Foreign, Commonwealth & Development Office

Annual Report and Accounts

2025–2026

HC 521

Foreign, Commonwealth & Development Office

Annual Report and Accounts 2025–26

For the year ended 31 March 2026

Annual Report presented to Parliament pursuant to Section 1(1) of the International Development (Report and Transparency) Act 2006

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

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

Ordered by the House of Commons to be printed on 16 July 2026

HC 521

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at fcdo.correspondence@fcdo.gov.uk.

ISBN 978-1-5286-6522-3

E03612508 07/26

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

Performance and Accountability Reports designed in-house by the FCDO Communication and Engagement Directorate.

CORRECTION SLIP

Title: FCDO annual report and accounts 2025 to 2026

Session: 2026-27

HC 521

ISBN: 978-1-5286-6522-3

Ordered by the House of Commons to be printed 16 July 2026

Correction:

Text currently reads:

Chart at top of page 117 showing FCDO Staff Headcount, labels of ‘31 March 2025’ and ‘31 March 2026’ are the wrong way round.

Text should read:

Label of ‘31 March 2025’ should be ‘31 March 2026’; label of ‘31 March 2026’ should be ‘31 March 2025’.

Date of correction: 21 July 2026

Contents

Section 1 Performance Report 4

Section 1.1 Performance Overview 7

Foreign Secretary Foreword 8

Statement from the Interim Permanent Under-Secretary 11

Statement from the FCDO's Lead Non-Executive Director 13

FCDO's Purpose 15

FCDO's Priorities 16

FCDO2030 18

FCDO Vision and Purpose/Mission Statement 20

FCDO Organisation 22

Section 1.2 Priority Outcomes and Strategic Enablers: Performance Analysis 25

Security 26

Growth & Resilience 28

Migration 30

Development & Climate 32

Women & Girls 35

Agile Alliances 38

Strategic Enablers 40

The FCDO's Risk Profile 44

Performance in Other Areas 45

Section 1.3 Financial Review 49

Financial Performance – Overview 50

Spending Outturn Against Budget 52

Section 1.4 Sustainability Report 59

Section 2 Accountability Report 78

Section 2.1 Corporate Governance Report 81

Directors Report 84
Governance Statement 86

Section 2.2 Remuneration and Staff Report 105

Section 2.3 Parliamentary Accountability and Audit Report 129

Statement of outturn against Parliamentary Supply 130
Parliamentary Accountability Disclosures 138
The Certificate and Report of the Comptroller and Auditor General to the House of Commons 147

Section 3 Financial Statements 158

Consolidated Statement of Comprehensive Net Expenditure 160
Consolidated Statement of Financial Position 162
Consolidated Statement of Cash Flow 164
Consolidated Statement of Changes in Taxpayers' Equity 166
Notes to the Departmental Resource Accounts 168

Section 4 Annexes 230

Annex A: FCDO programme outturn 232
Annex B: Annual Reporting of Statistical Information 241
Annex C: Regulatory Reporting 255
Annex D: Arm's Length Bodies 258

Minister for Africa, Jenny Chapman, visits the Democratic Republic of the Congo

SECTION 1

Performance Report

SECTION 1
Performance Report

Section 1.1: Performance Overview

The performance overview section of this report sets out key information about the Department, including the structures that have been established to ensure we deliver effectively. This section also outlines our objectives and includes a performance appraisal for the 2025-26 financial year.

Foreign Secretary Foreword

Shortly after becoming Foreign Secretary in September, I had the honour of standing before the UN General Assembly and announcing the UK's formal recognition of the State of Palestine, reflecting the values that underpin our foreign policy, fulfilling a historic promise to the Palestinian people, and reinforcing our commitment to the two state solution that is the only way to deliver lasting peace and security in the region.

In my lifetime, there has never been a period when the scale of global instability and insecurity – and the impact here in the UK – has been so great. Events around the world now affect every aspect of our lives here at home, from the security of our borders to the cost of living and the resilience of our economy. That is why it has been essential this year for the FCDO to refresh our priorities and refine our approach to ensure we can protect the UK's interests for the long term, and respond to the scale of the global threats we face.

In Ukraine, a desperate Russian regime has escalated its bombardment of civilian areas and made increasingly reckless incursions into NATO airspace. In the Strait of Hormuz, Iran has sought to hold the global economy hostage, creating severe shortages of fuel, fertiliser and food, threatening a surge in global hunger, and pushing up prices for families and businesses in the UK. In Sudan, the world's worst humanitarian crisis has deepened further, with millions more fleeing from the massacres and sexual violence perpetrated by warring militias. And in Israel and Palestine, the 20-point Gaza peace plan last Autumn offered hope, but the humanitarian crisis still continues while the violent expansion of illegal West Bank settlements threatens the viability of a two-state solution.

From our carrier strike group in the North Atlantic to our fighter jets in the Middle East, we have seen Britain's armed forces deployed on defensive operations; while our security services have worked tirelessly to protect our country, our people, and our economy from hostile state actors, cyber-attacks, and other hybrid threats.

In the face of the extreme global volatility of the past year, the FCDO has led the way in standing up for Britain's interests and upholding our values. We have strengthened our focus on security – national security, economic security and border security – and we have worked to champion international law, humanitarian values and action on shared challenges such as climate change. We are proud of our country and confident in our role in the world, and we know that the partnerships we build abroad make us stronger at home.

Alongside our partners in the Coalition of the Willing, we have increased our military support for Ukraine, stepped up the financial pressure on Russia's war machine, and shown once again that Ukraine has no stronger ally than the UK. In the Gulf, as well as defending our partners and British nationals in the region from

Above: The Rt Hon Yvette Cooper MP

Iranian attacks, we led the creation of a global consensus to demand the restoration of toll-free freedom of navigation. In Sudan, we have worked hard to shine a light on a forgotten war and target sanctions at those who fuel it. And in Israel and Palestine, we have worked with international partners to demand access for humanitarian supplies into Gaza, establish an International Peace Fund for the Middle East, coordinate sanctions against violent settlers, and support the full implementation of the 20-point plan.

I want to thank all the staff who have worked on those crises this year, especially those at post who have had to do their jobs between trips to the air raid shelter. Their dedication to task, and calmness under pressure, is an example to us all.

In many other areas this year, the FCDO has shown that same determination, whether to resolve diplomatic tensions or respond to humanitarian crises. When Hurricane Melissa struck the Caribbean, Iranian missiles struck cities in the Gulf, and Hantavirus struck passengers aboard the MV Hondius, we worked quickly and effectively to support our local partners and help British nationals get home.

Amid escalating global tariff wars, we worked to reduce trade barriers, helping to negotiate important new trade agreements with the US, the EU, India and the Gulf States, and secure major defence deals with Norway and Türkiye. When NATO risked fracturing over Greenland, we worked with our US and Scandinavian allies to uphold Denmark's sovereignty and build a collective approach to Arctic security.

On illegal migration, we have transformed the work of the FCDO, striking new deals on returns with countries from Vietnam to DR Congo, strengthening upstream prevention work in source and transit countries, establishing new international coordination mechanisms between Foreign Ministries, and negotiating significant ECHR reforms designed to support tough action on border security.

