounts reviewed by HM Treasury Accountant and Accounting Officer.	Stable
💻 Failure of IT systems	Risk that failure of core HM Treasury or communication channels prevents processing of payments or access to critical financial data leading to disrupted operations.	HM Treasury network infrastructure, which is provided by an outsourced supplier, has a high level of resilience including a near instant failover should an issue arise.	Stable

Risk Category	Description	Details	Status
Failure to provide an effective service in adverse circumstances, including cyber incidents and disasters	Risk that EFA operations are unable to continue effectively resulting in delayed payments, reporting failures, or weakened financial control.	Cross-trained EFA staff ensure operational resilience. Continuity arrangements regularly tested under Treasury-wide Business Continuity structures.	Stable
Failure of principal counterparties to provide agreed services	Risk that key counterparties fail to deliver essential services or meet agreed performance standards, leading to operational disruption, delays, increased costs, or control weaknesses.	Well-developed SLAs detailing monitoring and control arrangements.	Stable
Information risk	Risk that confidential, sensitive, or personal information is lost, disclosed, altered, or accessed without authorisation, resulting in legal, regulatory, financial, or reputational consequences	Data and information risk managed under Treasury policies incl. encryption and physical/IT security. EFA Data Handling Policy reviewed periodically.	Stable

Review of effectiveness

In line with HM Government guidance, set out within the Corporate Governance Code of Good Practice for central government departments, I have reviewed the effectiveness of the system of internal control. My review is informed by the work of GIAA who provided positive assurance as to the management and control of the CF in 2025-26 and EFA management who have responsibility for the development and maintenance of the internal control framework, as well as comments made by external auditors in their management letter and other reports.

I have taken account of the oversight provided by HM Treasury Group ARC, and the actions of risk owners, in addressing weaknesses and ensuring continuous improvement in the system of internal control. Further information about the effectiveness of HM Treasury's overall system of governance including board effectiveness, attendance, compliance with the Corporate Governance Code for central government departments and quality of management information reviewed, is reported in HM Treasury's Annual Report and Accounts, Accountability Report. The ARC considered the 2025-26 accounts in draft and provided me with its views before I formally signed the accounts.

No significant internal control issues, including data-related incidents, have been identified in 2025-26, and no significant new risks specific to the operational management and performance of the CF have been identified in the year. Wider risks affecting HM Treasury as a department continue to be identified and managed through the department's established governance and risk management framework. No ministerial directions have been given in 2025-26. In my opinion, the system of internal control was effective throughout the financial year and remains so on the date I sign this report.

Parliamentary accountability and audit report

Regularity of payments (audited)

The receipts and payments of the CF were applied to the purposes intended by Parliament.

Losses and special payments (audited)

During the financial year the CF had no losses or special payments totalling over £300,000 (2024-25: £nil).

Fees and charges (audited)

The CF does not have any fees or charges.

Gifts (audited)

The CF did not make any gifts during the financial year.

Remote contingent liabilities (audited)

The CF has one contingent liability, relating to UK coins in circulation that falls outside the scope of IAS 37 as the possibility of an outflow of resources is remote. However, disclosure is necessary under Parliamentary accountability requirements.

UK Coins in Circulation

As at 31 March 2026 the estimated total face value of coins in circulation was £4.5 billion (2024-25 £4.5 billion). The CF has potential liability in respect of returned and damaged coins and if coins are redeemed. The value of returned, damaged and redeemed coins paid in 2025-26 was £0.01 billion (2024-25 £0.02 billion) (see Notes 6a and 9). The probability of a material liability in respect of coinage is considered remote.

Functional Standards

Operationally, the CF is part of HM Treasury. Further information on the Department's application of the Government Functional Standards is provided within the Parliamentary accountability and audit report included in the HM Treasury Annual Report and Accounts.

James Bowler 10 July 2026

Accounting Officer

HM Treasury

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

Opinion on financial statements

I certify that I have audited the financial statements of the Consolidated Fund for the year ended 31 March 2026 under the National Loans Act 1968.

The financial statements comprise the Consolidated Fund's

- Receipts and Payments account; and
- the related notes 1 to 6; the accruals-based disclosures in notes 7 to 9; and the notes 10 to 12, including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the National Loans Act 1968.

In my opinion, the financial statements:

- properly present the Consolidated Fund's receipts and payments for the year ended 31 March 2026; and
- have been properly prepared in accordance with the National Loans Act 1968 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the receipts and payments 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 Consolidated Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. In applying the Ethical Standards, I have considered the potential implications for my audit arising from extension a loan staff arrangement with the Office of Value for Money within HM Treasury, to November 2025. The loan staff arrangement concerned one of my directors (unconnected with our audit of the Consolidated Fund Accounts prepared by HM Treasury) and was for an initial period of

12 months from September 2024. The arrangement was extended by a further two months so that the secondee was able to support the completion of the Office for Value for Money's work. I am satisfied that appropriate safeguards have been implemented to protect my and the NAO team's independence and objectivity throughout the audit. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Consolidated Fund'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 Consolidated Fund'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 Consolidated Fund is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Performance and Accountability Reports 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, 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 directions made under the National Loans Act 1968; and
- 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 Consolidated Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- Adequate accounting records have not been kept by the Consolidated Fund 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
- 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 Consolidated Fund 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 and Annual Report which are in accordance with the applicable financial reporting framework; and
- assessing the Consolidated Fund'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 Consolidated Fund 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 National Loans Act 1968.

