Department
for Culture,
Media & Sport

Annual Report & Accounts

For the Year Ended 31 March 2026

HC 515

Department for Culture, Media and Sport

Annual report and accounts for the year ended 31 March 2026

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

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

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

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INTRODUCTION

Foreword by the Secretary of State

Lisa Nandy MP

Secretary of State for Culture, Media and Sport

I am very proud of the work of this department and our role in building a self-confident nation, where every community in every place feels and sees that their lives are richer and their contribution is valued, within an inclusive national story.

Our work has the potential to change people's lives and everyone at DCMS plays a part in bringing about the change our society needs. The department has delivered across our three strategic objectives, of growth, opportunity and social cohesion this year and this report sets out our key achievements.

Permanent Secretary's Review

Susannah Storey

Principal Accounting Officer and Permanent Secretary

I am pleased to present this foreword to the Annual Report and Accounts for the Department for Culture, Media and Sport for the financial year 2025-26. Our department's strength lies in its broad policy agenda, which drives economic growth in every place, creates opportunities for all, and seeks to foster a more socially cohesive country with an inclusive national story. This report reflects the significant contributions and achievements of DCMS over this financial year.

We were pleased to agree our multi-year Spending Review settlement and have completed business planning at the end of the calendar year to ensure clarity for the Secretary of State's priorities and our Arm's Length bodies. DCMS has made tackling historic infrastructure deficits a multi-year priority, delivering £120 million through the Public Bodies Infrastructure Fund (PBIF) in 2025-26 for our sponsored cultural bodies to undertake critical works.

DCMS continues to play a key role in delivering the Government's mission of economic growth. The Creative Industries is part of the Modern Industrial Strategy and our Creative Industries Sector Plan is backed by £380 million of targeted investment to unlock innovation, drive regional growth and generate £40 billion in additional Gross Value Added (GVA) by 2035. In February we launched a new finance package for creative businesses to help drive economic growth, and we are leveraging major private investment across the country to deliver world-class cultural and sporting events and the Visitor Economy Growth Strategy - ensuring every part of the UK benefits as we build the world's leading creative economy.

DCMS led the Government's contribution to mark the 80th anniversary of the end of the Second World War as VE (Victory in Europe) Day and VJ (Victory over Japan) Day were commemorated with a series of national and local events. To ensure that everyone in the UK had the opportunity to participate in the commemorations, the Government's National Engagement Programme ran throughout 2025 to promote a range of educational and cultural activities for schools and communities. More than 17.1 million people actively took part in VE Day 80, reportedly the largest community event in recent history.

The UK's position as a leader in elite sport and world-class major events was demonstrated by this year's Women's Rugby World Cup, which was hosted in England and ultimately won by the England team. The tournament has left a lasting legacy, delivering a £294.7m economic impact against Government investment of £28.76m. The success of the event highlights the role our sectors play in strengthening the UK's soft power and desirability as a location for business and individuals to grow and invest.

The Lionesses' historic victory in the UEFA Women's EURO 2025 final served as an inspiration for young people across the country, and I was proud of the department's role in supporting the parade celebrations. We are delighted that we will be investing a further £500 million to support delivery of world-class major sporting events hosted in the UK, and in November the UK formally submitted a bid to host the FIFA Women's World Cup. Sport, culture and youth services form a vital part of this country's social infrastructure, helping people build skills, confidence and connections that support healthier lives and stronger life chances. We are committed to enriching lives and expanding opportunities for all, and our sectors create the opportunities to do so.

As the lead department for Youth, our focus is on supporting young people by actively listening to and empowering them to shape their own lives and communities. Through the National Youth Strategy we set a ten-year vision for every young person across the country to have somewhere to go, something to do and someone who cares for them. The first of 50 Young Futures Hubs are opening their doors. We have also published the Dormant Assets Scheme Strategy, unlocking £440m for social causes.

We have made substantial investments in cultural infrastructure across the country this year to ensure the arts are available and affordable.

Reforms to Arts Council England and the National Portfolio Investment Programme will ensure that cultural investment is more responsive to people and places while supporting the next generation of artists and creatives. More than £270m has been allocated to the Arts Everywhere Fund, which is providing grants to hundreds of at-risk cultural institutions. £1.5bn will be invested into this fund over the next five years.

Cultural infrastructure, as well as youth facilities and grassroots sport, provide vital social infrastructure that facilitate opportunities for meaningful social connection. Through more than £1.5 billion in arts capital investment and initiatives such as Town of Culture, we are supporting cultural activity that builds pride in place and reflects the stories of communities across the UK.

Our Local Media Action Plan will help sustain trusted local journalism that connects communities, strengthens democratic debate and rebuilds social trust. We passed legislation which prevents multiple foreign states working together to own more than 15% of a UK newspaper, safeguarding this essential facet of our democracy; and we launched a public consultation and received over 120,000 responses to consider when making policy decisions for the next BBC Royal Charter.

Over the coming years we will be delivering under a tighter fiscal context, with less staff in the core department and while making efficiencies across our portfolio of Arm’s Length Bodies. We need to continue to be creative and innovative in our policy making and operational delivery. I am delighted that the Department has embraced innovation including working with UKRI to set up the Creative Content Exchange pilot, which aims to build a trusted marketplace for selling, buying, licensing, and enabling permitted access to digitised cultural and creative assets.

I am fortunate to lead a department of people who are passionate about delivering for the nation, and we are confident of our ability to innovate and adapt. I am grateful to all my staff for their continued energy, engagement and commitment to our agenda and to all of the Boards, staff and volunteers across the DCMS family of ALBs for their huge contribution to this vital agenda.

PERFORMANCE REPORT

Overview

This section provides a summary of the Department for Culture, Media and Sport (DCMS) - its purpose, objectives, key risks, and how it has performed during the past year. The report also gives a breakdown of spending in the 2025-26 financial year.

Our purpose

DCMS's vision is to build a self-confident nation where every community, in every place, sees that their lives are richer and their contribution is valued within an inclusive national story. Our fast-growing sectors contribute approximately £248 billion to the UK economy and support four million jobs, enabling wider growth through innovation, productivity, and place-based regeneration. The department's broad policy agenda is committed to strengthening the UK's global standing and is central to the government's mission to deliver economic prosperity in every part of the country.

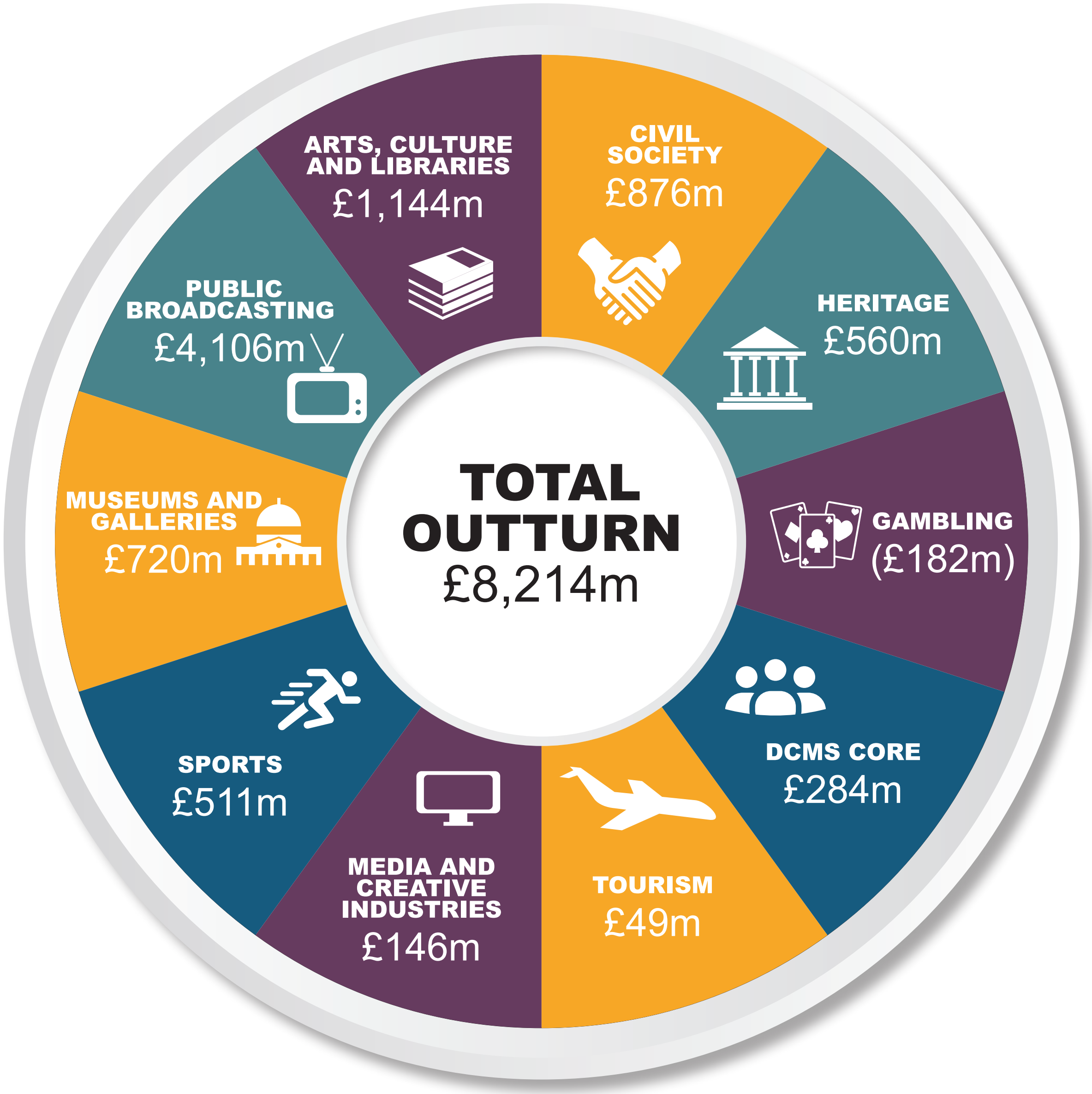
Our work is focused on achieving three ambitious priority outcomes: ensuring growth and good jobs in every place; fostering richer lives with choices and opportunities for all; and creating a more socially cohesive country. From film and TV, to museums, galleries, sports, charities and youth clubs; our dynamic sectors are the vital social infrastructure that bring joy and value to people's lives. We are dedicated to putting communities and regions first, actively co-creating policies with local people, and expanding opportunities for everyone, especially for young people. In partnership with our world-class sectors, we will ensure that the benefits of our global influence are felt in every home - empowering every place, enriching every life.

Our objectives

This report is structured against the three priority outcomes which demonstrate the aims and vision the Department has for the country. These are:

1. Growth and good jobs in every place.
2. Richer lives with choices and opportunities for all.
3. A more socially cohesive country with an inclusive national story.

Our spend this year



Key achievements

Outcome 1: Growth and Good Jobs in Every Place

Below are some notable achievements the department had throughout the year.

A creative industries sector plan was announced in June with a £380 million boost for creative industries to help drive innovation, regional growth and investment. This commitment was further shown through the Prime Minister Keir Starmer and President Macron endorsement of the Bayeux Tapestry to the UK in 2026-27. Funding of £500m was announced for the next wave of the Creative Clusters programme (with UK Research and Innovation), which regions were encouraged to bid for. Bradford delivered a City of Culture programme in 2025 which saw audience figures of over three million, involved over 650 local artists and organisations, and resulted in capital investment for more than 30 local cultural organisations.

These events were followed by the announcement in September of the establishment of a new UK Town of Culture competition to celebrate our national story. This included a £25 million support to each of six mayoral regions to grow their creative industries. The contributions of towns across the UK to our national life will be celebrated through the competition. During the year hundreds of arts venues, museums, libraries and heritage buildings have started to receive a share of more than £270 million as part of an Arts Everywhere Fund (£1.5bn will be invested over the next 5 years):

- 29 local museums up and down the country received a share of almost £25 million to upgrade their building as part of the Museum Estate and Development Fund.
- A 5% increase to the budgets of all national museums and galleries to support their financial resilience and to support them in providing access to the national collection.
- Confirmation of the continuation of the £120 million Public Bodies Infrastructure Fund to ensure national cultural public bodies are able to address essential works to their estates.
- In May, it was announced that £85 million would be provided to support arts and cultural organisations across the country as part of a Creative Foundations Fund, funding urgent capital works to help keep venues across the country up and running.

Another significant addition to growth and the surge in employment will be the multi-billion-pound investment in a major new Universal theme park and resort in Bedford, which was agreed between Universal, the government and the local council.

Responding to concerns about gambling, we introduced new updated requirements which entered into force in July, that apply to land-based casinos. We also published a consultation on reforms to bingo premises licences and Category D gaming machines.

Outcome 2: Richer Lives With Choices and Opportunities for All

The key achievements in youth, sport, arts and commemorative pillars were:

The UK government announced a major package designed to boost youth services, after-school activities, and community opportunities to help children connect, build confidence, and reduce screen time. This includes tailored enrichment in schools (£22.5m), and extra youth work in areas with high anti-social behaviour (£19m). Furthermore, we brokered an agreement with the EU that the UK will join the Erasmus+ scheme in 2027, allowing young people from all backgrounds to have the opportunity to study abroad.

Discover!, a Creative Careers Month was run in November, with 70,000 young people taking part in government-funded, industry-led programmes. DCMS unveiled the National Youth Strategy in December backed by £500m DCMS investment, alongside major other government programmes: an ambitious plan to tackle the youth isolation crisis and deliver real life opportunities.

On Sport, DCMS announced a £900 million investment in major sporting events and grassroots sport which included:

- More than £500 million to support delivery of world class major sporting events hosted in the UK.
- At least £400 million to be invested in new and upgraded grassroots sport facilities in communities across the country. The Government announced £85 million of this package for grassroots sport will be invested during 2026-27 through the continuation of the Multi-Sport Grassroots Facilities (MSGF) Programme. DCMS set out a target of more than double grassroots football slots for women and girls, supporting the Opportunity Mission to inspire future Lionesses.

DCMS supported the hosting of the Women's Rugby World Cup 2025 in August and September; with England being the eventual winners. The tournament has left a lasting legacy as it delivered a £294.7m economic impact against the Government's investment of just £28.76m. The Women's Rugby World Cup sold a record 444,000 tickets. In other sporting fields, our work resulted in the NBA and UK Government announcement of a comprehensive plan to elevate basketball in the UK with an agreement to invest in basketball facilities and access with NBA. It was announced that DCMS would invest £5 million into basketball facilities, with NBA match funding of £5 million into grassroots basketball programmes in the UK.

We have recognised the role played by sport in tackling loneliness and isolation with support to boys and young men in Wigan and Wakefield through a new Government and Rugby League Cares initiative. More generally, in terms of supporting well-being and contributing to richer lives across the population, DCMS launched 'Let's Move!', a new campaign supported by Sport England, to help keep families active together all year round.

The Civil Society Covenant, a new agreement to put people at the heart of government, resetting the relationship between civil society and government was launched in the year. In November the Government announced a COVID-19 Commemoration programme which includes continued support for the COVID-19 Day of Reflection, the preservation of the National Covid Memorial Wall and creating new commemorative spaces. In December 2025 the independent review of Arts Council England (ACE) by Baroness Margaret Hodge, recommended strengthening support for individual artists, diversifying funding beyond London, reducing bureaucratic burdens, and retaining ACE.

Outcome 3: A More Socially Cohesive Country with an Inclusive National Story

The notable achievements during the year were:

On broadcasting, DCMS launched the once-in-a-decade review of the BBC's Royal Charter, with the aim of bolstering trust in the broadcaster and putting it on a more sustainable financial footing. We announced that media law reforms would be introduced to boost press sustainability and protect independence.

An important contribution in our National Story took place in May and August, with DCMS leading the celebrations for the 80th anniversary of Victory in Europe (VE) and Victory in Japan (VJ) day. It was an opportunity for the nation to come together to honour and pay tribute to the Second World War generation from across the UK and Commonwealth, through a series of national and local events and activities. These events were followed by the Winter Olympics and Paralympics across February and March 2026 bringing the nation together behind our athletes.

In the Gambling portfolio, the Government introduced the £5 online slots stake limit. This is a targeted harm reduction measure that will reduce gambling-related harm by limiting financial loss for vulnerable customers. We also introduced a £2 online slot stake limit for 18-24 year olds in May 2025. We also secured provision in the Crime and Policing Bill to improve the Gambling Commission's powers to tackle the illegal market and improve disruption and detection of illegal gambling. Our work in the area of gambling reform resulted in the statutory gambling levy in its first year of operation, raising just over £239 million. This has been ringfenced solely to fund research, prevention and treatment of gambling-related harm. The new system will deliver increased funding to help reduce the level of gambling-related harm across Great Britain. Another significant achievement this year included the formal establishment of the new Independent Football Regulator in November.

Strategic risks

Strategic risks affecting delivery continue to be effectively monitored and managed at project and programme level, with the most significant strategic risks captured on the departmental Executive Risk Register, for monthly review at the Executive Board. DCMS has a specialist risk management team to oversee risk management and improve risk culture. The risk management team provides risk reports to the Executive Board and its sub committees, and the Audit and Risk Committee, ensuring each strategic risk is reviewed at the appropriate senior level. Further information on how risk management is embedded within the department is included in the Governance Statement.

The table below highlights the strategic risks faced by the department during 2025-26. Most of the risks are not new but the department has continued to invest in appropriate mitigations to address them. Our policy project delivery risk includes new projects in relation to ALB reform and the BBC Charter. We have a new risk around external events impacting our sectors which includes for example financial sustainability of the wider cultural sector. Due to effective oversight and improved assurance the Public Body governance and delivery risk has been de-escalated. We've de-escalated the environmental sustainability risk to Director General level risk registers. Our Executive board has agreed to review the risk annually.

Strategic Risk	Risk description	Mitigation	Trend ↑↔↓
Cyber attack	A successful cyber attack on DCMS core systems or unauthorised data leakage resulting in the loss, compromise, or accidental disclosure of sensitive departmental information.	Maintenance of robust security layers and National Cyber Security Centre (NCSC) engagement; implementation of stricter access controls and enhanced security training to mitigate accidental or intentional data breaches; and continuous monitoring of threat landscapes alongside GovAssure standards.	↔
External events affecting our sectors	Geopolitical, economic, commercial or technological events arise and impact our sectors and we fail to respond appropriately to protect those sectors. Examples include: AI impacts on creativity sectors, financial sustainability of the wider sport/culture and creative industries as well as third party indemnities.	Regular engagement with stakeholders to identify trends and potential impacts of sectors.	↔
Policy project delivery	We fail to deliver key objectives or events in a way that maximises value for money. Examples include: ALB reform, BBC Charter, Better Future Fund, MS365, 4th National Lottery Licence, Euro 28 & Short Term Lets.	Established assurance and risk management processes are in place to monitor performance and identify corrective actions that need to be taken throughout the delivery process.	↔
Media mergers raise negative public interest considerations	Mergers between organisations in the media sector give rise to potential negative impacts on public interest considerations, including foreign state influence and control of newspaper enterprises.	Mitigations may include timely and effective use of quasi-judicial legislative powers.	↓

Strategic Risk	Risk description	Mitigation	Trend ↑↔↓
AI	Failure to maximise benefits of AI whilst balancing the threats within DCMS.	Completed reviews and assessments of AI Trial programmes in flight. AI Learning and Development opportunities provided to staff. Working towards the Implementation of MS365 Joined up approach with cross government initiatives.	↔
Departmental operational sustainability	Inability to establish flexible and efficient operations due to: ● Workforce sustainability: Driven by turnover and an inability to retain or grow scarce skills ● Technical/ infrastructure/ estate limitations: Inability to scale digital/ estate services to securely plan, fund, and deliver departmental priorities. ● Failed Transformation: Change initiatives are failing to embed due to a lack of clear vision for operational maturity and cultural alignment.	Risk management processes help us to identify potential areas of resourcing risk in advance of decision-making. In the longer term, we continue to improve our resilience through new strategies covering digital/ technology, estates and change management. As well as a new people strategy to improve capacity and capability. DCMS continues to look at a range of retention strategies such as: pay, career pathways strategy, learning and development, and employee value proposition projects.	↔
Corporate services operational maturity	Without a strategic approach to systems and data, localised technology systems may be developed with a lack of shared knowledge and interoperability, this may result in inefficiencies, increased risk of error, and lost opportunities to exploit data or new technologies to their fullest.	DCMS has invested in Digital, Data and Technology (DDAT) capacity which will provide support for corporate systems development. DCMS plans to migrate its technology platform to align with other government departments to improve collaboration and create opportunities to adopt emerging technologies. DCMS finance, HR and commercial systems are due to be integrated as part of the cross-government shared services programme.	↔

Performance analysis

The Performance Analysis section provides a detailed, granular view of DCMS's performance, complementing the high-level overview per outcome area.

Outcome 1: Growth and Good Jobs in Every Place

Note: Data is formatted in the tables below showing the data for 2025-26, or from the most recent iteration. The source, release schedule, and link to the data is noted for each set of data.

Monthly GVA of DCMS sectors

Sector-level Gross Value Added (GVA) is our main indicator of growth in DCMS sectors but is not fully driven by the activity of the department. GVA of reported DCMS Sectors (excluding Tourism) in March 2026 was 17.1% above February 2020 levels, which was the most recent month prior to pandemic measures being introduced in the UK. By comparison, GVA for the whole UK economy was 6.3% higher than in February 2020.

Time Period	GVA (£m)					
	Total DCMS (excl. tourism)	Civil Society	Creative Industries	Cultural Sector	Gambling	Sport
April 2025	15,905	1,440	12,307	3,578	367	1,638
May 2025	16,028	1,435	12,450	3,559	367	1,611
June 2025	16,182	1,453	12,587	3,740	365	1,628
July 2025	16,067	1,448	12,455	3,631	360	1,665
August 2025	15,986	1,441	12,435	3,508	355	1,617
September 2025	16,051	1,449	12,478	3,689	349	1,632
October 2025	15,930	1,445	12,320	3,693	344	1,669
November 2025	16,049	1,446	12,365	3,697	341	1,742
December 2025	16,145	1,449	12,546	3,821	340	1,653
January 2026	16,251	1,449	12,630	3,711	340	1,673
February 2026	16,406	1,455	12,811	3,747	340	1,650
March 2026	16,562	1,462	12,928	3,837	339	1,682

- Source: DCMS Sectors Economic Estimates: Monthly GVA (to March 2026)
- https://www.gov.uk/government/collections/dcms-sector-economic-estimates-gross-value-added
- Release schedule: Quarterly
- Note: A day trip might include trips in more than one region

Note:

- For information on how these estimates are produced please see the relevant technical report for each release

Arts

As a key sector driving growth, good jobs and community cohesion, the past year has seen significant investment in the arts. In January 2026, we announced the biggest investment in arts and cultural infrastructure in over a decade, through the £1.5 billion 'Arts Everywhere' Fund. This builds on the initial £270 million investment first announced at the inaugural Jennie Lee lecture on 20 February 2025. This £1.5 billion package will be invested across arts, culture and heritage over the course of this parliament, providing support to cherished arts venues, museums, libraries and heritage buildings across England. It aims to keep venues open, finance urgent repairs and infrastructure projects, bolster long-term resilience, and widen access to arts and culture in communities that have faced under-investment. By fixing urgent capital needs, this investment will open up access to culture for everyone, everywhere.This funding includes:

- £425 million for the Creative Foundations Fund which will support approximately 300 capital projects in arts venues across the UK. This vital funding will continue to help theatres, performing arts venues, galleries, and grassroots music venues address urgent infrastructure needs, enhance accessibility, and ensure their long-term sustainability and will be invested in areas and organisations that need it most.
- £80 million capital funding over four years was also announced for the benefit of the National Portfolio Investment Programme. This enables organisations receiving regular funding from Arts Council England to receive a 5% uplift from 2026/27.

This year also saw continued delivery of previous announcements. This included:

- The Creative Foundations Fund - £96 million was awarded to 74 arts and cultural organisations across England to resolve urgent issues with their estates, with recipients notified in March 2026.
- The Cultural Development Fund - Round Four projects are progressing this year, following the 2025 announcement of £16.2 million investment in four cultural capital projects. The Bradford Art Centre, a Round three project, completed works and reopened in autumn 2025. Over the lifetime of the fund over £90 million has been invested to unlock local growth and productivity, increase access to excellent creativity and culture, and regenerate communities.
- The National Theatre Capital Project - DCMS continues to contribute to project oversight of this major capital project, following an investment totalling over £25m in the National Theatre. The project is well underway with completion due in 2027, and supports the economic resilience of key parts of the theatre sector.
- Cultural Education Programmes - Announced in 2024/25, £3.2 million in funding was delivered in 2025/26 for four cultural education programmes to preserve increased access to arts for children and young people through the Museums and School Programme, Art & Design National Saturday Club, Heritage School and BFI Film Academy.

Museums

In May 2025 we launched the fifth round of the Museum Estate and Development Fund (MEND) worth £25 million. Since 2021 we have provided grants worth more than £112 million for 150 museum projects across England. The Fund supports museums to undertake vital infrastructure projects, and tackle urgent maintenance backlogs. A total of 28 museums are set to receive support in this round, among them the Black Country Living Museum in Dudley. Funding will be used to protect essential historic structures, maintaining their safety and accessibility for the public while preserving the area's unique heritage.

In July, Prime Minister Keir Starmer and President Macron agreed a loan of the Bayeux Tapestry to the UK for an exhibition at the British Museum from September 2026 to July 2027. In return, the UK will loan the Sutton Hoo collection, the Lewis Chess pieces, and other significant treasures to museums in Normandy.

In September we launched the latest round of the DCMS/Wolfson Museums and Galleries Improvement Fund. The £4m philanthropic partnership supports local and regional museums to improve displays, enhance collections care and make exhibitions more accessible. 24 museums benefitted from this fund, among them Norwich Castle, which can now upgrade the gallery infrastructure, remodel and update display cases and reinterpret collections, improving the visitor experience.

In October, 75 recipients of the new £20 million Museum Renewal Fund were announced. This will support civic museums including Birmingham Museums Trust, Barnsley Museums and Discover Bucks Museum. Funding will improve public access to collections, protect community and educational programmes, and help to ensure treasured local and regional museums are fit for the future.

The Arts Everywhere Fund announced in January includes up to £160m of infrastructure and transformation funding for local and regional museums, recommitting to the popular MEND Fund for multiple rounds, investment of £13.6m in a Museum Transformation offer to promote sustainable business models, and up to £600 million for national cultural institutions, including National Museums.

UK City of Culture competition

Bradford 2025: In 2025, Bradford UK City of Culture featured performances, exhibitions, events and activities inspired by the extraordinary variety of its landscape, from the city's historic centre to the breath-taking countryside that surrounds it. It showcased Bradford's heritage as everything from a former industrial powerhouse to the world's first UNESCO City of Film. Most of all, it celebrated the people of Bradford, from local artists and creative organisations to the diverse communities who call Bradford home. The City of Culture programme involved over 650 local artists and organisations, saw audience figures of over three million and resulted in capital investment for more than 30 local cultural organisations.

In February 2026, DCMS announced £1 million of funding to support the Bradford UK City of Culture 2025 legacy, bringing DCMS's total investment in Bradford's UK City of Culture 2025 programme to £16 million. The additional funding boost will be supporting two key projects to ensure Bradford's ongoing successful cultural scene: The Loading Bay and The Peace Museum.

UK City of Culture 2029 competition: The competition opened for Expression of Interest bids from cities, towns, regions and groups of places, with 17 eligible bids received. In March 2026 DCMS announced that the following nine places had been longlisted: Blackpool; Ipswich; Inverness-Highland; Middlesbrough; Milton Keynes; Portsmouth; Sheffield; Swindon; and Wrexham. Each longlisted place will receive £60,000 to develop their bids further.

UK Town of Culture

In January 2026, DCMS opened the UK Town of Culture 2028 competition to expressions of interest. More than 230 places registered their interest ahead of the 31 March deadline.

Visitor Economy

The Visitor Economy is a primary engine for UK economic growth in every region, driving regeneration, creating vibrant high streets, and sustaining our world-class cultural and sporting landscape. From museums, galleries, and theatres to film production and major athletic events, the visitor economy is a powerful driver of footfall that directly sustains our world-class cultural and sporting landscape.

Following significant work with national and regional stakeholders on barriers to growth in the sector, including through the national Visitor Economy Engagement Forum in Birmingham on 10 April 2025, the Visitor Economy Growth Strategy will be delivered in spring 2026, with input from the Visitor Economy Advisory Council. This strategy maps the path toward the ambitious target of 50 million international visitors per year by 2030, while simultaneously driving up the value of domestic tourism by converting day-trips into overnight stays.

The sector's economic footprint provides a strong foundation for growth. Provisional data for 2024 indicates that the tourism industry directly contributed an estimated £64.3 billion in direct GVA and directly employed 1.3 million people across all regions. Travel services remain the UK's 3rd largest service export. For 2026, VisitBritain forecasts continued growth with 45.5 million inbound visits estimated (a 4% increase over 2025) and a projected nominal spend of £35.7 billion.

Between April 2025 and March 2026, the Government took progressive steps to increase visitor numbers and support economic growth:

- Launched in January 2026, the 'Starring GREAT Britain' campaign continues in 2026, with advertising across the UK's most valuable inbound visitor markets. The campaign has become a cornerstone of regional dispersal, generating £217 million in additional visitor spending in its first six months, with a return on investment of £20 for every £1 spent.
- This is complemented by major regional investment, including the £210 million support

for Aviva Studios in Manchester and the multi-billion pound Universal project in Bedford agreed in April 2025.

- In February 2026, VisitEngland launched a new domestic coastal marketing campaign All on the North-West Coast to drive a surge in domestic visits and overnight stays in the North West, specifically targeting the vital shoulder season.
- The Electronic Travel Authorisation (ETA) scheme was successfully expanded to include all EU, EEA, and Swiss nationals from 2 April 2025. This means all non-visa visitors now require pre-travel authorisation, standardising the UK's border security with international peers.
- The Government is developing a national registration scheme for short-term lets in England. The scheme is planned to go live on a voluntary basis by October 2026, with mandatory registration by April 2027. The register will help authorities understand the scale of short-term lets and help ensure that properties meet required health, safety and quality standards, as well as providing essential data on accommodation capacity to support investment and event bids.
- In October 2025, the Government announced plans to empower Mayors to introduce a visitor levy on short-term overnight accommodation in England to reinvest in growth, subject to a consultation that closed in February 2026 on design and implementation.

Tourism – annual GVA

Provisional data shows that tourism contributed £64.3bn in 2024, accounting for 2.4% of UK GVA. Tourism GVA grew by 6.6% from 2023 to 2024.

Time period	GVA (£m)
2019	71,718
2020	26,654
2021	15,861
2022	53,633
2023	60,362
2024 (provisional)	64,331

Sources:

- 2019-2023: ONS UK Tourism Satellite Account (UK-TSA)
- https://www.ons.gov.uk/economy/nationalaccounts/satelliteaccounts/datasets/uktourismsatelliteaccounttsatables
- 2024: provisional UK-TSA indicator
- https://www.ons.gov.uk/economy/nationalaccounts/satelliteaccounts/datasets/theprovisionaluktourismsatelliteaccountindicatoruktsaindicator

Release schedule: Annual

Notes:

- 2020 and 2021 saw major disruption to tourism, due to lockdowns and restrictions on international travel following the COVID-19 pandemic.
- For information about the data used please see the notes which accompany each release.

Domestic Day Trips (Volume and Spend, England)

Region	Volume (m)		Spend (£m)	
	2025 Total	2024 Total	2025 Total	2024 Total
England total	**927.5**	**906.3**	**48,807**	**48,405**
London	181.6	188.6	11,705	12,029
Rest of England (excludes London)	755.6	726.4	36,922	36,003
North East	31.7	29.4	1,347	1,648
North West	132.4	127.0	6,838	6,439
Yorkshire	79.6	80.3	3,805	4,960
West Midlands	102.6	94.9	4,646	4,473
East Midlands	70.8	77.0	3,100	3,091
East of England	110.5	96.7	4,385	3,502
South West	96.5	90.3	5,224	4,219
South East	161.4	156.7	7,578	7,671

Source:

- Great Britain Domestic Day Trips, Regional
- https://www.visitbritain.org/research-insights/great-britain-domestic-day-trips-latest-results
- Release schedule: Quarterly, Annual

Note:

- For definitions and methodology please see the notes which accompany each release.

Universal Theme Park and Resort

In April 2025, a major investment in a new Universal theme park and resort in Bedford was agreed between Universal, the government and the local council. Set to open in 2031, the project will bring an estimated £50bn boost for the economy and create around 28,000 jobs across creative, hospitality and construction industries

Creative Industries

The Creative Industries growth-driving potential was recognised by its inclusion in the government's Industrial Strategy. In June, the government published the Industrial Strategy white paper, and the Department published a Creative Industries Sector Plan setting out a 10-year plan for growth. This will ensure the UK's creative industries sector can capitalise on new commercial opportunities, manage the rise of new technologies and build a resilient, skilled and diverse workforce.

The Sector Plan was announced with a £380 million boost for the creative industries to help drive innovation, regional growth and investment, including the £150 million Creative Places Growth Fund, £135 million for film, music and video games growth packages, to boost growth in our highest potential sub-sectors, and £50 million for new Creative Clusters where there are significant opportunities to boost regional economic growth and create high-quality jobs.

In November, the government and industry hosted Discover! Creative Careers Month as part of our Creative Careers Programme which seeks to increase awareness, consideration and uptake of creative careers among young people aged 13-17 years old, as well as their parents and carers. The month provided 70,000 young people aged 11-18 years old with employer-led experiences and opportunities, including experiences related to digital careers, such as video games and VFX.

The Minister for the Creative Industries announced a £500 million funding package for R&D and innovation in the creative industries in January 2026. This included £369 million provided by UK Research and Innovation to deliver programmes including the next wave of UKRI's Creative Clusters programme, launched for regions bids alongside the announcement.

Major sporting events

Throughout 2025-26, DCMS worked closely with UK Sport to maintain and strengthen the UK's future hosting opportunities. In July DCMS backed a bid to secure the World Athletics Championships and World Para Athletics Championships in 2029, as well as supporting the Home Nation FAs to submit a bid for the FIFA Women's World Cup in 2035 - a significant event for women's football, and women's sport more broadly.

In addition, DCMS has continued to work alongside colleagues across HMG and the Scottish Government to provide support for the 2026 iteration of the Commonwealth Games to be hosted in Glasgow. The UK has been proud to host the Commonwealth Games twice since 2014, with both events delivering significant benefits. The Games are a key pathway for elite athletes, a great event for spectators, and a fantastic opportunity to bring together the Commonwealth family of nations in a positive and impactful way. Glasgow 2026 is an opportunity to showcase what a new, more sustainable model for the Games looks like as Commonwealth Sport looks to 2030 and beyond.

DCMS is continuing to work closely with our partners across the UK and Ireland as we prepare to host the UEFA European Championships in 2028 - the biggest sporting event the UK and Ireland have ever jointly hosted. The Prime Minister and the Secretary of State hosted an event at 10 Downing Street on 12 November 2025 to mark the launch of the tournament where it was announced that the UK Government is investing up to £557 million into hosting the tournament, which will generate significant socio-economic benefits across all UK nations. An updated and upgraded independent assessment announced on the day, revealed UEFA EURO 2028 is now predicted to deliver £3.2 billion of socio-economic benefits across the UK - creating jobs, driving regional growth, and bringing a surge of international visitors whose spending will boost local economies.

Outcome 2: Richer Lives with Choices and Opportunities for All

Cultural and Creative Industries

In May, we announced that the UK's arts and culture, creative industries, tourism and sport sectors are all set to benefit from a major new cooperation agreement with India.

In November, we announced plans to introduce a price cap on ticket resale, making it unlawful to resell tickets for a profit and putting genuine fans back at the heart of live events.

In December 2025, we published the Independent Review of Arts Council England, undertaken by Rt Hon the Baroness Hodge of Barking DBE. The government strongly welcomes the Independent Review. Access to arts and culture is not a luxury - it is a necessity. It shapes our communities and enriches our lives. This government believes that excellence must be open to everyone, wherever they live and whatever their background. A national Arts Council, connected to the places and people it serves, is essential to making that vision a reality.

This Review highlights the strengths of Arts Council England's work, but it also challenges us to do better. It sets out recommendations to strengthen support for artists, reach communities more effectively, and ensure that creativity is accessible to all. In March 2026, we published our formal response to the Independent Review of Arts Council England. We have accepted all recommendations and will work with the Arts Council to implement a programme of transformational change. A reformed and independent Arts Council is at the heart of our vision for Arts Everywhere - ensuring the way culture is funded is revolutionised, and investment reflects the priorities and stories of every corner of England.

Civil Society Strategy and Delivery

The Civil Society Covenant was launched by the Prime Minister in July 2025. Its ambition is to strengthen relationships and encourage partnership between civil society and all levels of UK government.

In 2025 DCMS consulted on a series of de-regulatory changes to financial thresholds for charities, which will deliver £47m in annual savings to the sector.

In March 2026 the Prime Minister appointed the Civil Society Council which will be key to the implementation of the Civil Society Covenant.

Impact Economy

In July 2025, the Chancellor launched the £500m Better Futures Fund to break down barriers to opportunity for up to 200,000 vulnerable children and young people. DCMS is leading the delivery of this and currently in the design stages in close collaboration with a range of stakeholders from across local government, the impact economy, and civil society. The funding will primarily be for the commissioning of Social Outcomes Partnerships, with government payments tied to the achievement of measurable improvements in people's lives, such as school attainment, improved youth employment, and reduced youth reoffending. We are anticipating a two-stage rollout with a dedicated capacity and building programme. The first phase is expected to invite bids in Summer 2026 for projects where all partners have a track record of successful social outcomes partnership delivery. This will be followed by a multi-year second phase, anticipated to launch in 2027, designed to significantly scale up the number of social outcomes partnerships and widen participation across the market. We are committed to a 10-year funding lifecycle, ensuring funding is accessible for the duration of the programme.

Volunteering and tackling loneliness

Boys and young men are currently facing a unique set of challenges. We know sport increases social connection and a sense of belonging within communities. We are therefore exploring how to increase social connection among boys and young men using the power of sport.

There are many examples of brilliant work going on at individual clubs and organisations all over the country. In January we brought clubs and organisations together to raise awareness of both the challenges boys and young men face around mental health and isolation, and of the support that is available to them through local sports clubs. The campaign reached over 6.5 million people through partner activity.

Civil society plays an essential role in most local and national emergency responses. Volunteers and civil society organisations are often the first to arrive and the last to leave the scene. DCMS leads civil society policy and supports the critical role of volunteers and civil society organisations in preparing for, responding to, and recovering from emergencies.

DCMS is developing a civil society response protocol, which will set out how HMG will provide support to civil society during emergencies, as well as the capabilities of civil society and how they can support HMG's goals.

Youth Services

In December, DCMS unveiled the youth strategy - 'Youth Matters' - which unveiled an ambitious cross-government plan to tackle youth isolation crisis and deliver real life opportunities. Government plans will offer young people somewhere to go, something meaningful to do, and someone who cares about their wellbeing in moves to strengthen their connections in real life. It is backed by £500m DCMS investment, alongside major other government programmes.

Over £85 million of capital funding was delivered in 2025-26. This was to complete Youth Investment Fund projects, a large scale capital programme funding over 250 new and refurbished youth facilities for young people in England.

A number of revenue programmes have been delivered during 2025-26:

- Million Hours Fund (£19 million): A collaboration with The National Lottery Community Fund providing extra youth work in areas with high anti-social behaviour.
- Uniformed Youth Fund (£7.5 million): Expanding places in organizations like Scouts and Guides.
- Local Youth Transformation Pilot (£8 million): Supporting 12 local authorities with out-of-school, non-academic opportunities
- Adventures Away from Home (4.7 million): Supporting up to 30,000 young people to benefit from outdoor learning.
- Duke of Edinburgh (£1.5m): Expanding the number of mainstream and special schools offering the Duke of Edinburgh award.

In July, the Prime Minister announced that 50 Young Futures hubs are planned to be established over the course of the Parliament, with eight early adopter hubs in Nottingham, Tower Hamlets, County Durham, Manchester, Birmingham, Brighton and Hove, Bristol and Leeds launched by March 2026. These will bring together services to improve access to opportunities and support for young people at community level.

Women's Rugby World Cup 2025

The Department supported the successful delivery of the 2025 Women's Rugby World Cup, with matches taking place right across England from Sunderland to Exeter. The tournament sold a record 444,0000 tickets with the final breaking the attendance record for a women's rugby match as 81,885 fans saw the Red Roses defeat Canada. DCMS supported the delivery of a celebration event to mark England's victory in the tournament at Battersea Power Station the following day which was attended by an estimated 5,500 people. The recently published post tournament report estimates that the tournament's economic impact was £294.7m.

The tournament was played at weekends across eight venues geographically spread out across England with an accessible ticketing strategy in place encouraging families, local communities and new fans to attend matches. Out of the 44% of fans who had never been to a women's rugby match before, 94% said they intended to watch again in the future.

DCMS has provided £14.55m towards the tournament's legacy programme Impact 25. Delivered by the RFU in partnership with UK Government, Sport England and UK Sport the programme has reached more than 850 clubs across the country by making facilities more accessible and encouraging more women and girls into playing, coaching and officiating. Impact 25 has contributed to almost 23,000 more women and girls playing rugby since the programme began in 2022 with participation up 9.3% year-on-year.

COVID Commemoration

The government response to the UK Commission on Covid Commemoration's report was published on 13 November 2025.

The Commission, headed by Baroness Morgan of Cotes, was created under the previous administration to make recommendations on how the United Kingdom can commemorate the loss of life and honour the sacrifice and public service of key workers during the pandemic.

The government has announced a COVID-19 commemoration programme, including:

- Preservation of the National Covid Memorial Wall;
- Creating a UK wide COVID-19 Day of Reflection;

- Creating new spaces for reflection;
- Fellowship scheme on future natural hazards;
- Covid Commemoration web pages.

Sport

Throughout the year DCMS has been supporting its Arm's Length Body for community sport, Sport England, to pivot its work and investment even further towards a place-based approach. This place-based work is now seeing Sport England engaging with more than 90 places in England to deliver long-term increases in physical activity.

In November, DCMS launched 'Let's Move!', a new campaign supported by Sport England, to help keep families active together all year round. The campaign 'Let's Move!' is being piloted in targeted areas of Sandwell, Lancashire, Essex and Bradford where inactivity levels and inequalities are greater than other parts of the country.

In the autumn, DCMS ran a targeted consultation into safety in white collar boxing, seeking views from individuals and organisations involved with and affected by the activity. The outcomes of this exercise are informing thinking about next steps to improve safety, alongside broader work on safety in combat sports.

Nearly 1000 community projects benefitting through the Multi-Sport Grassroots Facilities Programme in 2025-26 following an investment of £98 million UK-wide to build new and upgrade existing pitches, changing rooms and clubhouses. Funding has been allocated as follows:

- £80.3 million in England
- £8.6 million in Scotland
- £6.1 million in Wales
- £3 million in Northern Ireland

Our investment in grassroots sport is promoting health, wellbeing and community cohesion, while removing the barriers to physical activity for under-represented groups, such as women and girls, people with disabilities, and ethnic minority communities.

A breakdown of projects funded by DCMS through the Multi-Sport Grassroots Facilities Programme can be found here: https://www.gov.uk/government/collections/multi-sport-grassroots-facilities-programme-projects-2021-to-2025.

An evaluation of the Multi-Sport Grassroots Facilities has produced two reports, with a third to be finalised later in 2026. The second report, published in January 2026, noted that:

- Overall, facilities funded by the MSGF programme are more likely to report increases in participation than those that have not received funding, with 92% reporting increases relative to 79% of unfunded facilities.
- A higher proportion of funded multi-sport facilities (78%) reported an increase in new users compared with unfunded facilities (66%). Furthermore, nearly two thirds (64%) of funded facilities reported an increase in regular users, compared with fewer than half (46%) of unfunded facilities.
- Funded MSGF projects reported increases in participation among underrepresented groups. 74% of funded facilities saw an increase in women and girls' participation compared to 68% for unfunded facilities, and this trend was also observed for ethnic minorities and disabled users.

Number of projects funded through DCMS Multi-Sport Grassroots Facilities Programme

Nation	Number of funded projects, April 2025 - March 2026
England	883
Scotland	36
Wales	64
Northern Ireland	8

- Source: Multi-Sport Grassroots Facilities Programme Projects: 2025-26
- https://www.gov.uk/guidance/multi-sport-grassroots-facilities-programme-projects-2025-to-2026
- Release schedule: Annual

Percentage of adults who are active or fairly active on a weekly basis

Time period	Percentage of adults, England (%)
November 2024 - November 2025	75.3

- Source: Active Lives Adult Survey
- https://www.sportengland.org/research-and-data/data/active-lives/active-lives-data-tables?section=adult-surveys-section
- Release schedule: Annual
- Note: for definitions and notes please see the technical report published with each survey

Percentage of children who are active or fairly active on a weekly basis

Time period	Percentage of children, England (%)
Academic Year 2024-25	71.6

- Source: Active Lives Children and Young People Survey
- https://www.sportengland.org/research-and-data/data/active-lives/active-lives-data-tables?section=children-and-young-people-surveys-section
- Release schedule: Annual

Note: for definitions and notes please see the technical report published with each survey

Outcome 3: A More Socially Cohesive Country with an Inclusive National Story

BBC Charter Review

Charter Review is a key opportunity to ensure the BBC thrives well into the future and can command the support of the people who pay for it. It is considering how best to ensure the BBC continues to deliver high standards of reporting that the public expect of a national broadcaster. The existing Charter is due to expire on 31 December 2027. As part of this review process, the Government published a Terms of Reference and launched a public consultation on 14 December 2025, which ran until 10 March 2026. In total, we received over 120,000 responses to the consultation. We will consider these responses which will inform policy decisions for the next BBC Royal Charter.

Radio, Advertising and Press

In February 2026, we launched the Radio Review, to safeguard radio's future in light of changing audience habits including the shift to digital and online listening.

DCMS is also supporting the sustainable growth of the advertising sector while working to tackle the harms it can cause. Over 2025 and 2026, DCMS collaborated with DHSC to implement a ban for the advertising of less healthy foods on pre-watershed TV and at all times online, which came fully into force on 5 January 2026. We have also continued work with the Online Advertising Taskforce, collaborating across industry and government to increase trust, transparency and accountability in online advertising. In March 2026 we published the Taskforce's annual progress report with highlights including the launch of a new best practice guide on the responsible use of AI, widespread adoption of the influencer marketing code of conduct, and a live pilot to enable cross-platform information sharing on malvertising.

We have also published the Local Media Strategy, to support the sustainable provision of high quality, trustworthy news and information at the local level. The strategy includes new funding to help local news publishers innovate digitally and to revive a local news presence in communities that are currently without one. It also announces initiatives to inspire young people from all backgrounds to pursue local media careers and to improve the relationship between journalists and local public services.

Earlier in the year we completed amendment of the Enterprise Act 2002 to prevent foreign powers controlling, influencing or owning UK newspapers and news magazines.

Heritage

Over £50 million funding was invested in the heritage sector to help save treasured buildings for future generations and ensure they have an ongoing use in the present. This includes £23 million to continue the Listed Places of Worship Grant Scheme for a further year, and almost £20 million for the new Heritage at Risk Capital Fund and Heritage Revival Fund. In November we announced a new £2 million investment in war memorials across the UK. A £9 million grant has enabled the National Trust to secure the future of the Ironbridge Gorge Museums in Shropshire, the birthplace of the Industrial Revolution.

Pride in Britain

VE/VJ 80 Commemorations

DCMS led the Government's contribution to mark the 80th anniversary of VE (Victory in Europe) Day and VJ (Victory over Japan) Day, on 8th May and 15th August respectively, through a series of national and local events and activities. To ensure that everyone in the UK had the opportunity to participate fully in the commemorations, the Government's National Engagement Programme ran throughout 2025 to promote a range of educational and cultural activities for schools and communities.

With more than 17.1 million people actively taking part, VE Day 80 was reportedly the largest community event in recent history, ahead of the Platinum Jubilee and the Coronation (16.8m). Almost three in five UK adults polled said that at least one VE or VJ Day related event or activity helped increase their awareness of the impact of the Second World War. In terms of the impact on communities, 36% of those surveyed said that after VE Day 80 they spoke to neighbours more often. 59% of people felt that VJ Day gave people something to celebrate and 58% felt proud of the UK as a result.

Women's Sport Taskforce

As part of the decade of change in women's sport, we launched the Women's Sport Taskforce at the Women's Rugby World Cup. This brings together leaders from across sport to tackle challenges and barriers facing women and girls in sport from grassroots to elite.

Winter Olympics and Paralympics Games 2026

The Winter Olympics and Paralympics across February and March 2026 have brought the nation together behind our athletes where success is a huge source of national pride. The Winter Olympics was our most successful yet. Since the last Games four years ago, alongside the National Lottery we've invested more than £32 million in winter sport through UK Sport.

Tour de France/Tour de France Femmes Grand Départ 2027

The Grand Départs of both the men's and women's Tour de France in 2027, with more than 900km of route spanning England, Scotland and Wales and free spectating all the way, will be the most accessible major sporting event Great Britain has ever hosted. A dedicated social impact programme, Joy, is being developed to deliver lasting impact beyond 2027, focused on three essential pillars: tackling inactivity and improving mental wellbeing, making our country more productive, and supporting our communities to thrive.

Gambling and Lotteries

The White Paper 'High stakes: gambling reform for the digital age' was published in April 2023. Since then, DCMS has completed the majority of measures in the paper that are DCMS-led; the introduction of stake limits for online slots games, measures relating to the land-based gambling sector, and the introduction of a statutory levy on gambling operators to fund research, prevention and treatment. DCMS introduced legislation to enact the levy and the online slots stake limits in January 2025 and both measures came into force in April 2025.

In its first year, the statutory gambling levy has raised £239 million. This funding is ringfenced solely to deliver increased funding for the research, prevention and treatment of gambling-related harm, to support the government's efforts to reduce the level of gambling-related harm across Great Britain. DCMS has worked closely with lead commissioning bodies to ensure a stable transition to the new statutory system and enabling service users to continue accessing the resources and services they need.

Other measures in the White Paper are being led and implemented by the Gambling Commission (the statutory regulator) and the gambling industry. DCMS continues to work closely with the Gambling Commission on their measures.

DCMS has introduced new updated requirements which entered into force in July 2025, that apply to land-based casinos. These modernise the casino sector and reflect changes that have taken place in gambling behaviour since the previous requirements were set. At the time of legislating, the casino sector suggested that it was likely to result in £300-400 million in investment in casino premises.

Allwyn has completed its comprehensive upgrades to the National Lottery's retail and digital estate. Allwyn will now focus attention on delivering its commercial plans to grow the National Lottery over the lifetime of its Licence tenure.

DCMS carried out a review of the Horserace Betting Levy in 2024. The government has encouraged negotiations between the betting and racing industries on a voluntary deal as the quickest way of securing increased funds for the sport. The Government will provide a further update to parliament in due course. The Horserace betting and gambling levies are reported in note 4.1 on page 139.

Gambling Harm in Young People, percentage of respondents that scored 4+ or between 2 and 3 on the youth-adapted gambling screen (Great Britain, Annual) - https://www.gamblingcommission.gov.uk/report/young-people-and-gambling-2024-official-statistics

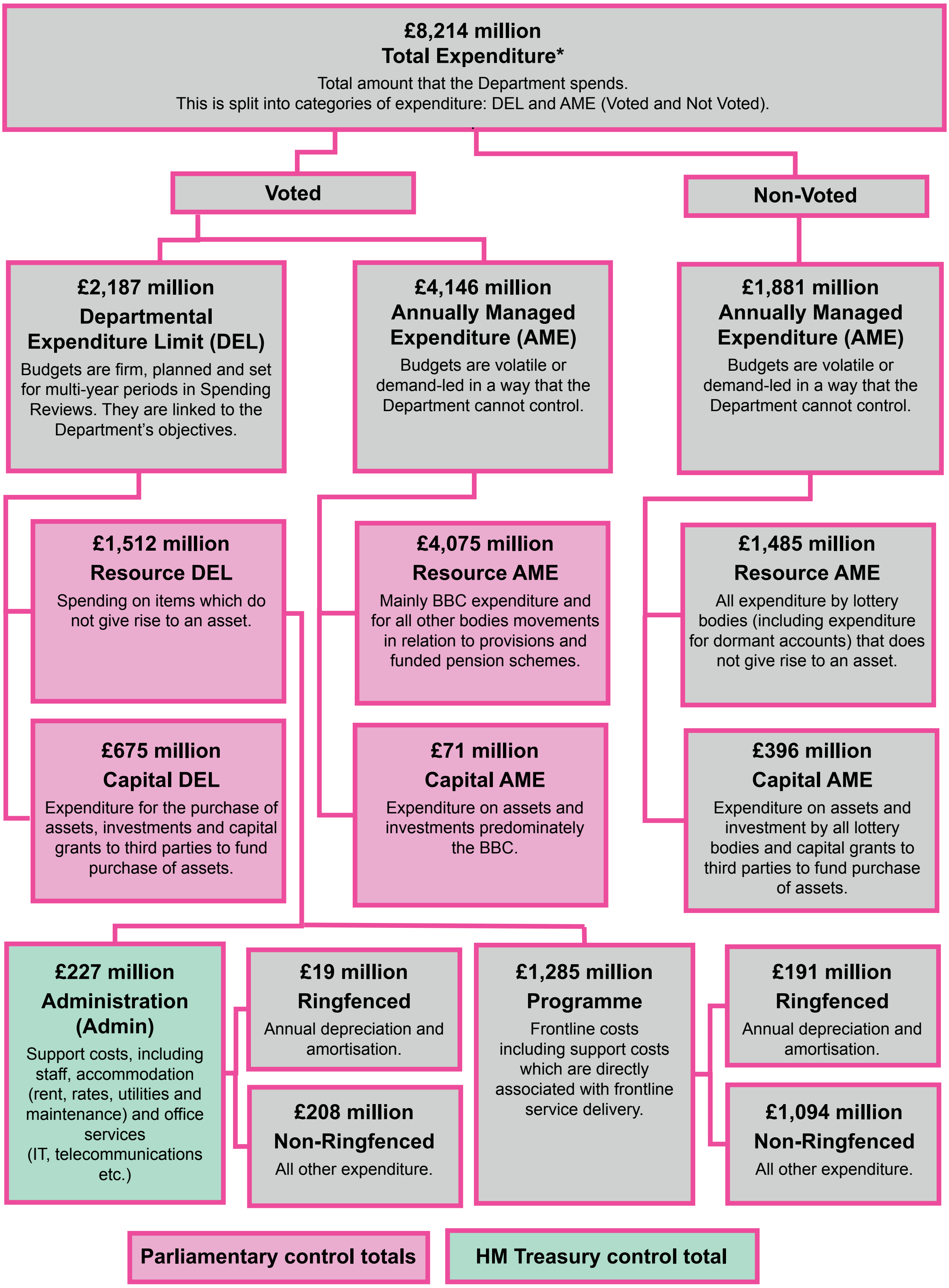
In 2025, the rate of 11-17 year olds scoring 4+ (representing 'problem gambling') on the youth adapted problem gambling screen (DSM-IV-MR-J) was 1.2%. This is statistically stable from 2024 from 1.5%.

