Groceries Code Adjudicator

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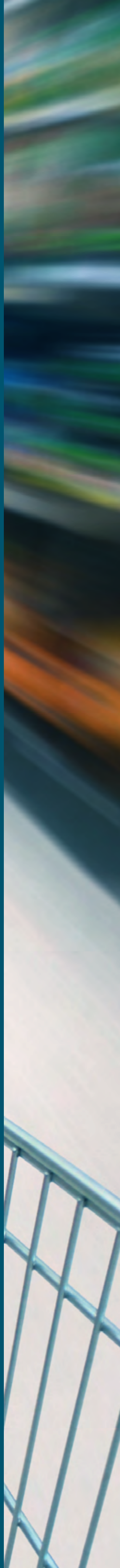
Annual Report and Accounts

Improving fairness for suppliers

HC 383

1 April 2025 –
31 March 2026



Groceries Code Adjudicator Annual Report and Accounts

1 April 2025 to 31 March 2026

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Report a Code-related issue in confidence tellthegca.co.uk

Performance report

Overview

This section of the Annual Report explains the role and purpose of the Groceries Code Adjudicator (GCA). It also covers the GCA's objectives, performance and the impact and management of key risks.

The performance report opens with a foreword from the Adjudicator, Mark White.

For information on significant activities relating to past reporting periods please refer to the Annual Report and Accounts for 2024/25 and preceding years.

Section overview

On 7 April 2026, it was announced that the sponsorship of the GCA would move from the Department for Business and Trade to the Department for Environment, Food and Rural Affairs on 1 July 2026.

Foreword

This annual report covers a busy year for the GCA, set against a backdrop of continued challenges in the groceries sector. Designated retailers (Retailers) introduced wide ranging changes and upgrades to processes and systems and reviewed their product ranges. Inflationary pressures persisted and may continue to do so, driven by conflict in the Middle East towards the end of the reporting period.

In this context, relationships between suppliers and the Retailers have come under strain.

Suppliers told me in my 2026 annual survey that the Code is widely embedded at the Retailers and levels of compliance remain high across the sector. However, there was a fall in overall perceived Code compliance compared with 2025 and a small increase in the proportion of suppliers reporting Code-related issues. In 2026, 32% of suppliers reported experiencing at least one Code issue (up slightly from 30% in 2025). The number of suppliers experiencing no Code issues slightly fell but remained above 50%.

These are small changes, but they matter. Suppliers' reporting of worsening Code compliance and the issues causing the most friction are a critical warning for the Retailers. I will ensure that all Retailers heed that warning.

The survey results emphasise the importance of getting the fundamentals right. Retailers need to pay their suppliers on time, resolve invoice discrepancies promptly, operate effective forecasting and goods-in processes, and follow de-listing procedures in accordance with the Code.

Supplier confidence to come forward with issues remains critical. While awareness of GCA confidentiality obligations has improved, a significant minority of suppliers still say they might not raise issues. Some suppliers report that this is because they believe the Retailer will find out and there will be consequences for their business or because they believe that the GCA will not be able to do anything. I am working hard to prove both concerns unfounded.

Suppliers raising issues confidentially with the GCA or with Retailers' Code Compliance Officers (CCOs) is crucial to my regulatory approach. The information suppliers provide in confidence enables me to understand what is happening in practice, to identify where there may be risks of Code non-compliance, and to intervene early and effectively.

I will not share information provided to me confidentially; the law says I must not. CCOs also operate confidentially and Retailers have committed that there will be no negative consequences for suppliers raising issues. I am carefully monitoring adherence to these commitments and would take extremely seriously any report that they had been breached.

The GCA's collaborative approach works, and has driven significant improvements in Code compliance. I take issues to Retailers proportionately, in a way that protects suppliers, and ensure that they take action in response. This delivers results quickly. Retailers change processes, issue clearer guidance to buying teams, improve training, and reimburse suppliers where unjustified losses have occurred.

But I will not persist with collaboration if it is not working and it is proportionate to use my statutory powers. My regulatory approach includes appropriate use of those powers, including formal investigation.

Priorities for the year ahead

In 2026/27, I aim to reverse the fall in perceived Code compliance as shown in this year's survey and to reduce the occurrence of the Code issues that suppliers report most. I will continue to focus proportionately on Code compliance in relation to delays in payment, forecasting, marketing costs, and de-listing practices.

I will pursue these priorities through targeted engagement with CCOs and senior leadership at Retailers, close monitoring of Retailers' actions and assurance arrangements and continued engagement with suppliers about the issues that they are facing. The annual survey will remain a core tool for assessing progress and for holding the sector to account.

I will seek to further build confidence in the GCA's regulatory approach and to encourage suppliers to contact me. I want to hear about all issues suppliers are experiencing and encourage suppliers to confidentially get in touch if they have concerns. Contact details, including details of my anonymous 24/7 reporting platform, Tell the GCA, are on the GCA website.

Sponsorship

From 1 July 2026, I look forward to delivering my priorities with support from the Department for Environment, Food and Rural Affairs, as it takes over sponsorship of the GCA from the Department for Business and Trade. When the transfer of sponsorship was announced on 7 April 2026, it was confirmed that the GCA would remain fully independent and that there would be no change to its statutory role or enforcement powers.

Statutory investigation

The year also included the launch of the first investigation of a Retailer since 2018.

On 20 June 2025, I launched a targeted investigation into whether Amazon.com, Inc. (Amazon) has breached paragraph 5 of the Code (No delay in Payments).

I had reasonable grounds to suspect a breach of paragraph 5 from 1 March 2022 to 20 June 2025. The investigation is examining the extent of any breach, its impact on suppliers and the root causes, focusing in particular on goods receipt and payment processes, handling of deductions, and the use of deduction settlements in commercial negotiations.

The Code requirement is clear. Suppliers must be paid in accordance with their supply agreement and, in any case, within a reasonable time after the date of the supplier's invoice. Delays in payment can cause significant harm, exposing suppliers to excessive risk and unexpected cost.

The investigation is ongoing. I have received information from suppliers about Amazon's compliance in response to my call for evidence and have interviewed suppliers. I have also received information from Amazon. I am analysing this evidence and will complete the investigation as soon as possible, taking into consideration the seriousness and complexity of the subject matter.

As with all my work, I have a duty to protect supplier confidentiality. All information provided by suppliers will be kept confidential, and evidence is treated in line with the GCA's statutory obligations.

Looking ahead

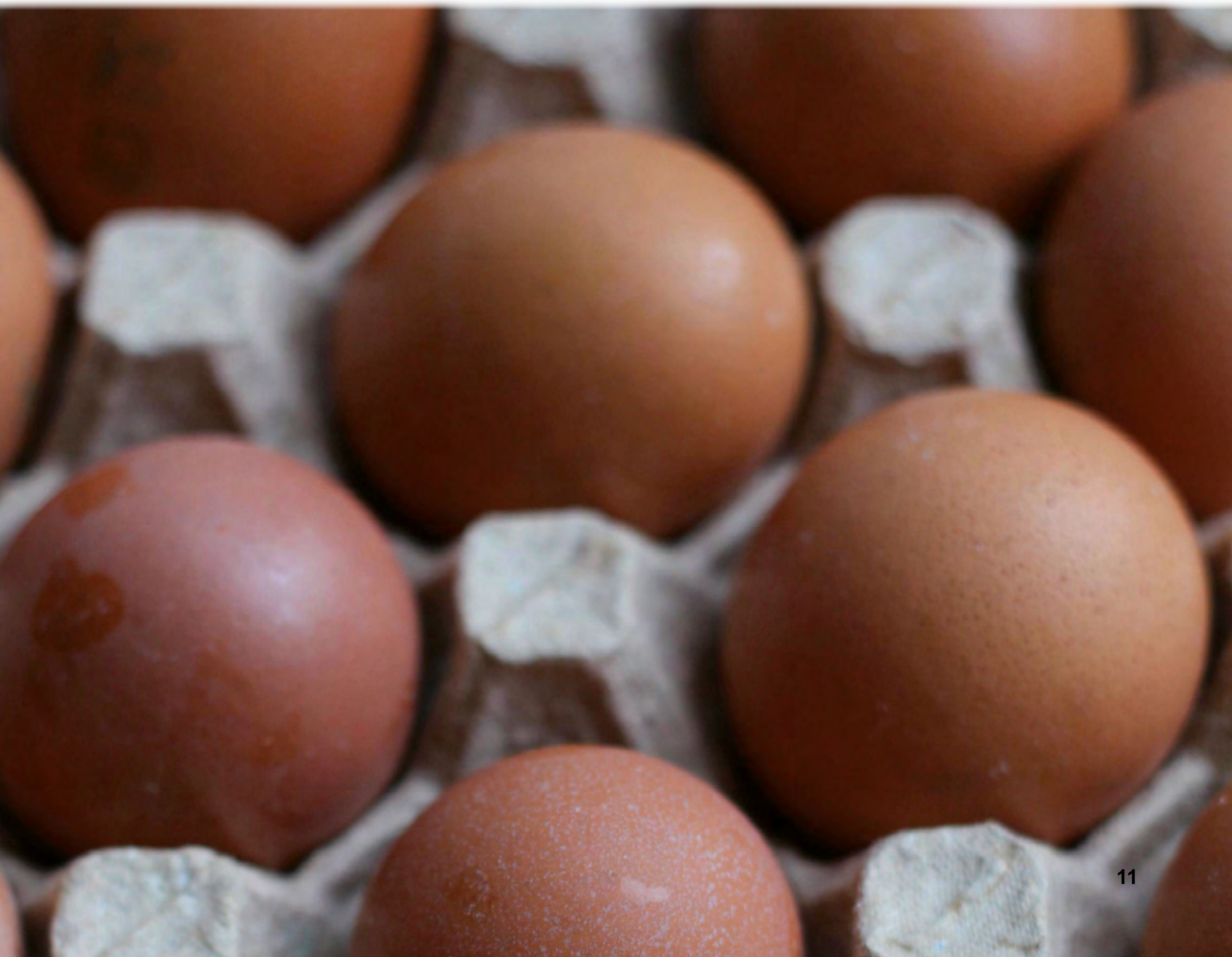
The past year has again demonstrated that the Code can only work effectively when suppliers have confidence to raise issues and when Retailers respond quickly and decisively to fix any underlying causes. I will continue to encourage suppliers to confidentially contact the GCA so that issues are addressed early and effectively.

No matter the challenges and changes facing the sector, Retailers must treat suppliers fairly and lawfully. Retailers must focus on ensuring Code compliance. Where they fall short, I will not hesitate to intervene.

Mark White

Groceries Code Adjudicator and Accounting Officer

13 July 2026



GCA at a glance

Designated retailers

14

£2.2m

levy from Retailers

in 2025/26

16 years of the Code

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15

arbitrations

13

sector surveys

3

statutory investigations

2025/26 in brief

- **Understanding issues across the sector:** the GCA attended over **100** meetings and received over **2,500** responses to the GCA's annual survey.

- **Explaining the work of the GCA:** around **400** participants at the GCA's annual conference and over **1,500** subscribers to the Adjudicator's newsletters.

- **Enforcing Code compliance:** the GCA's application to intervene in civil litigation concerning Aldi Stores Ltd to help with interpretation of the Code was granted; the GCA commenced a statutory investigation into whether Amazon has breached paragraph 5 (No delay in Payments) of the Code.

- **Collaboration on supply chain regulation:** engaged across government and met with other grocery sector regulators in the UK and internationally.

About the Groceries Code Adjudicator

Background

The appointment of an adjudicator followed a 2008 report setting out the findings of the Competition Commission market investigation into the groceries sector. The Competition Commission found that while the sector was broadly competitive, some large retailers were transferring excessive risk and unexpected costs to their direct suppliers. Following the Commission's recommendation, the government introduced the Groceries (Supply Chain Practices) Market Investigation Order 2009 (the Order) which includes a requirement to comply with the Groceries Supply Code of Practice (the Code).

The Code regulates the relationship between the retailers designated as falling within the remit of the Code (Retailers) and their direct suppliers. The Competition and Markets Authority (CMA) designates those that come under the Code. The CMA reviews the market each year, gathering information directly from relevant retailers and considering for designation any retailer which has UK annual groceries turnover of more than £1 billion (as defined by the Order). When considering retailers for designation, the CMA will have reference to the findings of the Competition Commission.

At the commencement of the Order in February 2010, there were 10 Retailers. This has since increased to the 14 Retailers listed below:

Retailers regulated by the GCA (as at 31 March 2026):

Purpose and activities of the GCA

The GCA is the independent regulator ensuring that the Retailers treat their direct suppliers lawfully and fairly. It is responsible for encouraging, monitoring and enforcing compliance with the Code.

Suppliers protected by the Code are those directly supplying a Retailer with groceries for retail resale in the UK, including overseas-based suppliers.