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 Consolidated Fund's accounting policies;
- inquired of management, the Consolidated Fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Consolidated Fund'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 Consolidated Fund's controls relating to the Consolidated Fund's compliance with the National Loans Act 1968, Managing Public Money.
- inquired of management, Consolidated Fund's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations; and
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Consolidated Fund for fraud and identified the greatest potential for fraud in the posting of unusual journals. 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 Consolidated Fund's framework of authority and other legal and regulatory frameworks in which the Consolidated Fund operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Consolidated Fund. The key laws and regulations I considered in this context included, National Loans Act 1968, Supply and Appropriation (Main Estimates) Act 2025, Supply and Appropriation (Anticipation and Adjustments) Act 2026 and Managing Public Money.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;

- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
- I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other auditor's responsibilities

I am required to obtain sufficient appropriate 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
Comptroller and Auditor General

10 July 2026

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

Financial Statements

Receipts and Payments Account for the year ended 31 March 2026

	Notes	2025-26 £m	2024-25 £m
Receipts			
Tax Revenue			
HMRC	2	**734,916**	684,713
Vehicle Excise Duty	2	**9,645**	8,648
Business Rates Retention/National Non-Domestic Rates	2	**14,558**	13,828
		759,119	707,189
Other Receipts			
Repayments from the Contingencies Fund		**3,000**	10,000
Miscellaneous receipts	3	**22,398**	18,637
Deficit met from the National Loans Fund		**131,326**	151,185
Total receipts		**915,843**	887,011
Payments			
Supply Services	4	**840,562**	814,162
Standing Services			
Advances to HMRC in support of revenue	2	**9,831**	7,883
Payments to the National Loans Fund for net interest payments		**62,041**	54,432
Payments to the European Union	5	**21**	20
Other Standing Services	6a	**388**	514
		912,843	877,011
Issues to the Contingencies Fund		**3,000**	10,000
Total Payments		**915,843**	887,011

The notes on pages 26 to 41 form part of this Account.

James Bowler 10 July 2026

Accounting Officer
HM Treasury

Notes to the Account

1. Accounting Policies

Basis of preparation

The CF accounts are prepared on a cash basis in line with the issued Accounts Direction, see Appendix B, as an account of Receipts and Payments.

Some information is needed on an accruals basis to support the preparation of the Whole of Government Accounts (WGA). Accruals mean recording income and expenditure when they are earned or incurred, rather than when the cash is received or paid. This helps shows the full cost of government activities in the year, including amounts owed or due but not yet paid.

These accruals-based disclosures appear in Notes 7 to 9 and include items not shown elsewhere in the departmental accounts, such as certain future obligations or amounts:

- Pensions liabilities paid directly from the CF. Note 7 Unfunded pension arrangements and Note 8 Other pensions
- Coinage issued and redeemed by the Royal Mint. Note 9 Coinage issued and redeemed.
- Other liabilities met by the CF.

The disclosures are based on historical cost convention, which means assets and liabilities are generally recorded at the amount originally paid or received for them, with some adjustments where investments are revalued to reflect the current worth. Because these figures are prepared on this basis, they do not align directly with the cash-based Receipts and Payments account, which only records money when it is received or paid out.

Where it is possible to link the two, references are given to show the direct read-across to Note 3, Miscellaneous receipts and 6a Other Consolidated Fund Standing Services payments**.**

IFRS in issue but not yet effective

The CF has not early adopted any new or amended standards in preparing these financial statements

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure of Financial Statements was issued in April 2024 and applies to annual reporting periods beginning on or after 1 January 2027 (Subject to Financial Reporting Advisory Board (FRAB) endorsement). The standard sets out general and specific requirements for the presentation and disclosure of information in general purpose financial statements.

The objective of *IFRS 18 Presentation and Disclosure of Financial* Statements is to improve comparability of financial performance between organisations applying IFRS. Once effective, it will replace IAS 1 Presentation of Financial Statements. The impact of adopting this standard is still being assessed. The CF does not intend to early adopt *IFRS 18 Presentation and Disclosure of Financial Statements*.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024 and applies to annual reporting periods beginning on or after 1 January 2027 (subject to Financial Reporting Advisory Board (FRAB) endorsement). The Standard permits certain eligible subsidiaries to apply reduced disclosure requirements when preparing their financial statements.

The CF does not have any subsidiaries and is not itself a subsidiary, therefore the standard is not expected to impact on the financial statements.

There are no other IFRS or IFRIC interpretations not yet effective that would be expected to have a material impact on the CF.

Functional and presentation currency

The financial statements of the CF are presented in sterling, which is the CF's functional currency.

2. Tax Revenue

Detailed breakdowns of tax revenues paid into the CF are set out in Trust Statements prepared by the receiving departments. A Trust Statement is a set of financial accounts that records how specific revenues are collected, administered and paid over to the Consolidated Fund, providing transparency and assurance over these funds this note focuses on tax revenue, see Note 3, Miscellaneous Receipts for non-tax revenue related Trust Statement receipts. The receiving departments of the tax revenue paid over are:

- His Majesty's Revenue and Customs (HMRC) for tax revenue.
- Driver and Vehicle Licensing Agency (DVLA) for Vehicle Excise Duty
- Ministry of Housing, Communities and Local Government (MHCLG) for Business Rates Retention/National Non-Domestic Rates.