Independent Football Regulator

In July 2025, the historic Football Governance Act received Royal Assent, establishing the new Independent Football Regulator (IFR) which was set up in November 2025 to safeguard the future of the national sport. In December 2025, the IFR published its standards for Owners and Directors of football clubs, ensuring they meet the required levels of honesty, integrity, competence and financial soundness. This supports the IFR's core aims: protecting club financial health, strengthening the long-term resilience of English football, and safeguarding the heritage of the game.

Financial Review

Each year Parliament approves the total funds available to the Department to spend against specific objectives (within agreed budgetary limits). It is against these limits that the Department, as guided by HM Treasury's spending control framework, is held accountable for its performance and the use of taxpayers' funds. The diagram below explains the different budgets managed by the Department, their purpose and the outturn:



* Figures rounded to nearest £m so may not round to SOPS table on page 82 exactly.

Trends in Total Expenditure over the past six years

The table below shows the department's outturn by budget type for current and prior years:

Type of spend	2020-21 outturn £m*	2021-22 outturn £m*	2022-23 outturn £m*	2023-24 outturn £m*	2024-25 outturn £m*	2025-26 outturn £m*
Voted DEL						
Resource DEL Admin	220	225	283	194	203	227
Resource DEL Programme	2,892 [1]	1,769 [1]	1,859	1,498	1,466	1,285
Capital DEL	936 [1]	654 [1]	596	530	526	675
Total Voted DEL	**4,048**	**2,648**	**2,738**	**2,223**	**2,196**	**2,187**
Non-Voted Resource DEL Admin	-	-	-	-	-	-
Total Voted and Non-Voted DEL	**4,048**	**2,648**	**2,738**	**2,223**	**2,196**	**2,187**
Voted AME						
Resource AME	3,655	3,643	3,837	3,602	3,818	4,075
Capital AME	57	69	262	497	155	71
Total Voted AME	**3,712**	**3,712**	**4,099**	**4,100**	**3,973**	**4,146**
Non-Voted AME						
Resource AME	1,098	1,618 [2]	1,427	1,192	1,153	1,485
Capital AME	220	189	221	385	319	396
Total Non-Voted AME	**1,318**	**1,807**	**1,648**	**1,577**	**1,472**	**1,881**
Total Voted and Non-Voted AME	**5,030**	**5,519**	**5,747**	**5,676**	**5,444**	**6,027**
Total Expenditure[3]	**9,078**	**8,167**	**8,485**	**7,899**	**7,640**	**8,214**

* Figures rounded to nearest £m so may not round to SOPS table exactly.

The data from 2022-23 and earlier years were not restated to reflect the changes to the data boundaries introduced in 2023-24.

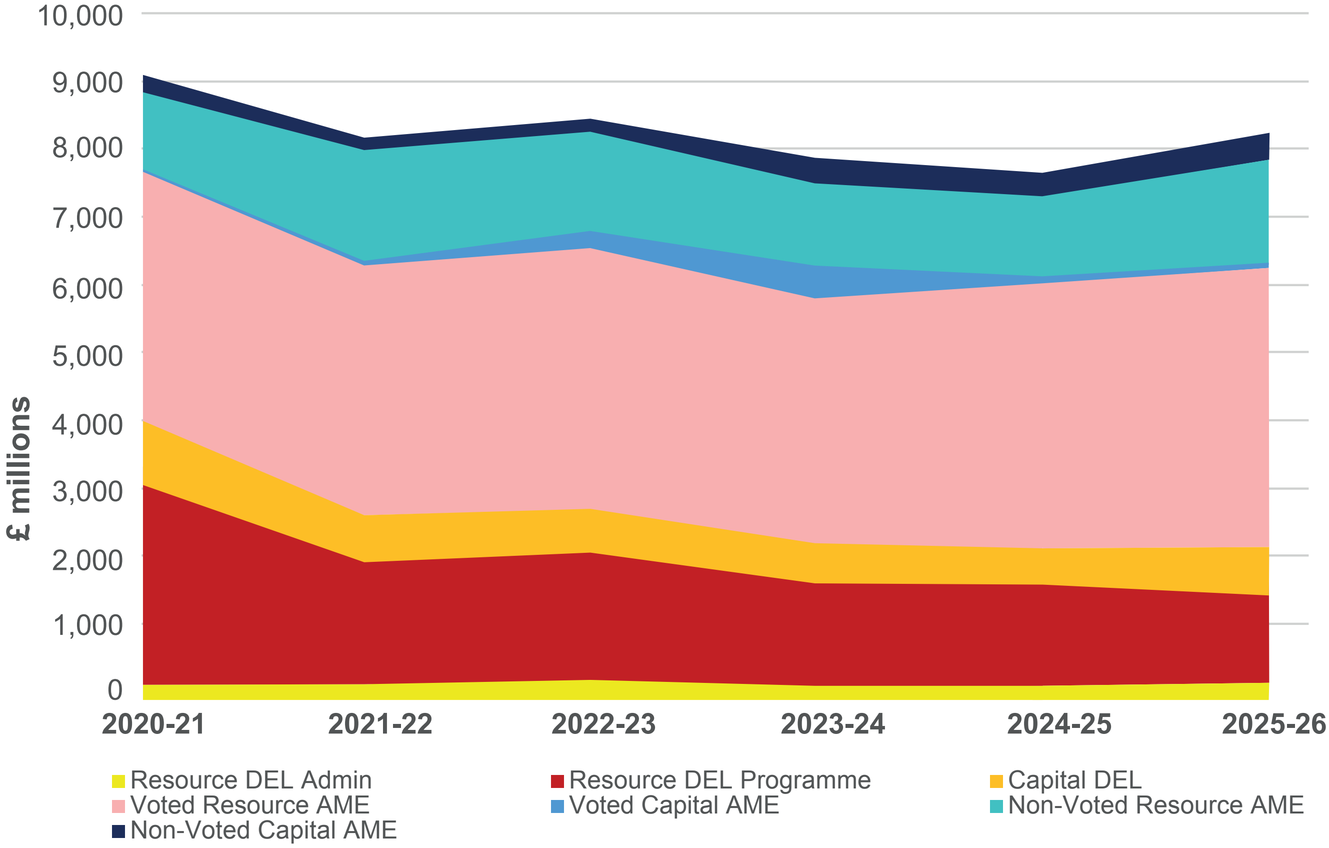
Notes:

1. The increase in Resource and Capital DEL in 2020-21 is largely attributable to the COVID-19 support packages issued (loans and grants). These payments reduced in 2021-22.

2. The nature of Lottery grant making is demand led resulting in fluctuations in Resource AME.

3. All figures are presented as reported in the Statement of Outturn against Parliamentary Supply in those years' accounts. They have not been adjusted for any restatements arising from non-budgetary prior period adjustments

Total Voted and Non-Voted Expenditure by budget type:



Gambling Commission Levy

A new statutory levy has now been introduced via the Gambling Commission Levy Regulations 2025 and commenced on 6 April 2025. The statutory levy is collected and administered by the Gambling Commission under the strategic direction of the UK government, replacing the previous system of industry RET contributions under Licence Conditions and Codes of Practice (LCCP), under which the amounts contributed were voluntary.

The government has decided that statutory levy funding will be directed in specific proportions for the purposes of research, prevention and treatment, in line with the requirements under section 123 of the Gambling Act 2005.

For the first year the calculation of the statutory levy for all licences, except society lottery operating licences, was based on Regulatory Returns data from July 2024 to March 2025 multiplied by one and one-third. The statutory levy will then be invoiced on an annual basis, on 1 September, and will be based on the activity from the previous financial year. An invoice as an example will be issued on 1 September 2026 based on regulatory return data relating to April 2025 to March 2026. In 2025-26 the Gambling Commission has therefore included income for the period July 2024 to March 2026, with a sizeable amount accrued yet to be invoiced. The levy income is reported in note 4.1 on page 139.

The impact on the total net expenditure for the department in the Resource DEL outturn classifications above is (£216m), i.e. a reduction in the budgetary spend for the year as shown in the above tables, this is constituted as follows:

- Income for the Statutory Gambling Levy of over (£239m) - reported in the Resource DEL outturn as a reduction in the Resource DEL outturn expenditure.
- Expenditure of £24.5m
    - Statutory Gambling Levy disbursements of £24m
    - Statutory Gambling Levy Collection and Operating costs of £0.5m

The Gambling Commission are required to disburse these monies in pre-determined splits as follows once valid expenditure has been incurred and therefore the delivery of the service is through the following entities and money will be disbursed in future periods once requested.

- Treatment (50%): Allocated to NHS England, NHS Scotland, and NHS Wales to commission clinical treatment and support services, collaborating with both public health bodies and the third sector.
- Prevention (30%): Directed to the Office for Health Improvement and Disparities (OHID) as well as the Scottish and Welsh Governments to develop comprehensive approaches to early intervention and education.
- Research (20%): Allocated to UK Research and Innovation (UKRI) to establish a bespoke Gambling Harms Research Coordination Centre and fund independent research, with a smaller portion going to the Gambling Commission.

Impact on the Statement of Financial Position (net assets of £218m) as follows:

- Trade Receivables of £1m
- Current Liabilities of (£1m)
- Accrued income of £128m
- Cash balances of £90m

Statement of Outturn against Parliamentary Supply Commentary 2025-26

DCMS sponsors a large and diverse group of arm's length bodies, working under a variety of different accounting frameworks and with a wide range of budgetary complexities. A large proportion of the department's funding is ring-fenced or influenced by external factors e.g. philanthropy, which makes financial risk management particularly challenging.

The commentary that follows relates to the key features of the outturn position as reported in the SOPS and the supporting analysis within SOPS notes 1.1 and 1.2, and describes the position before virements (allowed budgetary transfers) are applied.

Resource DEL

The voted resource DEL outturn position as reported in these Accounts is £1,511.8m which is £281.9m, or 15.7% lower than provided in the Estimate (2024-25: £1,669.6m which is £156.2m, or 8.6% lower). The outturn position excluding the gambling levy income (Line P) and Museum and Galleries sponsored ALBs (Line B) is £23.9m or 1.91% lower than provided in the Estimate.

Gambling Commission (Line P) shows an underspend of £224.8m relating to the new Gambling Commission Levy which became effective on 6 April 2025. This resulted in the recording of two years of levy income in 2025-26 in line with the regulations. The funding is paid out to the commissioning bodies following confirmation of spend using the allocation methodology above. An annual report will be published by DCMS later in the year outlining levy finances and yearly progress against levy objectives, drawing on the work of the commissioning bodies.

Museums and Galleries sponsored ALBs (net) (Line B) shows an underspend of £33.2m. Underspends within this heading are mostly driven by unutilised non-cash budget cover provided through the Supplementary Estimates for Museums and Galleries to spend their own historical cash reserves under the 'Freedoms' arrangements agreed with HM Treasury.

Capital DEL

The voted capital DEL outturn as reported in these Accounts is £675.0m which is £59.0m, or 8.0% lower than provided in the Estimate (2024-25: £526.2m which is £199.9m, or 27.5% lower than provided in the Estimate). The outturn excluding the Museums and Galleries sponsored ALBs (Line B) is £10.8m or 2.27% lower than provided in the Estimate.

Museums and Galleries sponsored ALBs (net) (Line B) shows an underspend of £48.3m. Underspends within this heading are mostly driven by:

- Unutilised non-cash budget cover provided through the Supplementary Estimates for Museums and Galleries to spend their own historical cash reserves under the 'Freedoms' arrangements agreed with HM Treasury;
- Additional restricted donations which were received following completion of the 2025-26 Supplementary Estimate.

Resource AME (Voted)

The voted Resource AME outturn as reported in these Accounts is £4,075.1m, which is £506.5m or 11.1% lower than provided in the Estimate (2024-25: £3,817.8m, which is £788.0m or 17.1% lower than provided in the Estimate). The nature of AME spend is volatile and difficult to predict. Adequate budget cover was provided at the Supplementary Estimate based on best estimates.

British Broadcasting Corporation (net) (Line S) shows a non-cash related underspend of £501.3m. The variance is driven by:

- Impact of fair value movements on financial instruments.
- Reduced expenditure from supplementary estimates.
- Intra-group transactions between S4C and the BBC (Line W) relating to Charter payments.

Provisions, Impairments and other AME spend (Line U) shows an underspend of £60.4m which is primarily due to excess cover taken to manage the IFRS 16 lease impairment risk and other technical adjustments.

S4C (net) (Line W) shows a non-cash overspend of £89.3m which is mostly attributable to intra-group transactions between S4C and the BBC (Line S) relating to Charter payments.

Resource AME (Non voted)

Lottery grants (Line Y) shows an underspend of £124.1m. The nature of Lottery grant-making is variable, demand led and makes forecasting challenging, which is recognised by its classification within the AME budget.

Capital AME (Voted)

The voted capital AME outturn as reported in these Accounts is £71.3m, which is £405.3m, or 85.0% lower than provided in the Estimate (2024-25: £154.9m, which is £624.9m, or 84.1% lower than provided in the Estimate).

British Broadcasting Corporation (net) (Line S) shows a non-cash related underspend of £322.0m. The majority of this underspend relates to unused headroom on commercial borrowing limits. The budget cover request was based on the prudent estimate using the full headroom available.

Channel Four Television (Line T) shows a non-cash related underspend of £89.3m. This is mainly due to unutilised cover for external borrowing. The budget cover request was based on the prudent estimate of Channel Four using the full headroom available.

Capital AME (Non voted)

Lottery grants (Line Y) shows an underspend of £102.8m. The nature of Lottery grant-making is variable, demand led and makes forecasting challenging, which is recognised by its classification within the AME budget.

Sustainability at DCMS - An Overview

DCMS supports the government's net zero and wider environmental goals and is working to address environmental impacts through both our operations and policy making. Our vision is that DCMS will be a department where consideration for the environment is embedded into all of our relevant decision making. We are committed to reducing the impact of departmental operations on the environment and to ensuring that environmental sustainability is a core consideration in everything that we do.

DCMS is continuing to take steps to improve our internal capability with regards to sustainability. In particular we are working to ensure that the Environmental Principles, which came into force in November 2023, are embedded into departmental policy making and that staff have the capability and tools they need to meet the duty to have due regard. Sustainability is a topic that staff are committed to and our Green Network has continued to encourage and enable DCMS staff to act in a more environmentally sustainable way, at work as well as at home.

Many DCMS ALBs continue to be active in this space, providing leadership to their sectors on sustainability. Further sustainability information can be found in their individual Annual Reports and Accounts.

Sustainable Development Goals

DCMS's ambition is to continue to embed environmental sustainability at the heart of DCMS and for the Sustainable Development Goals (SDGs) to guide this. By improving the sustainability of our buildings and working practices, reducing waste and water consumption, working towards net zero targets, adopting more sustainable procurement practices and integrating sustainability information into reporting mechanisms, we will contribute to SDGs 11, 12 and 13.

Greening Government Commitments 2021-25

In line with the Greening Government Commitments 2021-2025 (GGC), DCMS is committed to reducing the impact of departmental operations on the environment. With the expansion of our office footprint beyond London, our property team selected our new Manchester HQ in part due to its refurbished status, and pledge to become net zero by 2030. All of our other workspaces and hubs have been sought via the Government Property Agency; these workspaces are designed and operate in a way that is productive and sustainable across its entire life cycle. Annex B includes DCMS performance against the Government Greening Commitments metrics.

DCMS's internal IT Services are designed and contracted to reduce whole life carbon emissions and landfill. This is achieved through our services being run on cloud infrastructure provided by Google which is carbon neutral using 100% renewable energy sources. All vendor contracts used to support the IT services have a zero landfill sustainability clause, and the latest laptops and hardware have been procured to maximise the use of recycled materials.

Climate Change Adaptation and the Environmental Improvement Plan

Climate change adaptation planning in DCMS continues to be undertaken within the cross-government National Adaptation Programme (NAP3), which sets out the actions that the Government and others will take to adapt to the impacts of climate change in the UK between 2023-2028. Our work on NAP3 sets out how the risks of extreme weather events, such as floods, high winds and rising sea levels, will be managed within our policy areas, in particular cultural heritage where DCMS is responsible for a specific NAP3 risk.

Sustainable Procurement

DCMS supports procurement that is open and competitive. We evaluate bids from suppliers against criteria that are published. These standards work in conjunction with the Government Greening Commitments which set out targets for government departments and agencies to improve greenhouse gas emissions, waste reduction and include transparent reporting on these targets.

Sustainability components are now considered in central government procurement, as outlined in Procurement Policy Note PPN 006: *Taking account of Carbon Reduction Plans in the procurement of major government contracts*, which includes objectives around ensuring all contracting authorities consider the national priority outcomes around tackling climate change and reducing waste alongside any additional local priorities in their procurement activities. The National Procurement Policy Statement is now provided for at section 13 of the Procurement

Act 2023, which places statutory obligation on contracting authorities to have regard to its policy priorities (such as sustainability) and determine how procurements can contribute to the delivery of these wider policy objectives, which we will abide by.

Additionally, following PPN 016: Carbon reduction contract schedule and guidance, we will now review where it may be appropriate to include optional standard carbon reduction contract schedules in Government contracts. We maintain the right to include T&Cs to set and deliver contract specific decarbonisation objectives, and provide a framework to monitor and assess a Supplier's decarbonisation performance. These include contract specific GHG emissions reporting, setting supplier GHG emissions reduction targets and monitoring and reducing GHG emissions throughout the life of the contract though a supplier GHG emissions Reduction Plan.

Social value components - including sustainable procurement practices, reducing carbon footprints, minimising waste, and promoting the use of clean energy and green technologies - are also considered in central government procurement, aligning these with delivery against wider Government missions, as outlined in PPN 002: Taking account of social value in the award of contracts.

Sport

The Department continues to support the sport and physical activity sector to reduce its environmental impact in line with the UK's net zero and nature targets. A key aspect of this policy area includes working with a range of government departments, including DESNZ, Defra, and DfT, to leverage opportunities for a more environmentally friendly sport sector to help deliver on government priorities around net zero, nature, and low-carbon transport.

Task Force on Climate-Related Financial Disclosures

Details of ALB disclosures can be found in their individual Annual Report and Accounts.

(TCFD) compliance statement

The Department for Culture, Media and Sport (DCMS) reports 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 department has complied with the TCFD recommendations and recommended disclosures around:

- **Governance:** Recommended disclosures (a) and (b).
- **Risk Management:** Recommended disclosures (a) to (c).
- **Metrics and Targets:** Recommended disclosure (b).

Principal Risk Assessment

For the core department, climate change is not currently considered a principal risk. This judgement is based on the limited physical footprint owned by the core department and the limited direct impact climate change is anticipated to have on our core operations. Consequently, the core Environmental Sustainability risk has been de-escalated to the Director General (DG) reporting level. However, we recognise that climate change presents material physical and transitional risks to the wider DCMS Group. Many of our Arm's Length Bodies (ALBs), particularly museums and heritage organisations, have identified material risks relating to the physical resilience of historic buildings and climate threats to their collections. While climate change is not a principal risk for the core department, DCMS oversees how these material risks are governed and managed across the group in aggregate. As climate change is not deemed to be a principal risk or otherwise material for the DCMS core department, the TCFD strategy disclosures and metrics and targets disclosures (a) and (c) are not considered to be material.

Governance

a. **Board oversight of climate-related risks and opportunities**
   The Executive Board (EB) and the Audit and Risk Assurance Committee (ARAC) maintain oversight of strategic risks. Although the core environmental sustainability risk has been de-escalated, its status is reviewed annually by the Executive Board to ensure re-escalation is not required. For our public bodies, where climate risks are often more material, oversight is maintained through the department's sponsorship model, which includes quarterly partnership meetings to review delivery, risk, and performance.

   In alignment with the commitments outlined in the Third National Adaptation Programme (NAP3), Historic England is actively developing its capacity to model the long-term impacts of climate change including increased temperatures, rainfall, sea level rise, and extreme weather on cultural heritage. Furthermore, the organisation is collaborating with partners to assess the vulnerability of intangible cultural heritage, formulating action plans to communicate the threats of flooding and coastal erosion, and ensuring that technical guidance for adapting historic buildings remains robust and fit for purpose.

b. **Management's role in assessing and managing climate-related issues**
Within the core department, responsibility for overseeing environmental sustainability risks is delegated to the Director General for Strategy, Sports and Major Events who have established processes for ensuring the Department complies with the environmental principles. Additionally, environmental impact is reviewed alongside business cases for projects and programmes as part of our financial approval processes. Public Bodies are responsible for managing their own risks, but DCMS Public Body sponsors work with our Public Bodies to consider the management of their climate change risks and the core DCMS Public Bodies Team actively monitors cross-cutting and emerging risks affecting our public bodies including climate change, environment, and sustainability. To foster collaboration, DCMS established the Public Bodies Risk Network, which brings together risk professionals from across our Public Bodies to share knowledge, insights into emerging risks, and best practices in risk management. Climate change is a core theme for this network, focusing on physical impacts, emissions targets, and sustainability interventions.

Risk Management

a. **Processes for identifying and assessing climate-related risks**
DCMS identifies and assesses climate-related risks through continuous horizon scanning and sector engagement. Identified trends include the increased likelihood of extreme weather events, rising temperatures, and the UK's transition to Net Zero, which threaten cultural venues, historic sites, and sporting infrastructure. We also hold specific responsibilities under the Third National Adaptation Programme (NAP3) to assess the vulnerability of tangible and intangible cultural heritage to climate hazards. At the group level, the Public Bodies Sponsor Teams records and tracks climate change risks, noting where climate change acts as a key cause of risk, particularly for health, safety, and infrastructure.

b. **Processes for managing climate-related risks**
Due to the limited physical footprint owned by the core department and the limited direct impact climate change is anticipated to have on our core operations, the department's approach to its own climate-related risk is light-touch and compliance-focused, managing requirements such as the Greening Government Commitments (GGC). For the wider group, Public Bodies are responsible for managing their own risks. DCMS has hosted sessions with experts such as the Government Actuary's Department (GAD) and the Science Museum Group to provide Public Bodies with resources on climate scenario analysis and risk management approaches. Where public bodies face significant adaptation challenges—such as the pressure to upgrade historic properties to meet sustainability standards or the vulnerability of physical collections—DCMS works with them to unlock capital investment and funding mechanisms to address these backlogs.

c. **Integration into overall risk management**
Climate risk is integrated into the department's established risk management framework, which complies with the Orange Book principles as outlined in the Governance Statement. Risks are managed dynamically using our dedicated risk management software tool, allowing for regular review and escalation to Director Generals or Executive Board if tolerances are exceeded. Furthermore, climate considerations are built into our procurement processes focusing on the external supplier's carbon reduction plans and commitment to Net Zero. As well as business case approval processes, to ensure that the impacts on the climate are formally considered as part of our managing of risks.

Strategy Highlights & Portfolio Sustainability

Across the core DCMS portfolio, environmental impact assessments and sustainability strategies reflect tailored approaches to each major programme. Key initiatives include:

- **EURO 2028:** A draft sustainability strategy is being developed using UEFA's ESG framework, focusing on a reduction-first approach to carbon emissions, water, and waste, supported by approximately £3.6 million of UK Government investment.

- **Multi-sport Grassroots Facilities Programme:** Heavy focus is placed on the sustainability of pitch construction. This includes researching organic alternatives to microplastic rubber crumb infill, mandating strict end-of-life carpet recycling standards, and requiring energy-efficient LED floodlights that use approximately 50% less energy.

- **Youth Investment Fund (YIF):** The Net Zero assessment recognises the embodied carbon costs of new builds but expects to mitigate these through Modern Methods of Construction (MMC), improving building airtightness, reducing construction waste, and delivering an estimated central energy saving of 25%.
- **Bedford Visitor Attraction Project:** Environmental impact assessments are currently in the due diligence stage and will be incorporated into the next iteration of the Programme Business Case once completed by the partner organisations.

Metrics and Targets

Note sections a) and c) are not currently required.

b) Disclosing Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions
DCMS uses the Greening Government Commitments (GGC) framework to assess and manage its environmental impact. We monitor and report on Scope 1 and Scope 2 greenhouse gas emissions, waste minimisation, and water consumption. Detailed performance against these targets is disclosed in the Sustainability Annex of the Annual Report and Accounts. Scope 3 emissions are deemed to be immaterial due to the low levels of transactions and costs.

Signed and approved

Accounting Officer and Permanent Secretary

14 July 2026

ACCOUNTABILITY REPORT

Corporate governance report

The Corporate Governance Report explains the composition and organisation of DCMS's governance structures and how they support the achievement of our objectives.

Claudia Arney
Lead Non-Executive
Board Member

Director's report

In my fifth year as Lead Non-Executive Board Member of DCMS, it's been great to see the department maintain a sharp focus on delivery while continuing to drive innovation and creativity across all of its sectors.

This reporting year has seen changes to the Non-Executive team, with the appointments of Jude Kelly CBE and Janet Pope in April 2025. As well as sitting on the Departmental Board, Janet has been appointed to chair the department's Audit and Risk Assurance Committee. Together, Janet and Jude bring a wealth of experience from across the creative industries, arts, charities and public service and have been a real asset to DCMS over the last few months. It has been a pleasure to work alongside them to provide support and challenge to DCMS over a year marked by impressive achievements, which this Report provides a good overview of.

Following a positive outcome from the multi-year spending review, a key focus for the Non-Executive Team has been supporting DCMS allocate its settlement and make sure it sets strong foundations for its sectors in the years to come. It has been a pleasure to work with DCMS officials on many milestones this year, from the publication of an ambitious Youth Strategy informed by the direct experiences of 14,000 young people, to the landmark signing of a multi-billion-pound investment for a new Universal theme park in Bedford, to the recent publication of the Creative Industries Sector Plan. On a more personal note, having worked closely with the department over a number of years on the implementation of the Fan Led Review of Football Governance, I was very pleased to see the formal establishment of the Independent Football Regulator, an important milestone and the start of a new chapter for English football.

This year DCMS also demonstrated its eagerness to embrace the government's ambition for a more productive and agile state - evidenced, for example, by the innovative use of AI to analyse over 120,000 responses to the BBC Charter Consultation process, and the comprehensive review of its 42 Arm's Length Bodies to ensure they are as productive, efficient and accountable to Ministers and the public as possible.

It continues to be a privilege to work with a department whose work touches all areas of our lives, and I am proud of the role that the Non-Executive Team carry out in support of DCMS.

Departmental Board

Ministers

The Rt Hon Lisa Nandy MP
Secretary of State for Culture, Media and Sport

The Rt Hon Ian Murray MP
Minister for Creative Industries, Media and Arts

Stephanie Peacock MP
Minister for Sport, Media, Civil Society and Youth

Baroness Fiona Twycross
Minister for Gambling and Lords Minister

This was the DCMS Ministerial team as at 31 March 2026.

Changes to team

- Sir Chris Bryant MP, Minister for Creative Industries, Arts and Tourism (joint minister with the Department for Science, Innovation and Technology) from 5 July 2024 to 6 September 2025.

Non-Executives

Claudia Arney
Lead Non-Executive Board Member

Janet Pope
Non-Executive Board Member and Audit and Risk Assurance Committee Chair

Jude Kelly
Non-Executive Board Member

The personnel listed here were the DCMS Non-Executive Board Members as at 31 March 2026.

Changes to team

- Janet Pope was appointed in April 2025.
- Jude Kelly was appointed in April 2025.

Executive Board

Susannah Storey
Permanent Secretary

Andrew Pattison
Chief Operating Officer and Chief Financial Officer

Emma Ward
Director General for Strategy, Sport and Events

Ruth Hannant and Polly Payne
Directors General for the Policy Group (Jobshare)

Andrew Faulkner
Director of People and Workplace

Jen Wood
Communications Director

Naomi Mallick
Legal Director

Louise Smith and Laura Jackson
Corporate Strategy Directors (Jobshare)

The personnel listed here were the DCMS Executive Team as at 31 March 2026.

Changes to team in 2025-26

- Andrew Pattison and Jon Martin had the role of interim Director General, Strategy and Operations (Jobshare) until the appointment of Will Macfarlane in April 2025, Will Macfarlane left in September 2025.
- Emma Ward took on the role of Director General for Strategy, Sport and Events in October 2025
- Rebecca Egan took on the role of Corporate Strategy Director (Jobshare) from January 2025 to January 2026, covering for Louise Smith whilst she was on maternity leave
- Megan Attwooll took on the role of Chief Financial Officer from November to December 2025 until her maternity leave whilst Andrew Pattison was on a career break.
- James Crutchley took on the role of Chief Financial Officer from January 2026 until Andrew Pattison returned from career break.

Directorships and significant interests

Details of directorships and other significant interests held by ministers are set out in the Register of Lords' Interests and the Register of Members' Financial Interests. In accordance with Cabinet Office guidance, DCMS maintains a register of interests that records details of directorships and other significant interests held by senior managers in the department. Details of related party transactions, including those arising as a result of the interests of DCMS board members, are listed at note 21 'Related party transactions'.

In line with the current Declaration of Interests policy for special advisers, all special advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. Accounting Officer has considered these returns and there are no relevant interests to be published.

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed the Department for Culture, Media and Sport to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the department and its sponsored non-departmental and other arm's length public bodies designated by order made under the GRAA by Statutory Instrument 2025 No. 268 together known as the 'departmental group', consisting of the department and sponsored bodies listed at note 23 to the accounts. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and the departmental group and of the income and expenditure, Statement of Financial Position and cash flows of the departmental group for the financial year.

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

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

HM Treasury has appointed the permanent head of the department as Accounting Officer of the Department for Culture, Media and Sport.

The Accounting Officer of the department has also appointed the chief executives or equivalents of its sponsored non-departmental and other arm's length public bodies as Accounting Officers of those bodies. The Accounting Officer of the department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

The CEO of National Citizen Service (NCS) was Accounting Officer until NCS ceased operations on 30 June 2025. Becky Morrison (Director for Civil Society and Youth at DCMS) was then appointed Accounting Officer of NCS during the winding-up period until the Trust closed on 11 July 2025.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the

Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the department or nondepartmental or other arm's length public body for which the Accounting Officer is responsible, are set out in Managing Public Money published by HM Treasury.

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

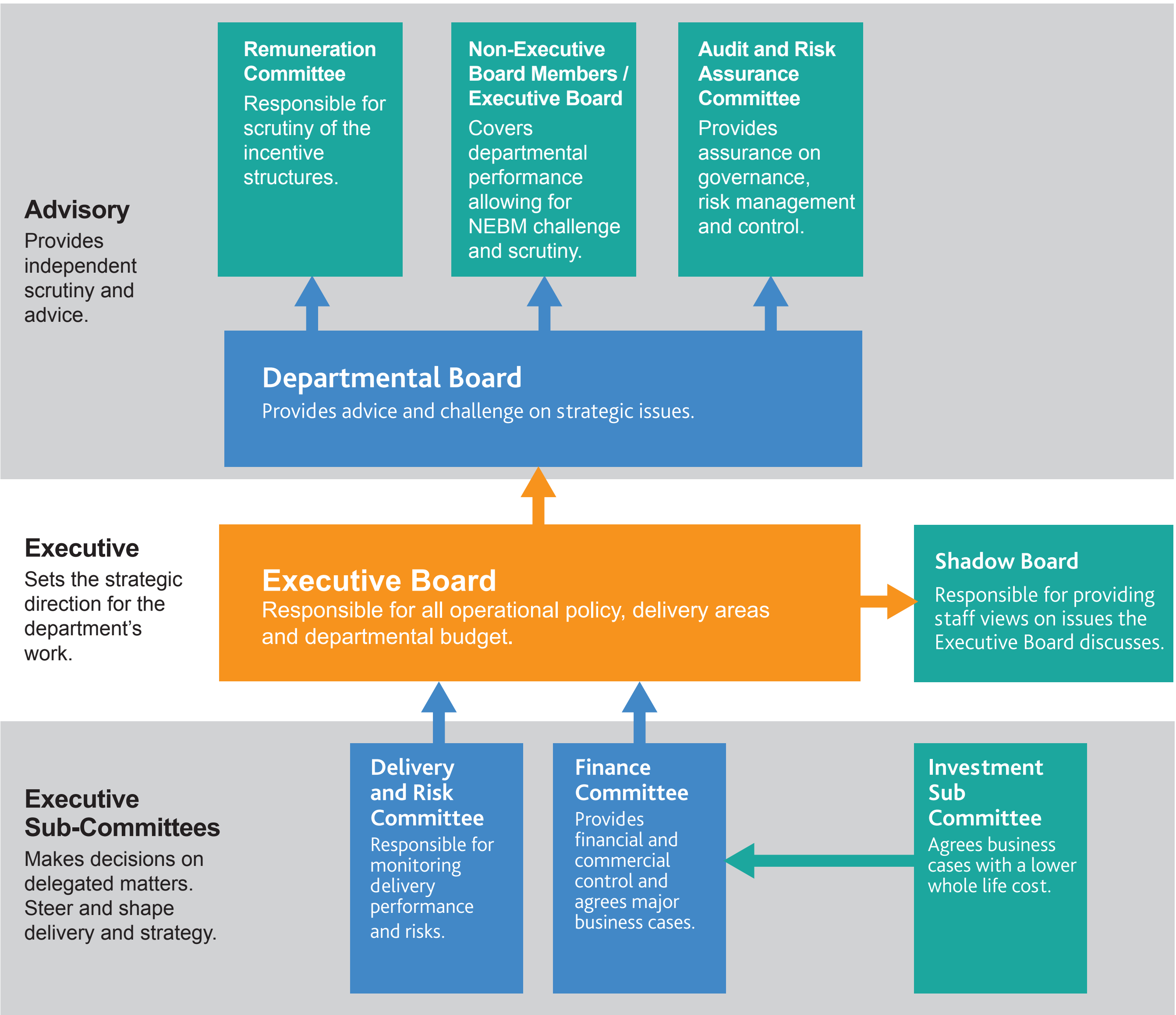
The Accounting Officer of the department has appointed an additional Accounting Officer to be accountable for that part of the department's accounts relating to rugby union. Will Macfarlane undertook this role until Emma Ward was appointed additional Accounting Officer when she took on the role of Director General for Strategy, Sport and Events in October 2025.

Governance statement

This statement sets out the department's governance structure, risk management framework and internal control procedures. It also integrates information about the department's public bodies included in the department's consolidated accounts for 2025-26.

Structure

Our governance structure:



Departmental Board

The departmental board provides strategic and operational direction from which the Executive Board derives its vision to deliver. It is chaired by the lead NED. The board draws on the expertise of its members; the ministerial team, the department's senior leadership team and non-executive directors. The departmental board is supported by three delegated committees: The Audit and Risk Assurance Committee, the Remuneration Committee and the Non-Executive Board Member / Executive Board.

Key areas of discussion:

- Secretary of State's priorities for the department.
- Departmental strategy.
- Updates from the executives providing assurance that key operational matters are being effectively managed within the department.

Audit and Risk Assurance Committee (ARAC)

The Audit and Risk Assurance Committee is an advisory committee of the Departmental Board. It assures the quality of audit and risk control functions within the department. It is chaired by Janet Pope.

Key areas of discussion:

- The management of Departmental risks, the risk management and the assurance framework
- The preparation of the Annual Report and Account.
- Internal and external audits, including those conducted by the GIAA and NAO.
- Compliance, including counter fraud and whistleblowing.
- Regular standing updates from the Principal Accounting Officer, Directors General and Chief Operating Officer.
- Public Bodies, including a bi-annual ARAC Chair forum.

Remuneration Committee

The remuneration committee is responsible for scrutinising the departmental incentive structures, and senior pay policy.

Key areas of discussion:

- Senior pay and departmental incentive structures.

Executive Board

The Executive Board is the senior decision making body for the department. It ensures DCMS delivers effectively and efficiently against its objectives, consistent with Ministers' priorities and within the allocated resources. It is chaired by the Permanent Secretary.

Key areas of discussion:

- Departmental policy priorities.
- Key departmental risks, mitigations and risk appetite.
- Fiscal events, including the spending review and business planning.
- Employee engagement, including the people strategy and people survey results and action plan.
- Places for growth and estate strategy.
- Departmental resilience.
- Public Bodies, including public appointments and Arm's Length Body reform.

The Executive Board is supported by two delegated committees: The Delivery and Risk Committee and the Finance Committee. There is also a Shadow Board, composed of staff from a range of grades, which supports the Executive Board by reviewing the same papers.

Delivery and Risk Committee

The Delivery and Risk Committee provides second line assurance to projects, and helps create the optimal operating environment for successful delivery. It also oversees Public Bodies performance risk. It is chaired by the Director General for Strategy, Sports and Events.

Key areas of discussion:

- Monitoring and assurance of GMPP programmes.
- Public Bodies risk and performance.
- Deep dives into complex or technical programmes within the portfolio.
- Finance performance updates.
- Project closure sessions.

Finance Committee and Investment Sub-Committee

The Finance Committee is responsible for

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spending approval for departmental business cases with a whole life cost of £45m and above; for ALB projects with a self-generated income above £30m; and for any other projects that are novel, contentious or repercussive. It is chaired by the Chief Operating Officer.

The Finance Committee has a sub-committee, the Investment Sub-Committee, which approves business cases between £10-£44.9 million.

Key areas of discussion:

- Approval of business cases for programmes within the department's portfolio.

ATTENDANCE FOR 2025-26

	Departmental Board	Audit and Risk Assurance Committee	Remuneration Committee	Non-Executive Board Member / Executive Board	Executive Board
Total number of meetings held	**4**	**4**	**1**	**1**	**23**
Ministers					
The Rt Hon Lisa Nandy MP	3	-	-	-	-
Stephanie Peacock MP	2	-	-	-	-
Sir Chris Bryant MP	0 (of 2)	-	-	-	-
Baroness Fiona Twycross	2	-	-	-	-
Ian Murray MP	1 (of 2)	-	-	-	-
Non-Executive Board Members and Independent Members					
Claudia Arney	4	3	1	1	-
Janet Pope	4	4	1	1	-
Jude Kelly	4	-	1	1	-
William Priest *	-	3	-	-	-
Joanna Rowland *	-	3 (of 3)	-	-	-
Rebecca Kong *	-	1 (of 1)	-	-	-
Senior officials					
Susannah Storey	4	3	0	1	21
Ruth Hannant / Polly Payne	4	3	-	1	22
Will Macfarlane	0 (of 1)	1 (of 1)	-	-	8 (of 9)
Emma Ward	2 (of 2)	2 (of 2)	-	1	8 (of 9)
Andrew Pattison	3 (of 3)	3 (of 3)	-	1	16 (of 18)
Jon Martin	-	2 (of 2)	-	-	-
James Crutchley	-	1 (of 1)	-	-	2 (of 2)
Megan Attwooll	1 (of 1)	-	-	-	2 (of 3)
Laura Jackson / Rebecca Egan / Louise Smith	4	-	-	1	21
Andrew Faulkner	3	-	-	1	18
Naomi Mallick	4	-	-	0	14
Jen Wood	4	-	-	0	17

'-'denotes an individual who is not a member of this group or invited to attend. Some members were not in post for the full financial year, this is demonstrated by only showing the total number of meetings they were eligible to attend.

* Independent Members of the Audit and Risk Assurance Committee

BOARD PERFORMANCE AND EFFECTIVENESS

The HM Treasury and Cabinet Office Corporate Governance in Central Government Departments: Code of Good Practice requires all departments to undertake an annual Board effectiveness evaluation. DCMS's governance structures have previously been assessed by the Government Internal Audit Agency to be at the highest level of maturity and are operating effectively.

DCMS is dedicated to continually improving our processes to make our governance clearer, more efficient, and better aligned to departmental priorities. An internal review of our governance was conducted, and our governance structure was updated. The revised model follows three guiding principles; leadership taking responsibility for major decisions - transparently and collaboratively; decisions are made at the right level and delegated where possible, with clear accountability; and reducing duplication - aiming for high-quality conversations in the right forum, then moving to delivery. As a result the People and Operations Committee was disbanded in May 2025.

Quality of data used by the board

All boards and committees are provided with high quality papers and in a standard way to ensure that all risks and resource implications are considered.

DCMS's corporate governance function has provided a comprehensive secretariat service. The team works closely with the department to ensure members and presenters have all the information they need and the chairs are well prepared.

Compliance with the Corporate Governance Code

The department fully complies with the HM Treasury and Cabinet Office Corporate Governance Code for central government departments, with the following variations:

- The Remuneration Committee fulfils the role of a Nominations and Governance Committee. It primarily scrutinises the annual SCS pay awards and the non-consolidated performance related awards structure.

Declaration of interests

All Board members declare conflicts of interest. Should a conflict be declared, the board member does not take part in that discussion, or excuses themselves entirely where appropriate. Further details can be found at the directorships and significant interests paragraph on page 42. Further details of Declarations of Interest can be requested via enquiries@dcms.gov.uk.

In line with the current Declaration of Interests policy for special advisers, all special advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. Accounting Officer has considered these returns and there are no relevant interests to be published.

The Department maintains a register of interests to ensure that conflicts of interest can be identified. Executive and non-executive board members are required to declare their interests on appointment to the board and on an annual basis. The Department publishes the register available at: https://www.gov.uk/government/publications/dcms-register-of-board-member-interests-april-2024-march-2025 annually alongside its ARA

Information Management

All Boards and committees are provided with a range of management information in order to review the department's performance and capability.

Personal data incidents

In 2025, there were a total of 29 personal data related cases reported, with one case requiring reporting to the Information Commissioner's Office (ICO). This related to a suspected breach and there is, to date, no evidence of any leak of personal information.

Training and awareness continue to be delivered by the Office of Data Protection to mitigate further breaches, as recommended following lessons learned exercises.

Complaints to the Parliamentary & Health Services Ombudsman for the core department

No complaints were made to the Parliamentary & Health Services Ombudsman during 2025-26 or during 2024-25.

Departmental correspondence

DCMS accords ministerial and public correspondence a high priority. These include departmental correspondence and Freedom of Information requests. Our target is to reply to ministerial and public correspondence within 20 working days.

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In the financial year 2025-26, DCMS received 2,731 items of ministerial correspondence (letters answered by a minister), answering 40% on time. DCMS also received 2,631 items of treat official correspondence (where an official replies), answering 72% on time.

Compared to the previous year, the department saw a 18% decrease in our response rate for official-level correspondence. For ministerial correspondence, the decrease was less substantial at 13%.

Due to longstanding performance challenges with answering ministerial correspondence on time DCMS will make fundamental changes to how the department processes correspondence. We will transition from a centralised team to a model in which our correspondence officers migrate to policy directorates. The principle underlying this change is to place more control and responsibility on directors and deputy directors for their performance. It also removes one stage from the process which will increase the chances of cases being answered on time. This change will take place across summer 2026.

For Freedom of Information (FOI) requests, DCMS received 844 requests and answered 98% on time. This represents a significant improvement compared to the 2024-25 period, where the department received 603 requests and answered 75% on time – marking an increase in timeliness despite a 40% increase in the total volume of requests handled.

PARLIAMENTARY ACTIVITY

Fulfilling our accountability requirements and responding to parliamentary scrutiny in a constructive and timely manner are key priorities for DCMS. Between 1 April 2025 and 31 March 2026, 2,418 Written Parliamentary Questions (WPQs) were due for answer and 1,894 (78%) were answered on time. Compared to 2024-25, answering performance decreased by seven percentage points, but the volume of WPQs received increased by more than 53%.

DCMS responded to Oral Questions in the House of Commons on seven occasions during the reporting period, and there were 23 Oral Questions sessions in the House of Lords. DCMS made 100 Written Statements and four Oral Statements across both Houses, and responded to 62 parliamentary debates (including Urgent Questions). Ministers also participated in legislative debates during passage of the Football Governance Act 2025.

The Secretary of State appeared before the House of Commons Culture, Media and Sport (CMS) Select Committee on 10 September 2025 to answer questions on the work of the department, and gave oral evidence to the House of Lords Communications and Digital Select Committee on AI and copyright on 13 January 2026. In addition, DCMS Ministers gave oral evidence to the CMS Select Committees on four occasions, as detailed below:

- CMS Committee, Grassroots music venues, 13 May 2025
- CMS Committee, Creative Industries Sector Plan, 8 July 2025
- CMS Committee, Community and school sport, 16 July 2025
- CMS Committee, Protecting built heritage, 10 February 2026

OTHER AREAS

Regulatory Policy Committee

The Regulatory Policy Committee (RPC) provides an opinion on the quality of evidence in Options Assessments (OAs) and regulatory Impact Assessments (IAs). DCMS submitted 1 OA and 3 final-stage IAs to the RPC for review in the financial year 2025-26. In addition to this, a number of regulatory measures were assessed as falling below the de minimis threshold and were certified internally. All OAs and IAs are subject to an internal analytical review process and are signed off by the DCMS Chief Economist or delegated to another senior analyst where appropriate (such as for smaller measures).

Machinery of Government Changes

On 1 September 2025, the Prime Minister announced a MoG change to immediately transfer delivery responsibility for the cross-government Young Futures Hubs from DfE to DCMS. This announcement follows the press release of the launch of the Hubs in July 2025. The financial effects are included within the accounts for 2025-26 but prior years have not been restated on the basis of materiality.

Prompt payment of suppliers

The Department has a Prompt Payment target, set out by the Cabinet Office, to ensure at least 90% of all undisputed invoices are paid within five working days and is measured against other Government Departments. Further to this, DCMS' policy is to comply with the Institute of

Credit Management's Prompt Payment Code, of which DCMS is an approved signatory. The standard terms and conditions for the supply of goods/services specify payment within 30 days of receipt of a valid invoice.

In 2025-26, 79% (80% in March 2026) of all undisputed invoices were paid within five working days (85% in 2024-25).

Using technology

The Creative Industries Sector Plan made a commitment to establishing a Creative Content Exchange (CCE), a trusted online marketplace enabling access and licensing to digitised cultural and creative assets from galleries, libraries, archives and museums across the UK. A pilot has been organised by the Natural History Museum in collaboration with UK Research and Innovation and DCMS to build a platform and test the market.

The potential of AI to transform public services is enormous, allowing us to deliver better, faster, and more innovatively for the public, and build a Civil Service fit for the future. During the year DCMS participated in One Big Thing, an annual initiative that drives upskilling and culture change through collective action on a single, shared priority across the Civil Service, which in 2025 was "AI for All".

We need to be able to work seamlessly across government. Collaboration and data sharing are essential to deliver the government's priorities and for our corporate functions to utilise new technologies to help them deliver effectively and efficiently. DCMS is delivering a project to move to Microsoft 365 which will make the practicalities of collaborating with other departments and public bodies safer and easier, giving back more time to innovate in our work.

Auditor's remuneration

These financial statements have been audited, under the Government Resources and Accounts Act 2000, by the Comptroller and Auditor General, who is appointed under statute and reports to Parliament. His certificate and report is included in the accounts on page 95. The external audit cost of the departmental group was £6.8m comprising £0.7m notional and £6.1 cash. Further information is provided in note 3.3 to the accounts.

Local Government Pension Scheme

A number of ALBs participate in the Local Government Pension Scheme (LGPS) which is a multi-employer defined benefit pension scheme and subject to a statutory audit by a separate pension scheme auditor. Assurance is obtained for the purposes of DCMS's financial statements from the pension scheme auditor. Due to a delay in the LGPS audit, it has not been possible for the C&AG to obtain the required assurances for the DCMS financial statements ahead of our timeline for a summer recess laying of accounts before Parliament.

We relied on unaudited LGPS data to accurately estimate the year-end position. Please note that for the year ended 31 March 2026, this data will remain unaudited when the DCMS Annual Report and Accounts are finalised. The total LGPS gross asset recognised in the DCMS financial statements is £524.8m reduced by the impact of the asset ceiling of £124.9m to a net asset position recognised in the accounts of £399.9m , and total LGPS liability is £399.7m

The system of annual reports and accounts is central to financial accountability in the public sector, and we have considered the balance of the need to publish timely financial information against the need for accurate and reliable information. Given that the unaudited LGPS year-end position constitutes a minor component of the overall DCMS pension figure, we consider that withholding the DCMS financial statements until the LGPS audit concludes would undermine financial accountability and transparency. As a result, we have proceeded with publication of the Annual Report and Accounts to the planned timetable. Due to insufficient evidence available for the purposes of the financial statements audit, the Comptroller and Auditor General's opinion on the financial statements is qualified in respect of this matter.

APPROACH TO RISK MANAGEMENT

Our Approach to Risk Management

Within the Department for Culture, Media & Sport (DCMS), effective risk management is integral to our governance framework and the successful delivery of our strategic objectives. Our strategy is not to eliminate all risk, but to proactively and transparently manage risks. This approach safeguards public funds and facilitates the achievement of our goals, all while operating within clearly defined risk appetites. These appetites are designed to strike a balance between accountability and proportionality, and our strategic ambitions.

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We prioritise flexibility, informed judgment, and continuous learning in our risk management practices. "Risk management practices comply with the requirements of the Orange Book's five principles, as set out below.

1. **An Essential Part of Governance and Leadership**

Risk management is driven by DCMS's **Executive Board (EB)**, supported by the **Audit and Risk Assurance Committee (ARAC)** and our dedicated risk management team. Our risk culture is underpinned by departmental values, a clear **Risk Policy, Process Guide**, and a revised **Risk Appetite Statement**, embedded through training in 2025-26.

Our **principal risks** were monitored via the EB risk register throughout 2025-26, discussed monthly at the EB and at the **Delivery and Risk Committee**. The risk management team ensures framework implementation, with all members holding or pursuing the Institute of Risk Management Certificate. They facilitate risk discussions across all areas, expanding engagement forums as part of our improvement plan.

2. **An Integral Part of All Organisational Activities**

Risk management is deeply embedded across all DCMS activities, including: **outcome delivery planning, business planning, policy development and delivery, business case/ project approvals, financial management, security, cyber security, counter fraud, and public body oversight.**

Risk discussions are part of everyday conversations, from informal chats to formal governance meetings. The risk team flags critical risks for "deep dives" at appropriate forums. We conduct **bi-annual reviews** of principal risks with the EB and Directors, leveraging Civil Service Board themes, PESTLE analysis, and the National Risk Register to identify short, medium, and long-term threats. Our continuous improvement plan includes enhancing national crisis response readiness and developing a risk-based approach for efficient business planning.

3. **Collaborative and Informed**

We foster strong internal and external collaboration. Our risk management team partners with colleagues across DCMS (including public bodies sponsor teams, governance, finance, and assurance) to share knowledge consistently. We also collaborate with other **Departmental Heads of Risk** via the HM Treasury's Risk Centre of Excellence to inform mitigation and reporting on common cross-departmental risks.

For objectives delivered through strategic partners (public bodies, grant intermediates), we use **shared risk registers**. The **Public Bodies risk network**, managed by our risk team, brings together risk specialists from DCMS's ALBs quarterly to share best practices and build capability.

4. **Structured to Include Identification, Treatment, Monitoring, and Reporting**

In 2025-26, we continued using our **risk management software tool**, adopted by all directorates for multi-level risk registers. Key risks are escalated to Director General or EB registers when further support is needed. Comprehensive policy, guidance, and training videos on our intranet ensure consistent risk scoring.

Dedicated **Risk Business Partners** liaison with Directors within each DG group, ensuring accurate recording and timely escalation to relevant governance bodies. Information is analysed

and reported to senior committees (DRC, EB). **Regular risk challenge sessions** scrutinise risk controls, mitigations, and tolerance levels, ensuring accurate threat descriptions.

5. **Continually Improved**

DCMS is committed to continuous improvement in our risk management culture and processes. Our risk team collaborates with **HM Treasury's Risk Centre of Excellence** and cross-government Heads of Risk to share best practices and identify improvement priorities. This year, we successfully restarted the Public Bodies risk network to build capability and capacity within our ALBs.

Changes to risk management

DCMS remains committed to continuously enhancing its risk management capabilities, ensuring our approach is dynamic and effective.

