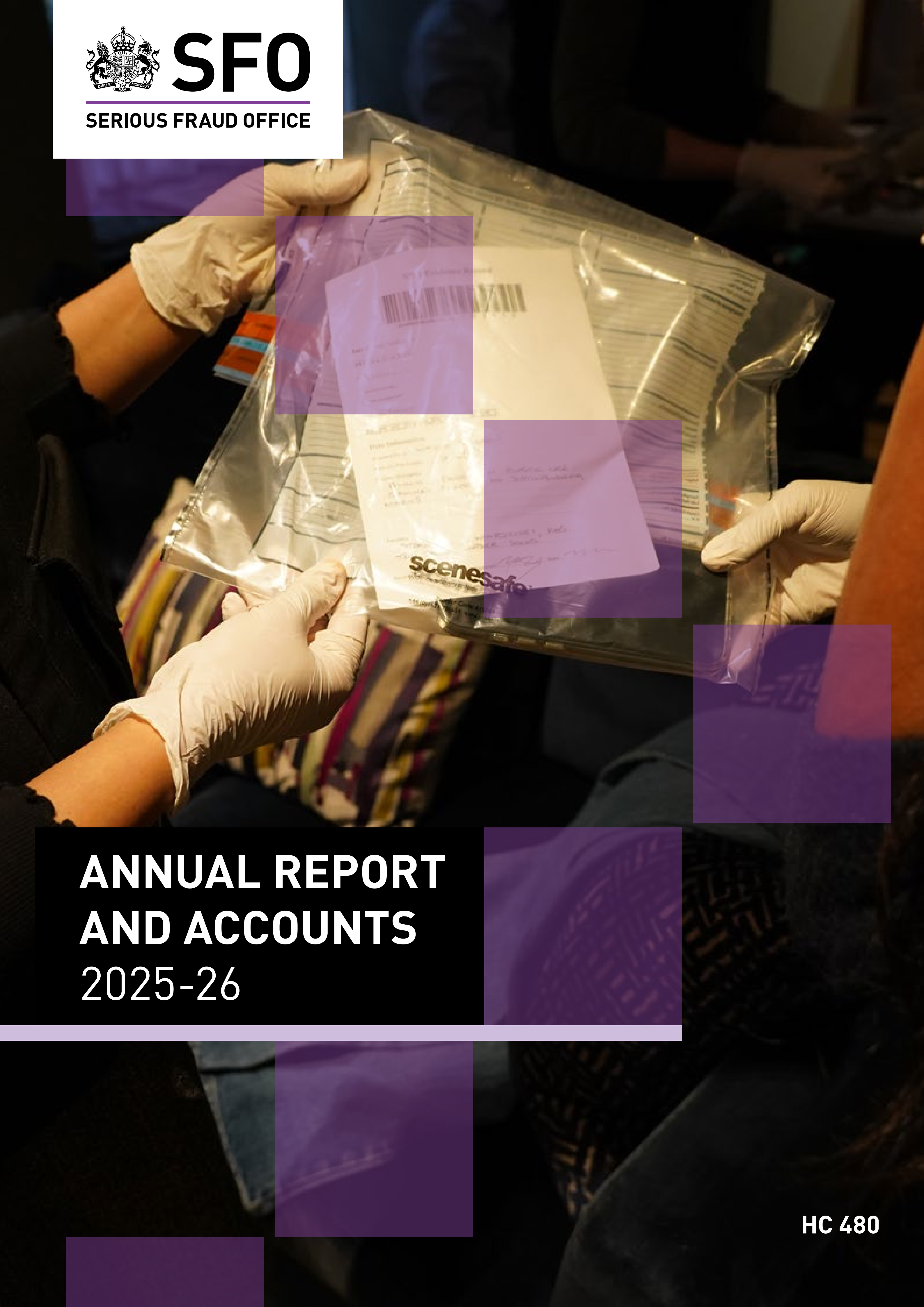

SFO
SERIOUS FRAUD OFFICE

ANNUAL REPORT AND ACCOUNTS 2025-26

HC 480

SERIOUS FRAUD OFFICE

ANNUAL REPORT AND ACCOUNTS
2025-26

For the period 1 April 2025 to 31 March 2026

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

Annual Report presented to Parliament pursuant to Section 1(15) and Paragraph 3 of Schedule 1 to the Criminal Justice Act 1987

Accounts presented to the House of Lords by Command of His Majesty

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Statement from the Director

I am pleased to present the Annual Report and Accounts for the Serious Fraud Office for 2025–26.

Throughout the second year of our five-year strategy, the SFO continued to build strong momentum. We delivered significant operational results: accelerating the pace of our investigations, announcing five new cases, undertaking seven search operations across 24 premises, and arresting 14 individuals. These achievements reflect the determination and professionalism of our people, who remain our greatest asset.

We have also strengthened our capabilities. New powers to freeze cryptocurrency assets have enhanced our ability to respond to the ever-evolving financial crime threat. We relentlessly pursued assets on behalf of victims and the taxpayer, securing our first Unexplained Wealth Order. We welcomed the introduction of a new 'failure to prevent fraud offence' and set clear expectations for corporates through new guidance on self-reporting.

Our partnerships at home and abroad remain central to our success. We enhanced our position as global leaders in serious economic crime investigation and prosecution by welcoming international delegations, advancing the work of the International Anti-Corruption Taskforce, and preparing to host the International Economic Crime Conference.

We closed the year by thanking Nick Ephgrave for nearly 40 years of public service. His tenure as Director laid a strong legacy for a bolder, stronger, and more confident SFO, including our move to new premises in Canary Wharf at the end of 2026.

As Interim Director, I am focused on continuing this work to drive delivery, strengthen disclosure, and accelerate innovation, including the responsible use of AI. With this strong foundation and a clear sense of purpose, we can look ahead with confidence.

Graham McNulty QPM
Interim Director
Serious Fraud Office

15 July 2026

Statement from the Chair

As Chair of the Board, I am pleased to present this message on behalf of the SFO's Non-Executive Directors.

The nature of economic crime is increasingly complex and global, creating significant challenges for the justice system. In this context, the strength and clarity of the SFO's mission matters more than ever.

Over the course of the year, the SFO took steps to become a stronger, more resilient organisation. Investigating and prosecuting the most serious economic crimes depends on highly skilled experts and the Board welcomed the launch of a long-term People Strategy aligned with the five-year strategy. Likewise, developing a new case management system that can tackle the complexity of the SFO's work was an investment in the organisation's future; its deployment in 2026-27 will be a major milestone for the agency.

I would like to recognise the contribution of Nick Ephgrave, whose leadership strengthened the SFO's reputation, capability and confidence. The Board welcomed the appointment of Graham McNulty as Interim Director and will support him to deliver on the organisation's strategy.

Over the year, the Board has strengthened its own role. The findings of the Board Effectiveness Review were instrumental in sharpening focus, improving oversight, and enhancing the quality of challenge and support provided to the executive.

Finally, I welcome the continued support of the Attorney General and Solicitor General. The positive settlement in the recent Spending Review gives the SFO the resources it needs to follow through on its ambitions. The priority now is to invest wisely, enhance efficiency and focus on our mission.

Claire Bassett
Chair of the Board
Serious Fraud Office

15 July 2026

2025-26 Performance

Performance Overview

This section sets out a summary of the SFO's performance over the year. It outlines the mission, structures and objectives of the organisation, alongside a brief summary of the activities undertaken within the year to deliver against our ambitions and the risks to success we have identified.

SFO at a Glance

Annual budget for the year
£107.45m

c.1,500
Referrals to our Intelligence division

611
Permanent, fixed term and backfill temporary officers working at the SFO

24
Premises searched across four cases

c.40[1]
Open criminal cases

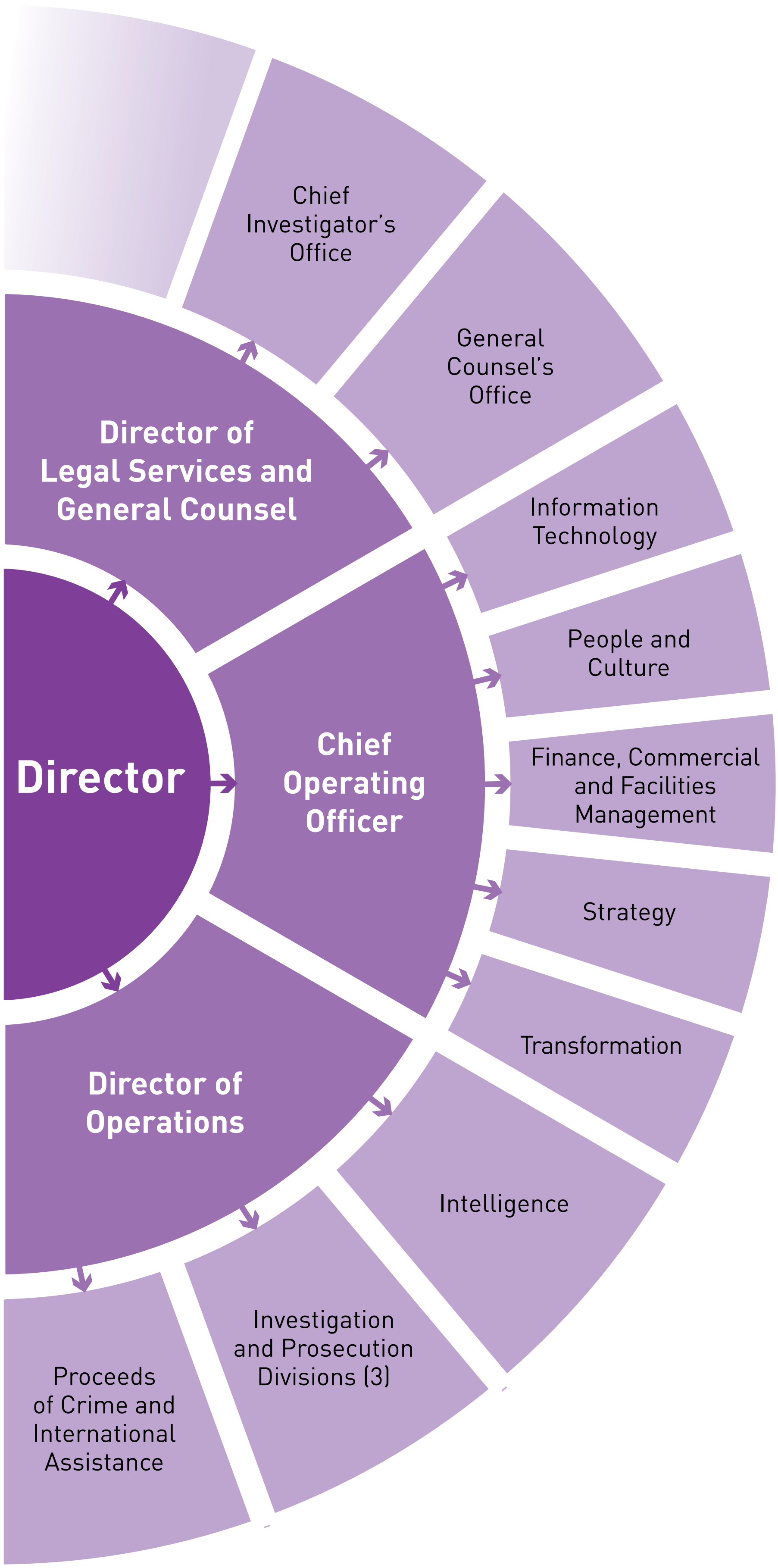
14
Individuals arrested

10
Suspects charged across four cases

14.33%
Vacancy rate

1 The SFO has a total caseload of c.120 cases, including criminal, civil, proceeds of crime and international assistance cases.

SFO Structure



Statement of Purpose and Activities

Who we are

The SFO is a non-ministerial department superintended by the Attorney General's Office. A Framework Agreement sets out the relationship between the Attorney General, Solicitor General (the Law Officers) and the Director of the SFO.

Our core purpose is the investigation and prosecution of serious and complex fraud, bribery and corruption.

The SFO operates within the UK criminal justice system with jurisdiction over England, Wales and Northern Ireland.

The SFO's mission

The SFO fights complex financial crime, delivers justice for victims and protects the UK's reputation as a safe place to do business. Through this work, the SFO also recovers the proceeds of crime and collaborates with law enforcement agencies in the UK and overseas in their investigations into fraud, bribery and corruption.

How the SFO delivers its mission

The investigation and prosecution of our cases is carried out by multi-disciplinary case teams of lawyers, investigators, forensic accountants, digital technology experts with external counsel and other specialists as required. This joint investigatory and prosecutorial case team structure is a key component of the SFO model. Unique powers of compulsion under Section 2 of the Criminal Justice Act 1987 enable the SFO to enforce the requirement of attendance at interview or the production of information[2] or, in certain circumstances, to apply for a warrant to enter and search premises to seize information.

The SFO will investigate cases which call for the legal powers and multi-disciplinary approach available to it. In considering whether to take on an investigation, the Director applies a Statement of Principle and considers the resources which the organisation has available to undertake an effective investigation:

The Director may investigate any suspected offence which appears to them on reasonable grounds to involve serious or complex fraud, bribery or corruption.

In considering whether to authorise an investigation the Director will take into account the actual or intended harm that may be caused to:

- The public, or
- The global reputation and integrity of the UK as an international financial centre and as a safe place to invest and do business, or
- The economy and prosperity of the UK

And whether the complexity and nature of the suspected offence warrants the application of the SFO's specialist skills, powers and capabilities to investigate and prosecute.

2 Failure to comply is a criminal offence.

Strategic Objectives

Aims

The SFO’s core responsibilities are outlined in its Framework Agreement with the Attorney General’s Office:

To investigate and prosecute the most serious or complex cases of fraud, bribery and corruption

To uphold the rule of law, deliver justice for victims and recover the proceeds of financial crime

To deter criminals and require offending companies to reform in order to protect the UK’s economy and global reputation as a safe place to invest and do business

To collaborate with partners in the UK and overseas to ensure there is no safe haven for those who commit serious financial crime

Strategy

In April 2024, the SFO published a five-year strategy. Its four outcomes set the organisation's priorities, providing the structure for detailed, annual business plans. Performance against the strategy is tracked and monitored internally on a quarterly basis.

MISSION:

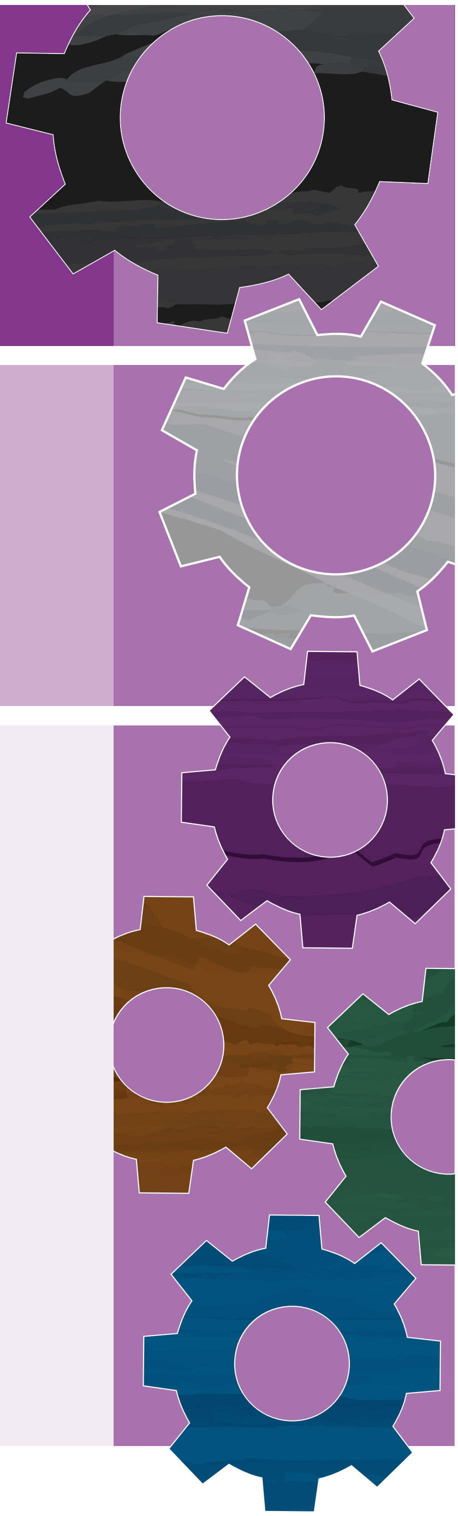
We fight complex financial crime, deliver justice for victims and protect the UK's reputation as a safe place to do business.

2029 VISION:

We specialise, collaborate and innovate to lead the fight against serious fraud, bribery and corruption.

STRATEGY OUTCOMES:

- We have a highly specialised, engaged and skilled workforce
- We are ready and able to harness the technology and tools of a changing world
- We combat crime effectively through intelligence, enforcement and prevention
- We are a proactive, authoritative player in the global and domestic justice system



Summary of Performance During the Year

2025-26 marked the second year of the SFO's strategy. We made significant progress towards our ambitions, building momentum in each of the strategy's four pillars.

We have a highly specialised, engaged and skilled workforce.

Our people are fundamental to fulfilling our mission. This year we continued to invest in their growth and support, recognising the vital role they play in our success.

We launched a new People Strategy. Built around four elements – attract, develop, retain and include – it aligns with the ambitions set by the organisation's five-year strategy and will set a roadmap from now until 2029.

We continued to invest in our operational resource, recruiting experts with deep experience in serious economic crime and trainee investigators starting out in their careers who we will develop in house. A targeted approach to recruitment meant that we achieved a stable vacancy rate of 14.33% by the end of the year.

Over the course of the year, we focused on further strengthening the ways of working and processes which support our people. We refined our performance management processes, helping line managers to support their teams.

We were pleased to see evidence suggesting these initiatives are having the intended effect. The 2025 Civil Service People Survey showed that our overall engagement score continues to increase year on year, setting a strong foundation as we move into 2026-27.

We are ready and able to harness the technology and tools of a changing world.

Our casework is complex and sensitive, demanding tools to match. In 2025-26, we upgraded existing systems and began building the infrastructure needed to expand our capabilities in the years ahead.

Over the course of the year, we developed a case management system. This new platform – a first for the SFO – has stringent requirements and has been carefully designed to handle the scale and complexity of our work. The system will be fully rolled out to case teams in 2026-27.

We made it easier for employees to focus on the work that matters most, launching a new enterprise resource planning system. This centralises people and finance information and streamlines processes in line with good practice.

We also further bolstered our cyber security, keeping ahead of the rapidly evolving external threat.

We combat crime effectively through intelligence, enforcement and prevention.

In 2025-26, we made substantial progress in our casework. We announced five cases, carried out seven searches across 24 premises and confirmed the closure of one case. We charged ten suspects and continued with complex preparations for trials scheduled to be heard in court up to 2028.

10 **suspects charged across four cases**

Thorough, robust investigations led to guilty pleas. In December 2025, Jose Alejandro Zamora Yrala, director of UK-based aircraft parts trader AOG Technics, pleaded guilty to fraudulent trading related to a global aircraft engine parts fraud, just over two years after it was announced. He was later sentenced to four years, eight months in prison. In January 2026, we announced that three former directors of Ethical Forestry Limited were pleading guilty following an investigation into a £70m investment scheme fraud.

We successfully tracked, froze and recovered the proceeds of crime, using new and innovative methods to relentlessly pursue illicit funds such as the creation of a new Confiscation Enforcement Team.

In July 2025, we made the first use of new powers to freeze cryptocurrency. In September 2025, we followed through on our first use of an Unexplained Wealth Order, recovering £1.1m from the sale of a house in the Lake District. In December 2025, we secured a £928,479 confiscation order against David Kennedy, a convicted fraudster. Once recovered, this money will be returned to victims of his fraud.

In January 2026, a new, cross-jurisdiction approach to civil recovery proceedings allowed us to recover and return more than £400k to nine victims of a fraud operated between 2001 and 2002.

We enhanced the support we provide to victims and witnesses. We published three new guidance booklets aimed at providing victims and witnesses with the relevant information at the different stages of an SFO investigation. To make these resources as effective as possible, we worked with the Plain English Campaign to achieve Crystal Marks on all three guides.

Throughout the year, we maintained our focus on further improving and enhancing casework. We continued the review of current and former e-discovery software which was begun in 2024-25 and did not find any material which casts doubt upon the safety of any past conviction. Following the discovery of a different issue related to our legacy e-discovery system, we began a separate review of 20 cases.

Our own powers were strengthened and we updated our advice to businesses at risk of fraud, bribery and corruption. In April 2025, we launched new guidance for corporates, leaving business leaders in no doubt of their obligations and what they can expect from the SFO when they self-report wrongdoing. We trained our teams in preparation for the introduction of a new failure to prevent fraud offence in September; large organisations can now be held criminally liable if an employee, agent, subsidiary or other 'associated person' commits a fraud intending to benefit the organisation. The same legislation introduced a welcome extension to the scope of corporate criminal liability by stating that if a senior manager of a company, acting within the actual or apparent scope of their authority, commits a relevant offence then the company is also guilty of the offence.

We are a proactive, authoritative player in the global and domestic justice system.

As the only UK agency specialising in both the investigation and prosecution of serious fraud, bribery and corruption, we understand the importance of collaborating with others.