Tax receipts collected by HMRC are subject to an estimation process applied by HMRC to distinguish between tax receipts and national insurance contributions which are also collected by HMRC. Cash paid over to the CF by HMRC in any reporting period may include amounts later identified as national insurance contributions which are then repaid to the National Insurance Fund.

HMRC is empowered to receive funding from the CF to meet its cash needs on days when its revenue-related outflows exceed its receipts. During 2025-26 £9.8 billion was advanced from the CF for this purpose (2024-25: £7.9 billion).

3. Miscellaneous receipts

	Notes	2025-26 £m	2024-25 £m
Consolidated Fund Extra Receipts (CFERs)		**11,201**	8,423
Trust Statement revenue		**8,980**	8,149
Crown Estate surplus revenue		**1,143**	949
Miscellaneous		**700**	566
Current year over-issues of Supply repaid	4	**288**	516
United Kingdom coinage issued	9	**86**	32
Prior year over-issues of Supply repaid	4	**-**	2
Total		**22,398**	18,637

CFERs are amounts that government departments collect but are not allowed to keep or spend themselves. Instead, they must be paid over to the Consolidated Fund. They comprise of:

- Negative Supply, which is an adjustment made when a department returns previously voted spending to Parliament (e.g. for Departments that end the year with a negative net cash requirement outturn). This can happen when the department needs less cash that the amount previously approved by Parliament;
- departmental income outside the ambit of the Estimates or is more than the amounts allowed to be retained under agreement with HM Treasury; The "ambit", which is approved by Parliament outlines what the department is allowed to spend money on and what kinds of income it can retain. Any income not covered by this description, it falls outside the ambit and cannot be retained; and
- fines, levies and penalties considered insufficiently material to be reported in a Trust Statement.

Trust Statement Revenue comprises fines, levies and penalties considered sufficiently material to be reported in a Trust Statement. The figures above exclude Trust Statement revenue included within Tax Revenue on the face of the Receipts and Payments account and already reported in Note 2, Tax Revenue.

Crown Estate surplus revenue represents the net income generated by the Crown Estate after deducting all operating costs and capital expenditure. In line with statutory arrangements, the surplus is remitted to the CF each year.

The following analysis sets out the receipts surrendered by the five highest surrendering departments during 2025-26.

Receipts surrendered to the Consolidated Fund

Remitter	CFERs	Trust Statement	2025-26 Total	2024-25 Total
	£m	£m	£m	£m
NHS Pension Scheme	**6,308**	**-**	**6,308**	4,306
BBC Licence Fee	**-**	**3,879**	**3,879**	3,812
Department for Energy Security and Net Zero	**426**	**2,909**	**3,335**	3,273
Ministry of Housing, Communities and Local Government	**2,284**	**-**	**2,284**	1,778
Home Office	**299**	**709**	**1,008**	750
	9,317	**7,497**	**16,814**	13,919
Other	**1,884**	**1,483**	**3,367**	2,653
Total	**11,201**	**8,980**	**20,181**	16,572

Note that receipts are recorded against the remitting entity even where that entity is part of a wider group which may also generate remittances. Further information on receipts surrendered can be found in individual department's Annual Report & Accounts.

4. Analysis of Supply Services

Note 4a shows receipts and payments of supply in a financial year whilst Note 4b analyses the receipts and payments of Supply according to the year for which the Supply was granted

4a Supply Services issues and repayments

	Notes	2025-26	2024-25
Supply Issues		**£m**	£m
For current year		**840,542**	814,162
For previous year		**20**	-
Supply Services issued		**840,562**	814,162
Current year over-issues of Supply repaid	3	**(288)**	(516)
Prior year over-issues of Supply repaid	3	**-**	(2)
Net Supply Services issued		**840,274**	813,644

4b Supply Services analysed by period

Year for which Supply granted	**2025-26 £m**	2024-25 £m	2023-24 £m
Positive Net Cash Requirement	**897,226**	860,520	835,123
Negative Net Cash Requirement	**(6,642)**	(6,104)	(3,508)
Excess Vote	**-**	-	-
Total Net Supply granted by Parliament	**890,584**	854,416	831,615
Surplus not required (as reported)	**-**	(41,870)	(47,114)
Revised Total Net Cash Requirement outturns reported by government departments		812,546	784,501

Analysed by Year of Payment/(Receipt):

		2025-26	2024-25	2023-24
2023-24	Issues made in year			790,604
	Current year over-issues surrendered in cash			(229)
	Prior year issues applied to a subsequent year			10,082
	Prior year over- issues surrendered in cash			(15)
2024-25	Issues made in year		814,162	-
	Current year over-issues surrendered in cash		(516)	-
	Prior year issues applied to a subsequent year		15,941	(15,941)
	Prior year over- issues surrendered in cash		(2)	-
2025-26	Issues made in year	**840,542**	20	-
	Current year over-issues surrendered in cash	**(288)**	-	-
	Prior year issues applied to a subsequent year	**17,059**	(17,059)	-
	Prior year over- issues surrendered in cash	**-**	-	-
Total		**N/A**	812,546	784,501

The Net Cash Requirement for 2025-26 will not be finalised until all government departments have published their accounts. Therefore, this figure and the subsequent analysis is noted as not yet available (N/A). This will be published in the 2026-27 CF Account.