During 2025-26, our key risk management priorities included:

- **Updating Core Policy and Guidance:** We successfully updated and published our revised **Risk Policy, Risk process guide** and the **DCMS Risk Appetite Statement**, providing clearer guidance and a more defined framework for risk-taking across the Department.
- **Embedding the risk appetite:** We ran a series of departmental wide risk appetite training to build capability and highlight the benefits. We supported teams in using risk appetite to facilitate risk discussions and support decision making. As well as including risk appetite in business cases and business planning templates.
- **Dedicated Business Partner Support:** Roles within our risk management and assurance team have been adjusted so that each directorate has a dedicated business partner covering both risk and assurance.

Other activities completed to further mature our risk management practices include:

- **Optimising our Risk Software Tool:** We continued to leverage our dedicated risk management software tool, complemented by ongoing training. We've created standalone dashboards for each DG area and for projects. As well as linking our tool to an interactive portfolio dashboard. This has been a significant success, leading to more efficient processes, improved analysis and presentation of risk information. The tool has boosted DCMS's risk maturity by refining our reporting, enhancing performance tracking against our risk appetites. This has also improved the risk management team's ability to analyse risks by theme and streamline reporting. We have continued to improve the tool and have conducted a survey to gain feedback to enhance features.
- **Assessed Risk Maturity:** We conducted a risk maturity assessment through meetings with directors and SCS questionnaires covering risk management practices (within each directorate). We used the findings to create a targeted training plan for those areas in need of improvement.
- **Updated training offer:** We continued to improve our training offer to further upskill the department. We created dedicated training covering the risk policy, risk appetite and risk reporting. We have created a suite of short training sessions that focuses on introducing core risk principles. We promoted and encouraged the uptake of emerging Civil Service-wide risk management training to build capability across the Department.

Looking ahead to 2026-27, our risk improvement plan focuses on:

- **Reviewing Foundational Documents:** We will revise and seek approval for our departmental risk appetite statement, risk policy, and risk process guide to ensure they remain current and effective and used on an ongoing basis.
- **Deepening Risk Insights:** We aim to further enhance our risk analysis and insights to provide more robust support for decision-making at senior committees. There will be a focus on functional risk analysis.
- **Further embedding risk appetite:** We plan to further embed appetite into decision making. As well as improving risk appetite discussions at leadership meetings and committees.
- **Risk based management:** We plan to utilise risk-based decision making and risk appetite to help the department understand where efficiencies can be made with the lowest amount of risk
- **Dedicated Business Partner Support:** We plan to further embed tailored business partner support to directorate leadership meetings, fostering closer collaboration and more embedded risk practices. We will also look at ways to further improve the process and make it more efficient.

ASSURANCE EXERCISES

DCMS has an assurance framework which is broken into sections based upon how DCMS delivers its objectives, either through its public bodies; a project/programme, or through corporate services/functions supporting delivery. The following diagram shows the different levels of assurance within the department for each of these delivery types, using the three lines model.

Delivery Type	1st Line of assurance undertaken by	2nd Line of assurance undertaken by	3rd Line of assurance undertaken by	External undertaken by
DCMS Functional Services	Directors Functional Leads (re functional work) Line Managers Director Generals	Functional Teams Subject Matter Experts Governing Bodies of DCMS	GIAA	NAO Public Accounts Committee Select Committees Other Government Departments inducting Cabinet Office and HM Treasury Customers / suppliers / employees of DCMS invoices/payslips
Public Bodies	Sponsorship Teams (inc Sponsorship Directors)	Functional Teams (inc Public Bodies Team) Governing Bodies of DCMS	GIAA Independent Public Body Review Reviewers	NAO Public Accounts Committee Select Committees Other Government Departments inducting Cabinet Office and HM Treasury
Projects and Programmes	Senior Responsible Owners (SROs) Accounting Officer	Functional Teams (inc PD CoE) Subject Matter Exports Governing Bodies of DCMS	GIAA IPA	NAO Public Accounts Committee Select Committees Other Government Departments inducting Cabinet Office and HM Treasury

First line of assurance roles

Front line management and systems provide assurance that performance and quality is monitored, risks identified and addressed, and objectives are being achieved. These sources of assurance lack independence and objectivity, but they come from those familiar with the business, culture and day-to-day challenges.

Second line of assurance roles

Second line management roles provide complementary expertise, support, monitoring, and challenge related to the management of risks. These roles are separate from those responsible for delivery, but not independent of the organisation's management chain.

Third line of assurance roles

Third line roles communicate independent and objective assurance and advice to management and the governing body on the adequacy and effectiveness of governance and risk management (including internal control), to support the achievement of organisational objectives and to enable continuous improvement. The annual internal audit strategy and programme of audits is agreed by the Audit and Risk Committee (ARAC). Progress reports are provided within a year to each ARAC. An annual audit opinion is drafted at the conclusion of the annual programme of audits.

External

In addition to these three lines, various other sources of assurance come from roles outside of DCMS, including the National Audit Office (NAO) and Parliament's Public Accounts Committee (PAC), both of whom provide independent assurance on government activities to Parliament.

Annual Assurance Review

During 2025-26, we undertook a comprehensive annual review to assess the effectiveness of our risk management, governance, and internal controls. This review brought together significant sources of assurance, including our internal audit findings, as well as

- Directors' Assurance Questionnaire: We surveyed DCMS Directors to gather their assurance on existing risk management practices and controls, and to solicit proposals for improvement. We cross-referenced questionnaire responses against our corporate risk appetite statement, public body risk appetite statement and strategic risk registers to strategically prioritise areas for enhancement. Overall confidence in the control environment is strong, with particularly strong feedback received from Directors in how we handle Pay and Reward and follow Analytical Standards. Positive assurance trends have been noted in Project Delivery, continuing the improvements seen since 2023/24 and 2024/25.
- Orange Book Risk Control Framework Compliance: To reinforce our commitment to the HM Government's Orange Book Principles, we developed a comprehensive set of expected evidence. This ensures that the core components of the Orange Book are demonstrably in place across DCMS operations.
- Second Line Assurance Testing: We mapped the assurance arrangements of most departmental functions throughout the year. Utilizing these assurance maps, we identified key second line assurance arrangements, encompassing the work of various DCMS functions, governing bodies, and our dedicated assurance team. We then triangulated the results of these arrangements against the Directors' self-assessment responses to identify and address any discrepancies.
- Functional Standard Self-Assessments: Supplementing the above, we continued our practice of collating self-assessments from DCMS core functional leads regarding their progress in implementing functional standards. DCMS has now achieved full compliance with the mandatory requirements of seven standards, with development plans in place to ensure compliance with all functional standards in a manner that supports our business needs. HR and Finance will be fully compliant once part of the new Matrix shared services cluster. Security and Project Delivery compliance is substantially complete, while Property and Digital, Data and Technology have development plans in place.
- Challenge Sessions: The DCMS Assurance Team actively hosts challenge sessions to identify priority areas for control improvements. These panel sessions were held with each Director General (DG) and their respective Director teams. A culminating final panel session, chaired by the independent Chair of ARAC, involved the Permanent Secretary and both DGs. The presence of the Government Internal Audit Agency provided invaluable additional challenge and insight.

Following these comprehensive sessions, the following areas have been prioritised for continuous improvement in 2026-27:

- Digital, Data and Technology (including Cyber Security; Information and Asset Management; and AI)
- Corporate Compliance
- Performance Management
- Security, and Health and Safety
- Assurance over Public Bodies

GOVERNANCE OF PUBLIC BODIES

Over the financial year 2025-26, DCMS worked with 42 Public Bodies in total with a wide span of policy and operational responsibilities across DCMS sectors, 36 of whose accounts were consolidated into DCMS accounts (see note 1.3).

The department's Public Bodies are governed by their own independent boards, each with their own separate governance and internal assurance structures, details of which can be found in their individual Annual Reports and Accounts. The 36 bodies consolidated into the department's accounts are all individually reviewed by DCMS as part of the process of preparing the group accounts.

In 2025-26 the department continued to follow its Integrated Assurance Framework, seeking assurances on its Public Bodies through the three lines of assurance model which includes a number of assurance mechanisms, such as:

- A sponsorship model, with dedicated sponsors (supported by functional teams such as: HR, Public Appointments, Commercial or the Finance Business Partners) holding regular (usually quarterly) meetings to review delivery, risk and performance (Partnership Meetings);
- Annual Chair Appraisals and also Board Effectiveness Reviews which are carried out every year and every three years by an external independent assessor;
- Public Bodies' governance statements and confirmation letters from Public Bodies' Audit Risk and Assurance Committee (ARAC) Chairs on the effectiveness of internal controls and compliance;
- Advice and challenge from the DCMS ARAC on Public Bodies' assurance processes together with DCMS Finance Team attendance or review of papers from Public Body ARACs to gain assurance about the effectiveness of the organisation
- All DCMS Public Bodies in receipt of Grant-in-Aid have a delegated spending authority limit approved by Parliament. All spending over those limits require approval from HM Treasury, as will all spending within those limits that is novel, contentious or repercussive. This process is undertaken via the DCMS Finance Team, who are also responsible for monitoring compliance with these limits,
- A quarterly review and interrogation of Public Bodies risks, which are escalated to the Delivery and Risk Committee ensuring that the right controls and mitigations are in place, and escalating to the Executive Board, via the Delivery & Risk Committee, the most significant risks

In line with the scope of Accounting Officer responsibility, the department has Framework Documents or other agreements with its Public Bodies. These are a core constitutional document setting out their purpose, describing the governance and accountability framework that applies between their roles and that of the department and rest of government. They reflect the specific structures, roles and responsibilities within each Public Body and set out how the day-to-day relationship, governance and financial matters operate in practice. These are currently being refreshed in line with the latest HMT guidance.

DCMS has unique Public Bodies Complaints and Whistleblowing guidance which offers guidance for managing cases that involve: a registered or exempt charity; a CEO or top executive; a member of the Board or a Chair. It provides guidance on how to approach each of these scenarios and what considerations should be made.

It should be noted that Public Bodies are expected to have their own internal Whistleblowing (and other complaints) policies and procedures available to their staff to follow when a concern is raised and to be fully exhausted under these. In exceptional circumstances, however, a concern may be raised directly with DCMS as the sponsor department.

PUBLIC BODIES REVIEWS

Public Body reviews are one of the levers by which ministers, departments and ultimately the public can influence, and be informed about Public Bodies and their sponsorship teams. The reviews provide assurance that the Public Body's function remains useful and necessary, assess alternatives for delivering the government's objective, ensure Public Bodies are operating with a clear purpose using an appropriate delivery model, and consider whether decisions are appropriately being taken and provide tangible recommendations. In 2022, the Cabinet Office launched a centrally-led Public Bodies Review Programme. This stipulated which Public Bodies should be reviewed by sponsoring departments in each financial year. The programme came to a close in 2025, meaning individual departments now have the autonomy to determine which Public Bodies are most suitable for review based on their strategic significance and relevance to achieving departmental outcomes.

As part of this Government's ALB reform, alongside the National Citizen Service closure, DCMS prioritised the independent review of Arts Council England, which was launched in February 2025 and led by Baroness Margaret Hodge. The government has formally responded to Baroness Hodge's review and both the government and the Arts Council have published their responses. We are accepting all recommendations and collaborating with the Arts Council to implement the transformational changes. Government commitments include maintaining a strong and impartial Arts Council, putting people and place back at the heart of local decision-making, and developing a new programme of support for individual creatives. We are prioritising reforms to the National Portfolio Investment Programme, which we hope will enhance people's local access to high-quality culture where they live. These reforms are complemented by other actions DCMS are taking to back the cultural life of the country - including the recent £1.5 billion Arts Everywhere investment, reforms to the arts in the school curriculum, a new National Centre for Arts and Music education and the inaugural UK Town of Culture competition.

The department is currently evaluating whether additional Public Body reviews should be carried out during the 2026-27 financial year, as well as how to respond to the review of the British Tourist Authority (BTA). These decisions are linked to the cross-government Plan for Change.

Appointments to Public Body Boards

DCMS ministers appoint, or make recommendations to the Prime Minister or the Sovereign to appoint, the Chairs and trustees of the majority of DCMS Public Bodies. Appointments to the department's Public Body Boards are regulated by the Commissioner for Public Appointments.

Between 1 April 2025 and 31 March 2026, the department has made 123 regulated public appointments. Of these, 89 were new appointments and 34 were reappointments. 58% of appointments were to women, 16% were made to people from a minority ethnic background and 5% to candidates declaring disabilities. 49% of the appointments made were to individuals outside London and the South East region. The Department is committed and determined to increasing diversity and ensuring that it is attracting the widest pool of talent to the public appointments system.

Managing risks in Public Bodies

While responsibility for managing their own risks remains with Public Bodies, the department is sighted on these and regularly reviews in detail those which may impact DCMS should they materialise. These are scrutinised and monitored by relevant DCMS Boards and Committees.

The level of departmental engagement with individual Public Bodies to formally scrutinise their performance, risks, finances and delivery is undertaken through quarterly Partnership Meetings.

DRC oversees the management of both DCMS core departmental and Public Body risk. A sub-committee of DRC, the Public Bodies Performance and Risk Board, monitors all Public Body risks through the identification of risk categories, themes and trends - supporting effective and aligned risk mitigation. The findings by this Board are escalated to the newly created Sponsorship Directors Forum and then to DRC for further scrutiny via a quarterly risk dashboard and governance report.

The Public Bodies risk dashboard for DRC, and subsequently the Executive Board, shows the top Public Body risks affecting DCMS broken down into impact categories following the Orange Book's principles. These risks are identified from information and insights obtained from the sponsor/functional teams.

Accounting Officers of all Public Bodies are made aware of the importance of managing risks proportionately, maintaining a sound internal control system, and ensuring propriety, regularity and value for money in all aspects of governance, decision making and financial management. During the financial year (or after the year-end and before the department's accounts are signed), all Public Body Accounting Officers are required to notify the department of significant internal control weaknesses or issues arising. They must incorporate a governance statement in their accounts. The department takes prompt follow-up action as necessary on any matters identified from these governance statements or notifications. In addition, the Public Bodies have their own audit committees, and the department's Finance and Commercial Director writes to the Chairs of these forums requesting disclosure or any matters warranting inclusion in this report. The Audit and Risk Assurance Committee (ARAC) Chair also convenes a twice-yearly Forum meeting for the Public Bodies ARAC chairs to cascade pertinent information. We also hold a quarterly meeting with all ALB ARAC chairs invited to discuss relevant matters.

GOVERNANCE ARRANGEMENTS OF PUBLIC BODIES SIGNIFICANT TO DCMS ACCOUNTS

For those areas significant to the group's accounts an overview of the governance arrangements is set out below.

National Lottery

The department is responsible for the policy and legislative framework underpinning the National Lottery and works closely with the Gambling Commission (GC), the independent regulator of the National Lottery licence. Amongst other things, the GC monitors and reports on the performance of the operator and enforces the terms of its licence. The department maintains oversight of the GC's activities through appropriate controls, including a management statement covering regularity and propriety issues, and through an established series of regular meetings and ad hoc interactions. The current (4th) licence commenced on 01 February 2024, when Allwyn Entertainment Ltd took over stewardship of the National Lottery.

As steward of the National Lottery Distribution Fund (see below) the department's priority is to ensure a smooth delivery of the 4th licence. Risks in 2025-26 included those arising from the delay to the achievement of 4th licence full functionality; and also, the continuing litigation in respect of the 4th licence competition and related matters.

During 2025-26 the GC oversaw Allwyn's completion of its comprehensive upgrades to the National Lottery digital technology and retail estate. The realisation of this milestone means Allwyn can now focus attention on delivering its commercial plans to develop the National Lottery over the lifetime of its Licence tenure.

The remaining legal challenge to Gambling Commission's decision to award the Licence to Allwyn was heard over October to December 2025. The Court's judgement, handed down on 17 April 2026, dismissed all challenges against the Gambling Commission. An application to the High Court for permission to appeal aspects of the ruling was denied at a hearing in May 2026. An approach to the Court of Appeal may still be made, and while that remains to be the case the legal risk continues.

The department remains closely engaged with the GC on these risks via the controls mentioned above, particularly mindful of the potential read across to the National Lottery Distribution Fund (see Note 20.1.2 on page 183).

The amounts raised through the National Lottery for good causes are paid into the National Lottery Distribution Fund (NLDF) which is managed and run by staff employed by the department. Lottery monies are independent of the government and are distributed at arm's length by independent lottery distributing bodies. The department implements appropriate controls over lottery distributors, including financial directions, to ensure propriety, regularity and accountability in their handling of lottery monies drawn down. DCMS seeks annual confirmation from all lottery distributors of key systems of internal control in relation to their handling of lottery monies.

The BBC

The BBC is established by Royal Charter. Her Majesty the Queen Elizabeth II granted the current Charter at the end of 2016 and it will last until 31 December 2027. The BBC Board has up to 14 members, with the government appointing the chair and four non-executive members for each of the nations. The BBC appoints five non-executive members to the Board. Neither ministers nor the department have direct responsibility or accountability for the BBC's day to day expenditure, nor operational, managerial or editorial decision-making, as these roles are vested in the BBC and its Board.

The BBC licence fee settlement period covers 1 April 2022 to 31 March 2028. The licence fee was frozen for the first two years of the settlement, before rising in line with inflation for the following four years. The cost of the licence fee therefore rose to £180 in April 2026. The

BBC has responsibility for the collection of the licence fee, and the BBC Board must ensure that arrangements for the collection of the licence fee are efficient, appropriate and proportionate (as set out in the Charter). The BBC Board has responsibility for the content of the 2025-2026 BBC Annual Report and Statement of Accounts.

The current Charter Review was launched on 16 December 2025, with the publication of Terms of Reference and a Green Paper called “Britain’s Story: The Next Chapter”. The Charter Review is a key opportunity to set the BBC up for success long into the future and ensure it continues to deliver its important public service obligations. It is looking at a range of issues, including the BBC’s funding model, to make sure the BBC truly represents and delivers for every person in the UK.

Other

The department also sponsors a number of advisory bodies and committees, public corporations and public broadcasting bodies (which have greater levels of independence) and other organisations that receive DCMS grant funding.

DCMS GROUP ACCOUNTS - POINTS OF INTEREST

Fraud and error

The department’s risk appetite for fraud is minimal and it focuses its counter fraud response on higher risk and value funding, ensuring through investment appraisal processes that proportionate post event assurance is conducted on its most significant grant schemes.

DCMS has a Senior Officer Accountable for Counter Fraud at Executive Board level who is responsible for ensuring that the department’s overall arrangements for managing the risk of fraud and error are appropriate. Aggregated data on fraud and error against the department or its Public Bodies is reported to the Audit Risk and Assurance Committee. All staff in the department are required to undertake biennial fraud awareness training.

The department is committed to meeting the requirements of the Counter Fraud Functional Standard and has engaged with the Public Sector Fraud Authority (PSFA) in several areas, including data analytics, intelligence, investigation and enforcement. The department is a member of the cross government Internal Fraud Hub, requiring it to provide details of any civil servants dismissed for committing internal fraud, to strengthen pre-employment checks across government. No referrals to the hub were made in 2025-26.

In 2025-26, DCMS Economic Crime Team focussed on improving assurance over high value grant schemes, data analytical reviews, expert support to higher risk areas and capability building with Public Bodies, as well as trialling new recovery routes where fraud and error had been identified. We engaged with the COVID Fraud Commissioner’s office throughout this year, and will implement their recommendation to continue our work to detect fraud in the Cultural Recovery Fund, working with Arts Council England.

Data on prevented, detected and recovered fraud and error is reported on a quarterly basis by the department and its Public Bodies to the PSFA, where it is quality assured and published in the cross government Annual Fraud Landscape Report. DCMS has not recorded any material frauds within its core expenditure in 2025-26.

We have further developed our approach to grants assurance in the core department, undertaking statistically valid random sampling exercises on our largest capital schemes and other second line assurance on our largest resource grants.

This exercise involved reviewing the following funding streams: Youth Investment Fund (YIF), YIF Modern Methods of Construction, Grassroot Sports, Better Youth Spaces, Listed Places of Worship, and the Uniformed Youth Fund. In 2025/26, the total value of these grants was £119m, representing 43% of total core grant expenditure. Our assurance work identified no instances of fraud or material error’.

Across the group, Public Bodies (PBs) administer a significant volume of grant expenditure and maintain frameworks to identify and manage associated risks. Commonly identified risks include the submission of false applications, organisational impersonation, and the post-award misuse of funds. To mitigate these, PBs employ a range of controls, such as pre-award due diligence checks, milestone-based payment schedules, segregation of duties, and post-event assurance. Framework agreements emphasise the requirement to meet the Counter Fraud Functional Standard on comply or explain basis. Public Bodies’ accounts contain further details on their Counter Fraud strategies and annual disclosures.

Whistleblowing

DCMS's Raising a Concern Policy and Procedure (also known as Whistleblowing) is published on the department's intranet. DCMS has an independent nominated officer whom staff can approach anonymously to report any concerns they may have about perceived wrongdoings or something that goes against the Civil Service Code (i.e. integrity, honesty, objectivity, impartiality). The department also participates in the annual Civil Service 'Speak Up' campaign each year through central communications available on our intranet. In the 2025 People Survey DCMS obtained a score of 84% for inclusion and fair treatment. In addition, 94% of staff reported that they understand the Civil Service Code and what it means for their conduct, 70% knew how to raise a concern under the code, and 80% confirmed they were confident that a raised concern under the Civil Service Code would be properly investigated. There was 1 incident of Whistleblowing during this reporting period, which is awaiting an outcome. DCMS has inducted 2 further nominated officers to increase resilience.

Group write-offs

A summary of losses can be found in the Parliamentary accountability disclosures on page 90. During 2025-26, 4 individual losses exceeded £300,000.

Tax Policy for off-payroll appointees

Tax assurance evidence is sought annually to ensure compliance and where this is not the case, the expectation is that contracts will be terminated. DCMS public bodies have also been asked to provide assurance of compliance with this tax policy. Personal details of all engagements where assurance is requested but not received, for whatever reason, except where the deadline for providing assurance has not yet passed, is sent to HM Revenue and Customs for further investigation. A summary of the DCMS tax assurance data is available at [DCMS-tax-reporting-data-for-off-payroll-workers April-2025-to-March-2026]

Ministerial directions

A ministerial direction is defined as the occasion where the department's Accounting Officer has presented a formal objection (based on grounds of regularity, propriety, value for money or feasibility) to the proposed action of a minister, and the minister overrules that advice. If a direction is given, the Accounting Officer will no longer be challenged by the Public Accounts Committee as to why they took forward the policy. During 2025-2026 there were no instances of a ministerial direction.

Conflicts of Interest policy and procedure

All members of the Departmental Board, Audit and Risk Assurance Committee, and Executive Board are required to declare any personal or business interest which may, or may be reasonably perceived (by a member of the public), to influence their judgement in performing their functions and obligations. Where a board member declares a potential conflict at meetings, it is recorded in the minutes and the board member takes no part in the meeting for the duration of that item of discussion.

Accounting Officer System Statement

The Accounting Officer System Statement sets out all of the accountability relationships and processes within the departmental group, including relationships with DCMS public bodies and other delivery partners. An updated version was published on 28 February 2025, and is available at https://www.gov.uk/government/publications/dcms-accounting-officer-system-statement-2025/dcms-accounting-officer-system-statement-2025

Internal Audit Annual Report

Every year, Internal Audit works with the department's senior managers to plan an annual programme of assurance work, supporting the effective identification and management of key risks across the organisation. Internal audit activity and engagement across the year then informs the Group Chief Internal Auditor's (GCIA) independent annual opinion. The annual opinion provides the Accounting Officer with dependent assurance regarding the adequacy and effectiveness of risk management, control and governance at DCMS during the last financial year.

NATIONAL AUDIT OFFICE REPORTS

The department's work was the subject of the following NAO reports in 2025-26, summarised below:

The BBC World Service's savings programme

This report examines the BBC World Service's implementation of its savings programmes from 2022 and its strategic transition toward a "digital-first" operating model. It acknowledges the Service's success in meeting most financial targets and maintaining its global reputation for trustworthiness despite significant real-terms funding reductions, but the report found some weaknesses in the Service's approach to implementing the savings programmes. The report provides recommendations to strengthen future governance, specifically by improving the monitoring of non-financial impacts and using audience data to better support long-term value for money.

Museum and Galleries Financial Sustainability

DCMS provides sponsorship and direct funding to 15 museums and galleries (M&G's) in England, which operate as its arm's-length bodies (ALBs). These ALBs retain primary responsibility for managing their ongoing financial resilience and day-to-day operations. This report reviews how well the 15 DCMS-sponsored M&Gs and DCMS have managed M&G's financial challenges after the end of most extra COVID-19 funding in 2021-22.

The NAO found that DCMS and the M&Gs have worked in partnership to oversee M&G's continued operations, which included DCMS providing additional, short-term funding to some M&Gs that it identified faced the greatest financial risks. However, NAO identified room for improvement regarding DCMS' oversight of the sector, as well as recommendations for M&Gs on how they manage future financial challenges.

The report recommended that (i) DCMS should undertake a review of Key Performance Indicators (KPIs) to ensure measurable alignment with priority outcomes and expectations; (ii) DCMS to identify M&G financial resilience indicators to identify potential early warning signs of financial difficulty; (iii) DMCS to provide increased transparency regarding annual funding settlements to M&Gs, and (iv) DCMS to communicate a plan setting out how it will support sharing of good practice and development of capacity to address cross-cutting challenges.

Responding to the NAO's report, DCMS welcomed the NAO's recommendations in full, which it is now taking forward.

Department for Culture, Media & Sport and BBC: Overview

This report provides an overview of the National Audit Office's examination of the spending and performance of the Department for Culture, Media & Sport (DCMS) and the BBC for the 2024-25 period. Published in January 2026, it is intended to support the Culture, Media & Sport Committee and Members of Parliament in their ongoing scrutiny of both organisations' financial management and strategic delivery

NAO RECOMMENDATION TRACKER

The NAO recommendations tracker is published twice a year. The tracker brings together NAO recommendations published in their reports since 1 April 2019. The aim of the tracker is to increase transparency on the outcomes of their recommendations and promote scrutiny and parliamentary accountability for government spending. They are publishing it within their role as the UK's independent public spending watchdog.

ACCOUNTING OFFICER'S CONCLUSION

I have considered the evidence provided regarding the production of the annual governance statement - including from the department's governance structures, reviews of our public bodies and the independent advice provided by the Audit and Risk Assurance Committee. I conclude that the department has satisfactory governance and risk management systems in place with effective plans to ensure continuous improvement.

Remuneration report

Core department only

This annual remuneration report is prepared with reference to guidance contained in the annual Employer Pension Notice (EPN 746 and EPN 747) issued by Civil Service Pensions. ALBs provide equivalent information in their own accounts where required to do so.

Remuneration policy

The Prime Minister, following independent advice from the Senior Salaries Review Body, sets the remuneration arrangements for senior civil servants.

The review body also advises the Prime Minister from time to time on the pay and pensions of members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body is to have regard to the following considerations:

- the need to recruit, retain and motivate and, where relevant, promote 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 the 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; and
- 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. Further information about the work of the Review Body can be found at: https://www.gov.uk/government/organisations/review-body-on-senior-salaries/about

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: https://civilservicecommission.independent.gov.uk/

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the ministers and most senior management of the department.

Remuneration (salary, benefits in kind and pensions – subject to audit)

Single total figure of remuneration

Ministers	Salary		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1000)[1]		Total (to nearest £1000)[2]	
	2025-26 (FYE)	2024-25 (FYE)	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
The Rt Hon Lisa Nandy, MP, Secretary of State for Culture, Media and Sport from 5 July 2024 to Present	67,505	49,406 (67,505)	-	-	17,000	13,000	85,000	62,000
Stephanie Peacock, MP, Parliamentary Under-Secretary of State (Minister for Sport, Tourism, Civil Society and Youth) from 9 July 2024 to Present[3]	22,375	16,295 (22,375)	-	-	6,000	4,000	28,000	20,000
Sir Chris Bryant, MP, Minister of State for Creative Industries, Arts and Tourism from 8 July 2024 to 6 September 2025[4]	-	-	-	-	-	-	-	-
Baroness Twycross, Parliamentary Under-Secretary of State from 23 July 2024 to Present[5]	-	-	-	-	-	-	-	-
The Rt Hon Ian Murray MP, Minister of State for Creative Industries, Media and Arts from 6 September 2025 to Present[6]	17,880 (31,680)	-	-	-	10,000	-	28,000	-

Notes:

1. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) 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.

2. The total remuneration has been calculated by adding the actual remuneration and expressing this figure to the nearest £1,000. Due to rounding the total may not exactly reflect the declared values in the components of the remuneration, such as salary and pension benefits.

3. Stephanie Peacock, MP, was appointed Minister for Sport, Tourism, Civil Society and Youth on 11 September 2025, having been Minister for Sport, Media, Civil Society and Youth from 9 July 2024.

4. Sir Chris Bryant, MP, was also a minister at the Department for Science, Innovation and Technology (DSIT), he was paid by DSIT and did not receive a salary from DCMS.

5. Baroness Twycross is paid by His Majesty’s Treasury and occupies her role in DCMS as an unpaid minister.

6. Ian Murray was appointed as Minister of State jointly in the Department for Culture, Media and Sport (Minister of State for Creative Industries, Media and Arts) and the Department for Science, Innovation and Technology (Minister of State for Digital Government and Data) on 6 September 2025.

The following tables disclose the remuneration of the departmental Executives.

Single total figure of remuneration

Executives	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1000)[1]		Total (£'000)[2]	
	2025-26 (FYE)	2024-25 (FYE)	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25 Restated[18]	2025-26	2024-25 Restated[18]
Susannah Storey, Permanent Secretary from 12 July 2023 to Present	170-175	160-165		-	-	-	67,000	62,000	240-245	220-225
Ruth Hannant, Director General for Culture, Sport and Civil Society from 11 July 2023 to 5 June 2026	105-110[3] (155-160)	105-110[3] (150-155)	0-5	0-5	-	-	16,000	70,000	130-135	155-160
Polly Payne, Director General for Culture, Sport and Civil Society from 11 July 2023 to 5 June 2026	105-110[4] (155-160)	105-110[4] (150-155)	0-5	0-5	-	-	22,000	63,000	135-140	150-155
Andrew Pattison, Chief Financial Officer from 19 February 2024 to Present, Interim Director General for Strategy and Operations from 10 November 2024 to 27 April 2025	105-110[5] (140-145)[6]	135-140	10-15	0-5	-	-	13,000	108,000	130-135	205-210
Jonathan Martin, Interim Director General for Strategy and Operations from 10 November 2024 to 27 April 2025. Director Project Delivery and Major Events from 27 April 2025 to Present.	110-115	45-50 (110-115)	5-10	0-5	-	-	2,000	49,000	125-130	80-85
Laura Jackson, Director Corporate Strategy from 6 November 2023 to Present	70-75[7] (105-110)	70-75[7] (100-105)	0-5	-	-	-	27,000	33,000	105-110	105-110
Rebecca Egan, Director Corporate Strategy from 1 February 2025 to 30 January 2026[7]	60-65[9] (105-110)	15-20[8] (70-75)	5-10	-	-	-	27,000	3,000	95-100	15-20
Jennifer Wood, Director of Communications from 29 April 2024 to Present	135-140	120-125 (130-135)	5-10	-	-	-	54,000	288,000	195-200	390-395
Louise Smith, Director Corporate Strategy from 6 November 2023 to 1 February 2025, then from 28 January 2026 to Present[9]	70-75[11] (100-105)	70-75[10] (100-105)	-	-	-	-	28,000	-	100-105	70-75
Andrew Faulkner, Director, People and Workplace from 24 March 2025 to Present	105-110	0-5 (100-105)	0-5	-	-	-	95,000	3,000	205-210	5-10
Will MacFarlane, Director General, Strategy and Major Events from 28 April 2025 to 8 September 2025[11]	50-55[12] (135-140)	-	-	-	-	-	9,000	-	60-65	-
Emma Ward, Director General for Strategy, Sport and Events from 20 October 2025 to Present[12]	65-70[13] (150-155)	-	-	-	-	-	24,000	-	90-95	-
Megan Attwooll, Deputy Chief Financial Officer from 1 November 2025 to 2 January 2026[13]	45-50[14] (125-130)	-	-	-	-	-	6,000	-	50-55	-
James Crutchley, Deputy Chief Financial Officer, from 5 January 2026 to 30 January 2026[14]	5-10 (100-105)	-	-	-	-	-	6,000	-	10-15	-
Naomi Mallick, Legal Director, from 3 March 2025 to Present[15]	-	-	-	-	-	-	-	-	-	-

Notes:

1. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) 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.
2. The total remuneration has been calculated by adding the actual remuneration and expressing this figure to the nearest £1,000. Due to rounding the total may not exactly reflect the declared values in the components of the remuneration, such as salary and pension benefits.
3. Ruth Hannant worked in a job share part time (0.7 FTE).
4. Polly Payne worked in a job share part time (0.7 FTE).
5. Andrew Pattison took a career break between 31 October 2025 and 2 February 2026, and was not remunerated during this time.
6. Andrew Pattison's FYE has been calculated with knowledge of a salary recovery in April 2026. During February and March Andrew Pattison was overpaid and his FYE has been calculated by discounting this overpayment.
7. Laura Jackson works part-time (0.7 FTE).
8. Rebecca Egan left the Department on 30 January 2026
9. Rebecca Egan worked part-time (0.7 FTE)
10. Louise Smith was on paid maternity leave from 1 February 2025. She returned from paid maternity leave on 28 January 2026. Her remuneration during this reporting period has been included.
11. Louise Smith works part-time (0.7 FTE).
12. Will MacFarlane left the Department on 8 September 2025. The Department reclaimed £5,192.56 of overpayments in October 2025.
13. Emma Ward began her role on 20 October 2025.
14. Megan Attwooll became a member of the board on 1 November 2025. She began Maternity Leave from 5 January 2026. Her maternity leave payments have been included for the reporting period
15. James Crutchley became a member of the board on 5 January 2026 and left the board on 30 January.
16. Naomi Mallick is employed by the Government Legal Department (GLD) and works across both DSIT and DCMS. She is not paid by DCMS.
17. Individuals not in post as at 31 March 2025 have not had prior year comparatives included.
18. Opening balances for pension disclosures for some members are not consistent with the closing balances reported in the prior year. This is due to the availability in 2025/26 of more up to date data relevant to the calculation of the prior year benefits.

Salary

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

Non-consolidated performance related pay awards (Bonuses)

The performance management and reward policy for all members of the Senior Civil Service (SCS), including board members, is managed within a central framework set by the Cabinet Office.

SCS non-consolidated pay is agreed each year following Senior Salaries Review Body recommendations, and is expressed as a percentage of the department's total base pay for the SCS. The DCMS Senior Pay Committee is responsible for assessing the relative contribution of individual SCS members and making the final pay decisions. Non-consolidated performance pay is awarded in arrears.

The non-consolidated performance pay included in the 2025-26 figures in the above table relate to awards made in respect of the 2024-25 performance year but paid in the financial year 2025-26. Similarly, the comparable bonuses reported for 2024-25 relate to performance in 2023-24.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the department and treated by HMRC as a taxable emolument. No minister has received living accommodation provided at public expense and chargeable to tax under s163 of the Income and Corporation Taxes Act 1988.

Pay multiples (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the following of the remuneration of the organisation's workforce: lower quartile, median and upper quartile.

The banded remuneration of the highest-paid director in DCMS in the financial year 2025-26 was £170,000-£175,000 (2024-25: £160,000-£165,000). This was 3.1 times (2024-25: 3.0) the median remuneration of the workforce, which was £55,782 (2024-25: £54,629).

In 2025-26, nil (2024-25: nil) employees received remuneration in excess of the highest-paid director. Remuneration in 2025-26 ranged from £27,748 to £175,000 (2024-25: £26,599 to £165,000).

Total remuneration includes full-time equivalent 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.

Percentile pay ratio	2025-26	2024-25
Band of highest paid director's total remuneration (£'000)	170-175	160-165
25th percentile pay ratio	4.2	4.1
50th percentile pay ratio (Median)	3.1	3.0
75th percentile pay ratio	2.6	2.5

2025-26 Amounts	25th percentile	50th percentile	75th percentile
Total pay and benefits	£41,542	£55,782	£66,540
Salary and allowance component of total pay and benefits	£40,942	£54,582	£64,990

The median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the entity's employees taken as a whole.

Annual remuneration percentage change (subject to audit)

The table below shows the percentage change from previous year in total salary and allowances and performance pay and bonuses for the highest paid director and for staff average (excluding the highest paid director).

Highest paid Director	**2025-26**	**2024-25**
Salary and Allowances	+8.9%	+5.7%
Performance Pay and Bonuses payable	0%	-100%
Staff average		
Salary and Allowances	+1.4%	+4.0%
Performance Pay and Bonuses payable	+4.3%	+9.65%

Salary and allowances cost in 2025-26 have increased due to the 2025 pay uplifts.

Non-Executive board members (subject to audit)

	Remuneration and full year equivalent (£'000)	
Non-Executive board member	**2025-26 (FYE)**	**2024-25 (FYE)**
Claudia Arney, Lead Non-Executive Board Member from 15 April 2021 to Present	20-25	20-25
Janet Pope, Non-Executive Board Member and Audit and Risk Assurance Committee Chair from 23 April 2025 to Present	15-20 (20-25)	-
Jude Kelly CBE, Non-Executive Board Member from 23 April 2025 to Present	10-15 (10-15)	-

Pension benefits – ministers (subject to audit)

Ministers	Accrued pension at age 65 as at 31 March 2026 (£'000)	Real increase in pension at age 65 (£'000)	CETV at 31 March 2026 (£'000)	CETV at 31 March 2025 (£'000)	Real increase in CETV (£'000)
The Rt Hon Lisa Nandy, MP, Secretary of State for Culture, Media and Sport from 5 July 2024 to Present	2	1	30	12	10
Stephanie Peacock, MP, Parliamentary Under-Secretary of State (Minister for Sport, Tourism, Civil Society and Youth) from 9 July 2024 to Present	1	0	9	4	3
Sir Chris Bryant, MP, Minister of State for Creative Industries, Arts and Tourism from 8 July 2024 to 6 September 2025	-	-	-	-	-
Baroness Twycross, Parliamentary Under-Secretary of State from 23 July 2024 to Present	-	-	-	-	-
The Rt Hon Ian Murray MP, Minister of State for Creative Industries, Media and Arts from 6 September 2025 to Present	2	1	33	21	6

For further information, see the notes on Ministers' remuneration Page 60.

Ministerial pensions

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

https://mypcpfpension.co.uk/wp-content/uploads/2019/09/ministerial-pension-scheme-rules.pdf

Those ministers who are Members of Parliament may also accrue a MP's pension under the PCPF (details of which are not included in this report). A new MP's pension scheme was introduced from May 2015, although members who were aged 55 or older on 1 April 2013 have transitional protection to remain in the previous final salary pension scheme.

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

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

The cash equivalent transfer value (CETV)

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

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024.

HM Treasury published updated guidance on 24 April 2024 this guidance has been used in the calculation of 2025-26 CETV figures.

The real increase in the value of the CETV

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

Pension benefits – officials (subject to audit)

Executives	Accrued pension at pension age as at 31 March 2026 and related lump sum (£'000)	Real increase in pension and related lump sum as at pension age (£'000)[1]	CETV at 31 March 2026 (£'000)	CETV at 31 March 2025 (£'000 Restated)[4]	Real increase in CETV (£'000)
Susannah Storey, Permanent Secretary from 12 July 2023 to Present	55-60	2.5-5	893	805	46
Ruth Hannant, Director General for Culture, Sport and Civil Society from 11 July 2023 to 5 June 2026	55-60 plus a lump sum of 90-95	0-2.5 plus lump sum of (5)-(2.5)	1051	994	2
Polly Payne, Director General for Culture, Sport and Civil Society from 11 July 2023 to 5 June 2026	45-50 plus a lump sum of 70-75	0-2.5 plus lump sum of (5)-(2.5)	983	922	9
Andrew Pattison, Chief Financial Officer from 19 February 2024 to Present, Interim Director General for Strategy and Operations from 10 November 2024 to 27 April 2025	70-75	0-2.5	1082	1034	7
Jonathan Martin, Interim Director General for Strategy and Operations from 10 November 2024 to 27 April 2025. Director Project Delivery and Major Events from 27 April 2025 to Present.	45-50	0-2.5	804	802	0
Laura Jackson, Director Corporate Strategy from 6 November 2023 to Present	15-20	0-2.5	226	200	15
Rebecca Egan, Director Corporate Strategy from 1 February 2025 to 30 January 2026	25-30	0-2.5	397	366	14
Jennifer Wood, Director of Communications from 29 April 2024 to Present	35-40	2.5-5	658	589	29
Louise Smith, Director Corporate Strategy from 6 November 2023 to 1 February 2025, then from 28 January 2026 to Present	25-30	0-2.5	375	351	14
Andrew Faulkner, Director, People and Workplace from 24 March 2025 to Present	35-40 plus lump sum of 80-85	2.5-5 plus lump sum of 5-7.5	717	604	75
Will MacFarlane, Director General, Strategy and Major Events from 28 April 2025 to 8 September 2025.	45-50	0-2.5	748	-	1
Emma Ward, Director General for Strategy, Sports and Events from 20 October 2025 to Present	55-60 plus a lump sum of 120-125	0-2.5 plus lump sum of (2.5)-0	1152	-	15
Megan Attwooll, Deputy Chief Financial Officer from 1 November 2025 to 2 January 2026	15-20	0-2.5	175	-	3
James Crutchley, Deputy Chief Financial Officer, from 5 January 2026 to 30 January 2026	15-20	0-2.5	194	-	3
Naomi Mallick, Legal Director, from 3 March 2025 to Present	-	-	-	-	-

Notes:

1. Final salary member (classic/ classic plus/ premium) who have transitioned to alpha. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase – that is, in real terms, the pension value can reduce, hence the negative values.
2. Naomi Mallick is employed by the Government Legal Department (GLD) and works across both DSIT and DCMS. She is not paid by DCMS.
3. Individuals not in post as at 31 March 2025 have not had CETV's included.
4. Opening balances for pension disclosures for some members are not consistent with the closing balances reported in the prior year. This is due to the availability in 2025/26 of more up to date data relevant to the calculation of the prior year benefits

Civil Service 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 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: 3 providing benefits on a final salary basis (**classic, premium or classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

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

All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a '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 his 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 appointed provider - Legal & General. 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.

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

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

The cash equivalent transfer value (CETV)

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.

The real increase in the value of the 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.

Compensation for loss of office (subject to audit)

No board members or executives left under agreed terms or were paid compensation for loss of office in 2025-26 (2024-25: none).

Ministers

1 Minister left in 2025-26.

There were no associated costs for DCMS

Special advisers

0 special advisors left in 2025-26.

Special Advisers are temporary civil servants. In order to improve efficiency, the administration of staff costs for all Special Advisers across government was moved to the Cabinet Office in July 2019, with the corresponding budget cover transfers. Special Advisers remain employed by the respective Departments of their appointing Minister.

Staff report

The staff report provides required disclosures on staff activity, staff numbers and expenditure.

The number of core department senior civil servants by £5,000 paybands:

Payband	Number of staff (SCS) Headcount 31 March 2026	Number of staff (SCS) Headcount 31 March 2025
£70,000-£74,999	0	0
£75,000-£79,999	0	3
£80,000-£84,999	10	7
£85,000-£89,999	24	29
£90,000-£94,999	10	4
£95,000-£99,999	2	5
£100,000-£104,999	6	6
£105,000-£109,999	5	0
£110,000-£114,999	4	7
£115,000-£119,999	4	2
£120,000-£124,999	1	1
£125,000-£129,999	0	0
£130,000-£134,999	0	1
£135,000-£139,999	1	1
£140,000-£144,999	0	0
£145,000-£149,999	1	1
£150,000-£154,999	1	2
£155,000-£159,999	2	0
£160,000-£164,999	0	1
£165,000-£169,999	0	0
£170,000- £174,999	1	0
TOTAL	**72**	**70**

Number of core department civil service staff (or equivalent but excluding contract and agency staff) by band

The grading structure of the department based on full time equivalent (FTE) staff in post:

Grade	FTE payroll staff at 31 March 2026	FTE payroll staff at 31 March 2025
Permanent Secretary	1.0	1.0
Senior Civil Service pay band 3	2.4	1.4
Senior Civil Service pay band 2	15.0	15.6
Senior Civil Service pay band 1	50.9	46.8
Grade 6	135.9	131.9
Grade 7	359.9	334.9
SEO	211.5	152.2
HEO	243.6	242.3
EO	97.9	94.5
AO/AA	4.0	4.0
Total	**1,122.1**	**1,024.6**

2025/26 was the first full year of the new government and phase 1 of the Spending Review where it was agreed the department's workforce would temporarily increase to deliver new ministerial priorities. Our workforce will reduce from 2026/27 onwards inline with our workforce projections agreed in phase 2 of the Spending Review.

Staff loans

The department utilised a total of 163 staff from other government departments during the year.

Number of loans

The grading structure of all loans:

Grade	Loan In		Loan Out	
	Six months or Less	Over six months	Six months or Less	Over six months
Senior Civil Service Pay Band 3	0	0	0	0
Senior Civil Service Pay Band 2	0	3	0	1
Senior Civil Service Pay Band 1	0	9	0	0
Grade 6	0	17	0	2
Grade 7	0	56	0	3
SEO	1	27	0	1
HEO	2	35	0	0
EO	4	9	1	0
Total	**7**	**156**	**1**	**7**

156 staff in the above table were loaned in for greater than six months duration and 7 staff were loaned in for less than six months at a cost to DCMS of £13,980k. 8 staff were loaned in (1 at six months or less duration, 7 over six months duration) and were paid by their home department.

DCMS Core staff numbers and related costs (subject to audit)

Staff costs comprise:						2025-26	2024-25
	Permanently employed staff	Others	Contract and agency staff	Ministers	Special advisors	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wages & salaries	62,794	2,001	2,194	108	-	67,097	60,161
Social security costs	8,255	-	-	14	-	8,269	6,105
Pension costs	16,866	-	-	-	-	16,866	14,933
Total costs	**87,915**	**2,001**	**2,194**	**122**	**-**	**92,232**	**81,199**
Less: Recoveries in respect of outward secondments	(579)	-	-	-	-	(579)	(783)
Total net costs	**87,336**	**2,001**	**2,194**	**122**	**-**	**91,653**	**80,416**

DCMS group staff numbers and related costs (subject to audit)

Staff costs comprise:						2025-26	2024-25
	Permanently employed staff	Others	Contract and agency staff	Ministers	Special advisors	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wages & salaries	1,656,430	14,622	24,758	108	-	1,695,918	1,641,307
Social security costs	225,960	897	-	14	-	226,871	190,991
Pension costs	310,025	179	-	-	-	310,204	312,530
Total costs	**2,192,415**	**15,698**	**24,758**	**122**	**-**	**2,232,993**	**2,144,828**
Less: Recoveries in respect of outward secondments	(509)	-	-	-	-	(509)	(768)
Total net costs	**2,191,906**	**15,698**	**24,758**	**122**	**-**	**2,232,484**	**2,144,060**
Of which:							
Core department	87,336	2,001	2,194	122	-	91,653	80,416
Arm's length bodies	2,104,570	13,697	22,564	-	-	2,140,831	2,063,644
Total net costs	**2,191,906**	**15,698**	**24,758**	**122**	**-**	**2,232,484**	**2,144,060**

The pension attributable to the BBC PSB Group cannot be separately identified from the wider BBC group pension. Accordingly, the pension costs included above include the pension costs for the entire BBC group and therefore inflate the group's staff costs.

In addition to staff costs above, £14,892k (2024-25: £13,597k) was charged to capital for the group.

Staff costs for the core and group include an accrual for holiday pay in accordance with IAS 19 Employee Benefits.

Principal Civil Service Pension Scheme (PCSPS)

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes but the department is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2025-26, employers’ contributions of £17,019k for the core department were payable to the PCSPS (2024-25: £13,746k) at 28.97% (2024-25: 28.97%) of pensionable earnings. Group employers’ contributions of £95,580k (2024-25: £86,430k) were payable to the PCSPS at 28.97% (2024-25: 28.97%). 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 by the core department were £91k (2024-25: £75k) and by the group were £959k (2024-25: £4,519k). These contributions were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75% for the core department and 8% to 14.75% for the Group. Employers also match employee contributions up to 3% (2024-25: 3%) of pensionable earnings.

In addition, employer contributions of £nil (2024-25: £nil) for the core department, £53k (2024-25: £193k) for the group representing 0.3% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £10k (2024-25: £6k) for the core department. Contributions prepaid at that date were £nil (2024-25: £nil) for the core department..

Other pension schemes

Employer contributions to other pension schemes by the group in the year amounted to £213,665k (restated 2024-25: £221,509k) (note 18). A list of these bodies is provided in note 23.

Average number of persons employed (subject to audit)

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

						2025-26	2024-25
	Permanently employed staff	Others	Contract and agency staff	Ministers	Special advisers	Total	Total
Staff employed	31,665	252	820	4	4	32,745	32,682
Staff engaged on capital projects	205	32	28	-	-	265	283
Total	**31,870**	**284**	**848**	**4**	**4**	**33,010**	**32,965**
Of which:							
Core department	1,105	43	74	4	4	1,230	1,111
Arm's length bodies*	30,765	241	774	-	-	31,780	31,854
Total	**31,870**	**284**	**848**	**4**	**4**	**33,010**	**32,965**

*The total number of staff employed at the BBC PSB Group is 17,317 (2024-25: 17,530).

Staff receivables

As at 31 March 2026, 1,286 employees (restated 31 March 2025: 1,508 employees) of the group were in receipt of advances of travel, housing or other loans which are repayable to the employer of £2,948k (restated 31 March 2025: £2,368k).

Sickness absence data

Average working days lost = **3.0**

The average working days lost for sickness absence decreased from 4.0 in 2024-25. This remains below the latest available Civil Service average of 8.2 (as at 31 March 2025).

Expenditure on consultancy

For expenditure on consultancy, refer to note 3.3 on page 136.

Staff composition

The number of civil service staff (excluding agency and contractors) expressed as both headcount and full time equivalent of the core department, split between male and female as at 31 March 2026:

	Headcount			FTE		
Grade	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**
Exec Team	7	3	10	5.8	3.0	8.8
Other SCS	34	31	65	30.3	30.2	60.5
Grade 6	78	63	141	73.1	62.8	135.9
Grade 7	222	147	369	213.7	146.2	359.9
SEO	129	85	214	126.7	84.8	211.5
HEO	164	86	250	158.0	85.6	243.6
EO	60	40	100	58.4	39.5	97.9
AO/AA	2	2	4	2.0	2.0	4.0
Total	**696**	**457**	**1,153**	**668.0**	**454.1**	**1,122.1**
Percentage of staff				**60%**	**40%**	**100%**

Staff turnover percentage (per Cabinet Office guidance)

The average turnover for 2025-26 was 8.0% (5.5% in 2024-25).

The average departmental turnover for 2025-26 was 13.9% (17.2% in 2024-25).

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

	2025-26					
	Core department			Departmental group		
Exit package cost band	**Number of compulsory redundancies**	**Number of other departures agreed***	**Total number of exit packages by cost band***	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
Less than £10,000	-	-	-	64	55	119
£10,000 - £25,000	-	4	4	47	70	117
£25,000 - £50,000	-	-	-	33	109	142
£50,000 - £100,000	-	3	3	6	175	181
£100,000 - £150,000	-	-	-	2	186	188
£150,000 - £200,000	-	-	-	-	-	-
More than £200,000	-	-	-	-	2	2
Total number of exit packages	**-**	**7**	**7**	**152**	**597**	**749**
Total cost (£'000)	**-**	**353**	**353**	**2,831**	**43,310**	**46,141**
Total exit costs paid in year - cash basis	**-**	**-**	**353**	**-**	**-**	**45,703**

*including special severance payments and Ministers exit packages.

Included above are 444 other departures (74% of total group exit packages) with a cost of £38,479k (84% of total group cost) relating to the BBC PSB Group.

	2024-25					
	Core Department			Departmental Group		
Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Less than £10,000	-	1	1	89	72	161
£10,000 - £25,000	-	2	2	59	109	168
£25,000 - £50,000	-	-	-	27	164	191
£50,000 - £100,000	-	-	-	2	318	320
£100,000 - £150,000	-	-	-	-	259	259
£150,000 - £200,000	-	-	-	-	3	3
More than £200,000	-	-	-	-	2	2
Total number of exit packages	**-**	**3**	**3**	**177**	**927**	**1,104**
Total cost (£'000)	**-**	**43**	**43**	**2,559**	**66,914**	**69,473**
Total exit costs paid in year - cash basis			**43**			**63,901**

Included above are 707 other departures (64% of total group exit packages) with a cost of £58,548k (84% of total group cost) relating to the BBC PSB Group.

All Exits and Special Severance Payments Annually (subject to audit)

The number of Special Severance Payments made by DCMS in 2025-26 is 7 (2024-25: 0). The total amount paid out is £352,987 (2024-25: £0).

Civil Service Compensation Scheme

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 group has agreed early retirements, the additional costs are met by the group 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. .

Other schemes

Some of the ALBs operate other schemes which are not listed in Schedule I to the Superannuation Act 1972 and may therefore apply different statutory compensation schemes. Full details can be found from the individual published accounts of the ALBs.

Off-payroll arrangements

Information about off-payroll arrangements in DCMS can be found on page 57.