Complex economic crime cases cover multiple jurisdictions, requiring careful coordination. During 2025-26, we welcomed delegations from around the world and travelled to the United States, Asia and Europe to solidify the relationships on which successful cases depend.

We also continued the work of the International Anti-Corruption Prosecutorial Taskforce, building on the partnership founded in 2025 with France's Parquet National Financier and the Office of the Attorney General of Switzerland.

At home, we worked with the Crown Prosecution Service to publish joint corporate prosecution guidance and engaged with ongoing discussions around criminal justice reform. We contributed to the inclusion and consideration of whistleblower reform in Part 2 of Jonathan Fisher KC's Independent Review of Disclosure and Fraud Offences.

We made a series of commitments in the new Anti-Corruption Strategy in December 2025 and welcomed the updated Fraud Strategy in March 2026, pledging our continued support for cross-system action.

Risks in 2025-26

The SFO identifies risks which could affect the successful delivery of our mission and strategic objectives. Below is a description of the types of risk we faced as of 31 March 2026, their level of severity and an indication of their status compared to that outlined in the 2024-25 Annual Report and Accounts. Risks are proactively managed in line with SFO policy and mitigations are updated regularly. Further information on how risks are managed can be found within the Governance Statement on page 46.

Risk Category	Risk Level	Risk Description	Mitigations
◀▶ Commercial	Medium	Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and/or failure to meet business requirements/objectives.	Robust structures are in place to manage commercial processes, overseen by the Chief Finance Officer (CFO) (p.7). During the reporting period, an internal audit was carried out into procurement processes (p.57) informing the overall annual opinion of 'Moderate' (p.57).
◀▶ Financial	Medium	Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/ liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.	Financial management processes are overseen by the CFO (p.7). During the reporting period, performance was scrutinised regularly through established governance structures (p.46) including the Executive Committee, Audit and Risk Assurance Committee and the Board, as well as the National Audit Office and the Treasury.
◀▶ Governance	Medium	Risks arising from unclear or ineffective oversight or decision-making arrangements.	The SFO has a clear governance framework in place to support effective decision-making at the appropriate level (p.46). During the reporting period, an external evaluation of the Board concluded that the existing structures are effective (p.49).

Risk Category	Risk Level	Risk Description	Mitigations
Information	Medium	Risks arising from a failure to robustly manage data assets in accordance with cyber security standards and non-compliance with General Data Protection Regulation and Data Protection Act requirements.	Processes to manage information security and compliance with General Data Protection Regulation and Data Protection Act requirements are overseen by a Chief Information Security Officer (p.55). These were further strengthened during the reporting period through employee development opportunities (p.55).
Legal decision-making and casework	Medium	Risks arising from a failure to take appropriate measures to meet legal or regulatory requirements.	Casework assurance is overseen by the Director of Operations and the Director of Legal Services, supported by an established governance structure including the Operations Committee (p.51) Case Evaluation Boards and Case Review Meetings (p.53). The Operational Handbook defines expectations for employees and details the procedures to follow (p.55). During the reporting period, an audit was carried out into the management of the Operational Handbook, informing the overall annual opinion of 'Moderate' (p.57).
People	Medium	Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/ HR policies resulting in negative impact on performance.	The People Committee is responsible for ensuring that the SFO has the right capacity, resource and expertise to deliver its mission and that the SFO's values and behaviours are embedded (p.52). During the year, the SFO launched a new People Strategy (p.20), ensuring the organisation continues to be a great place to work, where people feel valued, listened to and supported. The annual Civil Service People Survey is used to gather feedback and results during the reporting period were positive (p.70). Strong whistleblowing procedures are in place (p.56), supported by the 'Raising a concern' policy.

Risk Category	Risk Level	Risk Description	Mitigations
Projects	Medium	Risks that change programmes and projects (including digital) are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.	Projects are overseen through the work of the Portfolio Committee, which is responsible for the assurance and delivery of the Transformation Portfolio (p.52). During the reporting period, the organisation reviewed the way that it managed projects (p.20) to maximise effectiveness.
Public Confidence	Medium	Risks arising from adverse events, including systemic or repeated failures, or a lack of innovation, leading to damage to public confidence in the SFO and erosion of trust by key stakeholders.	The Executive Committee is responsible for decisions on organisational and strategic issues that impact all staff and/or the reputation and effectiveness of the SFO (p.51). During the reporting period, organisational priorities, plans for innovation, challenges and operational outcomes were shared with the public through the publication of a business plan aligned to the SFO's five-year strategy (p.10) and regular, transparent communication through the public-facing website.
Security	Medium	Risk arising from a failure to prevent unauthorised and/or inappropriate access to SFO systems and assets; includes the loss or compromise of sensitive information, cyber-attack and eavesdropping, leading to potential major disruption to core business operations.	Security is managed through the SFO's comprehensive, multi-disciplinary function (p.54). During the reporting period, good progress was made against a programme of continuous improvement (p.54).
Service to victims and witnesses	Medium	Risks arising from deficiencies and/or poor service delivery to victims and witnesses of crime.	The SFO has a dedicated Victim and Witness Care team who are responsible for providing bespoke and targeted support. During the reporting period, materials used to aid victims and witnesses were updated (p.29).

Risk Category	Risk Level	Risk Description	Mitigations
Technological performance	Medium	Risks arising from the technological infrastructure not delivering the expected services (due to inadequate or deficient system/process development, performance or inadequate resilience).	The Technology and Business Engagement Committee oversees the digital, data and technology strategy for the SFO and provides authority and guidance as required to ensure its delivery (p.52). During the reporting period, steps were taken to strengthen tools, platforms and cyber security (p.31).
Compliance	Low	Risks arising from a failure to comply with statutory regulations or instruments from which fines, penalties or official censure may ensue.	The SFO has a strong governance structure in place to support compliance, including the Framework Agreement setting out the relationship between the Director and the Law Officers (p.46).
Property	Low	Risks arising from property deficiencies or poorly designed or ineffective/inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.	Property-related risks are managed through the Health and Safety Committee (p.51). During the reporting period, this sub-committee reported regularly to the Risk and Assurance Committee.

Going concern basis

The SFO Statement of Financial Position shows a net liability as at 31 March 2026. However, these accounts are produced on a going concern basis in accordance with the Government Financial Reporting Manual. The SFO is a non-ministerial department providing services that are anticipated to continue. This is evidenced by the budget allocated at Spending Review 2025, providing the SFO with Resource Departmental Expenditure Limit funding to 2028-29.

The Board reviews our going concern on an annual basis. It considers government funding, our business plan, our risk management framework and our principal risks. In common with other government departments, future financing of the SFO's liabilities is met by future grants of supply and the application of future income, both of which are approved by Parliament each year. The SFO has secured funding for the next financial year via Spending Review 2025 and will agree future funding as part of the next Spending Review. In consequence, there is no reason to believe that future approvals will not be forthcoming. It was therefore appropriate to prepare these financial statements on a going concern basis.

Performance Analysis

Our Performance During the Year

This section provides a detailed examination of the SFO's performance. It includes a summary of progress on key indicators which are used to measure performance, as well as descriptions of significant milestones across all areas of the organisation in 2025-26 and a high-level overview of our financial outlook.

Key indicators[3]

Average length of investigation phase

4 years, 3 months mean

3 years, 8 months median

£2.89m

Total value of judicial outcomes (POC, criminal sentencing, DPAs)

100%[4]

100% of victims and witnesses who are called to give evidence that are satisfied with the experience provided by the SFO

3 Updated measures were agreed with departments during the 2025 Spending Review process. These will apply until the end of the Spending Review period, of which 2025-26 is the first year. Comparisons will be provided in subsequent years.

4 Survey responses were received in Q1 2025-26 and relate to victims' and witnesses' experiences during 2024–25.

Our People

As a specialised law enforcement and prosecution agency, the SFO depends on teams of experts working closely together. Operational success requires a culture which both sets high standards and supports growth.

Building on the transformation of our HR team into a new People and Culture division last year, we developed and launched a new People Strategy in 2025-26. This long-term plan aligns with the first pillar of the SFO's five-year strategy and provides a roadmap from 2025 to 2029.

The People Strategy sets new ambitions across four areas: attract, develop, retain and include. These themes and the activities which lie beneath them will guide the SFO's investment in its people. Taking this strategic approach will ensure the SFO continues to be a great place to work, where people feel valued, listened to and supported.

Over the course of the year, we used the strategy to develop the strength and resilience of our operational teams. We recruited experts in complex economic crime and inducted our latest cohort of trainee investigators in May 2025. We continued to review our ways of working to maximise effectiveness, taking the decision to reset the way that we manage projects. We built on the findings set out in HMCPSI's 2024 report on disclosure, finding ways to further incentivise and develop those acting as Disclosure Officers.

We brought in new initiatives for all employees. We rolled out a new enterprise resource planning platform and refined our approach to performance management, making it easier for line managers to give their teams the right support at the right times. We revamped our approach to reward and recognition, ensuring that high-quality work is recognised throughout the year.

We took steps to ensure that our 2025-26 pay award provided the greatest support for those who needed it most. The award provided a fixed value increase of the band mean of 4.00% for EO-grade employees, 3.50% for HEO-grade employees and 3.25% for SEO to G6-grade employees. Band minimums and maximums were also adjusted.

Our data suggests that these steps are working. Our Civil Service People Survey engagement score rose again in 2025 for the third year in a row, surpassing the Civil Service benchmark. We saw the impact in our ability to attract and retain our people: although the vacancy rate was initially driven up by an increase in our headcount at the start of 2025-26, it returned to a steady state of 14.33% by the end of 2025-26.

In 2026-27, we will follow through on the ambitions in our People Strategy, finding new opportunities to make the SFO an even better place to work.

Chief Investigator's Office

The Chief Investigator's Office leads the investigation and accountancy professions within the SFO, as well as being a centre of casework assurance. It oversees the teams that support operational deployment and provide e-discovery, digital forensics, graphics and reprographics expertise. It provides training and maintains the SFO's security operations.

At the start of 2025-26, the Chief Investigator's Office expanded its remit. Following a realignment of reporting structures, it took on responsibility for the e-discovery team, digital forensics unit, graphics team and reprographics unit. Moving these teams from the Information Technology division maximised the benefits to be gained from further integration with other casework. It also increased capacity in the Information Technology division to consider new opportunities for making use of AI.

During the year, we continued the review of current and former e-discovery software which began in 2024-25. We identified 66 historic conviction cases that used our legacy Autonomy system, which we needed to check to see whether there was any material which might cast doubt upon the safety of any past conviction. As of 31 March, almost all cases had been reviewed. We have not found any material which casts doubt upon the safety of any past conviction. Reviewing these past cases has been a crucial step in meeting our post-conviction disclosure obligations to defendants and we have contacted every defendant possible to share the findings and process of review with them.

In late November 2025, we discovered a different issue with Autonomy, which means we have begun some further reviews on past cases. This issue relates to how some digital container files were expanded on our system, meaning some items may not have been available for review on the platform. We believe the issue may have affected approximately 20 cases. We have already reviewed seven cases, and have found no evidence of material being missed which could have affected the safety of the convictions in those cases. Steps are now being taken to review the other cases. We take our obligations as a responsible prosecutor very seriously and we recognise that, although we have not seen any evidence of this, we need to satisfy ourselves that no material which could have affected the safety of the convictions was missed.

Throughout 2025-26, the Chief Investigator's Office took steps to further strengthen both the organisation's expertise and its processes. We increased the depth of our cryptoasset expertise, bringing in new specialists and increasing the real-time support available to intelligence analysts and investigators. We also successfully embedded the government's 'Secure by Design' principles throughout our digital delivery, further developing organisational security.

Intelligence

The Intelligence division handles the sourcing and development of new cases and provides support to ongoing investigations. Cases can be generated by the SFO or by referrals from law enforcement partners, government agencies, members of the public, whistleblowers and companies who wish to make a self-report.

In 2025-26, the Intelligence division received c.1,500 referrals.

During the year, the SFO's intelligence analysts assessed the threat environment. They identified trends and emerging developments relevant to complex fraud, bribery and corruption.

We also invested in our intelligence tools. We further strengthened our covert surveillance capabilities, ensuring that investigations have the ability to track and monitor suspects' behaviour when necessary. We also reinforced our intelligence analysis, scoping new ways to use technology to enhance our work.

c.1,500 **referrals to our Intelligence division**

Annual Report on Whistleblowing Disclosures 2025-26

This report is made in accordance with the Prescribed Persons (Reports on Disclosures of Information) Regulations 2017.

The SFO tackles the top tier of serious or complex fraud, bribery and corruption. We investigate and prosecute a small number of large economic crime cases and use our statutory powers to recover the proceeds of such crime. It is our aim to do so fairly and effectively and this includes treating victims, witnesses and whistleblowers with dignity and respect.

The Director of the SFO is a 'prescribed person' for the purpose of whistleblowing legislation and is required to publish an annual report concerning the number of whistleblowing disclosures made by workers about their employers.

To meet the criteria for inclusion in the report the disclosure must be a qualifying disclosure. This means:

- The worker reasonably believes that the information disclosed is substantially true and the relevant failure relates to serious or complex fraud (including bribery and corruption), civil recovery of the proceeds of crime, civil recovery investigations or disclosure orders in relation to confiscation investigations

- The Director of the SFO reasonably believes that in the reasonable belief of the worker the disclosure is made in the public interest and tends to show a criminal offence, miscarriage of justice or other relevant failure providing that the worker does not breach legal professional privilege or commit an offence by making it

The SFO's policy is to treat whistleblowing disclosures in confidence. Those who wish to report wrongdoing relating to matters falling within the SFO's remit may do so via our online secure portal.

During the period from 1 April 2025 to 31 March 2026, the SFO Intelligence Division managed 335 whistleblowing disclosures that qualified for inclusion in this report, as defined by section 230(3) of the Employment Rights Act 1996, and/or 'making a disclosure in the public interest'.

- The SFO took action in 333 disclosures[5]. This was 99.40% of all disclosures received.

- In two disclosures, it was not possible to take further action. This was because no contact details were provided and/or the quality of the information provided was insufficient to progress further.

Whistleblowers continue to provide a vital source of information to the SFO in the fight against economic crime.

5 'Took action' can refer to: carrying out an initial assessment; referring for further investigation by a more appropriate organisation; or further investigation by the SFO.

Casework

The SFO's casework divisions investigate and prosecute serious fraud, bribery and corruption. Multi-disciplinary teams of experts work together to develop cases, review evidence, interview witnesses or suspects and bring cases before the courts. The SFO currently has an active caseload of around 120, including criminal, civil, proceeds of crime and international assistance cases. In 2025-26, the SFO announced five criminal cases and closed one.

During 2025-26, our law enforcement and prosecution tools expanded.

In September, we marked the introduction of a new failure to prevent fraud offence. The landmark legislation – developed with our support – means that large organisations can be held criminally liable if an employee, agent, subsidiary or other 'associated person' commits a fraud intending to benefit the organisation. It introduced an extension to the scope of corporate criminal liability by stating that if a senior manager of a company, acting within the actual or apparent scope of their authority, commits a relevant offence then the company is also guilty of the offence. We welcomed this development, which is an important step in encouraging companies to build an anti-fraud culture.

Following work with the Home Office to roll out Overseas Production Orders, we embedded the process into our own operations. Mechanisms like this make it easier than ever before to share vital evidence across jurisdictions and reduce delays.

Throughout the reporting period, we emphasised the responsibility of companies to address fraud, bribery or corruption.

In April, we published new cooperation guidance. This confirmed that if a corporate self-reports suspected wrongdoing and co-operates fully with investigators then it can expect to be invited to negotiate a Deferred Prosecution Agreement (DPA) rather than face prosecution unless exceptional circumstances apply.

In November, we refreshed our guidance on how the SFO evaluates corporate compliance programmes. This set important benchmarks for six scenarios, including prosecutions, DPAs and sentencing considerations.

Proceeds of Crime and International Assistance

The Proceeds of Crime and International Assistance division seeks and seizes the proceeds of crime to recover funds for the benefit of the UK taxpayer and, where appropriate, compensate victims of crime. The division works with jurisdictions across the world to provide mutual support in the investigation and prosecution of serious fraud, bribery and corruption.

The SFO secured over £2.89m in proceeds of crime in 2025-26[6].

During the year, the organisation continued to seek out new and innovative ways to track and recover the proceeds of crime. This included the creation of a new Confiscation Enforcement Team of specialists dedicated to finding hidden funds.

We also played our part in strengthening international law enforcement. We provided an expert assessor for a review of another jurisdiction by the Financial Action Task Force (FATF), the global money laundering and terrorist financing watchdog.

6 Assets secured through cash seizure, confiscation and civil forfeiture and recovery totalling more than the annual income threshold set by HMT are surrendered to the Home Office through the Asset Recovery Incentivisation Scheme (ARIS). In-year activity may not always correspond directly with records of receipts in annual reports' Statement of Parliamentary Supply (page 96) due to processing timelines.

Timeline 2025

APR

Announced an investigation into United Insurance Brokers Limited (UIBL) and charged the company with failure to prevent bribery. We allege that UIBL's US-based intermediaries for Ecuador paid bribes in return for the awarding of re-insurance contracts worth US$38 million

Announced a bribery investigation into Blu-3 and former associates of the global construction firm Mace Group, searching five properties and making three arrests

MAY

Charged Jose Alejandro Zamora Yrala, director of UK-based aircraft parts trader AOG Technics, with fraudulent trading. He pleaded guilty to this charge in December 2025. In February 2026, he was sentenced to four years, eight months in prison for orchestrating a global aircraft engine parts fraud that risked public safety and caused widespread disruption to the aviation industry

JUN

Announced an investigation into Rockfire Investment Finance Plc in relation to alleged fraud committed against Thurrock Council

JUL

Froze equivalent to £10,865.76 in Bitcoin and £289.30 USDC in relation to an ongoing investigation into collapsed outside broadcast company Arena TV. This was the first use of new powers that came into force in 2024 to freeze cryptocurrency

A Supreme Court judgment determined that the legal directions given by the judge to the jury at the conclusion of the trials of Tom Hayes and Carlo Palombo were incorrect and for that reason their convictions were found unsafe. We considered this judgment and the full circumstances carefully and determined it would not be in the public interest for us to seek a retrial. In October 2025, we completed our review of cases which could be affected by this judgment. We consider that for five individuals the circumstances that led to Tom Hayes and Carlo Palombo's appeals being upheld by the Supreme Court could apply to them too. We consider that the convictions of two further individuals are safe

Charged six individuals with fraud related offences, following a complex investigation into the transfer of £75m in pension funds into storage units based mainly in the North of England and Scotland

Timeline 2025

JUL

Secured confiscation orders against two former directors in relation to our investigation into Global Forestry Investments. Andrew Skeene and Omari Bowers were sentenced to 11 years' imprisonment in 2022 and their convictions were upheld by the Court of Appeal in 2025

SEP

Recovered £1.1m from the sale of a house in the Lake District in an investigation involving our first use of an Unexplained Wealth Order (UWO). The house, belonging to the ex-wife of convicted fraudster Timothy Schools, was purchased using money from his multi-million-pound investment scheme fraud involving no win, no fee law firms

OCT

Issued an appeal for information from the public in relation to a multi-million-pound timeshare services scheme following the expansion of an ongoing fraud investigation from 19 to 24 UK-based companies. One individual related to this investigation was arrested in April 2025 and a further individual was arrested in July 2025

NOV

Launched our first major cryptocurrency investigation into suspected fraud and money laundering offences, issuing an appeal for investors to come forward with any information about the collapse of a $28m cryptocurrency scheme called Basis Markets

Four former Glencore employees entered not guilty pleas to bribery offences following an investigation into alleged corruption in West Africa

DEC

Secured a £928,479 confiscation order against David Kennedy, a convicted fraudster who is currently serving an eight-year prison sentence. This money will be returned to victims of his fraud

Timeline 2026

JAN

Recovered more than £400k related to money stolen by Abdullah Ali Jammal, a former director of a retail-depositor bank, who operated an email fraud scheme from the UK between 2001 and 2002. Taking a new approach to civil recovery proceedings meant that funds could be returned to nine fraud victims almost 24 years after they were defrauded

Announced a new bribery and fraud investigation into the past management of Home REIT, arresting six people and searching seven sites

Announced that three former directors of Ethical Forestry Limited had pleaded guilty following an investigation into a £70m investment scheme fraud

Charged two individuals in relation to an investigation into suspected fraud at Safe Hands Plans Ltd. and parent company SHP Capital Holdings Ltd. The trial has been set for October 2028

Michael Thomson, former chief executive officer of collapsed investment firm London Capital & Finance Plc (LCF) and his wife, Debbie Thomson, admitted to several breaches of a restraint order. They are subject to restraint proceedings imposed as part of the SFO's ongoing investigation into suspected fraud and money laundering at LCF. The pair were held in contempt of court and were sentenced in May 2026.

FEB

Following a thorough review, we closed our investigation into London Mining Plc, informing Southwark Crown Court that we would no longer proceed with a prosecution

Secured a £283,321 confiscation order against David Ames, who was convicted of defrauding thousands of victims through a Caribbean island timeshare fraud

The trial of four individuals in our Patisserie Holdings Plc case was relisted for 2028

Victim and Witness Care

The SFO depends on the victims and witnesses in our investigations; without their aid, we could not bring cases to trial. Our Victim and Witness Care team provides support by explaining processes, communicating developments, signposting to specialist advice and assisting those required to give evidence at court.