And whether negotiating those reforms, securing our new Gibraltar treaty, or ratifying the Biodiversity Beyond National Jurisdiction Agreement, the FCDO has continued to show that there is no shared problem we cannot pursue with international partners, and no Department that works harder to defend the national interest in those discussions.

We have also had difficult decisions to make this year following the reduction in the ODA budget, but that has made it even more important to invest better, reform our approach, and deliver a more innovative development agenda fit for the modern world. We are also showing that reducing the size of our budget does not mean walking away from our values or our responsibilities. Responding to desperate humanitarian crises, preventing conflict and upholding international law are not only a reflection of Britain's values but Britain's interests, because in an increasingly interconnected world, we know that instability does not stay abroad.

With funding pressures and internal restructuring to deal with, disruption caused by changes in the Department's leadership, and multiple crises and conflicts to manage, it would have been easy for the FCDO this year to leave any discussion of long-term goals for another day. But instead, we have done the opposite. From economic security and illegal migration to hybrid threats and climate change, the FCDO's six refreshed priorities seek to tackle our most intractable problems head-on, prepare ourselves better for the future crises we will face, and build the kind of agile alliances that we will need to secure progress at international level.

I was especially proud to ensure that – for the first time – protecting the rights and safety of women and girls was made one of the Department's core priorities, and we have made vital progress already, from establishing the International Coalition to End Violence Against Women and Girls to elevating the voices of survivors in Sudan.

We chose these priorities because of our duty to protect the security of our nation, but also because of the values that make us strive for a fairer and safer world for all. That is how the Department has faced all the tremendous challenges of the past year, and that is how we will face the even greater challenges ahead.

But we know none of that is possible without the commitment, the professionalism and the courage of our staff across every corner of the world. They deliver for Britain every day, no matter what difficulties or dangers they face, and we should all be grateful for their service.

We are all privileged to work for a great Department, and an extraordinary country, with capabilities few can match and values that others still look to. As the world changes fast, we must work even harder to ensure that Britain is strong and resilient in the face of challenges ahead, and to build the agile alliances that help us shape the world for the future. That is how we make Britain a powerful force for good abroad, and a country that is safer, stronger and more prosperous at home.

Statement from the Interim Permanent Under-Secretary

I am pleased to present the Foreign, Commonwealth and Development Office's Annual Report and Accounts for 2025-26.

This has been a demanding year, shaped by a volatile international environment and significant pressures on public finances. Over the course of the last year, the previous PUS and I have been focused on ensuring the Department remained tightly aligned to the Government's priorities, disciplined in its use of resources, and clear about the outcomes it was seeking to achieve.

The FCDO has played a central role in delivering the Government's objectives internationally. Through our global network, we have supported growth and resilience by strengthening economic partnerships, securing trade and investment opportunities, and protecting the UK from growing economic and geopolitical risks. We have worked closely across government to advance national security, respond to international crises, and support British nationals overseas, often in challenging circumstances.

This year marked the launch of the FCDO2030 reform programme, which will shape the department's approach over the coming years. The FCDO has continued to sharpen strategic prioritisation, strengthen delivery disciplines and improve how we allocate people and funding to where they are most needed. This has required difficult choices, particularly in a constrained fiscal environment, but these changes are essential to ensure the Department remains effective, resilient and sustainable.

2026 has so far been defined by increasing strategic competition and instability, as geopolitics and economics intersect, our adversaries strengthen their ability to threaten UK interests, and contestation for technological advantage intensifies. The FCDO is strengthening the use of strategic foresight in policy making, enabling decisions to take account of longer-term trends and their impact on UK interests in future years. The Department has implemented a new strategic planning cycle incorporating foresight and horizon scanning, so that business planning, prioritisation and resourcing decisions across our global network are more robust to the challenging operating context. We have increased use of creative challenge and long-term thinking in our decision making as we respond to fast moving global events, such as the crisis in Iran. This approach is helping to align activity across diplomatic, development and consular strands, focus constrained resource where it can have the most effect, enable early action to spot risks and – importantly – identify and act on potential opportunities to deliver UK advantage.

In development and climate, we have continued to modernise our approach, focusing on fewer, higher impact partnerships and using a wider range of tools alongside Official Development Assistance (ODA). We have prioritised humanitarian support in major crises, advanced reform of the international development finance

Above: FCDO Interim Permanent Under-Secretary, Nick Dyer.

system, and supported partner countries to address poverty, instability and the impacts of climate change in ways that also serve the UK's interests.

The FCDO has strengthened alliances and partnerships, particularly across Europe and with other key partners, to deliver practical outcomes on security, migration, growth and global challenges. We have also continued to support reform of multilateral institutions, recognising their importance in addressing issues that no country can tackle alone.

Sound governance, financial management and risk control remain central to my role.

This report sets out how the Department has managed public funds during the year, the progress we have made in strengthening assurance and accountability, and the areas where further improvement is required. We continue to invest in our people, systems and data to improve decision making, transparency and value for money.

I want to thank colleagues across the FCDO and those working with us across government and with international partners for their professionalism and commitment throughout the year. Their work underpins the UK's ability to act with credibility and influence on the world stage.

The year ahead will continue to test the Department. But with clear priorities, firm financial discipline and a continued focus on delivery, the FCDO is well placed to support the Government's objectives and to serve the UK's interests overseas.

Nick Dyer

Interim Permanent Under-Secretary, FCDO

Statement from the FCDO's Lead Non-Executive Director

Last year, I opened my statement remarking on the fact that 'change' was the word I felt best characterised the FCDO last year. In an ever more volatile international environment, the pace of that departmental change has not abated this year.

Tight public finances and the need for a more modern and agile diplomatic and development function, were the catalysts for the reform programme (FCDO2030) setting out a path to 2030 that sees the Department becoming smaller, digitally enabled and more ready to deliver flexibly against the government's priorities in a changing and challenging environment. The programme will see significant workforce reductions, the simplification of structures, the tighter prioritisation of work and significant investment in digital tools. This is an ambitious and challenging programme, and the NED team have been able to bring their experience of delivering change in other organisations to challenge and support the Permanent Under-Secretaries and the leadership team.

On the theme of digital, we have seen encouraging progress in embedding digital capability within core departmental functions. A particular area of focus has been the scaling of AI-enabled tools. We are already seeing initiatives such as bespoke Copilot agents and AI-enabled triage start to improve operational effectiveness.

Alongside the transformation programme the NEDs have been involved in a refresh of governance in the Department to ensure that going forward the appropriate oversight and assurance is in place at this critical time of change. The first Supervisory Board held by this administration took place in January where we discussed the Foreign Secretary's priorities and the FCDO2030 reform programme. In addition to the formal governance, the NEDs meet regularly with the PUSs and the leadership team providing challenge and support on delivering against the many challenges and priorities. As usual, we were also involved in the appointment processes for key roles in the Department.