Performance in other areas

PEOPLE AND CORPORATE

Employee engagement

Employee engagement is measured through the annual Civil Service People Survey. For the 2025 Survey DCMS had a response rate of 85% across the department. Our 71% engagement score was the highest across the Civil Service's main departments and 6 percentage points above the Civil Service average. 80% of staff would recommend DCMS as a great place to work – 17 percentage points above the average. Data from the survey is analysed and informs initiatives at both a departmental and local team level to make DCMS a great place to work, helping to maintain the department's position as one of the most engaged departments in government.

Our Values

The DCMS values reflect the kind of organisation DCMS is and aspires to be. In times of uncertainty, they guide our actions, decision-making and what staff across DCMS can expect from others. The values are:

- Strive for the best
- Work as one
- Act with kindness
- Learn and grow

Deliver diversity, equality and inclusion objectives

DCMS continues to meet its obligations under the Equality Act 2010 and is committed to building a workforce where people feel they belong and can do their best work.

Building on previous progress, EDI is now embedded throughout the DCMS People Strategy, where inclusion runs through everything we do.

We have continued to improve representation across a number of underrepresented groups, supported by more inclusive recruitment, targeted development offers and a strengthened approach to sponsorship and mentoring. Alongside this, we are making better use of our data to understand where gaps remain and to target action more effectively, particularly in relation to ethnicity, disability and socio-economic background.

From 2026, all leaders are expected to take ownership of inclusion within their teams, using data, setting clear expectations and creating environments where people feel safe to contribute. This will be supported through the introduction of Senior Civil Service performance expectations and a more consistent leadership development offer.

We have continued to invest in our culture, with a clear emphasis on belonging. This means creating an environment where people feel respected, trusted and able to speak up. Our staff networks remain a critical part of this, acting as partners in shaping policy, challenging thinking and bringing lived experience into decision-making.

DCMS has maintained a high level of overall engagement and continues to deliver strong outcomes in the Civil Service People Survey for Inclusion and Fair Treatment, successively ranking as the second-highest department across the Civil Service for Inclusion and Fair Treatment.

Anti-bullying policy

DCMS is committed to building an inclusive culture where everyone feels safe, respected, and able to contribute. Recognising that bullying, harassment, and discrimination (ABHD) can occur, our focus is on creating a work environment where people feel safe to disclose concerns, trust the process, and know they will be treated with respect, confidentiality, and care. Our commitment is reflected in the 2025 staff survey results: 89% of staff felt respected by colleagues, 87% felt treated fairly at work, and 82% agreed that DCMS respects individual differences.

Based on direct insights from our ABHD Readiness Survey and staff listening groups, we have simplified guidance, improved reporting routes, and introduced early resolution tools. While Civil Service People Survey results confirm that most colleagues feel respected and treated fairly, we are using the insight to focus on areas where experiences are less consistent.

DCMS leaders are expected to actively role model respectful behaviour, take responsibility for addressing issues within their teams, and create an environment where people feel safe to speak up. Our priority is to move beyond policy into consistent day-to-day experience by:

- Ensuring colleagues feel confident raising concerns.
- Resolving issues early wherever possible.
- Holding leaders to account for the culture in their teams.

We track progress through the Civil Service People Survey, with a target to reduce negative responses related to ABHD by 5%. Our aim is straightforward: to create an inclusive DCMS where everyone belongs.

Anti-bribery and anti-corruption

In order to help departments continue the fight against fraud, bribery and corruption, the Cabinet Office published version 2.0 of the Government Functional Standard, 'GovS 013: Counter Fraud' in August 2021. The purpose of this government standard is to set the minimum expectations for the management of counter fraud, bribery and corruption activity in all government organisations.

DCMS continues to assist its public bodies with their compliance with the Functional Standard, by sharing best practice and providing advice on specific queries, as well as co-ordinating the relationship with the Public Sector Fraud Authority and several of DCMS' public bodies, including by making use of the service offer on data analytics and investigation.

Civil servants are expected to demonstrate at all times the highest standards of personal integrity and honesty. Civil servants must not only set out the facts and relevant issues truthfully, but must also not lay themselves open to suspicion of dishonesty, perception of a conflict of interest, and/or of impropriety. All staff are bound by the department's policy on gifts and hospitality and must not accept gifts, hospitality or benefits of any kind from a third party that might be seen to compromise their integrity.

Health and safety

The department requested a Government Internal Audit Agency (GIAA) audit of Health & Safety to measure progress made in the past 18 months and to identify areas for improvement. This resulted in a 'limited' overall rating (December 2025) and the team has concluded the majority of remedial activities outlined in the subsequent Management Action Plan. A new Health and Safety Lead will join the Department in June 2026 whose role will be to further professionalise the function. The Health and Safety Team continued to support Workplace Adjustment case management for the department

Security

The DCMS Security team covers all aspects of personnel, physical & personal security provision for the department. The team also manages investigations and business continuity. It works closely with the Government Security Group, National Technical Authorities and many other organisations to deliver DCMS' security arrangements.

We remain focused on information security, and are building partnerships with our Data Protection and DDaT functions to best deliver education and awareness activities, establishing an Information Security Management Board.

Locations

Under the Places for Growth programme (PfG) DCMS has a target to relocate 50% of our workforce, with a primary focus on Manchester, our second headquarters.

DCMS has already achieved our 2027 PfG target. The target for 70% of our Public Bodies' workforce to be based outside London, which includes senior and C-suite level roles, was met two years early.

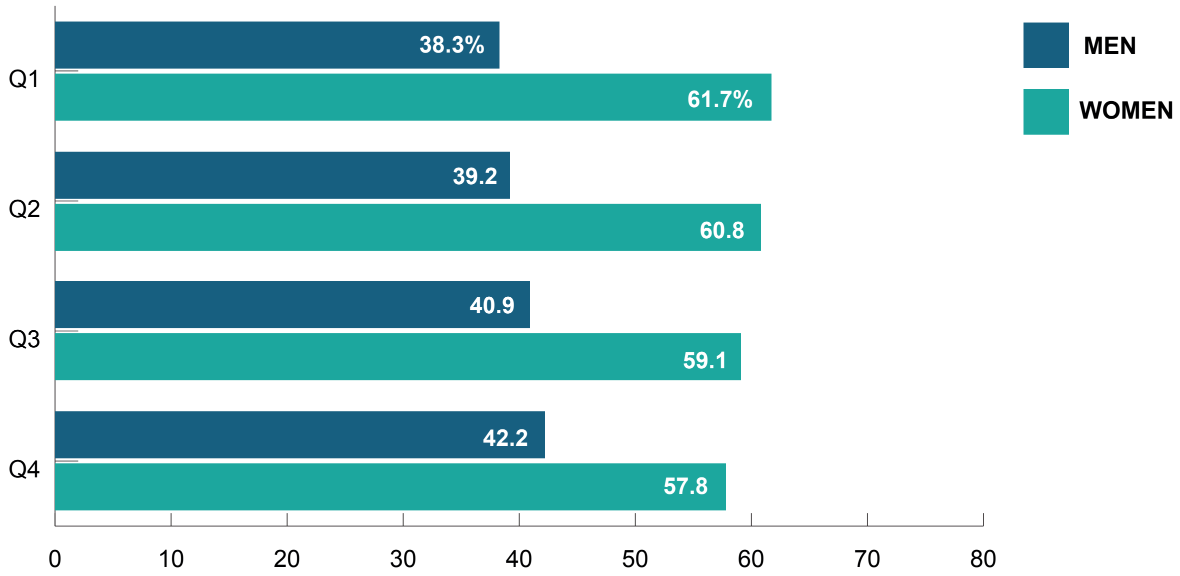
Gender pay gap - detailed analysis

DCMS gender pay gap is published annually (DCMS Gender Pay Gap Report 2025).
Closing the gender pay gap completely is a long-term, ongoing effort.

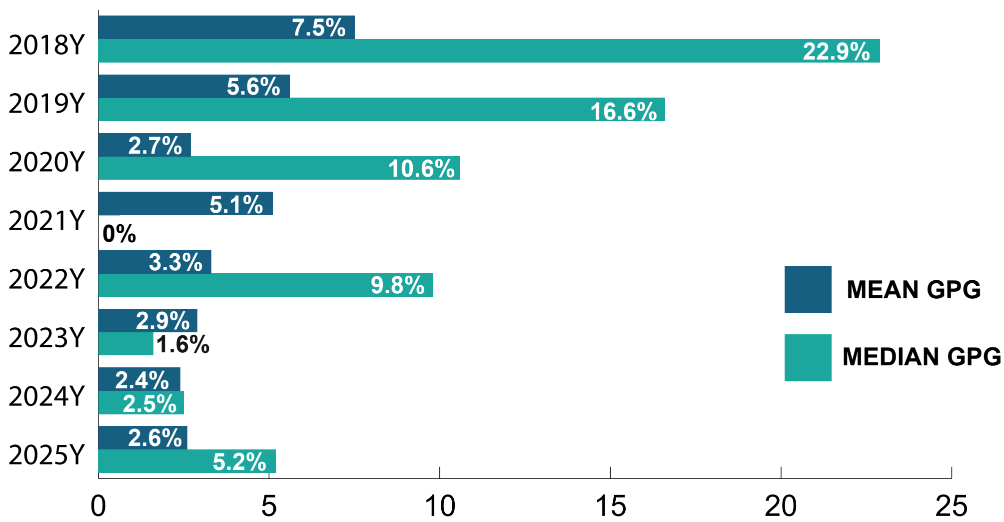
The latest available information details the position as at 31 March 2025 and shows that our mean gender pay gap has risen slightly to 2.6% from 2.4%. DCMS's median gender pay gap has increased from 2.5% to 5.2%. These pay gaps were slightly higher than in 2024 but remain substantially lower that they were in 2018 when reporting began.

In 2024, the median female employee received an equal bonus amount to the median male employee, and this has remained the same for 2025. In 2024, the mean bonus gap favoured women by 5.2%. However, the gap for 2025 shows a reversal, now favouring men by 3.83%.

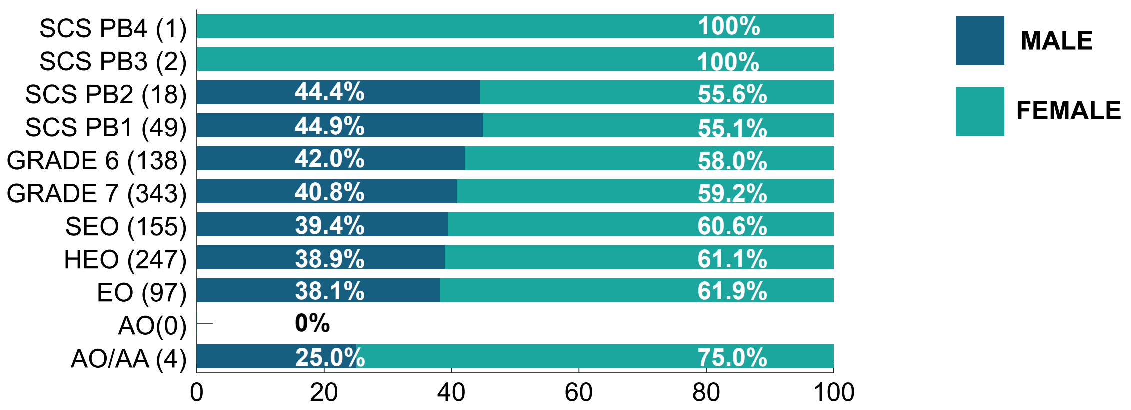
Pay Quartiles



DCMS gender pay gap trend



Gender Balance at Each Grade



Application of Business Appointments Rules (BARs)

Ministers and civil servants leaving office are subject to rules regarding appointment in other sectors. These rules, known as the Business Appointment Rules, exist to prevent former civil servants and ministers being able to profit from their knowledge of and contacts within Whitehall, and to prevent any perception of wrongdoing. The rules are administered by the Advisory Committee on Business Appointments (ACoBA).

The leavers process for all line managers includes compliance with the BARs, and where applicable leavers need to fill in the Business Appointments Application Form. Information on this process is available on the intranet. No breaches of the process have been identified within the year.

The following section provides details on the BARs applications within the year 2025-26:

Number of exits from the Civil Service (SCS)

Grade	Number of exits from the Civil Service (SCS)
Senior Civil Service pay band 2	2
Senior Civil Service pay band 1	5

Number of BARs applications assessed by the department over the year (by grade)

Grade	Number of BARs applications assessed by the department
Senior Civil Service pay band 2	0
Senior Civil Service pay band 1	0
Grade A (Upper) (Grade 6)	1
Grade A (Grade 7)	1
Grade B (HEO/SEO)	1
Grade C (EO)	0
Total	**3**

Number of BARs applications where conditions were set (by grade)

Of the 3 assessed, none (2024-25: none) were found to be unsuitable for the applicant to take up the external post.

Parliamentary accountability and audit report

The Parliamentary accountability and audit report brings together the key Parliamentary accountability documents within the annual report and accounts.

Statement of Outturn against Parliamentary Supply (SOPS)

In addition to the Primary Statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires DCMS to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes to show resource and capital outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit.

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 www.gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SOPS contains a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't 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 from, IFRS. An understanding of the budgeting framework and an explanation of the key terms is provided in the Financial Review section of the Accountability Report. Further information on the Public Spending Framework and the reasons why the budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on www.gov.uk.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The Statement of Outturn against Parliamentary Supply commentary provides a summarised discussion of outturn against estimate.

Administration and Programme Expenditure and Income

The classification of expenditure and income as administration or as programme follows the definitions set out in the Consolidated Budgeting Guidance issued by HM Treasury. Under the HM Treasury Simplifying and Streamlining Accounts project, this split is no longer required in the primary statements.

Administration expenditure reflects the costs of running the department and those ALBs allocated an administration budget in the Spending Round. Some categories of ALBs do not have an administration budget allocation and they therefore report only programme costs. Programme costs reflect non-administration expenditure and include payments of grants and expenditure on ALBs objectives.

Charity Income - donations

In the financial accounts, donations of assets and cash (that has been expressly given to purchase an asset) are recognised as income (note 4.2), but treated as net capital expenditure in the SOPS.

Lottery Income

With HM Treasury agreement and in line with the Supplementary Estimate, the SOPS do not include lottery income. The government’s hypothecated income from the National Lottery is reported separately in the National Lottery Distribution Fund and is not included in budgets. Consequently, non-voted lottery expenditure is stated gross of lottery income in the SOPS..

Alignment of Income and Expenditure

Timing differences between income and expenditure (and the associated receivable and payable) in the accounts of DCMS ALBs (notably between the Lottery Distributing Bodies and the recipients of lottery grants) can, and do, arise. Where these arise, to avoid income and expenditure being overstated, an adjustment is made to expenditure (and the associated payable) in the DCMS Group accounts.

Statement of Outturn against Parliamentary Supply

Summary of Resource and Capital Outturn 2025-26

Type of spend	SOPS Note	2025-26 Outturn			2025-26 Estimate			2025-26 Outturn vs Estimate, saving/ (excess)		2024-25 Outturn
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted	Total	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Departmental Expenditure Limit (DEL)										
Resource	SOPS 1.1	1,511,811	-	1,511,811	1,793,758	-	1,793,758	281,947	281,947	1,669,599
Capital	SOPS 1.2	674,989	-	674,989	734,010	-	734,010	59,021	59,021	526,226
Total DEL Budget		**2,186,800**	**-**	**2,186,800**	**2,527,768**	**-**	**2,527,768**	**340,968**	**340,968**	**2,195,825**
Annually Managed Expenditure (AME)										
Resource	SOPS 1.1	4,075,111	1,485,100	5,560,211	4,581,656	1,609,225	6,190,881	506,545	630,670	4,970,456
Capital	SOPS 1.2	71,253	395,847	467,100	476,571	498,680	975,251	405,318	508,151	473,756
Total AME Budget		**4,146,364**	**1,880,947**	**6,027,311**	**5,058,227**	**2,107,905**	**7,166,132**	**911,863**	**1,138,821**	**5,444,212**
Total Budget										
Resource	SOPS 1.1	5,586,922	1,485,100	7,072,022	6,375,414	1,609,225	7,984,639	788,492	912,617	6,640,055
Capital	SOPS 1.2	746,242	395,847	1,142,089	1,210,581	498,680	1,709,261	464,339	567,172	999,982
Total Budget Expenditure		**6,333,164**	**1,880,947**	**8,214,111**	**7,585,995**	**2,107,905**	**9,693,900**	**1,252,831**	**1,479,789**	**7,640,037**
Total Budget and Non-Budget		**6,333,164**	**1,880,947**	**8,214,111**	**7,585,995**	**2,107,905**	**9,693,900**	**1,252,831**	**1,479,789**	**7,640,037**
Total Resource	SOPS 1.1	5,586,922	1,485,100	7,072,022	6,375,414	1,609,225	7,984,639	788,492	912,617	6,640,055
Total Capital	SOPS 1.2	746,242	395,847	1,142,089	1,210,581	498,680	1,709,261	464,339	567,172	999,982
Total		**6,333,164**	**1,880,947**	**8,214,111**	**7,585,995**	**2,107,905**	**9,693,900**	**1,252,831**	**1,479,789**	**7,640,037**

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

Net Cash Requirement 2025-26

Item	SOPS Note	2025-26 Outturn £'000	2025-26 Estimate £'000	2025-26 Outturn vs Estimate, saving/(excess) £'000	2024-25 Outturn £'000
Net Cash Requirement	SOPS 3	6,006,235	**6,523,400**	**517,165**	5,935,499

Administration Costs 2025-26

Type of spend	SOPS Note	2025-26 Outturn £'000	2025-26 Estimate £'000	2025-26 Outturn vs Estimate, saving/(excess) £'000	2024-25 Outturn £'000
Administration costs	SOPS 1.1	226,868	238,527	**11,659**	203,321

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

An analysis of variances between the Estimate and the Outturn is given in SOPS 1 and explanations are provided in the SOPS commentary on page 32.

SOPS 1. Net Outturn

SOPS 1.1 Analysis of net resource outturn by Estimate line

Type of spend (Resource)		2025-26 Resource outturn							2025-26 Estimate			2025-26	2024-25 Outturn
		Administration			Programme								
		Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total inc. virements	Outturn vs Estimate, saving/ (excess)	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Spending in Departmental Expenditure Limit (DEL)													
Voted expenditure													
A	Support for the Museums and Galleries sector	-	-	-	29,304	-	29,304	29,304	28,509	795	29,304	-	27,974
B	Museums and Galleries sponsored ALBs (net)	-	-	-	468,375	-	468,375	468,375	501,586	(795)	500,791	32,416	437,183
C	Libraries sponsored ALBs (net)	7,378	-	7,378	148,238	-	148,238	155,616	160,730	-	160,730	5,114	76,163
D	Support for the Arts sector	14	(1,501)	(1,487)	1,000	(97,673)	(96,673)	(98,160)	(95,277)	(2,883)	(98,160)	-	(93,805)
E	Arts and culture ALBs (net)	27,788	-	27,788	496,826	-	496,826	524,614	521,691	2,923	524,614	-	496,250
F	Support for the Sports sector	-	-	-	25,666	(6,785)	18,881	18,881	21,381	-	21,381	2,500	66,847
G	Sport sponsored ALBs (net)	16,693	-	16,693	184,691	-	184,691	201,384	205,342	-	205,342	3,958	178,952
H	Ceremonial and support for the Heritage sector	878	-	878	95,569	(36,102)	59,467	60,345	62,474	(1,168)	61,306	961	62,369
I	Heritage sponsored ALBs (net)	26,899	-	26,899	57,859	-	57,859	84,758	83,590	1,168	84,758	-	79,965
J	Support for the Tourism sector	-	-	-	453	-	453	453	2,497	(62)	2,435	1,982	1,662
K	Tourism sponsored ALBs (net)	31,330	-	31,330	15,154	-	15,154	46,484	46,422	62	46,484	-	49,636
L	Support for the Digital, Broadcasting and Media sectors	86	-	86	18,032	-	18,032	18,118	19,875	-	19,875	1,757	14,938
M	Broadcasting and Media sponsored ALBs (net)	-	-	-	37,195	-	37,195	37,195	37,319	-	37,319	124	37,897
N	Administration and Research	118,882	(2,210)	116,672	2,437	261	2,698	119,370	130,981	(40)	130,941	11,571	111,105

SOPS 1.1 Analysis of net resource outturn by Estimate line (continued)

Type of spend (Resource)		2025-26							2025-26			2025-26	2024-25
		Resource outturn							Estimate				Outturn
		Administration			Programme								
		Gross	Income	Net	Gross	Income	Net	Total	Total	Virements	Total inc. virements	Outturn vs Estimate, saving/ (excess)	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
O	Support for Horseracing and the Gambling sector	-	-	-	-	(27,804)	(27,804)	(27,804)	(34,777)	6,973	(27,804)	-	(28,782)
P	Gambling Commission (net)	-	-	-	(185,503)	-	(185,503)	(185,503)	39,308	(6,973)	32,335	217,838	32,320
Q	Civil Society and Youth	-	-	-	58,110	(360)	57,750	57,750	60,537	-	60,537	2,787	68,816
R	National Citizen Service (net)	631	-	631	-	-	-	631	1,570	-	1,570	939	50,109
	Total voted DEL	230,579	(3,711)	226,868	1,453,406	(168,463)	1,284,943	1,511,811	1,793,758	-	1,793,758	281,947	1,669,599
Total spending in DEL		**230,579**	**(3,711)**	**226,868**	**1,453,406**	**(168,463)**	**1,284,943**	**1,511,811**	**1,793,758**	**-**	**1,793,758**	**281,947**	**1,669,599**
Spending in Annually Managed Expenditure (AME)													
Voted expenditure													
S	British Broadcasting Corporation (net)	-	-	-	3,949,534	-	3,949,534	3,949,534	4,450,876	(89,322)	4,361,554	412,020	3,699,116
T	Channel Four Television	-	-	-	-	-	-	-	-	-	-	-	-
U	Provisions, Impairments and other AME spend	-	-	-	-	-	-	-	60,358	-	60,358	60,358	(600)
V	Levy bodies	-	-	-	(4,537)	-	(4,537)	(4,537)	-	-	-	4,537	(13,875)
W	S4C (net)	-	-	-	90,938	-	90,938	90,938	1,616	89,322	90,938	-	89,759
X	Provisions, Impairments and other AME spend (ALB) (net)	-	-	-	39,176	-	39,176	39,176	68,806	-	68,806	29,630	43,436
	Total voted AME	**-**	**-**	**-**	**4,075,111**	**-**	**4,075,111**	**4,075,111**	**4,581,656**	**-**	**4,581,656**	**506,545**	**3,817,836**
Non-voted expenditure													
Y	Lottery grants	-	-	-	1,485,100	-	1,485,100	1,485,100	1,609,225	-	1,609,225	124,125	1,152,620
Total spending in AME		**-**	**-**	**-**	**5,560,211**	**-**	**5,560,211**	**5,560,211**	**6,190,881**	**-**	**6,190,881**	**630,670**	**4,970,456**
Total resource		**230,579**	**(3,711)**	**226,868**	**7,013,617**	**(168,463)**	**6,845,154**	**7,072,022**	**7,984,639**	**-**	**7,984,639**	**912,617**	**6,640,055**

Explanations of the variances between the Outturn and Estimate are included in the SOPS commentary on page 32.

SOPS 1.2 Analysis of net capital outturn by Estimate line

Type of spend (Capital)		2025-26 Outturn Gross £'000	2025-26 Outturn Income £'000	2025-26 Outturn Net £'000	2025-26 Estimate Total £'000	2025-26 Estimate Virements £'000	2025-26 Estimate Total inc. virements £'000	2025-26 Outturn vs Estimate, saving/ (excess) £'000	2024-25 Outturn Total £'000
Spending in Departmental Expenditure Limit (DEL)									
Voted expenditure									
A	Support for the Museums and Galleries sector	249	-	249	530	-	530	281	343
B	Museums and Galleries sponsored ALBs (net)	212,616	-	212,616	260,885	(2,137)	258,748	46,132	197,048
C	Libraries sponsored ALBs (net)	47,938	-	47,938	45,801	2,137	47,938	-	(73,602)
D	Support for the Arts sector	308	(11,757)	(11,449)	(7,917)	-	(7,917)	3,532	(36,657)
E	Arts and culture ALBs (net)	142,783	-	142,783	143,046	-	143,046	263	86,554
F	Support for the Sports sector	4,436	-	4,436	4,123	313	4,436	-	11,640
G	Sport sponsored ALBs (net)	104,416	-	104,416	106,842	(2,180)	104,662	246	125,743
H	Ceremonial and support for the Heritage sector	18,928	-	18,928	20,986	(2,058)	18,928	-	866
I	Heritage sponsored ALBs (net)	51,826	-	51,826	50,968	858	51,826	-	33,043
J	Support for the Tourism sector	1,791	-	1,791	-	1,791	1,791	-	-
K	Tourism sponsored ALBs (net)	2,098	-	2,098	2,231	-	2,231	133	2,912
L	Support for the Digital, Broadcasting and Media sectors	9,601	-	9,601	10,292	(37)	10,255	654	9,495
M	Broadcasting and Media sponsored ALBs (net)	3,373	-	3,373	3,336	37	3,373	-	7,237
N	Administration and Research	8,458	533	8,991	10,267	(1,276)	8,991	-	3,717
P	Gambling Commission (net)	3,170	-	3,170	618	2,552	3,170	-	536
Q	Civil Society and Youth	74,222	-	74,222	82,002	-	82,002	7,780	157,342
R	National Citizen Service (net)	-	-	-	-	-	-	-	9
	Total voted	686,213	(11,224)	674,989	734,010	-	734,010	59,021	526,226
Total spending in DEL		**686,213**	**(11,224)**	**674,989**	**734,010**	**-**	**734,010**	**59,021**	**526,226**
Spending in Annually Managed Expenditure (AME)									
Voted expenditure									
S	British Broadcasting Corporation (net)	4,476	-	4,476	326,461	(6,012)	320,449	315,973	191,126
T	Channel Four Television	60,655	-	60,655	150,000	-	150,000	89,345	(37,525)
V	Levy bodies	5,978	-	5,978	-	5,978	5,978	-	983
W	S4C (net)	144	-	144	110	34	144	-	264
X	Provisions, Impairments and other AME spend (ALB) (net)	-	-	-	-	-	-	-	8
	Total voted AME	**71,253**	**-**	**71,253**	**476,571**	**-**	**476,571**	**405,318**	**154,856**
Non-voted expenditure									
Y	Lottery grants	395,847	-	395,847	498,680	-	498,680	102,833	318,900
Total spending in AME		**467,100**	**-**	**467,100**	**975,251**	**-**	**975,251**	**508,151**	**473,756**
Total capital		**1,153,313**	**(11,224)**	**1,142,089**	**1,709,261**	**-**	**1,709,261**	**567,172**	**999,982**

Explanations of the variances between the Outturn and Estimate are included in the SOPS Commentary on page 32.

The total Estimate columns include virements. Virements are the reallocation of provision in the

Estimates that do not require Parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on gov.uk.

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

SOPS 2. Reconciliation of Outturn to Net Expenditure

Item	Reference	2025-26 Outturn Total	2024-25 Outturn Total
		£'000	£'000
Total resource outturn	**SOPS 1.1**	**7,072,022**	**6,640,055**
Add:			
Capital grants expenditure	3.2	791,478	725,457
Research & development (capital)		47,330	46,170
Total:		**838,808**	**771,627**
Less:			
Income from National Lottery Distribution Fund (NLDF)	4.2	(1,724,030)	(1,759,528)
Charity income (asset donations or cash donations for asset additions)		(75,149)	(1,013,285)
Capital grants income	4.2	(29,718)	(69,602)
Research & development income (capital)		(10,196)	(9,073)
Total:		**(1,839,093)**	**(2,851,488)**
Other:			
Impact of intra-group transactions crossing budget categories		2,223	2,559
Net expenditure in Consolidated Statement of Comprehensive Net Expenditure	**SoCNE**	**6,073,960**	**4,562,753**

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

The material reconciling items are:

- Lottery Income which is not included in SOPS.
- Capital grants are budgeted for as CDEL but accounted for as spend on the face of the SOCNE, and therefore function as a reconciling item between Resource and Net Operating Expenditure. See note 3.2 on page 135 for details.

SOPS 3. Reconciliation of Net Resource Outturn to Net Cash Requirement

Item	Reference	Outturn Total	Estimate	Outturn vs Estimate, saving/ (excess)
		£'000	£'000	£'000
Resource outturn	**SOPS 1.1**	**7,072,022**	**7,984,639**	**912,617**
Capital outturn	**SOPS 1.2**	**1,142,089**	**1,709,261**	**567,172**
Adjustments for ALBs:				
Remove voted resource and capital		(6,048,359)	(7,059,154)	(1,010,795)
Cash grant-in-aid	3.1.1	5,723,174	6,161,298	438,124
Adjustments to remove non-cash items:				
Depreciation, amortisation and expected credit loss adjustments		(3,204)	(12,607)	(9,403)
New provisions and adjustments to previous provisions	3.5	-	59,475	59,475
Other non-cash items		(1,523)	(211,607)	(210,084)
Museum loans		(2,563)		2,563
Adjustments to reflect movements in working balances:				
Increase/(decrease) in receivables		(8,070)	-	8,070
(Increase)/decrease in payables		12,293	-	(12,293)
(Increase)/decrease in lease liabilities		1,323	-	(1,323)
Total:		**(326,929)**	**(1,062,595)**	**(735,666)**
Removal of non-voted budget items:				
Other adjustments - lottery grants		(1,880,947)	(2,107,905)	(226,958)
Total:		**(1,880,947)**	**(2,107,905)**	**(226,958)**
Net cash requirement		**6,006,235**	**6,523,400**	**517,165**

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.

SOPS 4. Income payable to the Consolidated Fund

SOPS 4.1 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:

Item	Outturn 2025-26		Outturn 2024-25	
	Accruals	Cash basis	Accruals	Cash basis
	£’000	£’000	£’000	£’000
Amounts to be collected on behalf of the Consolidated Fund				
- 2024-25 income	-	-	30	30
- 2025-26 income	55	55		
Total amount payable to the Consolidated Fund	**55**	**55**	**30**	**30**

SOPS 4.2 Consolidated Fund Income

Consolidated Fund income shown in note SOPS 4.1 above does not include any amounts collected by the department where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from these group financial statements) were:

	2025-26	2024-25
	£’000	£’000
Taxes and licence fees		
Sports Grounds Safety Authority licences	1,810	1,744
Sub-total: Taxes and licence fees	**1,810**	**1,744**
Fines and penalties		
Gambling Commission penalties issued	-	835
Sub-total: Fines and penalties	**-**	**835**
Less:		
Gambling Commission penalties	(678)	(2,136)
Other		
Machinery of Government cash	-	43,897
ALB fine	180	
BBC repayment	2,400	
S4C - HM Treasury loan	-	2,320
Gambling Commission - Economic Crime Levy	-	(2,404)
Amount payable to the Consolidated Fund	**3,712**	**44,256**
Balance held at start of year	2,997	6,777
Payments into the Consolidated Fund	(4,499)	(48,036)
Balance held on trust at end of year	**2,210**	**2,997**

The main recurring income streams collected as agent are:

Licence Fees

- **Sports Grounds Safety Authority (SGSA)** - annual licence fees for the certification of football grounds.

Other

- **BBC repayment -** within the year BBC repaid £2.4m as a one -off non recurring income stream.

PARLIAMENTARY ACCOUNTABILITY DISCLOSURES

Regularity of expenditure (this section is subject to audit).

Losses

	Core department		Departmental group	
	Cases	Amount	Cases	Amount
	No.	£'000	No.	£'000
2025-26	1	852	363	5,657
2024-25	3	11,452	428	14,101

There were four individual losses incurred in excess of £300,000 in 2025-26 (2024-25: three).

The core department incurred a loss of £852k following the dissolution of a Covid-19 Loan Book borrower.

Arts Council England exchequer incurred three losses of £344k, £402k and £535k in relation to receivables from organisations that have entered liquidation. Recent liquidator reports from those entities suggest that there will be no return to their creditors.

Special Payments

	Core department		Departmental group	
	Cases	Amount	Cases	Amount
	No.	£'000	No.	£'000
2025-26	1	23	40	1,630
2024-25	1	30	21	185

There was one individual special payment in excess of £300,000 for 2025-26 (2024-25: none). The British Museum made a compensation payment of £386k in settlement of a legal claim.

Gifts

There were no gifts made by the group that were in excess of £300,000 for 2025-26 or 2024-25.

Remote contingent liabilities

Remote contingent liabilities arising through financial guarantees, indemnities and letters of comfort – Quantifiable

Details of contingent liabilities as defined by IAS 37 Provisions, Contingent Liabilities and Contingent Assets are included in the financial accounts (see note 20).

In addition, the department has entered into the following quantifiable guarantees or indemnities. None of these are contingent liabilities within the meaning of IAS 37 since the likelihood of a transfer of economic benefit in settlement is too remote.

Managing Public Money requires that the full potential costs of such contracts be reported to Parliament, details of these costs are reproduced in the table below.

	1 April 2025	Increase/ (Decrease) in year	Liabilities crystallised in year	Obligation expired in year	31 March 2026	Amount reported to Parliament by Departmental Minute
	£m	£m	£m	£m	£m	£m
Guarantees						
Borrowing facility for Historic Royal Palaces	4.0	-	-	-	4.0	-
Guarantee of British Horseracing Authority (BHA) Pension Scheme*	30.3	-	-	-	30.3	-
Great British Bonus Scheme*	1.7	0.5	-	-	2.2	-
Indemnities						
Government Indemnity Scheme	7,334.2	(1,276.9)	-	-	6,057.3	6,057.3
Artworks on loan from the Royal Collection	382.9	(11.1)	-	-	371.8	371.8
Artworks on loan to the Government Art Collection	2.6	0.1	-	-	2.7	-
Items on loan to the British Library	48.0	11.1			59.1	-
Totals	**7,803.7**	**(1,276.3)**	**-**	**-**	**6,527.4**	**6,429.1**

**These were included as Contingent Liabilities in 2024/25 accounts, although subsequently reassessed as Financial Guarantees by HBLB.*

Guarantees

Borrowing facility for Historic Royal Palaces

The £4m guarantee for Historic Royal Palaces (HRP) in the table above is available until 19 January 2027 and HRP will only enter into borrowing facilities at such times and within such monetary limits that the department shall agree.

Guarantee of British Horseracing Authority (BHA) Pension Scheme

On 30 July 2007 the Board entered into an agreement with the British Horseracing Authority (BHA), the Jockey Club and Trustees of the Jockey Club Pension Fund and Life Assurance Scheme, now known as the BHA Pension Scheme (the ‘Scheme’), to guarantee the payment by the BHA of certain contributions to the Scheme. The 2007 agreement was subsequently amended in 2009, 2012, 2016 and 2021.

HBLB was approached by the Trustees of the scheme during 2020/21 to consider an extension to the wind-up guarantee. This was subsequently agreed by the Board with the necessary approvals from DCMS and HM Treasury subsequently received. In accordance with IFRS 9, HBLB has a financial guarantee to cover the liability BHA may incur to the trustees under Section 75 of the Pensions Act 1995 on a winding-up of the Scheme triggered during the period up to and including 31 December 2032, capped at a maximum of £30.3 million.

This amount would be payable, in five equal annual instalments, only in the event that the Scheme is wound up by the trustees as a result of:

i. BHA entering into liquidation or being dissolved without being replaced by a new Principal Employer;

ii. the trustees resolving to wind up the Scheme upon receiving notice from BHA terminating its contributions to the Scheme; or

iii. upon notice from BHA of its intention to terminate its participation in the Scheme unless a new Principal Employer is substituted.

Great British Bonus Scheme

The Great British Bonus Scheme (GBB) is a prize money scheme designed to support the GB breeding and racing industries through enhanced prizemoney to qualifying GB bred horses. It is a whole industry scheme that is administered by the Thoroughbred Breeders' Association (TBA). The TBA administers registrations to the scheme and markets and supports the scheme operationally. The TBA sits on the GBB Management Group, along with members of the British Horseracing Authority (BHA) and the Racehorse Owners Association (ROA). Representatives of the Board and Weatherbys also sit on the Group as observers.

The vast majority of funding for GBB prizemoney comes from the Board. The GBB Management Group proposes any changes to the structure and rules of the scheme, but ultimately the Board of HBLB has control over the funding of the scheme.

In accordance with IFRS 9, HBLB has a financial guarantee, in the unlikely event of GBB scheme closure, to repay the balance of unused registrations until the point the scheme has built sufficient reserves to cover the closure liability itself. The value of paid registrations that had not had an opportunity to utilise the scheme at 31 March 2026 amounted to £2.2m.

Indemnities

The Government Indemnity Scheme (GIS) indemnifies lenders to museums, galleries and other institutions in the UK when mounting exhibitions or taking long-term loans for either study or display. It is a statutory liability totalling £6.1bn (31 March 2025: £7.3bn).

The change in contingent liabilities arising from these indemnity schemes is driven by the number and value of the works of art on loan and those on long term loan, which changes from year to year.

The GIS indemnities reported here exclude loans to Scottish and Welsh museums, the indemnities for which are issued in the name of the Scottish and Welsh Ministers respectively.

There are also non-statutory liabilities for indemnities granted in respect of works of art on loan from the Royal Collection totalling £371.8m (31 March 2025: £382.9m). The Royal Undertakings reported here are to English and Northern Ireland (NI) national and non-national museums. There are no Royal loans to Scottish and Welsh non-national Museums.

There is also an indemnity scheme amounting to £2.7m for items on loan to the Government Art Collection (31 March 2025: £2.6m).

British Library

In line with normal practice in the sector, DCMS, through the GIS, indemnifies third-parties in respect of collections items which are on loan to the British Library. At 31 March 2026 the items on loan were valued at £59.1m (31 March 2025: £48.0m). £59.1m is the maximum exposure in the event of all items on loan becoming damaged, the likelihood of any amounts becoming due under this indemnity is considered remote.

Unquantifiable remote contingent liabilities

Fourth National Lottery Licence Legal Challenge

The Gambling Commission has faced legal claims from an unsuccessful bidder, the New Lottery Company (TNLC), in relation to the Fourth National Lottery Licence and subsequent award that was made in February 2024. The Case was heard by the High Court over October to December 2025.

Judgement was handed down on 17 April 2026, and all claims against the Gambling Commission were dismissed. An application to the High Court for permission to appeal aspects of the ruling was denied at a hearing in May 2026. TNLC have subsequently requested permission to appeal from the Court of Appeal in respect of the ruling made on 17 April. As long as proceedings remain, there continues to be an ongoing, but remote, risk from any appeal that may be granted.

The group has entered into the following unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort. None of these are a contingent liability within the meaning of IAS 37, since the likelihood of a transfer of economic benefits in settlement is too remote.

Any liability that could arise from the case is likely to be met by the National Lottery Distribution Fund.

Department

Olympic Delivery Authority (ODA)

Upon dissolution of the ODA on 2 December 2014, the following contingent liability passed to DCMS. In order to facilitate the redevelopment of the Olympic Park, the ODA relocated the railway siding at Thornton's Field to Orient Way. There is a contingent liability of up to £10m for one third of the cost of constructing new railway sidings at Lea Interchange should Eurostar exercise its right from 30 June 2023 to take back the railway sidings at Orient Way which are currently leased to the Secretary of State for Transport. This liability cannot be quantified reliably and there is no certainty repossession will happen.

Jubilee Gardens

The department has given an indemnity to Arts Council England and the Southbank Centre Limited with respect to certain liabilities owed by Shirayama Shokusan Company Limited (SSCL), the owners of County Hall. This indemnity covers any costs to be incurred by SSCL in replacing Jubilee Gardens should SSCL make use of their sub-soil lease beneath the Garden to build an underground car park. SSCL requires an indemnity to cover the cost of reinstating the gardens in their new form. The cost of this is estimated at around £2m and is not time-limited. The risk of the indemnity being called upon is low as there is currently no intention to build such a car park, and the likelihood of obtaining planning permission is low. A Treasury Minute was laid on 26 April 2011 explaining the contingent liabilities in respect of the proposed development. The term of the sub-soil lease is 999 years from 1993 running to 2992 and the parties to the sub-lease could agree to extend it beyond that.

Hague Convention and Cultural Property (Armed Conflicts) Act 2017

The government has ratified the 1954 Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict and accede to its two Protocols. The Cultural Property (Armed Conflicts) Act 2017 created a number of new criminal offences in domestic law to enable the UK to ratify the Convention and accede to the Protocols. The offences include a serious breach of the Second Protocol, unauthorised use of the Cultural Emblem and the offence of dealing in unlawfully exported cultural property. The department has an unquantifiable contingent liability for the additional costs related to imprisonment and legal costs incurred by the Ministry of Justice for prosecutions brought solely under this new legislation. The department also has an unquantifiable contingent liability for any costs it may be required to cover relating to compensation which may be payable to buyers of 'good faith' that forfeit any cultural property.

The Royal Parks historic liabilities

On 15 March 2017, an agreement to manage the Royal Parks was signed between The Royal Parks Limited and the Secretary of State setting out the elements transferred from The Royal Parks Agency (TRPA) and additional obligations and arrangements. Under the terms of the agreement, the core Department retains responsibility for the cost of historic liabilities of TRPA for 10 years.

Fees and Charges

There are no material fees and charges due to the department in 2025-26 (2024-25: nil) other than the levies which are included within note 4.

Signed and approved

Susannah Storey
Accounting Officer and Permanent Secretary

14 July 2026

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

Qualified opinion on financial statements

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

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

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

In my opinion, except for the possible effect of the matter described in the *Basis for qualification on the financial statements* section of my certificate, the financial statements:

- give a true and fair view of the state of the Department and the Departmental Group's affairs as at 31 March 2026 and 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 qualified opinion on the financial statements

At 31 March 2026, the Department has recognised in its group financial statements a net pension asset of £491 million. The net asset comprises the fair value of the group's pension assets of £13,099 million, less the present value of liabilities of £12,482 million, and the impact of the asset ceiling of £127 million. As detailed in note 18, these pensions balances are held across a number of pension schemes: BBC, British Tourist Authority and several ALBs which participate in the Local Government Pension Scheme (LGPS).

I was unable to obtain sufficient appropriate evidence regarding the portion of the overall gross pension assets, pensions liabilities and associated transactions held in the LGPS. This was due to the audit of the LGPS, by the pension fund auditors, not being completed at the date of approval of the financial statements and the Department deciding to proceed to certification for more timely reporting to Parliament.

For the portion of the pension balances held in the LGPS being gross assets of £525 million, gross liabilities of £400 million and, after the impact of the asset ceiling is applied, £0.2 million net assets, I rely on the work completed by the pension fund auditors, which was not completed at the time of certification. I was unable to satisfy myself by alternative means concerning the valuation of the gross and net pension asset and liability at 31 March 2026 by using other audit procedures.

Consequently, as it relates to the LGPS only, I am unable to determine whether any adjustments to the gross pension assets, gross pension liabilities, the net pension asset or associated transactions were necessary.

Basis for opinions

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

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

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

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

Framework of authorities	
Authorising legislation	Government Resources and Accounts Act 2000
Parliamentary authorities	Supply and Appropriations Acts
HM Treasury and related authorities	Managing Public Money
Statutory income	Gambling Act 2005 Betting, Gaming and Lotteries Act 1963 National Lottery etc Act 1993

Conclusions relating to going concern

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

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

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

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

Overview of my audit approach

Key audit matters

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

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters except for the matter described in the *Basis for qualified opinion on the financial statements* section of my certificate, further described in my report, which I do consider a key audit matter.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed in respect of management override of controls and the regularity of grant expenditure.

In determining key audit matters, I have adopted an approach consistent with that used in my previous certificate with one exception being that I have now included in Key Audit Matter 2 (valuation of property and right of use assets) my work over all property related balances including those in which I used the work of component auditors.

I have set out below those significant risks which I have judged to be key audit matters. The significant risks including those identified as key audit matters were discussed with the Audit and Risk Assurance Committee; their report on matters that they considered to be significant to the financial statements is set out in the Governance Statement.

Key audit matter 1: Consolidation process - Departmental Group

Description of risk

The Departmental Group financial statements consolidate financial information from the core Department and, in 2025-26, detailed in note 23, thirty-three Arm's Length Bodies (ALBs) and in some cases their own subgroups.

The production of the Department's Group financial statements is complex because:

- the consolidation process requires multiple levels of consolidation of ALBs within the group as some ALBs have their own sub-groups. The Department is required to consolidate only those ALBs which are within their boundary and therefore must ensure that some members of ALBs own groups, where these entities are not included within the departmental boundary, are removed from the consolidation. This exercise is complex for the BBC's commercial subsidiaries and the trading companies of museums where the financial information of the sub-consolidation is removed before departmental consolidation.
- approximately half of the ALBs prepare their own financial statements under an accounting framework different than that of the departmental group, which uses HM Treasury's Government Financial Reporting Manual; therefore, complex and material alignment adjustments are required.
- given the size and complexity of the group, there is risk that consolidation adjustments and elimination of intra-group transactions are incomplete or inaccurate.

How the scope of my audit responded to the risk

For the majority of ALBs, I obtained assurances from component auditors that the consolidated financial information from ALBs is both complete and accurate.

I assessed the design and implementation of the process and controls in respect of the Department's consolidation process. I reperformed the consolidation, to ensure the consolidated information was complete and accurate based on the underlying financial information provided by ALBs (and audited by component auditors).

My group audit team both tested and directed component auditors to provide assurances over the intragroup eliminations, alignment adjustments and other group level journals to ensure they were appropriate, complete and accurate.

I also ensured the disclosures in the departmental group financial statements are complete, accurate and understandable.

Key observations

In the context of my qualified opinion on the consolidated figures related to LGPS pensions balances, other than that which has been noted in the Basis of qualified opinion on the financial statement section of my certificate, the outcomes of the procedures I performed in response to this risk were satisfactory.

Material misstatements and matters of disclosure identified as a result of the work I have performed over the consolidation process have been adjusted for in the consolidated group financial statements.

Key audit matter 2: valuation of property and right of use assets - Departmental Group

Description of risk

The valuation of the Departmental Group's owned and leasehold land and buildings, excluding assets under construction, as at 31 March 2026 is £6,674 million (£6,557 million 31 March 2025). The land and buildings held on the Departmental Group's statement of financial position is detailed in notes 5 and 6.

Under the HM Treasury's Government Financial Reporting Manual, the Departmental Group financial statements recognise owned and leasehold property at its current value. As such, property used as part of the Departmental Group's operations should be valued at current value in existing use at each reporting date. The Departmental Group's accounting policy is to complete full valuations every five years, supplemented by indexation or other forms of desktop valuation in intervening years, and in cases where appropriate index is not available, to revalue annually.

There are two circumstances where I did not use the work of component auditors over the valuation of property. In these circumstances I audited the property balances as a part of my audit engagement:

- for the valuation of BBC property including Land and building right of use assets (judged as a significant risk to my audit); and,
- due to later timetables for these ALB audits, the valuation of the Royal Armouries Museum (RAM) and National Museum Liverpool (NLM) property balances (considered a significant risk in aggregate to the group).

For the purposes of my audit, I considered that there is, in aggregate, a significant risk over the consolidation of property (including right of use assets) and related balances. Given the specialist nature of the properties (for instance historical properties and museums and galleries) significant judgement is required in the valuation of these properties.

In their own financial statements, the BBC recognise property at historic cost under IFRS. For the Group financial statements adjustments are required for these BBC properties to be recognised at current value in existing use (either a market value approach or depreciated replacement cost for specialised property).

The large range and value of BBC owned and leased land and buildings increases the risk of material misstatement due to:

- potentially inappropriate assumptions and methodology used to value the properties, for example the estimated future rental potential;
- potentially inaccurate data used in the calculation of property valuations, for example internal floor areas;
- potential errors in the model used to calculate the value of property; and the disclosure of estimation uncertainty within property valuations not being sufficient or accurate.

How the scope of my audit responded to the risk

In my audit of the property including the right of use assets, I have

- assessed the design and implementation of controls over the valuation of property;
- with the support of auditor's experts I reviewed the valuation methodology and assumptions used to value a sample of property and right of use assets;
- reviewed and recalculated the application of indices for assets not subject to full revaluation to confirm reasonableness;
- evaluated the reasonableness and accuracy of input data;
- evaluated where applicable that management's judgement that property and right of use assets held at cost (judged as a proxy for fair value) are materially accurate; and
- reviewed accounting entries and related disclosures, including that assumptions, and as relevant the level of estimation uncertainties, in respect of the valuation have been appropriately included in the group financial statements.

For the aggregate risk over the valuation of property and right of use assets, where I instructed and used the work of component auditors for assurances over the valuations, I challenged and reviewed the work of component auditors to ensure that procedures performed aligned with those noted above.

Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues or errors arising from my work.

Key audit matter 3: valuation of BBC public corporations – Departmental Group

Description of risk

BBC Commercial Limited's direct subsidiaries are not designated as members of the DCMS group. In accordance with the Government Financial Reporting Manual the public corporations are accounted for in the Departmental Group accounts as a financial asset recognised at fair value. Management estimate the fair value of their investment in these public corporations by discounting forecast cashflows to the statement of financial position date. The valuation of the 'Investment in BBC public corporations' financial asset in the Departmental Group financial statements is £1.88 billion as at 31 March 2026 (£2.30 billion as at 31 March 2025).

This is an area of significant risk as management are required to make significant judgements in respect of the assumptions to inform future expected cash flows, data inputted for current business and economic developments and the methodology used to calculate an estimated fair value.

How the scope of my audit responded to the risk

To respond to this risk, I:

- Assessed the Department's design and implementation of controls over their valuation of the BBC public corporations.
- Evaluated the appropriateness of the methodology used by management in their valuation.
- Assessed the reasonableness of key judgements and assumptions such as future cash flows and long-term growth rates of the investments made by management to estimate the BBC public corporations' future cash flows.
- Engaged an auditor's expert to support my assessment of the reasonableness of data and key assumptions used by management in their valuation. I also engaged my auditor expert to produce a valuation using their own methodology and data, which I used to compare to the Department's valuation.
- Assessed the accuracy and completeness of the disclosures made by management in relation to the valuation in the Departmental Group accounts.

Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues or errors arising from my work.

Application of materiality

Materiality

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

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

	Departmental Group	Department - Core
Materiality	£95 million (2024-25 £85.5 million)	£62 million (2024-25 £58 million)
Basis for determining materiality	1% of total operating expenditure of £9.5 billion	1% of prior year's total operating expenditure of £6.2 billion
Rationale for the benchmark applied	I have identified gross expenditure as the appropriate benchmark. As well as the BBC's broadcasting and media operations, the Departmental Group's main activities include the preservation of culture and heritage of the nation and encouraging participation in arts and sports through grant expenditure. Expenditure on performing these functions across its sectors is of relatively high interest to the users of the accounts and it is voted on by Parliament through the supply process. I also considered whether gross assets should be used as a materiality basis, particularly given the Departmental Group's focus on preserving heritage, including the land and buildings and other heritage assets included in the Departmental Group financial statements. However, many Departmental Group assets are heritage assets valued either at historic cost or nil value (by agreed accounting convention). Therefore, the asset valuations included in the Departmental Group financial statements are unlikely to reflect all of the intrinsic value users place on such assets (such as accessibility to the public) and the government's strategy for managing these assets is not primarily informed by the valuations included in the Departmental Group financial statement.	I have identified gross expenditure as the appropriate benchmark. As well as determining policy across its sectors, the main function of the core Department is to govern and oversee the delivery and outcomes of its arm's-length bodies within the Departmental Group. The Department issued £5.7 billion Grant-in-aid (GiA) in 2025-26 (£5.6 billion in 2024-25) to ALBs, which drives the activities of the rest of the Departmental Group. GIA is 92% of the core Department's operating expenditure. Expenditure on performing these functions is of most interest to the users of the accounts. I also considered gross assets as a materiality basis for the Department but, as for the Departmental group, I concluded that asset valuations included in the Department's financial statements are unlikely to reflect the full intrinsic value of the assets to the users of the accounts.

Performance Materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 75% of Group materiality for the 2025-26 audit (2024-25: 75%). I have set the group performance materiality at the maximum threshold because I assessed that the overall control environment was adequate in its ability to detect and prevent material misstatement. My consideration was based on my risk assessment where observations made in respect of the Department's control environment, that there was historically limited and insignificant uncorrected misstatements identified in respect of the preparation of the Group financial Statements and the Departmental Group remains stable.

Other Materiality Considerations

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

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

Error Reporting Threshold

I agreed with the Audit and Risk Assurance Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

The net effect of unadjusted audit differences reported to the Audit and Risk Assurance Committee on the Group's Statement of Financial Position is £16.2 million.

Audit scope

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

I identified 30 components which pose a risk of material misstatement for my audit of the departmental group. The BBC and the core Department are the most significant of these components based on their relative size and risk profile.

Components I have assessed as posing risk of material misstatement to the Departmental Group	
Arts Council England (ACE) Exchequer and ACE Lottery	British Film Institute (BFI)* and BFI Lottery
British Broadcasting Corporation (BBC)*	British Tourist Authority
British Library	Historic England*
British Museum	Horserace Betting Levy Board
DCMS Core	Imperial War Museum
Natural History Museum*	National Gallery
Science Museum	National Heritage Memorial Fund
Tate Gallery	National Lottery Heritage Fund
Victoria and Albert Museum (V&A)	National Lottery Community Fund
Gambling Commission	National Maritime Museum
Sport England (SE)* Exchequer and SE Lottery	National Museums Liverpool (NML)
UK Sport (UKS) Exchequer* and UKS Lottery	National Portrait Gallery
Royal Armouries Museum (RAM)	S4C

* Component is a parent entity of a sub-groups whose components are consolidated into the Departmental Group.