Throughout the year, the team continued to provide bespoke and targeted support for victims and witnesses involved in SFO cases, working on over 200 needs assessments in preparation for trials.

During 2025-26, we updated the materials we use to support victims and witnesses. We created three new guides aimed at: investor victims, victims and witnesses involved in SFO investigations and witnesses involved in SFO trials. We are committed to making sure that our resources are accessible and engaging for all audiences; this year, we worked with the Plain English Campaign to secure Crystal Marks for the first time. The guides will be published in 2026-27.

Policy and Engagement

Our Policy and Engagement team works with law enforcement agencies, government departments and external partners to ensure that the SFO has the tools, powers and support it needs to deliver swift, effective justice.

In 2025-26, we further strengthened the international relationships which underpin our strategic initiatives and many of our cases.

We hosted delegations from other jurisdictions including Sweden, the Netherlands, Kenya and New Zealand and visited partners in the United States. We connected with our counterparts from around the world at the International Association of Prosecutors Annual Meeting in Singapore, discussing joint challenges and shared opportunities.

We renewed our membership of the International Foreign Bribery Taskforce — which brings together the Five Eyes nations law enforcement agencies responsible for investigating foreign bribery — and worked with them to publish guidance for businesses, professionals and the public on identifying the potential indicators of foreign bribery. We joined the International Anti-Corruption Coordination Centre, which unites specialist investigators and intelligence analysts from multiple countries to trace stolen state assets, share intelligence, and assist in bringing corrupt elites to justice.

We continued the work of the International Anti-Corruption Prosecutorial Taskforce which we founded in 2025 with France's Parquet National Financier and the Office of the Attorney General of Switzerland. We developed operational guidelines for the Working Group and prepared to host the inaugural International Economic Crime Conference which took place in London in May 2026.

We engaged with the private sector, sharing insights and explaining the importance of our new corporate cooperation guidance. We spoke at industry events in the UK and abroad, from the International White Collar Crime Symposium and the Foreign Corruption Practices Act Conference in the United States to the International Bar Association Anti-Corruption Conference in Paris. We continued to develop our prevention programme, drawing on our understanding of the threats faced by corporates and the factors which influence international bribery and corruption.

We also collaborated with the Crown Prosecution Service on joint corporate prosecution guidance, employing our knowledge of complex casework to support prosecutors in holding corporations accountable under the law.

Throughout 2025-26, we supported government efforts to strengthen policy related to the investigation and prosecution of complex fraud, bribery and corruption. We continued to welcome the interest of civil society organisations, such as Spotlight on Corruption, and met with stakeholders on a regular basis.

We contributed to the inclusion of whistleblower reform in the terms of reference for Part 2 of Jonathan Fisher KC's fraud review and worked with the review team over the year to present our case for change. We contributed to the development of government responses to Part 1 of Jonathan Fisher's review and Part 2 of Sir Brian Leveson's review of the criminal courts.

We supported the development of landmark new government strategies on fraud and anti-corruption. We look forward to working with partners on their implementation in the months ahead.

Technology

The SFO's five-year strategy demonstrates the organisation's commitment to using technology in ways that allow employees to deliver work faster and more efficiently, driving better operational outcomes. Teams within our Information Technology division develop innovative technological solutions, keep the SFO secure and provide day-to-day support.

Providing our people with the tools they need to operate effectively in a rapidly changing environment remains a priority.

Following the procurement of our first case management system at the end of the last financial year, experts from all teams – from Intelligence to Transformation – worked together to bring it to life. Over the year, they collaborated on the system design, detailed training for employees and careful data migration. The system will be rolled out to all users in the next reporting period, changing the way we carry out investigations and improving case progression and assurance.

We developed new proposals for making use of technology. We scoped opportunities for enhancing data fusion within our intelligence activities and continued to develop our use of Technology Assisted Review. We set up an internal AI Steering Group to increase our AI capabilities, exploring new opportunities such as the deployment of a general-purpose AI tool for non-operational use and pilots of potential operational AI use-cases. This work will continue in 2026-27 and will help us to be more efficient, making better use of our resources.

We also continued to strengthen the tools and platforms used by the organisation, including the modernisation of our email systems and mobile device software.

We further reinforced our cyber security, building new defences to stay ahead of the changing threat environment.

Financial Performance

The SFO's net spending is broken down into several different spending totals, for which Parliament's approval is sought. The Department's running costs are covered by the Departmental Expenditure Limit (DEL) and our provision for legal costs arising from events in year but expected to be paid in future financial years are classified as Annually Managed Expenditure (AME).

Where costs are recovered on our cases, these are shown as receipts in DEL, up to the amounts agreed by Parliament. Any amounts in excess of this are surrendered to HM Treasury. Fines and penalties not included in the Trust statement, attached to these accounts, are paid directly to HM Treasury via HM Courts & Tribunals Service.

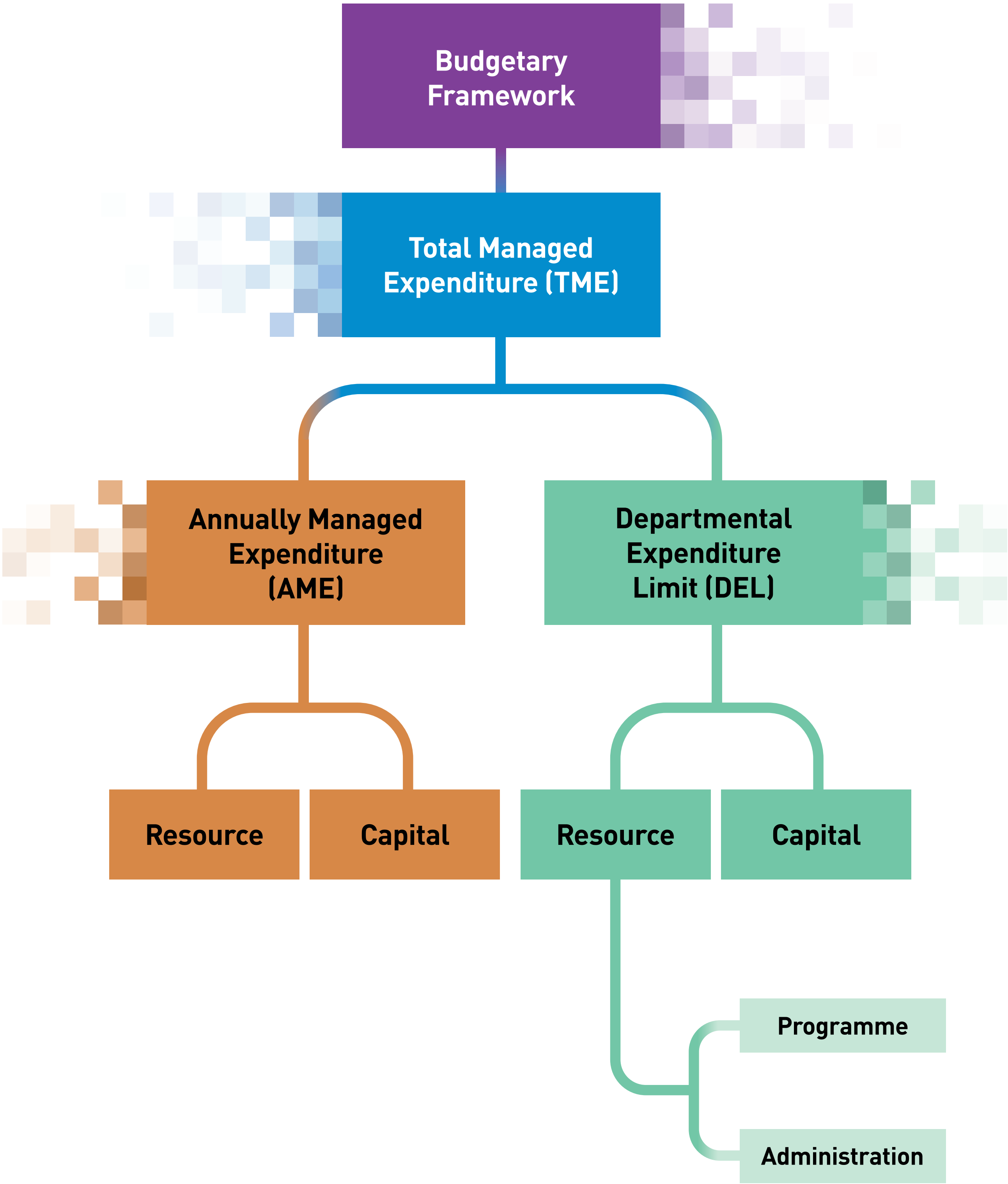
Resource DEL budgets are also divided into Programme and Administration budgets. Programme refers to expenditure that relates directly to delivery of departmental objectives and front-line services. All other income and spending is treated as Administration, which covers administrative functions and other overheads. To maximise spending on front-line services, departments are set limits on Administration expenditure. These limits are not voted on by Parliament but are still treated as control totals with any breach resulting in an Excess Vote.

Resource AME budgets are always treated as Programme.

Departments are also set a limit on Net Cash Requirement. This is the cash funding requirement arising from Resource and Capital budgets, together with planned movements in working capital. It is effectively the maximum amount of Parliamentary funding that the department can draw down; breaching this limit results in an Excess Vote.

Control totals are set on a net basis – there are no separate controls on income and expenditure and, subject to HM Treasury approvals on the retention of income, additional income can be offset against additional expenditure.

A further control on spending is that budgets for depreciation and impairment of assets are treated as ring-fenced. These elements of Resource DEL budgets may not be used for other spending without HM Treasury approval. However, the ring-fence is not a control voted on by Parliament.


Budgetary Framework
Total Managed Expenditure (TME)
Annually Managed Expenditure (AME)
Departmental Expenditure Limit (DEL)
Resource
Capital
Resource
Capital
Programme
Administration

Where our funding comes from

Our funding comes directly from government as part of the Spending Review, which normally occurs every three to five years.

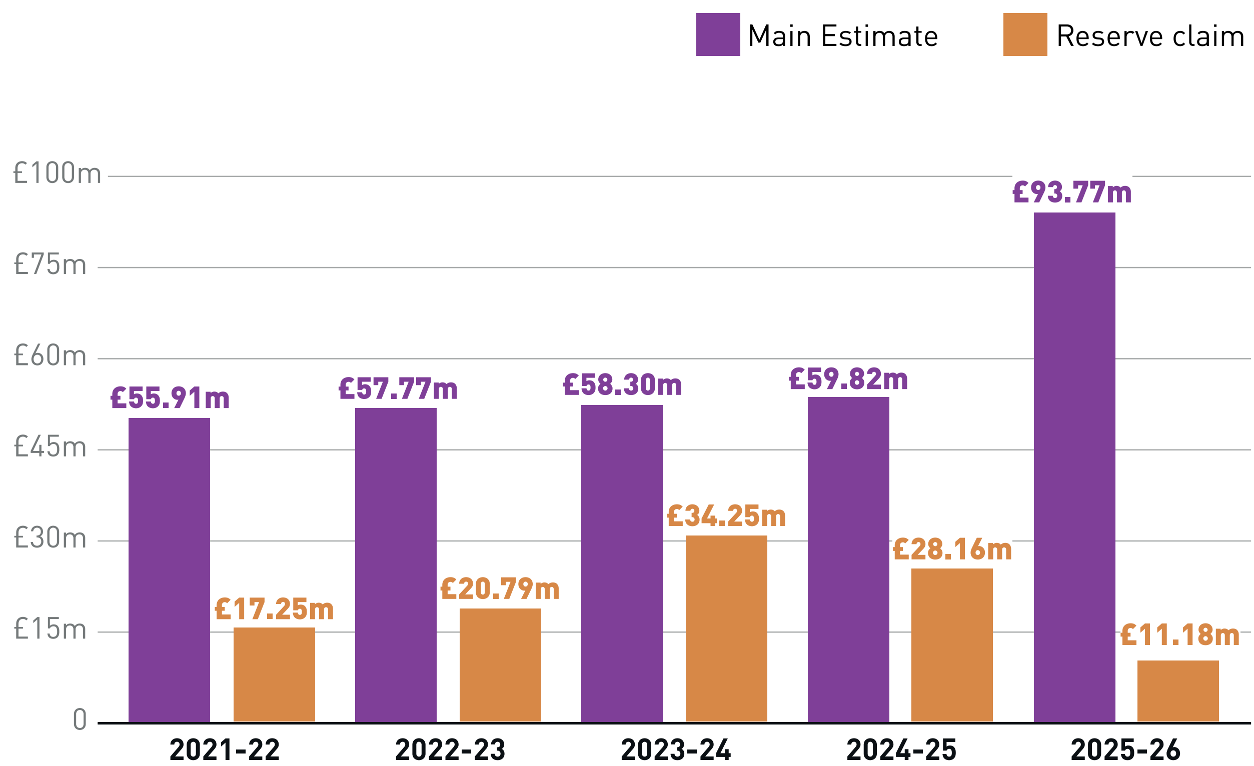
HM Treasury set limits for DEL budgets, as DEL budgets are understood and controllable. AME budgets are agreed with HM Treasury each year, as these capture spending which is more volatile or demand led.

Phase 1 of Spending Review 2025 set the SFO's financing for 2025-26. Additional funding continues to be agreed with HM Treasury on a year-by-year basis and confirmed in the Supplementary Estimate.

Specific control totals for the current financial year are then confirmed through Estimates, which are voted on by Parliament. There are two Estimate publications during the financial year: in May the Main Estimate sets the initial budgets for the year, whilst in February the Supplementary Estimate allows for adjustments to be made and confirms the final budgets against which outturn will be measured. Where unforeseen, exceptional, or unavoidable expenditure arises during the year that cannot be absorbed within our existing baseline, the SFO secures additional budgetary cover from the HM Treasury central Reserve. These Reserve claims represent a critical funding mechanism to manage in-year operational pressures, and the final approved amounts are formally locked into our budget through the Supplementary Estimate process.
If outturn exceeds the controls voted by Parliament, this results in an Excess Vote.

The chart below shows our Resource DEL funding over the last five-year period.

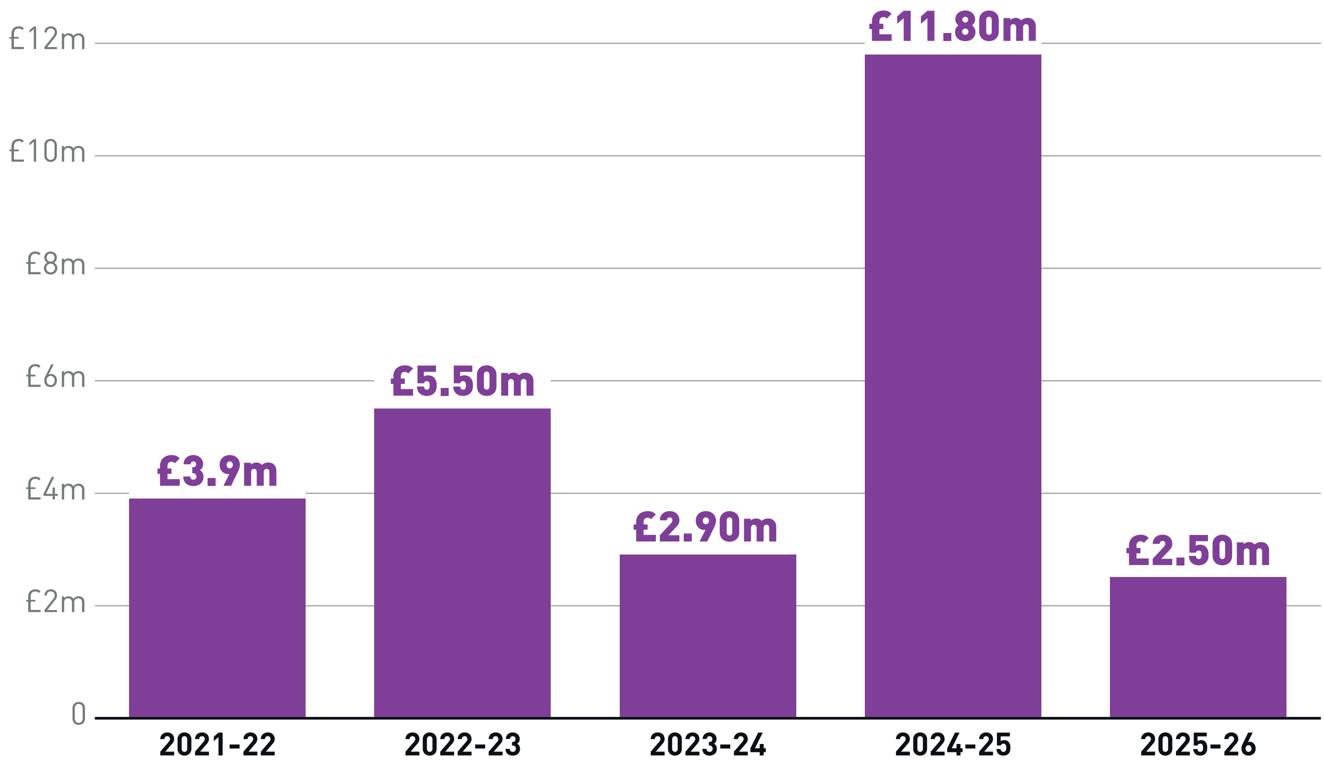
Resource DEL funding



The SFO made a Reserve claim of £11.18m in Resource DEL during the Supplementary Estimate to accommodate the anticipated costs of settling a legal provision.

The chart below shows our Capital DEL funding over the last five-year period.

Capital DEL



Capital DEL was reduced by £13.5m during the Supplementary Estimate process. The office move planned for 2025-26 did not proceed as planned resulting in an underspend of £13.5m on IFRS 16 CDEL.

The core capital budget for this year of £2.5m was used to enable the SFO to continue to invest in essential IT and digital infrastructure.

Our summary expenditure

There were no breaches of Parliamentary control totals and we are confident that our future spending plans will continue to use a high proportion of our budget without the risk of a Parliamentary control total breach.

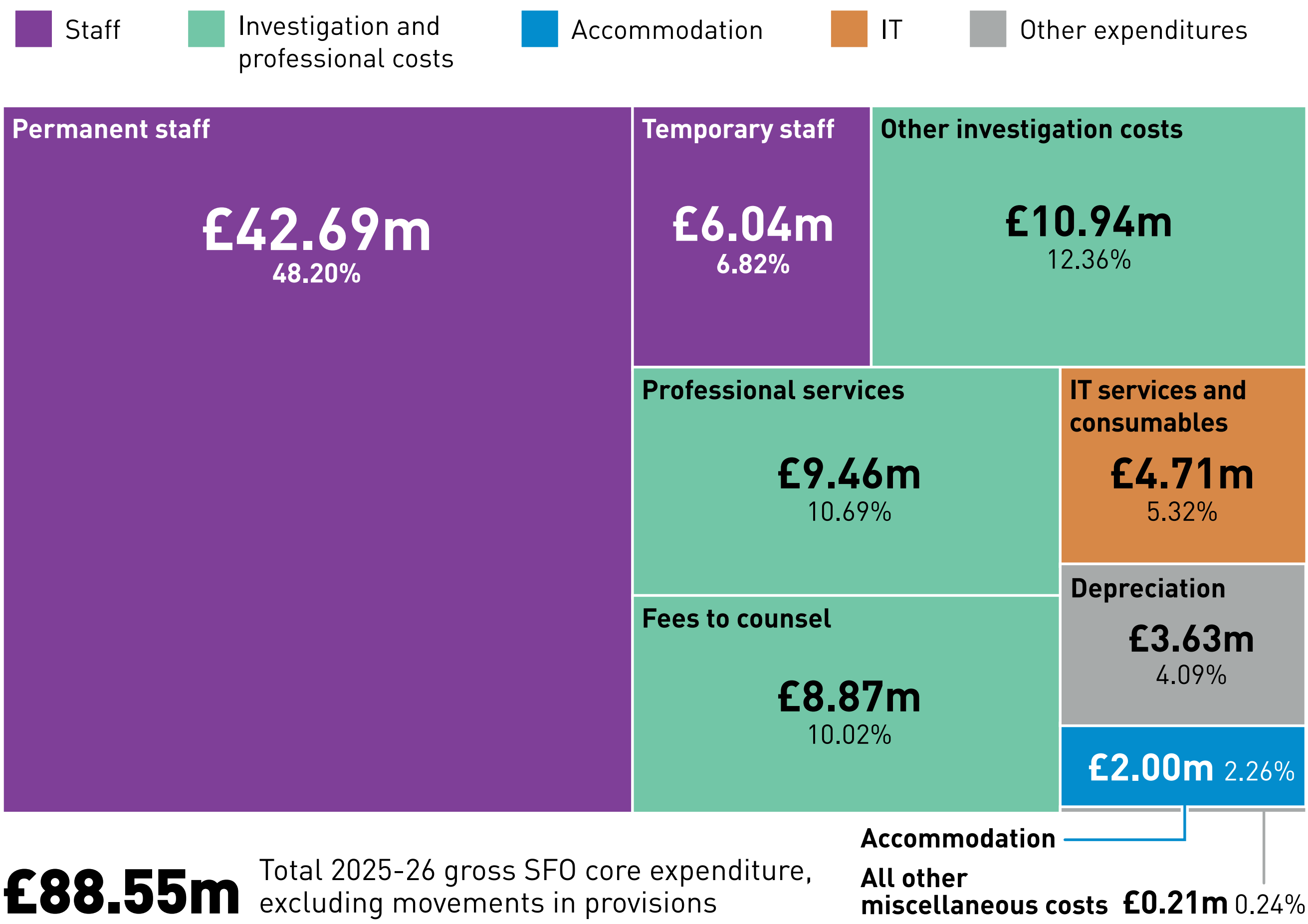
Significant variances between Estimate and outturn are discussed above.