Under the Code, the Retailers are obliged to deal fairly and lawfully with groceries suppliers across a range of supply chain practices. These include making payments on time; no variations to supply agreements without reasonable notice; compensation payments for forecasting errors; no charges for shrinkage or wastage; restrictions on listing fees, marketing costs and de-listing.

The GCA strives to promote a stronger groceries sector through compliance with the Code, protecting suppliers from excessive risks and unexpected costs and enabling them to invest and innovate to bring better value and choice to consumers.

The GCA takes a collaborative approach to regulating the 14 Retailers and aims to intervene when it is made aware of an issue, ideally before a supplier has faced any detriment or incurred any costs. The GCA encourages suppliers, trade associations and other representative bodies to provide information and evidence about how the Retailers are treating their direct suppliers. The GCA treats all information that it receives confidentially and has a legal duty to preserve anonymity.

The GCA seeks to build awareness of, and confidence in, the Code and the GCA and also encourages suppliers to undertake training on the Code.

At a supplier's request the GCA must arbitrate in disputes with the Retailer and may also do so following a request from a Retailer. Arbitration awards are binding and may include awarding compensation.

The Adjudicator can launch investigations where he has reasonable grounds to suspect that the Code has been broken. If a breach of the Code is found, the Adjudicator can make recommendations, require Retailers to publish details of any breach and, in the most serious cases, impose a fine. The GCA power to fine a Retailer up to 1% of its UK turnover came into force on 6 April 2015. The GCA launched its first investigation into Tesco in 2015, an investigation into Co-op in 2018, and its ongoing investigation into Amazon in 2025.

The GCA must effectively prioritise its activities. When considering whether to launch an investigation and other activities, the GCA applies the following four prioritisation principles, which are set out in its statutory guidance:

GCA prioritisation principles

Impact:	The greater the impact of the practice raised, the more likely it is that the GCA will take action.
Strategic importance:	Whether the proposed action would further the GCA's statutory purposes.
Risks and benefits:	The likelihood of achieving an outcome that stops breaches of the Code.
Resources:	A decision to take action will be based on whether the GCA is satisfied that the proposed action is proportionate.

The GCA must carry out its statutory functions as set out in the GCA Act, including protecting the anonymity of suppliers who provide information, if that is what they wish. The GCA has developed a modern regulatory approach, by working collaboratively with the Retailers and aiming to intervene when it is made aware of an issue. If the collaborative approach does not deliver a desired outcome, the GCA can take formal action. When Code-related issues are raised, the GCA follows the stages set out below:

GCA three stage collaborative approach

Stage 1: Make Retailers aware of issues reported by suppliers.

- The GCA will consider whether the issue raised falls within the scope of the Code. If so, the GCA will raise the issue with the Retailers' CCOs for their own action. CCOs work for the Retailers but their reporting lines are independent of the buying teams.
- The GCA will protect the confidentiality of the suppliers when raising issues with the CCOs.

Stage 2: Request that the CCOs investigate the issue and report back to the GCA.

- CCOs will investigate the issue and identify if any action needs to be taken within their organisation. This could include making improvements to systems and processes to reduce the risk of the issue occurring or recurring.
- Depending on the CCO's findings and action taken by the Retailer, the GCA may issue advice clarifying or interpreting the relevant provisions of the Code for the Retailer and others to follow. Where a Retailer or Retailers accept a breach of the Code has taken place and sufficient action has been taken to resolve it, the GCA may publish a case study on the GCA website.

Stage 3: Take formal action if the practice continues.

- If the GCA continues to hear of suppliers experiencing the same issue it may publish more formal guidance and/or launch an investigation.

Through this process the GCA ensures that issues are raised with, and promptly considered by, the Retailers and that any necessary action is agreed and taken as swiftly as possible. This collaborative approach has a dual benefit. It delivers results more quickly and significantly reduces the cost of regulating the Retailers.

The GCA does not act as a complaint handling body, nor can it advise on individual disputes where a supplier seeks a view on whether a Retailer has breached the Code. This is because the GCA may later be asked to arbitrate in the same dispute between the supplier and the Retailer or the GCA may later launch an investigation into the practice raised by the supplier. Providing a view on individual cases could compromise or appear to compromise the GCA's impartiality later. Instead, the GCA encourages suppliers to refer to published GCA information and to approach CCOs directly because they can deal with issues quickly and confidentially.

Litigation between suppliers and Retailers may raise issues of importance to the GCA. In cases where the GCA considers that court proceedings are of relevance to the regulatory regime and may affect the application of its rules generally, the GCA may apply to intervene in those proceedings and may be able to offer assistance to the court in resolving the issues in question. In June 2025, the High Court granted the GCA's application to intervene in civil litigation between W. Clappison Ltd and Aldi to assist the Court on issues relating to the interpretation of the Code. The litigation was subsequently discontinued.

More information about the work of the GCA is available on the GCA website.

Collaboration with the Agricultural Supply Chain Adjudicator (ASCA)

The ASCA acts on behalf of the Secretary of State for Environment, Food and Rural Affairs. It is responsible for ensuring fair dealing between producers and purchasers in the agricultural sector, beginning with the milk and pig sectors by enforcing the Fair Dealing Obligations (Milk) Regulations 2024 and the Fair Dealing Obligations (Pigs) Regulations 2025.

While the ASCA and the GCA have distinct roles, they collaborate to share insights, align approaches where appropriate, and promote greater transparency across the supply chain.

The office of the GCA

The GCA is a Corporation Sole and an independent regulator that was sponsored by DBT during the reporting period. The Adjudicator is supported by a small team of staff, all of whom are seconded from public bodies. The organisational chart as at the conclusion of the reporting period is shown below.

Groceries Code Adjudicator

Head of Operations (G6)

Senior Manager – Engagement and Communications (G7)

Senior Manager – Market Intelligence (G7)

Senior Manager (G7)

Engagement and Communications Manager (SEO)

Operations Manager (SEO)

Retailer Improvement Manager (SEO)

Engagement and Communications Officer (HEO)

Operations Officer (EO)

Risks

The GCA Audit and Risk Committee (see Governance Statement, page 39) is responsible for identifying, monitoring and mitigating issues and risks associated with the operation and administration of the office of the GCA and the exercise of the GCA's statutory functions.

The principal risks faced by the GCA during the reporting period are summarised below.

The GCA continues to regularly review its risk profile.

Risk Theme/ Description	Key controls and activities to manage risks	Risk RAG rating
High staff turnover impedes the delivery of the GCA objectives.	As the GCA's small size and statutory footing continue to contribute to resourcing challenges, the GCA worked to mitigate the impact and likelihood of this risk, including by: • Engaging in advance planning on extending secondment agreements and fixed-term staffing contracts, where appropriate. • Maintaining clear, accessible corporate records and effective handover mechanisms.	Red
Changes in the legal or policy environment impede the delivery of GCA objectives.	• Engaged directly with government decision-makers to communicate and understand emerging issues and the possible impact on the delivery of GCA objectives. • Continued to closely manage the relationship with DBT, including through regular meetings with relevant officials and through DBT membership on the GCA Governance Board. • Monitored developing public debate regarding the role of regulators (with respect to economic growth), ensuring it considers wider opinion in the delivery of its statutory remit. • Engaged with Defra to ensure a shared understanding of the GCA's scope following the establishment of the ASCA, reducing the likelihood of overlap or conflict with GCA activity. • Strengthened engagement with DBT to align views on the 2025/26 GCA levy and to reduce the likelihood of misalignment impacting the timely and effective setting of the levy.	Red

Risk Theme/ Description	Key controls and activities to manage risks	Risk RAG rating
The GCA is misrepresented or criticised by stakeholders because of a lack of understanding of the role of the GCA.	• Ensured that appropriate briefing and communication materials were used to support clear and accurate understanding of the GCA's role and activities across a range of engagements. • Engaged with media to support informed and accurate reporting of the GCA's work, including through clear and consistent communication about the GCA's regulatory activities. • Monitored Parliamentary activity to identify emerging issues and assess potential implications for the GCA.	**Red**
Insufficient levy funding.	• Forecast expenditure, including for investigation costs and provision for exceptional operational costs, where required. • Applied a clear and justifiable approach to raising the levy. • Received from DBT a loan in accordance with the GCA Act[1].	**Amber**

One risk reported as a principal risk in 2024/25 was reassessed during the reporting period and is no longer considered a principal risk: *The GCA is the subject of a judicial review which leads to reputational damage and loss of trust by stakeholders.* This risk was actively managed throughout the reporting period with its likelihood reduced, including as a result of mitigating actions. The risk continues to be monitored.

Going concern

The GCA has received levy income for 2026/27 to fund its activities. On 9 March 2026 the SoS consented to a GCA levy of £3.5 million, to cover expenses in 2026/27, and expenses in 2025/26 which had been met from a loan from the SoS[2]. Accordingly, a going concern basis for the preparation of these financial statements has been adopted as appropriate. Budget pressures are possible should investigations or arbitrations result in accruals where the GCA has not recovered its costs within the year. The GCA has set the levy at an amount estimated to provide the GCA with sufficient funds to cover these circumstances with additional support from its sponsor department where necessary.

[1 & 2] On 30 January 2026, the GCA received a £500,000 interest-bearing loan from DBT. The GCA repaid this loan and accrued interest on 23 April 2026.

Performance analysis

This section of the annual report reviews the GCA's performance during the 2025/26 reporting period.

Statutory reporting requirements

The GCA's key performance indicators are set out in the GCA Act as statutory reporting requirements. The four statutory reporting requirements and the performance against these objectives are summarised in the table below.

GCA statutory reporting requirements and performance in 2025/26

Disputes referred to arbitration under the Order

- The GCA accepted appointment as arbitrator in one dispute during the reporting period. That arbitration was ongoing at the end of the reporting period.

Investigations carried out by the GCA

- The GCA launched one statutory investigation during the reporting period. That investigation was ongoing at the end of the reporting period.

Cases in which the GCA has used enforcement measures

- The GCA used no formal enforcement measures during the reporting period.

Recommendations that the GCA has made to the CMA for changes to the Code

- The GCA has not recommended any changes to the Code to the CMA during the reporting period.

Strategic objectives

Objective 1: Promoting the work of the GCA

The GCA promoted its work directly to suppliers through dedicated communication channels, ensuring awareness of the GCA, its role, and the Groceries Code.

- 84% of suppliers were aware of the GCA with 72% having a good or fair understanding of the GCA's role according to the GCA's 2026 survey.
- 77% of suppliers had a good or fair understanding of the Groceries Code according to the 2026 survey.

Stakeholder engagement

The GCA actively engaged with suppliers, Retailers and other stakeholders such as trade associations throughout the reporting period. This engagement allowed the GCA to deliver important messages to stakeholders and gather information about Retailer behaviour. Activities included:

- Holding its annual conference on 30 September 2025. Hundreds of attendees including suppliers, Retailers and trade body representatives attended in-person and online. The Adjudicator explained his priorities including reducing delays in payment and ensuring the Retailers treat suppliers fairly when de-listing and forecasting.
- One-to-one engagement with suppliers to confidentially discuss the issues they were facing.
- Working with industry representatives. The GCA worked with several trade associations including specialist organisations and associations representing food and drink manufacturers, brands, specific sectors and farmers. It often attended association events with multiple suppliers present.
- Meeting with CCOs and other Retailer representatives and attending Retailer events. The GCA held almost 70 meetings with Retailers including regular progress meetings with CCOs and annual meetings with audit chairs or equivalent. The GCA attended several of the Retailers' supplier events to understand how the Retailers communicate to suppliers.
- International engagement. The GCA met grocery sector regulators and interested parties from around the world and spoke at the Republic of Ireland's Agri-Food Regulator's first annual conference.

Communications

The GCA used a range of dedicated channels to communicate news and important messages to suppliers and other stakeholders.

- The GCA secured varied and significant media coverage of its work during the reporting period, promoting it to stakeholders. The GCA shared factual materials about the launch of the investigation into Amazon leading to accurate reporting across global and domestic coverage including in national news publications and trade press. The 2026 survey results were also covered by trade and national media. Coverage of GCA announcements and GCA's response to media stories increased penetration of key messaging and awareness of the GCA's work.
- The GCA's website is a repository of key information and news for GCA stakeholders. The GCA regularly updated the website and the Code Confident Pack (a handbook for suppliers) to ensure information is accurate and relevant.
- The GCA directly communicated with stakeholders through its newsletter and LinkedIn page. It sent three newsletters to approximately 1,500 subscribers and shared announcements and reminders on the GCA's growing LinkedIn page. These posts were often amplified by important sector thought leaders, increasing the posts' reach. The GCA shared key messages with stakeholders, for example encouraging suppliers to confidentially contact the GCA with issues and complete the GCA survey.

Objective 2: Providing advice and guidance

Setting expectations on Code compliance

During the reporting period, the GCA continued to provide informal advice to Retailers to support effective compliance with the Code. Building on insights from the 2025 survey, information from suppliers and ongoing engagement, the GCA set out expectations in key areas including payment practices, forecasting accuracy, de-listing and communications with suppliers.