I carried out a full audit of the core Department as a part of my audit of the Departmental Group and directly carried out the audit of RAM, NML and the BBC property and BBC investments in subsidiaries (as noted as key audit matters).

For the remaining classes of transactions, balances, disclosures and regularity matters which I judged as being of material risk to the Departmental Group, I have performed sufficient audit work, using the work of component auditors to support my opinion.

The most significant classes of transactions, balances, disclosures and matters of regularity are those which I raised as a significant risk to my audit and have listed in the key audit matters section of my certificate.

As part of the group audit, my group audit team reviewed, challenged and directed each component auditors risk assessments to use their work over significant classes of transactions, balances, disclosures and matters of regularity required for group assurances.

In addition, for all component auditors where we identified classes of transactions, balances, disclosures or matters of regularity required for group assurance, specific assurances were sought and received from component auditors over the completeness and accuracy of the consolidated information used by the Department to prepare the Departmental Group accounts.

This work covered substantially all of the Group’s assets and net expenditure, and together with the procedures performed at group level, gave me the evidence I needed for my opinion on the group financial statements as a whole.

Other Information

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

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

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

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

Except for the possible effect of the matter described in the *Basis for qualified opinion on the financial statements* section of my certificate, 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

Except for the possible effect of the matter described in the *Basis for qualified opinion on the financial statements* section of my certificate, in the light of the knowledge and understanding of the Department and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

In respect solely of the matters referred to in the Basis for qualified opinion on the financial statements section of my certificate:

- I was unable to determine whether adequate accounting records have been kept by the Department and its group or returns adequate for my audit have been received from branches not visited by my staff; and
- I have not received all of the information and explanations I require for my audit.

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

- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury’s Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury’s guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Department and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Department and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Department and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Department and its Group's accounting policies
- inquired of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Department and its Group's policies and procedures on:
    - identifying, evaluating and complying with laws and regulations;
    - detecting and responding to the risks of fraud; and

- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations including the Department and its Group's controls relating to the Department's compliance with the Government Resources and Accounts Act 2000, Managing Public Money the Supply and Appropriation Acts and in respect of financial information consolidated into the Group financial statements: the Gambling Act 2005, the Betting, Gaming and Lotteries Act 1963 and the National Lottery etc Act 1993.

- inquired of management, internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team including component audit teams to whom we relied on their work for group assurances and the relevant internal and external specialists, including for property, loans and financial instruments regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Department and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals; complex transactions; bias in management estimates; and the regularity of grant expenditure. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Department and Group's framework of authority and other legal and regulatory frameworks in which the Department and Group 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 Department and its Group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation Acts, the Gambling Act 2005, the Betting, Gaming and Lotteries Act 1963 and the National Lottery etc Act 1993, employment law and pensions legislation and tax 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 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;
- I confirmed that the Department and Departmental Group have reasonable assurance that grant expenditure has, in all material respects, been used for the purposes intended by Parliament; and
- I confirmed that the Department has complied with the parliamentary control totals set out in the Supply and Appropriation (Main Estimates) Act 2025 and Supply and Appropriation (Adjustments) Act 2025 by confirming that outturn is within the limits approved by Parliament, that the allocation of amounts to those parliamentary control categories is appropriate and that management have not vired amounts inappropriately between control totals approved by Parliament.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and component audit teams to whom we relied on their work for group assurances 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.

Gareth Davies
Comptroller and Auditor General

Date: 15 July 2026

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

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

The purpose of my report

This report explains the basis of my qualification in relation to the availability of evidence to support the pension scheme assets, liabilities and related balances held within the Local Government Pension schemes.

Introduction

The Department consolidates pension assets and liabilities held by a number of arm's length bodies within its departmental group: the BBC, British Tourist Authority and several ALBs who participate in the Local Government Pension Scheme (LGPS). The balances held within the LGPS are a small but material portion of the overall defined benefit pensions assets and liabilities held by the group.

Sufficiency of evidence for pension assets and liabilities balances

As disclosed in note 18 of the financial statements, the Department has recognised in its group financial statements a net pension asset of £491 million. The net asset comprises the fair value of the group's pension assets of £13,099 million, less the present value of liabilities of £12,482 million, and the impact of the asset ceiling of £127 million. Of these balances, £525 million gross assets, £400 million gross liabilities and, after the impact of the asset ceiling is applied, £0.2 million net assets is held in the LGPS.

LGPS pensions assets:

As there are a number of scheduled bodies participating in LGPS schemes, it is not practical for scheduled body auditors to undertake individual procedures for those assets. The scheme auditors provide assurances to auditors of the scheduled bodies (participating ALBs consolidated into the departmental accounts), to enable ALB auditors to conclude over the valuation and accuracy of transactions and balances in individual ALB accounts. As disclosed in the Governance Statement, due to delays in the receipt of assurances from the pension scheme auditors, I do not, to a material extent, have sufficient appropriate evidence over the valuation of the pension assets held in LGPS schemes. I have therefore limited the scope of my opinion on the financial statements in respect of pension assets, and the related balances and disclosures including the asset ceiling, held in LGPS.

Pension liabilities

The audit of pension scheme liabilities requires testing of the methods, models, data and assumptions used in estimating the value of the liabilities, as well as the sufficiency and accuracy of the related disclosures. As is standard practice, there was a triennial revaluation of the LGPS at 31 March 2025, which formed the basis for the valuation of the liabilities as at 31 March 2026. This revaluation means that assurances in respect of inputs rolled forward, such as membership data, cannot be relied on in forming my opinion. Membership data is a key data input to the triennial valuation and like the pensions' assets, the scheme auditors provide assurances to auditors of the scheduled ALBs. Due to the delays in the receipt of assurances from the scheme auditor, and that I could not rely on rolled forward data inputs, I do not have sufficient appropriate evidence to support the valuation of the pension liabilities held by each participating ALB within the departmental group. I have therefore limited the scope of my opinion on the financial statements in respect of the LGPS pension liabilities and related balances and disclosures.

I recognise that there is limited action that the Department can take in relation to the assurances over these balances, as these are managed and controlled by the LGPS and audited by the scheme auditors. In this circumstance, the Department has decided to publish its financial statements in the interests of timely reporting to Parliament, rather than waiting for the audit assurances, which will not be available until later in 2026.

Gareth Davies
Comptroller and Auditor General

Date: 15 July 2026

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

PRIMARY STATEMENTS

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

		2025-26		2024-25	
		Core department	Departmental group	Core department	Departmental group
	Note	£'000	£'000	£'000	£'000
Staff costs	2	91,653	2,232,484	80,416	2,144,060
Grants and subsidies to sponsored bodies	3.1	5,723,174	657	5,583,881	705
Other grants	3.2	274,069	3,026,016	416,516	2,728,495
Purchase of goods and services	3.3	50,903	454,421	47,638	460,457
Depreciation, amortisation, impairment charges and expected credit loss adjustments	3.4	4,056	423,591	10,957	375,949
Provisions expense	3.5	-	75,391	-	109,665
Finance cost	3.6	639	55,910	594	52,555
Other operating expenditure	3.6	65,622	3,247,393	74,747	3,160,548
Total operating expenditure		**6,210,116**	**9,515,863**	**6,214,749**	**9,032,434**
Income from contracts with customers	4.1	(36,603)	(811,620)	(48,923)	(567,674)
Current grant income	4.1	(89,717)	(241,877)	(99,747)	(231,591)
Other operating income	4.2	(57,472)	(2,388,406)	(83,774)	(3,670,416)
Total operating income		**(183,792)**	**(3,441,903)**	**(232,444)**	**(4,469,681)**
Net expenditure for the year		**6,026,324**	**6,073,960**	**5,982,305**	**4,562,753**
Other comprehensive net expenditure					
Items which will not be reclassified to net operating expenditure:					
Net (gain)/loss on:					
- revaluation of property, plant & equipment, intangible assets, heritage assets and right of use assets		1,467	(75,344)	(30,331)	(159,167)
- pension remeasurements	18.1	-	458,337	-	(975,353)
Items which may be reclassified to net operating expenditure:					
Net (gain)/loss on:					
- other revaluations including financial assets through OCI		-	396,574	-	396,722
Total other comprehensive net expenditure		**1,467**	**779,567**	**(30,331)**	**(737,798)**
Total comprehensive expenditure for the period		**6,027,791**	**6,853,527**	**5,951,974**	**3,824,955**

All operations relate to continuing activities.

The notes on pages 117 to 188 form part of these accounts.

Consolidated Statement of Financial Position as at 31 March 2026

		31 March 2026		31 March 2025	
		Core department	Departmental group	Core department	Departmental group
	Note	£'000	£'000	£'000	£'000
Non-current assets					
Property, plant & equipment	5	58,914	7,300,406	62,626	7,235,844
Right of use assets	6	27,966	1,277,122	28,817	1,245,890
Heritage assets	7	19,333	2,898,263	18,886	2,818,709
Intangible assets	8	1,791	67,866	-	69,686
Investment properties		-	33,138	-	34,475
Trade and other receivables	12	-	350,624	-	386,140
Investments in associates and joint ventures		-	18,319	-	16,286
Other financial assets	10	303,096	3,032,231	317,985	3,495,524
Total non-current assets		**411,100**	**14,977,969**	**428,314**	**15,302,554**
Current assets					
Contract assets		-	1,741	-	1,226
Inventories	11	-	404,617	-	327,486
Trade and other receivables	12	24,916	1,239,556	33,703	996,462
Other financial assets	10	38,451	728,748	47,739	786,805
Cash and cash equivalents	13	157,226	3,066,519	107,537	3,043,277
Total current assets		**220,593**	**5,441,181**	**188,979**	**5,155,256**
Total assets		**631,693**	**20,419,150**	**617,293**	**20,457,810**
Current liabilities					
Trade and other payables	14	(223,783)	(2,895,435)	(187,103)	(2,741,008)
Contract liabilities		-	(2,448)	-	(5,772)
Provisions	15	-	(76,678)	-	(82,724)
Lease liabilities	16	(3,200)	(147,463)	(2,622)	(132,288)
Other financial liabilities	17	-	(1,153)	-	(3,898)
Total current liabilities		**(226,983)**	**(3,123,177)**	**(189,725)**	**(2,965,690)**
Non-current assets plus/(less) net current assets/liabilities		**404,710**	**17,295,973**	**427,568**	**17,492,120**

Consolidated Statement of Financial Position (continued)

		31 March 2026		31 March 2025	
		Core department	Departmental group	Core department	Departmental group
	Note	£'000	£'000	£'000	£'000
Non-current liabilities					
Trade and other payables	14	-	(1,953,669)	-	(1,694,178)
Provisions	15	-	(147,609)	-	(122,563)
Lease liabilities	16	(36,084)	(1,620,231)	(37,985)	(1,672,004)
Other financial liabilities	17		(467,341)	-	(463,989)
Net pensions assets/ (liabilities)	18	-	491,317	-	907,343
Total non-current liabilities		**(36,084)**	**(3,697,533)**	**(37,985)**	**(3,045,391)**
Total assets less liabilities		**368,626**	**13,598,440**	**389,583**	**14,446,729**
Taxpayers' equity and other reserves					
Taxpayers' funds					
General fund	SoCTE	306,039	3,776,979	325,529	4,198,642
Revaluation reserve	SoCTE	62,587	2,187,231	64,054	2,513,918
Total taxpayers' equity		**368,626**	**5,964,210**	**389,583**	**6,712,560**
Lottery funds	SoCTE	-	(525,630)	-	(374,115)
Charity funds	SoCTE	-	8,159,860	-	8,108,284
Total reserves	SoCTE	**368,626**	**13,598,440**	**389,583**	**14,446,729**

Susannah Storey (Accounting Officer)

14 July 2026

The notes on pages 117 to 188 form part of these accounts.

Consolidated Statement of Cash Flows for the year ended 31 March 2026

	Note	2025-26		2024-25	
		Core department	Departmental group	Core department	Departmental group
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net expenditure	SoCNE	(6,026,324)	(6,073,960)	(5,982,305)	(4,562,753)
Adjustments for non-cash expenditure - purchase of goods and services	3.3	655	655	640	640
Adjustments for non-cash expenditure - depreciation, amortisation, impairment charges and expected credit loss adjustments	3.4	4,056	423,591	10,957	375,949
Adjustments for non-cash expenditure - provisions expense	3.5	-	75,391	-	109,665
Adjustments for non-cash expenditure - other operating expenditure		-	(16,377)	(3)	69,774
Adjustments for non-cash other operating income	4.2	(17,094)	(59,544)	(18,986)	(1,006,622)
Adjustments for non-cash pension costs		-	5,106	-	(34,875)
Reserves released to net expenditure		-	-	-	103
Adjustment for items shown in other sections of cash flow		(664)	(43,131)	(364)	(265,350)
(Increase)/decrease in inventories	11	-	(77,131)	-	(103,173)
(Increase)/decrease in trade and other receivables	12	8,787	(207,578)	92,344	32,313
Movements in receivables not passing through the SoCNE		(787)	(545)	(3,780)	140,784
Movements in bad debt provision		-	694	31	6
(Increase)/decrease in contract assets		-	(515)	-	(213)
Increase/(decrease) in trade payables	14	36,680	413,918	(49,644)	(229,632)
Increase/(decrease) in contract liabilities		-	(3,336)	-	4,083
Movements in payables not passing through the SoCNE		(48,973)	(52,902)	(14,710)	(20,169)
Utilisation of provisions	15	-	(56,391)	-	(77,828)
Payments for unfunded pensions	18	-	(210)	-	(210)
Net cash outflow from operating activities		**(6,043,664)**	**(5,672,265)**	**(5,965,820)**	**(5,567,508)**
Cash flows from investing activities					
Purchase of property, plant & equipment		(2,787)	(374,685)	(1,129)	(401,140)
Purchase of investment property		-	(117)	-	(471)
Purchase of intangible assets		(1,791)	(17,776)	-	(19,361)
Purchase of financial assets		(13,776)	(94,237)	(8,374)	(79,910)
Repayments and disposals of financial assets		58,209	205,465	40,153	98,262
Interest and dividend income	4.2	1,297	96,141	953	315,141
Net cash inflow/(outflow) from investing activities		**41,152**	**(185,209)**	**31,603**	**(87,479)**

Consolidated Statement of Cash Flows (continued)

		2025-26		2024-25	
		Core department	Departmental group	Core department	Departmental group
	Note	£'000	£'000	£'000	£'000
Cash flows from financing activities					
From the Consolidated Fund (supply) - current year	SoCTE	6,055,994	6,055,994	5,953,990	5,953,990
Payment of lease liabilities		(3,738)	(170,526)	(3,618)	(165,475)
Increase in financial liabilities		-	(4,697)	-	581
Repayments of financial liabilities		-	-	-	(1,740)
Net cash inflow from financing activities		**6,052,256**	**5,880,771**	**5,950,372**	**5,787,356**
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**49,744**	**23,297**	**16,155**	**132,369**
Cash flow from non-financing activities					
Receipts due to the Consolidated Fund which are outside the scope of the department's activities		4,499	4,499	48,036	44,256
Payments of amounts to the Consolidated Fund		(4,554)	(4,554)	(48,066)	(48,066)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**49,689**	**23,242**	**16,125**	**128,559**
Cash and cash equivalents at the beginning of the period	**13**	**107,537**	**3,043,277**	**91,412**	**2,914,718**
Cash and cash equivalents at the end of the period	**13**	**157,226**	**3,066,519**	**107,537**	**3,043,277**

There was no balance outstanding to the Contingencies Fund as at 31 March 2025 or 31 March 2026.

The notes on pages 117 to 188 form part of these accounts.

Statement of Changes in Taxpayers' Equity (core department) for the year ended 31 March 2026

	Note	Core department		
		General fund	Revaluation reserve	Total reserves
		£'000	£'000	£'000
Balance at 1 April 2024		**(371,724)**	**(33,723)**	**(405,447)**
Net parliamentary funding - drawn down		(5,953,990)	-	**(5,953,990)**
Net parliamentary funding - deemed supply		(88,771)	-	**(88,771)**
Supply payable/(receivable) adjustment	14	107,261	-	**107,261**
CFERs payable to the Consolidated Fund	SOPS 4.1	30	-	**30**
Net expenditure for the year	SoCNE	5,982,305	-	**5,982,305**
Non-cash adjustments:				
Auditors' remuneration	3.3	(640)	-	**(640)**
Movements in reserves:				
Other comprehensive net expenditure	SoCNE	-	(30,331)	**(30,331)**
Balance at 31 March 2025		**(325,529)**	**(64,054)**	**(389,583)**
Net parliamentary funding - drawn down		(6,055,994)	-	**(6,055,994)**
Net parliamentary funding - deemed supply		(107,261)	-	**(107,261)**
Supply payable/(receivable) adjustment	14	157,021	-	**157,021**
CFERs payable to the Consolidated Fund	SOPS 4.1	55	-	**55**
Net expenditure for the year	SoCNE	6,026,324	-	**6,026,324**
Non-cash adjustments:				
Auditors' remuneration	3.3	(655)	-	**(655)**
Movements in reserves:				
Other comprehensive net expenditure	SoCNE	-	1,467	**1,467**
Balance at 31 March 2026		**(306,039)**	**(62,587)**	**(368,626)**

The notes on pages 117 to 188 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity departmental group for the year ended 31 March 2026

		Departmental group					
		General fund	Revaluation reserve	Total taxpayers' equity	Lottery funds	Charity funds	Total reserves
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024		**(3,242,375)**	**(2,935,477)**	**(6,177,852)**	**666,940**	**(6,830,032)**	**(12,340,944)**
Net parliamentary funding - drawn down		(5,953,990)	-	**(5,953,990)**	-	-	**(5,953,990)**
Net parliamentary funding - deemed supply		(88,771)	-	**(88,771)**	-	-	**(88,771)**
Supply payable/(receivable) adjustment	14	107,261	-	**107,261**	-	-	**107,261**
CFERs payable to the Consolidated Fund	SOPS 4.1	30	-	**30**	-	-	**30**
Net expenditure for the year	SoCNE	5,960,182	-	**5,960,182**	(299,588)	(1,097,841)	**4,562,753**
Non-cash adjustments:							
Auditors' remuneration	3.3	(640)	-	**(640)**	-	-	**(640)**
Movements in reserves:							
Other comprehensive net expenditure	SoCNE	(978,324)	419,477	**(558,847)**	1,897	(180,848)	**(737,798)**
Transfers between reserves		(2,082)	2,082	**-**	-	-	**-**
Transfer to SoCNE		-	-	**-**	-	(103)	**(103)**
Other movements		67	-	**67**	4,866	540	**5,473**
Balance at 31 March 2025		**(4,198,642)**	**(2,513,918)**	**(6,712,560)**	**374,115**	**(8,108,284)**	**(14,446,729)**
Net parliamentary funding - drawn down		(6,055,994)	-	**(6,055,994)**	-	-	**(6,055,994)**
Net parliamentary funding - deemed supply		(107,261)	-	**(107,261)**	**-**	**-**	**(107,261)**
Supply payable/(receivable) adjustment	14	157,021	-	**157,021**	-	-	**157,021**
CFERs payable to the Consolidated Fund	SOPS 4.1	55	-	**55**	-	-	**55**
Net expenditure for the year	SoCNE	5,975,382	-	**5,975,382**	146,829	(48,251)	**6,073,960**
Non-cash adjustments:							
Auditors' remuneration	3.3	(655)	-	**(655)**	-	-	**(655)**
Movements in reserves:							
Other comprehensive net expenditure	SoCNE	451,551	328,363	**779,914**	2,852	(3,199)	**779,567**
Transfers between reserves		1,676	(1,676)	**-**			**-**
Other movements		(112)	-	**(112)**	1,834	(126)	**1,596**
Balance at 31 March 2026		**(3,776,979)**	**(2,187,231)**	**(5,964,210)**	**525,630**	**(8,159,860)**	**(13,598,440)**

The notes on pages 117 to 188 form part of these accounts.

NOTES

1. Statement of accounting policies

1.1 Basis of Preparation

These accounts have been prepared in accordance with the 2025-26 Government Financial Reporting Manual (FReM) and Accounts Direction issued by HM Treasury under the Government Resources and Accounts Act 2000. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context with the exception of Property, Plant and Equipment valuations as outlined below.

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 department and the arm's length bodies (the group) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the group are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FreM requires the department to prepare a SOPS and supporting notes showing outturn against estimates in terms of the net resource requirement and the net cash requirement. These are included within the parliamentary accountability section of this document.

1.2 Accounting Convention

These accounts have been prepared on an accrual's basis under the historical cost convention. In accordance with the Government Financial Reporting Manual (FReM) this convention is modified, where material, to account for the revaluation of land and buildings and certain financial instruments to fair value

1.3 Basis of Consolidation

The group accounts comprise a consolidation of the core department and the arm's length bodies (ALBs), and their various subsidiaries which fall within the departmental boundary.

In the preparation of the group accounts, the department is required to adopt consistent and uniform accounting policies across all entities with appropriate adjustments made where any differences have a material impact on the accounts. The group accounting policies allow, where possible, for variations in order to reflect particular circumstances of ALBs and their subsidiaries.

All significant intra-departmental transactions and balances between entities within the departmental boundary are eliminated.

A list of all the ALBs within the departmental boundary, and included in the group results (along with the department), is included in note 23.

British Broadcasting Corporation (BBC)

The elements of the BBC's results consolidated in these accounts (sometimes referred to here as BBC Public Service Broadcasting) are those that have been classified by the Office of National Statistics as being part of central government. This includes:

- the public sector broadcasting elements that are funded by the Exchequer through the Grant-in-aid mechanism (where the amount is based on TV Licence Fees collected).
- The Office for National Statistics have classified the BBC Pension Scheme as a pension administrator in the public pension fund subsector, and the BBC as the pension manager within central government. As such, the pension liabilities and assets held by the scheme will be attributed to central government, therefore the whole scheme is consolidated in these accounts.
- BBC Commercial Limited and its direct subsidiary holding companies.

1.4 Going concern

The FReM states that going concern for the public sector is interpreted as the anticipated continued provision of the entity's public services in the future.

In common with other government departments, the financing of the department is to be met by future grants of Supply and the application of future income, approved annually by Parliament. Parliament has authorised spending for 2026-27 in the Central Government Main Supply Estimates and there is no reason to believe that future approvals will not be made. It has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

1.5 Grants

Grant-in-aid

Financing to ALBs through Grant-in-aid payments is reported on a cash basis in the period in which payments are made.

All Grant-in-aid and grants by the department to its ALBs, as well as any intra-group grants between the ALBs, are fully eliminated within the group.

Other Grants

Grants payable or receivable held by the Core Department, or held by its Arm's Length Bodies (ALBs) and consolidated into the Departmental Group, are accounted for on an accruals basis. Grants receivable include funding from lottery funds. Grants payable include multi-year grants and performance-related grants.

Where multi-year grant awards meet the criteria for a present obligation but have timing or valuation uncertainties, they are classified as either current or non-current provisions (Note 1.25), depending on the expected timing of the payment and the underlying terms of the grant.

Grants payable are recognised when the criteria for a legal or constructive obligation are met, payment is probable, and values can be measured reliably. Where grant awards have met these recognition criteria but have not been paid out in full at the year-end, a grant payable liability is recognised to reflect the unpaid portion of the grant.

Where grants are paid in advance of the recipient fulfilling the underlying grant terms or performance criteria, a prepayment is recognised on the Statement of Financial Position and released to expenditure as those conditions are satisfied. Grant awards that have been made or announced, but do not yet meet the full criteria for an on-balance-sheet liability, are disclosed in the notes to the accounts as either future commitments or contingent liabilities.

DCMS receives grant income from several Other Government Departments, these grants relate to schemes delivered by several DCMS ALBs. In line with IAS 20, grant income is recognised in DCMS core when the ALB recognises the expense the grant intends to compensate.

1.6 Operating income and revenue from contracts with customers

Operating income relates to the operating activities of the group and includes both budgetary and non-budgetary income. It is recognised in accordance with the FReM and IFRS 15 *Revenue from contracts with customers*. Non-budgetary income is outside the ambit of the group budget.

Operating income is stated net of VAT. The major categories of operating income include lottery income, fees for licences including broadcast licences, non-governmental grants, and NLCF Reclaim Fund income.

Grants received by entities within the group

Grant income received by the department and then distributed as either capital and revenue grant expenditure is recognised in the Consolidated Statement of Comprehensive Net Expenditure (SoCNE) in the period in which entitlement arises, in accordance with IAS 20 as recommended by the FReM, once performance conditions have been satisfied.

Revenue from contracts with customers

IFRS 15 was adopted with effect from 1 April 2018.

Main categories of revenue from contracts with customers are ‘goods and services’, ‘rental income’, ‘fees, charges and duties’, ‘levies’, ‘royalties’ and ‘charity income – sponsorships and trading’.

Revenue from contracts with customers is measured at the fair value of consideration received or receivable (transaction price) and comprises primarily of fees and charges for services rendered, levy money collected in accordance with legislation, and sponsorship and trading arrangements. Income is recognised either when the performance obligation in the contract has been performed (‘point in time’) or ‘over time’ as control of the performance obligation is transferred to the customer. A performance obligation must meet one of the three criteria in IFRS 15 *Revenue from contracts with customers* for recognition to take place ‘over time’. The default category, if none of these criteria are met, is ‘point in time’ recognition. Further details on the category of income recognition for each type of income stream can be found below:

Goods and services

- As noted in note 4.1, this is largely BBC revenue relating to broadcasting services, being content and format sales, production income, and subscription fees.
- These income streams are measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Income recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer.
- Content and format sales are recognised on the later of the licence period start date or when the associated programme has been delivered. Further information on when content and format sales, production income, and subscription fees are recognised are included within note B of the BBC’s accounts, including whether these meet the ‘over time’ or ‘point in time’ recognition criteria.

Fees, charges, levies and duties

- As noted in note 4.1, this is largely amounts whereby, under statute or HM Treasury consent, an entity is permitted to retain the revenue from taxation, fines and penalties. This revenue is treated as arising from a contract and accounted for under IFRS 15.
- Revenue is recognised for these income streams. When the equivalent to a taxable event has occurred, the revenue can be measure reliably, and it is probable that the assisted economic benefits from the taxable event will flow to the collecting entity.

Gambling Commission Levy Recognition

Levy income is recognised over time in the period in which the underlying gambling activity occurs, as this reflects the period over which the Commission satisfies its performance obligation. In accordance with IFRS 15, the statutory levy arises from legislation that creates enforceable rights and obligations and is therefore treated as a contract for the purposes of revenue recognition. Levy income is recognised over time in the period in which the gambling activity has occurred, the Levy payments are invoiced annually in arrears, based on the gambling activity in the preceding levy period. At the year-end an estimate of levy income is made using the most reliable and supportable information available. Income that has not yet been invoiced is recognised as accrued income. Refer to the accounting and judgments on page 131 for the calculation of the accruals

Use of estimates and judgements – income recognition

The major estimates and judgements for income recognition of revenue from contracts with customers relate to the BBC. The complexity of individual contractual terms may require the BBC to make judgements in assessing when the triggers for income recognition have been met, particularly whether the BBC has sufficiently fulfilled its obligations under the contract to allow income to be recognised. Further information is included within note B of the BBC’s 2025-26 accounts.

1.7 Property, plant and equipment

In accordance with FReM, section 10.1.2, entities must value their PPE using the most appropriate of the following three valuation processes:

- A quinquennial valuation supplemented by annual indexation.
- A rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the 4 intervening years.
- For non-property assets only, appropriate indices.

To ensure greater accuracy for Arm's Length Body (ALB) reporting and to address instances where reliable indices are unavailable, DCMS exceeds these minimum FReM requirements. Where appropriate, the Department utilises desktop valuations or annual valuations during intervening periods. This approach ensures a more precise reflection of asset values than standard indexation alone particularly where no reliable index can be applied.

All other tangible assets (non-property) are carried at fair value using values or applying appropriate indices, where material. Some ALBs have used depreciated historic cost as a proxy for fair value on short life/low value assets where they deem the fair value adjustment is not materially different from the depreciated historic cost. As such these tangible non-current assets are not revalued.

The policy on heritage assets is disclosed in note 1.9.

The policy on right of use assets is disclosed in note 1.20.

Capitalisation thresholds

The thresholds across the group range from £1k to £10k (including irrecoverable VAT). The core department's capitalisation threshold is £2k.

1.8 Depreciation and amortisation

Property, plant and equipment (PPE), intangibles and right of use assets are depreciated to estimated residual values evenly over the following estimated useful lives:

• Freehold and long leasehold land	Not depreciated
• Freehold buildings	Up to 100 years
• Short leasehold improvements/buildings	Term of the lease
• Long leasehold improvements/buildings	10-50 years
• Information technology	3-5 years
• Plant and machinery	3-30 years
• Furniture and fittings	3-20 years
• Antiques, works of art and collections	Not depreciated
• Assets under construction	Not depreciated until the asset is brought into use
• Intangible assets	2-5 years for internally generated assets, the licence period for purchased licences, or the period of expected income streams for income generating assets

The depreciation method used provides a realistic reflection of the consumption of that asset. Estimated useful lives, and residual values are reviewed at each reporting date.

1.9 Heritage assets

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture and as such are intended to be preserved in trust for future generations. Heritage assets held by the group consist of historic artefacts and archives, works of art, collection items, and historic land and buildings.

Operational heritage assets (mainly comprising buildings) are used by the group to generate revenue or to provide other services. Operational heritage assets are valued and depreciated in the same way as other assets of that type.

Non-operational heritage assets are assets held primarily in pursuit of the group's overall objectives in relation to the maintenance of heritage. Non-operational heritage assets are included at cost or at valuation depending on the availability of information. The assets being reported at cost and those being reported at valuation are presented separately in note 7.1. Changes in heritage asset valuations are recognised in the Other Comprehensive Expenditure section of the SoCNE. Impairment losses are recorded separately.

Non-operational heritage assets (works of art and collections) are not depreciated as the length of their expected useful economic life is regarded to be close to infinite.

For the collections that existed at 31 March 2001, the group is of the opinion that valuation information cannot be obtained at a cost commensurate with the benefits to users of the accounts. As valuation is not practical, the group have therefore only capitalised assets acquired since 1 April 2001.

1.10 Donated assets

Donated assets are capitalised at fair value on receipt, and this value is credited to the SoCNE. Donated assets are revalued, depreciated and subject to impairment as appropriate in the same manner as heritage assets or other non-current assets. Donated services or facilities, including gifts in kind, are included in the SoCNE at the value to the group where this can be quantified.

1.11 Intangible non-current assets

In accordance with the FReM, all intangible assets are carried at current value in existing use. Intangible assets held by the group mainly relate to software licences. Depreciated historical cost is used as a proxy for fair value on short life or low value assets, as it is considered not to be materially different from fair value.

Income generating intangibles are capitalised based on cost.

1.12 Revaluation and impairment of non-current assets

Assets are revalued to current value in existing use and increases in value are credited to the revaluation reserve, unless it is a reversal of a previous impairment. Reversals are credited to the SoCNE to the extent of the previous impairment and any excess is credited to the revaluation reserve, in accordance with IAS 36 Impairment of Assets.

Impairments of revalued assets that do not result from a clear consumption of economic benefits are charged to the revaluation reserve up to the level of depreciated historical cost. Any excess downward revaluation is charged to the SoCNE. Each year, the realised element of the reserve (i.e. an amount equal to the excess of the actual depreciation over depreciation based on historical cost) is transferred from the revaluation reserve to the general fund.

Impairment losses that result from a clear consumption of economic benefit are taken directly to the SoCNE. Where the impairment relates to a revalued asset, the balance on the revaluation reserve to which the impairment would have been charged is transferred to the general fund to ensure consistency with IAS 36.

On disposal of a revalued asset, the balance on the revaluation reserve in respect of that asset becomes fully realised and is transferred to the general fund. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the SoCNE.

All non-current assets are reviewed for impairment if circumstances indicate that the carrying amount may not be recoverable. In addition, intangible assets with an indefinite useful life are not subject to amortisation and are instead tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use.

1.13 Investment properties

The group holds a number of properties which have been classified as investment properties and are not depreciated, in accordance with IAS 40 Investment Property, but may be impaired or revalued to provide a carrying value at their estimated fair value. Fair value is based on active market prices subject to the nature, location or condition of the specific asset. Full valuations are undertaken every five years, with desktop reviews carried out in intervening periods. Gains or losses arising in fair value of investment property are recognised in the SoCNE.

If an investment property is leased out under an operating lease, the leased asset remains within investment property in the Consolidated Statement of Financial Position (SoFP). The lease revenue is recognised over the term of the lease on a straight-line basis in the SoCNE.

1.14 Investments in subsidiaries

Investments in subsidiaries that have been (or are expected to be) classified by the Office for National Statistics as public corporations are stated at fair value in accordance with the FReM. Where the fair value is not available, an appropriate proxy is used e.g. net assets of the subsidiary or a discounted cash flow valuation.

Valuation of BBC Commercial Limited's public corporations

The fair value placed on those subsidiaries of BBC Commercial Limited, classified as public corporations, is based on a discounted cash flow model which relies on estimated cash flow projections and judgements about long term growth and the discount rate used. Further details on the methodology used can be found in note 9.5.1.

1.15 Inventories

Inventories are valued at the lower of cost or net realisable value. Inventories of finished goods and goods for resale are valued at the lower of cost, or, where materially different, current replacement cost. Work in progress is valued at the lower of cost and net realisable value.

Inventories across the group consist of raw materials, work in progress, finished goods and consumable stores.

The Public Broadcasting Authorities' inventories include amounts for public service programmes that are in production, completed programmes that are ready for broadcast, (but not yet aired), and rights secured to broadcast programmes produced by independent companies. Originated programmes are stated at the lower of cost and net realisable value, and these assets are released to broadcast expenditure as they are made available and consumed. The majority of originated programmes held by the BBC are expensed when first made available to the public, with the exception of children's programmes which are amortised over a four year period.

Direct costs incurred in the commissioning or purchase of public service programmes, as yet not transmitted, are carried forward as inventory, after providing for expenditure on material which is unlikely to be transmitted. For a series of programmes, the allocation of inventory between programmes completed but not yet transmitted and programmes, in the course of production, is based on total costs to date and the contractual cost per completed episode.

Direct costs are defined as payments made or due to production companies or programme suppliers.

1.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and other short term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value, with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

1.17 Financial instruments

Financial instruments include all contractual arrangements to deliver or receive cash. Therefore, they include trade receivables, trade payables and loans as well as more complex instruments such as derivatives. Forward exchange contracts allow the buying or selling of currency at a fixed exchange rate with delivery made on a given date or dates in the future.

The group holds various derivative and non-derivative financial instruments, including assets such as trade investments and liabilities such as borrowings.

IFRS 9 *Financial Instruments* was adopted with effect from 1 April 2018. In accordance with IFRS 9, each financial asset is classified at initial recognition, or at the point of first adoption of IFRS 9, into one of three categories:

i. Financial assets at Fair Value Through Profit or Loss (“FVTPL”)

ii. Financial assets at Fair Value Through Other Comprehensive Income (“FVOCI”)

iii. Financial assets at amortised cost

Each financial liability is classified into one of two categories:

iv. Financial liabilities at FVTPL

v. Financial liabilities at amortised cost

The classification of each financial asset is determined by the business model for the asset and cash flows linked with the asset.

The accounting policies for major categories of financial instruments under IFRS 9 are set out below. For each category, income is recognised when party to the contractual arrangement and derecognised when the asset or liability has expired or been transferred.

For more information see note 9 – Financial Instruments.

1.17.1 Financial assets

Financial assets classified as fair value through the Statement of Comprehensive Net Expenditure

Any gains or losses on the fair value of an investment are recorded within operating income in the SoCNE, including any downward revaluations.

Assets classified as FVOCI - equity investments

These include all investment funds and equities - unless they are classed as assets held for trading – and also include investments in subsidiaries (see also note 1.14). An election has been made to hold these assets at FVOCI as they are not held for trading. They are included in non-current assets unless the group intends to dispose of, or realise, the investment within 12 months of the SoFP date. They are stated at their fair value with gains and losses (including any downward revaluations) recognised in other comprehensive net expenditure, except dividend income which is recognised in the SoCNE.

On disposal, the cumulative gain or loss previously recognised in other comprehensive net expenditure is reclassified from the revaluation reserve to the general fund.

Amortised cost assets

Amortised cost assets are recognised initially at fair value and subsequently measured at amortised cost, on the basis that they are only held to collect contractual cash flows on specified dates that contain payments of principal and interest. An allowance for estimated impairment is based on the expected credit loss model. Changes in the carrying amount of the allowance are recognised in the SoCNE.

Amortised cost assets - impairments

The group has a forward-looking ‘expected loss’ impairment model for amortised cost assets. This model requires the use of lifetime expected credit loss provision for all financial assets held at amortised cost. These provisions are based on an assessment of risk of default on material financial assets or groups of financial assets at the SoFP date. The assessment uses historical data, professional fund manager assistance (where appropriate), and macroeconomic assessments to review the likelihood of default on amortised cost financial assets. Objective evidence includes significant financial difficulty of the issuer or debtor, disappearance of an active market for the financial asset because of financial difficulties, or data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the official recognition.

Where objective evidence exists that a financial instrument is impaired or there is a likelihood of default, for example, through a significant or prolonged decline in fair value of the asset below its cost, its loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted where material.

1.17.2 Financial liabilities

Trade and other payables

Long term trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.18 Derivative financial instruments

The group does not enter into speculative derivative contracts; however, some derivative financial instruments are used to manage the group’s exposure to fluctuations in interest rates (interest rate swaps, caps and collars) and foreign currency exchange rates (foreign currency forward contracts and currency options).

Derivative financial instruments are initially recognised at fair value and are subsequently measured at fair value at the reporting date with movements recorded in the SoCNE.

The fair value of interest rate swaps, caps and collars is the estimated amount that the group would receive or pay to terminate the swap, cap or collar at the reporting date, taking into account current interest rates, the current creditworthiness of the swap, cap or collar, counterparties, and the creditworthiness of the group.

The fair value of foreign currency forward contract rates is determined using forward exchange rates at the reporting date.

1.19 Employee Benefits

In accordance with IAS 19 Employee Benefits, the group is required to recognise short term employee benefits when an employee has rendered service in exchange for those benefits. Included in the accounts is an accrual for the outstanding employee paid holiday entitlement at the reporting date.

1.20 Leases

Leases are accounted for under IFRS 16 *Leases*.

Assumptions

The definition of a contract is expanded under the FreM definition to include intra-UK government agreements where non-performance may not be enforceable by law. This includes, for example, Memorandum of Terms of Occupation (MOTO) agreements.

In line with the FreM definition of a lease is expanded to include arrangements with £nil consideration. Peppercorn leases are examples of these, and they are defined by HMT as lease payments significantly below market value. These assets are fair valued on initial recognition. Any differences between the lease liability and the right of use asset for new leases after implementation of IFRS 16, are recorded as capital grant in kind income in the SoCNE.

Following HMT guidance, the group has elected not to recognise right of use assets and lease liabilities for the following leases:

- intangible assets
- non-lease components of contracts where applicable
- low value assets (these are determined to be in line with capitalisation thresholds on PPE, except vehicles which have been deemed to not be of low value)
- leases with a lease term of 12 months or less.

Policy

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract involves the use of an identified asset
- the group has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use
- the group has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of the relative standalone prices.

The group assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. The group reassesses this if there are significant events or changes in circumstances that were not anticipated.

As a lessee

Right of use assets

The group recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease.

The right of use assets are subsequently measured at either fair value or current value in existing use, in line with PPE assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases, except for those which meet one or both of the following:

- a longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates
- the fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of PPE assets.

The group applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that cannot be readily determined, the rate provided by HMT. For the BBC other discount rates are used that more accurately represent the BBC's incremental borrowing as allowed by IFRS 16 application guidance.

When measuring lease liabilities, the group discounted lease payments uses rates within the range 0.81% to 58.01%.

The lease payment is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the group's estimates of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

When the lease liability is remeasured, a corresponding adjustment is made to the right of use asset or recorded in the SoCNE, if the carrying amount of the right of use asset is £nil.

The group presents right of use assets that do not meet the definition of investment properties per IAS 40 Investment properties as right of use assets on the SoFP. The lease liabilities are included within lease liabilities within current and non-current liabilities on the SoFP.

As a lessor

When the group acts as a lessor, it determines at lease inception whether each lease is a finance or operating lease.

To classify each lease, the group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease.

When the group is the intermediate lessor, it accounts for its interest in the head lease and the sublease separately. If a head lease is a short-term lease to which the group applies the exemption above, then the sublease classifies as an operating lease.

The group recognises lease payments under operating leases as income on a straight-line basis over the length of the lease terms.

1.21 Retirement benefit obligations

1.21.1 Funded pension schemes

A number of ALBs participate in defined benefit pension schemes as described in note 18. A defined benefit plan is a post-employment based on length of service and pensionable pay. The net obligation in respect of these defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair values of plan assets are deducted. Actuarial gains and losses that arise are recognised in the period that they occur through other comprehensive net expenditure. The most significant funded defined benefit scheme in the group is operated by the BBC.

BBC pension scheme

The BBC operates a number of defined benefit plans for employees (closed to new employees from 1 January 2012), which provide benefits based on pensionable pay. The assets of the BBC's pension scheme are held in a separate fund, and on retirement, members of the BBC's main pension scheme are paid their pensions from this fund. The BBC makes cash contributions to the fund in advance of members' retirement.

1.21.2 Unfunded pension schemes

A number of employees of the department and some of the ALBs are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS), as described in the staff report section of the annual report.

The PCSPS is an unfunded multi-employer defined benefit scheme. The participating bodies make contributions based on rates that are set to meet the cost of the benefits accruing during the reporting period, to be paid when the member retires, and not the benefits paid during this period to existing pensioners. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the group recognises the contributions payable for one year. Contributions to the defined benefit pension scheme are charged to the SoCNE in accordance with actuarial recommendations, so as to spread the cost of the pensions over the employees' expected working lives..

1.21.3 Early departure costs

For past early departure schemes, the group meets the additional costs of benefits beyond the normal PCSPS benefits, in respect of employees who retired early, by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The total cost was provided for in full when the early departure programme was announced and remains binding on the group.

1.21.4 Other unfunded defined benefit pension schemes

The employees of some ALBs are members of other unfunded defined benefit pension schemes. Employer contributions to the defined benefit schemes are charged to the SoCNE in the period to which they relate.

1.22 Provisions

In accordance with IAS 37 *Provisions, Contingent Liabilities* and Contingent Assets, provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle that obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

The discount rates applicable in the 2025-26 accounts are: short-term rate (between 0 and up to and including 5 years): 3.64% per annum; medium-term rate (after 5 and up to and including 10 years): 4.22% per annum; and long-term rate (exceeding 10 years): 5.32% per annum. Each year, the financing charges in the SoCNE include the adjustments to unwind one year's discount so that liabilities are shown at current price level.

1.23 Taxation

Value Added Tax (VAT)

VAT is paid or received in accordance with the prevalent tax rules. In general, most of the activities of the group are outside the scope of VAT and output tax does not normally apply. Some ALBs have trading activities where VAT is charged at the prevailing rate and where related input VAT costs are deemed recoverable. Input tax is also recoverable on certain contracted-out services.

Irrecoverable VAT is charged to the relevant expenditure category or, if appropriate, capitalised with additions to non-current assets.

1.24 Reserves

The Consolidated Statement of Taxpayers' Equity comprises the reserves for the core department, and the group.

These reserves include:

- the general fund reserve representing the group's total taxpayers' equity not including the charitable and lottery funds. These reserves are made up of total assets less liabilities, to the extent that the total is not represented by other reserves and financing items
- the revaluation reserve reflecting the unrealised balance of the cumulative indexation and revaluation adjustments to assets (other than donated assets, assets funded by grants, and assets held in charity or lottery funds)
- the lottery funds being the total reserves of the lottery distributors within the group. As these are presented after elimination of intercompany transactions, they will not agree back to the individual ALB accounts. The lottery funds comprise the general fund and revaluation reserve held by the lottery distributors. These reserves are shown in the accounts as a combined figure as they are reserves only for use by the lottery distributors
- the charity funds being the total reserves of the charitable ALBs within the group. As these are presented after elimination, they will not agree back to the individual ALB accounts. These comprise the charity general funds (including any designated reserves), restricted reserves, unrestricted reserves, and any pension or revaluation reserve held by the charity ALBs. These reserves are shown in the departmental consolidated accounts as a combined figure as they are reserves only for use by the charitable ALBs.

1.25 Third party assets

The group holds, as custodian or trustee, certain assets belonging to third parties. These are not recognised in the accounts, since the group does not have a direct beneficial interest in them..

1.26 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

A contingent liability can also include an amount where a present obligation arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Where the time value of money is material, contingent liabilities are stated at discounted amounts.

1.27 Contingent assets

A contingent asset is a possible asset whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group. Where the time value of money is material, the contingent assets are stated at discounted amounts.

1.28 Accounting estimates and judgements

Critical accounting estimates and judgements

The preparation of the group's accounts requires management of the core department and the ALBs to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenditure. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Valuation of non-current assets

The value of the group's PPE, right of use assets and intangible assets are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, legal or other limits on the use of an asset. The uncertainty and judgements in the valuations are included in note 5.

The group has a number of buildings and works of art that are classed as heritage assets. These specialised non-current assets have a restricted use and cannot be sold on the open market. Consequently, a judgement has been made to, where possible, value them using the depreciated replacement cost of a modern equivalent rather than the replacement cost of the original. The depreciated replacement cost valuation involves certain assumptions and estimates.

The valuations of the BBC's property assets are performed on an existing use value basis for non-specialised assets and depreciated replacement cost for specialised assets. Existing use values are estimated using the comparable method or capitalised rental methods. Inherent in capitalised rental valuation are estimates of future rental income which are subject to movements in the rental market. Specialist adaptations (e.g. studios) have been valued using the depreciated replacement cost method which require an assessment of the current cost of replacing an asset with its modern equivalent asset, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

Lease Extension and Purchase options

At lease commencement, the group makes a decision as to whether they are reasonably certain to be exercising break clauses or extension options. This estimate determines the length of the lease term impacting the lease liabilities and right of use assets. This is reviewed if there is a significant event or significant change of circumstances.

The BBC has a number of options to extend the lease on a right of use asset, or to purchase the underlying asset – typically relating to land and buildings, either in the UK or overseas. An assessment of the location and the availability of suitable alternatives have been undertaken in determining the likelihood of exercising these options. Management's estimate determines the length of the lease term impacting the lease liabilities and right of use assets.

The BBC exercises judgment and estimates over options of a leased building. Management's judgement includes the use of alternative buildings and the strategic importance of the building. Estimates include the length of the lease term. The impact of these judgements and estimates is significant to the financial statements and are reviewed on a regular basis.

Valuation of BBC Commercial Limited's public corporations
See note 1.14.

Provisions for liabilities and charges

The provisions for liabilities and charges reported in note 15 reflect judgements about the likelihood that a future transfer of economic benefits will arise as a result of past events. A provision is recognised where the likelihood of a liability crystallising is deemed probable and where it is possible to quantify the effect with reasonable certainty. Where the likelihood of potential liabilities crystallising is judged to be possible, a contingent liability is disclosed.

Retirement benefit obligations

The present value of the net pension liability detailed in note 18 depends on a number of actuarially derived assumptions about inflation, salary and pension trends, discount factors, mortality rates, and long-term rate of return on the assets (equities, bonds and property) underlying the relevant pension funds. The estimated liability is subject to fluctuation and uncertainty due to changes in these assumptions over time and differences between assumptions and actual events. A small change in assumptions can have a significant impact on the valuation of the liabilities. Further analysis on the sensitivity of the BBC pension assumptions is given in note 18.2.2.

Expected credit loss

The forward-looking impairment assessment model includes some estimates and judgements on the likelihood of default on our amortised cost assets. The quantum of these estimates and judgements is included within note 3.4.

COVID-19 loans

The core department has issued COVID-19 support loans to the sectors that it operates in, which include the Sport Survival Package and the Cultural Recovery Fund (see note 10). These support packages have been classified as financial assets measured at amortised cost in line with IFRS 9 *Financial instruments*, as the cash flows are solely payments of principal and interest.

The transaction price is different to their fair value. The fair value has been calculated by discounting the future risk adjusted cash flows at the higher of the rate intrinsic to the loans and the real financial instrument discount rate set by HM Treasury (promulgated in Public Expenditure System (PES) papers). Modified loans have been discounted using the original effective interest rate. DCMS has elected to treat this difference as a government grant, in line with IAS 20 Government grants, as in substance these loans are issued in support of DCMS's policy objectives. This adjustment is shown as expenditure in the Consolidated SoCNE when the loans are issued, as this is the point that all conditions and obligations will have been met by the borrowers. Subsequently, the effective interest rate is applied to the support loan's gross carrying amount and recognised as interest revenue.

For existing support loans, an expected credit loss allowance will be measured as the expected loss over the next 12 months (stage 1). If there has been a significant increase in the credit risk, a lifetime expected credit loss will be applied (stage 2). For support loans that become credit-impaired (stage 3), the expected credit loss recognised is the difference between the asset's gross carrying amount and the present value of estimated future cash flows. Further information on the loss applied to the support loans can be found in note 10.

Sir Percival David Foundation donated asset valuation

In 2024/25, donated additions includes a collection of 1,689 Chinese ceramics, glass and a handscroll donated by the Sir Percival David Foundation (SPDF), valued at £915m. Owing to the unique nature of the collection, identifying a direct comparator (i.e. recent market transactions of items that are identical or substantially the same as those in the collection) is not possible for many of the objects. Accordingly, the expert's judgement in relating the object to something which is in some manner comparable, through consideration of the variables outlined, is vital to the valuation. The methodology adopted is considered to be sufficient to make a reliable estimate of the fair value of the collection. However, all valuations are by definition subjective opinions; for the more expensive objects in particular, a significant variation in assessed value between expert valuers is an accepted likelihood within the industry. In assessing the value of the SPDF collection, the Museum has considered alternative approaches, and obtained new expert valuations on a spot check basis for a proportion of the collection (a desktop assessment that focused on all high value items plus a random selection of lower value ones). This exercise has confirmed the essential reliability of the 2022 valuation, whilst highlighting the subjectivity of the process. The spot checks, which focused on 65 objects in the collection including the top 53 by value, suggested a potentially significant increase in value (+£197m, +32%). However, for 88% of the uplift this judgement was not based on new market evidence unavailable at the time of the previous full valuation in 2019. DCMS consider the figure of £915m per the 2022 valuation prepared for the GIS to represent the best estimate of fair value at the date of acquisition of the collection. In making this judgement they acknowledge the subjectivity of the valuation process and the inherent limitations in assigning a fair value to a collection of this nature. The selected method maintains a consistency of approach to the fair value assigned to all 1,689 objects in the SPDF collection.

Gambling Commission Levy

Significant judgement is applied in estimating levy income at the reporting date where final operator regulatory returns are not yet available. The year-end accrual is calculated using:

- regulatory return data submitted by operators for quarters Q1–Q4 of the levy period where available, extrapolated where required; and
- full-year regulatory return data from the prior year, used as a reasonableness check to validate the estimate.

If reliable Q4 data becomes available prior to approval of the financial statements, the estimate is updated as an adjusting post-balance-sheet event if material to the DCMS group. Any significant differences identified after approval of the accounts are treated within the accounting policies for changes in estimates and error correction as appropriate.

Daunus Limited Valuation

In order to facilitate the redevelopment and subsequent financing arrangement relating to London Broadcasting House, the BBC holds two investments in Daunus Limited:

- the issued ordinary A shares (10% of the total share capital), recognised as an equity investment in joint venture; and
- the issued ordinary C shares (a further 10% of the total share capital), which were previously recognised as a long-term interest in the joint venture. Following a detailed review completed during the year, the C shares were reclassified to an equity investment in joint venture, reflecting an updated assessment of their rights and obligations and ensuring their accounting treatment aligns with the substance of the arrangement.

The classification of this investment involves a significant degree of judgement, and has impacts for the ROU assets (£1,062 million) and lease liabilities (£922m) held by the BBC . During the year, the BBC performed a comprehensive

review of the structure and related contractual rights and DCMS management are satisified that the outcome is appropriate. Based on this assessment, management concluded that the joint venture classification remains appropriate for the 2026 financial year, reflecting the continuing rights, obligations and level of influence the BBC holds over Daunus.

Further information on Daunus Limited and the BBC's basis for this judgement can be found in their Annual Report and Accounts.

1.29 IFRS 17 Insurance Contracts

The International Accounting Standards Board (IASB) has issued IFRS 17 *Insurance Contracts* which replaces IFRS 4 *Insurance Contracts*. This was applied by HM Treasury in the FreM from 1 April 2025. IFRS 17 redefines what constitutes an insurance contract broadly, bringing many more situations in scope including the Government Indemnity Scheme and others currently accounted for as remote contingent liabilities.

DCMS has concluded that the Government Indemnity Scheme and indemnities for artworks on loan from the Royal Collection, artworks on loan to the Government Art Collection and items on loan to the British Library (included in remote contingent liabilities page 91) would be within the scope of IFRS 17; however the insurance liabilities for these schemes are not expected to be material for the DCMS group. In calculating the impact of IFRS 17 we have used historical data for payouts within these schemes, and have reviewed contracts in place which show the loans are for short term duration (below 3 years). As the impact of IFRS 17 is not material we have instead retained the remote contingent liability for the GIS scheme, for transparency and parliamentary accountability purposes.