Resource DEL

Operational expenditure			
	Funding £m	Outturn £m	Variance £m
Total RDEL	104.95	87.91	17.04

The SFO's Resource DEL outturn for the year totals £87.91m, an underspend of £17.04m or 16.24%.

A summary breakdown of SFO expenditure is shown in the chart below. The main categories of spending are staff costs, counsel fees, accommodation and IT costs.



Capital DEL

Capital investment			
	Funding £m	Outturn £m	Variance £m
CDEL	2.50	2.18	0.32

Overall, our capital investment this year was £2.18m, which was £0.32m less than our Capital DEL funding.

Capital expenditure is in line with budget.

Resource AME

Capital investment			
	Funding £m	Outturn £m	Variance £m
RAME	25.00	(15.57)	40.57

Annually Managed Expenditure (AME) outturn was minus £15.57m, an underspend of £40.57m due to a reduction in our legal provisions.

Our provisions

The existing provision in relation to civil action against the SFO and other defendants has reduced by £15.57m to £15.35m (page 106).

Sustainability

This report is prepared in accordance with the Government Financial Reporting Manual: 2025-26 (FreM), the Task Force on Climate-related Financial Disclosures (TCFD) application guidance, and the Sustainability Reporting Guidance.

Task Force on Climate-related Financial Disclosure (TCFD) Compliance Statement

The SFO has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. The SFO does not consider climate to be a principal risk, and has therefore complied with the TCFD recommendations and recommendations disclosures around:

- Governance: (a) and (b)
- Risk Management: (a) to (c)
- Metrics and Targets: (b)

Currently, the SFO occupies part of a building under a tenancy at will arrangement. It has limited control over significant estate related environment factors, including building infrastructure and energy systems and wider property related climate interventions. Reporting may change in future years following the SFO's expected office relocation in 2026-27. Baselines provided in these accounts should be understood in this context.

Governance

The Board oversees climate-related issues through its responsibilities for supporting, scrutinising and advising on strategic direction; financial management; development and use of resources; risk and controls; and performance. SFO management assesses and manages climate-related issues through the Executive Committee, including via the principle set out in the Procurement Strategy which seeks to ensure that environmental factors are identified and maximised where possible within the department's operational remit.

During 2025-26, climate-related issues were reported to the Board and Executive Committee on an ad hoc basis. No material climate related issues requiring regular escalation beyond existing governance arrangements were identified during the year.

Further information on the SFO's governance structure can be found at p.46.

Risk management

Climate-related risks are identified, assessed and reported in line with the SFO's enterprise risk management structure. Identified risks are managed through the SFO's wider governance processes and in accordance with the organisation's risk management policy. This total integration is proportionate to the SFO's size and enables a prompt response to climate-related risks.

Further detail on the SFO's risk management structure can be found at p.54. Information on the risks faced by the SFO during 2025-26 can be found at p.14.

Metrics and Targets

The SFO uses the following metrics to assess climate-related risks and opportunities. This year's Annual Report and Accounts establishes a baseline for sustainability performance, following the end of the previous Greening Government Commitment (GGC) reporting period. Prior-year information is included for context.

Greenhouse Gas Emissions

Scope 1: Direct emissions occurring from sources owned or controlled by the department. For example, emissions from combustible boilers and fleet vehicles.

Scope 2: Indirect emissions occurring from electricity consumed which is supplied by another party. This should also include other purchased indirect emission sources such as heat, steam and cooling.

Scope 3: Other indirect emissions occurring because of our activity, but which are not owned or controlled by the department. For example, emissions because of staff travel on public transport, taxis, or airline flights.

A materiality assessment of Scope 3 emissions was undertaken and concluded that these emissions are not material to the primary users of the accounts. Accordingly, Scope 3 emissions are not disclosed in this report.

Greenhouse Gas Emissions		**2025-26**	2024-25
Non-financial indicators (tonnes of Carbon Dioxide equivalent (tCO2e))	Total emissions for Scope 1 (direct) (natural gas, vehicle emissions from fleet vehicles, fuel from fleet vehicles[7])	**61.07**	**58.71**
	Total emissions for Scope 2 (indirect) (Electricity)	**149.41**[8]	**102.10**
	Total	**210.48**	**160.81**
Related energy consumption (kilowatt-hour (kWh))	Electricity: Non-Renewable	**-**	**493.10**
	Electricity: Renewable	**844.10**	**-**
	Gas	**332.32**	**321.01**
	Total	**1,176.42**	**814.11**
Financial indicators (£k)	Gross expenditure on energy	**272.97**[9]	**229.75**

7 Fleet vehicles include vehicle that are hired for longer than 5 days.

8 The electricity figure for Q4 is provided by the landlord after the Annual Report and Accounts are prepared. The figure is based on Q1-Q3 actuals and Q4 estimate.

9 The electricity figure for Q4 is provided by the landlord after the Annual Report and Accounts are prepared; calculations use actual gas (Q1–Q4), actual electricity (Q1–Q3), and estimated Q4 electricity.

Waste Management

Waste[10]			2025-26	2024-25
Non-financial indicators: weight (metric tonnes (t))	Municipal waste	Anaerobic digestion	-	-
		Composting	-	-
		Incineration with energy recovery	**13.47**	**14.38**
		Incineration without energy recovery	-	-
		Landfill	-	-
		Recycling	**31.05**	**27.18**
		Other	-	-
		Total	**44.52**	**41.56**
	Major mineral waste	Anaerobic digestion	-	-
		Composting	-	-
		Incineration with energy recovery	-	-
		Incineration without energy recovery	-	-
		Landfill	-	-
		Recycling	-	-
		Other	-	-
		Total	-	-
	Other waste	Anaerobic digestion	-	-
		Composting	-	-
		Incineration with energy recovery	-	-
		Incineration without energy recovery	-	-
		Landfill	-	-
		Recycling	-	-
		Other	-	-
		Total	-	-

10 Following a decision by the Department for Environment, Food and Rural Affairs to update the departmental templates and methodology for reporting 2025-26 ICT data, timelines for reporting no longer aligned with the Annual Reports and Accounts submission deadlines. As such, final financial and non-financial figures have not been fully validated at the time of submission and are not included in this report. The ICT and digital waste financial and non-financial figures for 2025-26 will be provided in the 2026-27 report.

Waste[10]			2025-26	2024-25
Financial indicators (£k)	Municipal waste	Anaerobic digestion	-	-
		Composting	-	-
		Incineration with energy recovery	2.78	3.12
		Incineration without energy recovery	-	-
		Landfill	-	-
		Recycling	6.28	4.98
		Other	-	-
		Total	9.06	8.10
	Major mineral waste	Anaerobic digestion	-	-
		Composting	-	-
		Incineration with energy recovery	-	-
		Incineration without energy recovery	-	-
		Landfill	-	-
		Recycling	-	-
		Other	-	-
		Total	-	-
	Other waste	Anaerobic digestion	-	-
		Composting	-	-
		Incineration with energy recovery	-	-
		Incineration without energy recovery	-	-
		Landfill	-	-
		Recycling	-	-
		Other	-	-
		Total	-	-

Water Consumption

Water		2025-26	2024-25
Non-financial indicators (m^3)	Total potable water consumption	1,473	1,413

Contributions to the United Nations Sustainable Development Goals (SDGs)

We are committed to playing an important role in achieving the United Nations SDGs. Our remit means that we focus on Goal 16:

'Promote just, peaceful and inclusive societies'

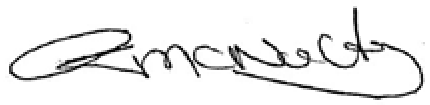
Within this goal, the SFO actively contributes to two targets:

16.5 – Substantially reduce corruption and bribery in all their forms.

16.10 – Ensure public access to information and protect fundamental freedoms in accordance with national legislation and international agreements.

Future Plans

In 2026-27, we will continue to focus on the ambitions set out in our five-year strategy, which will reach its halfway point during the reporting period. As planned, we will use this milestone to carry out a full review, assessing the need for adjustment in the light of our evolving operating context.



Graham McNulty QPM
Accounting Officer

15 July 2026

Accountability Report

The Accountability Report includes a corporate governance report, a remuneration and staff report and a parliamentary accountability and audit report. These sections reflect financial reporting and parliamentary accountability reporting requirements.

Corporate Governance Report

Reportable data related incidents

53 **Reportable data-related incidents** in 2025-26

44 **Reportable data-related incidents** in 2024-25

0 personal data breaches were reported to ICO (2024-25:1).

We continued to develop employees' understanding of their roles in identifying and reporting incidents, leading to an expected increase in volume.

Auditors
The SFO's Accounts are audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. No further assurance or other advisory services were provided by the auditors.

Remuneration to auditors for non-audit work
The SFO did not pay any remuneration to its auditors for non-audit work. The notional fee for the audit of the Department's Accounts for 2025-26 was £80,180 (2024-25: £71,000), and £10,300 (2024-25: £10,000) for the audit of the Trust Statement.

Statement of Accounting Officer's Responsibilities

Under Section 5(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the SFO to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the SFO and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

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

HM Treasury has appointed the Director of the SFO as Accounting Officer of the SFO. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the SFO's assets, are set out in Managing Public Money published by HM Treasury.

The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the SFO's auditors are aware of that information. So far as the Accounting Officer is aware, there is no relevant audit information of which the SFO's auditors are unaware.

The Accounting Officer confirms that the Annual Report and Accounts as a whole are fair, balanced and understandable and that he takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

Scope of responsibility

This statement covers the SFO's governance arrangements for the year ended 31 March 2026 for both the Departmental Resource Accounts and the SFO's Trust Statement at page 110.

The SFO was given its powers under the Criminal Justice Act 1987 and set up in 1988 as a non-ministerial department. Ministerial oversight and accountability to Parliament lies with the Attorney General.

The Director is responsible for the discharge of the organisation's functions through the SFO's Board, Executive Committee, Audit and Risk Assurance Committee (ARAC) and other supporting governance forums. He is supported by the Chief Financial Officer (CFO), Chief Operating Officer (COO), Director of Legal Services and General Counsel (DLS) and Director of Operations (DirOps). The COO, DLS and DirOps have direct responsibility for overseeing the organisation's corporate functions and operational work.

The Director is responsible for maintaining a sound system of internal control which supports the achievement of the SFO's aims and objectives and compliance with its policies. The Director is also charged with safeguarding public funds and departmental assets, for which he is personally responsible, in accordance with the responsibilities assigned to him in Managing Public Money.

Following the end of the reporting period, there was a change of Accounting Officer. Assurance of the previous period was provided to the new Accounting Officer through existing mechanisms documented in this chapter, including the Board and Audit and Risk Assurance Committee.

Governance structure

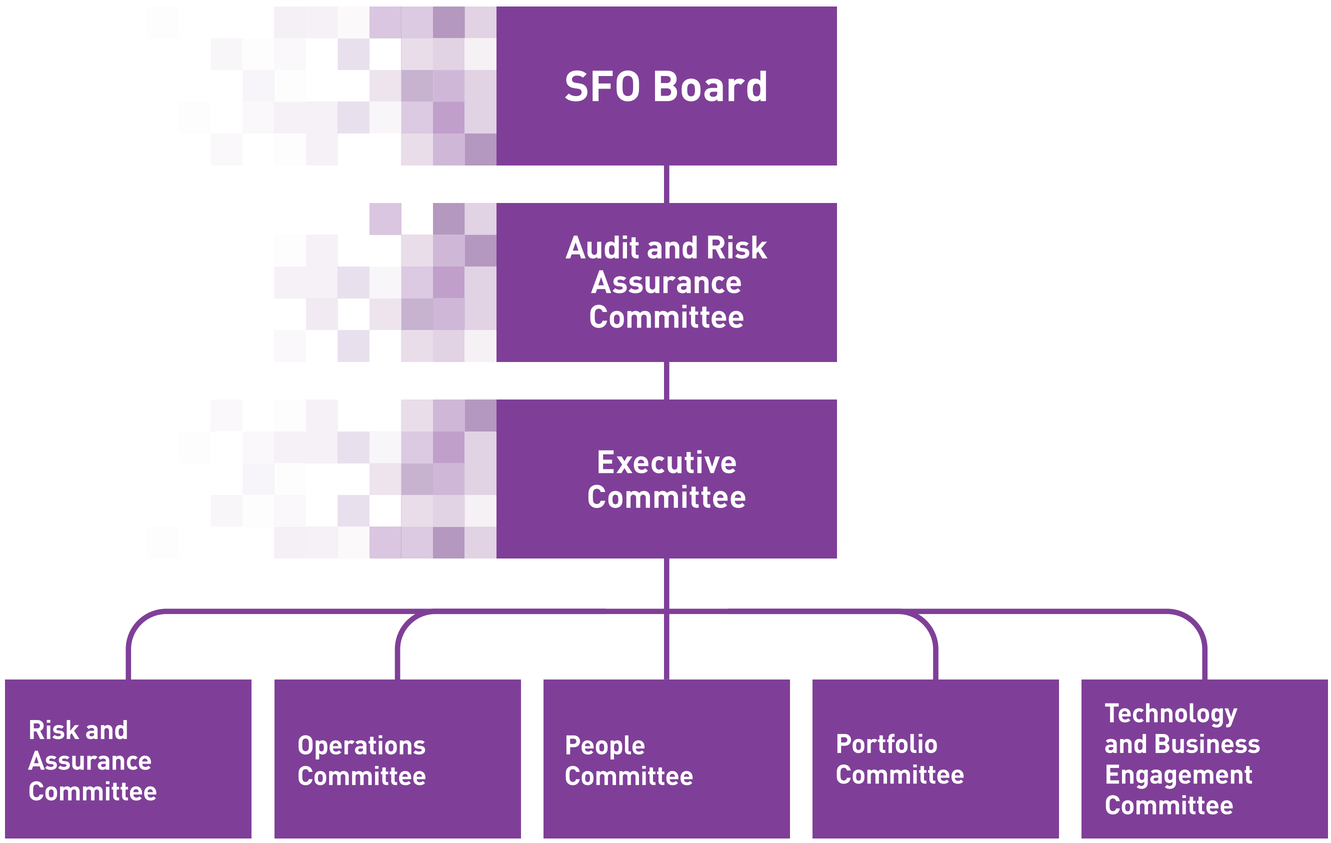
The SFO's governance arrangements are in line with HM Treasury's and Cabinet Office's Code of Good Practice for Corporate Governance. The three main governance forums are the Board, its subcommittee ARAC, and the Executive Committee. There are also five committees and three sub-committees that support the Executive Committee in achieving the SFO's objectives. Alongside this, there are a number of supporting working groups, which feed into the work and responsibilities of at least one of the main governance forums.

The Framework Agreement defines the relationship between the Law Officers and the Director and was last updated in May 2024. This relationship is an essential component of our governance. The Director meets with the Law Officers regularly, in accordance with sponsorship and statutory superintendence arrangements.

The Framework Agreement describes the Ministerial Strategic Board (MSB), which meets four times per year. The MSB's overarching aims are to oversee the strategic direction of the SFO and to hold the SFO to account for delivery of its strategic objectives. Other responsibilities include enabling the roles and responsibilities of the Law Officers and the Director, agreeing and supporting the SFO's engagement priorities and reviewing financial management, performance and efficiency. The MSB is chaired by the Attorney General or the Solicitor General and its membership comprises the Law Officers, the Director, the COO, the DLS, the DirOps, the Director General (AGO) and the Chair of the SFO Board (a Non-Executive Director). The Chief Inspector of HMCPSI attends by invitation as required.

The Framework Agreement also describes Superintendence meetings, which take place at least three times a year. The purpose of Superintendence meetings is to keep the Law Officers apprised of – and allow them to scrutinise – relevant SFO casework matters. Superintendence meetings are chaired by the Attorney General or Solicitor General and attended by the Director, DLS, DirOps, Director General of the AGO and Director of the AGO. The SFO COO is invited on an agenda-dependent basis.

The following sections set out the membership and arrangement of the SFO's key governance structures.



The Board in 2025-26

The Board is chaired by a Non-Executive Director and membership comprises the Director, CFO, COO, DLS, DirOps and the three other Non-Executive Directors. A representative from the Attorney General's Office attends as an observer.

Membership as at 31 March 2026:

Claire Bassett, Chair and Non-Executive Director

Nick Ephgrave QPM, Director

Caroline Firstbrook, Non-Executive Director

Tanya de Jager, CFO

Emma Luxton, DirOps

Simon McKinnon CB, CBE Non-Executive Director

Graham McNulty QPM, COO

James Thomson CBE, Chair of ARAC and Non-Executive Director

Matthew Wagstaff, DLS General Counsel

The Board:

The Board is advisory and supervisory, monitoring the implementation of the SFO's strategic objectives and providing constructive challenge to the Director and the Executive Committee.

The Board is responsible for approving:

- The SFO's vision, mission, direction and values
- The SFO's budget for the coming year
- The SFO's strategic priorities
- The SFO's annual business plan
- SFO corporate governance documents relating to the Board and its subcommittees

The Board is responsible for supporting, scrutinising and advising on:

- Strategic direction: monitoring progress against the organisational strategy and annual business plan
- Financial management: ensuring the Director is meeting his obligations as Accounting Officer, contained within Managing Public Money. This includes recommending the Accounting Officer sign the Annual Report and Accounts, including the annual Governance Statement (after an endorsement from the ARAC)
- Development and use of resources: providing independent, effective and robust challenge and support to the Executive team as appropriate whilst holding Executive members to account for delivery
- Risk and controls: ensuring that a sound system of risk management, governance and internal control is maintained
- Performance: ensuring functions are performing effectively, efficiently and delivered in an ethical manner

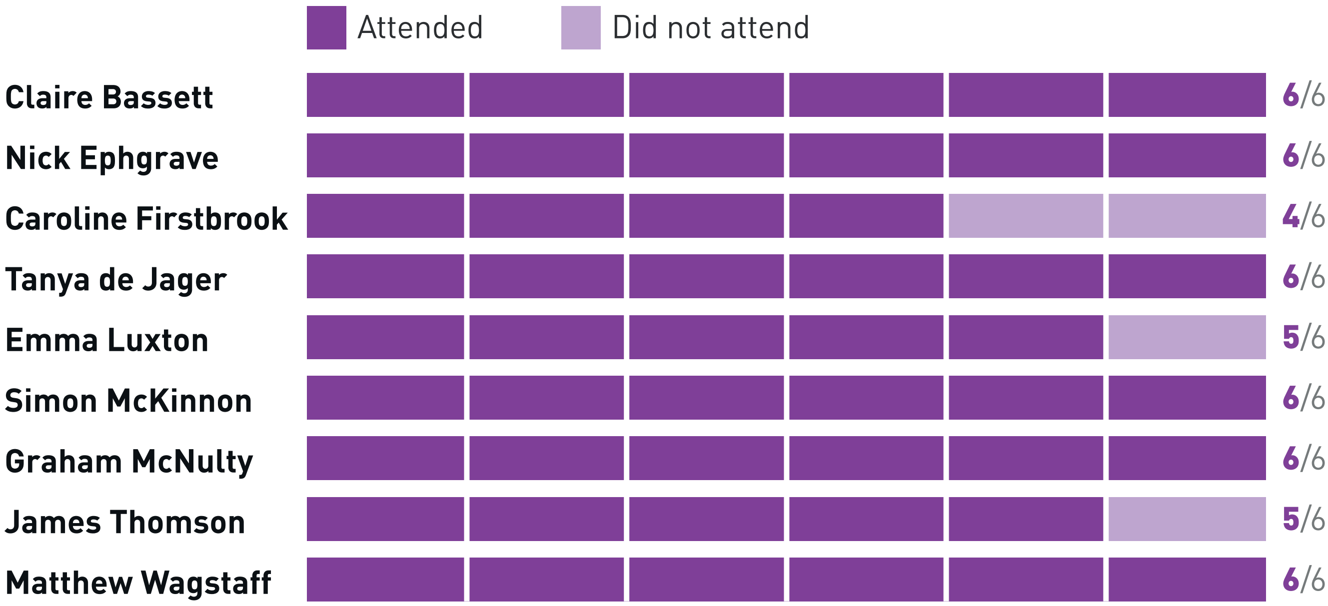
The Board aims to reach decisions by consensus but in exceptional cases a decision may be taken by the Director alone because of his ultimate personal responsibility for the SFO as Accounting Officer.

The Cabinet Office and HM Treasury's Code of Good Practice for Corporate Governance cites having a nominations committee as good practice. Because the SFO is a small, non-ministerial department, the Board does not consider that a separate nominations committee is necessary. Instead, the Board carries out the nominations and governance function itself.