Excess Votes are always approved in March of the following year; therefore, any adjustments to Supply in respect of Excess Votes will always be recorded as an adjustment to the previous year's figures.

4c Departmental Drawings

The following analysis sets out the cash supplied to the ten highest drawing departments during 2025-26 and their comparatives for 2024-25. Details of how Supply has been spent can be found in each of the respective departmental Annual Reports and Accounts.

Cash Supplied by the Consolidated Fund

	2025-26 £m	2024-25 £m
Department of Health and Social Care	**185,000**	175,940
Department for Work and Pensions	**167,091**	152,671
Department for Education	**118,403**	110,737
Ministry of Defence	**60,871**	64,045
Scotland Office	**52,053**	48,574
Ministry of Housing, Communities and Local Government	**32,609**	28,313
Department for Transport	**29,997**	30,536
Northern Ireland Office	**24,896**	23,549
Wales Office*	**24,474**	22,350
HM Revenue & Customs*	**21,470**	20,686
	716,864	677,401
Other	**123,698**	136,761
Total	**840,562**	814,162

*Wales Office and HM Revenue & Customs were not in the Top 10 drawing departments in 2024-25

5. Payments under the European Union (EU) Withdrawal Agreement Financial Settlement

The financial settlement represents a settlement of the UK's financial commitments to the EU and the EU's financial commitments to the UK, which result from the UK's participation in the EU budget, and other commitments relating to our former EU membership.

When the Withdrawal Agreement was signed on 24 January 2020, it put the financial settlement into legal form, in the context of an overall agreement under Article 50 and the framework for the Future Relationship. The European Union (Withdrawal Agreement) Act 2020 implements the Withdrawal Agreement. Accordingly, payment of customs duties on imports from outside the EU before the end of the transition period are met by the Consolidated Fund.

A total of £21 million was paid to the EU in 2025-26 (2024-25: £20 million).

The remainder of the UK's payments under the financial settlement are primarily covered by HM Treasury's budget and detailed in HM Treasury's Annual Report and

Accounts[4]. In addition, the Government presents a holistic account of the financial settlement in the annual statement to Parliament[5].

6a Other Consolidated Fund Standing Services payments

Note 6 includes information on the other standing service payments made from the Consolidated Fund. A summary table can be found below with further detailed information to follow, see note references.

	Notes	2025-26 £'m	2024-25 £'m
Salaries and Allowances			
Courts of Justice	6c	**215**	202
Political and Public	6b	**2**	1
Annuities and Pensions			
Pensions for Judicial Services	8i	**106**	97
Royal Household Pension Scheme	7c	**5**	5
Members of the European Parliament pensions	7c	**2**	2
Political and Public Service, and Civil List pensions	8ii & 8iii	**1**	1
Miscellaneous Services			
Election and referendum expenses		**43**	190
Royal Mint (redeemed coinage)	9	**14**	16
Miscellaneous refunds		**-**	-
Total		**388**	514

Salaries and allowances

The Courts of Justice salaries include the salary of the Lord Chancellor of £67,506 (2024-25: £84,381), see Note 6c Payments to holders of the post of Lord Chancellor. Pensions for previous Lord Chancellors are included within Pensions for Judicial Services.

The Political and Public Service Payments comprise payments to the holders of political posts or public offices and associated employers' national insurance contributions for which specific statutory powers exist enabling the CF to make such payments.

Annuities and Pensions

Pensions are paid from the CF to former Prime Ministers, Speakers and Lord Chancellors in accordance with legislation, see Note 8, Other Pensions. The CF does not pay any other expenses or allowances or make any other payments to MPs.

4 https://www.gov.uk/government/collections/hmt-annual-report

5 https://www.gov.uk/government/collections/eu-annual-statement

Note 7c, Analysis of pension benefits paid by the Consolidated Fund provides details of cash payments made by the CF in relation to Royal Household and MEPs' pensions.

Pensions are payable from the CF to former Comptrollers and Auditors General, Parliamentary Commissioners, Information Commissioners, Northern Ireland Chief Electoral Officers and Chairs of the Electoral Commission. The pension entitlement at retirement is calculated in accordance with the Principal Civil Service Pension Scheme. Subsequent increases in pensions are paid by the Civil Service Superannuation Vote, not by the CF. See Note 8, Other Pensions

Miscellaneous Service

Election and referendum expenses were lower in 2025-26 because July 2024 general election funding fell into 2024-25.

6b Political and Public Service Payments

The table below details total payments made in respect of holders of Political Posts and Political Posts including employers' national insurance.

		2025-26			2024-25		
	Note	**Political Posts**	**Public Office Holders**	**Total**	**Political Posts**	**Public Office Holders**	**Total**
		£	**£**	**£**	£	£	£
Payments (salary and allowances)	6bi & 6bii	**399,529**	**928,045**	**1,327,574**	360,941	943,554	1,304,495
Employers' national insurance		**159,918**	**25,866**	**185,784**	40,447	115,510	155,957
Advanced funding & overpayments (subsequently recovered)[6]		**-**	**-**	**-**	13,317	2,055	15,372
Total				**1,513,358**			1,475,824

In line with the rest of the CF account, these are reported on a payment's basis. Any backdated payments are reported in the year they are paid.