1.30 Changes in the group boundary

The departmental group boundary has changed during the reporting period to include the Independent Football Regulator (IFR) as a consolidated Arm's Length Body, following its formal establishment as an Executive Non-Departmental Public Body (NDPB). The National Citizen Service is part of the group for 2025-26 however was closed on the 11 July 2025.

1.31 Machinery of Government (MoG) Changes

On 1 September 2025, the Prime Minister announced a MoG change to immediately transfer delivery responsibility for the cross-government Young Futures Hubs from DfE to DCMS. This announcement follows the press release of the launch of the Hubs in July 2025. The financial effects are reported in the DCMS for 2025-26 Annual Report but prior years have not been restated on the basis of materiality.

1.32 Key changes to accounting policies and impacts for 2025-26 Annual Report and Accounts

There have been no key accounting policy changes in the 2025-26 Annual Report and Accounts.

1.33 Changes to accounting standards not yet effective

The department has assessed the following standards, amendments and interpretations that have been issued but are not yet effective and determined not to adopt them before the effective date when adoption would be required.

- **IFRS 18 Presentation and Disclosure in Financial Statements**
  The IASB has issued IFRS 18 *Presentation and Disclosure in Financial Statements* which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 specifies the format of the statement of profit or loss, to ensure more consistency between bodies, and also requires certain management performance measures to be disclosed in the financial statements. IFRS 18 will require the presentation and format of the group's SoCNE to be restated, but there will be no change to the underlying figures.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**
  IFRS 19 allows subsidiaries that do not have public accountability to apply reduced disclosure requirements, as set out in the standard. It will therefore not have any impact on the financial statements of DCMS group or the core department.

2. Staff costs

	Permanently employed staff	Others	Contract and agency staff	Ministers	Special advisors	Total
	£'000	£'000	£'000	£'000	£'000	£'000
2025-26	2,191,906	15,698	24,758	122	-	2,232,484
2024-25	2,109,075	8,229	26,584	172	-	2,144,060

Details of staff numbers and related costs (and relevant disclosures) are in the Staff Report in the Accountability section of the Annual Report (page 70).

3. Expenditure

3.1 Grants and subsidies to sponsored bodies

	2025-26		2024-25	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Grant-in-aid to ALBs	5,723,174	-	5,583,881	-
Grants and subsidies to public sector	-	657	-	705
Total: Grants and subsidies to sponsored bodies	**5,723,174**	**657**	**5,583,881**	**705**

3.1.1 Grant-in-Aid to ALBs

	2025-26 Estimate £'000	2025-26 Outturn £'000	2024-25 Outturn £'000
Arts Council England	841,541	586,892	569,533
BBC PSB Group	3,892,200	3,875,100	3,836,450
British Film Institute	36,531	36,906	34,666
British Library (includes Public Lending Right)	143,540	144,062	135,792
British Museum	80,893	80,893	74,201
Churches Conservation Trust	3,123	3,123	2,997
Gambling Commission (for regulation of the National Lottery)	26,519	27,804	28,865
Gambling Commission (other)	-	-	275
Geffrye Museum Trust Limited (Museum of the Home)	-	4,109	1,938
Historic England	107,897	107,360	83,007
Horniman Public Museum and Public Park Trust	-	6,632	5,975
Independent Football Regulator	9,334	9,334	-
Imperial War Museum	35,876	35,563	33,253
National Citizen Service Trust	1,700	1,092	49,337
National Gallery	32,325	33,382	30,770
National Heritage Memorial Fund	43,771	32,030	30,000
Royal Museums Greenwich	24,463	24,463	26,899
National Museums Liverpool	40,032	40,032	25,835
National Portrait Gallery	-	11,009	10,986
Natural History Museum	116,695	118,695	89,317
Royal Armouries Museum	-	10,851	8,165
Science Museum Group	73,180	73,181	62,190
Sir John Soane's Museum	-	1,841	1,259
Sport England	334,745	177,736	179,815
Sports Grounds Safety Authority	2,586	2,186	1,689
Tate Gallery	58,401	58,401	53,903
UK Anti-Doping	11,082	9,741	9,247
UK Sport	100,917	100,564	85,182
Victoria and Albert Museum	59,896	59,891	56,239
Visit Britain	46,043	46,213	52,749
Wallace Collection	-	4,088	3,347
Figures for some museums and galleries as above were not individually allocated in the estimates.	38,008		-
Sub-total Grant-in-Aid	**6,161,298**	**5,723,174**	**5,583,881**

Nine public bodies – classified or expected to be classified by Office for National Statistics to central government and sponsored by DCMS – have been consolidated into the 2025-26 DCMS group accounts at a summary level on the grounds of materiality rather than on a line-by-line basis (eight public bodies in the 2024-25 DCMS group accounts). These are the Churches Conservation Trust (CCT), Sports Grounds Safety Authority (SGSA), Horniman Public Museum and Public Park Trust (HMM), Independent Football Regulator (IFR), Royal Armouries Museum (RAM), Sir John Soane's Museum (SJS), Wallace Collection (WCO), UK Anti-Doping (UKAD) and Geffrye Museum (Museum of the Home) (GFF).

3.2 Other grants

	2025-26		2024-25	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Capital grants	130,588	791,478	192,487	725,457
Current grants	143,481	2,234,538	224,029	2,003,038
Total: Other grants	**274,069**	**3,026,016**	**416,516**	**2,728,495**

Within the core department, capital grants decreased by £61.9m and current grants fell by £80.5m, primarily driven by less grants provided in the year for the Youth Investment Fund. This scheme has been replaced with Better Youth Spaces, which within the year the core department has awarded £25m of capital grants.

The other material movements for current grants include an increase of £181.8m for the National Lottery Community Fund, where grant expenditure rose due to higher budgets, driven by strong income projections and the utilisation of surplus NLDF balances.

There has also been an increase in grants from Arts Council Lottery of £123.9m as they extended their investment round in 2025/26 for national portfolio organisations.

3.3 Purchase of goods and services

	2025-26		2024-25	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Professional services	30,711	122,629	31,341	154,064
Human resources	2,809	20,416	2,119	19,026
Marketing and media	874	25,462	83	16,418
Premises expenses	6,072	131,454	5,645	128,199
Business rates	-	11,173	-	3,800
Utilities	-	36,808	6	41,478
Rentals under operating leases	-	14	-	26
IT maintenance and support	8,064	63,961	6,131	58,737
Travel and subsistence	1,718	21,369	1,673	22,467
Audit fees (statutory accounts) - cash	-	6,141	-	6,172
Expenses relating to short term liabilities	-	3,620	-	2,651
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	10,567	-	6,578
Variable lease payments not included in measurement of lease liabilities	-	152	-	201
Sub-total: cash items	**50,248**	**453,766**	**46,998**	**459,817**
Non-cash items				
Auditors' remuneration	655	655	640	640
Sub-total: non-cash items	**655**	**655**	**640**	**640**
Total: Purchase of goods and services	**50,903**	**454,421**	**47,638**	**460,457**

Professional services

Included within professional services is £19.5m of consultancy costs (2024-25: £14.7m).

Auditors' remuneration

Audit fees (cash) of £6.1m (2024-25: £6.2m) relates to the statutory audit of the ALBs.

Of the cash fees £6.1m (2024-25: £5.9m) was payable to the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (C&AG) and £41k (2024-25: £298k) payable to other auditors.

Notional non-cash auditors' remuneration for the cost of the audit of the group's accounts was £655k for the core department (2024-25: £640k).

In 2025-26 the core department did not purchase any non-audit services from its auditor, the C&AG (2024-25: £nil). The ALBs purchased £nil of non-audit services from other auditors (2024-25: £8k) and £70k from the NAO in the year (2024-25: £70k). Further details can be obtained from the accounts of the ALBs.

3.4 Depreciation, amortisation, impairment charge and expected credit loss

	2025-26		2024-25	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Depreciation	4,585	257,529	2,705	244,645
Depreciation on right of use assets	2,633	104,462	2,588	96,069
Amortisation	-	21,050	-	18,966
Impairments/ (write backs)	852	43,612	10,812	20,800
Impairment on right of use assets	-	952	-	-
Expected credit loss	(4,014)	(4,014)	(5,148)	(4,531)
Depreciation, amortisation and impairment charges - non-cash total	**4,056**	**423,591**	**10,957**	**375,949**

3.5 Provisions expense

	2025-26		2024-25	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Provisions:				
Unwinding of discount	-	-	-	23
Provided for/(released)	-	75,391	-	109,642
Provisions expense - non-cash total	**-**	**75,391**	**-**	**109,665**

The BBC has provided for £17.0m (2024-25: £101.7m). The decrease in provisions is driven by utilisation in year of the restructuring provision as the majority of this has now been completed.

The British Film Institute has provided for £58.9m (2024-25: £0m) for grant awards, that had not yet been fully contracted for at year end.

3.6 Other operating expenditure

	2025-26		2024-25	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Broadcasting and media	-	2,879,853	-	2,736,895
Sport	-	21,578	-	28,695
Tourism	-	23,950	-	30,331
Ceremonial and cultural events	11,629	15,049	4,536	7,293
Historical and heritage	48,613	50,846	59,450	69,494
Museums, galleries, art & exhibits	309	82,306	256	77,614
Libraries	-	5,904	-	6,355
Interest payable	-	26,596	-	30,696
Early departure costs	-	22,281	-	94,148
HBLB prize money		69,808		65,679
Research & development (capital)	5,315	16,409	7,231	15,154
Other expenditure	(244)	44,365	3,305	22,280
Sub-total: cash items (excluding finance costs)	**65,622**	**3,258,945**	**74,778**	**3,184,634**
Non-cash items				
Interest on pension liabilities	-	(47,058)	-	9,563
(Profit)/loss on disposal of property, plant & equipment	-	1,744	-	(47,220)
(Profit)/loss on disposal of intangibles	-	-	-	34
Revaluations	-	34,456	-	13,543
Write offs/ (write backs)	-	(694)	(31)	(6)
Sub-total: Non-cash items	**-**	**(11,552)**	**(31)**	**(24,086)**
Total: Other operating expenditure	**65,622**	**3,247,393**	**74,747**	**3,160,548**
Finance costs	639	55,910	594	52,555
Total: Other expenditure	**66,261**	**3,303,303**	**75,341**	**3,213,103**

Early departure costs have decreased by £71.9m. This is primarily due to the BBC with expenditure decreasing by £65.4m relating to having fewer redundancy and restructuring announcements this year.

Interest on pension liabilities have decreased by £56.6m. This is primarily due to the BBC with expenditure decreasing by £55.7m

The prior year profit on disposal of property, plant and equipment totalling £47.2m for the year was primarily driven by the British Library (£47.5m) related to a lease transaction at the St Pancras site and losses on disposal at other ALB's.

4. Income

4.1 Revenue from contracts with customers and current grant income

	2025-26		2024-25	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Goods and services	370	176,321	374	187,632
Rental income	23	20,573	43	14,893
Fees, charges, levies and duties*	36,210	439,942	48,506	191,412
Royalties	-	68,079	-	76,554
Charity Income - sponsorship and trading	-	106,705	-	97,183
Total: Income from contracts with customers	**36,603**	**811,620**	**48,923**	**567,674**
Current grant income	89,717	241,877	99,747	231,591
Total income from contracts with customers and current grants	**126,320**	**1,053,497**	**148,670**	**799,265**

** Levies were reported separately in 2024-25*

Income from contracts with customers for the group totalled £811.6m in the year (2024-25: £567.7m).

Of the total, the BBC comprises £218.1m (2024-25: £229.9m) of which £134.9m (2024-25: £144.0m) relates to broadcasting services, production income and subscription fees captured within goods and services and £66.5m (2024-25: £75.0m) relates to royalties.

The largest increase is included within fees, charges, levies and duties, which has been driven by the new statutory gambling levy income of £239.4m received by the Gambling Commission. This income represents amounts recognised in accordance with the Gambling Levy Regulations 2025, which introduced a mandatory levy on licensed gambling operators with effect from 6 April 2025. Further details of the Gambling Commission Levy are included in the performance analysis report on page 32.

Whereby statute or Treasury consent an entity is permitted to retain the revenue from taxation, fines and penalties, this revenue is treated as arising from a contract and accounted for under IFRS 15 *Revenue from contracts with customers*. This applies even though there are no associated performance obligation and levies, duties and legislative fees have been accounted for under IFRS 15. Fees include those relating to the Core Department of £36.2m (2024-25: £48.5m) largely due to the barter arrangement with the Royal Parks (the core department also incurs expenditure as set out in this arrangement with the Royal Parks).

Total Levy income for the year received by the Horserace Betting Levy Board (HBLB) was £110.0m (2024-25: £109.4m). HBLB is deemed to have a performance obligation to the bookmakers and betting exchange providers of collecting the statutory Levy and applying the funds for the purposes set out in the underlying legislation. This one performance obligation applies to all bookmakers and betting exchange providers who are required to make statutory Levy contributions and is settled over the course of the Levy year in a straight-line manner as HBLB performs this role. Levy income is therefore recognised on a straight-line basis evenly throughout the year based on estimates provided by the bookmakers and betting exchange providers. The transaction price is confirmed at the end of the Levy year when bookmakers and betting exchange providers submit their annual Forms of Declaration (FOD) which confirm the amount of Levy due for the year. Any under or over collection during the course of the year results in either a top up payment being made by the bookmaker or betting exchange provider or a refund owing by HBLB to the bookmaker or betting exchange provider

During the 2025-26 financial year, the group received £241.9m (2024-25: £231.6m) of current grant income mainly attributable to the core department £89.7m (2024-25: £99.7m) and BBC £137.2m (2024-25: £107.0m).

4.1.1 Transaction price allocated to remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are (partially) unsatisfied at the reporting date:

Revenue expected to be received	2026-27	2027-28	2028-29	2029-30	2030-31	2031 onwards
	£'000	£'000	£'000	£'000	£'000	£'000
Broadcasting services	32,639	24,060	21,899	39,918	-	-

The department applies the practical expedient allowable by paragraph 121 of IFRS 15 and does not disclose information about the remaining performance obligations that have expected durations of one year or less. All reportable obligations are in relation to the broadcasting services contracts (BBC and BFI).

Further details of relevant policies in relation to performance obligations are disclosed in the BBC Group Financial Statements (note B3).

4.2 Other operating income

	2025-26		2024-25	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Lottery income	-	1,724,030	-	1,759,528
Capital grant income	11,224	29,718	32,507	69,602
Recoveries	-	15,036	(7)	14,200
Fees for licences and broadcast licences	27,804	27,804	28,782	28,782
Charity income - donations	-	165,708	-	178,020
Interest	1,297	87,988	953	98,255
Dividends	-	8,153	-	216,886
Charity income - other	-	76,162	-	84,929
Other operating income	53	190,225	2,553	208,389
Income of sub-leasing right-of-use assets	-	4,038	-	5,203
Sub-total: cash items	**40,378**	**2,328,862**	**64,788**	**2,663,794**
Non-cash items				
Profit/(loss) on disposal of assets:				
Investment properties	-	-	-	32,144
Financial assets	-	9,902	-	6,277
Inventories	-	7	-	2
Share of profit/(loss) on joint ventures and associates	-	(11,469)	-	4,325
Revaluation of financial assets/liabilities	17,094	17,314	18,986	16,131
Charity income - asset donations	-	43,548	-	947,877
Other non-cash income	-	242	-	(134)
Sub-total: Non-cash items	**17,094**	**59,544**	**18,986**	**1,006,622**
Total: Other operating income	**57,472**	**2,388,406**	**83,774**	**3,670,416**

Significant movements in income

Dividends - £208.0m decrease in dividends as none were received by the BBC from its non-consolidated subsidiaries.

Charity income asset donations - The prior year figure included the gift of heritage assets valued at £915.5m from the Sir Percival David Foundations for British Museum.

5. Property, plant and equipment

									2025-26
	Land	Buildings	Dwellings	Information technology	Plant & machinery	Furniture & fittings	Antiques, works of art & collections	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2025	1,420,286	4,246,616	3,461	96,583	1,993,788	514,406	863	436,522	8,712,525
Additions	1	42,067	-	8,336	19,015	20,159	-	266,803	356,381
Donations	-	1,920	-	-	-	-	-	-	1,920
Disposals	(124)	(16,269)	(6)	(5,446)	(19,769)	(17,179)	-	(589)	(59,382)
Revaluations	(17,658)	(59,943)	1,013	151	(26,709)	8,209	-	(548)	(95,485)
Impairments	(98)	(9,384)	-	-	(5,166)	-	-	-	(14,648)
Reclassifications	-	48,168	-	36	34,930	770	-	(83,904)	-
Transfers (to)/from assets held for sale/intangibles/investment properties/ heritage assets/right of use assets	(5,354)	114,086	-	(1,466)	34,779	20,327	-	(210,933)	(48,561)
At 31 March 2026	**1,397,053**	**4,367,261**	**4,468**	**98,194**	**2,030,868**	**546,692**	**863**	**407,351**	**8,852,750**
Depreciation									
At 1 April 2025	-	306,188	285	74,168	735,485	360,555	-	-	1,476,681
Charged in year	-	101,448	101	7,940	123,581	24,361	-	-	257,431
Disposals	-	(4,762)	(6)	(5,388)	(17,532)	(16,289)	-	-	(43,977)
Revaluations	-	(91,652)	(397)	132	(42,336)	1,236	-	-	(133,017)
Impairments	-	522	-	(23)	140	(84)	-	-	555
Reclassifications	-	(115)	74	-	55	(14)	-	-	-
Transfers (to)/from assets held for sale/intangibles/investment properties/ heritage assets/right of use assets	-	(14)	-	(3,708)	(2,177)	570	-	-	(5,329)
At 31 March 2026	**-**	**311,615**	**57**	**73,121**	**797,216**	**370,335**	**-**	**-**	**1,552,344**
Carrying amount:									
31 March 2026	**1,397,053**	**4,055,646**	**4,411**	**25,073**	**1,233,652**	**176,357**	**863**	**407,351**	**7,300,406**
31 March 2025	**1,420,286**	**3,940,428**	**3,176**	**22,415**	**1,258,303**	**153,851**	**863**	**436,522**	**7,235,844**
Carrying amount at 31 March 2026	**1,397,053**	**4,055,646**	**4,411**	**25,073**	**1,233,652**	**176,357**	**863**	**407,351**	**7,300,406**
Of which:									
Core department	1,124	47,239	-	1,832	8,039	680	-	-	58,914
Arm's length bodies	1,395,929	4,008,407	4,411	23,241	1,225,613	175,677	863	407,351	7,241,492
Carrying amount at 31 March 2026	**1,397,053**	**4,055,646**	**4,411**	**25,073**	**1,233,652**	**176,357**	**863**	**407,351**	**7,300,406**

5. Property, plant and equipment (continued)

									2024-25
	Land	Buildings	Dwellings	Information technology	Plant & machinery	Furniture & fittings	Antiques, works of art & collections	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2024	1,476,561	4,244,531	4,006	96,783	2,050,349	481,154	863	324,324	8,678,571
Additions	16,341	50,760	-	5,950	32,095	18,733	-	260,268	384,147
Disposals	(96,544)	(98,044)	(586)	(8,533)	(157,161)	(24,552)	-	(1,262)	(386,682)
Revaluations	28,368	(10,896)	113	773	19,140	6,316	-	1,184	44,998
Impairments	2	(6,618)	-	1	(2,153)	-	-	-	(8,768)
Reclassifications	3	3,521	(72)	1,706	68,004	4,090	-	(77,252)	-
Transfers (to)/from assets held for sale/intangibles/investment properties/ heritage assets/right of use assets	(4,445)	63,362	-	(97)	(16,486)	28,665	-	(70,740)	259
At 31 March 2025	**1,420,286**	**4,246,616**	**3,461**	**96,583**	**1,993,788**	**514,406**	**863**	**436,522**	**8,712,525**
Depreciation									
At 1 April 2024	-	268,267	844	75,576	847,382	356,542	-	-	1,548,611
Charged in year	-	110,700	85	7,730	101,319	24,714	-	-	244,548
Disposals	-	(14,336)	(587)	(8,300)	(148,158)	(23,942)	-	-	(195,323)
Revaluations	-	(60,345)	(20)	44	(65,192)	3,239	-	-	(122,274)
Impairments	-	1,184	-	-	(65)	-	-	-	1,119
Reclassifications	-	242	(37)	-	(207)	2	-	-	-
Transfers (to)/from assets held for sale/intangibles/investment properties/ heritage assets/right of use assets	-	476	-	(882)	406	-	-	-	-
At 31 March 2025	**-**	**306,188**	**285**	**74,168**	**735,485**	**360,555**	**-**	**-**	**1,476,681**
Carrying amount:									
31 March 2025	**1,420,286**	**3,940,428**	**3,176**	**22,415**	**1,258,303**	**153,851**	**863**	**436,522**	**7,235,844**
31 March 2024	**1,476,561**	**3,976,264**	**3,162**	**21,207**	**1,202,967**	**124,612**	**863**	**324,324**	**7,129,960**
Of which:									
Core department	1,124	51,400	-	534	8,731	837	-	-	62,626
Arm's length bodies	1,419,162	3,889,028	3,176	21,881	1,249,572	153,014	863	436,522	7,173,218
Carrying amount at 31 March 2025	**1,420,286**	**3,940,428**	**3,176**	**22,415**	**1,258,303**	**153,851**	**863**	**436,522**	**7,235,844**

Land & buildings valuation

The professional valuations of land and buildings undertaken within the group were prepared in accordance with the RICS Red Book. Land and buildings are revalued every five years by independent property consultants and, where appropriate, in the intervening periods relevant indices are used. Further information can be found in the individual financial statements of the ALBs. The core department's buildings were valued as at 31 March 2025

Some ALBs have valued their land and buildings at modified historical cost as a proxy for fair value, as it is considered not to be materially different to fair value.

The operational assets held by DCMS and its ALBs and used to deliver front line services and back-office functions (as both PPE and right of use assets) include a wide range of sites with specialised functions.

Apart from the BBC, the owned estate is predominantly accounted for by the value of land, buildings and plant and equipment for the museums, galleries and libraries, Historic England's operational non-heritage assets, and Sport England's National Sports Centres. These are all specialised assets for which there is no readily ascertainable market value in existing use.

In arriving at a current value in existing use, the vast majority of the group's owned assets are therefore valued using estimates of the present value of these asset's remaining service potential. In practice, this has meant that valuers have adopted a depreciated replacement cost methodology.

Of the BBC's owned and right of use land and buildings, approximately three quarters have been valued using either a comparable/capitalised rental approach or a depreciated replacement cost valuation to assess the fair value in existing use due to the specialised nature of these assets. Depreciated Replacement Cost is defined in RICS Global Standards as 'the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.' Details of the valuation method applied by the BBC are included in the accounting policies note 1.7.

The costs of the revalued assets, the specific methods of revaluation and information on restrictions on the revaluation surplus relating to museums property can be found in individual financial statements of the ALBs.

Information relating to asset purchases by government grant, donations or lottery funding can be found in individual financial statements of the ALBs.

Land

Land includes:

ALB Name	2025-26 £000's	2024-25 £000's
Tate Gallery	421,685	421,775
Natural History Museum	189,431	193,493
British Museum	182,264	184,874
British Library	133,687	139,190
Victoria and Albert Museum	116,836	124,302
National Gallery	114,700	114,700
Science Museum Group	96,466	98,244

Buildings

Buildings include:

ALB Name	2025-26 £000's	2024-25 £000's
Tate Gallery	646,212	652,751
British Museum	563,285	566,148
British Library	518,065	511,672
Natural History Museum	390,142	390,379
Victoria and Albert Museum	354,723	325,137
Science Museum Group	289,065	265,768
National Museums Liverpool	206,828	205,637
National Maritime Museum	177,179	178,228
Imperial War Museum	158,756	162,336
British Broadcasting Corporation	149,998	67,974
National Gallery	127,477	133,981
Sport England Exchequer	106,020	104,835
British Film Institute	90,262	90,706
Historic England	65,541	77,957
Royal Armouries Museum	55,219	49,855
DCMS Core	47,239	51,400

Plant & machinery

Plant & machinery includes:

ALB Name	2025-26 £000's	2024-25 £000's
British Library	294,303	315,704
Tate Gallery	239,682	239,787
British Broadcasting Corporation	209,175	222,580
British Museum	150,204	153,971
Science Museum Group	98,533	95,561
Natural History Museum	81,815	85,009
National Gallery	69,588	53,539

Assets under construction

Assets under construction includes:

ALB Name	2025-26 £000's	2024-25 £000's
British Library	103,401	73,849
British Museum	84,815	54,033
British Broadcasting Corporation	57,619	64,781
Natural History Museum	56,289	9,165

6. Right of use Assets

								2025-26
	Land	Buildings	Information technology	Plant & machinery	Furniture & fittings	Assets under construction	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 April 2025	54,548	1,556,541	1,157	14,673	3,160	39,022	622	1,669,723
Additions	2,468	89,155	3,858	1,455	2,959	3,438	156	103,489
Disposals	-	(10,831)	(48)	(642)	(1,449)	-	(312)	(13,282)
Revaluations	(304)	(6,847)	-	(8)	(813)	-	-	(7,972)
Impairments	-	(21,612)	-	-	-	-	-	(21,612)
Reclassifications	-	-	-	-	(256)	-	-	(256)
Transfers (to)/from assets held for sale/intangibles/ investment properties/heritage assets/property, plant and equipment	4,570	38,790	-	-	-	-	-	43,360
At 31 March 2026	**61,282**	**1,645,196**	**4,967**	**15,478**	**3,601**	**42,460**	**466**	**1,773,450**
Depreciation								
At 1 April 2025	524	417,854	226	3,497	1,275	-	457	423,833
Charged in year	59	99,908	1,045	2,291	1,021	-	138	104,462
Disposals	-	(8,061)	-	(615)	(1,449)	-	(312)	(10,437)
Revaluations	33	(27,711)	-	(24)	(789)	-	-	(28,491)
Impairments	-	7,217	-	-	-	-	-	7,217
Reclassifications	195	(195)			(256)	-	-	(256)
At 31 March 2026	**811**	**489,012**	**1,271**	**5,149**	**(198)**	**-**	**283**	**496,328**
Carrying amount:								
31 March 2026	**60,471**	**1,156,184**	**3,696**	**10,329**	**3,799**	**42,460**	**183**	**1,277,122**
31 March 2025	**54,024**	**1,138,687**	**931**	**11,176**	**1,885**	**39,022**	**165**	**1,245,890**
Asset financing:								
Finance leased	60,471	1,156,184	3,696	10,329	3,799	42,460	183	1,277,122
Carrying amount at 31 March 2026	**60,471**	**1,156,184**	**3,696**	**10,329**	**3,799**	**42,460**	**183**	**1,277,122**
Of which:								
Core department	-	27,966	-	-	-	-	-	27,966
Arm's length bodies	60,471	1,128,218	3,696	10,329	3,799	42,460	183	1,249,156
Carrying amount at 31 March 2026	**60,471**	**1,156,184**	**3,696**	**10,329**	**3,799**	**42,460**	**183**	**1,277,122**

6. Right of use Assets (continued)

								2024-25
	Land	Buildings	Information technology	Plant & machinery	Furniture & fittings	Assets under construction	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 April 2024	56,793	1,452,635	546	6,258	3,102	36,300	611	1,556,245
Additions	-	120,585	717	10,265	14	2,722	26	134,329
Disposals	(2,363)	(6,341)	(106)	(1,850)	-	-	(15)	(10,675)
Revaluations	(957)	(8,939)	-	-	44	-	-	(9,852)
Impairments	-	183	-	-	-	-	-	183
Reclassifications	1,075	(1,075)	-	-	-	-	-	-
Transfers (to)/from assets held for sale/intangibles/ investment properties/heritage assets/property, plant and equipment	-	(507)	-	-	-	-	-	(507)
At 31 March 2025	**54,548**	**1,556,541**	**1,157**	**14,673**	**3,160**	**39,022**	**622**	**1,669,723**
Depreciation								
At 1 April 2024	498	327,549	297	3,485	1,055	-	379	333,263
Charged in year	26	93,867	35	1,835	213	-	93	96,069
Disposals	-	(4,178)	(106)	(1,823)	-	-	(15)	(6,122)
Revaluations	-	616	-	-	7	-	-	623
At 31 March 2025	**524**	**417,854**	**226**	**3,497**	**1,275**	**-**	**457**	**423,833**
Carrying amount:								
31 March 2025	**54,024**	**1,138,687**	**931**	**11,176**	**1,885**	**39,022**	**165**	**1,245,890**
31 March 2024	**56,295**	**1,125,086**	**249**	**2,773**	**2,047**	**36,300**	**232**	**1,222,982**
Asset financing:								
Finance leased	54,024	1,138,687	931	11,176	1,885	39,022	165	1,245,890
Carrying amount at 31 March 2025	**54,024**	**1,138,687**	**931**	**11,176**	**1,885**	**39,022**	**165**	**1,245,890**
Of which:								
Core department	-	28,817	-	-	-	-	-	28,817
Arm's length bodies	54,024	1,109,870	931	11,176	1,885	39,022	165	1,217,073
Carrying amount at 31 March 2025	**54,024**	**1,138,687**	**931**	**11,176**	**1,885**	**39,022**	**165**	**1,245,890**

The cost model is used as a proxy for current value in existing use or fair value in all classes of assets as allowed under the IFRS 16 application guidance. Cost is not used as a good proxy in the following circumstances:

- A longer-term lease has no terms that require lease payments to be updated for market conditions (such as rent reviews), or if there is a significant period of time between those updates; and
- The fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

Those assets where cost is not a proxy are revalued with revaluations movements on these assets included within our accounts.

Of the BBC's owned and right of use land and buildings, approximately three quarters have been valued using either a comparable/capitalised rental approach or a depreciated replacement cost valuation to assess the fair value in existing use due to the specialised nature of these assets. Depreciated Replacement Cost is defined in RICS Global Standards as 'the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.' Details of the valuation method applied by the BBC are included in the accounting policies note 1.7.

See note 5 Property, plant and equipment, and note 1.7 for the valuation methods undertaken within the group.

Buildings

Buildings include the BBC with a carrying value of £864.3m (2024-25 £862.2m); Victoria and Albert Museum of £121.3m (2024-25 £107.2m) and National Museums Liverpool of £43.2m (2024-25 £43.6m).

Assets under construction

Assets under construction relate to the BBC, with a carrying value of £42.5m (2024-25 £39m).

7. Heritage assets

The heritage assets owned by the group are split between land, buildings and other (which includes antiques, works of art and scientific and natural history collections) as shown in the table below. Further analysis of the heritage assets is included in note 7.1.

				2025-26
	Land	Buildings	Other	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2025	3,792	63,191	2,752,496	2,819,479
Additions	-	-	20,453	20,453
Donations	-	999	40,683	41,682
Revaluations	-	16,751	528	17,279
Impairments	-	249	-	249
Transfers (to)/from property, plant & equipment/assets held for sale/intangibles	48	-	(59)	(11)
At 31 March 2026	**3,840**	**81,190**	**2,814,101**	**2,899,131**
Depreciation				
At 1 April 2025	-	-	770	770
Charged in year	-	-	98	98
At 31 March 2026	**-**	**-**	**868**	**868**
Carrying amount:				
31 March 2026	**3,840**	**81,190**	**2,813,233**	**2,898,263**
31 March 2025	**3,792**	**63,191**	**2,751,726**	**2,818,709**
Asset financing:				
Owned	3,840	81,190	2,813,233	2,898,263
Carrying amount at 31 March 2026	**3,840**	**81,190**	**2,813,233**	**2,898,263**
Of which:				
Core department	-	-	19,333	19,333
Arm's length bodies	3,840	81,190	2,793,900	2,878,930
Carrying amount at 31 March 2026	**3,840**	**81,190**	**2,813,233**	**2,898,263**

7. Heritage Assets (continued)

				2024-25
	Land	Buildings	Other	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2024	3,792	62,429	1,786,131	1,852,352
Additions	-	-	16,993	16,993
Donations	-	-	947,868	947,868
Disposals	-	-	(114)	(114)
Revaluations	-	736	1,618	2,354
Impairments	-	26	-	26
At 31 March 2025	**3,792**	**63,191**	**2,752,496**	**2,819,479**
Depreciation				
At 1 April 2024	-	-	673	673
Charged in year	-	-	97	97
At 31 March 2025	**-**	**-**	**770**	**770**
Carrying amount:				
31 March 2025	**3,792**	**63,191**	**2,751,726**	**2,818,709**
31 March 2024	**3,792**	**62,429**	**1,785,458**	**1,851,679**
Asset financing:				
Owned	3,792	63,191	2,751,726	2,818,709
Carrying amount at 31 March 2025	**3,792**	**63,191**	**2,751,726**	**2,818,709**
Of which:				
Core department	-	-	18,886	18,886
Arm's length bodies	3,792	63,191	2,732,840	2,799,823
Carrying amount at 31 March 2025	**3,792**	**63,191**	**2,751,726**	**2,818,709**

7.1 Heritage assets

					2025-26
	Non-operational		Operational		Total heritage assets
	At cost	At valuation	At cost	At valuation	
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
Balance at 1 April 2025	543,532	2,182,484	54,929	38,534	2,819,479
Additions	19,737	652	64	-	20,453
Donations	434	40,249	-	999	41,682
Impairments	-	-	-	249	249
Transfers (to)/from property, plant & equipment/ assets held for sale/intangibles	(59)	48	-	-	(11)
Revaluations	-	686	-	16,593	17,279
Balance at 31 March 2026	**563,644**	**2,224,119**	**54,993**	**56,375**	**2,899,131**
Depreciation					
Balance at 1 April 2025	-	-	770	-	770
Depreciation charge for the year	-	-	98	-	98
Balance at 31 March 2026	**-**	**-**	**868**	**-**	**868**
Net book value at 31 March 2026	**563,644**	**2,224,119**	**54,125**	**56,375**	**2,898,263**
Cost or valuation					
Balance at 1 April 2025	543,532	2,182,484	54,929	38,534	2,819,479
Additions	19,737	652	64	-	20,453
Donations	434	40,249	-	999	41,682

7.1 Heritage assets (continued)

	2024-25				
	Non-operational		Operational		Total heritage assets
	At cost	At valuation	At cost	At valuation	
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
Balance at 1 April 2024	525,967	1,234,372	54,231	37,782	1,852,352
Additions	15,555	740	698	-	16,993
Donations	2,124	945,744	-	-	947,868
Disposals	(114)	-	-	-	(114)
Impairments	-	-	-	26	26
Revaluations	-	1,628	-	726	2,354
Balance at 31 March 2025	**543,532**	**2,182,484**	**54,929**	**38,534**	**2,819,479**
Depreciation					
Balance at 1 April 2024	-	-	673	-	673
Depreciation charge for the year	-	-	97	-	97
Balance at 31 March 2025	**-**	**-**	**770**	**-**	**770**
Net book value at 31 March 2025	**543,532**	**2,182,484**	**54,159**	**38,534**	**2,818,709**

Summary of heritage asset transactions	2025-26	2024-25	2023-24	2022-23	2021-22
	£'000	£'000	£'000	£'000	£'000
Purchased assets	20,453	16,993	65,077	13,897	22,133
Donated assets	41,682	947,868	156,902	31,672	27,133
Disposals	-	(114)	(1,465)	-	(12)
Impairments	249	26	26	104	(465)

Classification

Heritage assets are classified under the FReM as either:

- Non-operational heritage assets, which are held for the maintenance of the country's heritage;
- Operational heritage assets, which are held for the maintenance of the country's heritage and are also used for other activities, or to provide other services.

Non-operational and operational heritage assets within the SoFP are split between heritage assets held at cost and held at valuation. For more detailed information on heritage assets, please refer to the financial statements of the individual ALBs listed at note 23.

7.1.1 Non-operational heritage assets

Non-operational heritage assets acquired by the group prior to 1 April 2001 have not been valued and are not therefore included in the SoFP. The cost of valuing these assets is considered to be prohibitive and is not commensurate to the benefits, due to the size of the collections and/or the assets' uniqueness.

Department

The department's non-operational heritage assets include the Government Art Collection, other arts and antiques collections, land, buildings and monuments.

The majority of non-operational heritage assets held are not capitalised, because valuation information cannot be obtained at a cost commensurate with the benefits to users of the accounts; the market value would not be a true reflection of the value of the asset to the nation's heritage; the asset, if lost, could not be replaced or reconstructed.

Government Art Collection (GAC)

The GAC's major works include paintings by Van Dyck, L. S. Lowry, Edward Lear, William Hogarth, Thomas Gainsborough, Lucian Freud, W.R. Sickert and sculptures by Henry Moore, Jacob Epstein and Barbara Hepworth. Purchased additions to the GAC have been included at cost in the SoFP from 1 April 2000. Assets acquired prior to 1 April 2000 and donations to the GAC are not capitalised as the cost of obtaining valuations for these assets is not commensurate to the benefits.

Land, buildings, and monuments

The Secretary of State has responsibility for Royal Estate properties in England governed by the Crown Lands Act 1851 and subsequent legislation. This responsibility is discharged through a series of management agreements:

- The Secretary of State has a contract with The Royal Parks Limited for the provision of maintenance and management of the Royal Parks; including 114 heritage assets. These assets consisted of statues, fountains, bridges, walls, bandstands, historic gates and monuments such as Albert Memorial in Kensington Gardens and the 7 July Memorial in Hyde Park.
- The Historic Royal Palaces in England (Hampton Court Palace, Kew Palace, the Tower of London, the Whitehall Banqueting House and most of Kensington Palace) are managed by the Historic Royal Palaces Trust, which has a contract to manage the palaces and provide education and visitor services in return for the rights to retain admission charges to these sites.
- The occupied royal palaces in England (Buckingham Palace, St James' Palace, Windsor Castle and some other smaller properties) are managed by the Royal Household. From 1 April 2012, although the Secretary of State retains legal responsibility for these properties, this funding has been aggregated with the Civil List into the Sovereign Grant paid by HM Treasury under the Sovereign Grant Act 2011.
- Marlborough House, used as the home of the Commonwealth Secretariat, is maintained by the Royal Household under an ongoing grant agreement.

The Secretary of State is also the owner of land, buildings, monuments and sites of heritage interest acquired by the Office of Works and its successors using exchequer funding or as a result of specific statutes such as the Wellington Museum Act 1947 and other Crown Lands Acts.

Under Section 34 of the National Heritage Act 1983, management responsibility is vested in the Historic Buildings and Monuments Commission for England (Historic England). There are close to 100 such properties, plus some 250 properties under the Secretary of State's guardianship (for which the freehold remains with private owners). The department also owns freeholds adjacent to some sites under guardianship, used for purposes ancillary to public access such as car parks.

The following (based on visitor numbers) are of particular importance:

- Stonehenge
- Dover Castle
- Hadrian's Wall
- Osborne House
- Tintagel Castle
- Kenwood House
- Audley End House
- Whitby Abbey
- Carisbrooke Castle
- Kenilworth Castle

Arm's Length Bodies

The group owns a wide range of non-operational heritage assets. Further details are recorded in the respective ALBs annual report and accounts (see note 23), the following illustrate the scope of these including the cost and valuation of items held on the Statement of Financial Position and narrative for the entire collections which included items on and off the Statement of Financial Position.

The British Museum held non-operational heritage assets at cost £43.7m as at 31 March 2026 (31 March 2025: £39.1m) and at valuation of £1,118.9m as at 31 March 2026 (31 March 2025: £1,116.9m). The British Museum collection is a global one, and its great strength is the way it records the interrelated histories of humanity as a whole. The collection is estimated to contain about eight million objects. Valuations are performed during the year of acquisition by internal curatorial experts based on their expert knowledge and, where appropriate, with reference to recent sales of similar objects.

The Tate Gallery held non-operational heritage assets at cost of £187.1m as at 31 March 2026 (31 March 2025: £183.2m) and at valuation of £454.6m as at 31 March 2026 (31 March 2025: £422.9m). Tate Gallery holds the National Collection of British Art from the 1500s and international modern and contemporary art from the 1900s. The collection embraces all media from painting, drawing, sculpture and prints, to photography, video and film, installation and performance. The collection currently consists of 77,340 works of art. Tate Gallery also houses the National Archive of British Art from 1900. The Tate Gallery Archive contains manuscripts, notebooks, sketches, prints, documentation and supporting material. Where works of art are included at valuation, external valuations are used where available, and where this isn't the case, the assets are valued internally by Tate staff. These staff members are considered to be industry experts and therefore are able to assign values based on their expert knowledge.

The National Gallery held non-operational heritage assets at a cost of £122.5m as at 31 March 2026 (31 March 2025: £117.9m) and at valuation of £302.7m as at 31 March 2026 (31 March 2025: £301.4m). The National Gallery houses one of the greatest collections of Western European paintings in the world. The collection contains over 2,300 works, including many iconic masterpieces and the work of some of the greatest painters. Where heritage assets have been acquired under the Acceptance in Lieu Scheme or Cultural Gifts Scheme, valuations are provided by the Arts Council England. Where assets have been donated, valuations have been performed by the Gallery's curators, who are recognised experts in their fields, or by external valuers.

The Victoria and Albert Museum held non-operational heritage assets at cost of £41.7m as at 31 March 2026 (31 March 2025: £40.4m) and at valuation of £116.2m as at 31 March 2026 (31 March 2025: £113.7m). The Victoria and Albert Museum is the leading international museum of art and design, with approximately 1.7 million objects and works of art, 1.1 million library items and 1,209 archives in its collections. Items held at valuation are valued by the curators of the museum, based on their expert knowledge.

The National Maritime Museum held non-operational heritage assets at cost of £26.0m as at 31 March 2026 (31 March 2025: £25.4m) and at valuation of £80.3m as at 31 March 2026 (31 March 2025: £80.3m). The National Maritime Museum has the most important holdings in the world related to Britain at sea and the collection comprises some 2.5 million items. Items held at valuation are valued by curators based on their knowledge, and market value where available.

The British Library held non-operational heritage assets at cost of £52.9m as at 31 March 2026 (31 March 2025: £49.6m) and at valuation of £35.7m as at 31 March 2026 (31 March 2025: £35.6m). The British Library is the national library of the UK and one of the world's greatest research libraries. The British Library is one of the six legal deposit libraries of the UK and it receives copies of all publications produced in the UK and the Republic of Ireland. The assets held at valuation reflect valuations made as part of the acquisition process. For purchased items heritage assets are recorded at the acquisition value. If the item has been donated by the Assets in Lieu of tax scheme the valuation is either provided or internal expertise is used to place a value on the item if there is no readily available market.

The National Portrait Gallery held non-operational heritage assets at cost of £53.2m as at 31 March 2026 (31 March 2025: £52.0m) and at valuation of £16.2m as at 31 March 2026 (31 March 2025: £15.0m). The National Portrait Gallery holds three collections; a primary collection mainly consisting of paintings, sculptures, miniatures, photographs and silhouettes, a reference collection containing more than 335,000 images and a photographs collection consisting of more than 250,000 original photographic images. Where works of art are included at valuation, external valuations are used where available; more usually assets are valued internally by the National Portrait Gallery staff. In reaching these valuations curators compare portraits donated to the Collection with the values of comparable items on the open market, taking account of differences in condition, size, status and market desirability.

Historic England has responsibility for the National Collection of buildings, monuments and sites. Since 1 April 2015, they are managed by Historic England's charitable subsidiary, The English Heritage Trust, using a mixture of Grant-in-Aid funding and self-generated income.

7.1.2 Operational heritage assets

Where operational heritage assets have not been included in the SoFP, it is due to the prohibitive cost of valuing these assets, which is a reflection of the size of the collections and/or the assets uniqueness.

Department

The department holds the freehold to Somerset House, an operational heritage asset held at £nil value.

The Somerset House Trust, a private company limited by guarantee and a registered charity, was established in 1997 to conserve and develop Somerset House and the open spaces around it to the public. The department manages the government's freehold interest in Somerset House and ensures the Somerset House Trust fulfils the terms of its lease, which it holds until 2125.

7.1.3 Acquisition, preservation, management and disposal policies

Department

The government is committed to setting an example in the conservation of its historic estate, emphasising the importance of preventative maintenance as part of an integrated approach to the historic environment. The requirement for quadrennial condition surveys and a planned programme of repairs and maintenance for historic buildings is set out in the 'Protocol for the Care of the Government Historic Estate'. This protocol requires departments and agencies to nominate a Departmental Conservation Officer to monitor conservation activity and liaise with the Government Historic Estates Unit (GHEU). GHEU is a team in Historic England providing advice and guidance at a national level to government departments and agencies, as well as other public bodies.

With the exception of Somerset House, and those non-operational assets listed in note 7.1.1, Historic England (via its charitable subsidiary, The English Heritage Trust) manages all the sites on behalf of the department. Historic England is obliged by the National Heritage Act 1983 "to secure the preservation of ancient monuments and historic buildings in England (including UK territorial waters adjacent to England)". In addition, the department agrees with Historic England a strategy for the conservation and maintenance of the sites.

The Government Art Collection (GAC) is part of the department that funds collection, maintenance and management. Other departments provide additional funding for major site-specific commissions for new or refurbished buildings. Works of art are displayed in approximately 400 Government buildings in the UK and abroad. This includes 10 Downing Street, Lancaster House, main Whitehall departments, diplomatic posts abroad, embassies, residences, high commissions and consulates-general in most countries.

More details of the asset management undertaken by Government Art Collection can be found on their website: https://artcollection.dcms.gov.uk/reports/

Arm's length bodies

The ALBs have detailed documented procedures in relation to acquisitions and disposals. These acquisitions and disposals take into account relevant guidelines and require the approval of the ALBs board. There are restrictions placed on ALBs in relation to the disposal of heritage assets, a significant exception is where an item has deteriorated beyond usefulness for the purpose of the relevant collection. The relevant ALBs have established standards of care, which generally follow codes of practice for the preservation of collections. These policies and procedures are regularly reviewed. Conservation work includes assessment of the collection, preventive conservation (through environmental and light control), preventive maintenance and minor treatment. For further details of their acquisition, preservation, management and disposal policies please refer to the individual financial statements of the ALBs (see note 23)

7.1.4 Heritage assets: records maintained and access

Department

The GAC maintains a physical and online database of its collection. The GAC places works of art in major government buildings in the UK and around the world to promote British art, culture and history and, as a result, the public's access is limited.

Arm's length bodies

Collection databases are maintained physically or online by the relevant ALBs. Most of these ALBs have a major part of their collections on public display, free of charge. For further details of the records maintained and the extent to which heritage assets can be accessed please refer to the individual financial statements of the ALBs.

7.1.5 Donations of heritage assets

Donated assets of £41.7m were received in 2025-26 (31 March 2025: £947.9m). In 2024-25, Donated assets included items donated by the Sir Percival David Foundation (SPDF), valued at £915.5m.

8. Intangible assets

				2025-26
	Licences	Websites	Development expenditure	Total
	£’000	£’000	£’000	£’000
Cost or valuation				
At 1 April 2025	201,344	12,843	34,698	248,885
Additions	10,611	1,127	6,038	17,776
Disposals	(3,895)	(42)	(2,067)	(6,004)
Revaluations	3	-	(50)	(47)
Reclassifications	334	(3)	(331)	-
Transfers (to)/from property, plant & equipment/right of use assets	99	1,816	5,912	7,827
At 31 March 2026	**208,496**	**15,741**	**44,200**	**268,437**
Amortisation	**-**			**-**
At 1 April 2025	150,259	9,593	19,347	179,199
Charged in year	13,628	1,498	5,924	21,050
Disposals	(3,139)	442	(2,067)	(4,764)
Revaluations	(133)	-	(30)	(163)
Reclassifications	331	-	(331)	-
Transfers (to)/from property, plant & equipment/right of use assets	-	-	5,249	5,249
At 31 March 2026	**160,946**	**11,533**	**28,092**	**200,571**
Carrying amount:	**-**			**-**
31 March 2026	**47,550**	**4,208**	**16,108**	**67,866**
31 March 2025	**51,085**	**3,250**	**15,351**	**69,686**
Asset financing:				
Owned	47,550	4,208	16,108	67,866
Carrying amount at 31 March 2026	**47,550**	**4,208**	**16,108**	**67,866**
Of Which:	-			
Core department	-	-	1,791	1,791
Arm's length bodies	47,550	4,208	14,317	66,075
Carrying amount at 31 March 2026	**47,550**	**4,208**	**16,108**	**67,866**

8. Intangible assets (continued)

	2024-25			
	Licences	Websites	Development expenditure	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2024	202,505	13,095	31,529	247,129
Additions	11,407	735	7,219	19,361
Disposals	(13,563)	(580)	(3,375)	(17,518)
Revaluations	2	5	73	80
Impairments	-	-	(371)	(371)
Reclassifications	988	(412)	(576)	-
Transfers (to)/from property, plant & equipment/right of use assets	5	-	199	204
At 31 March 2025	**201,344**	**12,843**	**34,698**	**248,885**
Amortisation	**-**			**-**
At 1 April 2024	150,407	8,843	18,321	177,571
Charged in year	13,368	1,307	4,291	18,966
Disposals	(13,507)	(559)	(3,325)	(17,391)
Revaluations	(9)	2	60	53
At 31 March 2025	**150,259**	**9,593**	**19,347**	**179,199**
Carrying amount:	**-**			**-**
31 March 2025	**51,085**	**3,250**	**15,351**	**69,686**
31 March 2024	**52,098**	**4,252**	**13,208**	**69,558**
Asset financing:				
Owned	51,085	3,250	15,351	69,686
Carrying amount at 31 March 2025	**51,085**	**3,250**	**15,351**	**69,686**
Of which:				
Arm's length bodies	51,085	3,250	15,351	69,686
Carrying amount at 31 March 2025	**51,085**	**3,250**	**15,351**	**69,686**

The BBC held £41.8m of intangible software licences as at 31 March 2026 (31 March 2025: £42.5m).

9. Financial instruments

	Note	31 March 2026		31 March 2025	
		Core department	Departmental group	Core department	Departmental group
		£'000	£'000	£'000	£'000
Financial assets					
Amortised costs					
Cash and cash equivalents	13	157,226	3,066,519	107,537	3,043,277
Trade and other receivables	12	1,224	495,574	861	530,720
Contract assets		-	1,741	-	1,226
Loans	10,12	341,600	916,903	365,855	997,378
Deposits	10	-	32,530	-	32,138
		500,050	**4,513,267**	**474,253**	**4,604,739**
Fair value through other comprehensive income					
Equity investments excluding investment in subsidiaries	10	-	496,425	-	481,583
Investment in subsidiaries	10	-	2,008,972	-	2,431,639
		-	**2,505,397**	**-**	**2,913,222**
Fair value through profit or loss					
Derivative financial instrument assets	10	-	301,783	-	310,972
Other financial assets (FI non derivative through profit or loss)	10	-	7,194	-	31,074
		-	**308,977**	**-**	**342,046**
Held to maturity		**-**	**-**	**-**	**-**
-					
Financial liabilities					
Fair value through profit or loss					
Derivative financial instrument liabilities	17	-	(468,296)	-	(462,993)
Financial liabilities at amortised cost					
Payables including contract liabilities	14	(7,246)	(4,283,988)	(14,053)	(3,904,699)
Lease Liabilities	16	(39,284)	(1,767,694)	(40,607)	(1,804,292)
Other financial liabilities		**-**	**(198)**	**-**	**(4,894)**
Total financial liabilities		**(46,530)**	**(6,520,176)**	**(54,660)**	**(6,176,878)**
Total net financial assets/ (liabilities)		**453,520**	**807,465**	**419,593**	**1,683,129**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The amounts disclosed above as payables and receivables therefore exclude any assets or liabilities, which do not result from a contractual arrangement.

The group's financial instruments, other than derivatives used for risk management purposes, comprise cash and cash equivalents, borrowings and other financial assets and liabilities including trade receivables and payables, that arise directly from operations, or to partially fund future operations. The group finances part of its operations from these financial instruments. The group does not undertake speculative financial transactions. There is a risk averse approach to the management of foreign currency trading.

The group has not reclassified any material financial assets within the year.

The group has not derecognised any material equity investments within the year.

No material cumulative gains or losses between reserves have occurred within the year. Transfers between reserves are included within the SoCTE.

Derivative financial instrument assets and financial instrument liabilities are held by the BBC, further information is included in note 9.5.

The group has no financial instruments that are offset.

The group has not pledged collateral for these financial liabilities.

The group has no loans or other borrowings payable other than those disclosed in note 14.

9.1 Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk largely arises from cash and cash equivalents, derivative financial instruments, equity investments, other financial assets and trade and other receivables. The group's maximum exposure to credit risk is limited to the value of these assets. The credit risk management policy in relation to trade receivables involves regularly assessing the financial reliability of customers, considering their financial position and historical credit risk.

The group assesses credit risk when setting the expected credit loss forward looking analysis which is expected to include macroeconomic assessments, historical data and fund managers where required for these assets. It has an immaterial expected credit loss on the assets that it holds and therefore has assessed the level of credit risk as low. It has an immaterial expectation of defaults, which it expects to be deemed as a failure to fulfil an obligation, especially to repay a loan or appear in a law court. It expects assets to be written off when it is no longer possible to recover the asset.

The changes in amortised cost assets are explained in their respective notes but are not as a result of material changes to credit risk assessments within the year.

The loan commitments have had immaterial expected credit loss allowances included within the valuations above representing the group's review of the credit risk of these assets. Further information on these assets are included within note 10.

Lottery Bodies' cash holdings are predominantly held by the National Lottery Distribution Fund. Other deposits and cash holdings are held with the Government Banking Service or approved UK banks and are spread across institutions.