The Board undertakes a review of its effectiveness at least once a year. Every three years it conducts a review which benefits from external independent input. The latter was completed during the reporting period, with the support of a Non-Executive Director from another public body. The findings were presented to the Board in March 2026. The Review concluded that the Board is effective and engaged. Governance arrangements have strengthened materially in recent years and Board capability is strong. Areas for further development include escalation thresholds, depth and aggregation of assurance, early involvement of the Board in complex decision-shaping, enhanced alignment of the Board agendas to the SFO strategy, and making wider use of Board capability. Progress will be reported to the Board throughout the next reporting period.

Board attendance:

This graph lays out attendance of Board members over the year.



Executive Committee

The Executive Committee, comprising the Director, COO, DLS and DirOps, is the most senior regular decision-making body. It is responsible for making crosscutting, strategic, organisation-wide decisions that, by virtue of their nature and impact cannot be made elsewhere.

The Executive Committee:

- Sets organisational strategy
- Approves policy priorities and positions
- Approves the SFO budget
- Makes financial approvals required by the Financial Accountabilities Framework
- Makes decisions on organisational, strategic issues that impact all staff and/or the reputation and effectiveness of the SFO
- Makes decisions on the levels of financial delegation within the SFO
- Makes decisions on issues escalated from a sub-committee
- Makes decisions on and/or discusses ad hoc papers or inputs as suggested by a member and with the agreement of the Chair
- Ensures there are suitable tenure and succession plans in place for Executive Committee roles should they become vacant to ensure business continuity
- Provides regular oversight of the operational side of the business in the progression of all casework
- Provides regular oversight of:
  - Delivery of the strategy and business plan
  - Organisational performance
  - Risk and assurance
  - Finance
  - Overseeing the work of its delegated subcommittees

The Executive Committee aims to reach decisions by consensus. In exceptional cases a decision may be taken by the Director alone because of his ultimate personal responsibility for the SFO as Accounting Officer.

Delegated Committees

The following committees have delegated authority from the Executive Committee.

The Risk and Assurance Committee is an Executive-level group chaired by the Director. Membership comprises the chairs of the four committees with delegated authority, the CFO and the Head of Strategy Group. It provides organisation-wide oversight of risk and issue management and assurance. It has one sub-committee: the Health & Safety Committee oversees the delivery of the SFO's health and safety policy and compliance with statutory obligations.

The Operations Committee is chaired by the DirOps. It is responsible for governance and oversight of all operational activity and relevant working groups responsible for effective case progression, operational guidance and training and organisational learning. The Operations Committee ensures that all operational activity is conducted lawfully and in accordance with the Director's Statement of Principle. A Non-Executive Director attends the Committee as an observer.

The People Committee is chaired by the COO. It is responsible for ensuring that the SFO has a highly specialised, engaged and skilled workforce. It makes sure that the SFO has the right capacity, resource and expertise to deliver its mission and that the SFO's values and behaviours are embedded within the organisation. A Non-Executive Director attends the Committee as an observer.

The People Committee has two sub-committees. The Learning & Development Committee oversees and supports the identification and delivery of coherent operational, non-operational and professional training programmes and processes. The Strategic Workforce Planning Committee monitors and prioritises recruitment campaigns, assessing the scheduling of recruitment and considering and amending necessary recruitment policies. During the reporting period, the Recruitment Committee was disbanded and superseded by the Strategic Workforce Planning Committee.

The Portfolio Committee is chaired by the DLS. It oversees the effective assurance and delivery of the SFO's Transformation Portfolio, ensuring that it remains focused on achieving its objectives and realising the benefits associated with SFO's investment in major change and improvement.

A Non-Executive Director attends the Committee as an observer.

The Technology and Business Engagement Committee is chaired by the Chief Technology Officer. It oversees the digital, data and technology strategy for the SFO and provides authority and guidance as required to ensure its delivery. It also ensures that the SFO's approach and solutions are underpinned by the requirements of the business and are fully aligned to its strategic objectives. A Non-Executive Director attends the Committee as an observer.

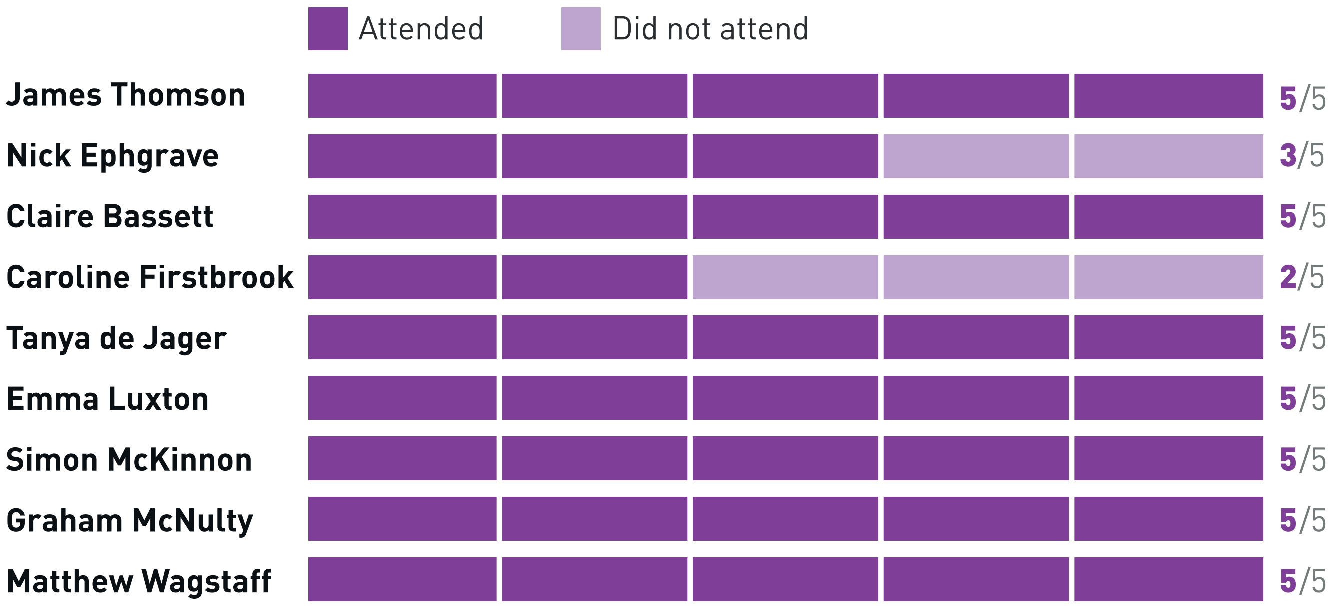
Audit and Risk Assurance Committee (ARAC)

ARAC is chaired by a Non-Executive Director and membership comprises two other Non-Executive Directors. Standing attendees include the Director (in his capacity as Accounting Officer), the CFO, COO, DLS and DirOps. Other attendees who receive standing invitations for each meeting include the Chair of the Board, the Chief Technology Officer and the Head of Strategy, Planning, Performance and Risk. Representatives from the Government Internal Audit Agency (GIAA), HM Crown Prosecution Service Inspectorate (HMCPSI) and the National Audit Office (NAO) provide ARAC with the independent assurance to discharge its responsibilities appropriately.

ARAC supports the Director in discharging his role as Accounting Officer. It reviews the effectiveness of audit and risk management processes in meeting the SFO Board and Accounting Officer's assurance needs and reviews the reliability and integrity of these assurances.

ARAC attendance:

This graph lays out attendance of ARAC by Non-Executive and Executive Board members over the year.



Other forums

Intelligence Division Oversight Committee
The Oversight Committee provides the DirOps and her team with oversight of operations within the Intelligence Division, prioritising for Case Evaluation Boards as necessary and aligning appropriate resources across operational divisions.

Case Evaluation Board (CEB)
CEBs support the Director in deciding whether to open, prosecute, close or discontinue investigations and cases. There are four CEB types, covering:

- The opening of a case
- The closure of a case pre-charge
- The charging of a case
- The discontinuation of a case post charge

Core members of the CEB are the Director, COO, DirOps, DLS, the relevant operational Head of Division, the Case Controller (if appointed), Associate General Counsel, the Communication team and the Digital Forensics and e-discovery teams.

Case Review Meetings (CRM)
CRMs are chaired by the Head of Division with responsibility for the case in question and take place at least every six months. The purpose of the CRM is to ensure that sound judgement and appropriate investigative and legal expertise are being brought to bear on cases, and that cases are progressing in an appropriate manner in compliance with all relevant obligations and legal and operational guidance.

Risk management and internal control systems

The SFO has a multi-layered approach to identifying and managing potential risks to the organisation which relies on clear leadership and delegating authority to appropriate levels. Each Head of Division is accountable for risk and risk mitigation in their respective divisions.

The Board and Executive Committee members lead the SFO's risk management, supported by the Risk and Assurance Committee and the four delegated committees. Within the Executive Committee, the DLS has the lead role on risk and assurance and reports directly to the DSFO on its management.

The SFO has a risk management policy which is aligned to the HM Treasury Orange Book. It sets out the corporate approach to managing risk and the organisation's expectations and standards.

The SFO continued to strengthen its approach to risk management during the reporting period, developing additional resources and providing ongoing training for employees.

The SFO's risk profile as of 31 March 2026 is outlined on page 14.

The SFO has three tiers of risk register:

- **The principal risk register:** This sits at the highest level of the organisation and consists of significant risks that have the potential to disrupt the SFO's ability to achieve its mission or objectives
- **Functional risk registers:** These are overseen and managed at an intermediate level by the four delegated committees or areas of the business with a particular remit
- **Local risk registers:** Local teams, projects and cases have a risk register

Risk appetite

The SFO's risk appetite is measured in accordance with the standards, requirements and criteria outlined within the HM Treasury Orange Book. We use a linear five-bar scale to measure actual levels of risk against what is deemed acceptable by the Board. Our appetite thresholds are formally reviewed by the Risk and Assurance Committee each year and whenever a significant change in environmental or risk conditions occurs. This process ensures that organisational appetites reflect the Board's willingness to accept and tolerate changing risk conditions.

Functional standards

Where appropriate, the SFO maintains compliance with relevant government Functional Standards, which are designed to promote consistent and coherent working within government organisations.

Security assurance

The SFO has a comprehensive, multi disciplinary security function, delivering integrated personnel, physical, technical, cyber and resilience security services.

During the reporting period, we made good progress against our continuous security improvement programme. During the year we focused on improving assurance across critical systems, maintaining continued access to national law enforcement data, expanding secure information sharing arrangements, and enabling the secure operation of investigative systems across the organisation. Secure by Design principles are now fully embedded within all new systems and supplier services, ensuring security requirements are incorporated from the earliest stages of design through to implementation.

We further strengthened the SFO's security culture, carrying out targeted education and awareness campaigns and launching new initiatives to support engagement. In-line with best practice, we established a new Chief Information Security Officer (CISO) role.

Casework assurance

The SFO's Operational Handbook sets out the organisation's casework assurance framework, providing a clear and consistent basis for the oversight of casework. A dedicated 'Casework Assurance' chapter establishes defined expectations for employees, detailing the procedures to be followed and the stages at which key casework decisions are subject to review and challenge. The SFO is committed to the continuous strengthening and refinement of its casework assurance arrangements to ensure robust governance and high-quality decision-making.

Register of Interests

Senior managers within the SFO, including the Non-Executive Directors, are required to declare any interest.

Details of Board members' declarations of interest can be found on our website. Note 15 to the accounts, page 109, confirms that no member of the Board, including Non-Executive Directors, has any related-party interests and no conflicts of interest or potential conflicts of interest have been identified.

Departmental assurance process on management of interests and business appointments

The SFO has a policy for the declaration and management of interests in place for all employees. This policy aims to ensure that all employees are able to recognise any potential conflict of interest and ensure that this does not affect or appear to allow their judgement or integrity to be compromised. The policy exists to protect the SFO and its investigations and prosecutions and adheres to the requirements of the Civil Service Management Code (section 4.3). It also ensures that any outside employment held by senior civil servants does not present a conflict of interest.

In particular:

- All employees are required to complete a 'Register of Interests' form as part of the SFO recruitment checks, whether they have a conflict of interest or not
- All employees are required to re-submit the Register of Interests form whenever their circumstances change
- All employees must declare any new conflicts as part of the annual security appraisal process or if circumstances change
- All employees are required to declare conflicts before any access is granted to

case information once they are assigned to a SFO investigation

- When an interest is declared, it must be risk assessed and a mitigation strategy must be agreed. All decisions must be recorded on the Register of Interests

Internal whistleblowing

Whistleblowing is covered by the SFO's 'Raising a concern (Whistleblowing)' policy which is available to all employees via the SFO intranet. The policy sets out how people can raise a concern and has a section specifically covering whistleblowing with a link to the Public Interest Disclosure Act (PIDA) 1998.

The SFO is committed to ensuring high standards of conduct in all that it does. We believe our people share this commitment and understand that if they suspect wrongdoing, they have a responsibility to speak up.

We are committed to:

- Ensuring everyone understands their responsibility and feels able to speak up when they see something that does not feel right
- Listening to those who raise a concern and treating them with respect
- Handling concerns responsibly, professionally and in a positive manner
- Ensuring those raising a concern are afforded protection as detailed in the procedure
- Supporting those involved

Complaints about the organisation to the Parliamentary Ombudsman

The Parliamentary Ombudsman has not received any complaints regarding the SFO in the financial year.

The Parliamentary Ombudsman allows victims to exercise their right to complain where their needs are not being met under the Victims' Code.

Inspection

HMCPSI has a statutory duty to inspect the Crown Prosecution Service and the SFO. By providing independently assessed evidence, HMCPSI inspections drive improvement and build public confidence in the criminal justice process. HMCPSI's inspection programme is set out in its annual business plan.

In 2025-26, HMCPSI carried out one SFO inspection on the organisation's use of counsel. The fieldwork was completed during the reporting process and the report was published at the end of April 2026. It made six recommendations aimed at strengthening consistency and enhancing oversight of the use of counsel at the pre-charge stage.

The SFO has continued to work closely with HMCPSI through the inspectorate's attendance at ARAC and regular meetings with SFO senior leaders. The SFO provides detailed updates on progress to deliver recommendations from past inspections and feeds into HMCPSI's annual planning process, which considers topics for future inspections. In 2026-27, HMCPSI will carry out a follow-up to its 2024 disclosure inspection and an inspection on induction and training.

Effectiveness of the risk management and governance framework

The Director, as Accounting Officer, is responsible for reviewing the effectiveness of the system of internal control. This review is informed by the work of internal audit, quality assurance, the external auditors' Audit Completion Report, and other reports. The SFO's internal audit function is provided by the Government Internal Audit Agency (GIAA), an executive agency of HM Treasury, which works with HMCPSI to assess the extent to which each party can place reliance on the other's work.

The internal audit Annual Opinion is a key element of the assurance framework underpinning this Governance Statement, without diminishing the Accounting Officer's personal responsibility for governance, risk management and control.

For the period 1 April 2025 to 31 March 2026, the Head of Internal Audit provided an overall Opinion of Moderate, indicating that "some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control". GIAA's audit plan, including in-year revisions, was reviewed, prioritised and delivered in accordance with the agreed programme, as endorsed by the ARAC and the Accounting Officer. Work in 2025-26 included audits of communications, management of the Operational Handbook, and procurement.

The governance arrangements described in this Statement meet the requirements of Managing Public Money and the Code of Good Practice for Corporate Governance as they apply to the SFO. In line with GIAA's 2024-25 recommendations, the SFO commissioned an externally facilitated Board effectiveness evaluation during 2025-26; the next internal is planned for 2026-27. Data reported to the Board is drawn from SFO systems, including the central reporting database, and is deemed accurate and fit for purpose. Board papers during the year included the ARAC's annual activity report, quarterly performance reports, and regular reports from the COO, DLS and DirOps.

The ARAC conducts regular assessments of its own arrangements. The Board and ARAC advise the Director on the effectiveness of the system of internal control. A continuing programme of improvement is in place to address identified weaknesses, including:

- Regular internal audit reports delivered to Global Internal Audit Standards, with recommendations for improvement
- Strengthened business and strategic planning processes
- Improved data security procedures and supporting communications, and
- Regular reports from the ARAC Chair to the Board.

Graham McNulty QPM
Accounting Officer

15 July 2026

Remuneration and Staff Report

Remuneration

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

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

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

Remuneration policy
The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Senior Salaries Review Body.

In reaching its recommendations, the Review Body considers:

- The need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff
- Government policies for improving public services including the requirement on departments to meet the output targets for the delivery of departmental services
- The funds available to departments as set out in the government's departmental expenditure limits
- The government's inflation target

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. The Director's salary is linked to that of a High Court Judge.

Remuneration committee
The remuneration of senior civil servants (SCS) is determined in accordance with the report of the Senior Salaries Review Body.

The SFO's SCS Pay Committee meets annually to consider pay increases and bonus payments in accordance with these recommendations.

The committee is chaired by the Director and consists of two Non-Executive Directors and a senior HR professional from another government department.

Performance appraisal
Performance management of staff below the SCS is covered by the SFO's performance appraisal system. The system supports all staff in improving their performance through continuous dialogue between managers and staff. It provides a framework for conversations about objective setting, how people have performed against their objectives, and

what development needs they have. Bonuses can be paid in-year to individuals to reward work on particularly demanding tasks or situations. The 2025-26 bonus budget was utilised in full.

Senior official appointments
On 4 July 2025, Emma Luxton was permanently appointed as Director of Operations. She previously held the role in an interim capacity from 23 September 2024. Before this, she was the Head of the Proceeds of Crime and International Assistance Division for over two and a half years and a Case Controller. Prior to that, Emma was a fraud specialist in private practice.

On the same day, Matthew Wagstaff was permanently appointed as Director of Legal Services and General Counsel. He previously held the role in an interim capacity from 1 February 2025. He joined the SFO in 2012 as an operational Head of Division responsible for supervising investigations and prosecutions that spanned the breadth of the SFO's casework. Before joining the SFO, Matthew was the Deputy Head of Fraud at the Crown Prosecution Service for three years and previously held similar positions at the Solicitor's Office of HM Customs and Excise and the Revenue and Customs Prosecutions Office.

In January 2026, Nick Ephgrave announced that he would retire at the start of April 2026. Following a process overseen by the Attorney General's Office, Graham McNulty was appointed as Interim Director on 26 February 2026 and took up the role on 6 April 2026. In this role, he takes on all the Director's responsibilities. Graham joined the SFO in September 2024 and has extensive experience in combatting fraud and economic crime. He spent seven years working on the Metropolitan Police Service's Economic Crime Command before leading the Met's response to fraud and serious and organised crime. From 2016 to 2023 he held the position of Deputy Assistant Commissioner at the Met, leading the local policing portfolio across London's 32 boroughs and then its specialist crime portfolio.

On 20 March 2025, it was announced that Freya Grimwood would take on the role of Interim Chief Operating Officer following Graham McNulty's appointment as Director on an interim basis. Freya joined the SFO in 2023 from the Ministry of Justice, bringing experience from the Attorney General's Office and Foreign, Commonwealth and Development Office. She previously held this role in an interim capacity (then named Chief Capability Officer) between April and September 2024.

Remuneration (including salary) and pension entitlements

This information has been audited.

The following sections provide details of the remuneration and pension interests of the SFO's senior management (i.e. Board members) during the year.

Non-Executive board members' remuneration

Name and title	Salary £000		Benefits in Kind (to nearest £100)		Total £000	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Claire Bassett Non-Executive Director and Chair	25-30	35-40	1,200	-	25-30	35-40
Caroline Firstbrook Non-Executive Director	15-20	5-10 (15-20 FYE)	-	-	15-20	5-10 (15-20 FYE)
Simon McKinnon Non-Executive Director	15-20	5-10 (15-20 FYE)	-	-	15-20	5-10 (15-20 FYE)
James Thomson Non-Executive Director	15-20	20-25	-	-	15-20	20-25

The Non-Executive Directors have been appointed on a three-year renewable contract with their remuneration determined by the number of days required for their duties at a rate per diem plus reimbursement of expenses. None of the current Non-Executive Directors are members of the Civil Service Pension Scheme as a result of their contract with the SFO.

Executive board members' remuneration[11]

	Salary £000		Bonus payment £000		Pension benefits to nearest £1,000[12]		Total £000	
	2025 - 26	2024 - 25	2025 - 26	2024 - 25	2025 - 26	2024 - 25[13]	2025 - 26	2024 - 25
Nick Ephgrave Director	195-200	190-195	-	-	76	74	275-280	265-270
Tanya de Jager CFO	100-105	90-95 (90-95 FYE)	0-5	-	39	36	140-145	125-130
Emma Luxton DirOps	110-115	55-60 (105-110 FYE)	0-5	0-5	44	22	155-160	70-75
Graham McNulty COO	145-150	75-80 (140-145 FYE)	-	-	57	30	200-205	105-110
Matthew Wagstaff DLS	115-120	15-20 (110-115 FYE)	0-5	-	39	5	155-160	20-25

Salary

'Salary' includes: gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

11 Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions 44 Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

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

13 Where prior year figures have been changed this is due to a retrospective update to data.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There were no benefits in kind paid in the current or previous financial year.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year prior to which they become payable to the individual. The bonuses reported in 2025-26 relate to performance in 2024-25, and the comparative bonuses reported for 2024-25 relate to performance in 2023-24.

Fair Pay (subject to audit)

The SFO is required to disclose the relationship between the remuneration of the highest-paid individual and the median remuneration of the SFO's workforce.