The NED team has also undergone change. We welcomed Jon Watts to the team as Chair of the Audit and Risk Assurance Committee (ARAC) in May, taking over from John Coffey who departed after four and a half years in April 2025. As I wrote last year, I am grateful to John for his valued support and input as a member of the NED team and as Chair of the ARAC. Karen Blackett joined the NED team in June although her tenure has been sadly short as she left the Department at the end of March to pursue conflicting private sector opportunities. Jon and Karen have brought a wealth of expertise in transformation, communications, and change at a key time in the 2030 programme.

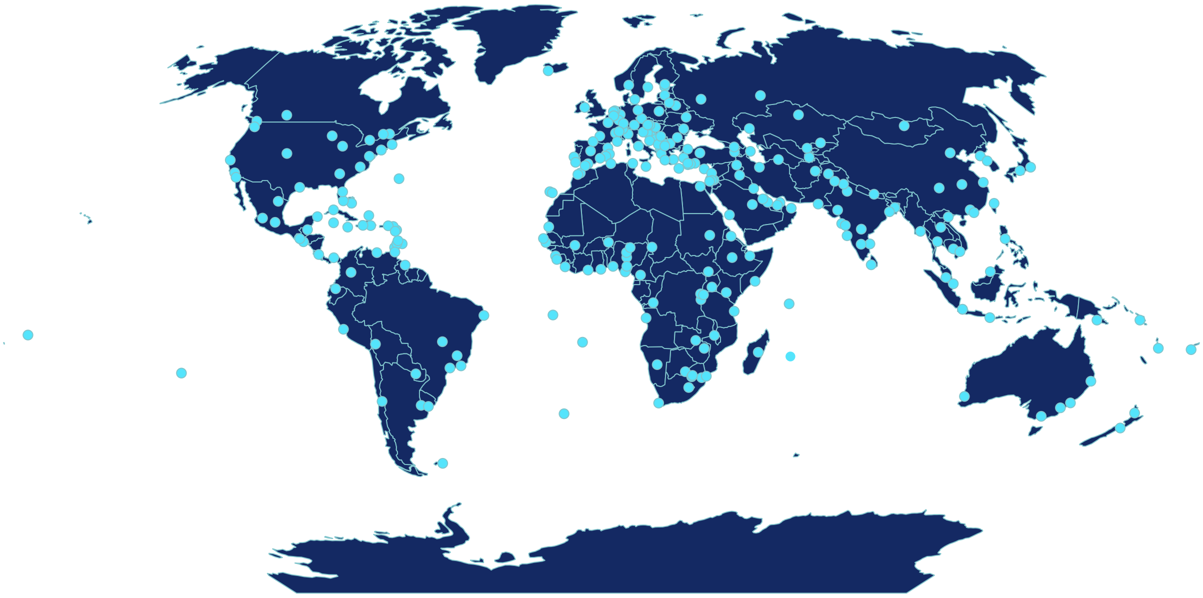
The NEDs have also been able to visit some FCDO posts this year and hear from colleagues working on consular support to British nationals

Above: FCDO Lead Non-Executive Director, Beverley Tew CMG overseas, and on frontline diplomacy and development. Countries visited have included Spain, USA, Ethiopia and Barbados.

On behalf of the NED team I wanted to thank the Permanent Under-Secretaries and leadership team for their dedication and stewardship of the Department at such a challenging time. We look forward to continuing to work closely together.

FCDO's Purpose:

The FCDO makes the UK stronger, safer and more prosperous, by leading and integrating delivery of the Government's objectives abroad.



280 officially designated overseas posts which breaks down as follows:

162
Embassies/ High Commissions (also referred to as Sovereign Posts)

63
Consulates/ Consulates - General/ Deputy High Commissions

11
Permanent Missions (also referred to Sovereign Posts)

12
Overseas Territories Posts

4
Resident Commissioners

30
Other representation

FCDO's Priorities

The FCDO's priorities are focused on protecting UK security, promoting UK prosperity and upholding UK values – guiding the Government's approach to evolving global opportunities and threats.

Together they advance an international strategy that pursues the UK's long term national interest and strategic advantage, reflecting a foreign policy determined to deliver for people at home.

SECURITY

Protecting Euro-Atlantic security, strengthening the NATO alliance, supporting Ukraine and deterring Russian aggression. Transforming UK capability to address growing hybrid threats to our economy, democratic processes and institutions, and working with allies to respond to escalating security threats or conflicts and disrupt hostile actors including terrorist threats.

GROWTH & RESILIENCE

Prioritising a targeted set of high-value economic partnerships to deliver growth and jobs in the UK. Securing new trade and investment wins to strengthen the UK economy. Boosting Britain's economic security, resilience and geoeconomic position by derisking critical supply chains, navigating bloc dynamics and sharpening our advantage in key sectors.

MIGRATION

Increased international cooperation to drive down small boat arrivals and strengthen UK border security. Deterring illegal migration through returns agreements with neighbours and innovative approaches further afield. Improving law enforcement cooperation. Reforming global migration policy to deliver a managed and principled resettlement and migration system fit for the modern world.

DEVELOPMENT & CLIMATE

Working for a world free of poverty on a liveable planet where the UK helps to anticipate crisis, reduce humanitarian need and reduce violent conflict. Strengthening resilience to climate impacts, accelerating the global clean energy transition and seizing the opportunities for Britain. Reforming the global development architecture and modernising our approach: shifting from donor to investor, from service delivery to system support, from grants to expertise, and from international intervention to local leadership and focusing most support on fragile and conflict affected states.

WOMEN & GIRLS

As pressures on women's and girls' safety and rights are intensifying and increasingly used to polarise societies, prioritising this agenda is both a core UK value and a strategic imperative for global stability and progress. We will embed women's and girls' safety and rights at the heart of our diplomatic, security, trade, and development work. We will deliver change across our posts, using our influence multilaterally and driving new collaborations and partnerships to scale action and finance, and to rebuild a global consensus around progress for women and girls.

AGILE ALLIANCES

Pursuing resilient, pragmatic partnerships with states where we have shared priorities. Sustaining traditional partnerships while minimising dependencies and diversifying alliances to serve Britain's interests and increase our agency abroad. Making Britain a partner of choice in a contested and competitive world. Supporting reform and renewal of vital multilateral institutions including the United Nations.

FCDO 2030

BY 2030

THE FCDO MAKES THE UK *STRONGER, SAFER* AND MORE *PROSPEROUS...*

...as a strategy-led and adaptable organisation driven by high performing staff who are enabled by world-class technology.

FCDO2030

FCDO2030 will deliver this purpose for the UK by focusing on three goals.

Strategic & Adaptable

Realising a clear, long-term strategy focus and effective, flexible resource allocation behind real-world impact

High Performance

Driven by an empowered, delivery-focused, high-performing workforce

Technology-Enabled

Enabled by advanced digital tools for diplomatic, development and delivery impact

FCDO Vision and Purpose/ Mission Statement

The world we face in 2026 is volatile, contested and unstable – with conflict increasing, protectionism rising and technology transforming our lives. Foreign policy affects every aspect of people's lives in the UK. Global events shape the cost of living, the security of our borders and the resilience of our economy.