The GCA reinforced the expectations of good practice as agreed in the 7 Golden Rules (7GR), emphasising fair treatment, transparency, and collaborative issue resolution. These principles were reflected in discussions with CCOs and senior Retailer leaders, as well as in publicly communicated guidance.

Through direct engagement with Retailers including structured meetings with CCOs, and discussions with senior executives and audit committee chairs, the GCA set out guidance and expectations intended to support compliance with the Code.

Use of guidance to support consistent interpretation of the Code

The GCA also maintained and updated existing guidance to ensure that suppliers and Retailers could access accurate, practical and timely support. This covered keeping rates for cost recoverable activity, levy funding information, and confidentiality commitments up to date, as well as refreshing the Code Confident Pack and ensuring that CCO and helpline contact details remained current and accessible.

Supporting the courts with interpretation of the Code

In June 2025, the High Court granted the GCA's application to intervene in civil litigation between W. Clappison Ltd and Aldi, in order that the GCA could assist the Court relating to the interpretation and application of the Code. The GCA will apply to intervene in future cases where it considers that doing so would assist the Court in understanding the Code and support the effective operation of the regulatory regime overseen by the GCA.

Objective 3: Acting on supplier issues and information

When made aware of supplier issues, the GCA followed the three stages of its collaborative approach to resolve the issue.

Make Retailers aware of issues reported by suppliers

The GCA received information about issues that suppliers faced through the annual survey, direct communication (including through Tell the GCA) and meetings with suppliers and other stakeholders such as trade associations.

For Code issues, where the GCA could raise an issue without breaching supplier confidentiality, it contacted the CCO when proportionate. It encouraged suppliers to also contact CCOs directly. Scheduled GCA engagement with CCOs took place during two rounds of progress meetings (July 2025 and November to December 2025). There was one round of written reporting (March 2026) where the CCOs provided a written report and the GCA responded in writing.

The Adjudicator also met the chair of each Retailer's audit committee (or the equivalent) and raised issues with other senior leaders at the Retailers when applicable.

Request that the CCO investigates the issues and reports back to the GCA

Through the progress meetings, the GCA requested that the CCOs investigate a range of issues and report back to the GCA on their findings and any changes made in response to the issue. Reporting by Retailers was usually in the subsequent progress report but where an issue was particularly urgent or had the potential to significantly impact suppliers, the GCA asked for a swifter response.

The issues discussed with the Retailers covered matters including delays in payments, goods-in processes and forecasting issues. The GCA also emphasised the importance of clear, concise communication especially when delivering significant process or systems changes.

The GCA asked each Retailer to produce an action plan in response to the feedback provided by suppliers, including through the 2025 GCA survey. The GCA monitored this work and advised on the changes in progress meetings. Changes Retailers made to resolve supplier issues included delivering additional communications, making changes to processes or to buyer training.

Take formal action if the practice continues

In June 2025, the GCA launched a targeted investigation into whether Amazon has breached paragraph 5 of the Code, which covers delay in Payments. The GCA had escalated its concerns in accordance with its published collaborative approach. There had been a period of increased engagement during which Amazon has made some changes to address issues related to paragraph 5 of the Code and to address compliance issues related to other paragraphs of the Code.

The GCA initiated the investigation having concluded that there were reasonable grounds to suspect that Amazon has breached paragraph 5 of the Code (based on evidence from a range of sources), having applied its published prioritisation principles and being satisfied that it was proportionate to investigate.

Objective 4: Improving the culture of Code compliance

Reinforcing confidentiality and no negative consequences commitments

The GCA monitored implementation by the CCOs of their commitment to confidentiality and by the Retailers that there will be no negative consequences for suppliers raising issues. These commitments remained central to maintaining supplier confidence in raising issues. In meetings with CCOs the GCA underlined that suppliers must be able to share concerns without fear of retaliation.

In meetings with senior leaders at Retailers, the GCA also emphasised that tone from the top was critical: senior leaders must actively demonstrate that Code compliance was a priority for the business and that raising concerns was encouraged and treated as a vital part of maintaining good supplier relationships.

Audit committee oversight of Code compliance

The GCA considered the effectiveness of Retailers' governance arrangements in providing assurance that Code compliance is embedded throughout their businesses. The GCA highlighted the importance of audit committees (or equivalents) maintaining active oversight of Code risks, regularly reviewing compliance data, and challenging the organisation where gaps or emerging risks are identified.

This work included encouraging the Chairs of audit committees (or equivalents) to scrutinise how concerns are handled, how buyers are trained and how leadership reinforces expected behaviours.

Strengthening Retailers' internal issue capture arrangements

Following the GCA's review of Annual Compliance Reports (in cooperation with the Competition and Markets Authority) and consideration of regular reporting by Retailers, the GCA also proportionately encouraged Retailers to strengthen their arrangements for identifying, recording and reporting breaches or alleged breaches of the Code reported by suppliers. This included setting clear expectations that all Code issues, whether raised verbally or in writing, should be recorded promptly and accurately, handled consistently, and escalated to the CCO where necessary.

Suppliers' expectation of compliance by Retailers

The GCA continued to explain to suppliers the protections available to them, including the confidential handling of issues, the commitment to no negative consequences and the routes for raising concerns with Retailers or the GCA. This work was intended to strengthen suppliers' confidence in coming forward and to enable early identification and resolution of Code issues.

Annual survey

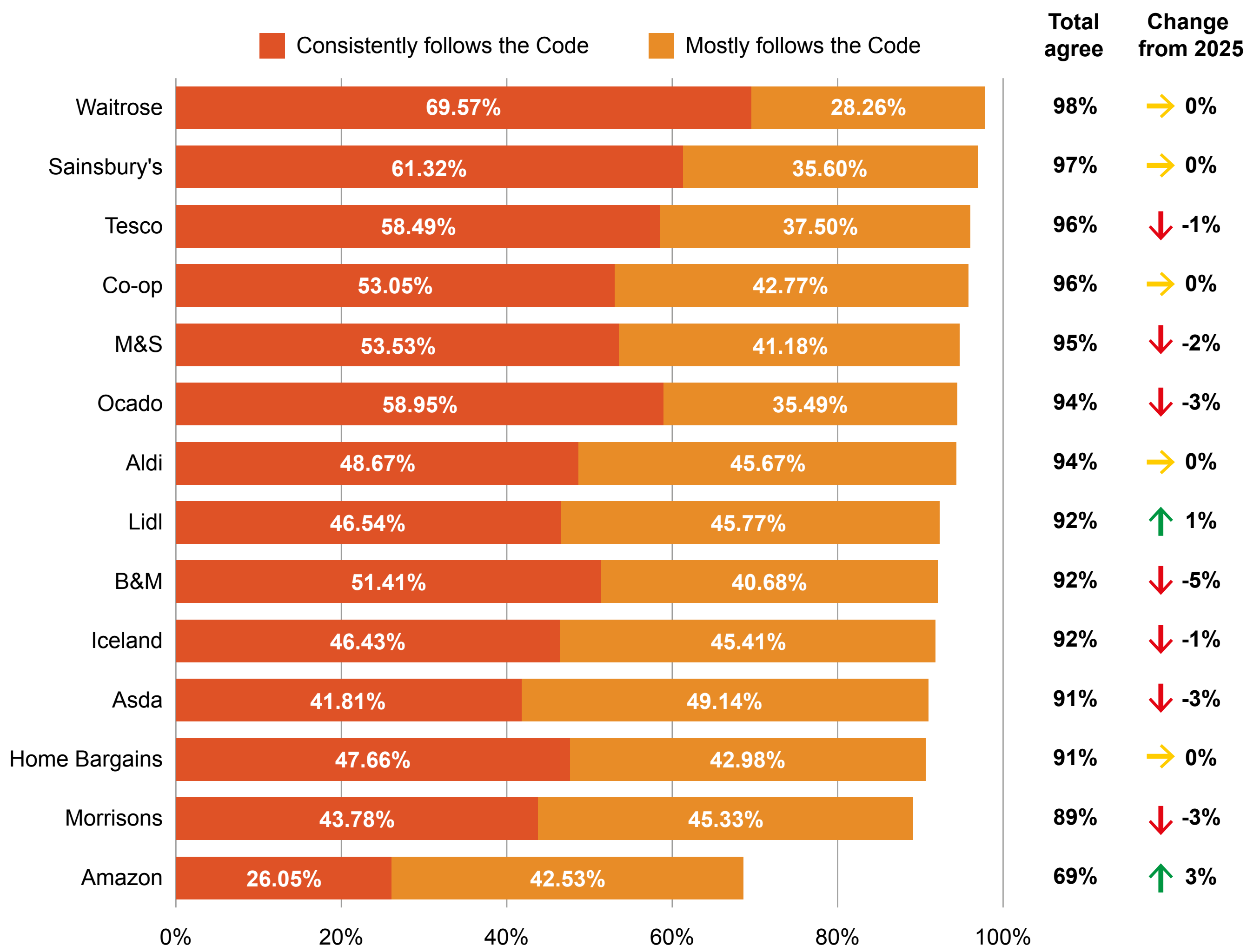
The GCA's annual survey is a key element of its regulatory approach and an essential source of evidence about suppliers' experiences of Retailer compliance with the Code. It provides a detailed picture of supplier perceptions of Retailer behaviour and enables them to share their experiences with the GCA confidentially. The findings help the GCA to identify emerging issues, assess the effectiveness of Retailers' compliance programmes, and prioritise areas requiring attention.

The survey has been conducted every year since the GCA was established in 2013 and has maintained a largely consistent structure and question set to support reliable year on year benchmarking of Retailer performance. The 13th survey, which ran from 12 January to 22 February 2026, followed the same approach. As in previous years, the questions focused on key Code-related issues encountered by suppliers and were aligned with previous surveys to support meaningful comparison. This consistency allows the GCA to track longer term trends, providing a clear view of sustained improvements or persistent challenges and informing proportionate, evidence-based engagement with Retailers.

In 2026, the survey received 2,689 responses, comprising 2,466 direct suppliers, 164 indirect suppliers and 22 trade associations. The GCA promoted the survey through digital communication channels, trade press, and representative bodies, with Retailers also encouraging participation among their suppliers.

The 2026 results show that overall Code compliance across the sector remains high; however, more suppliers reported experiencing Code issues than in the previous year. The proportion of suppliers reporting no Code issues fell slightly to 51%, from 52% in 2025, and reporting across some individual Code issues increased. These findings provide important evidence about where Retailers are making progress and where further action is needed.

Suppliers with a positive perception of overall Retailer Code compliance

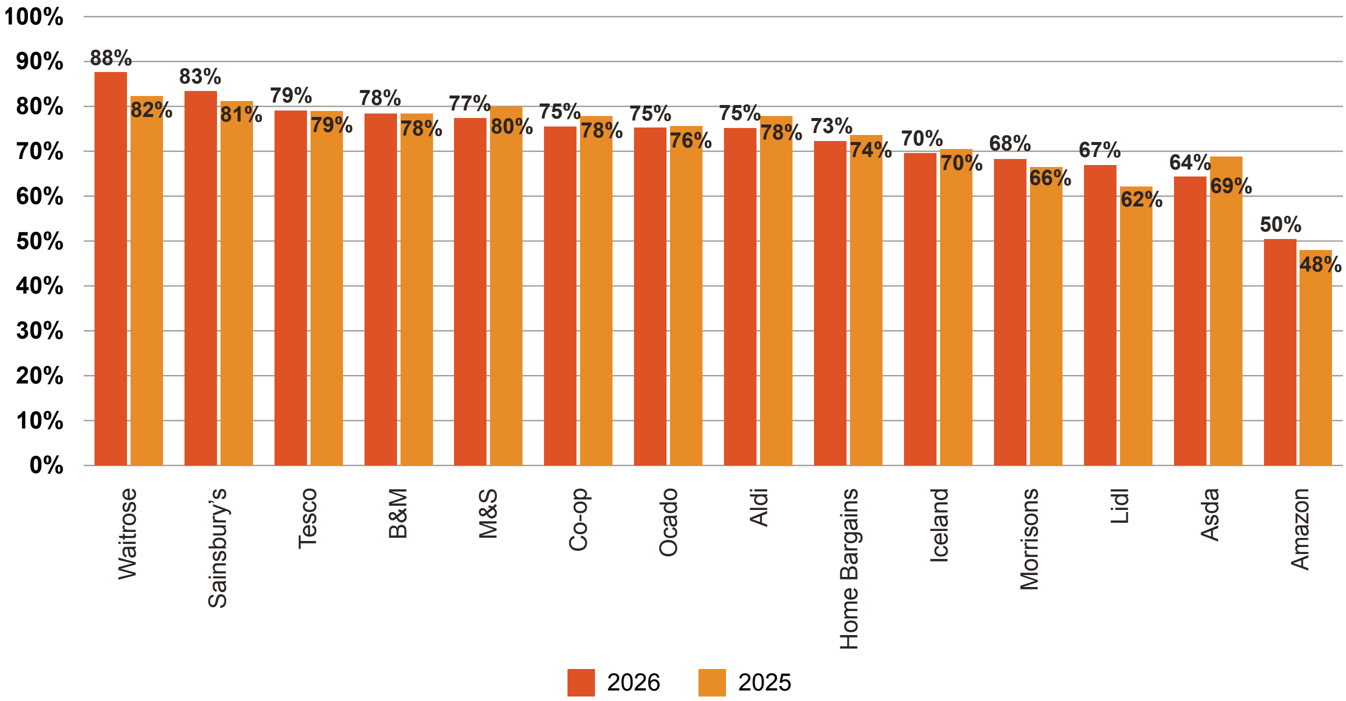


Source: GCA annual surveys 2026 and 2025

Suppliers were asked to provide an overall assessment of each Retailer's compliance with the Code. In 2026, the proportion of suppliers reporting that their Retailer was 'mostly' or 'consistently' compliant ranged from 98% to 69%[2]. Overall perceived compliance remained high, with a mean score of 92% across all Retailers; however, this was a 1% decrease compared with the 2025 survey.