There were a number of COVID-19 support packages issued in 2020-21 and 2021-22, which include loans to external bodies. The loans are regularly assessed for credit risk by considering reasonable and supportable information that is relevant and available without undue cost or effort when determining whether credit risk has increased significantly since initial recognition.

Transactions involving derivative financial instruments are entered into only with reputable banks, the credit ratings of which are considered to minimise credit risk.

9.2 Market risk (currency and other price risks)

The department and the group are principally domestic organisations with the majority of transactions, assets and liabilities arising in the UK and being sterling based. However, the group undertake some transactions in currencies other than sterling. Due to movements in exchange rates over time, the amount the group expects to receive or pay when it enters into a transaction may differ from the amount that it actually receives or pays when it settles the transaction.

The BBC are impacted by market risk and take a risk averse approach to the management of currency risk. They have implemented clear policy parameters utilising forward foreign currency contracts to minimise volatility in the financial results. A substantial proportion of the BBC Group's material net foreign currency exposures are economically hedged. The impact of such transactions are not significant to the group, beyond the BBC.

9.3 Interest rate risk

The group's main exposure to interest rate fluctuations arises on external borrowings, which are predominantly undertaken by BBC Commercial Limited. By taking out a range of interest rate swaps, the

BBC has mitigated underlying exposure to interest rate fluctuations and hence no sensitivity analysis has been presented as any potential variation is insignificant.

9.4 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. As the cash requirements of the group are largely met through the Parliamentary Estimates process, there is minimal liquidity risk.

The BBC is subject to limits on its borrowings set by the Secretary of State in accordance with the agreement between the BBC and DCMS. In order to comply with these limits, together with the terms of any individual debt instruments, the BBC's treasury function manages the BBC's borrowings by regularly monitoring the BBC's cash flow forecasts. The BBC holds its surplus liquidity in term deposit accounts with highly rated financial institutions.

The bank loans of the BBC's commercial operations are subject to debt covenants based on the group's earnings before interest and taxation. The covenants are in respect of net borrowings and net interest coverage. The BBC is active in the monitoring of its debt covenants, which have been met at 31 March 2026.

The majority of funding for Arts Council of England Lottery, British Film Institute Lottery, National Lottery Community Fund, National Lottery Heritage Fund, Sport England Lottery and UK Sport Lottery comes from the National Lottery. This liquidity risk is minimised by holding significant amounts of liquid assets and through cash-flow forecasting. Forward projections of lottery income are provided to these ALBs by the department and used to inform the distributors' decisions on forward grant commitments.

The Horserace Betting Levy Board is wholly funded by levy and the Gambling Commission is largely funded by the National Lottery and licence rather than through parliamentary funding. They mitigate this risk by monitoring cash requirements and holding sufficient amounts of cash and cash equivalents to meet their requirements.

9.5 Financial instruments – fair value hierarchy

The table below analyses financial instruments carried at fair value by the hierarchy set out in IFRS 13 *Fair Value Measurement*. The different levels are defined as follows:

- Level 1 – uses quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – uses inputs for the assets or liabilities other than quoted prices that are observable either directly or indirectly.
- Level 3 – uses inputs for the assets or liabilities that are not based on observable market data, such as internal models or other valuation method.

	31 March 2026				31 March 2025			
	Level 1	Level 2	Level 3	Total	Level 1 restated	Level 2 restated	Level 3	Total
.	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets								
Fair value through OCI								
Equity investments excluding investment in subsidiaries	92,830	403,595	-	496,425	243,928	237,655	-	481,583
Investment in subsidiaries	-	-	2,008,972	2,008,972	-	-	2,431,639	2,431,639
Total fair value through OCI financial assets	**92,830**	**403,595**	**2,008,972**	**2,505,397**	**243,928**	**237,655**	**2,431,639**	**2,913,222**
Fair value through profit or loss								
Derivative financial instrument assets	3,237	298,546	-	301,783	432	310,540	-	310,972
Other financial assets (FI non derivative through profit or loss)	-	-	7,194	7,194	-	22,592	8,482	31,074
Total financial assets: fair value through profit or loss	**3,237**	**298,546**	**7,194**	**308,977**	**432**	**333,132**	**8,482**	**342,046**
Total financial assets measured at fair value	**96,067**	**702,141**	**2,016,166**	**2,814,374**	**244,360**	**570,787**	**2,440,121**	**3,255,268**
Of which:								
Core department	-	-	-	-	-	-	-	-
Arm's length bodies	96,067	702,141	2,016,166	2,814,374	244,360	570,787	2,440,121	3,255,268
Total financial assets measured at fair value	**96,067**	**702,141**	**2,016,166**	**2,814,374**	**244,360**	**570,787**	**2,440,121**	**3,255,268**
Financial liabilities								
Fair value through profit or loss								
Derivative financial instrument liabilities	(1,266)	(467,030)	-	(468,296)	(1,709)	(461,284)	-	(462,993)
Total financial liabilities measured at fair value	**(1,266)**	**(467,030)**	**-**	**(468,296)**	**(1,709)**	**(461,284)**	**-**	**(462,993)**
Of which:								
Core department	-	-	-	-	-	-	-	-
Arm's length bodies	(1,266)	(467,030)	-	(468,296)	(1,709)	(461,284)	-	(462,993)
Total financial liabilities measured at fair value	**(1,266)**	**(467,030)**	**-**	**(468,296)**	**(1,709)**	**(461,284)**	**-**	**(462,993)**

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Within Equity investments excluding investment in subsidiaries (level 2) includes investment funds held with external fund managers, these are valued appropriately at year end by these fund managers using the valuation of underlying assets within the funds.
- The fair value of interest rate swaps, calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rate at the reporting date, with the resulting value discounted back to present value; and
- Other techniques are used, such as discounted cash flow analysis or, for non-quoted ordinary shares that are not actively traded, the net assets of the company or historic cost. These are classified as level 3.

BBC derivatives

The BBC hold forward foreign currency contracts and cash flow swaps classified as Level 1 and Level 2 instruments representing derivative financial assets of £301.8m (2024-25: £311.0m) and derivative financial liabilities of £468.3m (2024-25: £463.0m) mainly relating to the refinancing of London Broadcasting House. The swaps expire between 2033 and 2045, and are valued with reference to relevant SONIA and Retail Price Index yield curves, subject to appropriate credit risk adjustments.

An adjustment of 221 basis points is applied to a specific leg of the swaps to reflect credit risk as the arrangement with the counterparty is not collateralised. These assumptions and inputs are reviewed on an annual basis, along with the completion of sensitivity analysis. If another adjustment of 213 basis points (an alternative index) had been used to reflect a reasonably possible change based on market movements during the year, then this would result in a decrease in the net liability of £3.0m and the impact of movements in the SONIA yield curves and RPI by 1% are immaterial.

During the prior year, an adjustment of 217 basis points was applied to a specific leg of the swaps to reflect credit risk as the arrangement with the counterparty is not collateralised. If an alternative adjustment of 231 basis points had been used to reflect a reasonably possible change based on market movements during the year, then this would have resulted in a decrease in the net liability of £5.0m.

The following table presents the changes in level 3 instruments for the year ended 31 March 2026:

	Investment in subsidiaries	Other financial assets (FI non derivative through profit or loss)	Total financial assets
	£'000	£'000	£'000
Balance at 1 April 2024	**2,834,818**	**10,022**	**2,844,840**
Additions	-	14,667	14,667
Repayments/disposals	-	(3,166)	(3,166)
Gains and losses recognised in the CSoCNE	(403,179)	(13,041)	(416,220)
Balance at 31 March 2025	**2,431,639**	**8,482**	**2,440,121**
Additions	-	12,522	12,522
Repayments/disposals	-	(2,468)	(2,468)
Gains and losses recognised in the CSoCNE	(422,667)	(11,342)	(434,009)
Balance at 31 March 2026	**2,008,972**	**7,194**	**2,016,166**
Of which:			
Core department	-	-	-
Arm's length bodies	2,008,972	7,194	2,016,166
Balance at 31 March 2026	**2,008,972**	**7,194**	**2,016,166**

The most significant individual valuation using level 3 inputs in the DCMS group is the investment in subsidiaries of the BBC. The remaining level 3 inputs are made up of other ALBs' subsidiaries, which are all included in the accounts at their fair value with the net assets used as a proxy for fair value. More details of these can be found in note 10.

9.5.1 BBC's public corporations

BBC Commercial Limited and its subsidiaries (BBC Studioworks Limited and BBC Studios Limited) are the commercial operations of the BBC which exist to exploit BBC content, formats, brands, channels, facilities, services and intellectual property to deliver benefit to BBC licence fee payers.

BBC Commercial Limited and its direct subsidiary holding companies have been consolidated in these accounts. BBC Commercial Limited's other subsidiaries have been (or it is believed would be) classified by the Office for National Statistics as public corporations and in accordance with the FReM are accounted for as financial assets under IFRS 9.

As the valuation of the BBC public corporations does not meet the IFRS 9 definition for amortised cost, the group has classified the assets as fair value through other comprehensive expenditure. The nature of these assets, not being held for trading, means this is allowable under IFRS 9. Fair value through other comprehensive expenditure assets are financial instruments to be measured at fair value in the balance sheet.

9.5.2 Fair value hierarchy

The group has classified the valuation of the BBC's public corporations as level 3 of the fair value model (see note 9.5). The fair value is the estimated future cash flows that will be generated in perpetuity, discounted at the cost of capital. Cash flow projections, long term growth rates and the cost of capital at which cash flows are discounted are the key unobservable inputs in the valuation. The full market cost of capital has been determined by the BBC following comparisons to similar competitors, and discussions with the individual commercial subsidiaries classified as public corporations.

9.5.3 Significant unobservable inputs

Assets	31 March 2026 £m	31 March 2025 £m	Valuation technique	Unobservable inputs
BBC's public corporations	1,879	2,302	Discounted cash flow model	Long term growth rate: 2025-26: 1.00% 2024-25: 2.00%
				Discount Rate
				Cash flows

Below is a table showing the fair values for a selection of key input changes.

		As at 31 March 2026
Change in input	**Impact on fair value £m**	**Adjusted total value £m**
Growth rate increase by 100 bps	214	2,093
Growth rate decrease by 100 bps	(172)	1,707
Discount rate increase by 100 bps	(231)	1,648
Discount rate decrease by 100 bps	289	2,167
Increase in cash flows by 5%	117	1,996
Decrease in cash flows by 5%	(117)	1,761

		As at 31 March 2025
Change in input	**Impact on fair value £m**	**Adjusted total value £m**
Growth rate increase by 100 bps	325	2,627
Growth rate decrease by 100 bps	(253)	2,049
Discount rate increase by 100 bps	(328)	1,974
Discount rate decrease by 100 bps	422	2,724
Increase in cash flows by 5%	145	2,447
Decrease in cash flows by 5%	(145)	2,157

A 100 basis point (bps) rise or fall in growth rates or discount rates represents management's assessment of a large but realistic movement which can easily be multiplied to give sensitivities (it is also consistent with sensitivity analysis that other companies use when looking at these rates).

A 5% increase or decrease in cash flows is considered reasonable by management based on variations seen in the financial assets historically compared to budgeted information.

A 5% increase or decrease in cash flows is considered reasonable by management based on variations seen in the financial assets historically compared to budgeted information.

9.5.4 Measurement

These financial assets are recognised at fair value. Since these subsidiaries are not traded on an active market and the fair value cannot be derived from the quoted prices of similar assets, fair value is determined using an internal model (i.e. level 3 of the fair value hierarchy). This model uses discounted cash flow projections to arrive at a net present value.

The cash flow projections use internal five-year forecasts provided by the commercial subsidiaries (BBC Studioworks Limited and BBC Studios Limited). The detailed business plans supporting the cash flow projections are compiled by the management teams of each individual subsidiary based on the extrapolation of historical trends in each business area, internal intelligence on expected customer activity and external information on expected future trends in the entertainment and communications industry in each territory.

The first three years of the forecast are reviewed and approved by the BBC Board as part of the BBC budget process. The final two years are extrapolated out by the subsidiary management teams at a higher level. The historical accounts for each commercial subsidiary are publicly available but do not contain any forward-looking information that would link to the cash flow projections. Cash flow projections are considered commercially sensitive by the BBC and are not publicly available. Corporate tax rate projections are set with reference to the latest future guidance from HMRC.

The valuation assumes that the financial assets have perpetual access to BBC content distribution rights as this is the basis on which the financial assets' business plans are based. The valuation also assumes that the BBC continues beyond the end of the current Royal Charter period (which ends on 31st December 2027).

After the five-year forecast period, the cash flow projections have a perpetual growth rate of 1.0% (2024-25: 2.0%) applied. This positions the growth rate lower than the Bank of England's and Federal Reserve's inflation target of 2.0%. It is referenced against market benchmarks from equity research analysts. The rate incorporates the considered view of BBC management about the long term growth prospects for the BBC's commercial subsidiaries given consolidation across the content market is driving competition and linear viewing migration to YouTube and other digital platforms.

In determining the applicable discount rate, the BBC applied judgement in respect of several factors, which included reviewing the weighted average cost of capital analysis and long-range plans of the commercial businesses against market benchmarks from equity research analysts. The BBC gave weighted consideration to market consensus discount rates of comparable companies and general commercial operations to conclude on the most appropriate discount rate.

The peer group used for the analysis above includes UK broadcasters and production companies (reflecting the main activities of the BBC's commercial subsidiaries).

The £423.2m downward revaluation from the prior year primarily reflects a weakening content market (where consolidation is driving competition) and declining linear viewing as viewers migrate to YouTube and other digital platforms.

Further detail on the performance of the BBC's commercial subsidiaries is available in the Annual Report and Consolidated Financial Statements for BBC Commercial Limited.

The growth and discount rates are highly subjective inputs to the valuation. This results in considerable, but unavoidable, uncertainties in the resulting fair value amount. The valuation is therefore a single estimate from a wide spread of possible values, as highlighted in the sensitivity analysis above.

9.5.5 Risks on the financial assets

The risks facing these BBC public corporations are disclosed in BBC Commercial Limited's Annual Report.

10. Other financial assets

	Deposits	Derivatives	Equity Investments excluding investment in subsidiaries	Investment in subsidiaries (other than BBC public corporations)	Investment in BBC public corporations	Museum loans	Other loans	Other financial assets (FI non derivative through profit or loss)	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	23,659	343,842	464,364	132,818	2,702,000	-	1,027,612	10,022	4,704,317
Additions	8,527	-	55,052	-	-	-	1,661	14,667	79,907
Disposals	(48)	-	(41,567)	-	-	-	-	(3,166)	(44,781)
Revaluations	-	(32,870)	3,673	(3,179)	(400,000)	-	-	(3,951)	(436,327)
Impairments	-	-	61	-	-	-	(10,812)	-	(10,751)
Repayments	-	-	-	-	-	-	(47,203)	-	(47,203)
Reclassifications	-	-	-	-	-	-	-	13,502	13,502
Discounting	-	-	-	-	-	-	18,517	-	18,517
Expected credit loss	-	-	-	-	-	-	5,148	-	5,148
Balance at 31 March 2025	**32,138**	**310,972**	**481,583**	**129,639**	**2,302,000**	**-**	**994,923**	**31,074**	**4,282,329**
Cumulative catch up	-	-	-	-	-	-	-	-	-
Additions	1,147	-	79,049	-	-	-	1,520	12,522	94,238
Disposals	(755)	-	(89,896)	(220)	-	-	-	(2,468)	(93,339)
Revaluations	-	(9,189)	25,618	753	(423,200)	-	-	(20,432)	(426,450)
Impairments	-	-	71	-	-	-	(852)	-	(781)
Repayments	-	-	-	-	-	-	(102,224)	-	(102,224)
Reclassifications	-	-	-	-	-	-	-	(13,502)	(13,502)
Discounting	-	-	-	-	-	-	16,694	-	16,694
Expected credit loss	-	-	-	-	-	-	4,014	-	4,014
Balance at 31 March 2026	**32,530**	**301,783**	**496,425**	**130,172**	**1,878,800**	**-**	**914,075**	**7,194**	**3,760,979**
Of which:									
Core department	-	-	-	-	-	28,852	312,695	-	341,547
Arm's length bodies	32,530	301,783	496,425	130,172	1,878,800	(28,852)	601,380	7,194	3,419,432
Carrying amount at 31 March 2026	**32,530**	**301,783**	**496,425**	**130,172**	**1,878,800**	**-**	**914,075**	**7,194**	**3,760,979**
Within 12 months	32,300	1,573	46,336	-	-		646,845	1,694	728,748
Over 12 months	230	300,210	450,089	130,172	1,878,800		267,230	5,500	3,032,231
Carrying amount at 31 March 2026	**32,530**	**301,783**	**496,425**	**130,172**	**1,878,800**	**-**	**914,075**	**7,194**	**3,760,979**
Within 12 months	31,908	317	46,181	-	-	1	706,330	2,068	786,805
Over 12 months	230	310,655	435,402	129,639	2,302,000	(1)	288,593	29,006	3,495,524
Carrying amount at 31 March 2025	**32,138**	**310,972**	**481,583**	**129,639**	**2,302,000**	**-**	**994,923**	**31,074**	**4,282,329**

Derivatives

The derivative balance relates to the BBC, in particular their refinancing of London Broadcasting House.

Equity Investments excluding investment in subsidiaries

The British Museum held investment funds with a fair value of £207.3m (31 March 2025: £207.8m). These investments consist of investment funds and listed and unlisted equities.

The Victoria and Albert Museum held investment funds, consisting of investment funds and listed and unlisted equities, with a fair value of £96.1m (31 March 2025: £86.8m).

Investments in subsidiaries (other than BBC public corporations)

ALBs' subsidiaries are included in the accounts at their fair value with the net assets used as a proxy for fair value.

The significant investments in subsidiaries are as follows:

The British Museum holds three subsidiaries with a fair value of £52.5m (31 March 2025: £50.5m).

Historic England holds two subsidiaries, The English Heritage Trust and Historic England Foundation, with a fair value of £45.1m (31 March 2025: £42.6m). The English Heritage Trust looks after the National Heritage Collection of more than 400 state-owned historic sites and monuments across England under licence from Historic England.

Investment in BBC public corporations

Refer to section 9.5.4 for further details.

Other loans

The BBC had loans outstanding to its trading subsidiaries as at 31 March 2026 of £611.5m (31 March 2025: £673.5m). These loans are partially offset by loans that the BBC has received from its subsidiaries of £90.1m (31 March 2025: £96.6m) which are reported in note 14 Trade and other Payables. The loans outstanding vary based on the borrowing requirements of public corporations, and are treated as repayable on demand. Interest on these loans is charged to the trading subsidiaries in line with interest BBC Commercial pays on its third-party borrowings. As a result, the amortised cost carrying value is an appropriate proxy for fair value.

The core department includes within other loans, the loan book of the Cultural Recovery Fund, Sport Survival Package and Rugby Football League emergency loans.

The loans have been tailored for cultural and sporting institutions with an initial repayment holiday of up to four years and interest rates of 0.2-7%.

Repayments of £41.1m were made during the year (2024-25: £34.0m), a combination of capital and interest. The outstanding loan balance as at 31 March 2026 was £306.8m (31 March 2025: £327.2m).

The fair value of the loan book is calculated based on the PES financial instrument rate, with the expected credit loss overlaid. This has confirmed that the amortised cost carrying value after taking into account the expected credit loss impairment is an appropriate proxy for fair value.

Further details on the expected credit losses can be found in note 9.1.

10.1 Museum Loans

The core department issues loans to museums within the group.

These loans are eliminated upon consolidation and therefore no assets or liabilities are reported for the group.

11. Inventories

	2025-26		2024-25	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Balance at 1 April	**-**	327,486	-	224,313
Additions	-	2,542,062	-	2,577,807
Disposals	-	(2,464,931)	-	(2,474,634)
Carrying amount at 31 March	**-**	**404,617**	**-**	**327,486**
Work in intermediate stages of completion	-	35,012	-	40,035
Raw materials and consumables	-	132	-	139
Goods for resale and finished inventories	-	369,473	-	287,312
Total inventories and work in progress	**-**	**404,617**	**-**	**327,486**

As at 31 March 2026 the BBC held £381.5m (31 March 2025: £299.2m) in inventories in respect of programmes which were either in the course of production or ready for broadcast but not yet aired. Additions primarily relate to programmes which have been completed, whilst disposals relate to those broadcasts during the year. The higher BBC inventory is primarily driven by delays in scheduling and an increase in programme acquisitions for in-license titles.

12. Trade and other receivables

	31 March 2026		31 March 2025	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	1,149	45,860	653	46,324
VAT receivables	10,803	132,050	12,154	80,786
Other receivables	75	117,920	208	128,613
Prepayments	9,568	660,292	16,866	586,848
Accrued income	1,058	259,181	694	130,823
Interest receivable	-	363	-	432
Staff loans and advances	53	2,828	131	2,455
Taxation and duties due	-	20,474	-	21,805
Consolidated Fund receivables	2,210	2,210	2,997	(2)
	24,916	**1,241,178**	**33,703**	**998,084**
Amounts falling due after more than one year:				
Other receivables	-	333,053	-	356,973
Prepayments	-	684	-	3,145
Accrued income	-	16,887	-	26,022
	-	**350,624**	**-**	**386,140**
Total before expected credit loss	**24,916**	**1,591,802**	**33,703**	**1,384,224**
Expected credit loss	-	(1,622)	-	(1,622)
Total	**24,916**	**1,590,180**	**33,703**	**1,382,602**

VAT receivables include £89.2m (31 March 2025: £23.2m) due to the BBC. The majority of the increase is due to the variable timing of invoices received/paid and the balance includes two months of reimbursements due from HMRC as the monies were reimbursed late.

The BBC had prepayments due within one year of £604.8m (31 March 2025: £528.6m). This is due to increased pre-buys and timing of production at year end. This is due to the cyclical nature of sports programming as 26/27 is a higher sports year.

Accrued Income includes £121.4m due to Gambling Commission in relation to the introduction of the Statutory Gambling Levy from 6 April 2025 (31 March 2025: £nil).

Other receivables due in more than one year at 31 March 2026 consists of a balance due to the BBC of £202.7m (31 March 2025: £217.3m) and a balance due to the British Library of £127.5m (31 March 2025: £136.8m) in relation to lease receivable for a lease granted on the St Pancras site.

13. Cash and cash equivalents

	2025-26		2024-25	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Balance at 1 April	**107,537**	**3,043,277**	**91,412**	**2,914,718**
Net change in cash and cash equivalent balances	49,689	23,242	16,125	128,559
Balance at 31 March	**157,226**	**3,066,519**	**107,537**	**3,043,277**
The following balances at 31 March were held with:				
Government Banking Service	157,021	270,613	107,262	194,549
Commercial banks and cash in hand	-	1,011,721	-	1,048,004
Liquid deposits	205	59,240	275	60,019
Sub-total	**157,226**	**1,341,574**	**107,537**	**1,302,572**
Balance held by NLDF	-	1,724,945	-	1,740,705
Balance at 31 March	**157,226**	**3,066,519**	**107,537**	**3,043,277**

Balances held with the Government Banking Service include core department at £157.0m (31 March 2025: £107.3m).

Balances with commercial banks and cash in hand of £1,011.7m (31 March 2025: £1,048.0m) includes:

	2025-26	2024-25
Commercial banks and cash in hand over £40m in 2024-25 or 2023-24 held by:	£'000	£'000
National Lottery Community Fund	424,202	312,882
British Broadcasting Corporation	189,661	420,869
Gambling Commission	113,127	11,979
Horserace Betting Levy Board	54,414	47,868
British Library	41,699	45,548

There are some third-party assets not included within the above which have been detailed in note 22.

The cash balance held by the National Lottery Distribution Fund (NLDF), in relation to entities within the DCMS Group, of £1,724.9m (31 March 2025: £1,740.7m) is under the stewardship of the Secretary of State for Culture, Media and Sport. This fund is managed by the Commissioners for the Reduction of the National Debt, who invest the funds as call notice deposits on behalf of the NLDF with the Debt Management Office. The funds are repayable on demand within one working day.

Following the introduction of the statutory gambling levy, the cash balance held by the Gambling Commission includes £96m (31 March 2025: nil) of levy funds.

14. Trade and other payables

	31 March 2026		31 March 2025	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Taxation and social security	2,008	50,646	1,677	51,770
Trade payables	1,930	237,875	8,458	233,389
Other payables	5,316	253,478	5,595	272,001
Accruals & deferred income	55,298	350,883	61,115	361,217
Grants payable	-	1,753,264	-	1,615,795
Supply payable	157,021	157,021	107,261	107,261
Loans and borrowings: amounts payable within 1 year	-	90,058	-	96,578
Consolidated Fund payables	2,210	2,210	2,997	2,997
	223,783	**2,895,435**	**187,103**	**2,741,008**
Amounts falling due after more than one year:				
Other payables	-	42,431	-	41,079
Accruals & deferred income	-	6,792	-	13,014
Grants payable	-	1,323,218	-	1,199,075
Bank and other borrowings	-	581,228	-	441,010
	-	**1,953,669**	**-**	**1,694,178**
Total	**223,783**	**4,849,104**	**187,103**	**4,435,186**

The BBC accounts for £170.5m (31 March 2025: £144.1m) of trade payables, £190.9m (31 March 2025: £196.2m) of other payables and £110.2m (31 March 2025: £120.2m) of accruals and deferred income.

As at 31 March 2026, £2,577.6m (31 March 2025: £2,376.3m) of grants payable were attributable to lottery bodies.

The core department supply payable of £157.0m (31 March 2025: £107.3m) is Parliamentary funding drawn down which has not been spent within the year.

The bank and other borrowings (greater than one year) of £581.2m (31 March 2025: £441.0m) relates to the BBC and reflects additional facilities drawn down in the year.

15. Provision for liabilities and charges

Total provisions by type	Grant commitments	Legal claims	Early departures and redundancies	Other	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2025	**6,012**	**7,226**	**856**	**191,193**	**205,287**
Provided in the year	58,926	2,387	2,354	35,044	98,711
Provisions utilised in year	-	(884)	(799)	(54,708)	(56,391)
Provisions not required written back	-	(698)	(23)	(22,599)	(23,320)
Balance at 31 March 2026	**64,938**	**8,031**	**2,388**	**148,930**	**224,287**
Comprising:					
Current liabilities					
Not later than one year	20,914	6,512	1,522	47,730	76,678
Non-current liabilities					
Later than one year and not later than five years	44,024	1,519	866	44,762	91,171
Later than five years	-	-	-	56,438	56,438
Balance at 31 March 2026	**64,938**	**8,031**	**2,388**	**148,930**	**224,287**
Of the total:					
Arm's length bodies	64,938	8,031	2,388	148,930	224,287
Balance at 31 March 2026	**64,938**	**8,031**	**2,388**	**148,930**	**224,287**

Total provisions by type	Grant commitments	Legal claims	Early departures and redundancies	Other	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2024	**7,157**	**7,346**	**1,646**	**157,293**	**173,442**
Provided in the year	-	4,032	820	126,901	131,753
Provisions not required written back	-	(2,642)	(59)	(19,402)	(22,103)
Provisions utilised in year	(1,145)	(1,510)	(1,552)	(73,621)	(77,828)
Unwinding of discounts	-	-	1	22	23
Balance at 31 March 2025	**6,012**	**7,226**	**856**	**191,193**	**205,287**
Comprising:					
Current liabilities					
Not later than one year	6,012	7,226	43	69,443	82,724
Non-current liabilities					
Later than one year and not later than five years	-	-	-	49,778	49,778
Later than five years	-	-	813	71,972	72,785
Balance at 31 March 2025	**6,012**	**7,226**	**856**	**191,193**	**205,287**
Of the total:					
Arm's length bodies	6,012	7,226	856	191,193	205,287
Balance at 31 March 2025	**6,012**	**7,226**	**856**	**191,193**	**205,287**

15. Provision for liabilities and charges (continued)

Total provisions	31 March 2026		31 March 2025	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Balance at 1 April	**-**	**205,287**	**-**	**173,442**
Provided in the year	-	98,711	-	131,753
Provisions utilised in year	-	(56,391)	-	(77,828)
Provisions not required written back	-	(23,320)	-	(22,103)
Unwinding of discounts	-	-	-	23
Balance at reporting date	**-**	**224,287**	**-**	**205,287**
Comprising:				
Current liabilities:				
Not later than one year	-	76,678	-	82,724
Non-current liabilities				
Later than one year and not later than five years	-	91,171	-	49,778
Later than five years	-	56,438	-	72,785
Subtotal: non-current liabilities	**-**	**147,609**	**-**	**122,563**
Balance at reporting date	**-**	**224,287**	**-**	**205,287**

15.1 Early departures and redundancies

British Film Institute Lottery has provisions of £64.9m (31 March 2025 £6.0m) for non-film rights awards which have been made, but at the reporting date, either contracts have not been signed and/or the conditions have not been met. As a result, these transactions are recognised as an award commitment and included within provisions.

15.2 Other provisions

BBC restructuring and property provisions

This relates to various restructuring, decommissioning, legal and dilapidation provisions within the BBC. The value of this provision as at 31 March 2026 was £105.5m (31 March 2025: £139.4m).

BBC taxation, litigation and insurance

The BBC taxation, litigation and insurance provisions as at 31 March 2026 were £42.3m (31 March 2025: £36.2m).

16. Lease liabilities

Total future lease payments under leases are given in the table below:

Obligations for the following periods comprise:	31 March 2026		31 March 2025	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Land				
Not later than one year	-	3,784	-	3,124
Later than one year and not later than five years	-	15,333	-	16,714
Later than five years	-	740,287	-	745,234
Subtotal: Land	**-**	**759,404**	**-**	**765,072**
Less interest element	-	(691,771)	-	(693,727)
Present value of obligations	**-**	**67,633**	**-**	**71,345**
Buildings				
Not later than one year	3,775	184,529	3,170	175,356
Later than one year and not later than five years	11,353	684,159	10,971	676,467
Later than five years	28,451	1,209,724	31,226	1,289,665
Subtotal: Buildings	**43,579**	**2,078,412**	**45,367**	**2,141,488**
Less interest element	(4,295)	(397,564)	(4,760)	(422,681)
Present value of obligations	**39,284**	**1,680,848**	**40,607**	**1,718,807**
Other				
Not later than one year	-	4,213	-	2,347
Later than one year and not later than five years	-	14,784	-	11,114
Later than five years	-	876	-	1,171
Subtotal: Other	**-**	**19,873**	**-**	**14,632**
Less interest element	-	(660)	-	(492)
Present value of obligations	**-**	**19,213**	**-**	**14,140**
Total present value of obligations	**39,284**	**1,767,694**	**40,607**	**1,804,292**
Comprising:				
Current	**3,200**	**147,463**	**2,622**	**132,288**
Non-current	**36,084**	**1,620,231**	**37,985**	**1,672,004**

Leases are discounted using the rate implicit in the lease. Where that rate cannot be readily determined, leases are discounted at the entity's incremental borrowing rate.

Where an entity has no borrowings (which is the case for all entities consolidated into the departmental group, with the exception of the BBC), HMT issues discount rates to be used. These cover calendar years and were 1.27% for 2020, 0.91% for 2021, 0.95% for 2022, 3.51% for 2023, 4.72% for 2024, 4.81% for 2025 and 5.32% for 2026.

The largest lease liabilities are held by the BBC of £1,503.9m (2024-25: £1,538.3m). This consists of lease liabilities (inclusive of the effect of discounting the interest element) of £129.3m (2024-25: £119.9m) due in one year, £506.9m (2024-25: £494.4m) due in more than one and not later than five years and £867.7m (2024-25: £923.9m) due in more than five years.

The figures include lease interest amounts which are debit figures (partially nets off overall lease liabilities, which are credit figures). The less than a year figure is £129.3m (including lease interest of £44.0m), and therefore would be £173.3m without lease interest. The two to five year figure is £506.9m (including lease interest of £136.3m), and therefore would be £643.2m without lease interest. The more than five-year figure is £867.7m (including lease interest of £143.2m), and would be £1,010.9m without lease interest.

The core department holds lease liabilities (inclusive of the effect of discounting the interest element) of £39.3m (2024-25: £40.6m), all of which relates to buildings. The interest element for these lease liabilities is £4.3m (2024-25: £4.8m).

Movements on lease liabilities	2025-26
	£'000
Group Opening lease liabilities 1 April 2025	**1,804,292**
Lease Repayments	(170,526)
Additions	103,489
Other movements	30,439
Group Closing lease liabilities 31 March 2026	**1,767,694**

Amounts recognised in SoCNE	Note	31 March 2026		31 March 2025	
		Core department	Departmental group	Core department	Departmental group
		£'000	£'000	£'000	£'000
Interest on lease liabilities - Finance Cost		633	53,010	589	49,793
Variable lease payments not included in measurement of lease liabilities	3.3	-	152	-	201
Income of sub-leasing right-of-use assets	4.2	-	(4,038)	-	(5,203)
Expenses relating to short term liabilities	3.3	-	3,620	-	2,651
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	3.3	-	10,567	-	6,578
Total		**633**	**63,311**	**589**	**54,020**

Interest on lease liabilities is included within the finance cost total in note 3.6.

17. Other financial liabilities

	Other financial liabilities	Derivatives	Total derivatives
	£'000	£'000	£'000
Balance at 31 March 2024	**6,053**	**484,426**	**490,479**
Additions	581	-	581
Repayments	(1,740)	-	(1,740)
Revaluations	-	(21,433)	(21,433)
Balance at 31 March 2025	**4,894**	**462,993**	**467,887**
Additions	(4,696)	-	(4,696)
Revaluations	-	5,303	5,303
Balance at 31 March 2026	**198**	**468,296**	**468,494**
Of the total:			
Arm's length bodies	198	468,296	468,494
Balance at 31 March 2026	**198**	**468,296**	**468,494**
Due within 12 months	-	1,153	1,153
Due after 12 months	198	467,143	467,341
Balance at 31 March 2026	**198**	**468,296**	**468,494**
Due within 12 months	2,631	1,267	3,898
Due after 12 months	2,263	461,726	463,989
Balance at 31 March 2025	**4,894**	**462,993**	**467,887**

The BBC held financial derivatives of £468.3m (31 March 2025: £463.0m). The largest element of these derivatives relates to the refinancing of London Broadcasting House of £467.0m (31 March 2025: £461.3m).

18. Retirement benefit obligations

	2025-26			2024-25		
	Funded	Unfunded	Total	Funded	Unfunded	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Analysis of movement in scheme liabilities						
Balance at 1 April	**12,190,922**	**7,864**	**12,198,786**	**14,474,658**	**8,920**	**14,483,578**
Current service cost	68,346	-	68,346	79,292	-	79,292
Past service cost	3,187	-	3,187	1,025	-	1,025
Interest cost on pension scheme liabilities	681,470	8	681,478	679,499	8	679,507
Administration cost	-	-	-	8,500	-	8,500
Benefits paid	(638,182)	(210)	(638,392)	(619,075)	(210)	(619,285)
Contributions by members	3,597	-	3,597	4,740	-	4,740
Contributions by employer	(517)	-	(517)	-	-	-
(Gains)/losses on settlements and curtailments	-	-	-	(13,807)	-	(13,807)
Remeasurements:						
Experience (gains)/losses on defined benefit obligation	83,756	(1,954)	81,802	(580,049)	(826)	(580,875)
Change in demographic assumptions	(39,924)	374	(39,550)	(27,373)	(28)	(27,401)
Change in financial assumptions	122,769	-	122,769	(1,816,488)	-	(1,816,488)
Pension liabilities at 31 March	**12,475,424**	**6,082**	**12,481,506**	**12,190,922**	**7,864**	**12,198,786**
Analysis of movement in scheme assets						
Balance at 1 April	**(13,106,129)**	**-**	**(13,106,129)**	**(14,390,037)**	**-**	**(14,390,037)**
Interest on assets	(737,321)	-	(737,321)	(678,947)	-	(678,947)
Administration cost	8,785	-	8,785	503	-	503
Benefits paid	640,757	-	640,757	619,076	-	619,076
Contributions by members	(5,804)	-	(5,804)	(4,750)	-	(4,750)
Contributions by employer	(66,427)	-	(66,427)	(120,748)	-	(120,748)
Settlements from scheme assets	-	-	-	19,363	-	19,363
Remeasurements:						
Change in actuarial assumptions	(96,161)	-	(96,161)	53,933	-	53,933
Return on assets	262,900	-	262,900	1,395,478	-	1,395,478
Pension assets at 31 March	**(13,099,400)**	**-**	**(13,099,400)**	**(13,106,129)**	**-**	**(13,106,129)**
Net pension liability/(asset) at 31 March	**(623,976)**	**6,082**	**(617,894)**	**(915,207)**	**7,864**	**(907,343)**
Of the total:						
Core department	-	-	-	-	-	-
Arm's length bodies	(623,976)	6,082	(617,894)	(915,207)	7,864	(907,343)

An asset ceiling limits the amount of a defined benefit pension surplus that members can recognise as an asset. It ensures an entity does not overstate its assets by restricting the recognised amount to the lower of the plan surplus or the present value of available economic benefits.

2025-26	BBC	BTA	LGPS
	£m	£m	£m
Scheme assets	12,445.4	129.2	524.8
Scheme liabilities	(11,951.4)	(124.4)	(399.7)
Surplus/(deficit)	**494.0**	**4.8**	**125.1**
Impact of asset ceiling	**-**	**(1.7)**	**(124.9)**
Net Statement of Financial Position	**494.0**	**3.1**	**0.2**

Included within the gross assets table as at 31 March 2025 was the impact of the asset ceiling of £91.0m. The impact of the asset ceiling has increased from the opening balance by £34.1m to £126.6m as at 31 March 2026.

18.1 Analysis of total pension cost recognised in the Consolidated Statement of Comprehensive Net Expenditure

	2025-26 £'000	2024-25 £'000
Pension cost recognised in Net Operating Cost		
Current service cost	68,346	79,292
Past service cost	3,187	1,025
Enhancements and (gains)/losses on settlements and curtailments	-	5,556
Net interest cost on Pension Scheme	(55,843)	560
Administration cost	8,785	9,003
Total	**24,475**	**95,436**

	2025-26 £'000	2024-25 £'000
Remeasurements recognised in Other Comprehensive Net Expenditure		
Pension liabilities:		
Experience (gains)/losses on defined benefit obligation	81,802	(580,875)
Change in demographic assumptions	(39,550)	(27,401)
Change in financial assumptions	122,769	(1,816,488)
Pension assets:		
Change in actuarial assumptions	30,416	53,933
Return on assets	262,900	1,395,478
Total	**458,337**	**(975,353)**

18.1.1 Funded pension schemes

A number of the ALBs operate funded pension schemes, details of the most significant schemes are included below.

The range of future employer contributions for funded schemes are shown below:

	Future employer contributions
BBC	15.9%
BFI	16.4%
Sport England	8.4%
BTA	9% - 12%
UK Sport	11.1%-12%

Further information in relation to these funded pension schemes are set out in the published accounts of the ALBs.

18.2 BBC pension scheme

These accounts include only the elements of the BBC classified as central government. The DCMS group accounts include the entire BBC pension scheme in accordance with note 1.21 (where the Office for National Statistics have classified the scheme assets and liabilities as falling to central government). It is not possible to allocate the scheme's deficit across the individual divisions of the BBC. However, no guarantee has been given by either the department or HM Government in respect of this scheme. Pension contributions are paid into a trust fund (BBC Pension Trust Limited) and these contributions are invested by the trustees to produce income from which benefits are paid. The fund is separate from the finances of the BBC and participating employers. It is used to provide benefits for the scheme's members and their dependants.

The scheme, a defined benefit scheme, is now closed to new entrants. The scheme provides pensionable salary related benefits on a defined benefit basis funded from assets held in separate trustee-administered funds. The scheme trustees manage the plan in the short, medium and long term. They make funding decisions based on valuations which take a longer-term view of the assets required to fund the scheme's liabilities. IAS19 valuations of the scheme for accounting purposes are performed annually by Price Waterhouse Coopers for the BBC. The pension scheme employs Willis Towers Watson as its actuaries to perform formal scheme valuations at least every three years. The scheme's net pension asset represents the majority of the BBC's net pension asset, with details below:

BBC funded pension scheme financial position as at:			
	2026	2025	2024
	£m	£m	£m
Scheme assets	12,445.4	12,557.8	13,775.8
Scheme liabilities	(11,951.4)	(11,684.4)	(13,890.4)
Surplus/(deficit)	**494.0**	**873.4**	**(114.6)**
Percentage by which scheme assets cover liabilities	104%	107%	99%

Note D7.7 of the BBC accounts includes details on the allocation of assets by the pension fund Trustees, governed by the need to manage risk against the desire for high returns and any liquidity needs.

18.2.1 Funding the BBC scheme

The most recent triennial actuarial valuation of the pension scheme at 1 April 2024, by Willis Towers Watson and showed a funding surplus of £296m on an actuarial basis. Prior to the valuation in April 2024, a recovery plan was in place to reduce the actuarial valuation shortfall. While no recovery plan is now required (given the surplus funding position of the Scheme), the new Schedule of Contributions provided for an employer contribution of £125.0m to be paid to the Scheme by the earlier of 1 July 2027 and the date on which the 2026 valuation is completed, unless a replacement Schedule of Contributions has been put in place that does not require it.

The next formal triennial actuarial valuation will be performed no later than as at 1 April 2026.

	Projection 2027 %	2026 %	2025 %	2024 %
Employer	15.9	30.0/18.3	30.3/18.3	42.3/30.0
Employee (old and new benefits)	7.5	7.5	7.5	7.5
Employee (career average benefits 2006)	4.0	4.0	4.0	4.0
Employee (career average benefits 2011)	6.0	6.0	6.0	6.0

18.2.2 Principal actuarial assumptions of the BBC scheme

The calculation of the scheme liabilities and pension charges, for IAS 19 purposes, requires a number of financial and demographic assumptions to be made. The principal assumptions used by the actuaries, were:

Principal financial assumptions	2026 %	2025 %	2024 %
Rate of increase in salaries	1.0	1.0	1.0
Career Average Benefits (2011)	3.0	2.9	2.9
Rate of increase in pension payments:			
Old Benefits	3.6	3.4	3.5
New Benefits	3.5	3.3	3.3
Career Average Benefits (2006)	2.3	2.3	2.3
Inflation assumption (RPI)	3.6	3.4	3.5
Inflation assumption (CPI)	3.4	3.2	3.1
Discount rate	6.0	5.8	4.8

The average life expectancy assumptions, for members after retirement at 60 years of age, are as follows:

	2026	2025	2024
Principal demographic assumptions	Number of years	Number of years	Number of years
Retiring today:			
Male	27.0	27.0	27.0
Female	29.0	29.0	29.0
Retiring in 20 years:			
Male	29.0	28.0	29.0
Female	31.0	30.0	31.0

The sensitivities of the scheme's liabilities to changes in the principal assumptions are set out below:

	Assumption used%	Movement	Impact on Scheme assets %	Impact on Scheme liabilities (increase)/ decrease £m
Discount rate	6.0	Decrease/increase 0.1%	1.2/1.2	(141)/138
Retail price inflation rate	3.6	Decrease/increase 0.1%	1.1/1.1	128/(129)
Mortality rate	1.3	Decrease/increase 1 year	3.9/3.8	464/(453)

* A long-term trend of 1.25% for both males and females has been applied to the life expectancy reported above.

Note D6-D7 of the BBC accounts details the actuarial risks relating to the BBC pension scheme, covering investment, currency, counterparty, interest, longevity, inflation and liquidity risk. Level 3 assets are valued in line with industry standard guidelines, including RICS methodology for Property and International Private Equity and Venture Capital guidelines for Private Equity. At 31 March 2025 Direct and Pooled property was valued at £1,354.4m and a 5% reduction would equate to £67.7m.

The details on the fair value of plan assets, risk management strategies, funding arrangements and maturity profile for the scheme assets and liabilities can be found in the BBC annual accounts.

18.3 Local Government Pension Scheme Funded Pension Scheme

A number of ALBs participate in the Local Government Pension Scheme (LGPS) operated by the London Pensions Fund Authority (LPFA).

- BFI
- Sport England
- UK Sport
- Geffrye Museum (Museum of the Home)
- Horniman Public Museum and Public Park Trust
- UK Anti-Doping

The LGPS is a funded defined benefit scheme, benefits are based on final salary and the scheme remains open to existing members for ongoing accrual of benefits.

The scheme is subject to triennial valuations by the consulting actuaries to the LPFA and the latest valuation was at 31 March 2025.

Most of the LPFA's assets have quoted prices in active markets, but there are unquoted property, infrastructure and private equity assets. The property and infrastructure assets are subject to valuation by external valuers.

The details on the fair value of plan assets, risk management strategies, funding arrangements and maturity profile for the scheme assets and liabilities can be found in the individual accounts for each of the bodies that are part of the LPFA.

Arts Council England participate in the Local Government Pension Scheme (LGPS) operated by West Yorkshire Pension Fund.

18.4 British Tourist Authority (BTA) pension schemes

BTA participates in the British Tourist Boards' Pension Scheme (BTBP). The BTBP Scheme is a multi-employer scheme which includes other Tourist Boards. It is a defined benefit final salary pension scheme, which is closed to new entrants from 1 April 2017. BTA also operates an unfunded pension scheme for payments to former Chairs.

BTA's share of the surplus of the funded scheme as at 31 March 2026 is £3.1m (31 March 2025: £5.8m). These figures include the US pension scheme. For the UK pension scheme (BTBP), the surplus at 31 March 2026 is £2.9m (31 March 2025: £5.6m).

BTA also operates defined contribution schemes in other parts of the world, outside of the USA.

18.5 Unfunded pension schemes

The BBC, British Film Institute, British Tourist Authority, UK Sport and Gambling Commission have unfunded pension schemes. For more details on these schemes refer to the published accounts of the individual ALBs (see note 23).

19. Capital, other commitments and lessor arrangements

19.1 Capital commitments

Contracted capital commitments not otherwise included in these financial statements:	31 March 2026		31 March 2025	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Property, plant & equipment	-	186,870	-	84,920
Intangible assets	3,247	5,811	-	1,116
Total	**3,247**	**192,681**	**-**	**86,036**

The Natural History Museum (NHM) is building a new science, digitisation, and collections centre at the University of Reading's Thames Valley Science Park (TVSP). This has resulted in a £77.4m capital commitment in relation to the principal contract for the new building.

19.2 Operating leases as lessor

The group has no material operating lease commitments as lessor.

19.3 Finance leases as lessor

	31 March 2026		31 March 2025	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Not later than one year	-	11,770	-	4,073
Later than one year and not later than five years	-	94,098	-	102,666
Later than five years	-	42,820	-	42,765
Total finance leases as a lessor	**-**	**148,688**	**-**	**149,504**

The most significant elements of commitments as at 31 March 2026 were the British Library totalling £139.2m (31 March 2025: £140.9m).

19.4 Commitments under PFI contracts and other service concession arrangements off-balance sheet (Consolidated Statement of Financial Position)

In 2010, the National Museums Liverpool (NML) entered into a 17-year standard form of PFI contractual arrangement for the provision of energy services and is making quarterly unitary payments over this period for a Combined Heat Power plant that came into use in October 2010. Further details can be found in the NML's accounts.

19.5 Other financial commitments

The group entered into non-cancellable contracts which are not leases, PFI contracts or other service concession arrangements. The payments to which the group are committed as at 31 March 2026, analysed by the period during which the commitments expire, are as follows:

	31 March 2026		31 March 2025	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Not later than one year	-	1,146,893	-	1,172,880
Later than one year and not later than five years	-	2,211,369	-	1,913,415
Later than five years	-	108,433	-	168,683
Total	**-**	**3,466,695**	**-**	**3,254,978**

The BBC as at 31 March 2026 had commitments of £3,064.4m (31 March 2025: £2,994.0m) relating to long term outsourcing contracts including IT support, content distribution and transmission, facilities management and elements of finance support. For the purpose of simplification, a contract threshold of £250,000 has been applied this year. This has not resulted in a material impact on the reported results.

UK Sport Exchequer as at 31 March 2026 had commitments of £333.1m (31 March 2025: £212.3m) relating to grants payable to governing bodies in respect of approved programmes.

20. Contingent assets and liabilities

20.1 Contingent liabilities disclosed under IAS 37

20.1.1 Quantifiable

Lottery Distribution Bodies (LDBs)

At 31 March 2026, the Lottery Distribution Bodies (LDBs) had contingent liabilities relating to future grant payments. The estimated value is £705m (31 March 2025: £670m). The LDBs include British Film Institute, National Lottery Community Fund (formerly Big Lottery Fund), National Lottery Heritage Fund, Sport England, and UK Sport.

The contingent liabilities as at 31 March 2026 relate to potential grant awards that do not satisfy the criteria of being treated as a liability. For more detailed information on contingent liabilities, please refer to the financial statements of the individual LDBs.

The values per LDB are set out in the table below.

Lottery Distribution Body	2025-26 £m	2024-25 £m
Sport England	18	15
UK Sport	140	171
National Lottery Heritage Fund	517	475
National Lottery Community Fund	29	8
British Film Institute	1	1
Total	**705**	**670**

Sport England - Football Association management agreement

In 1979, the Football Association (FA) contributed £0.5m towards the construction of a hostel at Lilleshall National Sports and Conferencing Centre. A management agreement with the FA was entered into by Sport England which enabled the FA to run the Vauxhall School at the Centre which closed in July 1999. The Management Agreement continues to remain in place and at the present time the accommodation is used by the FA's Medical and Education Units. If Sport England were to terminate the agreement at any time before 2039, then a proportion of the £0.5m would fall due to be paid to the FA calculated by the reference to time. It is considered unlikely that the agreement will be terminated by Sport England.

National Lottery Community Fund

Within dormant assets, the National Lottery Community Fund have disclosed a contingent liability of £220.0 million (2024-25: nil) which is in respect of (unsigned) legal agreement amounts owed to designated distributors.

BBC - Pension scheme deficit recovery payments

The BBC have agreed to pay £125.0m into the BBC's defined benefit pension scheme at the earlier of 1 July 2027 and the date on which the 2026 valuation is completed, unless a replacement Schedule of Contributions has been put in place that does not require it. It is not currently possible to determine the likelihood of this payment.

British Library legal disputes

The British Library is involved in a number of ongoing legal claims and potential claims. These are assessed individually and a best-estimate provision is made where the outflow of funds are probable. Where the outflow of funds are not assessed as probable the Library records matters as contingent liabilities. The detail of individual ongoing disputes is not disclosed here as to do so could adversely affect the outcome of those disputes. The total value of quantifiable contingent liabilities relating to disputes at 31 March 2026 was £427k and in addition to this there are 2 disputes which have been assessed as unquantifiable.

20.1.2 Unquantifiable

Group

The British Library - Digital Archive

The British Library has undertaken a project to digitise millions of pages of newspaper from its archive using a commercial partner to take on project costs in return for being able to exploit the new digital archive commercially.

The supplier has warranted in its contract with the Library that use of the digitisations will not infringe copyright, or give rise to any possible action for defamation and has undertaken to cover any liability falling on the library as a result of any such claims (in addition to the cost of defending the action) up to £5m.

DCMS has agreed to underwrite any liability which arises beyond that, for the duration that such claims might arise. It is considered that a claim in excess of £5m would be extremely unlikely but in the event that the liability is called, provision for any payment will be sought through the normal supply procedure

British Tourist Authority – India Subsidiary

There has been historical regulatory non-compliance in connection with BTA's operations in India and its Indian subsidiary VisitBritain Services India Private Limited (VBSIPL) regarding cash collection and a Branch office. There is a likelihood that fines will be issued by the Reserve Bank of India (RBI) for both BTA and VBSIPL, however, there is no certainty over either timing or value. BTA continues to work with its advisors in India to resolve these matters to conclusion in 2026-27.

BBC Indian Tax Survey

The Indian Income Tax Department conducted tax surveys at the offices of BBC Global News India Private Limited, BBC Global News Limited, BBC World Service India Private Limited and BBC Studios India Private Limited in February 2023. The BBC has co-operated in full, and will continue to do so, with all requests made to it, including document and information requests, supported by its external legal and tax advisers. Certain matters arising from the surveys are ongoing. In respect of matters yet to conclude it is not possible at this stage to identify if a liability exists and/or to quantify any such liability with reasonable certainty.

BBC Media Action

BBC Media Action is the BBC's International charity (a private company limited by guarantee and a registered charity) that operates independently of the BBC, with a management team that is answerable to a Board of Directors (more commonly referred to as Trustees). The BBC provides services to the charity, as it does to BBC Children in Need, including the use of property space. UK-based Media Action staff are employed by the BBC and recharged to Media Action. Given the continued challenging external context (including continued costs to US and UK aid budgets) and the environments in which Media Action operates, their income projections to return to pre-COVID-19 levels continue to be slower than anticipated. Media Action's Trustees have developed an ambitious operational plan to allow the charity to return to a sustainable position within the context of the new global funding challenges in their sector. In October 2025 the BBC renewed a 12-month written assurance of support (due for review in October 2026) whilst the operational plan is delivered, In the year BBC paid £1.6 million and committed up to £1.9 million to 2027 to fund new fund-raising teams and overheads whilst they make the changes needed to create a sustainable charity. In year the BBC have also paid £0.2 million for redundancy payments for BBC staff working for Media Action. No further possible outflow as a result of this assurance of support can be estimated at this time.