Where an individual joins or leaves mid-month, funding for payments due can be provided outside the standard payroll process (referred to as *advanced funding*). Such funding, alongside any overpayments made, are subsequently recovered and accounted for in Note 3, Miscellaneous income[7].

[6] Recoveries may not be in the same financial year as the original payments and are reflected in Note 3, Miscellaneous income when received.

[7] Recoveries may not be in the same financial year as the original payments and are reflected in Note 3, Miscellaneous income when received.

Further details on the payments can be found in Note 6bi, Payments to holders of Political Posts and Note 6bii, Payments to Public Officer holders. These notes exclude employer's national insurance contributions and amounts subsequently recovered.

6bi Payments to holders of Political Posts

			2025-26 Salary £	2024-25 Salary £
House of Commons[8]				
Kemi Badenoch	*Leader of the Opposition – HOC*	*from 03/11/2024*	**66,423**	27,307
Sir Keir Starmer	*Leader of the Opposition – HOC*	*to 30/05/2024*	**-**	9,074
Rebecca Harris	*Opposition Chief Whip – HOC (Opposition Deputy Chief Whip)*	*from 03/11/2024 (from 05/07/2024 to 02/11/2024)*	**34,742**	20,931
Stuart Andrew	*Opposition Chief Whip – HOC*	*from 05/07/2024 to 02/11/2024*	**-**	18,315
The Rt Hon Sir Alan Campbell	*Opposition Chief Whip – HOC*	*to 30/05/2024*	**-**	5,697
Mr Gagan Mohindra	*Opposition Deputy Chief Whip - HOC*	*from 03/11/2024*	**20,261**	8,330
Joy Morrissey	*Opposition Deputy Chief Whip - HOC*	*from 03/11/2024*	**20,261**	8,330
Stuart Anderson	*Opposition Deputy Chief Whip - HOC*	*from 05/07/2024 to 02/11/2024*	**-**	10,358
Holly Lynch	*Opposition Deputy Chief Whip - HOC*	*to 30/05/2024*	**-**	3,322
Mark Tami	*Opposition Pairing Whip – HOC*	*to 30/05/2024*	**-**	3,322
The Rt Hon Sir Lindsay Hoyle	*Speaker – HOC*		**79,760**	79,760
House of Lords[9]				
The Rt Hon the Lord True CBE	*Leader of the Opposition – HOL*	*from 05/07/2024*	**76,091**	56,250
The Rt Hon Baroness Smith of Basildon	*Leader of the Opposition – HOL*	*to 30/05/2024*	**-**	17,824
Baroness Williams of Trafford	*Opposition Chief Whip – HOL*	*from 05/07/2024*	**101,991**	75,397
The Rt Hon Lord Kennedy	*Opposition Chief Whip – HOL*	*to 30/05/2024*	**-**	16,724
TOTAL Payments to holders of Political Posts			**399,529**	360,941

[8] Rishi Sunak did not draw his entitled salary for his role the Leader of the opposition between 06/07/24 and 01/11/24 and no severance was paid.

[9] Figures include the Lords Office-holder's Allowance of £36,366 per annum except for The Rt Hon the Lord True who claims £3,760 per annum.

6bii Payments to Public Office holders

			2025-26 Salary £	2024-25 Salary £
Public officers				
Gareth Davies	*Comptroller and Auditor General*		**237,930**	236,042
Dame Fiona Reynolds	*Chair of the National Audit Office*		**44,885**	43,194
Paula Sussex CBE	*Parliamentary and Health Service Ombudsman*	*from 01/08/2025*	**120,000**	
Rebecca Hilsenrath	*Parliamentary and Health Service Ombudsman*	*from 18/04/2024 to 31/03/2025*	**-**	163,401
David Marshall	*Northern Ireland Chief Electoral Officer*		**122,157**	91,662
John Edwards	*Information Commissioner*		**200,000**	200,000
Electoral Commissioners				
John Pullinger CB	*Electoral Commission Chair*		**86,960**	83,489
Sheila Ritchie	*Electoral Commission (fee based)*		**14,964**	16,884
Sarah Chambers	*Electoral Commission (fee based)*	*to 30/03/2026*	**7,738**	16,548
Dr Katy Radford	*Electoral Commission (fee based)*		**13,207**	16,090
Carole Mills	*Electoral Commission (fee based)*		**24,764**	14,512
Chris Ruane	*Electoral Commission (fee based)*		**11,349**	14,345
Lord Gilbert of Panteg	*Electoral Commission (fee based)*	*to 16/09/2025*	**6,743**	13,812
Professor Dame Elan Closs Stephens CBE[19]	*Electoral Commission (fee based)*		**18,733**	12,997
Roseanna Cunningham	*Electoral Commission (fee based)*		**6,043**	11,184
Dame Sue Bruce	*Electoral Commission (fee based)*		**12,572**	8,363
Robert Vincent CBE	*Electoral Commission (fee based)*	*to 31/12/2023*	**-**	546
Alex Attwood	*Electoral Commission (fee based)*	*to 31/01/2024*	**-**	485
	TOTAL Payments to Public Office holders		**928,045**	**943,554**

Salary details are also disclosed in the Annual Reports and Accounts for the following:

- Comptroller and Auditor General and Chair of the NAO - *National Audit Office Annual Report and Accounts.*
- Parliamentary and Health Service Ombudsman - *Parliamentary and Health Service Ombudsman Annual Report and Accounts*
- Information Commissioner - *Information Commissioner's Annual Report and Financial Statements*