The partnerships we build abroad make us stronger at home. That is why this Government has reset our relationship with Europe, invested in NATO – with the biggest rise in defence spending since the end of the Cold War – stepped up support to Ukraine, restored our role as a leader on climate and struck trade deals with the EU, US and India to boost jobs for working people here in our communities.

Over the last 18 months, the pace of global change has accelerated even further. Power is shifting, institutions are strained and threats are more diffuse and unpredictable than ever before. These challenges strike at the heart of both our global interests and domestic priorities. That's why we must now sharpen our focus, refresh our priorities and refine our approach to ensure we can protect our security, pursue our prosperity and uphold our values in a fast-changing world.

Britain can thrive in this new era by binding together our principles and our pragmatism. We need more active statecraft, more agile alliances, and a more adaptive approach to the international system to deliver on our long-term interests.

That means deterring our adversaries and countering rapidly evolving hybrid threats. It means seizing the economic opportunities of the energy transition and emerging technologies. It means determined diplomacy – rejecting the false choice between an unruly resurgence of great power politics and an unquestioning reliance on existing multilateral frameworks, and instead seeking new approaches and partnerships and reinvigorated, modern forms of multilateralism. It means a new approach to development, working as a partner, investor and reformer, and improving lives in the most fragile and conflict-affected places. Finally, it means staying true to the values that underpin Britain's foreign policy – defending democracy, supporting sovereignty, upholding the rule of law – and being ready and prepared to defend our interests in a world where these principles are increasingly under threat.

The FCDO will lead this work across Government, leveraging our brilliant diplomatic service to navigate both the challenges and opportunities of the modern world, helping British citizens across the globe, supporting the UK's Overseas Territories and advancing our security and prosperity every single day.

Our six refreshed priorities are designed to meet this critical moment. Together they advance an international strategy that pursues the UK's long-term national interest and strategic advantage, and they reflect a foreign policy determined to deliver for people at home.

FCDO priorities

1. **Security** – Protecting Euro-Atlantic security, strengthening the NATO alliance, supporting Ukraine and deterring Russian aggression. Transforming UK capability to address growing hybrid threats to our economy, democratic processes and institutions, and working with allies to disrupt hostile actors.
2. **Growth and resilience** – Prioritising a targeted set of high-value economic partnerships to deliver growth and jobs in the UK. Securing new trade and investment

wins to strengthen the UK economy. Boosting Britain's economic security and resilience by derisking critical supply chains, navigating bloc dynamics and sharpening our advantage in key sectors.

3. **Migration** – Driving down small boat arrivals through international cooperation. Deterring illegal migration through return agreements with neighbours and innovative approaches further afield. Improving law enforcement cooperation against people smugglers. Reforming global migration systems to deliver a managed and principled resettlement system fit for the modern world.
4. **Development and climate** – Working for a world free from poverty on a liveable planet, where the UK helps reduce humanitarian need and violent conflict, accelerating the global clean energy transition and seizing the opportunities for Britain. Reforming the global development architecture and modernising our approach: shifting from donor to investor, from service delivery to system support, from grants to expertise, and from international intervention to local leadership.
5. **Women and Girls** – Championing the rights of women and girls to live in a world free from violence. Promoting women's full economic and political participation within their societies, with agency in the decisions that impact their lives. Working internationally to tackle new tech-enabled threats to women and girls.
6. **Agile alliances** – Pursuing resilient, pragmatic, partnerships with states where we have shared priorities, both old allies and new partners. Minimising dependencies and diversifying alliances to serve Britain's interests and increase our agency abroad. Making Britain a partner of choice in a contested and competitive world.

FCDO2030, the FCDO's reform programme, will enable delivery against these priorities by delivering three long-term goals: a more strategic and adaptable organisation able to direct and reallocate resources quickly; a more empowered, skilled and high performing workforce; and a Department equipped with modern digital tools that enhance diplomatic, development and operational delivery. During the financial year, the FCDO made significant improvements to the design of its risk management and delivery frameworks, strengthening the foundations for delivery under the FCDO2030 operating model.

FCDO Organisation

FCDO MINISTERIAL TEAM

Rt Hon Yvette Cooper MP
Foreign Secretary

Hamish Falconer MP
Parliamentary Under-Secretary of State

Chris Elmore MP
Parliamentary Under-Secretary of State

Stephen Doughty MP
Minister of State

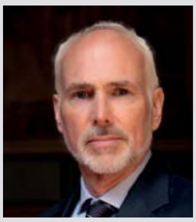
Seema Malhotra MP
Parliamentary Under-Secretary of State

Foreign, Commonwealth & Development Office

Baroness Chapman of Darlington
Minister of State

NON-EXECUTIVE DIRECTORS

Beverley Tew
Lead Non-Executive



John Watts
Non-Executive

James Bilefield
Non-Executive

FCDO SENIOR LEADERSHIP

Nick Dyer
Interim Permanent Under-Secretary

Angela Cameron
Internal Audit and Investigations

Caroline Hurndall
Private Office

Sarah Russell
FCDO2030

Neil Wigan
DG Strategy and Delivery

Will Gelling
Strategy

Kate Critchley
Communications

Debbie Palmer
Professor

Dennis Novy
Analysis – Chief Economist

John Edmunds / Dennis Novy
Research and Analysis Led by Chief Scientific Economist

Melinda Bohannon
DG Global Issues

Tammy Reynolds
Growth

Nathanael Bevan
Global Tech

Will Hines
Humanitarian

Phil Stevens
International Finance

Ros Eales
Energy and Climate

Annabel Gerry
Human Development

Jonathan Allen
DG Defence and Security

Olaf Henricson-Bell
Migration

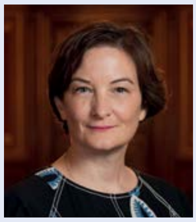
Samrita Sidhu
National & Economic Security

Jonny Hall
Hybrid Threats

Ben Fender
Defence Security

Freya Jackson
Sanctions

Sarah Taylor
Consular and Crisis



Christina Scott
DG Network

Chris Allan
Eastern Europe and Central Asia

Sophie Guelff
Ukraine

Harriet Thompson
Americas

Kirsty Hayes
Europe

Charlotte Pierre
Africa

Kate Harrisson (interim)
Asia Pacific

Laure Beaufils
South Asia and Afghanistan

Robbie Bulloch
Overseas Territories

Rob Dixon
MENAD

Edward Llewellyn
Political Director

Iona Thomas
Multilateral and Human Rights

Helena Vega-Lozano
Chief Operating Officer

Tim Jones
Finance

Gareth Nugent
Commercial

Mark Power
Human Resources

Lynda Rawsthorne
Estates

Andy Bamford / Saheel Sankriwala
Digital, Technology and Security

Sally Langrish
DG Legal

Paul McKell / Catherine Holmes / Naomi Davey
Legal

Foreign, Commonwealth & Development Office

SECTION 1
Performance Report

Section 1.2: Priority Outcomes and Strategic Enablers: Performance Analysis

This section provides a detailed analysis of the FCDO's progress against our six Priority Outcomes for the financial year 2025-26. It also reports progress against our strategic enablers, provides an analysis of external events impacting our progress and gives an overview of our performance in other areas.