[2] All survey findings have been rounded to the nearest whole percent.

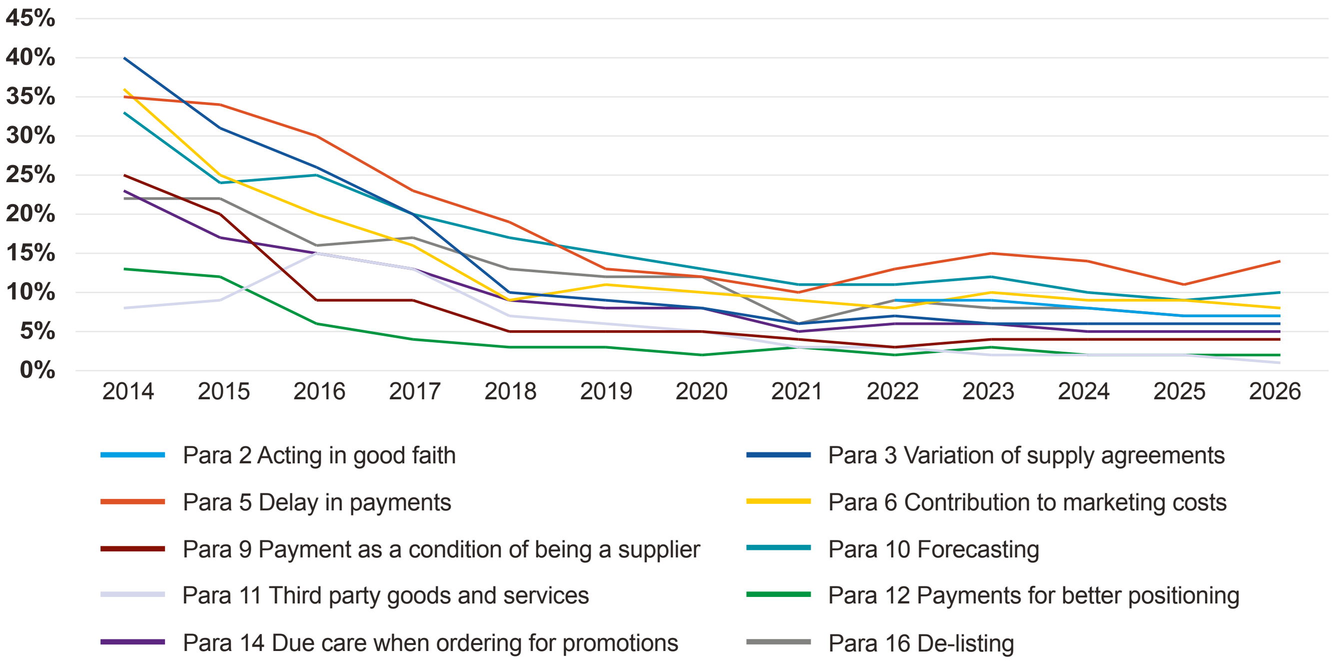
Suppliers that agree Retailers conduct the trading relationship fairly, in good faith and without duress



Source: GCA annual surveys 2026 and 2025

When asked whether Retailers conduct trading relationships fairly, in good faith and without duress, supplier scores in 2026 ranged from 88% (Waitrose) to 50% (Amazon). Compared to 2025, perceptions were stable or improved for 8 of the 14 Retailers, with the largest increases at Lidl (up 5% to 67%) and Waitrose (up 6% to 88%). By contrast, 6 Retailers saw a decline, led by Asda (down 5% to 64%), Aldi (down 3% to 75%) and M&S (down 3% to 77%).

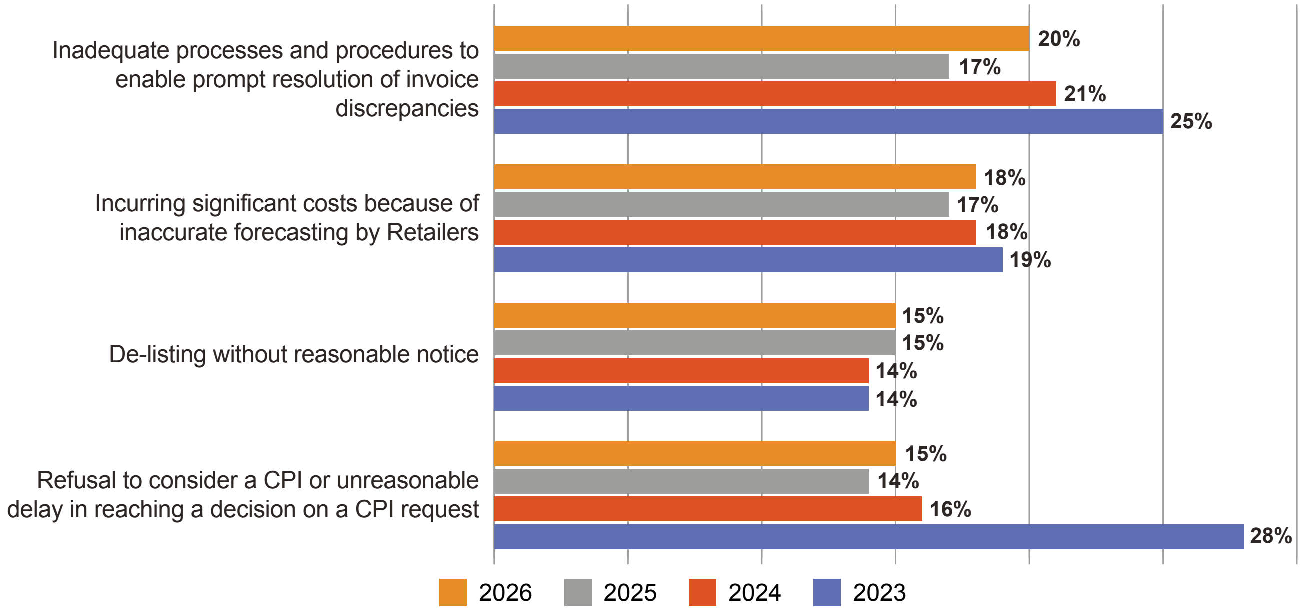
Suppliers that report an issue with these Code paragraphs 2014–2026



Source: GCA annual surveys 2014-2026

The proportion of suppliers that experienced at least one Code issue increased from 30% in 2025 to 32% in 2026. For the fourth consecutive year, the three most reported issues, as defined in the Code, were delays in payments (14%, up 3% on 2025), forecasting (10%, up 1%), and the obligation to contribute to marketing costs (8%, down 1%).

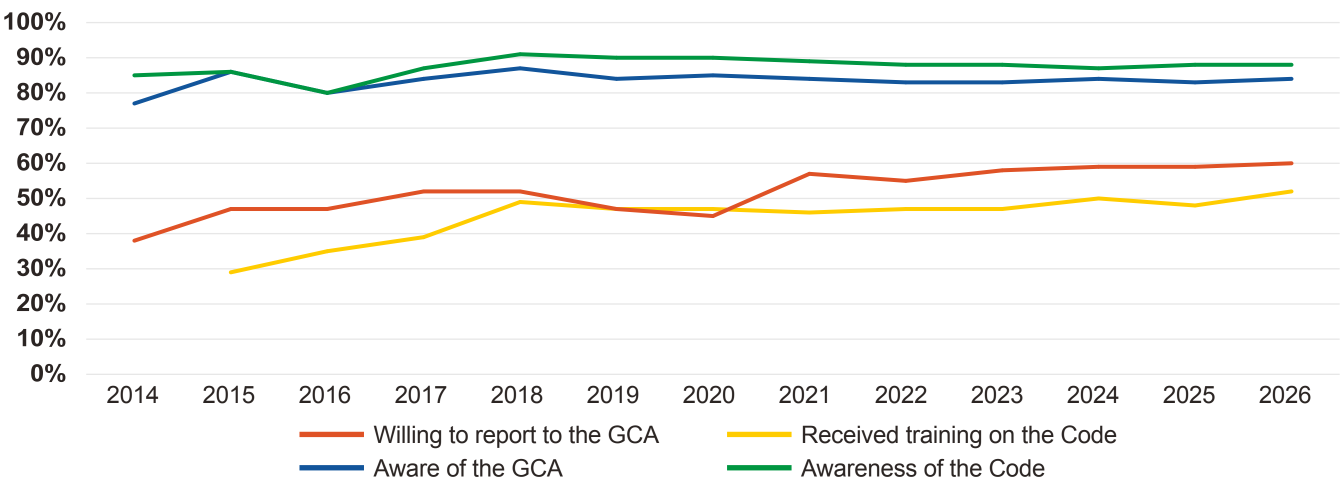
Top issues reported by suppliers in GCA annual surveys 2023–2026



Source: GCA annual surveys 2023-2026

When asked about issues as expressed in the language commonly used in the sector, suppliers most frequently identified inadequate processes and procedures to enable prompt resolution of invoice discrepancies (20%, up 3% from 2025) and incurring significant costs due to inaccurate forecasting by Retailers (18%, up 1%). De-listing without reasonable notice remained the third most reported issue (15%, unchanged from 2025). Refusal to consider a CPI, or an unreasonable delay in reaching a decision on a CPI request, rose to 15% in 2026, making it the equal third most commonly reported issue, alongside de-listing.

Supplier attitudes towards the Code and GCA 2014–2026



Source: GCA annual surveys 2014-2026

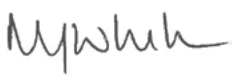
The survey also explored suppliers' awareness and understanding of the GCA and the Code, levels of Code training, and willingness to report issues to the GCA.

In 2026, 52% of suppliers reported that they had received Code training, an increase of 4% compared with 2025. As in previous years, training was lower among smaller businesses, with micro and small suppliers least likely to have received Code training. Among suppliers who had not undertaken training, the most cited reasons were a lack of awareness that Code training was available (42%) and uncertainty about how to access training or who provides it (29%). These reasons were particularly prevalent among micro suppliers, half of whom reported that they did not know any Code training existed. A list of training providers of which the GCA is aware is available on the GCA website.

Willingness to report issues to the GCA increased by 1% to 60% in 2026, the highest level ever reported. The remaining 40% of suppliers were either unwilling to report an issue, or unsure whether they would do so. Among those suppliers, the most cited reason remained concern that the Retailer would find out and that there would be consequences for their business (38% in 2026, unchanged from 2025).

Awareness of the Code remained stable at 88% in 2026, while awareness of the GCA increased by 1% to 84%.

The GCA has engaged with each Retailer about the findings of the survey and will monitor progress in implementing plans to address the issues reported by suppliers. As in previous years, YouGov will also follow up the findings of the survey on behalf of the GCA through deep dive interviews with selected suppliers in summer 2026.



Mark White
Groceries Code Adjudicator and Accounting Officer

13 July 2026

Accountability report

Overview

The accountability report contains three sections:

Section overview

Corporate governance report

Director's report

The Groceries Code Adjudicator (GCA) is a Statutory Office and Corporation Sole and is an independent regulator. Throughout the reporting period, the GCA was sponsored by the Department for Business and Trade (DBT), but since 1 July 2026, the GCA has been sponsored by the Department for Environment, Food and Rural Affairs (Defra) (see page 7). I was first appointed to the role in October 2020 and was simultaneously appointed as the Accounting Officer. I was reappointed for a further three years in October 2024.

As Accounting Officer, I am responsible for ensuring that the GCA has an appropriate governance structure and systems in place to ensure I meet my statutory obligations. I am personally responsible for safeguarding public funds for which I have charge; for ensuring propriety and regularity in the handling of public funds; and for day-to-day operations and management of the GCA as set out in *Managing Public Money.*

Governance structure

The GCA governance structure combines efficient decision making with accountability and transparency. As Accounting Officer, I chair the Governance Board (the Board) which is my governance body responsible for ensuring that the GCA's statutory obligations are met, that decision-making and financial management are carried out appropriately and that the office is managed effectively. Board membership also included the GCA Head of Operations and a representative from the GCA's sponsor department (DBT throughout the reporting period) as a non-executive director. The representative from the GCA's sponsor department looks at governance through a sponsorship body lens and brings a valuable external viewpoint as well as constructive challenge to the Board.