BBC – Trump US legal claim

In December 2025, President Donald J Trump filed a lawsuit in the United States District Court, Southern District of Florida against (1) the BBC, (2) BBC Studios Distribution Limited, and (3) BBC Studios Productions Limited in respect of an episode of Panorama broadcast on BBC One, BBC Two and BBC iPlayer in October 2024.The claim brings two causes of action: (1) defamation; and (2) violation of the Florida Deceptive and Unfair Trade Practices Act. The claim document states that up to USD $5 billion is claimed for each cause of action. In mid-March 2026, the BBC Defendants filed with the Florida court a motion to dismiss the claim, which includes a challenge to the jurisdiction of the Court. No provision has been made for this at 31 March 2026. Any further disclosure in line with IAS 37 could be seriously prejudicial to the BBC's legal case. If the claim proceeds, a date for trial has been set for February 2027.

National Lottery Community Fund

Within dormant assets for the National Lottery Community Fund, a contingent liability at 31 March 2026 concerning the possible obligation to pay amounts per annum to The Oversight Trust (OST) - Assets for the Common Good (formerly named Big Society Trust) for their administration costs. This possible obligation is as per a signed agreement between OST and the Fund made on 15 December 2025, which is in full force and effective until terminated. Under the previous deed of agreement, the amount was capped and quantifiable, leading to a contingent liability of £4.5m being disclosed in 2024-25. The new agreement reflects the revised spending direction issued by the Secretary of State, stating that the level of funding will be determined by the Fund in consultation with OST each year, and therefore cannot be quantified at this point.

4th National Lottery Licence Legal Challenge

The Gambling Commission has faced legal claims from an unsuccessful bidder, the New Lottery Company (TNLC), in relation to the Fourth National Lottery Licence and subsequent award that was made in February 2024. The DCMS previously disclosed at 31 March 2025 a contingent liability for possible damages resulting from the litigation. At 31 March 2026 litigation had progressed in the High Court with a ruling on 17 April 2026 dismissing all claims against the Gambling Commission. However, given the claimant has requested permission to appeal, a remote contingent liability is disclosed in the accountability report on page 92.

20.2 Contingent assets

Group

Land sales on the Greenwich Peninsula

As the successor body, taking on the remaining property, rights and liabilities of the Millennium Commission on its dissolution in 2006, the Fund is entitled to a share of the proceeds of land sales on the Greenwich Peninsula made by the Greater London Authority once certain costs have been covered. Payments of £21.9m (2024-25 £44.8 million) are now forecast to be received between 2016 and 2040, of which £12.2m has been received by the end of 2025-26. No additional income has been accrued for 2025-26.

Dormant Assets

Under the provisions of the Dormant Assets Acts 2008 to 2022, banks and building societies may pass funds from dormant assets to Reclaim Fund Ltd (RFL), a not-for- profit entity authorised to act as the reclaim fund. RFL transfers funds which it is satisfied are not required to meet future claims from the owners of the dormant account money to the Fund for onward distribution. RFL calculates the liability due to the Fund and recognises this as a creditor, which corresponds to a debtor and related income being accounted for by the Fund. In addition, RFL notes a provisional amount of future income which may be passed to the Fund. The Fund now recognises this as a contingent asset according to IAS 37. RFL has indicated this value is likely to be in the range of £350m to £375m for 2026-27 (2025-26: £142.8m).

British Museum Legacies

7 legacies were bequeathed to the British Museum group (2024-25: 13 legacies). The amount and timing of these payments are uncertain as the museum’s interest is in the residuary estates but is estimated at around £0.3m (2024/25: £1.2m).

Historic England VAT reclaim

Certain transactions of the Historic England group are exempt from VAT and consequently the group is classified as partially exempt. During 2021-22 the group reviewed their agreed partial exemption calculation and as a result proposed to HMRC a change in the treatment of a number of elements of input VAT used to calculate the amount of VAT that can be reclaimed. Depending on any new agreement of the partial exemption calculation agreed with HMRC, this may give rise to a repayment of VAT to the group. This amount cannot be quantified at the current time.

Sir John Soane’s Museum Residuary Request

As at 31 March 2026 the Museum had received notification that it would benefit from a residuary bequest, which represents a contingent asset at the year-end. As at 31 March 2026 the amount that would be received was not known.

Sale of Olympic Park

A contingent asset has been disclosed in relation to the Lottery Distributors entitlement to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675m to the funding of the London 2012 Olympic and Paralympic Games. Due to a number of factors, specifically significant developments in housing policy where the London Plan created a requirement for 50% affordable houses and a combination of macro economic and local factors, the forecast capital receipts from the sale of the land on Queen Elizabeth Olympic Park have dropped significantly. The most recent forecasts from the GLA state that proceeds are likely to be paid from 2030, but will be substantially lower than the £675 million contribution. Given these uncertainties a reliable estimate of a contingent asset cannot currently be made.

21. Related party transactions

Core department

At 31 March 2026, DCMS was the sponsor of the ALBs listed in Note 23. These bodies are regarded as related parties, with which the department has had various material transactions during the year. All of these transactions were conducted in the normal course of business and on an arm's length basis.

The department made a number of material transactions with other government bodies, these are set out below:

- The National Lottery Distribution Fund is maintained under the control and management of the Secretary of State for Culture, Media and Sport. During the year, a number of staff employed by the core department worked on National Lottery Distribution related activities and also used systems owned by the department. These costs were recharged to the fund by the department.
- Transactions with the following other government departments:
    - MHCLG – Section 31 grant to MHCLG to distribute to Local Authorities in relation to PFI Special Grant;
    - DfE - Contribution from Department for Education for the Cultural Education and National Youth Music Organisations programme funding;

Departmental Ministers make specific disclosure of financial interests as required by the Ministerial Code of Conduct. DCMS Non-Executive Board members must declare to the Permanent Secretary any personal or business interest which may, or may be perceived to, influence their judgement as a board member.

Departmental Group

Other than those listed below, no Minister, Board Member, or other related parties have undertaken any material transactions with the group during the year.

Non-Executive Board Members

Claudia Arney is a Non-Executive Director at DCMS and is Chair of the Board at Deliveroo plc, during the year the UK Anti-Doping had £4k of expenditure with Deliveroo plc.

Jude Kelly CBE is a Non-Executive Director at DCMS and is Director of Creative UK Holdings Limited, the company and its subsidiaries received £1.8m of National Lottery funding from the British Film Institute (£1.8m payable at year end) and paid £16k to the same institution.

Executive Board Members

The Permanent Secretary's husband is a Managing Partner and shareholder in CVC Capital Partners. As part of this role, he is a director of New Six Nations Limited, there were no transactions or balances with this entity this year within the group. The department actively manages this conflict via recusals on all policy and Accounting Officer matters relating to rugby union, in relation to which there is an Additional

Accounting Officer for rugby union.

Until April 2025, he was also Director of Away Resorts (a domestic tourism company), which paid the Gambling Commission £4k for licences for the accounting year 2025/26 (£3k receivable at year end, £1k accrued income at year end and £5k deferred income at year end). For the duration of his time as Director, the Department actively managed this conflict via a recusal on all policy and Accounting Officer matters relating to holiday parks. The Permanent Secretary's husband is also a director of the Hargreaves Lansdown Group Limited. During the year Science Museum Group received £13k of income from Hargreaves Lansdown.

Additional transparent reporting from the Permanent Secretary

In the interests of transparency, Susannah Storey would like to voluntarily disclose the following information. This is not required to be disclosed as there have been no transactions with this entity or any of its subsidiaries in 2025-26:

- The Permanent Secretary's mother has ownership of Ash Hole Cavern in Devon which is a scheduled monument designated by Historic England (a DCMS Arm's Length Body). Its scheduling in 1966 precedes Susannah's position as Permanent Secretary and prior appointment as Director General. Any and all grant funding decisions made by Historic England regarding scheduled monuments are made at an arm's length from the government, and the Permanent Secretary has no role in those decisions. This is not required to be disclosed as there have been no transactions with this scheduled monument by Historic England in 2025-26 and this relationship does not meet the definitions from IAS24 'Related Parties Disclosures'.

The Remuneration Report (page 59) contains details of payments made to key personnel.

22. Third-party assets

The core department does not hold significant third-party assets. The group holds, as custodian or trustee, certain assets belonging to third parties. These are not recognised in the accounts, since the group does not have a direct beneficial interest in them. As at 31 March 2026 the NLCF held assets of £5.3m (31 March 2025: £9.6m). These assets represent third party bank balances for whom NLCF manage grant programmes and the National Lottery Promotions Unit to meet payments processed by the Fund under service level contracts.

23. List of bodies within the group

The entities within the group during 2025-26 listed below, comprised the core department, and those bodies included in the Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2025.

The following developments have been noted:

- Birmingham 2022 remains a DCMS group entity while in liquidation; full dissolution is scheduled for June 30, 2026.
- The Independent Football Regulator (IFR) is formally established via Parliament Bill.

Body name	Legal status	Website
Heritage		
The Historic Buildings and Monuments Commission for England (Historic England) *	Statutory Body	www.historicengland.org.uk
National Heritage Memorial Fund (NHMF)[1] *$	Statutory Body	www.nhmf.org.uk
Churches Conservation Trust	Statutory Body and Registered Charity	www.visitchurches.org.uk
Media/Creative Industries		
British Broadcasting Corporation (BBC)[2]	Royal Charter Body	www.bbc.co.uk
S4C (Sianel Pedwar Cymru)[3]	Statutory Body	www.s4c.cymru
British Film Institute *$	Royal Charter Body and Registered Charity	www.bfi.org.uk
Museums and Galleries		
British Museum *	Statutory Body and Exempt Charity	www.britishmuseum.org
Geffrye Museum (Museum of the Home)*	Limited Company and Registered Charity	www.museumofthehome.org.uk
Horniman Public Museum and Public Park Trust *	Limited Company and Registered Charity	www.horniman.ac.uk
Imperial War Museum *	Statutory Body and Exempt Charity	www.iwm.org.uk
National Gallery *	Statutory Body and Exempt Charity	www.nationalgallery.org.uk
National Museums Liverpool *	Statutory Body and Exempt Charity	www.liverpoolmuseums.org.uk
National Portrait Gallery *	Statutory Body and Exempt Charity	www.npg.org.uk
Royal Armouries Museum *	Statutory Body and Exempt Charity	www.royalarmouries.org
National Maritime Museum (Royal Museums Greenwich) *	Statutory Body and Exempt Charity	www.rmg.co.uk
Science Museum Group *	Statutory Body and Exempt Charity	www.sciencemuseum.org.uk
Sir John Soane's Museum *	Registered Charity	www.soane.org
Tate Gallery (Tate) *	Statutory Body and Exempt Charity	www.tate.org.uk
Victoria and Albert Museum *	Statutory Body and Exempt Charity	www.vam.ac.uk
Wallace Collection *	Statutory Body and Exempt Charity	www.wallacecollection.org
Natural History Museum *	Statutory Body and Exempt Charity	www.nhm.ac.uk
Sport		
UK Anti-Doping[4] *	Limited Company	www.ukad.org.uk
Birmingham Organising Committee for the 2022 Commonwealth Games (Birmingham 2022)[5]	Limited Company	www.birmingham2022.com
The English Sports Council (Sport England) *$	Royal Charter Body	www.sportengland.org
The United Kingdom Sports Council (UK Sport) *$	Royal Charter Body	www.uksport.gov.uk
Sports Grounds Safety Authority *	Statutory Body	www.sgsa.org.uk
Independent Football Regulator *	Statutory Body	www.footballregulator.org.uk
Tourism		
British Tourist Authority (operating as VisitBritain * and VisitEngland *)	Statutory Body	www.visitbritain.org
Gambling		
Gambling Commission *	Statutory Body	www.gamblingcommission.gov.uk
Horserace Betting Levy Board *	Statutory Body	www.hblb.org.uk
Arts and Libraries		
Arts Council England *$	Royal Charter Body and Registered Charity	www.artscouncil.org.uk
British Library *	Statutory Body and Exempt Charity	www.bl.uk
Civil Society		
Big Lottery Fund (operating as National Lottery Community Fund)*	Statutory Body	www.tnlcommunityfund.org.uk
National Citizen Service Trust	Royal Charter Body	www.ncsyes.co.uk
Cultural Property		
Reviewing Committee on the Export of Works of Art and Objects of Cultural Interest †	Committee funded by the department	www.artscouncil.org.uk/supporting-arts-museums-and-libraries/supporting-collections-and-cultural-property/reviewing-committee-0
Treasure Valuation Committee †	Committee funded by the department	www.gov.uk/government/organisations/treasure-valuation-committee

* Executive NDPBs per Cabinet Office's Public Bodies 2024 report
† Advisory NDPBs per Cabinet Office's Public Bodies 2024 report
$ These bodies also produce a lottery distribution account

Nine public bodies – classified or expected to be classified by Office for National Statistics to central government and sponsored by DCMS – have been consolidated into the 2025-26 DCMS group accounts at a summary level on the grounds of materiality rather than on a line-by-line basis (eight public bodies in the 2024-25 DCMS group accounts). These are the Churches Conservation Trust (CCT), Sports Grounds Safety Authority (SGSA), Horniman Public Museum and Public Park Trust (HMM), Independent Football Regulator (IFR), Royal Armouries Museum (RAM), Sir John Soane's Museum (SJS), Wallace Collection (WCO), UK Anti-Doping (UKAD) and Geffrye Museum (Museum of the Home) (GFF).

Notes:

1. NHMF carries out its lottery distribution activities as the National Lottery Heritage Fund.

2. The BBC is governed by Royal Charter and an associated Framework Agreement with Government. The Charter and Agreement set out the BBC's accountability to Parliament for use of the public money it receives whilst at the same time preserving the BBC's independence on editorial policy and programming. The definition of the BBC as consolidated in these accounts is provided in note 1.3 (Basis of Consolidation).

3. S4C is a statutory corporation, and the Welsh Fourth Channel Authority (Awdurdod Sianel Pedwar Cymru) is responsible for S4C's strategic policy and for ensuring the fulfilment of its statutory functions.

4. United Kingdom Anti-Doping Limited and Birmingham 2022 are companies limited by guarantee of which the Secretary of State for Culture, Media and Sport is the sole member.

23.1 Bodies excluded from the boundary

The public sector bodies that are outside the departmental accounting boundary, and for which the department had lead policy responsibility during the year, are listed below together with their status.

23.1.1 Non-ministerial government departments

Non-ministerial government departments are not consolidated within the group accounts.

- The Charity Commission for England and Wales. The Charity Commission's annual report and accounts can be found at https://www.gov.uk/government/publications/charity-commission-annual-report-and-accounts-2024-to-2025
- The National Archives. The National Archives annual report and accounts can be found at https://www.gov.uk/government/publications/the-national-archives-annual-report-and-accounts-2024-25

23.1.2 Public Corporations sponsored by DCMS

Public corporations, as defined by the Office for National Statistics, are market bodies that derive more than 50% of their income from the sale of goods and services and they have substantial day to day operating independence:

- Channel Four Television Corporation*
- Historic Royal Palaces*
- The Royal Parks Limited*

*Since the department has no financial asset in these public corporations, they are not recognised as financial investments in the group accounts.

In addition, a large number of bodies within the departmental accounting boundary have subsidiaries that are trading companies which are, or we expect would be, classified as public corporations.

23.1.3 National Lottery Distribution Fund

The department is responsible for the operation of a lottery fund which is separately accounted for and is not consolidated in these accounts. The accounts can be found at https://www.gov.uk/government/publications/national-lottery-distribution-fund-annual-report-and-accounts-2025-to-2026.

24. Events after the reporting period

In accordance with the requirements of *IAS 10 Events after the Reporting Period*, post year end events 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.

At 31 March 2025, a contingent liability was recognised for ongoing litigation from an unsuccessful bidder for the Fourth National Lottery Licence. A court judgement in favour of the Gambling Commission and subsequent request for permission to appeal made after year-end provide additional evidence in respect of the obligation existing at the reporting date; therefore, the contingent liability has been reassessed as a remote contingent liability (see page 92).

As a further outcome of the judgment, the Gambling Commission was awarded its legal costs of £17m, which will be returned to good causes once all legal proceedings have been finalised. This settlement represents a non-adjusting event under IAS 10 and therefore an asset has not been reflected on the SOFP.

Changes to the Executive Team

Polly Payne and Ruth Hannant, (Job share) Directors General for Culture, Sport and Civil Society, left the role on the 5 June 2026.

ANNEXES

Annex A – Core tables

These Tables present actual expenditure by the department for the years 2021-22 to 2025-26 and planned expenditure for the years 2026-27 to 2027-28 (derived from the Spending Review and subsequent fiscal events). The data relates to the department’s expenditure on an Estimate and budgeting basis.

The format of the tables is determined by HM Treasury, and the disclosure in Tables 1 and 2 follow that of the Supply Estimate functions.

All years have been restated for the effect of Machinery of Government changes and other restatements.

Table 1 Public spending – summarises expenditure on functions administered by the department. Consumption of resources includes Departmental Expenditure Limits (DEL) for administration, programme and capital costs, and Annually Managed Expenditure (AME) both Voted and Non-Voted expenditure. The figures are derived from the OSCAR database and the mappings replicate the lines in SOPS note 1.

Table 2 Administration budgets – provides a more detailed analysis of the administration costs of the department. It retains the high level functional analysis used in Table 1. The figures are derived from the OSCAR database and the mappings replicate the lines in SOPS note 1.

Table 1 – Public spending

Resource DEL (£'000s)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans
Support for the Museums and Galleries sector	20,079	21,407	32,349	27,974	29,304	21,587	21,587
Museums and Galleries sponsored ALBs (net)	389,798	420,273	419,384	437,183	468,375	344,713	344,713
Libraries sponsored ALBs (net)	104,898	123,656	127,565	76,163	155,616	104,778	104,778
Support for the Arts sector [1]	(51,512)	(66,522)	(100,856)	(93,805)	(98,160)	(54,927)	(54,927)
Arts and culture ALBs (net) [2]	610,447	481,986	485,000	496,250	524,614	485,387	485,387
Support for the Sports sector [3]	54,985	24,517	(8,529)	66,847	18,881	49,398	49,398
Sport sponsored ALBs (net)	151,001	167,963	189,366	178,952	201,384	188,089	188,089
Ceremonial and support for the Heritage sector [4]	41,726	106,557	96,988	62,369	60,345	25,318	25,318
Heritage sponsored ALBs (net) [5]	109,247	79,767	87,722	79,965	84,758	68,019	68,019
Support for the Tourism sector	-	-	-	1,662	453	3,718	3,718
Tourism sponsored ALBs (net)	49,078	52,283	50,587	49,636	46,484	31,766	31,766
Support for the Digital, Broadcasting and Media sector [6]	113,936	98,953	13,984	14,938	18,118	50,853	50,653
Broadcasting and Media sponsored ALBs (net)	59,407	24,430	28,627	37,897	37,195	20,976	20,976
Administration and Research	93,277	156,214	94,381	111,105	119,370	152,320	212,420
Support for Horseracing and the Gambling sector [7]	(26,790)	(21,817)	(14,440)	(28,782)	(27,804)	(17,250)	(17,250)
Gambling Commission (net)	24,569	14,867	13,670	32,320	(185,503)	23,250	23,250
Olympics - legacy programmes [8]	(14)	-	(10)	-	-	-	-
Civil Society and Youth	31,862	47,973	129,522	68,816	57,750	83,486	83,486
National Citizen Service	71,086	73,587	47,004	50,109	631	-	-
Birmingham 2022 and Festival 2022 (net) [9]	146,242	304,319	-	-	-	-	-
Building Digital UK [10]		30,956	-	-	-	-	-
Total Resource DEL	**1,993,322**	**2,141,369**	**1,692,314**	**1,669,599**	**1,511,811**	**1,581,481**	**1,641,381**
Of which:							
Staff costs [11]	814,545	868,871	663,071	708,674	738,065	[]	[]
Purchase of goods and services [12]	835,485	1,248,695	645,922	640,265	634,952	[]	[]
Income from sales of goods and services [13]	(37,840)	(134,732)	(44,505)	(44,360)	(42,287)	(44,236)	(45,911)
Current grants to local government (net) [14]	82,311	79,175	119,770	142,754	96,036	100,462	104,267
Current grants to persons and non-profit (net) [14]	739,105	617,414	706,652	654,202	659,793	690,199	716,341
Current grants abroad (net) [14]	444	274	1,367	1,300	1,805	1,888	1,960
Subsidies to public corporations	10,146	4,292	1,542	1,575	8,175	8,552	8,876
Net public service pensions	6,846	7,152	5,944	4,076	3,134	3,278	3,402
Rentals	9,149	2,221	1,945	1,419	6,470	6,768	7,024
Depreciation [15]	206,844	160,173	183,761	176,028	208,781	-	-
Take up of provisions	9,828	29,557	(49,874)	(24,134)	(21,108)	(22,081)	(22,917)
Unwinding of discount rate on pension scheme liabilities [16]	1,225	1,172	450	469	561	587	610
Other resource	(684,766)	(742,895)	(543,731)	(592,669)	(782,566)	(600,227)	(622,963)

Resource AME (£'000s)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans
British Broadcasting Corporation (net) [17]	3,626,012	3,690,084	3,471,162	3,699,116	3,949,534	4,743,451	4,267,798
Provisions, Impairments and other AME spend [18]	5,732	57,675	(2,150)	(600)	-	72,879	278,197
Levy bodies [19]	11,094	498	(12,861)	(13,875)	(4,537)	-	-
S4C (net)	-	88,726	94,580	89,759	90,938	1,992	-
Provisions, Impairments and other AME spend (ALB) (net) [24]	-	-	51,711	43,436	39,176	266,244	61,874
Lottery Grants [20]	1,618,333	1,426,605	1,191,849	1,152,620	1,485,100	2,029,409	1,568,486
Total Resource AME	**5,261,171**	**5,263,588**	**4,794,291**	**4,970,456**	**5,560,211**	**7,113,975**	**6,176,355**
Of which:							
Staff costs [21]	1,261,796	1,218,378	1,284,284	1,412,839	1,414,254	[]	[]
Purchase of goods and services	2,511,256	2,816,900	2,747,054	2,790,058	2,928,499	[]	[]
Income from sales of goods and services	(105,053)	(116,000)	(137,000)	(144,000)	(134,940)	(446,197)	(446,197)
Current grants to local government (net)	71,141	33,003	29,881	49,405	49,805	43,496	43,496
Current grants to persons and non-profit (net)	1,578,371	1,391,196	1,280,787	1,194,470	1,462,560	2,004,712	1,541,901
Subsidies to public corporations	2,342	12,578	500		4,000	-	-
Net public service pensions	(6,846)	(7,152)	(5,944)	(4,076)	(3,134)	-	-
Rentals	(93,877)	(116,647)	(98,770)	(89,007)	(85,230)	(17,989)	(17,989)
Depreciation [25]	168,002	184,604	252,658	201,078	251,313	467,200	474,896
Take up of provisions	17,046	152,497	47,147	110,282	75,791	43,232	43,232
Release of provision	-	-	-	-	-	(768)	(768)
Change in pension scheme liabilities [22]	234,483	185,966	107,606	85,873	71,533	-	-
Unwinding of discount rate on pension scheme liab [22]	9,209	(21,695)	(27,968)	9,094	(47,619)	-	-
Release of provisions covering pension benefits [22]	-	-	-	-	-	16,647	1,967
Other resource	(386,699)	(470,040)	(685,944)	(645,560)	(426,621)	(221,452)	(218,413)
Total Resource Budget [23]	**7,254,493**	**7,404,957**	**6,486,605**	**6,640,055**	**7,072,022**	**8,695,456**	**7,817,736**
Of which:							
Depreciation [25]	**374,846**	**344,777**	**436,419**	**377,106**	**460,094**	**467,200**	**474,896**

Capital DEL (£'000s) [26])	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans
Support for the Museums and Galleries sector	2	304	2,217	343	249	4,538	4,538
Museums and Galleries sponsored ALBs (net) [27]	115,948	211,370	181,121	197,048	212,616	284,541	284,541
Libraries sponsored ALBs (net) [28]	7,144	12,485	28,248	(73,602)	47,938	19,803	19,803
Support for the Arts sector	3,445	(1,344)	(5,887)	(36,657)	(11,449)	124,934	124,934
Arts and culture ALBs (net)	70,689	60,586	65,948	86,554	142,783	45,916	45,916
Support for the Sports sector [29]	105,551	9,167	5,180	11,640	4,436	100,000	100,000
Sport sponsored ALBs (net)	57,282	92,620	144,861	125,743	104,416	23,299	23,299
Ceremonial and support for the Heritage sector [30]	5,460	10,484	1,061	866	18,928	53,377	53,377
Heritage sponsored ALBs (net) [31]	147,113	58,504	69,855	33,043	51,826	22,947	22,947
Support for the Tourism sector	-	-	-	-	1,791	-	-
Tourism sponsored ALBs (net)	1,343	2,244	2,469	2,912	2,098	1,016	1,016
Support for the Digital, Broadcasting and Media sector [32]	152,577	71,374	3,552	9,495	9,601	100	100
Broadcasting and Media sponsored ALBs (net)	17,640	12,618	2,232	7,237	3,373	3,790	3,790
Administration and Research	(10,878)	4,635	(14,546)	3,717	8,991	27,668	24,925
Gambling Commission (net)	265	317	529	536	3,170	1,000	1,000
Olympics - legacy programmes [33]	(27,350)	8,558	332	-	-	-	-
Civil Society and Youth [34]	6,543	40	43,087	157,342	74,222	39,321	39,321
National Citizen Service		(2,060)	-	9	-	-	-
Birmingham 2022 and Festival 2022 (net)	1,601	44,326	-	-	-	-	-
Total Capital DEL	**654,375**	**596,228**	**530,259**	**526,226**	**674,989**	**752,250**	**749,507**
Of which:							
Staff costs [35]	13,220	17,931	14,035	14,479	17,808	[]	[]
Purchase of goods and services	9,471	28,874	11,952	11,801	13,365	[]	[]
Income from sales of goods and services	(4,991)	(7,334)	(11,981)	(6,585)	(7,823)	(8,718)	(8,687)
Current grants to persons & non-profit (net)	8,187	7,424	7,491	-	-	-	-
Subsidies to private sector companies	-	-	-	-	-	-	-
Capital support for local government (net)	313	367	3,398	145	18	20	20
Capital grants to persons & non-profit (net) [36]	99,753	39,483	92,935	53,327	47,214	52,618	52,426
Capital grants to private sector companies (net)	105,270	74,574	(159,523)	(838,997)	172,959	192,756	192,053
Capital grants abroad (net)	92,224	94,924	66,803	164,928	96,862	107,949	107,555
Capital support for public corporations	21,310	(2,443)	(2,588)	73	(3,159)	(3,521)	(3,508)
Purchase of assets [37]	264,791	274,141	554,969	1,294,681	397,824	443,360	441,745
Income from sales of assets [38]	(30,582)	(21,045)	(38,224)	(122,422)	(16,366)	(18,239)	(18,173)
Net lending to the private sector and abroad	91,298	93,636	4,165	(1,159)	(29,416)	-	-
Take up of provisions	-	-	-	-	-	-	-
Other capital	(15,889)	(4,304)	(13,173)	(44,045)	(14,297)	(48,716)	(48,538)

Capital AME (£'000s)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans
British Broadcasting Corporation (net) [39]	167,193	271,074	458,486	191,126	4,476	414,951	538,380
Channel Four Television [40]	(76,296)	(864)	39,129	(37,525)	60,655	200,000	200,000
Provisions, Impairments and other AME spend	-	-	-	-	-	-	-
Levy bodies [41]	(21,878)	(8,257)	(571)	983	5,978	-	-
S4C (net)		112	22	264	144	-	-
Provisions, Impairments and other AME spend (ALB) (net)	-	-	-	8	-	-	-
Lottery Grants	188,739	221,353	384,751	318,900	395,847	444,925	454,194
Total Capital AME	**257,758**	**483,418**	**881,817**	**473,756**	**467,100**	**1,059,876**	**1,192,574**
Of which:							
Staff costs [42]	12,942	17,207	17,576	16,392	13,095	[]	[]
Purchase of goods and services	2,226	3,587	3,146	3,353	3,194	[]	[]
Income from sales of goods and services	(2,947)	(3,387)	(2,801)	(2,488)	(2,373)	(3,289)	(3,289)
Capital support for local government (net) [43]	32,711	37,490	120,479	47,016	78,939	126,628	126,628
Capital grants to persons & non-profit (net)	123,173	151,818	238,190	243,078	284,362	286,878	300,557
Capital support for public corporations [44]	4,686	127,781	344,817	9,246	(84,903)	435,527	558,956
Purchase of assets	99,015	154,201	147,156	208,488	143,994	157,810	157,800
Release of provision	(21,520)	(7,980)	(302)	(581)	17	-	-
Income from sales of assets	(24,470)	(29,010)	(8,430)	(80,976)	(7,507)	761	761
Net lending to the private sector and abroad	15,510	13,644	8,701	13,002	11,111	14,236	9,836
Other capital	16,432	18,067	13,285	17,226	27,171	16,992	16,992
Total Capital Budget [45]	**912,133**	**1,079,646**	**1,412,076**	**999,982**	**1,142,089**	**1,812,126**	**1,942,081**

Capital AME (£'000s)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans
Total Departmental Spending [46]	**7,791,780**	**8,139,826**	**7,462,262**	**7,262,931**	**7,754,017**	**10,040,382**	**9,284,921**
Of which:							
Total DEL [47]	2,440,853	2,577,424	2,038,812	2,019,797	1,978,019	2,333,731	2,390,888
Total AME [48]	5,350,927	5,562,402	5,423,450	5,243,134	5,775,998	7,706,651	6,894,033

Notes:

Resource DEL

1. Support for the Arts Sector. The income relates to contributions from the Department for Education towards the cost of Music Hubs and other programmes managed by Arts Council England. The increased levels of income in 2023-24 and 2024-25 are due to increased transfers from the Department for Education for these programmes.

2. Arts and culture ALBs reflects higher levels of expenditure in 2021-22 due to the Cultural Recovery Fund announced in response to the COVID-19 pandemic.

3. Support for the Sports sector shows an increase in expenditure in 2021-22 mainly due to Expected Credit Loss adjustments resulting from Sports Sector Covid Recovery Loans and additional expenditure relating to Major Sporting Events.

4. The ceremonial spend increased in 2022-23 and 2023-24 due to The Queen's Funeral and the Platinum Jubilee.

5. Heritage sponsored ALBs reflects higher levels of expenditure in 2021-22 due to the Cultural Recovery Fund announced in response to the COVID-19 pandemic.

6. Support for Digital, Broadcasting and Media - The decrease in 2022-23 plans relates to Building Digital UK being accounted for under its own estimate heading following the organisation's transition

to Executive Agency status in 2022-23.

7. Support for the Horseracing and Gambling Sector, and the Gambling Commission. The National Lottery Commission and the subsequent income it receives is recorded on a year by year basis.

8. Olympics legacy relates to the staging of the Olympic and Paralympic games 2012. This includes income from the sale of the Olympic Village, residual costs and final settlements with the Greater London Authority (GLA) and Olympic Lottery Distribution Fund (OLDF).

9. On 1 February 2019, the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd was set up as an Arm's Length Body. The increase from 2020-21 reflects the step up in activity relating to the 2022 Commonwealth Games.

10. Building Digital UK planned expenditure in 2022-23 has been moved from the Support for the Digital, Broadcasting and Media sector heading following the organisation's transition to Executive Agency status in 2022-23

11. Figures for Plans for staff costs and purchase of goods and services are redacted to avoid publishing any assumptions about future price or pay movements.

12. The movements in outturn expenditure are included within the expenditure notes to the accounts.

13. The movements in outturn income are included within the income notes to the accounts.

14. The movements in grant expenditure are included within the grant expenditure notes to the accounts.

15. Depreciation includes impairments. The plans for 2026-27 and 2027-28 exclude RDEL depreciation in line with changes to the budget classifications taking effect in 2026-27.

16. Pension schemes report under IAS 19 Employee Benefits accounting requirements. These figures, therefore, include cash payments made and contributions received, as well as certain non-cash items.

Resource AME

17. BBC Commercial Limited and its holding companies have been consolidated in these accounts.

18. Provisions, Impairments and other AME spend - The decrease in 2021-22 is due to unanticipated depreciation, revaluation and provision movements.

19. Levy Expenditure is only recorded at year end via the annual accounts, hence no forward plans data.

20. The group accounts exclude the Devolved Administrations.

21. Figures for Plans for staff costs and purchase of goods and services are redacted to avoid publishing any assumptions about future price or pay movements.

22. Pension schemes report under IAS 19 Employee Benefits accounting requirements. These figures, therefore, include cash payments made and contributions received, as well as certain non-cash items.

23. Total Resource Budget is the sum of the Resource DEL budget and the Resource AME budget, including depreciation.

24. The increase in Provisions, Impairments and other AME spend (ALB) (net) for 2023-24 relates to BBC increased provisions.

25. Depreciation includes impairments. The plans for 2026-27 and 2027-28 include increases in RAME depreciation in line with changes to the budget classifications taking effect in 2026-27.

Capital DEL

26. Capital expenditures vary year on year and can lead to large fluctuations year on year dependent on additions and purchases, modifications of leases and movements and plans for commercial borrowings.

27. Museums and Galleries Sponsored ALBs were allocated additional Capital funding for 2016-17 in the Spending Review 2015, with reserves access granted to them as part of the new Museums Freedoms programme. The Museums Freedoms Reserves can only be accessed at the Supplementary Estimate stage and so are not yet incorporated in funding data for 2025-26. The increase since 2021-22 relates to additional funding for the Public Bodies Infrastructure Fund and other Museums and Galleries ALB capital expenditure.

28. Libraries sponsored ALBs increased expenditure in 2022-23 relates to the British Library Leeds and Boston Spa project.

29. Support for the Sports sector reflects higher levels of expenditure in 2021-22 due to Sports Sector loans packages announced in response to the COVID-19 pandemic.

30. The ceremonial spend increased in the 2022-23 due to The Queen’s Funeral and the Platinum Jubilee.

31. Heritage sponsored reflects higher levels of expenditure in 2021-22 due to Cultural Sectors Support Package announced in response to the COVID-19 pandemic, transfer of funding to support grants distribution of the Green Recovery Fund and step up in planned activity for the High-Street Heritage Action Zones programme.

32. Support for Digital, Broadcasting and Media - 2021-22 outturn is higher than subsequent years due to programmes stepping up to full delivery and funding reprofiled from previous years.

33. Olympics legacy programmes relate to the staging of the Olympic and Paralympic games 2012. This includes income from the sale of the Olympic Village, residual costs and final settlements with the Greater London Authority and Olympic Lottery Distribution Fund.

34. Civil Society and Youth- The increase in 2022-23 plans relates to additional funding provided for the Youth Investment Fund.

35. Figures for Plans for staff costs and purchase of goods and services are redacted to avoid publishing any assumptions about future price or pay movements.

36. The significant increase in capital grants to persons & non-profit (net) in 2024-25 is mostly due to the British Museum’s acquisition of Chinese ceramics.

37. The significant increase in purchase of assets in 2024-25 is mostly due to the British Museum’s acquisition of Chinese ceramics.

38. Income from sales of assets increased in 2024-25 mostly due to profit on disposal relating to the British Library’s St Pancras lease.

Capital AME

39. BBC capital expenditure is net of property disposals. BBC Commercial Limited and its holding companies are consolidated in these accounts. The planned increase in 2022-23 is mainly due to continued expenditure on major strategic investments, renewals and new leases.

40. This AME expenditure represents cover for commercial borrowings. In 2021-22 the negative outturn relates to a credit repayment in relation to Channel 4’s credit facility.

41. Levy Expenditure is only recorded at year end via the annual accounts, so there is no forward plans

data.

42. Figures for Plans for staff costs and purchase of goods and services are redacted to avoid publishing any assumptions about future price or pay movements.

43. Capital support for local government (net) decreased in 2024-25 due to distribution of lottery grants which varies year on year.

44. Capital support for public corporations decreased in 2024-25 due to the level of required borrowing for BBC and Channel Four which varies year on year.

45. Total Capital Budget is the sum of the Capital DEL budget and the Capital AME budget.

46. Total Departmental Spending is the sum of the resource budget and the capital budget less depreciation.

47. Total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL.

48. Total AME is the sum of the resource budget AME and the capital budget AME less depreciation in AME.

Table 2 – Administration budgets

Resource DEL (£'000s)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Outturn	**Outturn**	**Outturn**	**Outturn**	**Outturn**	**Plans**	**Plans**
Libraries sponsored ALBs (net)	7,936	7,490	7,260	6,889	7,378	7,540	7,540
Support for the Arts sector	(674)	(765)	(3,122)	(1,568)	(1,487)	(1,582)	(1,582)
Arts and culture ALBs (net)	24,311	23,273	20,135	21,506	27,788	18,222	18,222
Sport sponsored ALBs (net)	17,532	18,058	15,172	15,882	16,693	13,889	13,889
Ceremonial and support for the Heritage sector	617	1,052	640	943	878	1,800	1,800
Heritage sponsored ALBs (net)	23,464	20,095	17,733	17,968	26,899	16,481	16,481
Tourism sponsored ALBs (net)	27,374	28,401	29,335	29,743	31,330	28,578	28,578
Support for the Digital, Broadcasting and Media sector	10,301	6,683	2	(40)	86	200	-
Broadcasting and Media sponsored ALBs (net)	11,431	15,547				-	-
Administration and Research	92,628	151,164	102,187	106,739	116,672	134,137	124,325
National Citizen Service	10,033	11,827	4,668	5,259	631	-	-
Total Administration Budget	**224,953**	**282,825**	**194,010**	**203,321**	**226,868**	**219,265**	**209,253**
Of which:							
Staff costs [1]	223,363	233,079	129,687	137,786	150,001	[]	[]
Purchase of goods and services	86,922	107,196	89,517	81,850	78,939	[]	[]
Income from sales of goods and services	(11,370)	(19,343)	(21,098)	(19,528)	(16,470)	(15,918)	(15,191)
Current grants to local government (net)	(115)	(98)	(160)	(245)	(208)	(201)	(192)
Current grants to persons and non-profit (net)	2,713	875	3,601	6,100	3,516	3,398	3,243
Net public service pensions	510	1,217	362	850	265	256	244
Rentals	6,616	3,438	723	212	1,850	1,788	1,706
Depreciation	21,986	25,904	16,485	12,031	19,125	-	-
Unwinding of discount rate on pension scheme liab	248	347	278	388	354	342	327
Take up of provisions	1,102	4,066				-	-
Other resource	(107,022)	(73,856)	(25,385)	(16,123)	(10,504)	8,332	7,952

Notes:

1. Figures for Plans for staff costs and purchase of goods and services are redacted to avoid publishing any assumptions about future price or pay movements.

Annex B – Sustainability Reporting

The Department's sustainability report has been prepared in line with the requirements under the Greening Government Commitments. The tables below demonstrate our continuing commitment to sustainable development. We plan to reduce our use of materials and energy, minimise waste and water use and increase sustainable procurement to minimise our carbon footprint.

Table A – 2025-26 Performance against 2017-18 Baseline *

	2025 Government target	Position as at 31 March 2026
Greenhouse gas emissions	Reduce from Baseline	28% reduction
Waste	15% Reduction	2% reduction**
Water	8% reduction	13% reduction
Paper	50% reduction	76% reduction
Government Fleet Commitment	25% categorised as ultra-low emission vehicles	44%

*The Baseline includes only figures now in scope of the sustainability reporting requirements of 500 full time equivalent (FTE) staff or over £500m in operating income or grant funding.

**This is predominantly relating to the Science Museum Group relating major mineral waste for construction. If the waste from this one-off construction was excluded the total waste would be 3,624 tonnes, with a 35% reduction on 2017-18 baseline and exceeding the Greening Government Commitment target as a result.

Commentary relating to the Department's current year performance is provided below.

DCMS can report that it has met four out of the five baseline performance targets for the financial year ending 31 March 2026. The waste target has been impacted by residual waste from one-off construction projects at the Science Museum Group. Excluding this one-off waste when comparing against the baseline means that DCMS will have met all five Greening Government Commitment targets.

The Department has continued to meet its target with respect to reducing carbon emissions.

Figures on building emissions (electricity, waste and water consumption) for the core department are reported as a percentage of the total figures for 100 Parliament Street and other GPA held buildings based on allocated seating in the building. The figures exclude data for our Manchester office.

As DCMS' data are indicative only statistics derived from the above exercises and may not accurately represent the Department activities as DCMS does not have control over the building wide activities of other departments based at 100 Parliament Street.

The core department pays a fixed prices for GPA facilities and therefore cost are estimates.

DCMS are committed to the removal of Consumer Single Use Plastics from the group estate. We have been working closely with our supply chain to maintain and monitor the removal of items such as plastic cups, drink stirrers, plastic sauce sachets and cutlery, working to ensure biodegradable alternatives are used.

Restatement of prior year figures

DCMS have restated the prior year, as a result of the new scoping requirements which are for entities with more than with over 500 full time equivalent (FTE) staff or over £500m in operating income or grant funding. There are 12 entities whose figures are included within this return alongside DCMS core, these are Arts Council England, British Film Institute, British Library, British Museum, Historic England, Natural History Museum, National Lottery Community Fund, National Maritime Museum, Science Museum Group, Tate Gallery, UK Sport and Victoria and Albert Museum. The BBC is not included within the group figures. Please BBC accounts for sustainability information.

Table 1 - Greenhouse gas emissions

			2025-26		2024-25		2023-24		2022-23	
			Core department	Group	Core department	Group (restated)	Core department	Group (restated)	Core department	Group (restated)
Scope 1 - Direct GHG emissions (tCO2e)	**Total gross emissions: Scope 1**			**19,155**	**-**	**20,065**	**-**	**17,398**	**-**	**18,742**
	Emissions from:	Gas		18,454	-	19,620		16,452	-	17,976
		Oil		93	-	59		547	-	519
		Fuel (including LPG)		129	-	59		41	-	84
		Other		479	-	327		358	-	163
Scope 2 - Energy indirect emissions (tCO2e)	**Total gross emissions: Scope 2 from electricity (tCO2e)**		**260**	**19,329**	**260**	**21,434**	**196**	**22,706**	**332**	**23,535**
Scope 1 & Scope 2 (kWh)	**Total Electricity**		**1,869,709**	**93,561,072**	**1,154,034**	**112,085,971**	**930,785**	**110,110,241**	**1,198,561**	**109,792,638**
	Electricity	Renewable	1,869,534	34,600,735	-	30,287,800		34,735,065	-	37,455,519
		Non-Renewable	175	58,960,337	1,154,034	81,798,171	930,785	75,375,176	1,198,561	72,337,119
	Gas		1,222,318	91,633,736	1,027,754	108,546,957	856,189	91,837,787	756,471	103,542,780
	LPG			108,155	-	85,421		133,549	-	254,103
	Other			9,277,167	-	4,543,685		12,115,622	-	1,754,467
Scope 1 & Scope 2 (£)	**Expenditure on energy**		**519,094**	**29,246,864**	**366,282**	**32,137,129**	**300,000**	**34,008,855**	**15,621**	**24,751,904**
	Expenditure on accredited offsets			**-**		**-**		**-**	**-**	**6,289**
Non-Financial Indicators (tonnes)	**Total waste disposed**		**68**	**5,479**	**17**	**5,672**	**33**	**10,914**	**20**	**5,870**
	Hazardous waste disposed			22	-	6		12		1,081
	Non-hazardous waste disposed WASTE	Landfill	24	361	-	751		4,889		440
		Recycled	37	3,107	13	3,165	21	3,264	13	2,475
		ICT waste recycled, reused and recovered (externally)		32	-	9		185		17
		Composted	7	381	4	366	2	413		270
		Incinerated with energy recovery		1,332	-	1,199	10	1,948	7	1,378
		Incinerated without energy recovery		244	-	176		203	-	209

Table 2 - Waste

			2025-26		2024-25		2023-24		2022-23	
			Core department	Group	Core department	Group (restated)	Core department	Group (restated)	Core department	Group (restated)
Financial Indicators (£)	**Total waste disposal cost**		**8,204**	**846,579**	**2,085**	**849,996**	**4,000**	**762,745**	**813**	**634,122**
	Hazardous waste[1 2]			26,871		16,738		10,223	-	11,336
	Non-hazardous waste disposal cost	Landfill	2,931	14,732		113,350		82,495	813	6,136
		Recycled	4,424	476,956	1,886	378,132	3,000	342,258	-	257,235
		ICT waste recycled, reused and recovered (externally)		741		1,175		2,315	-	3,125
		Composted	848	60,251	199	65,321		64,203	-	46,458
		Incinerated with energy recovery		247,215		258,791	1,000	242,437	-	272,860
		Incinerated without energy recovery		19,812		16,489		18,814	-	36,972

Table 3 - FINITE RESOURCE CONSUMPTION

			2025-26		2024-25		2023-24		2022-23	
			Core department	Group	Core department	Group (restated)	Core department	Group (restated)	Core department	Group (restated)
Non-Financial Indicators (m3) ('000 m3)	Water consumption	Supplied	4,155	369,954	3,525	248,043	1,983	267,533	2,801	207,147
	(Office estate)	Abstracted		1,965	-	8,536		596	-	26,274
		Collected		1,317	-	-		50,800	-	-
	Water consumption	Supplied		145,711	-	285,816		283,639	-	283,924
	(Non-office Estate)	Abstracted		8,876	-	13,058		8,922	-	-
		Collected		173	-	-		-	-	-
Financial Indicators (£)	Water Supply costs (Office estate)		15,505	1,197,352	13,154	741,432	7,400	667,029	-	486,853
	Water Supply costs (Non-office estate)			495,427		977,237		749,269	-	828,049

Annex C – Disaggregated information on Arm's Length Bodies (2025-26)

				Permanently employed staff		Other staff	
	Total operating income	Total operating expenditure	Net expenditure for the year (including financing)	Number of employees	Staff costs	Number of employees	Staff costs
Arm's Length Body	**£'000**	**£'000**	**£'000**		**£'000**		**£'000**
DCMS core department	(164,965)	6,208,104	6,026,324	1,105	87,467	125	4,317
Arts Council England $	(263,014)	361,999	99,099	667	38,728	12	716
BBC PSB Group *	(381,972)	580,019	182,699	17,317	1,363,234	-	-
Big Lottery Fund	(892,270)	1,031,125	138,665	760	43,767	21	2,124
British Film Institute $	(83,238)	128,760	46,003	665	41,385	6	132
British Library	(27,142)	32,706	5,669	1,367	73,026	21	1,507
British Museum	(52,688)	32,340	(31,580)	922	49,579	135	4,874
Gambling Commission	(268,916)	56,510	(214,344)	374	27,849	26	351
Historic England	(14,278)	16,711	3,493	839	45,731	131	11,384
Horserace Betting Levy Board	(110,427)	108,910	(4,537)	18	1,660	-	-
Imperial War Museum	(33,445)	35,525	2,124	473	25,288	13	166
National Gallery	(44,240)	29,938	(14,165)	281	23,072	108	471
National Heritage Memorial Fund $	(368,306)	403,929	34,349	335	21,274	1	41
Royal Museums Greenwich	(25,081)	9,567	(15,360)	492	18,708	26	219
National Museums Liverpool	(7,250)	(4,446)	(11,690)	310	15,856	56	-
National Portrait Gallery	(21,078)	19,897	(1,151)	238	13,486	76	1,388
Natural History Museum	(45,848)	(10,677)	(56,951)	846	48,638	191	1,519
S4C	(685)	(2,458)	(3,421)	124	8,265	-	-
Science Museum Group	(24,988)	45,388	16,994	925	38,059	18	45
Sport England $	(230,011)	145,515	(84,912)	320	21,369	10	788
Tate Gallery	(105,963)	67,946	(38,437)	822	45,431	65	3,939
UK Sport $	(92,624)	79,553	(13,181)	512	30,308	3	321
Victoria and Albert Museum	(62,194)	78,161	12,132	1,150	53,558	14	898
Visit Britain	(9,141)	9,019	227	209	13,823	81	5,318
Small Bodies and NCS	(2)	(4,088)	(4,089)	799	42,345	1	60
Total	**(3,329,766)**	**9,459,953**	**6,073,960**	**31,870**	**2,191,906**	**1,140**	**40,578**

* The BBC is governed by Royal Charter and an associated Framework Agreement with Government. The Charter and Agreement set out the BBC's accountability to Parliament for use of the public money it receives whilst at the same time preserving the BBC's independence on editorial policy and programming. The definition of the BBC as consolidated in these accounts is provided in note 1.3 (Basis of Consolidation).

$ These bodies produce an exchequer and lottery distribution account, the figures presented are an aggregate of these.

The table above provides a breakdown of total operating income, total operating expenditure, net expenditure for the year, staff numbers and staff costs for the Department and for each of the component entities consolidated within these financial statements. This table does not include public corporations as these are outside the DCMS accounting boundary, as previously described in note 23.1. Other staff numbers/costs represent categories other than permanent per the staff report (others, contract and agency, Ministers and Special Advisers).

The figures above are the final consolidated figures in the departmental accounts and therefore include any adjustments at a consolidation level, including FReM alignment adjustments and intragroup eliminations. As a result, the figures above will not agree directly to the published ALB accounts. Furthermore, the DCMS core department line incorporates intra-group adjustments so may not reconcile exactly to the DCMS core figures in the accounts (as per the accounts, the core element of the intra-group adjustments is presented in the 'group' column, but here has been allocated to the DCMS core entity).

Nine public bodies – classified or expected to be classified by Office for National Statistics to central government and sponsored by DCMS – have been consolidated into the 2025-26 DCMS group accounts at a summary level on the grounds of materiality rather than on a line-by-line basis (eight public bodies in the 2024-25 DCMS group accounts). These are the Churches Conservation Trust (CCT), Sports Grounds Safety Authority (SGSA), Horniman Public Museum and Public Park Trust (HMM), Independent Football Regulator (IFR), Royal Armouries Museum (RAM), Sir John Soane's Museum (SJS), Wallace Collection (WCO), UK Anti-Doping (UKAD) and Geffrye Museum (Museum of the Home) (GFF).

Annex D – Other areas of significant expenditure

No areas of significant expenditure in the current year.

Annex E – Reconciliation of contingent liabilities included in the supply estimate to the accounts

Quantifiable Contingent Liabilities (non-IAS37 i.e. Remote Contingent Liabilities)

Description of Contingent Liability (see note 21.1.1 for details)	Supply Estimate (£'000)	Amount disclosed in ARA (£'000)	Variance (Estimate – Amount disclosed in ARA, £'000)	Material variance
Government Indemnity Scheme – Indemnifying objects on loan to national and non-national institutions	13,334,200	6,057,293	(7,276,907)	The values are dependent on which items are at exhibitions at a point in time and this value fluctuates.
Artworks on loan to the Government Art Collection	2,600	2,671	71	N/A
Artworks on loan from the Royal Collection	382,900	371,793	(11,107)	The values are dependent on which items are at exhibitions at a point in time and this value fluctuates.
Guarantee for the 'Borrowing facility for Historic Royal Palaces'	4,000	4,000	-	N/A
The British Library has a remote contingent liability to cover items on loan from other organisations for inclusion in exhibitions	48,000	59,100	(11,100)	The values are dependent on which items are at exhibitions at a point in time and this value fluctuates.
BHA Pension Scheme - Guarantee payment of any liability BHA may incur to the trustees	30,300	30,300	-	N/A
The Horserace Betting Levy Board (HBLB) has agreed to a contingent liability regarding the Great British Bonus (GBB) Scheme.	1,700	2,200	500	N/A

Quantifiable Contingent Liabilities (IAS 37 – included in note 20 Contingent Assets and Liabilities)

Description of Contingent Liability (see note 21.1.1 for details)	Supply Estimate (£'000)	Amount disclosed in ARA (£'000)	Variance (Estimate – Amount disclosed in ARA, £'000)	Material variance
Lottery Distribution Bodies (LDBs) - Future grant payments	670,000	705,000	35,000	The variance mainly relates to increased grant awards that do not satisfy the criteria of being treated as a liability.
Football Association management agreement	500	500	-	N/A
National Lottery Community Fund - The Oversight Trust	4,500	-	N/A	Now included as an unquantifiable contingent liability due to changes in underlying agreement.
BBC - Pension scheme deficit recovery payments	125,000	125,000	-	N/A
NLCF – dormant assets unsigned legal agreements	n/a	220,000	220,000	New contingent liabilities for the current year, not included within the supplementary estimates.
British library legal disputes	n/a	427	427	Not material variances

Unquantifiable Contingent Liabilities (non-IAS37 i.e. Remote Contingent Liabilities)

Description of Contingent Liability (see note 21.1.1 for details)	Included in Supply Estimate (Yes/ No)	Disclosed in the ARA? (Yes/ No)	Explanation of difference
Olympic Delivery Authority (ODA)	Yes	Yes	N/A
Jubilee Gardens	Yes	Yes	N/A
Hague Convention and Cultural Property (armed Conflicts) Act 2017	Yes	Yes	N/A
The Royal Parks historic liabilities	Yes	Yes	N/A
4th National Lottery Licence Legal Challenge	Yes	Yes	N/A

Unquantifiable Contingent Liabilities (IAS 37 – included in note 20 Contingent Assets and Liabilities)

Description of Contingent Liability (see note 21.1.1 for details)	Included in Supply Estimate (Yes/ No)	Disclosed in the ARA? (Yes/ No)	Explanation of difference
The British Library - Digital Archive	Yes	Yes	N/A
British Tourist Authority – India Subsidiary	Yes	Yes	N/A
BBC - Tax Survey	Yes	Yes	N/A
BBC Media Action	Yes	Yes	N/A
National Lottery Community Fund - The Oversight Trust	Included within the quantifiable contingent liabilities in the estimates.	Yes	Included in the Quantifiable contingent liabilities in the estimates.
BBC - Media Action	No	Yes	Identified as part of year end review as included in note 21.1.2

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