	2025-26	2024-25
Highest paid individual (£000)	195-200	190-195
Median total (£)	44,513	43,906
Remuneration ratio	4.5:1	4.4:1

The ratios for 2025-26 are broadly similar to 2024-25 due to staff receiving pay increases in line with the highest paid individual.

Year	25th percentile pay ratio for pay and benefits	25th percentile pay ratio for salary only	Median pay ratio for pay and benefits	Median pay ratio for salary only	75th percentile pay ratio for pay and benefits	75th percentile pay ratio for salary only
2025-26	35,549	35,549	44,513	44,363	61,777	61,750
	5.6:1	6.0:1	4.4:1	4.5:1	3.2:1	3.2:1
2024-25	35,190	35,190	43,906	43,084	60,092	59,661
	5.5:1	5.5:1	4.4:1	4.5:1	3.2:1	3.2:1

	2025-26 Total Salary and allowances	2025-26 Bonus Payments	2024-25 Total Salary and allowances	2024-25 Bonus Payments
Staff average	2.73%	13.67%	3.1%	-62.0%
Highest-paid director	2.60%	0.00%	2.9%	0.0%

In 2025-26, nil (2024-25: nil) employees received remuneration in excess of the highest-paid Board member. The figures include both permanent and non-permanent staff. Remuneration ranged from £20,000 - £25,000 to £195,000 to £200,000 (2024-25: £20,000 – £25,000 to £190,000 - £195,000).

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

Pension Benefits Board Executive Members (subject to audit)

	Accrued pension at pension age as at 31/03/2026 or date of leaving and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/3/26 £000	CETV at 31/3/25[14] £000	Real increase in CETV[15] £000
Nick Ephgrave Director	10-15	2.5-5	185	108	58
Tanya de Jager CFO	20-25	0-2.5	252	218	20
Emma Luxton DirOps	30-35	2.5-5	520	464	31
Graham McNulty COO	5-10	2.5-5	79	26	41
Matthew Wagstaff DLS	55-60 plus a lump sum of 30-35	0-2.5 plus a lump sum of 0	1,190	1,100	24

14 Where prior year figures have been changed this is due to a retrospective update to data.

15 CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2025.

Civil Service Pensions

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

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and five months from their normal pension age on 1 April 2012 switched into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership.

At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

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

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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

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

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

Real increase in CETV

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

Staff

Staff costs (subject to audit)

	2025-26 £000			2024-25 £000
	Permanently employed staff	Others	Total	Total
Wages and salaries	30,275	6,040	36,315	34,664
Social security costs	4,047	-	4,047	3,232
Other pension costs	8,363	-	8,363	7,608
Total net costs	**42,685**	**6,040**	**48,725**	**45,504**

No staff costs have been capitalised in 2025-26 (2024-25: £nil).

£6,040k of contingent labour[16] expenditure was incurred in 2025-26 (2024-25: £6,942k). There is one member of staff on short-term loan and three on long-term loan to other government departments with an average duration of two years. The cost of staff on short-term loans are classified as programme.

For 2025-26, employers' contributions of £8,266k were payable to the PCSPS (2024-25: £7,395k) at one of four rates in the range of 20.0% to 25.5% of pensionable pay, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £126k (2024-25: £123k) were paid to one or more of the panel of appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £nil (2024-25: £nil), were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill-health retirement of these employees. Contributions due to the partnership pension providers at the balance sheet date were £17.4k (2024-25: £14.4k). Contributions prepaid at that date were £nil (2024-25: £nil).

16 Non-Civil Service temporary labour – contractors, agency workers and temps – who will often, but not always, be recruited to undertake work.

High paid off-payroll appointments

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2013, departments must publish information on their high paid and/or senior off-payroll engagements.

For the SFO, these engagements are principally made up of temporary agency ICT staff to undertake specific IT tasks, in addition to some who have been there for longer periods.

Off-payroll Engagements (e.g. contractors, consultants) as at 31 March 2026, for more than £245 per day and that last for longer than six months (not subject to audit)

Number of existing engagements as at 31 March 2026	**5**
of which:	
Number that have existed for less than one year at time of reporting	2
Number that have existed for between one and two years at time of reporting	1
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	1
Number that have existed for four years or more at time of reporting	1

All existing off-payroll engagements have been subject to a risk-based assessment as to whether assurance is required that the individual is paying the correct amount of tax and, where necessary, that assurance has been sought.

Off-payroll temporary off-payroll appointments (e.g. contractors, consultants) engaged between 1 April 2025 and 31 March 2026, for more than £245 per day and that last for longer than six months (not subject to audit).

Number of temporary off-payroll appointments engaged between 1 April 2025 and 31 March 2026	**8**
of which:	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	8
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
No. of engagements reassessed for compliance or assurance purposes during the year	0
Of which: No. of engagements that saw a change to IR35 status following review	0

All Board members, and/or senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026 were on payroll (2024-25: all Board members on payroll).

Reporting of Civil Service and other compensation schemes – exit packages (subject to audit)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
			2025-26	2024-25
<£10,000	-	-	-	-
£10,000 – £25,000	-	-	-	1
£25,000 – £50,000	-	-	-	1
£50,000 – £100,000	-	3	3	1
£100,000 – £150,000	-	-	-	-
£150,000 – £200,000	-	-	-	-
Total Number of exit packages	**-**	**3**	**3**	**3**
Total cost £000	**-**	**219**	**219**	**113**

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

Average number of employees (subject to audit)

The average number of full-time equivalent employees during the year was as follows:

			2025-26	2024-25
Permanently employed staff	Fixed Term Appointments	Agency Staff	Total	Total
557.99	**24.84**	**103.79**	**686.62**	**643.34**

The staff turnover percentage for 2025-26 was 12.57% (2024-25: 12.19%[17]). This has been calculated as the number of leavers within that period divided by the average of staff in post

17 At the time of publication, the 2024–25 year-end figure was based on estimates. The figure presented here reflects the final validated data and, as such, is not directly comparable with that disclosed in the 2024–25 Annual Report.

over the period (headcount) in accordance with the definition for 'Departmental Turnover' (staff leaving the Civil Service or a particular department) provided by the Cabinet Office.

SCS by pay band

The number of SCS staff by pay band in the SFO as at 31 March 2026 was as follows:

	2025-26	2024-25
SCS 3	1	1
SCS 2	3	3
SCS 1	12	12
Total (excluding non-executives)	**16**	**16**

Staff composition

Following the migration to a new enterprise resource planning system, the methods of collecting and storing gender data at the SFO have been reviewed. This work was ongoing as of 31 March 2026, meaning that it is not possible to provide this data at the point of publication. The organisation will continue to submit data to the Cabinet Office throughout the next reporting period.

The SFO's new People Strategy reiterated the organisation's commitment to inclusion, including equality of opportunity and diversity in all its employment practices, policies and procedures. This means that no employee or potential employee will receive less favourable treatment due to their race, sexual orientation, nationality, ethnic origin, disability, religion and belief, gender identity or marital status. We are committed to the employment and career development of people with disabilities. To demonstrate our commitment we display the 'Disability Confident' symbol in all our recruitment literature.

As an accredited Disability Confident Employer we:

- Have undertaken and successfully completed the Disability Confident self-assessment
- Are taking all of the core actions to be a Disability Confident employer
- Are offering at least one activity to get the right people for our business and at least one activity to keep and develop our people

In addition, the SFO operates a guaranteed interview scheme which means that it is committed to interviewing all disabled and veteran applicants who meet the minimum criteria for a job vacancy and to consider them on their abilities. On a case-by-case basis the SFO seeks to make reasonable adjustments to support employees who are, or become, disabled to make sure they stay in employment.

The SFO is committed to providing an environment where everyone is treated with dignity and respect, recognising the differences between people and positively valuing the spectrum of skills and talent of its people. The SFO's Dignity at Work policy emphasises the importance of treating everyone with dignity and respect, irrespective of any of the protected characteristics. The SFO's policy offers guidance on what to do if unacceptable behaviour occurs.

The development and implementation of the SFO's equity, diversity and inclusion action plan is overseen by a Diversity Champion at SCS level.

Staff feedback

The SFO takes engagement with its people seriously. The annual Civil Service People Survey is one of the tools we use to gather feedback and understand what is important to our employees. The survey methodology was amended in 2025, meaning that direct comparison with figures provided in the 2024-25 Annual Report and Accounts may not be possible; trends at a theme level are calculated on existing survey items only.

In 2025-26, the SFO's engagement score was 66%, compared to 64% in 2024-25. There were small increases across eight of the nine themes: 'Organisational objectives and managing change' (one percentage point) 'My manager' (two percentage points), 'My team' (three percentage points), 'Learning and development' (three percentage points), 'Inclusion and fair treatment' (two percentage points), 'Resources and workload' (one percentage point), 'Leadership and managing change' (four percentage points) and 'Pay and benefits' (five percentage points). 'My work' decreased by two percentage points, from 82% to 80%. Six of the nine themes met or exceeded the Civil Service average. The organisation's response rate increased from 61% in 2024-25 to 74% in 2025-26.

The SFO developed organisation-wide and local plans to further strengthen areas of good practice and opportunities for improvement.

Sickness absence

Average Working Days Lost (AWDL) has remained relatively stable at 4.96 days in 2025-26 (4.95 days in 2024-25).

Trade union facility time information

Number of trade union representatives

9

Paid trade union activities

0%

% of time each trade representative spent on trade union duties

0.05%	0.12%	0.51%	0.77%	1.25%	1.39%	2.62%	2.90%	5.29%

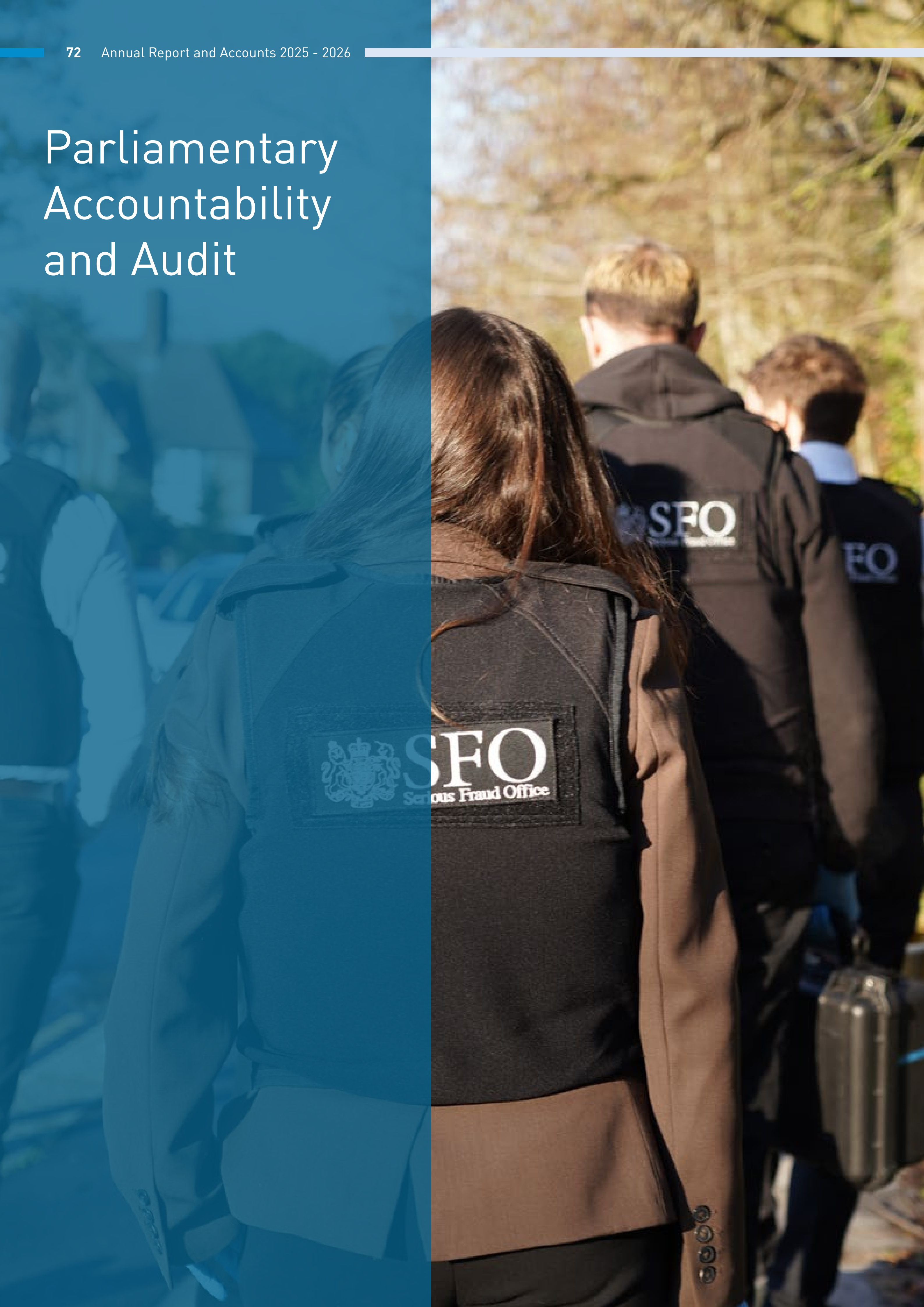
Total paybill

£42,685,000

Total Paybill on facility time

£9,908

Parliamentary Accountability and Audit



Statement of Outturn against Parliamentary Supply (SOPS)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the SFO to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that Parliament gives statutory authority for entities to utilise.

The Estimate details supply and is voted on by Parliament at the start of the financial year.

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

The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

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

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (SOPS 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (SOPS 2); a reconciliation of outturn to net cash requirement (SOPS 3); and, an analysis of income payable to the Consolidated Fund (SOPS 4).

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An explanation of the budgeting framework and of key terms is provided on page 32, in the financial performance section of the Performance Analysis. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in Chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

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

Summary tables - mirrors part 1 of the Estimates

Summary table, 2025-26, all figures presented in £000's

		2025-26 £000							2024-25 £000
		Outturn			Estimate			Voted outturn compared with Estimate: saving/ (excess)	Outturn
	Note	Voted	Non Voted	Total	Voted	Non Voted	Total		Total
Departmental Expenditure Limit									
Resource	1.1	87,906	-	87,906	104,952	-	104,952	17,046	85,058
Capital	1.2	2,184	-	2,184	2,500	-	2,500	316	6,619
Annually Managed Expenditure									
Resource	1.1	(15,566)	-	(15,566)	25,000	-	25,000	40,566	(206,788)
Total Budget		**74,524**	-	**74,524**	**132,452**	-	**132,452**	**57,928**	**(115,111)**
Total Resource		72,340	-	72,340	129,952	-	129,952	57,612	(121,730)
Total Capital		2,184	-	2,184	2,500	-	2,500	316	6,619
Total		**74,524**	-	**74,524**	**132,452**	-	**132,452**	**57,928**	**(115,111)**

Figures in the areas outlined in thick lines cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on gov.uk, for detail on the control limits voted by Parliament.

Net cash requirement

				2025-26 £00	2024-25 £000
	SOPS Note	Outturn	Estimate	Outturn compared with Estimate: saving/ (excess)	Outturn
Net Cash Requirement	3	88,301	114,417	26,116	104,768

Administration costs

			2025-26 £000	2024-25 £000
	Outturn	Estimate	Outturn compared with Estimate: saving/ (excess)	Outturn
Administration Costs	9,355	13,966	4,611	13,256

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote. Explanation of variances between Estimate and Outturn are given in SOPS Note 1.

SOPS1 Outturn detail, by Estimate line

SOPS1.1 Analysis of resource outturn by Estimate line

											2025-26 £000	2024-25 £000
							Outturn		Estimate			Outturn
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Net Total	Virements	Net Total	Net total compared to Estimate		Total
Spending in Departmental Expenditure Limit												
Voted: Investigations and Prosecutions	9,355	-	9,355	79,197	(646)	78,551	**87,906**	-	104,952	17,046		**85,058**
Spending in Annually Managed Expenditure												
Voted: New provision and adjustment to existing provisions	-	-	-	(15,566)	-	(15,566)	**(15,566)**	-	25,000	40,566		**(206,788)**
Total	**9,355**	**-**	**9,355**	**63,631**	**(646)**	**62,985**	**72,340**	**-**	**129,952**	**57,612**		**(121,730)**

Explanation of variation between Estimate and Outturn (net total resources):
There has been an overall underspend against the Estimate.

The underspend on Resource DEL was £17,046k. In line with HMT's consolidated budgeting guidelines, the SFO held a contingency of 5% to meet unforeseen pressures, which has contributed to the underspend. In addition, there were budgeted costs relating to our cases which did not crystallise as planned in the last quarter of the year.

The SFO's AME outturn represents our legal provisions, which by their nature are difficult to predict.

SOPS1.2 Analysis of capital outturn by Estimate line

						2025-26 £000	2024-25 £000
	Outturn			Estimate			Outturn
	Gross	Income	Net	Virements	Net Total	Net total compared to Estimate	Total
Spending in Departmental Expenditure Limit							
Voted: Investigations and Prosecutions	2,184	-	2,184	-	2,500	316	6,619
Total	**2,184**	**-**	**2,184**	**-**	**2,500**	316	**6,619**

Explanation of variance between Estimate and Outturn:
Capital DEL has an underspend of £316k. The underspend is largely due to reprofiling of IT spend relating to the Office move to Cabot Square, and non-capitalisable IT support costs.

SOPS2 Reconciliation of outturn to net operating expenditure

	SOPS Note	2025-26 £000 Outturn	2024-25 £000 Outturn
Total resource outturn in Statement of Parliamentary Supply	1.1	72,340	(121,730)
Less income payable to the Consolidated Fund	4.1	-	(34,762)
Net Operating Cost in Statement of Comprehensive Net Expenditure		**72,340**	**(156,492)**

As noted in the introduction to the SOPS (page 73), outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.

SOPS3 Reconciliation of net resource outturn to net cash requirement

	SOPS Note	Outturn	Estimate	2025-26 £000 Net total outturn compared with Estimate: saving / (excess)	2024-25 £000
Resource Outturn	1.1	**72,340**	**129,952**	**57,612**	**(121,730)**
Capital outturn	1.2	**2,184**	**2,500**	**316**	**6,619**
Accruals to cash adjustments: Adjustments to remove non-cash items:					
Depreciation		(3,746)	(5,035)	(1,289)	(4,015)
New Provisions and adjustments to previous provisions		15,566	(25,000)	(40,566)	(206,788)
(Increase) / Decrease in payables		1,310	12,000	10,690	17,394
Increase / (Decrease) in receivables		(35,898)	-	35,898	2,033
Other non-cash items		34,428	-	(34,428)	156
Leased asset additions and adjustments		2,117	-	(2,117)	2,477
Use of provision		-	-	-	-
Net cash requirement		**88,301**	**114,417**	**26,116**	**104,768**

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement. SOPS4 Income payable to the Consolidated Fund.

SOPS4.1 Analysis of income payable to the Consolidated Fund

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

	2025-26		2024-25	
	Outturn £000		Outturn £000	
	Income	Receipts	Income	Receipts
Income outside ambit of the Estimate	-	-	(34,762)	-
Excess cash surrenderable to the Consolidated Fund				
Total payable to the Consolidated Fund	**-**	**-**	**(34,762)**	**-**

Graham McNulty QPM
Accounting Officer

15 July 2026

Parliamentary accountability disclosures

This information has been audited.

Losses and special payments

HM Treasury's Managing Public Money requires a statement showing losses and special payments by value and by type to be shown where they exceed £300k in total, and those individually that exceed £300k.

Losses
No losses have been incurred in 2025-26. (2024-25, none).

Special payments
No special payments have been incurred in 2025-26. (2024-25, none).

Remote contingent liabilities

There are no remote contingent liabilities for 2025-26. (2024-25, none).

Long-term expenditure trends (not audited)

Like all government departments, the SFO is subject to spending controls set by Parliament and administered by HM Treasury. Forward looking spending plans are set through Spending Reviews, which set the level of resources available to departments over the term of the review.

Specific control totals for the current financial year are then confirmed through Estimates, which are voted on by Parliament. There are two Estimate publications during the financial year: in May the Main Estimate sets the initial budgets for the year, whilst in February the Supplementary Estimate allows for adjustments to be made and confirms the final budgets against which outturn will be measured. If outturn exceeds the controls voted by Parliament, then this results in an Excess Vote. For details of the final outturn for the year see the Statement of Parliamentary Supply on page 74.

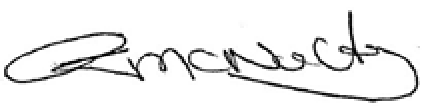
Table 1 – Public Spending

	Actual					Plans			
	2021 -22 £000	2022 -23 £000	2023 -24 £000	2024 -25 £000	2025 -26 £000	2026 -27 £000	2027 -28 £000	2028 -29 £000	2029 -30 £000
Resource DEL	68,050	69,573	85,813	81,043	**87,906**	**113,979**	**92,973**	**97,648**	**-**
Resource AME	(478)	6,252	235,485	(202,773)	**(15,566)**	**4,837**	**4,357**	**4,628**	**-**
Total Resource	**67,572**	**75,825**	**321,298**	**(121,730)**	**72,340**	**118,816**	**97,330**	**102,276**	**-**
Capital DEL	**2,595**	**3,752**	**1,750**	**6,619**	**2,184**	**37,100**	**2,000**	**2,200**	**3,300**

The Resource Departmental Expenditure Limit (DEL) funding is to cover the costs of the SFO incurred in investigating and, where appropriate, prosecuting cases of serious or complex fraud, bribery and corruption. Ring fenced DEL is non cash funding to cover the anticipated costs of depreciation of non-current assets financed via Capital DEL.