The GCA does not remunerate the independent member of the Board.

I also chair the Audit and Risk Committee (ARC) and the Executive Committee which report to the Board. Paula Mills continued as the independent member on the ARC during the reporting period and provides external objectivity in overseeing audit and risk in line with good governance practice.

The GCA pays Paula Mills £4,000 per annum to reflect the time commitment of 7 to 8 days' work with the GCA.

I am personally responsible for promoting and safeguarding regularity, propriety, affordability, sustainability, risk and value for money as well as accounting accurately and transparently for the GCA's financial position and transactions.

Further details about the governance structure are set out in the Governance Statement, and a summary of our governance is available on the GCA website.

Register of interests

A register of interests of the GCA is available on the GCA website. All Senior Civil Service level members of the Board were subject to disclosure rules throughout the period, from the date of appointment. No member of the Board has interests which are considered to give rise to any conflict.

Personal data

There were no personal data disclosure incidents in 2025/26. Accordingly, the GCA did not refer anything to the Information Commissioner.

Mark White
Groceries Code Adjudicator and Accounting Officer

13 July 2026

Statement of Accounting Officer's responsibilities

Paragraph 15(1) of Schedule 1 to the Groceries Code Adjudicator Act 2013 (the GCA Act) requires the GCA to keep proper accounts and records in relation to the corporation's accounts. For each financial year the Adjudicator must prepare a statement of accounts in respect of that year detailing the resources acquired, held or disposed of during the year and the use of resources by the GCA during that year. These must be published and submitted to the Secretary of State with responsibility for sponsorship of the GCA (SoS) who will be responsible for laying the accounts before Parliament (see page 7).

The accounts follow the form and the basis set out in the Accounts Direction issued by the SoS. The financial statements are prepared on an accruals basis and give a true and fair view of the GCA's state of affairs at the year end and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

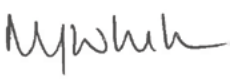
In preparing financial statements the GCA is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- Observe the Accounts Direction issued by the SoS, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards set out in the FReM have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis.

The Principal Accounting Officer for DBT designated me as the Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of levy funding (classified as public finances) for which the Accounting Officer is answerable, for keeping proper records and safeguarding the GCA's assets, are set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the steps I ought to have taken to make myself aware of any relevant audit information and to establish that the 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 take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced and understandable, which I confirm they are.



Mark White
Groceries Code Adjudicator and Accounting Officer

13 July 2026

Governance statement

Scope of responsibility

The GCA is a Statutory Office and Corporation Sole. The Adjudicator is the Accounting Officer. As the Accounting Officer, the Adjudicator has responsibility for maintaining corporate governance structures that support the achievement of the GCA's aims, objectives and targets, while safeguarding public funds and the GCA's assets.

Mark White was appointed as the Adjudicator from 31 October 2020 and was reappointed for a further three years from 31 October 2024.

Mark White has received a letter appointing him as Accounting Officer for the reporting period from the Principal Accounting Officer for DBT and a letter providing him with financial delegations from the DBT Directors General for Competition, Markets and Regulatory Reform.

The primary duties and responsibilities of the Adjudicator are set out in the GCA Act.

Governance Framework

GCA governance is conducted through a Governance Board, an Audit and Risk Committee and an Executive Committee.

Governance Board (the Board)

Purpose

Sets the GCA's strategic aims, providing the leadership to put them into effect, supervising the management of the regulator and reporting to government.

The Board will:

- Ensure the GCA office is effectively managed to fulfil its statutory duties and functions and that the principles of good corporate governance are observed.
- Establish that the overall strategic direction of the GCA fits within the policy framework laid down under the GCA Act.
- Have regard to any opinions and reports of the Adjudicator as Accounting Officer and ensure that the GCA makes appropriate use of public funds.

Membership

- Chair: The Adjudicator. Attended 4 out of 4 meetings in 2025/26.
- GCA Head of Operations. Attended 4 out of 4 meetings in 2025/26.
- Deputy Director with responsibility for the sponsorship of the GCA. Attended 3 out of 4 meetings in 2025/26.

Additional information

- The Board met four times during the reporting period (proportionate to the size of the GCA). Each meeting of the Board was quorate.
- The Board's work is informed by the Audit and Risk Committee and the Executive Committee.
- During the year the Board considered issues including the annual levy, the financial performance of the GCA, board effectiveness, people and recruitment, investigation of Amazon.com, Inc. (Amazon), this annual report and the Adjudicator's regular reports.
- Robust information is provided to the Board in papers submitted for consideration. The Board is satisfied that this is of a quality that enables effective decision making.
- The Board follows the Corporate Governance Code of Good Practice 2017, applying it in a way proportionate to the nature and size of the GCA.

Executive Committee (the Committee)

Purpose

A sub-committee of the Board to oversee the GCA's overall performance and delivery with a focus on strategic leadership, management and direction, ensuring the most effective prioritisation of resources.

Membership

- Chair: The Adjudicator. Attended 5 out of 5 meetings in 2025/26.
- GCA Head of Operations. Attended 5 out of 5 meetings in 2025/26.
- GCA team member, to be appointed by the Chair at the start of each GCA financial year, for a term of one year. Attended 4 out of 5 meetings in 2025/26 and nominated a deputy for the remaining meeting.

Additional information

- The overall decision-making body for performance and delivery, under delegated authority from the Board.
- As required by the business of the GCA, the Committee met five times during the reporting period. Each meeting was quorate.
- During the year, the Committee considered a range of matters including the annual levy, routine financial updates, progress on the GCA annual conference and survey, the Amazon investigation, engagement with Retailers, enquiries from suppliers, and learning and development activities.
- Papers provided to the Committee contain relevant information. The Committee is satisfied that these are of a quality that enables effective decision making.

Audit and Risk Committee (ARC)

Purpose

A sub-committee of the Board supporting the GCA's responsibilities for issues of risk, internal control and governance.

Membership

- Chair: The Adjudicator. Attended 2 out of 2 meetings in 2025/26.
- GCA Head of Operations. Attended 2 out of 2 meetings in 2025/26.
- Independent member. Attended 2 out of 2 meetings in 2025/26.

Observers

- National Audit Office.
- GCA's accountants, RSM UK Ltd.
- Government Internal Audit Agency (as required).

Additional information

- The ARC met twice during the reporting period (proportionate to the size of the GCA). Each meeting held was quorate.
- During the year the ARC considered matters including reviewing the GCA's financial position and management, reviewing the risk register, and approving this annual report and accounts. These matters are thoroughly examined at each meeting, with supporting documents provided that contain the necessary information.
- The ARC is satisfied that ARC papers are of a quality that enables effective decision making, confirmed by the review of the ARC's effectiveness.

Funding the GCA

Levy on designated retailers (Retailers)

The GCA is funded through a general levy on the Retailers. Any unspent levy funds at the end of each financial year are returned to the Retailers in the proportions in which they were contributed.

The GCA Act requires the consent of the Secretary of State (SoS) before a levy can be imposed on the Retailers. Each year the GCA publishes its levy funding policy on its website.

The GCA Act provides a facility for the SoS to make grants and loans to the GCA. The levy is set at an amount estimated to likely provide the GCA with sufficient funds should the Adjudicator launch an investigation.

On 9 March 2026, the SoS consented to a GCA levy amount and methodology for raising the levy.

Levy amount

The levy amount was set at £3.5 million to cover GCA expenses in the financial year 2026/27 and for expenses in the financial year 2025/26 which were met from a short-term loan from the DBT SoS[3]. The increase in the levy amount for 2026/27 compared to recent previous years was largely necessitated by the additional costs of a statutory investigation.

Levy methodology

The levy amount for 2026/27 raised from each Retailer varied.

75% of the 2026/27 levy was shared equally between the 14 Retailers. This reflected the areas of GCA resource use that apply equally across all Retailers, including awareness-raising activities, the annual groceries sector survey, and governance and operations required to sustain the GCA as an independent government organisation.

25% of the 2026/27 levy was split variably between Retailers. The GCA considered information including matters relating to Retailers in prior years, information provided to the GCA by suppliers and others (including through the GCA's annual supplier surveys), information provided by Retailers and the nature of Retailers' engagement with the GCA's collaborative approach. As the best reflection of the expense and time the GCA expects to spend on matters relating to each Retailer, the GCA used supplier-reported perceptions of each Retailer's overall Code compliance in the 2025 annual survey to determine this element of the levy. Retailers with lower overall perceived compliance bore a larger share of this element.

Cost recoverable activity

The GCA may recover from Retailers reasonable costs incurred during:

- Investigations, where a Retailer is found to have breached the Code. The GCA may also recover costs from a person where the investigation is launched as a result of that person's complaint, which is found to be vexatious or wholly without merit.
- Enforcement activity as a result of an investigation where a breach has been found.
- Arbitrations, as the reasonable costs of the arbitrator.

Each year the GCA publishes the rates for cost recoverable activities on its website. During the reporting period the GCA did not recover costs from any of its enforcement activities.

Going concern

The GCA has received levy income for 2026/27 to fund its activities as noted above. Accordingly, a going concern basis for the preparation of these financial statements has been adopted as appropriate. Budget pressures are possible should investigations or arbitrations result in accruals where the GCA has not recovered its costs within the year. The GCA has set the levy at an amount estimated to provide the GCA with sufficient funds to cover these circumstances with additional support from its sponsor department where necessary.

VAT

The GCA is not registered for VAT.

Audit

The auditor of the GCA is the Comptroller and Auditor General. The audit fee for the period ended 31 March 2026 was £30,000 (2024/25: £28,000).

A proportionate internal audit-like mechanism is used by the GCA, consisting of a regular review of the risk register, an audit of financial controls and the periodic review of GCA policies and publications, supplemented

[3] On 30 January 2026, the GCA received a £500,000 interest-bearing loan from DBT. The GCA repaid this loan and accrued interest on 23 April 2026.

by internal audit reviews conducted on an ad hoc basis by the Government Internal Audit Agency.

Risk Management

During the year, the GCA identified 19 risks relevant to the achievement of its objectives. The identification, mitigation and escalation of risks is embedded as a key activity of the GCA team. The ARC discusses the approach to risk management at each meeting. Risk management is aligned with government best practice as set out in the HM Treasury guidance ‘Management of Risk: Principles and Concepts’ (the Orange Book).

The GCA risk profile is summarised in the table below as at November 2025 and current as at 31 March 2026.

GCA Risk Profile

Impact	Unlikely	Possible	Likely
Significant	1		
Moderate	5	6	3
Minor	4		

Likelihood

The GCA has a comprehensive risk register which is formally reviewed by the ARC every six months. The register considers risks under the following eight categories: finance, procurement and audit; people; operational; relations with Retailers; stakeholder management; governance; reputational; and legislation.

In line with other public bodies, the GCA has a business continuity plan.

Other controls and governance structures

Internal financial control

The GCA has committed to pay all undisputed invoices within 30 days. During the reporting period, the GCA approved and processed 100% of invoices within 30 days of receipt. On average it took 2.38 days (2024/25: 1.90 days) to pay each invoice.

The GCA maintains an internal financial controls checklist which is reviewed and completed annually. This was last reviewed in November 2025 and was considered by the GCA ARC.

The Adjudicator, as the GCA Accounting Officer, has overall strategic responsibility for ensuring that GCA funds are managed correctly, and has in place a financial delegation authority. Through the financial delegation authority, the Adjudicator can in turn sub-delegate to GCA team members, as necessary. GCA staff holding such delegations are made aware of the limits of their delegated authority and the level of approval needed before committing any expenditure.

The GCA reviewed and updated the sub-delegations and financial procedures policy in February 2026.

Internal audit

A number of checks and balances provide assurance to the GCA on its risk management, governance and internal control processes. These include external audit by the National Audit Office, reporting to ministers and Parliament, the triennial statutory review provided for in the GCA Act and the GCA’s governance structure.

Given the size of the GCA and the existing assurance mechanisms, the GCA has implemented a proportionate approach to internal audit. This approach is based on the principles of internal audit but is adapted for the size of the GCA.

Whistleblowing

The GCA adheres to the DBT Raising a Concern and Whistleblowing Policy & Procedure which has been communicated to all GCA staff. The GCA does not directly employ any member of the GCA office and adheres to the DBT policy as team members are seconded, in the main, from DBT. The DBT Raising a Concern and Whistleblowing Policy and Procedure is clearly signposted to in the GCA delegations and financial procedures document.

Analytical models

The GCA does not use any analytical models and therefore does not have, and is not required to have, an appropriate quality assurance framework in place as required by the final report of the MacPherson Review of quality assurance of government analytical models.