SECURITY

At its heart, the role of the FCDO is to protect UK security, promote UK prosperity and uphold UK values in a fast-changing world – and to guide the whole of government in a strategic approach to the evolving global threats and opportunities we face.

The FCDO plays a vital role in protecting the UK and tackling threats to international peace and security. Our Embassies overseas and our staff in the UK provide essential insight into the threats we face, build partnerships to strengthen collective security, and take action to counter those who do us harm.

Russia is posing the most complex and far-reaching threat to Euro-Atlantic security for a generation. Working with our allies, we are adapting NATO so that it remains able to deter and defend against future attacks. At the NATO Summit in The Hague in 2025, we helped deliver an historic commitment to meet the challenge. We also led support for NATO's new Arctic Sentry and Eastern Sentry vigilance activity in the Eastern flank and High North, as well as mobilising unprecedented pressure on Russia's shadow fleet.

In 2025-26, the FCDO helped revitalise security and defence partnerships with European allies. We supported ambitious new agreements with France, Germany, Norway and other allies, as well as with the EU. And we deepened our collaboration with Nordic and Baltic allies, including through the Joint Expeditionary Force.

We championed international support to Ukraine. Our collaboration under the UK's '100-year partnership' goes from strength to strength. The FCDO played a crucial role in ensuring united European support for President Zelenskyy in 2025-26. We have supported US peace efforts and developed proposals on security assurances as well as for a new Multinational Force for Ukraine in the event of a peace deal. And we secured international commitments to help Ukraine's energy sector, provide essential fiscal support and unlock investments.

The UK is facing unprecedented state-backed hostile activity such as cyberattacks, disinformation and sabotage. In 2025-26, the FCDO expanded its tools to disrupt, degrade and deter those responsible. We also made greater use than ever of our sanctions powers, for example to exert pressure on Russia's war machine, address Iran's non-compliance with commitments on its nuclear programme, and disrupt hostile cyber actors and scam centres.

In 2025-26 the FCDO also played a leading role in reducing conflict and its impact on UK interests through terrorism, illegal migration or instability, including by keeping international attention focused on the crises in Sudan and Gaza.

Foreign Secretary Yvette Cooper delivers statement to media ahead of NATO Foreign Ministers' meeting.

Case Study

Moldova held a parliamentary election on 28 September 2025. The Party of Action & Solidarity, PAS, won 50.2% of the vote and 55 out of 101 seats, defeating Russia-linked parties.

In the run-up to the election, Moldova faced an onslaught of Russian interference aimed at influencing the result. This included disinformation, vote-buying, cyberattacks and attempts to incite mass unrest. Despite this, the authorities managed to safeguard the electoral process and deliver a fair election. The FCDO led a cross-government effort to provide support to Moldova in areas such as cyber defence, election monitoring, and countering illicit finance and information manipulation. Following the election, President Sandu singled out UK support as critical to the integrity of the process.

Our assistance helped ensure Moldova's sovereignty and the right of its citizens to make a free choice about their government. The result reaffirmed the country's path towards greater integration with Europe and was a setback for Russian interference. Other democracies around Russia's borders have taken inspiration from Moldova's success and are seeking to strengthen their own protection against interference.

KEY ACHIEVEMENTS

- In 2025-6, we scaled up FCDO efforts to **disrupt Russian malign activity.** We delivered the UK's largest ever sanctions package against the Russian intelligence services. We also used sanctions to disrupt Russia's defence supply chains and target its oil revenues and mobilised a coalition to tackle Russia's shadow fleet.
- We mobilised international **support for Ukraine**, rallying strong international support for President Zelenskyy as the US began their peace initiative. And we helped to deliver a commitment by NATO allies to provide €40 billion in military aid in 2025 and by European partners to meet Ukraine's fiscal needs.
- We worked to **counter threats from Iran**. With France and Germany, we helped deliver the global 'snapback' of UN Iran sanctions because of Tehran's failure to address concerns about its nuclear programme. These included an arms embargo, financial and trade restrictions, and designations on nuclear-linked entities. We also sanctioned members of the regime responsible for the brutal clampdown of the January 2026 protests.
- We **reset security relationships with Europe.** The FCDO supported major new security agreements with France, Germany and Norway, and worked with MOD to land defence deals with Norway and Turkey that helped double UK defence exports in 2025. We also agreed a Security & Defence Partnership with the EU that provides a robust framework for collaboration where this is of mutual interest.
- We have also **tackled weapons of mass destruction.** The FCDO worked with partners to call out Russia's illegal use of a toxin that led to the death of opposition politician Alexei Navalny. The UK was also one of four countries invited by Syria to lead planning for destruction of the Assad regime's chemical weapons.

GROWTH & RESILIENCE

The FCDO plays a central role in delivering the Government's Growth Mission internationally, strengthening long-term prosperity and resilience. In an increasingly fragmented global economy, working through our network we help to secure high-value trade and investment, deepen strategic economic partnerships and protect the UK from growing economic and geopolitical risks.

The FCDO has supported major economic outcomes for the UK, from a renewed UK–EU economic and security cooperation, and trade agreements with India and the Republic of Korea, to the UK–US Economic Prosperity Deal and Tech Partnership, alongside concrete commercial wins such the UK's biggest ever warship export deal by value with Norway.

We have strengthened our direct engagement with business through a more strategic offer: supporting firms to navigate geopolitical risk, pursue overseas opportunities, and attracting greater inward investment. In a more contested global economy, the FCDO has strengthened the UK's economic security through deeper international partnerships and coordinated, cross-government action to update and strengthen protective toolkits.

Looking ahead, our focus is firmly on Growth and Resilience. We will prioritise high value economic partnerships, support trade and investment wins, derisk supply chains, and strengthen collective resilience with allies. Our work will focus on realising global growth opportunities, protecting economic security, strengthening the UK's economic attractiveness, and supporting energy security and green growth, underpinned by refreshed market focused Growth Plans that bring together the UK's most significant overseas economic and development activity.

UK Minister Seema Malhotra visited Bengaluru and Chennai to meet British businesses and hear how the UK-India Free Trade Agreement is helping them succeed

Foreign Office Minister Seema Malhotra said: "In an increasingly contested world, it's more important than ever for the Government and businesses to work together to navigate the intersections between geopolitics and commerce, respond to crises effectively and seize opportunities for growth overseas."

Case Study: Diplomatic Advisory Hub

The Diplomatic Advisory Hub (DAH) shows how the FCDO is supporting UK growth by bringing diplomacy closer to business. Launched on 4 March 2026 in partnership with the British Chambers of Commerce, the Hub gives UK small and medium sized-enterprises fast, direct access to diplomatic insight to help them trade, invest and manage risk in an increasingly uncertain global environment. UK businesses are operating against a backdrop of conflict, supply chain disruption, changing regulation and geopolitical volatility. The DAH helps firms navigate these challenges by translating global political and economic developments into practical advice. The DAH has engaged over 1000 businesses, including helping over 100 UK businesses from a diverse range of goods and services sectors with specific 1-2-1 queries, including on sanctions, export controls, establishing businesses abroad and finding in-country contacts. 95% of attendees found DAH webinars on the Middle East and China useful, with businesses hearing from a range of speakers from the private and public sector. The DAH is both a front-door into the FCDO for businesses and a feedback loop: alongside offering advice, it gathers insight from businesses about the barriers and risks they face overseas, shaping FCDO and wider government policy. By boosting business confidence, supporting market access, and strengthening resilience, the Diplomatic Advisory Hub makes a tangible contribution to the Growth priority.