In addition to the above the SFO currently has access to HM Treasury Reserve funding to finance the costs of investigating very large and complex cases. This financing is agreed with HM Treasury on a case by case and year by year basis.

The Capital DEL Funding is to enable the SFO to invest in improving and developing its IT infrastructure to meet its operational needs and keep pace with technological developments.



Graham McNulty QPM
Accounting Officer

15 July 2026

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Serious Fraud Office for the year ended 31 March 2026 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Serious Fraud Office'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 Serious Fraud Office'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 Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

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

Basis for opinions

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

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Serious Fraud Office 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 Serious Fraud Office's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Department'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 Serious Fraud Office 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 thereon. The Accounting Officer is responsible for the other information.

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

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

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

- adequate accounting records have not been kept by the Serious Fraud Office 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 Serious Fraud Office 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 HM Treasury directions issued under the Government Resources and Accounts Act 2000;

- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Serious Fraud Office'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 Serious Fraud Office will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Identifying and assessing potential risks related to noncompliance with laws and regulations, including fraud

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

- considered the nature of the sector, control environment and operational performance including the design of the Serious Fraud Office's accounting policies;
- inquired of management, the Serious Fraud Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Serious Fraud Office'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 noncompliance with laws and regulations including the Serious Fraud Office's controls relating to the Serious Fraud Office's compliance with the Government Resources and Accounts Act 2000,

Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2025;

- inquired of management, the Serious Fraud Office's head of internal audit and those charged with governance whether:
  - they were aware of any instances of noncompliance 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 Serious Fraud Office 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 Serious Fraud Office's framework of authority and other legal and regulatory frameworks in which the Serious Fraud Office 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 Serious Fraud Office. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2025, Criminal Justice Act 1987, the Prosecution of Offences Act 1985, the Criminal Procedure and Investigations Act 1996, employment law, and pensions legislation.

Audit response to identified risk

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

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

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

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

Other auditor's responsibilities

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

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

15 July 2026

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	2025-26 £000	2024-25 £000
Income			
Cost awards and other income	4	646	371
Consolidated fund extra receipts	4	-	34,762
Total operating income		**646**	**35,133**
Expenditure			
Staff costs	2	48,725	45,504
Purchase of goods and services	3	33,969	33,707
Accommodation	3	2,022	2,128
Depreciation and impairment charges	3	3,746	4,015
Increase/(decrease) in provision	3	(15,566)	(206,794)
Other operating expenditure	3	90	81
Total		**72,986**	**(121,359)**
Net (income)/expenditure		**72,340**	**(156,492)**

No other comprehensive expenditure has been incurred. The notes on page 94-109 form part of these accounts.

Statement of Financial Position

As at 31 March 2026

	Note	2025-26 £000	2024-25 £000
Non-Current Assets:			
Property, plant and equipment	5	3,681	3,722
Intangible assets	6	1,507	1,059
Trade and other receivables	11	6	6
Right-of-use asset	14	967	2,816
Total non-current assets		**6,161**	**7,603**
Current Assets:			
Trade receivables and other current assets	11	4,687	40,584
Cash and cash equivalents	10	303	11,632
Total current assets		**4,990**	**52,216**
Total assets		**11,151**	**59,819**
Current liabilities:			
Trade payables and other current liabilities	12	(11,314)	(58,471)
Provisions	13	(15,806)	(31,372)
Lease liability	14	(928)	(1,869)
Total current liabilities		**(28,048)**	**(91,712)**
Non-current assets plus/less net current assets/liabilities		**(16,897)**	**(31,893)**
Non-current liabilities			
Lease liability	14	(45)	(1,100)
Total non-current liabilities		**(45)**	**(1,100)**
Assets less liabilities		**(16,942)**	**(32,993)**
Taxpayers' equity:			
General fund		(16,942)	(32,993)
Revaluation reserve		-	-
Total taxpayers equity		**(16,942)**	**(32,993)**

The notes on pages 94-109 form part of these accounts.

Graham McNulty QPM,
Accounting Officer,
15 July 2026

Statement of Cash Flows

For the year ended 31 March 2026

	Note	2025-26 £000	2024-25 £000
Cash flows from operating activities			
Net operating cost		(72,340)	156,492
Adjustments for non-cash transactions	3	(11,850)	(202,906)
(Increase)/Decrease in trade and other receivables	11	35,898	(36,795)
less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure			
Increase/(Decrease) in trade payables		(47,157)	10,370
less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		45,847	(27,764)
Use of provisions		-	-
Net cash outflow from operating activities		**(49,602)**	**(100,603)**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(1,175)	(1,560)
Purchase of intangible assets	6	(1,162)	(664)
Net cash outflow from investing activities		**(2,337)**	**(2,224)**
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		76,972	96,067
Repayment of principal on lease		(1,964)	(1,918)
Finance cost on leases		120	221
Net financing		**75,128**	**94,370**
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**23,189**	**(8,457)**

	Note	2025-26 £000	2024-25 £000
Payments of amounts due to the Consolidated Fund		(34,518)	(244)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**(11,329)**	**(8,701)**
Cash and cash equivalents at the beginning of the period	10	**11,632**	**20,333**
Cash and cash equivalents at the end of the period	10	**303**	**11,632**

The notes on pages 94-109 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2026

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2024		**(257,734)**	**111**	**(257,623)**
Net Parliamentary Funding		96,065	-	96,065
Net Parliamentary Funding – deemed		18,386	-	18,386
Supply (payable)/receivable adjustment	12	(11,632)	-	(11,632)
CFERS payable to the Consolidated Fund	4	(34,762)	-	(34,762)
Net operating expenditure		156,492	-	156,492
Non-Cash Adjustments				
Non-cash charges - auditor's remuneration	3	81	-	81
Movement in Reserves Transfer between reserves		111	(111)	
Balance at 31 March 2025		**(32,993)**	**-**	**(32,993)**
Net Parliamentary Funding - drawn down		76,972	-	76,972
Net Parliamentary Funding – deemed		11,632	-	11,632
Supply (payable)/receivable adjustment	12	(303)	-	(303)
CFERS payable to the Consolidated Fund	4	-	-	-
Net operating expenditure		(72,340)	-	(72,340)
Non-Cash Adjustments				
Non-cash charges - auditor's remuneration	3	90	-	90
Movement in Reserves Transfer between reserves		-	-	
Balance at 31 March 2026		**(16,942)**	**-**	**(16,942)**

The notes on pages 94-109 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2025-26 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the SFO for the purpose of giving a true and fair view has been selected. The particular policies adopted by the SFO are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

Accounting convention
These accounts have been prepared under the historical cost convention and where material modified to account for the revaluation of property, plant and equipment and intangible assets at their value to the business by reference to their current costs.

Going Concern
These accounts have been prepared on a going concern basis. Further information is included on page 17.

Financial instruments
Financial assets and financial liabilities are recognised in the Statement of Financial Position when the SFO becomes a party to the contractual provisions of the instrument. The Department is subject to a limited range of financial instruments as its cash requirements are met through the Estimates process, and it is not exposed to significant credit, liquidity or market risk.

Trade receivables
Trade and other receivables are non-interest bearing and stated at fair value. Provision is made where there is evidence that the balances will not be recovered in full. Note 11 on page 105 sets out the closing receivable values at 31 March.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand, and short-term highly-liquid deposits with a maturity period of three months or less. Note 10 on page 105 sets out the closing cash balances held by the SFO.

Trade payables
Trade payables are not interest bearing and are stated at their fair value. Note 12 on page 106 sets out the closing payable values at 31 March.

Property, plant and equipment and intangible assets
The Department does not own any freehold land or buildings. Property, plant and equipment assets are included in the Statement of Financial Position at their fair values. Intangible assets are measured using the cost model and stated at historical cost less accumulated amortisation and any accumulated impairment losses. This reflects the mandatory withdrawal of the revaluation model option under the FReM. As the Department has historically measured intangible assets at cost, this policy clarification does not impact

the carrying values of these assets on transition. Expenditure on property, plant and equipment and intangible assets is capitalised when that expenditure, on an individual basis, is £2,000 or more. For IT expenditure the £2,000 threshold is applied to assets on a grouped basis. Development expenditure represents internally generated assets under construction. Property, plant and equipment and intangible assets are subject to consideration for an annual impairment review if there are any indicators of such impairments arising. Notes 5.1 page 101 and 6.1 page 103 detail the closing position at 31 March.

Revaluation reserve
The Revaluation Reserve applies solely to property, plant and equipment assets. The unrealised element of the Revaluation Reserve is disclosed in the Statement of Financial Position. Realised elements are transferred from the reserve to the General Fund. Downward revaluations are charged to the existing balance brought forward for that particular asset. If there is no previous balance, the charge is expensed in-year and disclosed in the Statement of Comprehensive Net Expenditure.

Depreciation and amortisation
Depreciation and amortisation are provided monthly on a straight line basis at rates calculated to write off the valuation of property, plant and equipment and intangible assets, less the estimated residual value, over their estimated useful lives. Depreciation and amortisation are provided from the month of acquisition up to and including the month of disposal.

The useful lives, residual values and depreciation and amortisation methods are reviewed annually with any revisions to those estimates accounted for retrospectively.

The respective useful lives are as follows:

Property, plant and equipment	
Improvements to leasehold property	Over the unexpired term of the lease
Information technology	5 years
Furniture and fittings	5-10 years
Right of use assets	Over the unexpired term of the lease

Intangible assets	
Software licenses	Over the term of the software license
Information technology	5 years or over the unexpired term of the software license (whichever is the shorter)
Website	5 years

Development expenditure is not amortised until the assets are brought into use, at which point amortisation is applied in accordance with the asset category to which the asset is transferred on coming into use.

Costs awarded to the SFO
Costs may be awarded to the SFO as prosecutor under Section 18 of the Prosecution of Offences Act 1985 following a successful prosecution, or as a result of subsequent appeal proceedings. Where costs are awarded, they may subsequently be revoked or reduced as a result of a successful appeal by the defendant. The court may order that they are not to be recovered without leave of the court, defer

recovery until a future date, or subsequently vary the amount and/or timing of recovery or waive it altogether. Responsibility for the recovery of costs awarded rests with the appropriate magistrates' court. The SFO has no powers to recover costs awarded to it.

Where costs are awarded, they are shown as receivables on the Statement of Financial Position. Where they may not be recovered without leave of the court, full provision is made against them until leave is obtained. In other cases, the SFO makes a judgement on the likelihood of costs being recovered based on the circumstances of each case, and may make provisions accordingly. In practice, full provision is made one year after the debt becomes due except where the defendant is making regular payments to the SFO. Where costs are subject to appeal proceedings, full provision is made against them until all proceedings are finally determined. Subsequent treatment of these receivables and provisions will depend on the outcome of the proceedings.

Costs awarded to the SFO are written off after a period of five years unless there are compelling reasons to believe that payment will be received.

Costs awarded against the SFO

Any costs awarded against the SFO are included under prosecution costs for the year in which the awards are made unless awarded against the SFO due to inadequacy on the part of the SFO. In such cases costs awarded against the SFO are included within the losses and special payments note on page 80 as part of the Parliamentary Accountability and Audit section.

Asset Recovery Incentivisation Scheme

SFO receipts from the Asset Recovery Incentivisation Scheme (ARIS) for Civil Recovery and Confiscation Orders are recognised at the point that settlement is confirmed by the Courts and the Home Office agrees the allocation. The SFO may retain receipts up to the value of its ambit as determined in the Main Estimate. The Supply Estimates process currently authorises the SFO to retain income up to a cumulative total of £1.8m each year. Any ARIS receipts above this value, are paid to the Consolidated Fund as a Consolidated Fund Extra Receipt (CFER) and recorded as such in the Statement of Parliamentary Supply note 4.1 on page 79.

Other income

Any amounts relating to income not covered above is recognised at the point of payment and includes both budgetary and non-budgetary income. Non-budgetary income is outside the ambit of the Department and is surrenderable to the Consolidated Fund as a CFER and recorded as such in the Statement of Parliamentary Supply note 4.1 on page 79.

Foreign exchange

The presentational currency used for the financial statements is sterling. Transactions which are denominated in a foreign currency are translated at the rate of exchange ruling on the date of the transaction, except where rates do not fluctuate significantly, in which case an average rate for the period is used.

Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new scheme, alpha, was introduced with transition arrangements in place for staff who were members of the prior scheme the Principal Civil Service Pension Scheme (PCSPS). Both alpha and PCSPS schemes are unfunded and are non- contributory except in respect of dependants' benefits. The Department recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the schemes of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on alpha and the PCSPS.

Provisions – Legal, Leasehold and Other
The Department provides for legal and constructive obligations, which are of uncertain timing or amount, at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the HM Treasury discount rate. Note 13 on page 106 sets out the current value of provisions at the SFO.

Value Added Tax (VAT)
Most of the activities of the Department are outside the scope of VAT, and in general output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment and intangible assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Third party assets
The Department may seize monetary assets. If the Department retains any monetary assets, it invests the sums in an interest-bearing account. The principal and the interest earned are held on behalf of the third party and are not a part of the Department's accounts, details of sums held are disclosed in note 16 on page 109.

Contingent liabilities
In addition to contingent liabilities disclosed in accordance with IAS 37, the Department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

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

Operating segments
The Department does not have any operating segments to report.

Right of use assets
Right-of-use assets are depreciated on a straight line basis over the associated lease term, or estimated useful life where this is shorter. Impairment losses are charged in the same way as those arising on property, plant and equipment.

As permitted by the FReM, right-of-use assets are subsequently measured using the cost model as a proxy for the measurement of the cost value in use. This is because lease terms require lease payments to be updated for market conditions, for example, rent reviews for leased properties, which will be captured in the IFRS 16 cost measurement provisions.

Right-of-use assets also have shorter useful lives and values than their respective underlying assets and, as such, cost can be used as a proxy for assets with shorter economic lives or lower values in accordance with the FReM.

Leases

The SFO adopted IFRS 16, as interpreted and adapted in the FReM, with effect from 1 April 2022.

Where a lease has been identified, the SFO recognises a right-of-use asset and a corresponding lease liability, except for short term leases and leases for which the underlying asset is of low value. For such leases, the lease payments are recognised as an expense on a straight line basis over the lease term.

The SFO has not set a specific threshold for identifying assets that are of low value, and applies the guidance in IFRS 16 on a case by case basis.

Where the interest rate implicit in a lease cannot be readily determined, the SFO calculates the lease liability using the HM Treasury discount rates promulgated in PES papers as the incremental borrowing rate. For leases that commence or are re-measured in the 2026 calendar year, this rate is 5.32%.

IFRS 16 Leases

IFRS 16 "Leases" introduces a single lessee accounting model, removing the distinction between operating and finance leases and requiring a lessee to recognise 'right of use' assets and liabilities for all leases (apart from the exemptions included below). For government bodies reporting under the FReM, IFRS 16 was implemented on 1 April 2022 and replaces IAS 17 (Leases).

The SFO leasing activities relate to being a lessee in respect of buildings occupied for operational purposes.

1.2 Application of newly issued accounting standards not yet effective

IFRS 17 Insurance Contracts, which replaces IFRS 4, was issued in May 2017 and applies to the public sector for annual reporting periods beginning on or after 1 January 2025. An assessment has been made and this standard will have no impact on SFO's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements was issued in April 2024 and replaces IAS 1. It is effective for annual reporting periods beginning on or after 1 January 2027, subject to HM Treasury public sector adaptation and FReM adoption. The standard changes the presentation of the Statement of Comprehensive Net Expenditure and disclosure of operating expenses but does not impact recognition or measurement. The SFO will assess the presentation changes closer to the implementation date; however, no material impact on the department's net financial position is expected.

IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024 with an effective date of 1 January 2027. This standard permits reduced disclosures for eligible subsidiaries. As the SFO does not have any subsidiary entities, this standard is not applicable to the department's financial statements.

1.3 Significant judgements and estimates

Provisions (note 13) - The recognition and valuation of provisions relies on the application of professional judgement, historical experience, and other factors expected to influence future events. A provision is recognised where, on the balance of probability, we expect to have to settle an existing liability as a result of past event(s) at some point after 31 March 2026, and where we can make a reasonable estimate of that future liability, but where the timing or exact amount are uncertain. The liability may be a legal obligation or a constructive obligation. A constructive obligation arises from the entity's actions, through which it has indicated to others that it will accept certain responsibilities, and as a result has created an expectation that it will discharge those responsibilities.

2. Staff costs

			2025-26 £000	2024-25 £000
	Permanently employed staff	**Others**	**Total**	**Total**
Wages and salaries	30,275	6,040	36,315	34,664
Social security costs	4,047	-	4,047	3,232
Other pension costs	8,363	-	8,363	7,608
Total net costs	**42,685**	**6,040**	**48,725**	**45,504**

£nil of other staff costs have been capitalised and are not included in the figures above (2024-25: £nil).

3. Operating costs

	Note	2025-26 £000	2024-25 £000
Purchase of goods and services:			
Counsel costs		8,874	7,618
IT costs		4,710	3,559
General administration		11,675	9,409
Rentals under operating leases		22	28
Costs awarded against the SFO		124	-
Accommodation costs		2,000	2,100
Other case costs		8,274	12,826
Travel and subsistence		288	235
Consultancy		24	60
Write off of asset expense		-	-
		35,991	**35,835**
Non-cash items:			
Depreciation		1,216	953
Amortisation		714	1,023
Lease depreciation		1,696	1,818
Lease interest		120	221
Increase/(decrease) in provision		(15,566)	(206,794)
Loss on disposal of property, plant and equipment		-	-
External Auditors' remuneration		90	81
		(11,730)	**(202,698)**
Total		**24,261**	**(166,863)**

4. Income

	2025-26 £000	2024-25 £000
Costs awards	646	371
Total income within the ambit	**646**	**371**
Payable to the Consolidated Fund Consolidated Fund Extra Receipts	-	34,762
Total income	**646**	**35,133**

5. Property, plant and equipment

5.1 Property, plant and equipment 2025-26
All assets are owned.

	Improvements to Leasehold Property £000	Information Technology £000	Furniture & Fittings £000	Total £000
Cost or valuation				
At 1 April 2025	1,199	7,451	210	**8,860**
Additions	-	1,160	15	**1,175**
Disposals	-	(625)	(21)	**(646)**
At 31 March 2026	**1,199**	**7,986**	**204**	**9,389**
Depreciation				
At 1 April 2025	1,199	3,835	104	**5,138**
Charged in year	-	1,201	15	**1,216**
Disposals	-	(625)	(21)	**(646)**
At 31 March 2026	**1,199**	**4,411**	**98**	**5,708**
Net book value at 31 March 2026	**-**	**3,575**	**106**	**3,681**
Net book value at 31 March 2025	**-**	**3,616**	**106**	**3,722**

Reconciliation of cash flows to property, plant and equipment additions

	2025-26 £000	2024-25 £000
Total property, plant and equipment additions	1,175	1,560
Cash flows for property, plant and equipment additions	**1,175**	**1,560**

5.2 Property, plant and equipment 2024-25

	Improvements to Leasehold Property £000	Information Technology £000	Furniture & Fittings £000	Total £000
Cost or valuation				
At 1 April 2024	1,820	8,746	210	**10,776**
Additions		1,560	-	**1,560**
Disposals	(621)	(2,855)	-	**(3,476)**
At 31 March 2025	**1,199**	**7,451**	**210**	**8,860**
Depreciation				
At 1 April 2024	1,820	5,739	84	**7,643**
Charged in year		938	20	**958**
Disposals	(621)	(2,842)	-	**(3,463)**
At 31 March 2025	**1,199**	**3,835**	**104**	**5,138**
Net book value at 31 March 2025	**-**	**3,616**	**106**	**3,722**
Net book value at 31 March 2024		**3,007**	**126**	**3,133**

6. Intangible assets

6.1 Intangible assets 2025-26

	Information Technology £000	Software Licenses £000	Website Costs £000	Development Expenditure £000	Total £000
Cost or valuation					
At 1 April 2025	89	5,976	-	-	**6,065**
Additions	-	1,162	-	-	**1,162**
Disposals	(62)	(3)	-	-	**(65)**
At 31 March 2026	**27**	**7,135**	**-**	**-**	**7,162**
Amortisation					
At 1 April 2025	89	4,917	-	-	**5,006**
Charged in year	-	714	-	-	**714**
Disposals	(62)	(3)	-	-	**(65)**
At 31 March 2026	**27**	**5,628**	**-**	**-**	**5,655**
Net book value at 31 March 2026	**-**	**1,507**	**-**	**-**	**1,507**
Net book value at 31 March 2025	**-**	**1059**	**-**	**-**	**1059**

Reconciliation of cash flows to intangible asset additions

	2025-26 £000	2024-25 £000
Total intangible asset additions	1,162	664
Cash flows for intangible assets additions	**1,162**	**664**

6.2 Intangible assets 2024-25

	Information Technology £000	Software Licenses £000	Website Costs £000	Development Expenditure £000	Total £000
Cost or valuation					
At 1 April 2024	3,600	5,706	169	-	**9,475**
Additions		664		-	**664**
Disposals	(3,511)	(394)	(169)	-	**(4,074)**
At 31 March 2025	**89**	**5,976**	**-**	**-**	**6,065**
Amortisation					
At 1 April 2024	3,600	4,288	169	-	**8,057**
Charged in year		1,023	-	-	**1,023**
Disposals	(3,511)	(394)	(169)	-	**(4,074)**
At 31 March 2025	**89**	**4,917**	**-**	**-**	**5,006**
Net book value at 31 March 2025	**-**	**1,059**	**-**	**-**	**1,059**
Net book value at 31 March 2024	**-**	**1,418**	**-**	**-**	**1,418**

7. Capital commitments and other commitments

7.1 Capital commitments

Capital commitments at 31 March 2026 totalled £nil (2024-25: £nil).