Implementation of the Alexander Tax Review

Numbers of off-payroll engagements and board members and senior officials with significant financial responsibilities are provided in tables 1, 2 and 3 in the remuneration and staff report (page 51).

The GCA Board comprises of the Adjudicator, the GCA Head of Operations and (during the reporting period) a DBT representative, none of whom received additional remuneration for their roles on the Board.

Sustainability

The GCA has a minimal direct environmental impact due to its small size and regulatory remit.

The Department for Environment, Food and Rural Affairs has granted the GCA an exemption from reporting sustainability information under the Greening Government Commitments, under the de minimis criteria.

9.2 Full Time Equivalent (FTE) members of staff work at the GCA and the GCA occupies office floor space of 92 metres squared. Consequently, the GCA has not included sustainability reporting in this annual report. The GCA's office forms part of the building occupied by the Competition and Markets Authority (CMA), and the GCA's ICT and Digital services are provided by Integrated Corporate Services (ICS), a shared corporate service established by the Department for Energy Security & Net Zero (DESNZ) and the Department for Science, Innovation & Technology (DSIT).

The reporting associated with the GCA will be incorporated into the CMA's Annual Report and Accounts and DESNZ's Annual Report and Accounts.

EU Exit

EU Exit has not affected the GCA's ability to achieve its objectives.

Statement by the Adjudicator

As Accounting Officer, I ensure that the GCA has an appropriate governance structure to meet the requirements of the office and to provide the right level of control over decision making. I confirm there have been no data losses or ministerial directions issued during the financial year. I have considered the evidence that supports this Governance Statement, and I am assured the GCA has a strong system of controls to support the achievement of my statutory purposes. I therefore have no disclosures of control weaknesses to make for the 2025/26 financial year.

Mark White
Groceries Code Adjudicator and Accounting Officer

13 July 2026

Remuneration and staff report

Overview and remuneration policy

The GCA has no remuneration responsibilities. The current and future remuneration of the Adjudicator is determined by the SoS under Schedule 1 to the GCA Act. The Adjudicator is designated as an Office Holder and is a Corporation Sole.

GCA team members, all of whom are on secondment from public bodies, retain the terms and conditions of their parent departments. Note 2 to the financial statements provides further information about this. Remuneration decisions are taken by, or as determined by the policies of, the secondee's relevant department.

The current Adjudicator's salary payments in this financial year were in the band of £120,000 to £125,000 pro-rated from an annual salary within the band of £150,000 to £155,000 for a full-time equivalent.

The Adjudicator chose not to join the Civil Service pension arrangements upon appointment. However, from 1 October 2023 the Adjudicator joined the partnership pension scheme. Other pension commitments are initially met by the home departments of the secondees to the GCA.

As explained in the Director's report (page 36) the GCA:

- does not remunerate the independent member of the Board.
- pays Paula Mills, the independent member of the ARC, £4,000 per annum to reflect the time commitment of 7 to 8 days' work with the GCA.

Remuneration (salary, benefits in kind and pensions)

Single total figure of remuneration (audited)										
Officials	**Salary** (£'000) (in £5k bandings)		**Bonus payments** (in £5k bandings)		**Benefits in kind** (to the nearest £100)		**Pension benefits** (to the nearest £'000)		**Total** (£'000) (in £5k bandings)	
	2025/26	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**
Mark White	120–125 (150–155 for a full-time equivalent)	115–120 (145–150 for a full-time equivalent)	-	-	-	-	22	19	140–145	135–140

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 or to be made by the GCA and thus recorded in these accounts.

Benefits in kind

No allowances, bonuses or benefits in kind have been made to the Adjudicator.

Civil Service pensions

On 1 October 2023, the Adjudicator joined the partnership pension scheme.

The partnership pension scheme 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).

The total employer contributions paid to the partnership pension provider in 2025/26 was £22,000 (2024/25: £19,000).

Further details about the Civil Service pension arrangements can be found at www.civilservicepensionscheme.org.uk.

Fair pay disclosure (audited)

The GCA only has one officer who is taxed as an employee. All other staff during the year were seconded from other public bodies.

The GCA is required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid 'director' at the GCA (the Adjudicator) in the financial year 2025/26 was £150,000 to £155,000 (2024/25: £145,000 to £150,000). This was 2.9 times the median remuneration of the workforce, which was between £50,000 to £55,000 (2024/25: £45,000 to £50,000).

In 2025/26, no employees received remuneration in excess of the highest paid director (2024/25: Nil).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

GCA fair pay disclosure for the period ending 31 March 2026 (audited)			
Banded remuneration of the Adjudicator and the GCA team			
	2025/26 (£'000) (in 5k bandings)	**2024/25** (£'000) (in 5k bandings)	**Percentage change** (2025/26 vs. 2024/25)
Band of highest paid director's remuneration (composed of salary, allowances, performance pay and bonuses payable)	**150–155**	**145–150**	**3%**
Band of highest paid director's salary & allowances	150–155	145–150	3%
Band of highest paid director's performance pay and bonuses payable	0–5	0–5	0%
Band of average GCA team remuneration (composed of salary, allowances, performance pay and bonuses payable)	**55–60**	**50–55**	**10%**
Band of average GCA team remuneration (salary & allowances)	50–55	50–55	0%
Band of average GCA team (performance pay and bonuses payable only)	0–5	0–5	0%
Pay ratios			
	Banded remuneration (£'000) (in 5k bandings)	**2025/26 pay ratio**	**2024/25 pay ratio**
Median pay ratio (total remuneration composed of salary, allowances, performance pay and bonuses payable)	**50–55**	**2.9**	**3.1**
Median pay ratio (remuneration composed of salary and allowances only)	45–50	3.2	3.1

The decrease in the median total remuneration ratio in 2025/26 (compared to 2024/25) is due to salary increases that have increased the banded remuneration for both the Adjudicator and his team, resulting in a decrease in the ratio. No remuneration range, 25th or 75th percentile pay ratios have been provided as this would disclose the salaries of individuals who work in the Adjudicator's team.

Staff report

Staff numbers, costs and composition

The Adjudicator is employed for four days each week and is a senior civil servant equivalent. Staff supporting the Adjudicator are seconded from public bodies.

The organisation chart as at the end of the reporting period is provided in the performance review on page 19. Staff numbers and composition as at 31 March 2026 and 31 March 2025 are summarised in the table below.

GCA staff numbers and composition as at 31 March 2026 and 2025 (audited)				
	Full time equivalents			
	Female	Male	31 March 2026	31 March 2025
The Adjudicator	0	0.8	0.8	0.8
GCA Staff	5.4	3	8.4	8.4

Notes
- For comparison, the female:male composition of the GCA committees as at 31 March 2026 is 1:2 (Governance Board), 1:2 (Audit and Risk Committee) and 1:2 (Executive Committee).

During the reporting period no members of staff joined or left the GCA team.

The learning and development plan continues to be reviewed during the year to ensure all staff have the right skills and experience to perform their roles.

GCA staff costs are shown in the table below.

GCA staff costs 2025/26 and 2024/25 (audited)		
	2025/26	**2024/25**
Salaries, performance related pay and allowances	£585,705	£536,562
Social security costs	£79,567	£62,299
Pension	£149,062	£134,009
Temporary / agency costs	–	–
Total	£814,334	£732,870

Notes

- The Adjudicator is a ministerial appointment, paid by the DBT payroll, which is recharged to the GCA.
- There have been no severance/retirement payments made in the reporting year.
- Home departments invoice the GCA for the employee's salary, ERNIC and pensions contributions. There is no VAT on these recharge invoices. The GCA is not VAT registered.
- Total staff cost (£814,334) includes: costs for the Adjudicator (£160,922); costs for staff seconded to the GCA (£649,498) and; fees in relation to a non-executive member of the GCA Audit & Risk Committee (£3,914).
- Further information is included in Note 2 of the accounts.

Sickness absence

The GCA team recorded a total of 4.5 days of sickness absence during the reporting period (2024/25: 6 days).

Staff policies and other employee matters

As staff working in the GCA office remain employees of the public bodies from which they are seconded, they are primarily subject to the staff policies of those organisations.

The GCA ensures it meets its commitments on equality and diversity, health and safety and wellbeing for staff working in the office.

The GCA gives full and fair consideration to applications to be seconded to the office from disabled persons and will implement relevant policies for training and career development where necessary.

Consultancy expenditure

There was no consultancy expenditure during 2025/26 (2024/25: Nil). Expenditure relating to the contract for the annual GCA survey is shown in Note 3 of the accounts.

'Off-payroll' engagements and reporting on the tax arrangements of public sector appointees

Legislation which came into effect from April 2017 provides that where a public sector organisation engages an off-payroll worker through their own limited company, that organisation (or the recruitment agency where the worker is engaged through that agency) will become responsible for deciding whether tax and National Insurance contributions (NICs) are due from the individual contractor and, if so, for paying the right tax and NICs.

The GCA has not engaged any contingent workers or contractors during the reporting period.

The final report of the Alexander Tax Review recommended that board members and senior officials with significant financial responsibility should be on the organisation's payroll. The GCA has reviewed the way it appoints board members and senior officials to ensure its processes are robust.

The tables below set out the status of off-payroll contractors and board members and senior officials with significant financial responsibility engaged by the GCA.

Table 1: Highly paid off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater	
No. of existing engagements as at 31 March 2026.	**0**
The GCA did not engage any off-payroll workers/contractors during the reporting period.	

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 per day or greater	
No. of existing engagements as at 31 March 2026.	**0**
The GCA did not engage any off-payroll workers/contractors during the reporting period.	

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026	
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	**0**
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. This figure should include both on-payroll and off-payroll engagements.	**2**
*The GCA does not operate its own payroll function and is recharged for such services. The individuals disclosed are therefore classed as on-payroll.	

Exit packages

Any exit packages would be the responsibility of the public bodies seconding staff to the GCA or for the department with responsibility for sponsorship of the GCA (DBT for the reporting period, see page 7).

This has been subject to audit.

Parliamentary accountability and audit report

Parliamentary accountability disclosures

The Adjudicator, as Accounting Officer, is responsible for the propriety and regularity of the public finances for which he is answerable and for keeping proper records. The GCA has nothing to report in respect of remote contingent liabilities or the regularity of expenditure, including losses and special payments; fees and charges income; or gifts. This has been subject to audit.

Details of the GCA's statutory reporting requirements are set out in the performance report (see page 23).

Functional standards

The GCA has reviewed the UK Government Functional Standards and, in accordance with "Dear Accounting Officer letter 05/21" issued by HM Treasury in September 2021, applies them in a manner that is proportionate to its size, functions and business needs.

Wider government and Parliamentary input

The GCA is subject to a number of wider statutory and cross government duties that support accountability to Parliament and good regulatory practice. During the reporting period, the GCA complied with these duties as set out below.

The Regulators' Code

The GCA is a non-economic regulator which must have regard to the Regulators' Code. The Regulators' Code obliges the GCA to follow stated principles when developing policy or operational procedures and when setting standards or giving guidance which informs GCA regulatory activity.

Growth duty

The GCA is committed to better regulation and to taking account of the impact of its regulatory activities on growth. The GCA meets the requirement of section 108 of the Deregulation Act 2015, which stipulates that a person exercising a regulatory function to which this section applies must:

- In the exercise of the function have regard to the desirability of promoting economic growth.
- Consider the importance for the promotion of economic growth of exercising the regulatory function in a way which ensures that:
  - Regulatory action is taken online when it is needed.
  - Any action taken is proportionate.

Parliamentary and Ministerial engagement

The Adjudicator met Kate Dearden MP, Parliamentary Under-Secretary of State for Employment Rights and Consumer Protection at the Department for Business and Trade, on 13 October 2025.

Mark White
Groceries Code Adjudicator and Accounting Officer

13 July 2026

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

Opinion on financial statements

I certify that I have audited the financial statements of the Groceries Code Adjudicator for the year ended 31 March 2026 under the Groceries Code Adjudicator Act 2013.

The financial statements comprise the Groceries Code Adjudicator's

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

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

In my opinion, the financial statements:

- give a true and fair view of the state of the Groceries Code Adjudicator's affairs as at 31 March 2026 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Groceries Code Adjudicator Act 2013 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

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

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

Conclusions relating to going concern

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

Other Information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Groceries Code Adjudicator Act 2013.

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 Secretary of State directions made under the Groceries Code Adjudicator Act 2013; 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 Groceries Code Adjudicator and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability reports.

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

- adequate accounting records have not been kept by the Groceries Code Adjudicator 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 Groceries Code Adjudicator 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 in accordance with Secretary of State directions issued under the Groceries Code Adjudicator Act 2013;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Groceries Code Adjudicator Act 2013; and
- assessing the Groceries Code Adjudicator'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 Groceries Code Adjudicator 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 Groceries Code Adjudicator Act 2013.