KEY ACHIEVEMENTS

- **The Foreign Secretary hosted a delegation of Australian Superannuation Funds** during a visit to the UK, supporting long-term investment in UK infrastructure and the green transition, with around £40 billion already invested in the UK.
- **Leveraged senior level inward visits to drive economic outcomes, led by hosting Japan's Keidanren delegation and supporting the German State Visit,** strengthening investor confidence in the UK Industrial Strategy and advancing a strong pipeline of investment opportunities in clean energy, advanced manufacturing and technology.
- **Developed enhanced Growth and Investment partnerships** with South Africa, Pakistan, Vietnam and the Philippines to support development in fast growing markets by unlocking trade and investment opportunities.
- **Enhanced the UK's protective toolkit by** working with others across HMG to update the National Security and Investment Act mandatory notifications and sectors, and to launch the new Procurement Act.
- **Advanced economic security partnerships through dialogues delivering practical outcomes with Australia, Germany, Canada, the Netherlands and Japan,** building on commitments under the Kensington Treaty, AUKMIN and UK-Japan Economic 2+2.

MIGRATION

The Government has made reducing irregular migration and strengthening border security a core priority. The FCDO plays a central role in delivering this objective overseas, working through diplomatic engagement, international partnerships and development programmes to tackle the factors that drive irregular migration and to strengthen cooperation on returns, enforcement and migration management. Throughout 2025-26, our network worked closely with the Home Office and international partners to support a more coordinated international response to irregular migration and organised immigration crime.

Migration pressures continued to be shaped by conflict, instability, economic insecurity and displacement in many regions of the world. The FCDO worked with partners across Europe, Africa, the Middle East and Asia to strengthen cooperation on migration, support vulnerable people closer to home, and improve the international systems that manage migration and refugee movements. We also worked with countries of origin and transit to address practical barriers to returns and readmission, while supporting broader efforts to tackle organised criminal networks that profit from irregular migration.

Alongside these efforts, the UK continued to play an active role in international discussions on the future of migration governance and refugee protection. Through multilateral engagement, bilateral partnerships and targeted programmes, the FCDO helped build support for approaches that combine effective border management with international cooperation and protection for the most vulnerable. Looking ahead, we will continue to strengthen partnerships that help reduce irregular migration, tackle organised immigration crime, and support a more sustainable international migration system.

Minister of State for International Development Baroness Chapman visits the Chad-Sudan Adré border crossing.

Case Study: The North Africa Migration and Development (NAMAD) Programme

The UK Government, through the FCDO, established funds and manages the North Africa Migration and Development (NAMAD) programme, as part of a wider UK effort – including diplomatic partnerships, law enforcement co-operation, and capacity building of key border security institutions – with the aim of reducing irregular migration from North Africa. It is implemented by the International Organisation for Migration (IOM) and is part of the up to £84 million Upstream Migration Campaign announced by the Prime Minister in 2024. NAMAD has supported over 30,000 migrants and host community members across North Africa to date and in Egypt, this has seen over 22,500 people access support.

In Tunisia, NAMAD aims to reduce the drivers of onward, irregular migration, through supporting migrants and Tunisian youth gain qualifications, improving their chances of securing good quality jobs. As part of HMG's wider efforts, this has helped to reduce the number of people making the irregular journey from Tunisia to Europe, which have decreased by over 80% in the last year. The Foreign Secretary visited Tunisia in January 2025 where he learnt more about this programme and met with Tunisian counterparts to strengthen our wider migration cooperation.

KEY ACHIEVEMENTS

- Designed the **world's first sanctions regime targetting irregular migration and organised immigration crime.** Delivered two rounds of sanctions against individuals and entities involved in driving illegal migration to the UK. The EU is now creating a parallel regime, demonstrating the impact of this approach.
- Led intense lobbying campaigns leveraging novel Home Office visa measures to secure the **adoption of UK Letters with countries including Nigeria, DRC and Namibia,** enhancing HMG's ability to return those without a right to be in the UK.
- Initiated a **campaign on European Court of Human Rights (ECHR) reform,** secured support of 26 Council of Europe partners to a like-minded Ministerial statement and launching a process towards a Political Declaration to ensure application of the ECHR supports our migration aims.
- On **Global System,** opened avenues for like-minded and UN support for reformed approach to handling irregular and mixed flows.

DEVELOPMENT & CLIMATE

Our priority is to work for a world free from poverty on a liveable planet, where the UK helps reduce humanitarian need and violent conflict. In an interconnected world, crises and instability across the world undermine UK security and prosperity. The FCDO works to accelerate the global clean energy transition, while modernising its approach to development and driving reform of the global development architecture.

A joint approach to development and climate is essential: climate impacts threaten hard-won development gains, while development choices shape future emissions and resilience.

In 2025-26, delivery focused on implementing the modern approach to development through four shifts: from donor to investor, from service delivery to system support, from grants to expertise, and from international intervention to local leadership. Our commitment to international development is as important as ever; it reflects UK values and is also in the UK national interest. Following the Government's decision to reduce Official Development Assistance (ODA) to support increased defence spending, the UK focused on more strategic use of ODA, alongside greater use of non-ODA tools, including mobilising public and private finance.

We prioritised fewer, higher-impact partnerships, aligning ODA more closely with partner needs and UK interests, while protecting support for the most vulnerable. We delivered lifesaving humanitarian assistance in major crises, including in Ukraine, Sudan and Gaza, and advanced reform of the global development finance system, including launching the Emerging Markets and Developing Economies taskforce to incentivise investment. British International Investment (BII) continued to deliver on the UK's shift from donor to investor, investing £1.8 billion (US$2.4bn) to support productive, sustainable and inclusive economic private sector development in partner countries. BII also mobilised US$1.7 billion of commercial capital into its investments.

UK climate action focused on accelerating the global clean energy transition, strengthening resilience, and mobilising climate finance at scale, particularly in developing and climate-vulnerable contexts. For example, the Transforming Energy Access (TEA) platform, part of the Ayrton Fund, improved clean energy access for a further 6.7 million people in developing countries, leveraged £230 million in public and private investment, and created or supported 57,000 green jobs.

In Southern Africa, the FCDO reached 25,000 more people with enhanced early warning services through the Weather and Climate Information Services for Africa (WISER) programme. Through the Climate and Resilience Framework Programme (CLARE) the FCDO supported research on locally driven water management across Dodoma in Tanzania – where 1.9 million residents face increasing water scarcity.

Looking ahead, the FCDO will continue to tackle the world's most pressing challenges from poverty and conflict to growth and climate change. The FCDO will accelerate the global energy transition, while working with partner countries to accelerate investments that strengthen resilience to the growing risks of climate change and nature loss, particularly for the most vulnerable. It will continue to modernise our approach to development, alleviate the most pressing humanitarian needs, strengthen the multilateral system, and mobilise finance from all sources, using ODA more strategically alongside investment, expertise and partnerships.