  Electoral Commission Chair and Electoral Commissioners' fees - *Electoral Commission Annual Report and Accounts*

6c Payments to holders of the post of Lord Chancellor

			2025-26 Salary £	2024-25 Salary £
Rt Hon David Lammy	*Lord Chancellor*	*From 01/10/2025*	**33,753**	
Rt Hon Shabana Mahmood	*Lord Chancellor*	*from 05/07/2024 to 30/09/2025*	**33,753**	49,721
Rt Hon Alex Chalk	*Lord Chancellor*	*to 05/07/2024*	**-**	34,660
TOTAL Payments to Lord Chancellor post holders			**67,506**	84,381

Notes 7 to 10 below are prepared on an accruals basis; references are given to Notes 3 and 6a where there is a direct read-across to them.

7. Unfunded pension arrangements

Although the Consolidated Fund Account is prepared primarily on a cash basis, these disclosures are prepared on an accruals basis in accordance with IAS 19 Employee Benefits to support the preparation of the Whole of Government Accounts and provide information on future pension obligations met by the Consolidated Fund.

The CF pays as a Standing Service the pension benefits of those:

- Royal Household (RH) employees who entered employment before 31 March 2001 under the Royal Household Pension Scheme (RHPS).
- Members of the European Parliament (MEPs) who had accrued benefits before 2009 or who elected to continue to participate in the European Parliament (UK Representatives) Pension Scheme (EP(UKR)PS) when EU-wide pension arrangements were set up in 2009.

Both schemes are now closed to new members.

The pension liabilities represent the estimated present value of future pension benefits earned to date. As the schemes are unfunded, the liabilities are not matched by investments and will be met from future Consolidated Fund resources as payments fall due.

Pension benefits are based on final pensionable salary and/or career average. The following data for pension liabilities, which are accounted for as unfunded defined benefit arrangements, is in accordance with *IAS 19 Employee Benefits*. The liabilities are measured on an actuarial basis using the Projected Unit Credit Method and discounted using the rate advised by HM Treasury. Actuarial gains and losses are recognised in full as they occur.

Actuarial assessment assumptions

For both the EP(UKR)PS and RHPS, the Government Actuary's Department rolled forward the results of the full actuarial assessment as at 31 March 2024 to determine the approximate position as at 31 March 2026. The major assumptions used by the actuary for both schemes are shown below.

	At March 2026 % per annum	At March 2025 % per annum
Rate of increase in salaries (MEPs)	N/A	N/A
Rate of increase in salaries (RH)	3.30	3.40
Discount rate	5.60	5.15

Life Expectancy

The assumed life expectancy at age 65 of MEP pensioners retiring in normal health was as follows:

	At 31 March 2026		At 31 March 2025	
	Men (years)	**Women (years)**	Men (years)	Women (years)
Current pensioners	23.7	25.6	23.6	25.5
Future pensioners	24.0	26.0	23.9	25.9

The assumed life expectancy at age 60 of Royal Household pensioners retiring in normal health was as follows:

	At 31 March 2026		At 31 March 2025	
	Men (years)	**Women (years)**	Men (years)	Women (years)
Current pensioners	26.6	28.6	26.5	28.5
Future pensioners	28.2	30.1	28.1	30.0

Three further assumptions were used by the actuary for the RHPS:

	At 31 March 2026	At 31 March 2025
	% per annum	% per annum
Rate of increase in pension payments	2.55	2.65
Inflation assumption	2.55	2.65
Discount rate net of price inflation	2.95	2.40

7a Expenditure and income

£'000	**RH**	**MEPs**	**2025-26 Total**	2024-25 Total
Expenditure				
Current service costs (including member contributions)	223	-	**223**	252
Interest on scheme liability	3,718	1,082	**4,800**	4,948
Total expenditure	**3,941**	**1,082**	**5,023**	5,200
Income				
Pension contributions receivable				
Employers' contributions	190	-	**190**	217
Employees' contributions	53	-	**53**	60
Total income	**243**	**-**	**243**	277
Net expenditure	**3,698**	**1,082**	**4,780**	4,923

7b Movement in liabilities during the year

£'000	RH	MEPs	2025-26 Total	2024-25 Total
Scheme Liability at beginning of the year	(74,578)	(21,942)	**(96,520)**	(100,504)
Current service cost	(223)	-	**(223)**	(192)
Employee contributions	-	-	**-**	(60)
Benefit payments	5,284	1,885	**7,169**	7,304
Other finance charges – interest	(3,718)	(1,082)	**(4,800)**	(4,948)
Total	**(73,235)**	**(21,139)**	**(94,374)**	(98,400)
Actuarial gain / (loss) (note 7d)	3,660	761	**4,421**	1,880
Liability at end of year	**(69,575)**	**(20,378)**	**(89,953)**	(96,520)

At 31 March 2026, the CF recognised pension liabilities of £90.0 million for the RH and former MEP Pension Schemes. Both schemes are closed to new members and liabilities continue to reduce as benefits are paid. The year-end liability is based on actuarial assessments at 31 March 2025. The reduction in the RH liability reflects updated membership and benefit experience, plus pension payments made in year. The MEP liability fell mainly due to benefits paid, partly offset by interest expense.