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 Groceries Code Adjudicator's accounting policies.
- inquired of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the Groceries Code Adjudicator'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 Groceries Code Adjudicator's controls relating to the Groceries Code Adjudicator's compliance with the Groceries Code Adjudicator Act 2013 and Managing Public Money;
- inquired of management and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Groceries Code Adjudicator 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 Groceries Code Adjudicator Act 2013's framework of authority and other legal and regulatory frameworks in which the Groceries Code

Adjudicator Act 2013 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 Groceries Code Adjudicator. The key laws and regulations I considered in this context included Groceries Code Adjudicator Act 2013, Managing Public Money and employment law.

Audit response to identified risk

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

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

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

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies **Date** **13 July 2026**
Comptroller and Auditor General

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

Financial statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2026

	Note	Year ended 31-Mar-26 £	Year ended 31-Mar-25 £
Expenditure			
Staff costs	2	814,334	732,870
Other expenditure	3	1,805,264	519,014
		2,619,598	1,251,884
Finance costs			
Interest expense	4	2,047	–
		2,047	–
Income			
Other income	5	(2,231,792)	(1,248,657)
		(2,231,792)	(1,248,657)
Net expenditure		389,853	3,227
Total comprehensive net expenditure for the year ended 31 March 2026		389,853	3,227

The notes on pages 63 to 78 form part of these financial statements.

Statement of financial position as at 31 March 2026

	Note	As at 31-Mar-26 £	As at 31-Mar-25 £
Non-current assets:			
Property, plant and equipment	6	19,245	22,472
Right-of-use assets	7	–	–
Total non-current assets		19,245	22,472
Current assets:			
Other receivables	9	33,242	21,774
Cash	10	572,059	1,065,449
Total current assets		605,301	1,087,223
Total assets		624,546	1,109,695
Current liabilities:			
Lease liabilities	7	–	–
Other payables	11	491,927	330,599
Contract liability	11	–	756,624
Borrowings	12	500,000	–
Total current liabilities		991,927	1,087,223
Net current liabilities		(386,626)	–
Net (liabilities)/assets		(367,381)	22,472
Taxpayers' equity			
Income and expenditure reserve		(367,381)	22,472
Total Taxpayers' equity		(367,381)	22,472

The notes on pages 63 to 78 form part of these financial statements.

Mark White
Groceries Code Adjudicator and Accounting Officer

13 July 2026

Statement of cash flows for the year ended 31 March 2026

	Note	Year ended 31-Mar-26 £	Year ended 31-Mar-25 £
Cash flows from operating activities			
Net expenditure		(389,853)	(3,227)
Depreciation	6	3,227	3,227
Decrease/(increase) in receivables	9	(11,468)	923
Decrease in payables	11	(595,296)	(211,629)
Net cash outflow from operating activities		(993,390)	(210,706)
Financing activities			
Proceeds of DBT loan	12	500,000	–
Net cash used in financing activities		500,000	–
Net decrease in cash and cash equivalents in the period	10	(493,390)	(210,706)
Cash at the beginning of the period		1,065,449	1,276,155
Cash at the end of the period		572,059	1,065,449

The notes on pages 63 to 78 form part of these financial statements.

Statement of changes in Taxpayers' Equity

	Income and Expenditure Reserve £	Total Taxpayers' Equity £
Balance as at 31 March 2024	25,699	25,699
Changes in Taxpayers' Equity comprehensive expenditure for the year		
Comprehensive expenditure for the year	(3,227)	(3,227)
Balance as at 31 March 2025	22,472	22,472
Changes in Taxpayers' Equity comprehensive expenditure for the year		
Comprehensive expenditure for the year	(389,853)	(389,853)
Balance as at 31 March 2026	(367,381)	(367,381)

The notes on pages 63 to 78 form part of these financial statements.

Notes to the financial statements

1. Accounting policies

These financial statements have been prepared in accordance with the 2025/26 Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Groceries Code Adjudicator (GCA) for the purposes of giving a true and fair view has been selected.

The particular policies adopted by the GCA for the purpose of financial reporting are described below. They have been applied consistently in dealing with items that are considered material to the accounts. The accounts have been prepared under the direction of the Department for Business and Trade (DBT).

The GCA has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the current reporting period. This has not had a material impact on the results or the position of the GCA. The GCA has not adopted any standards early but has considered future changes in standards.

Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the GCA. Monetary amounts in these financial statements are rounded to the nearest £.

Standards not yet effective

a) IFRS 18 Presentation and Disclosure of Financial Statements

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

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

b) IFRS 19 Subsidiary without Public Accountability

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

IFRS 18 and IFRS 19 become effective from 1 January 2027. However, these standards have not yet been endorsed by the Financial Reporting Board (FRAB). The GCA will consider the impacts of implementing these standards once endorsed by the FRAB.

Going concern

The GCA has received levy income for 2026/27 to fund its activities. On 9 March 2026 the Secretary of State for DBT (DBT SoS) consented to a GCA levy of £3.5 million, to cover expenses in 2026/27, and expenses in 2025/26 which has been met from a loan from the DBT SoS[4]. There is no reason to believe that approval of future levies will not be granted. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the date the accounts were authorised for issue. It has been accordingly considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Income

General levy

The GCA received levy income for 2025/26 to fund its activities. Approval for the levy for the year 2025/26 was received on 16 June 2025. Section 19 of the Groceries Code Adjudicator Act 2013 (GCA Act 2013) provides that the full costs of the GCA will be funded through a levy on the retailers that are designated under the Groceries (Supply Chain Practices) Market Investigation Order 2009 (the Order) (Retailers). As at 31 March 2026 these Retailers were: Aldi, Amazon, Asda, B&M, Co-op, Iceland, Lidl, Morrisons, M&S, Ocado, Sainsbury's, Tesco, Home Bargains and Waitrose. Any unspent levy at the end of the financial year is returned to the Retailers in the proportions in which it was contributed.

The general levy and associated rebate are variable consideration under IFRS 15. The variable consideration is determined using the most likely amount. There is a constraint on the variable consideration with the income from the general levy determined at the end of the financial year once the uncertainty associated with the levy rebate has been resolved.

Investigations

The GCA has the discretion to charge the applicable Retailer(s) the full costs of an investigation which results in a finding that compliance with the Groceries Supply Code of Practice has been broken.

Costs incurred during investigations are recognised in full during the course of the investigation. The income associated with the recoverable costs of an investigation is a variable consideration. Until the investigation has been completed and findings published, there is uncertainty in respect of income from costs recovery. Income from the recovery of investigation costs is recognised at the point the GCA becomes entitled to recover them. Any income received from the recovery of investigation costs is taken into account in determining the general levy rebate at the end of the financial year in which the recovery is recognised.

Arbitrations

The GCA will in the great majority of cases recover the full costs of an arbitration, in accordance with Article 11(7) of the Order. All costs of the GCA as arbitrator are to be borne by the Retailer which is the party to the arbitration; unless the arbitrator decides that the supplier's claim was vexatious or without merit, in which case costs will be assigned at the arbitrator's discretion. The other costs of an arbitration, such as the parties' legal costs, can be apportioned in the final award.

The costs of arbitration are recognised in full during the course of the arbitration. The income from arbitration costs recovery is recognised during the course of the arbitration based on time incurred and published hourly rates.

[4] On 30 January 2026, the GCA received a £500,000 interest-bearing loan from DBT. The GCA repaid this loan and accrued interest on 23 April 2026.

There was one on-going arbitration at the end of the financial year.

Property, plant and equipment

As permitted by the FReM, property, plant and equipment are accounted for on a depreciated historical cost basis as a proxy for fair value. Non-property assets have a short useful life or are of relatively low value.

Depreciation is recognised to reflect the consumption of the economic benefit of the assets, less their residual values, over their useful lives:

Computer equipment – 5 years straight-line basis

Fixtures and fittings – 15 years straight-line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to the Statement of Comprehensive Net Expenditure.

Purchases of individual capital items over £1,000 will be recognised in the accounts as an asset and appropriately depreciated or amortised.

Impairment of property, plant and equipment

At each reporting period end date, the GCA reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the GCA estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Financial instruments

Financial instruments are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case transaction costs are charged to operating costs.

The categorisation of financial assets and liabilities depends on the purpose for which the asset or liability is held or acquired. Management determine the categorisation of assets and liabilities at initial recognition and re-evaluate this designation at each reporting date. The categorisation of financial assets is determined based on both the business model and the nature of the contractual cash flows.

Financial assets

The GCA holds financial assets, which comprise of cash at bank and receivables. These are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Since these balances are expected to be realised within 12 months of the reporting date, there are no material differences between fair value, amortised cost and historical cost.

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

The measurement of impairment losses depends on whether the financial asset is 'performing', 'underperforming' or 'non-performing' based on the GCA's assessment of increases in the credit risk of the financial asset since its initial recognition and any events that have occurred before the year-end which have a detrimental impact on cash flows.

The financial asset moves from 'performing' to 'underperforming' when the increase in credit risk since initial recognition becomes significant.

Impairment losses and any subsequent reversals of impairment losses are adjusted against the carrying amount of the receivable and are recognised in profit or loss.

Financial liabilities

The GCA holds financial liabilities, which comprise of payables and contract liability. Contract liability relates to unspent levy funds which will be brought forward against the levy amounts due in future periods. Since these balances are expected to be settled within 12 months of the reporting date, there are no material differences between fair value, amortised cost and historical cost.

IFRS 16 Leases

IFRS 16 requires the recognition of a right-of-use asset and a lease liability for all leases in scope of IFRS 16. The GCA's current property rental agreement, which was entered into during August 2019, is the only leasing arrangement within the scope of IFRS 16.

The FReM states that the following aspects of IFRS 16 must be utilised:

- On initial application an entity should use the modified retrospective approach.
- No adjustments for leases for which the underlying asset is of low value that will be accounted for.
- No adjustment for leases for which the lease term ends within 12 months of the date of initial application.

Where lessees cannot readily determine the interest rate implicit in the lease, they are instead required to use the HM Treasury discount rates promulgated in Public Expenditure System papers as their incremental borrowing rate in most cases.

Where the lease term is twelve months or less and the lease does not contain an option to purchase the leased asset, or from the point where a lease ceases to be enforceable, lease payments are recognised as an expense on a straight-line basis over the lease term.

Leases where the underlying asset is 'low-value', lease payments are recognised as an expense on a straight-line basis over the lease term.

Initial and subsequent measurement of the right-of-use asset

A right-of-use asset is recognised on or before the commencement date of the lease, which is when the leased asset is available for use by the GCA.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation methods applied are as follows:

Leasehold property - On a straight-line basis over the lease term.

Initial and subsequent measurement of the lease liability

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus extension periods that the GCA is reasonably certain to exercise and termination periods that the GCA is reasonably certain not to exercise.

Termination penalties are included in the lease payments if the lease term has been adjusted because the GCA expects to exercise an option to terminate the lease.

The exercise price of an option to purchase the leased asset is included in the lease liability when the GCA is certain to exercise that option.

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss.

Re-measurement of the lease liability

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term, the GCA's assessment of its option to purchase the leased asset, the amount expected to be payable under a residual value guarantee and/or changes in lease payments due to a change in an index or rate. The adjustment to the lease liability is recognised when the change takes effect and is adjusted against the right-of-use asset, unless the carrying amount of the right-of-use asset is reduced to nil, when any further adjustment is recognised in profit or loss.

Adjustments to the lease payments arising from a change in the lease term or the lessee's assessment of its option to purchase the leased asset are discounted using a revised discount rate. The revised discount rate is calculated as the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee's incremental borrowing rate at the date of reassessment.

Changes to the amounts expected to be payable under a residual value guarantee and changes to lease payments due to a change in an index or rate are recognised when the change takes effect, and are discounted at the original discount rate unless the change is due to a change in floating interest rates, when the discount rate is revised to reflect the changes in interest rate.

Lease modifications

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. The revised discount rate used is the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee company's incremental borrowing rate at the date of the modification.

Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss.

For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

Reserves

Income and expenditure reserve

The GCA holds Taxpayers equity in its reserves. Taxpayers equity is the net book value of non-current assets. At the end of the financial year, following adjustment for the movement in amounts held in Taxpayers equity, any levy income in excess of expenditure is adjusted as a rebate of the levy with a corresponding amount held in contract liability. The rebate is off set against the levy invoiced in the following financial year.

Value Added Tax

Output tax does not apply to the GCA's activities and input tax is not recoverable. Irrecoverable input tax is charged to the relevant expenditure category.

Provisions and contingent liabilities

Provisions and contingent liabilities rely on the application of professional judgement, historical experience and other factors expected to influence future events. Where the likelihood of a liability crystallising is deemed probable and can be measured with reasonable certainty, a provision is recognised.

Borrowings

Borrowings comprise loans from government bodies and other counterparties. Borrowings are recognised initially at fair value, net of directly attributable transaction costs. Following initial recognition, borrowings are measured at amortised cost using the effective interest method.