Case Study: African Development Fund Replenishment

The African Development Bank (AfDB) is the largest development finance institution that is focused solely on Africa. The African Development Fund (ADF) is the arm of the Bank that provides concessional loans and grants to the 37 of the poorest and least-creditworthy countries in Africa.

The ADF is replenished by donors every three years. In December, donors agreed a package of US$11 billion, covering 2026-28. The UK pledged £650 million which maintains our position as the overall largest donor, followed by Germany, Japan and Italy. AfDB programmes are already delivering tangible impact - supporting 11 million farmers, creating 700,000 jobs and expanding access to infrastructure and services. ADF-17 will scale this significantly, providing up to 4.8 million people with electricity, supporting nearly 7 million farmers, and improving access to transport, water and sanitation for tens of millions more across Africa. The ADF agreed to introduce a Market Borrowing Option, allowing it to borrow from capital markets in the same way that the World Bank's International Development Association does, unlocking additional resources to on-lend to ADF countries. This is the kind of reform needed in the current context to unlock financing for Africa's growth and development and is also in line with G20 recommendations for Multilateral Development Banks to increase lending capacity.

KEY ACHIEVEMENTS

- **The UK has modernised its approach to development and reprioritised Official Development Assistance (ODA) around new development partnership categories, aligning allocations with UK interests and partner needs, introducing a streamlined country offer, and applying the "four shifts" to partnerships as demonstrated in Pakistan, Malawi, Zambia, and Zimbabwe.**
- **At COP30, the Prime Minister reaffirmed the UK's leadership on the global energy transition and advanced delivery of the Global Clean Power Alliance (GCPA), including launching a global Roadmap for High-Quality Energy Investment Planning and agreeing clean energy Action Plans with the African Union, the Caribbean, Chile, Colombia, and Mozambique to unlock private finance, build capacity, and develop investment-ready pipelines.**
- **The Amazon Catalyst for Forest Communities programme supported 805 Indigenous, Afro-descendant, and local communities to secure progress on land rights and governance across nearly 40 million hectares of forest, helping to safeguard forests, protect biodiversity, and strengthen livelihoods.**
- **In 2025–26, the UK also provided urgent humanitarian aid to at least 1.5 million of the most vulnerable people in Sudan, including support for access to basic water services and assistance for over 1 million food-insecure people through cash, vouchers, and in-kind food, alongside responses to other major crises addressing both immediate needs and longer-term drivers of vulnerability.**

Baroness Jenny Chapman, the UK's international development minister, visits a catch-up class run for out-of-school children supported by UK aid

WOMEN & GIRLS

Championing the rights of women and girls is a priority for the UK internationally. The FCDO aims to ensure that women and girls can live in a world free from violence, participate fully, equally, meaningfully and safely in economic and political life, and exercise control over decisions that affect their lives. Gender equality is fundamental to sustainable development, inclusive growth, and lasting peace.

Over the past year, the UK demonstrated leadership through its diplomatic, development and multilateral engagement. Most notably, the UK co-founded **All In: Global Leaders for Ending Violence Against Women and Girls**, a new initiative bringing together former heads of state, activists, survivor advocates and public figures to catalyse political leadership and scale action to prevent Violence Against Women and Girls (VAWG) (see case study).

At the UN Commission on the Status of Women, the UK played a leading role in securing Agreed Conclusions on access to justice for women and girls. We advanced action on emerging threats, including launching a global consultation on a model national framework on nonconsensual intimate images that is aligning partners around shared best-practice standards. We will launch the framework and secure voluntary endorsements at the upcoming VAWG Summit. The UK strengthened leadership on Women, Peace and Security, including as vice-chair of the International Alliance on Preventing Sexual Violence in Conflict to ensure the international community does more to prevent this horrific crime and advance justice and support to survivors. We also launched, with UN Women, guidance that helps mitigate reprisal risks against women briefing the UN Security Council. The guide provides practical advice to help Security Council members anticipate, address, and respond to risks of intimidation linked to UN briefings. Beyond multilateral forums, the Special Envoy for Women and Girls conducted the UK's first visit of its kind to the Gulf, strengthening political dialogue, amplifying local women leaders' voices and identifying opportunities for deeper cooperation.

Looking ahead, the FCDO will continue to use its diplomatic, development, security and economic capabilities to prevent violence against women and girls, accelerate women's economic and civic participation, and defend global norms and standards which protect and promote women and girls' rights. We will deepen partnerships with governments, civil society, business and philanthropic actors, embed gender equality across our programmes, and respond to new technology facilitated risks online to deliver lasting change for women and girls worldwide.

Case Study: All In

In 2025, the UK cofounded **All In**, a new global initiative to catalyse leadership and political commitment to scale up evidence-based efforts to end Violence Against Women and Girls (VAWG). *All In* brings together former heads of state, activists, survivor advocates, elite athletes and leaders from across sectors who have pledged to use their public platforms to advance VAWG prevention. Members include Ellen Johnson Sirleaf, Denis Mukwege and Tarana Burke, with the UK represented by the Special Envoy for Women and Girls, Harriet Harman. The Foreign Secretary delivered keynote remarks at the December launch, underscoring that tackling VAWG will be central to UK foreign policy and committing to go "All In" as UK Foreign Secretary. The initiative was founded by the UK in partnership with the Ford Foundation and the Wellspring Philanthropic Fund, with the Equality Institute as Secretariat. The launch generated strong momentum and high-level engagement, and catalysed new philanthropic commitments from Fondation Chanel (US$1.5 million) and the Minderoo Foundation (approximately US$600,000). Together, this demonstrates early success based on the initiative's approach and convening power.

Foreign Secretary Yvette Cooper attends "All In: Global Leaders for Ending Gender-Based Violence" event.

KEY ACHIEVEMENTS

- The Foreign Secretary reaffirmed UK leadership on Women Peace and Security during the 25th anniversary of UNSC1325 by committing to step up efforts to end impunity for sexual crimes in conflict, ensure UK humanitarian work further addresses the impact of crises on women and girls and amplify women's participation in building peace. During the UK's UN Security Council Presidency the Foreign Secretary made clear that conflict-related sexual violence is not inevitable – it is preventable, prosecutable, and demands global action – and she announced £20 million of new UK funding to support survivors of conflict-related sexual violence in Sudan to access medical and psychological support during a visit to Adré on the Sudan border in February 2026.
- At the Commission on the Status of Women 2026, the UK used its convening role to drive progress on tackling non-consensual intimate image abuse by launching a global consultation on a Model National Framework. Developed with UN Women, UNODC and UK delivery partners, the framework aims to strengthen and align national laws, accountability and expectations on technology companies.
- The Growth Gateway Trade and Investment Facilitation programme worked with 50 women-led and women-centric businesses in Africa across fintech, health, education, retail, and tech enabled real economy sectors to provide hands on investment readiness and growth advice. The programme supported investors and worked to reduce the structural barriers facing women entrepreneurs, helping them to secure funding, grow their businesses, and create jobs in their communities. It has supported £110 million in closed deals to date with a further £340 million in the pipeline.