7c Analysis of pension benefits paid by the Consolidated Fund

The cash payments shown below represent amounts paid during the year and therefore differ from the pension liabilities reported in Notes 7a and 7b, which reflect the estimated future obligations of the schemes. The pension increase element of MEPs' pensions is disclosed in the Civil Service Superannuation Annual Report & Account available on gov.uk.

£'000	RH	MEPs	2025-26 Total	2024-25 Total
Total pension paid	4,750	3,119	**7,869**	7,954
Commutation and lump sum benefits	552	-	**552**	695
Net individual pension transfers-out	-	-	**-**	-
Total pension benefits paid	5,302	3,119	**8,421**	8,649
Less: increase element of MEPs' pensions disclosed in the Civil Service Superannuation Annual Report & Account	-	(1,234)	**(1,234)**	(1,292)
Total borne by the Consolidated Fund (Note 6a)	5,302	1,885	**7,187**	7,357

7d Analysis of actuarial gains/(losses) on unfunded pension schemes

£'000	RH	MEPs	2025-26 Total	2024-25 Total
(Loss) / gain arising on scheme liabilities	(416)	-	(416)	2,048
Changes in assumptions underlying the present value of liabilities	4,076	761	4,837	(168)
Total	**3,660**	**761**	**4,421**	1,880

Actuarial gains and losses arise when actual experience differs from previous assumptions or when assumptions used to measure the liabilities are updated. These include changes in demographic assumptions, such as life expectancy, and financial assumptions, such as discount rates.

8. Other pensions

In addition to the pensions described in Note 7, Unfunded pension arrangements, the CF also makes payments in relation to the following, with amounts paid in year included in Note 6a, Other Consolidated Fund Standing Services payments.

i. Pensions for judicial services

Liabilities in respect of this scheme are included in the Judicial Pension Scheme Annual Report & Account. Payments from the CF in respect of this scheme in 2025-26 amounted to £105.7 million (£96.9 million in 2024-25). These include pension payments made in respect of former Lord Chancellors.

ii. Civil List 'pensions'

These are not pensions in the conventional sense. They represent awards for distinguished service to the arts and science and are payable for the life of the recipient. In total, a sum of £0.1 million was paid from the CF in 2025-26 in respect of these pensions (£0.1 million in 2024-25). This is not material to the CF.

iii. Political and Public Service pensions

These relate to pensions for former Prime Ministers, Speakers, Comptrollers and Auditors General, Parliamentary Commissioners, Information Commissioners, Northern Ireland Chief Electoral Officers and Chairs of the Electoral Commission. In total, a sum of £0.5 million was paid from the CF in 2025-26 in respect of these pensions (£0.5 million in 2024-25) and is not material to the CF.

IAS 19 Employee Benefits disclosures have not been provided for these payments either because they are reported in a separate account or because they are not material to the CF.

The table below summarises, for both the current and prior financial years, the number of former office holders or surviving dependents receiving a pension from the CF and the total amount paid to those pensioners in each year.

	2025-26			2024-25		
	Political offices	**Other**	**Total**	Political offices	Other	Total
Number of pensioners	6	14	**20**	6	14	20
Pension paid from CF (£'000)	233	269	**502**	233	271	504

The actuarial liability falling on the CF across all these schemes has been assessed at £6.5 million at 31 March 2026 with £1.1 million attributable to holders of offices as at 31 March 2026 and £5.4 million attributable to former holders of offices or the surviving widows of former office holders (£6.7 million at 31 March 2025 - £0.1 million attributable to holders of offices as at 31 March 2025 and £5.7 million attributable to former holders of offices or the surviving widows of former office holders). Given the overall scale of the CF's receipts and payments, these liabilities are not material to the financial statements.

Prior to the Public Service Pensions Act 2013, former Prime Minister, Speaker and Lord Chancellor office-holders were entitled to a pension from the CF. The entitled pension was half of the entitled salary per year irrespective of length of service, payable for life after leaving office. Under the 2013 Act, pension arrangements for office-holders who took up post after 1 April 2015 are no longer being paid from the Consolidated Fund. This is now provided and paid entirely from the Parliamentary Contributory Pension Fund (PCPF).

The pension entitlement at retirement for other public office holders is calculated in accordance with the Principal Civil Service Pension Scheme rules and will be paid by the CF. Subsequent increases in pensions are paid by the Civil Service Superannuation vote, not by the CF.

The following public office holders who held posts during the year are entitled to a pension payable from the CF.

£'000		**Total accrued pension at age 65 at 31 March 2026 or end date**	**Real increase in pension at age 65**	**CETV at 31 March 2026 or end date**	CETV at 31 March 2025 or start date	**Real increase in CETV**
Gareth Davies[10]	*Comptroller and Auditor General*	n/a	n/a	n/a	n/a	n/a
John Edwards	*Information Commissioner*	20-25	4.5-5	362	268	68
Dr David Marshall[11]	*Northern Ireland Chief Electoral Officer*	60-65	6.5-7	1,284	1,095	140
Paula Sussex CBE	*Parliamentary and Health Service Ombudsman*(from 1 Aug 2025)	0-5	2.5-3	48	-	38

[10] Gareth Davies –Comptroller & Auditor General waived his entitlement to the pension due to him as a post holder.

[11] Figures include pension benefits transferred into the scheme from another pension arrangement.