Interest expense is recognised in the Statement of Comprehensive Net Expenditure over the period to which it relates. Borrowings are classified as current liabilities where the obligation falls due within 12 months after the reporting date, and as non-current liabilities where the obligation falls due after more than 12 months.

Key judgements and estimates

The GCA makes judgements and estimates in the preparation of the financial statements:

Critical judgements – Lease term

The GCA's only lease within the scope of IFRS 16 is the property lease for its offices at The Cabot.

The lease's maximum potential term is from August 2019 to February 2033, but the lease also contains break clauses which can be exercised by the GCA or its landlord at the following dates:

- at any time after 31 July 2023, subject to giving at least 3 months' notice; or
- at any time if the GCA ceases to be a Crown Body

IFRS 16:B34 says:

"In determining the lease term and assessing the length of the non-cancellable period of a lease, an entity shall apply the definition of a contract and determine the period for which the contract is enforceable. A lease is no longer enforceable when the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.”

The GCA is satisfied that the lessee and the lessor each have the right to terminate the lease without permission from the other party, and that there are no direct contractual penalties of early termination. In line with the guidance related to IFRS 16, the GCA also considered the wider context of the contract and whether it creates an economic incentive not to exercise its option to terminate the lease.

In determining the lease term, the GCA has considered the following points:

- The GCA’s primary function is set out on pages 15 – 18 and the GCA’s primary goal will always be to serve that primary function. Therefore, the fundamental driver for any future change in office accommodation will always be to service that primary function more effectively.
- As a government organisation, the GCA could be disbanded or its function substantially altered. The flexibility in the lease agreement is designed to allow the GCA to maximise the effective use of its funds by terminating the lease in the event such a change means that alternative offices would be more effective. For example, the list of Retailers (which is determined by the CMA) may change, meaning that the size of the GCA’s staff and the size of the primary office for those staff will need to change with it.
- Rental prices in the local area of The Cabot are at a similar level to those the GCA currently pays for. The Cabot and a number of the available properties are rented on a fully serviced basis meaning that expenditure of a similar nature is likely to be required to the same extent.

At the date of signing these financial statements, no notice terminating the GCA’s lease at The Cabot has been given or received. The GCA does not have any plans to terminate the lease, but as set out above, the situation is highly uncertain and may change at any time.

Critical estimates – useful economic life of capital expenditure on leasehold property

Whilst management have exercised their judgement in making estimates which impact the values presented in these financial statements, there are no major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The capital expenditure on leasehold property are primarily related to the fit out of the GCA’s leased office at The Cabot and the accounting policy is to depreciate the assets over the lease term. As a result, these costs have been depreciated over the period to 31 July 2023.

At 31 March 2026, the leasehold property has a carrying value of £Nil (2025: £ Nil) and have incurred depreciation of £Nil (2025: £Nil) in the year.

2. Staff numbers and related costs

The cost of staff remuneration was:

	Year ended 31-Mar-26 £ *Permanent Staff*	Year ended 31-Mar-26 £ *Other Staff*	Year ended 31-Mar-26 £ *Total*	Year ended 31-Mar-25 £ *Total*
Wages and salaries	121,330	464,375	585,705	536,562
Social security costs	17,449	62,118	79,567	62,299
Pension costs	22,143	126,919	149,062	134,009
Total	160,922	653,412	814,334	732,870

(i) The remuneration of the Adjudicator is the only permanent staff cost.
(ii) There have been no severance payments in the year.
(iii) Other staff includes: the costs for the staff seconded to the GCA (£649,498) and; fees in relation to a non-executive member of the GCA Audit and Risk Committee (£3,914).

Average number of staff employed

The average annual number of full-time-equivalent staff (FTE), including secondees from other government departments, other organisations, staff employed on short-term contracts and temporary staff, was:

	2025/26 FTE	**2024/25** FTE
Permanent staff	0.8	0.8
Other staff	8.2	7.8
	9.0	8.6

(i) The total number of staff reported elsewhere in this annual report is based on head count, whereas the above figures are average FTEs for the year.

More detailed information relating to cost of staff is provided in the Remuneration and Staff report on page 46.

3. Other expenditure

	Year ended 31-Mar-26 £	Year ended 31-Mar-25 £
Accountancy fees	12,540	15,360
Arbitration	559	2,090
Audit fee	30,000	28,000
Conferences and events	13,016	12,148
Corporates services from DBT and ICS Digital	16,802	20,364
Investigation costs[1]	1,520,793	-
Legal costs	28,422	248,806
Licences	10,333	10,277
Marketing and promotion materials	4,184	5,904
Office equipment (IT and other consumables)	-	1,230
Bank charges	502	562
Photocopying, printing and postage	261	413
Rentals for short-term leases	29,663	38,531
Running costs - Cabot Square	53,798	52,264
Staff training	2,513	7,128
Subscriptions	5,237	5,433
Survey and consultancy	68,400	60,900
Travel, subsistence and hospitality	5,014	6,377
Non-cash items:		
Depreciation	3,227	3,227
Total other operating charges	1,805,264	519,014

[1] On 20 June 2025 the GCA launched a statutory investigation into Amazon in respect of paragraph 5 of the Code: No delay in Payments.

4. Finance costs

	Year ended 31-Mar-26 £	Year ended 31-Mar-25 £
Interest expense on loan	2,047	–
	2,047	–

5. Income

	Year ended 31-Mar-26 £	Year ended 31-Mar-25 £
Levy raised	2,200,000	2,000,000
Contract liability (See Note 11)	-	(756,624)
	2,200,000	1,243,376
Arbitration costs recovery	1,792	5,281
Civil litigation costs recovery	30,000	-
Total income	2,231,792	1,248,657

6. Property, plant and equipment

	Leasehold property £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 2025	80,575	8,734	34,221	123,530
At 31 March 2026	80,575	8,734	34,221	123,530
Depreciation				
At 1 April 2025	80,575	6,605	13,878	101,058
Charge for the year	–	946	2,281	3,227
At 31 March 2026	80,575	7,551	16,159	104,285
Carrying value				
At 31 March 2026	–	1,183	18,062	19,245
At 31 March 2025	–	2,129	20,343	22,472

	Leasehold property £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 2024	80,575	8,734	34,221	123,530
At 31 March 2025	80,575	8,734	34,221	123,530
Depreciation				
At 1 April 2024	80,575	5,659	11,597	97,831
Charge for the year	-	946	2,281	3,227
At 31 March 2025	80,575	6,605	13,878	101,058
Carrying value				
At 31 March 2025	-	2,129	20,343	22,472
At 31 March 2024	-	3,075	22,624	25,699

7. Leases

Right-of-use assets	Leasehold property £	Total £
Cost		
At 1 April 2025	44,465	44,465
At 31 March 2026	44,465	44,465
Depreciation		
At 1 April 2025	44,465	44,465
Charge for the year		
At 31 March 2026	44,465	44,465
Carrying value		
At 31 March 2026	–	–
At 31 March 2025	–	–

Right-of-use assets	Leasehold property £	Total £
Cost		
At 1 April 2024	44,465	44,465
At 31 March 2025	44,465	44,465
Depreciation		
At 1 April 2024	44,465	44,465
Charge for the year	-	-
At 31 March 2025	44,465	44,465
Carrying value		
At 31 March 2025	–	–
At 31 March 2024	–	–

The GCA has a single property lease, with an end date of February 2033, with a break anytime after 31 July 2023 subject to giving at least 3 months' notice.

In 2022, the lease terms were assessed to be more than 12 months, and a right-of-use assets and lease liability were recognised in accordance with IFRS 16. Now that the GCA no longer assess the lease as long term, the lease liability, and the right-of-use assets have been fully amortised.

8. Financial instruments

The majority of the GCA's financial instruments relate to contracts to buy non-financial items in line with the GCA's expected purchases and usage requirements. The GCA was therefore exposed to little credit, liquidity or market risk.

Liquidity risk is the risk that the GCA is unable to meet its financial obligations as they fall due. The short term loan entered during the year was repayable within 12 months and funding had been agreed to enable settlement in the normal course of business.

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. At 31 March 2026, the GCA had a single short term loan of £500,000, repayable within 12 months with a fixed interest rate of 2.45%. Due to the short maturity of the loan and fixed interest rate, the GCA considers that it has no exposure to interest rate risk. The GCA repaid the loan and accrued interest in full on 23 April 2026.

9. Receivables and other assets

Amounts falling due within one year

	As at 31-Mar-26 £	As at 31-Mar-25 £
Prepayments	31,450	21,774
Accrued income	1,792	-
	33,242	21,774

10. Cash

	As at 31-Mar-26 £	As at 31-Mar-25 £
Balance at 1 April 2025	1,065,449	1,276,155
Net change in cash balances	(493,390)	(210,706)
Balance at 31 March 2026	572,059	1,065,449
The following balances were held at:		
Government Banking Service	572,059	1,065,449

The GCA's bank account is an account held with the Government Banking Service.

11. Payables and other liabilities

Amounts falling due within one year

	As at 31-Mar-26 £	As at 31-Mar-25 £
Contract liability	-	756,624
	-	756,624
Payables	217,770	-
Accruals	274,157	330,599
	491,927	1,087,223
Analysis of payables and accruals:		
Balances with other central government organisations	223,991	242,209
Balances with bodies external to government	267,936	88,390
	491,927	330,599

The contract liability solely relates to the unspent levy due to be returned to the Retailers in the proportions in which it was contributed. The reduction in contract liability in 2025/26 was mainly driven by the increase in investigation costs (see Note 3). The payables and accruals relate to invoices for the secondment of staff, IT services, rates and service charges, arbitration & investigation costs, audit fees and accountancy fees.

12. Borrowings

Amounts falling due within one year

	As at 31-Mar-26 £	As at 31-Mar-25 £
Loan	500,000	–
	500,000	–

During the year, the GCA entered into a short term loan of £500,000 with DBT. The GCA repaid the loan and accrued interest in full on 23 April 2026. The loan carried interest at 2.45%, which approximates market rates as agreed with DBT. Interest accrued at the reporting date was £2,047 included within accruals in Note 11. The loan was unsecured and contained no covenants.

13. Other commitments

The GCA had no capital commitments (2024/25: none) and no other financial commitments (2024/25: none).

14. Contingent liabilities and assets

There are no contingent liabilities or assets to report.

15. Related party transactions

The GCA is a Statutory Office and Corporation Sole. Throughout the reporting period, the GCA was sponsored by DBT, but since 1 July 2026, the GCA has been sponsored by Department for Environment, Food and Rural Affairs (Defra) (see page 7). The GCA is funded through a levy on the Retailers. The sponsoring department is regarded as a related party. During the year, the GCA has had various material transactions with DBT, through the provision of payroll services for the Adjudicator and procurement and contracting services.

During the year the GCA entered into a loan agreement with the DBT SoS for the GCA to borrow funds totalling £500,000. The loan incurred interest at 2.45% and is included within borrowings (see Note 12). The GCA repaid the loan in full and accrued interest on 23 April 2026.

None of the GCA members or key managerial staff undertook any material transactions with the DBT during the year, except for remuneration paid for their services. Please refer to the staff remuneration report for the remuneration paid to the Adjudicator.

16. Events after the reporting period

On 7 April 2026, it was announced that the sponsorship of the GCA would move from the Department for Business and Trade to the Department for Environment, Food and Rural Affairs on 1 July 2026.

On 30 January 2026, the GCA received a £500,000 interest-bearing loan from DBT. The GCA repaid this loan and accrued interest on 23 April 2026.

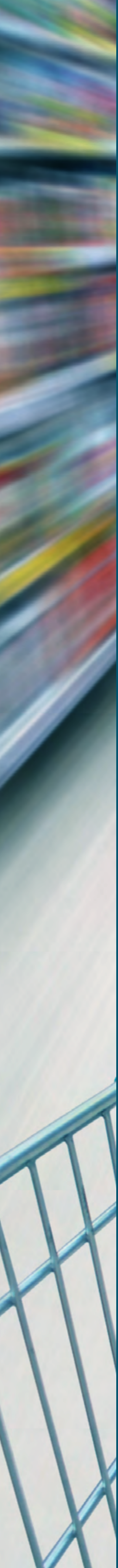
In accordance with the requirements of IAS 10 'Events After the Reporting Period', post-Statement of Financial Position events are considered up to the date on which the Accounts are authorised for issue. This is interpreted as the same date as the date of the Certificate Report of the Comptroller and Auditor General. There are no other post-Statement of Financial Position events between the balance sheet date and this date to report. The Accounting Officer duly authorised the issue of these financial statements on the date of the Comptroller and Auditor General's audit certificate.

17. Ultimate controlling party

The GCA is a non-departmental body established under the GCA Act 2013. Throughout the reporting period, the GCA was sponsored by DBT, but since 1 July 2026, the GCA has been sponsored by Defra.

The sponsoring department is regarded as the Adjudicator’s parent department.

The ultimate controlling party of the GCA is HM Government.



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