8. Other financial commitments

The Department has not entered into any non-cancellable contracts which are not leases, PFI contracts or other service concession arrangements. (In 2024-25 there were nil).

9. Financial instruments

As the cash requirements of the Department are met through the Estimates process, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the expected purchase and usage requirements and the Department is therefore not exposed to significant credit, liquidity or market risk.

10. Cash and cash equivalents

	2025-26 £000	2024-25 £000
Balance at 1 April 2025	11,632	20,333
Net change in cash and cash equivalent balances	(11,329)	(8,701)
Balance at 31 March 2026	**303**	**11,632**
The following balances at 31 March were held at:		
Government Banking Service	303	11,632
Balance at 31 March 2026	**303**	**11,632**

11. Trade receivables and other current assets

11(a) Due within one year

	2025-26 £000	2024-25 £000
Amounts falling due within one year:		
VAT receivable	76	171
Deposits and advances	6	4
Other receivables	25	-
Prepayments and accrued income	2,516	3,826
Costs awarded to the SFO	2,099	2,100
Provision for bad and doubtful debt	(35)	(35)
Consolidated Fund extra receipts	-	34,518
	4,687	**40,584**

11(b) Due after more than one year

	2025-26 £000	2024-25 £000
Amounts falling due after more than one year: Costs awarded to the SFO	6	6
	6	6

12. Trade payables and other current liabilities

	2025-26 £000	2024-25 £000
Amounts falling due within one year:		
Taxation and social security	934	786
Trade payables	1,812	-
Accruals and deferred income	5,414	8,799
Payable to other government departments	-	-
Pension providers	904	789
Amounts issued from the Consolidated Fund for supply but not spent at year end	303	11,632
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund:		
Received	-	-
Receivable	1,947	36,465
	11,314	**58,471**

13. Provisions for liabilities and charges

	Legal costs £000	Leasehold property dilapidations £000	2025-26 £000	2024-25 £000
Balance at 1 April 2025	30,916	456	**31,372**	**238,160**
Provided in the year	-	-	**-**	**6**
Provisions not required written back	(15,566)	-	**(15,566)**	**(206,794)**
Provisions utilised in the year	-	-	**-**	**-**
Balance at 31 March 2026	**15,350**	**456**	**15,806**	**31,372**
Amounts falling due within one year	15,350	456	**15,806**	**31,372**
Amounts falling due after one year	-	-	**-**	**-**
Total	**15,350**	**456**	**15,806**	**31,372**

13.1 Leasehold property dilapidations

This provision is for the estimated costs of restoring the Cockspur Street property to a state specified within the property lease when the SFO's occupation of the building ends.

13.2 Legal claims

The Court had previously determined that the SFO was liable for a share of losses incurred by ENRC, arising from the SFO's criminal investigation. The Court of Appeal subsequently broadened the scope of permissible losses to include those costs incurred by ENRC subsidiaries.

A further hearing was held between April and May 2026 to determine the quantum of recoverable losses in the period April 2013 onwards and the extent to which those losses should be apportioned between the SFO and the other defendants.

The provision reflects management's best estimate of the liability payable by SFO. However, as the matter remains subject to ongoing legal proceedings and continuing discussions between the parties, some uncertainty exists regarding the quantum and apportionment of the SFO's contribution.

14. Leases

14.1 Disclosures around right-of-use assets

2025-26	Buildings £000	Other £000	Total £000
Right-of-use assets			
Right of use assets at 1 April 2023	1,730	299	**2,029**
Recognised in year	-	-	**-**
Depreciation expense	(1,730)	(60)	**(1,790)**
Balance as at 31 March 2024	-	239	**239**
Recognised in year	4,395	-	**4,395**
Depreciation expense	(1,758)	(60)	**(1,818)**
Balance as at 31 March 2025	2,637	179	**2,816**
Recognised in year	-	-	**-**
Other adjustment	(153)	-	**(153)**
Depreciation expense	(1,636)	(60)	**(1,696)**
Balance as at 31 March 2026	**848**	**119**	**967**

14.2 Disclosures around lease liabilities of right-of-use assets

	2025-26 £000	2024-25 £000
Buildings		
Not later than 1 year	(920)	(1,928)
Later than 1 year and not later than 5 years	-	(1,011)
Less interest element	41	179
Present Value of obligations	**(879)**	**(2,760)**
Other:		
Not later than 1 year	(53)	(81)
Later than 1 and not later than 5 years	(45)	(142)
Less interest element	4	14
Present Value of obligations	**(94)**	**(209)**
Total Present Capitalise: Value of obligations	**(973)**	**(2,969)**
Current portion	(928)	(1,869)
Non-current portion	(45)	(1,100)
Balance as at 31 March 2025	**(973)**	**(2,969)**

Property lease commitments relate to office space and offsite IT hosting for business continuity purposes:

- Buildings: 2-4 Cockspur Street to 31 March 2025
- Other: Spring Park, Corsham and Farnborough to 31 March 2028

14.3 Quantitative disclosures around cash outflow for leases

	2025-26 £000	2024-25 £000
Total cash outflow for leases	**1,964**	**1,918**

15. Related-party transactions

The SFO has had a small number of transactions with other government departments. No Board member, key manager or other related party has undertaken any material transactions with the Department during the year.

16. Third party assets

The SFO manages a small number of sterling interest-bearing accounts containing seized monies. These are not SFO assets but are held as part of the SFO's law enforcement activities and, as such, do not form part of these accounts. Once legal proceedings have been completed, any seized cash is forfeited to the Home Office, confiscated by the court or, if the defendant is found not guilty, returned.

The assets held at the reporting date to which it was practical to ascribe monetary values comprised monetary assets such as bank balances and monies on deposit. The balance held at 31 March 2026 was £152,585.56 (2024-25: £224,865.82).

17. Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

There have been no events after the reporting period requiring disclosure.

Trust Statement

Accounting Officer's Foreword

Scope

This Trust Statement reports on receipts arising from Deferred Prosecution Agreements concluded by the SFO during the financial year. These sums are paid in total into HM Treasury's Consolidated Fund. The SFO does not obtain any receipts from these agreements.

Deferred Prosecution Agreements are a means of disposing of cases involving corporate defendants and arise from the operational activity of the Serious Fraud Office, the costs of which are accounted for in the separate financial statements contained in this Annual Report.

Statutory background

Deferred Prosecution Agreements were introduced on 24 February 2014, under the provisions of Schedule 17 of the Crime and Courts Act 2013. A Deferred Prosecution Agreement (DPA) is an agreement reached between a prosecutor and an organisation which could be prosecuted, under the supervision of a judge. They are available to the SFO and there is a Code of Practice for Prosecutors which was published jointly by the SFO and Crown Prosecution Service on 14 February 2014 after a public consultation.

A DPA allows a prosecution to be suspended for a defined period provided the organisation meets certain specified conditions. DPAs can be used for fraud, bribery and other economic crime. They apply to organisations only, never individuals.

The key features of DPAs are:

- They enable a corporate body to make full reparation for criminal behaviour without the collateral damage of a conviction (for example, sanctions or reputational damage that could put the company out of business and destroy the jobs and investments of innocent people)
- They are concluded under the supervision of a judge, who must be convinced that the DPA is 'in the interests of justice' and that the terms are 'fair, reasonable and proportionate'
- They avoid lengthy and costly trials
- They are transparent, public events

Under a DPA, a prosecutor charges a company with a criminal offence but proceedings are automatically suspended if the DPA is approved by the judge. A company would only be invited to enter DPA negotiations if there was full cooperation with an SFO investigation.

If the negotiations go ahead, the company agrees to a number of terms, including paying a financial penalty, paying compensation, paying the costs of the SFO and co-operating with future prosecutions of individuals. If the company does not honour the conditions, the prosecution may resume. Arrangements for monitoring compliance with the conditions are set out in the terms of the DPA. Once all the terms of the DPA have been met at the conclusion of the time period of the DPA, the court is notified and DPA is agreed as concluded.

Financial background

The receipts from DPAs relating to financial penalties and compensation are not retained by the SFO and are payable to HM Treasury's Consolidated Fund. Where the terms of the DPA include payment of the SFO's investigation costs in cases funded from the Reserve, the applicable portion of those costs is also payable to the Consolidated Fund and included in this Trust Statement.

In cases which are funded from the SFO's core vote, any relevant costs awards are retained by the SFO and accounted for as income in the accompanying separate financial statements for that vote. Costs in excess of SFO limits for retained income that arise from a DPA are also included in this Trust Statement.

No material expenditure was incurred in the process of collecting and processing these receipts.

Business review

No DPAs were entered into during 2025-26.

Results and appropriations

The net revenue for the Consolidated Fund for the year was £nil (2024-25: £nil). Total transfers to the Consolidated Fund from the Trust amounted to £nil (2024-25: £nil), which left a balance due to the Consolidated Fund of £nil at 31 March 2026 (2024-25: £nil). Cash balances at the year-end were £nil (2024-25: £nil).

Graham McNulty QPM
Interim Director

15 July 2026

Statement of the Accounting Officer's Responsibilities

Under Section 2(3) of the Exchequer and Audit Departments Act 1921 HM Treasury has directed the SFO to prepare, for each financial year, a Trust Statement in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Trust Statement and of its: Statement of revenue, other income and expenditure; Statement of financial position; and Statement of cash flows for the financial year.

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

- Observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards, as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Trust Statement; and
- Prepare the Trust Statement on a going concern basis

HM Treasury has appointed the Director of the SFO as Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the SFO's assets, are set out in Managing Public Money published by the HM Treasury.

Accounting Officer's confirmation

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

The annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Graham McNulty QPM
Interim Director

15 July 2026

Performance Report and Accountability Report

The Department's Performance Report covering both the Department and the Trust Statement is shown on page 5.

The Department's Accountability Report covering both the Department and the Trust Statement is shown on page 80.

Governance Statement

The Department's governance statement covering both the Department and the Trust Statement is shown on page 46.

The Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I have audited the financial statements of the Serious Fraud Office Trust Statement for the year ended 31 March 2026 under the Exchequer and Audit Departments Act 1921.

The financial statements comprise: the Serious Fraud Office Trust Statement's:

- Statement of Financial Position as at 31 March 2026;
- Statement of Revenue, Other Income and Expenditure, and Statement of Cash Flows 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 Serious Fraud Office's Trust Statement's affairs as at 31 March 2026 and its net expenditure for the Consolidated Fund for the year then ended; and
- have been properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Serious Fraud Office Trust Statement 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 Serious Fraud Office Trust Statement'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 Serious Fraud Office Trust Statement'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 Serious Fraud Office Trust Statement 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 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 report, 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.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Exchequer and Audit Departments Act 1921.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Exchequer and Audit Departments Act 1921;
- 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 Serious Fraud Office Trust Statement and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- adequate accounting records have not been kept by the Serious Fraud Office Trust Statement 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 Serious Fraud Office Trust Statement from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Exchequer and Audit Departments Act 1921;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Exchequer and Audit Departments Act 1921; and
- assessing the Serious Fraud Office Trust Statement'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 Serious Fraud Office Trust Statement 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 Exchequer and Audit Departments Act 1921.

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 report 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 Serious Fraud Office Trust Statement's accounting policies;
- inquired of management, the Serious Fraud Office Trust Statement's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Serious Fraud Office Trust Statement'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 Serious Fraud Office Trust Statement's controls relating to the Serious Fraud Office Trust Statement's compliance with the Exchequer and Audit Departments Act 1921 and Managing Public Money.
- inquired of management, the Serious Fraud Office Trust Statement's head of internal audit and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations;
    - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team 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 Serious Fraud Office Trust Statement 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 Serious Fraud Office Trust Statement's framework of authority and other legal and regulatory frameworks in which the Serious Fraud Office Trust Statement 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 Serious Fraud Office Trust Statement. The key laws and regulations I considered in this context included Exchequer and Audit Departments Act 1921, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2025, and the Crime and Courts Act 2013.

Audit response to identified risk

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

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

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

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

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.

Gareth Davies
Comptroller and Auditor General

15 July 2026

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

Statement of Revenue, Other Income and Expenditure

For the year ended 31 March 2026

	Note	2025-26 £000	2024-25 £000
Revenue			
Deferred Prosecution Agreements:			
Financial penalties		-	-
Interest income		-	-
Compensation		-	-
Total		**-**	**-**
Other income			
DPA costs payable to the Consolidated Fund		-	-
Compensation		-	-
(Gain)/loss on DPA		-	-
Total revenue		**-**	**-**
Expenditure			
Impairment Loss		(310)	2,070
Total operating expenditure		**(310)**	**2,070**
Net expenditure for the Consolidated Fund		**(310)**	**2,070**

Graham McNulty QPM
Interim Director

15 July 2026

The notes on pages 124-126 form part of these accounts.

Statement of Financial Position

As at 31 March 2026

	Note		2025-26 £000		2024-25 £000
Current Assets:					
Trade and other receivables	2(a)	-		-	
Impaired receivables	2(a)	2,070		2,070	
Provision for doubtful debts	2(a)	(1,760)		(2,070)	
Total current assets			**310**		**-**
Total assets			**310**		**-**
Current liabilities:			**-**		
Trade payables and other current liabilities		-		-	
Total current liabilities			**-**		**-**
Assets less liabilities			**310**		**-**
Balance on Consolidated Fund			**310**		**-**

Graham McNulty QPM
Interim Director

15 July 2026

The notes on pages 124-126 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2026

	Note	2025-26 £000	2024-25 £000
Cash flows from revenue activities		-	-
Cash paid to Consolidated Fund		-	-
Increase/(decrease) in cash and cash equivalents		-	-

Notes to the Statement of cash flows

Reconciliation of net cash flows to movement in net funds	**Note**	**2025-26 £000**	**2024-25 £000**
Net revenue for Consolidated Fund		310	(2,070)
Decrease/(Increase) in non-cash assets	2	(310)	2,070
Increase in liabilities		-	-
Adjustments to non-cash transactions		-	-
Net cash flow from revenue activities		**-**	**-**

Analysis of changes in net funds	**Note**	**2025-26 £000**	**2024-25 £000**
Increase/(decrease) in cash in this period		-	-
Net funds as at 1 April (opening cash at bank)		-	-
Net cash as at 31 March (closing cash at bank)		**-**	**-**

The notes on pages 124-126 form part of these accounts.

In the prior year (2024-25), the £2.1m Deferred Prosecution Agreement (DPA) receivable was assessed as fully credit-impaired due to the breach of the terms and uncertainty regarding recovery.

In the current year, following a reassessment of the financial position and expected recoverability, the receivable remains credit-impaired. However, expected recoverable cash flows are now higher than previously assessed, so the impairment is no longer 100%. An impairment provision of £1.76m has been recognised in 2025–26, representing a partial reversal of the previously recognised full impairment. The carrying value has been updated to reflect revised expectations of future cash flows and probability-weighted scenarios including the potential sale of the counterparty. Significant estimation uncertainty remains in relation to the recoverability of the Guralp receivable.

Notes to the Trust Statement

1. Principal accounting policies

Basis of accounting
The Trust Statement is prepared in accordance with the accounts direction issued by HM Treasury in accordance with section 2(3) of the Exchequer and Audit Departments Act 1921. The Trust Statement is prepared in accordance with the 2025-26 FReM issued by HM Treasury.

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

The income and associated expenditure contained in this statement are those flows of funds which the SFO handles on behalf of the Consolidated Fund and Treasury where it is acting as an agent rather than principal.

Accounting convention
These accounts have been prepared under the historical cost convention.

Revenue recognition
Receipts from DPA are recognised at the point that settlement is confirmed by the Courts. DPA cost awards, where they are payable to the Consolidated Fund are also recognised at the point that settlement is confirmed by the Courts. Due to the uncertainty of the DPA process and a lack of historic data to indicate the probability of a DPA being agreed the SFO does not classify DPAs in progress as contingent assets. For the purposes of the accounting treatment DPA's are recognised at the point that the agreement is approved.

Interest
Interest is recognised separately to the principal as it is based on future LIBOR rates and cannot be reliably estimated due to uncertainty about those rates.

Payables
Payables are stated at their fair value and includes interest payable as specified in the DPA agreement where applicable.

Receivables
Receivables are stated at their fair value and includes interest payable as specified in the DPA agreement where applicable, note 2 on page 125 refers.

Expenditure
The notional audit fee for the Trust Statement is included within operating costs note 3 of the SFO accounts on page 100. Any expenditure included in the Trust Statement is the direct cost of collection of sums owing.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand, and short-term highly-liquid deposits with a maturity period of three months or less.

Foreign exchange
The presentational currency used for the financial statements is sterling.

Transactions which are denominated in a foreign currency are translated at the rate of exchange ruling on the date of the transaction, except where rates do not fluctuate significantly, in which case an average rate for the period is used.

2. Receivables

2(a) Due within one year

	2025-26 £000	2024-25 £000
Amounts falling due within one year:	-	
Financial penalties and disgorgement of profits	-	-
Impaired financial penalties and disgorgement of profits	2,070	2,070
Provision for doubtful debts	(1,760)	(2,070)
Costs awarded to the SFO	-	-
	310	**-**

2(b) Due after more than one year

	2025-26 £000	2024-25 £000
Amounts falling due after one year:		
Compensation	-	-
Costs awarded to the SFO	-	-
	-	**-**

3. Events after the reporting period

The Serious Fraud Office (SFO) agreed that Ultra Electronics Holdings Ltd, a British manufacturer of electronic systems for the international defence and aerospace market, would pay a financial penalty of £10.08 million after it acknowledged accountability for failure to prevent bribery. A judge approved a Deferred Prosecution Agreement (DPA) on 28 April 2026 requiring Ultra Electronics Holdings Ltd to pay the penalty, plus £4.80 million in SFO investigation costs.

In addition to the financial penalty and costs, the DPA requires the company to meet strict conditions and demonstrate genuine and sustained reform under the scrutiny of the court.

The DPA represents a non-adjusting event after the reporting period. The underlying legal resolution and final court approval occurred after the balance sheet date. Consequently, it has no impact on the financial position or primary financial statements for the period ended 31 March 2026.

The financial statements were approved by the Accounting Officer for issue on the date they were certified by the Comptroller and Auditor General.

4. Losses and Special Payments

HM Treasury's Managing Public Money requires a statement showing losses and special payments by value and by type to be shown where they exceed £300k in total, and those individually that exceed £300k.

Losses
No losses have been incurred in 2025-26. (2024-25, £2.07m).

Special payments
No special payments have been incurred in 2025-26. (2024-25, none).

Accounts direction given by HM Treasury in accordance with Section 2 of the Exchequer and Audit Departments Act 1921

1. This direction applies to those government departments listed in appendix 2.

2. The Department shall prepare a Trust Statement ("the Statement") for the financial year ended 31 March 2026 for the revenue and other income, as directed by the Treasury, collected by the department as an agent for others, in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual by HM Treasury ("FReM") which is in force for 2025-26.

3. The Statement shall be prepared, as prescribed in appendix 1, so as to give a true and fair view of (a) the state of affairs relating to the collection and allocation of taxes, licence fees, fines and penalties and other income by the Department as agent and of the expenses incurred in the collection of those taxes, licence fees, fines and penalties insofar as they can properly be met from that revenue and other income; (b) the revenue and expenditure; and (c) the cash flows for the year then ended.

4. The Statement shall also be prepared so as to provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

5. When preparing the Statement, the Department shall comply with the guidance given in the FReM (Chapter 11). The Department shall also agree with HM Treasury the format of the Principal Accounting Officer's Foreword to the Statement, and the supporting notes, and the accounting policies to be adopted, particularly in relation to revenue recognition. Regard shall also be given to all relevant accounting and disclosure requirements in Managing Public Money and other guidance issued by HM Treasury, and to the principles underlying International Financial Reporting Standards.

6. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.

7. The Statement shall be transmitted to the Comptroller and Auditor General for the purpose of his examination and report by a date agreed with the Comptroller and Auditor General and HM Treasury to enable compliance with the administrative deadline for laying the audited accounts before Parliament.

8. The Trust Statement, together with this direction (but with the exception of the related appendices) and the Report produced by the Comptroller and Auditor General under section 2 of the Exchequer and Audit Departments Act 1921 shall be laid before Parliament at the same time as the Department's Resource Accounts for the year unless the Treasury have agreed that the Trust Statement may be laid at a later date.

Charlotte Goodrich
Deputy Director,
Government Financial Reporting
HM Treasury

18 December 2025

Extract from Appendix 2

No	Sponsoring Department	Income Stream	Responsible Entity
8	Serious Fraud Office	Deferred Prosecution Agreements	SFO

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