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 a member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV payment is 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. This disclosure is provided for completeness purposes only as the pensions payable from the CF are not transferable. The real increase in CETV excludes the effects of inflation and contributions paid by the member and uses common market valuation factors for the start and end of the period.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2026.

9. Coinage issued and redeemed

Amounts received by the Royal Mint from banks and other financial institutions for the face value of coins issued is payable to the CF and the face value of coins redeemed by the Royal Mint is a charge on the CF. The cost of minting the coinage is reported in HM Treasury's Annual Report & Accounts.

Sums due to the Consolidated Fund

	Notes	**2025-26 £m**	2024-25 £m
Balance due to the Consolidated Fund at 1 April		**2**	2
Coins issued		**87**	32
Cash received by Consolidated Fund	3	**(86)**	(32)
Coins redeemed		**(14)**	(16)
Cash paid by Consolidated Fund	6a	**14**	16
Balance due to the Consolidated Fund at 31 March		**3**	2

10. Related Parties

The CF has transactions with most government departments and central government bodies. HM Treasury has a custodian role with the CF which is outside the scope of IAS 24.

11. Events after the Reporting Period

There are no events after the reporting period to report.

12. Date of Authorisation for Issue of Account

These financial statements have been authorised for issue by the Accounting Officer on the same date as the Comptroller and Auditor General's Certificate and Report.

Appendix A – Glossary

Consolidated Fund Extra Receipt (CFER)	Receipts which are outside the ambit of the Estimate and cannot be used to support expenditure of a department.
Consolidated Fund Standing Services	Spending which doesn't require annual approval by Parliament because other legislation provides for its funding without annual approval in Estimates.
Contingencies Fund	A fund used by HM Treasury to support emergency spending in advance of approval by Parliament.
Estimate	A statement of how much money the government needs in the coming financial year, and for what purpose(s), by which parliamentary authority is sought for the planned level of expenditure by a government department.
Excess vote	Where a department has spent more - as recorded in its audited end-year accounts - than was voted by Parliament in Estimates, or has spent beyond the coverage of its ambit i.e., its voted authority has been exceeded.
Financial Reporting Manual (FReM)	A technical guide for producing the accounts of public bodies.
Main Estimate	The means through which departments seek parliamentary approval for their spending plans for the year ahead. Presented to Parliament within five weeks of the Budget Statement.
Managing Public Money	A publication produced by HM Treasury which is concerned with regularity and propriety and sets out the main principles for dealing with resources used by public sector bodies.
National Audit Office (NAO)	Office of the Comptroller and Auditor General, which audits accounts of government bodies and carries out value for money inspections within the bodies it audits
National Loans Fund (NLF)	The fund through which passes most of the government's borrowing transactions and some domestic lending transactions.
Net Cash Requirement	The limit voted by Parliament reflecting the maximum amount of cash that can be released from the Consolidated Fund to a department in support of expenditure in its Estimate. In the case of a negative net cash requirement, the department must generate a surplus of at least that amount.
Supplementary Estimate	The means by which departments seek to amend parliamentary authority provided through Main Estimates by altering the limits on

resources, capital and/or cash or varying the way in which provision is allocated. Normally presented in January each year.

Supply	The process whereby Parliament gives statutory authority for both the consumption of resources (for resource and capital purposes) and for cash to be drawn from the Consolidated Fund. There are normally two separate pieces of Supply legislation in each financial year: the Supply and Appropriation (Main Estimates) Act and the Supply and Appropriation (Anticipation & Adjustments) Act.
Trust Statement	A set of financial statements separate from a department's normal accounts , required for departments which collect taxation, fines, and penalties. Reporting on the revenue collected by a department on behalf of government, which it is required to pay over to the Consolidated Fund.
Vote on Account	Presented to Parliament by HM Treasury in January to provide necessary provision for voted resources, capital, and cash for each departmental Estimate in the early months of the following financial year. For each department it generally seeks up to 45 per cent of the amounts voted in the current year's Main Estimate.

Appendix B – Accounts Direction

Consolidated Fund - Accounts Direction given by the Treasury

1. The Treasury shall prepare accounts for the Consolidated Fund for the year ending 31 March 2026 on a cash basis, in accordance with this direction and as an account of receipts and payments.
2. The accounts shall be prepared to properly present the receipts and payments of the Consolidated Fund for the year on a cash basis and in accordance with the requirements of the relevant version of the Government Financial Reporting Manual (FReM), in so far as they are relevant to the Account.
3. The Account shall also provide such information as may be necessary to disclose whether: (a) receipts and payments have been applied to the purposes intended by Parliament; and (b) the transactions conform to the authorities which govern them.
4. If an overpayment or payment in error has been made to the Consolidated Fund and identified after the relevant accounts have been signed off by the Comptroller & Auditor General, then the correction required by applying IAS 8 will be disclosed prospectively in the next available financial year's accounts.
5. The Statement shall be transmitted to the Comptroller and Auditor General for the purpose of his examination and report by a date agreed with the Comptroller and Auditor General and HM Treasury to enable compliance with the administrative deadline for laying the audited accounts before Parliament.
6. This accounts direction shall be reproduced as an appendix to the accounts.

Charlotte Goodrich
Deputy Director, Government Financial Reporting, Public Spending Group
HM Treasury
08 June 2026

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This document can be downloaded from www.gov.uk

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