AGILE ALLIANCES

This priority recognises the world is in a period of extreme flux. It aims to sustain traditional partnerships while minimising dependencies and diversifying alliances to serve Britain's interests and increase our agency abroad. We will pursue resilient, pragmatic partnerships with states where we have shared priorities, and deliver practical results through new flexible, issue specific coalitions, tailoring cooperation to the challenge at hand. We will continue to build new partnerships, including by creating modern partnerships with vibrant and innovative economies across the world. In cementing these relationships, we can combine our strengths and pool financial and technological resources to tackle domestic, regional and global challenges which affect the UK now and in the future. This will increase resilience and economic benefits for our people and mitigate risks.

Our relationship with the United States remains deeply rooted and deeply valued, and we will continue to work closely with it in NATO and beyond. The UK–EU relationship has entered a more constructive phase, following intensive work to reset this relationship and strengthen cooperation on shared challenges. Over the past year the UK and EU have reached agreement on the Gibraltar Treaty, made progress towards closer Sanitary and Phytosanitary (SPS) and Emissions Trading Scheme (ETS) cooperation, renewed participation in Erasmus+, and deepened dialogue on foreign and security policy. Strengthened bilateral ties with France, Germany, Norway, Turkey and others have delivered new defence agreements, joint military activity and industrial cooperation.
These alliances have underpinned collective responses to Russia's war against Ukraine, reinforced NATO cohesion and supported stability in neighbouring regions.

Multilateral institutions and intergovernmental organisations remain critical to making progress on global issues which affect the UK, from climate change to conflict prevention. Many institutions are facing challenges, including geopolitical competition and rising global insecurity. They need reform, investment and modernisation. Using the UK's expertise and relationships, the FCDO will support reform and renewal of vital multilateral institutions, including the United Nations.

Foreign Secretary Yvette Cooper Attends Western Balkans Summit 2025.

Case Study: The UK–Turkey Deal: Delivering Security, Growth and Strategic Alignment

The UK–Turkey defence deal exemplifies how agile alliance building can strengthen UK security, prosperity and geopolitical influence. In October 2025, the UK and Turkey signed a landmark agreement worth up to **£8 billion** for the export of **20 UK-built Typhoon fighter jets** – the largest UK fighter jet export deal in a generation. The agreement secures thousands of highly skilled jobs across the UK defence and aerospace sector, while reinforcing the UK's industrial base and long-term defence manufacturing capacity.

Beyond its economic impact, the deal strengthens a strategically vital NATO partnership at a time of heightened regional and Euro-Atlantic security challenges. Turkey plays a critical role in NATO's southern flank, Black Sea security and migration routes into Europe. Deepening defence cooperation supports deterrence, interoperability and collective security, while anchoring the UK as Turkey's partner of choice in advanced defence capability.

The agreement also sits within a broader reset of the UK–Turkey relationship. Alongside progress towards a Strategic Partnership Framework and the relaunch of talks on an upgraded Free Trade Agreement, the defence deal demonstrates how sustained ministerial engagement and whole-of-government coordination can unlock high-value outcomes.

KEY ACHIEVEMENTS

- **Secured political agreement on the UK-EU Treaty on Gibraltar (June 2025) which led to the first Spanish-PM meeting in either capital for seven years and the signing of a Bilateral Framework resulting in a complete reset of relations with Spain.**
- **Signed new agreements including the first of its kind Economic Prosperity Deal with the United States, the 'Kensington Treaty' with Germany, a UK-Netherlands Security Partnership; a refreshed Partnership with Canada; and Strategic Partnerships with India, Vietnam, Indonesia, and Brazil.**
- **Secured major economic gains through European partnerships, including SPS and ETS agreements with the EU forecast to add nearly £9 billion to the UK economy by 2040, alongside billions more in defence exports, inward investment and clean energy projects.**
- **Played a central role on multilateralism in securing i) a 15% cut to the UN Regular Budget for 2026 and ii) an agreed resolution under the UN80 reform agenda to reform how UN mandates are created, implemented and reviewed, both focused on improving UN focus and efficiency in delivering core tasks, and to help it navigate its continuing liquidity crisis.**

Strategic Enablers

FCDO2030 is our reform programme to ensure the Department is in the best shape to grasp new opportunities and rise to the challenges of a rapidly changing world, and a constrained fiscal environment, now and well into the future. The programme is being delivered through three goals: to be a strategy-led and adaptable organisation, to create an empowered, delivery-focused, high-performing workforce, and to be enabled by advanced digital tools to maximise diplomatic, development and delivery impact.

The strategic enablers below set out some of the key ways in which FCDO2030 is delivering against these goals: people and capability, place and property, digital, data and cyber, and delivery disciplines, so the FCDO can reprioritise quickly, raise performance and accountability, and use technology to deliver greater impact.

Strategic Enabler 1: People and Capability

During 2025-26, the FCDO continued to strengthen its people, capability and organisational readiness in a challenging geopolitical and fiscal context, in line with FCDO2030. Disciplined central prioritisation has been key to stabilising our workforce whilst continuing to deliver HMG's international objectives: workforce control measures introduced in April 2024 remain in place, with Workforce Panels continuing to scrutinise roles and appointments to ensure we deploy resources effectively.

The Department also successfully conducted a Voluntary Exit Scheme in the Financial Year 2025-26, resulting in 400 departures from November 2025 – March 2026, a bespoke in-house Discretionary Exit Scheme will support further voluntary headcount reduction during 2026-27 with diversity data monitored throughout.

Alongside this, the Overseas Employment Framework progressed towards a more transparent and modernised compensation system for colleagues posted overseas. The new Framework is expected to launch during 2026-27.

As part of the FCDO2030 reform programme, during 2026-27 the Department will be strengthening the foundations of an empowered, delivery-focused, and high-performing workforce. This ongoing programme of work includes:

» Conducting a UK HQ restructuring exercise guided by a clearer operating model for how the FCDO performs its core functions, consistent with our fiscal position over the Spending Review period.

» Renewing the FCDO Capability Framework to ensure we are accurately prioritising the capabilities we need to invest in building skills for the future and improving staff understanding of career pathways.

» Invigorating the FCDO's Learning and Development offer by advancing the Diplomatic College as the department's central vehicle for high quality learning.

» Developing a comprehensive workforce strategy to ensure that we have the right skills, in the right place, at the right time to meet the UK's interests.

» Delivering an improved employee experience, with diversity and inclusion embedded into all relevant policies and processes.

Strategic Enabler 2: Place and Property

The FCDO manages around 6,500 properties in 280 locations across 180 countries overseas. The overseas estate hosts 35 government Departments and bodies – this is around 5,000 staff, with the FCDO being responsible for the provision of the estate to the other 35 bodies. The FCDO also manages a UK property portfolio as an owner, landlord and tenant. We handle owned and leased properties, including those from the Government Property Agency (GPA) and Crown Estate. The GPA sets out how the public estate will be transformed, delivering savings and achieving better value for money for the UK estate, but the FCDO applies, where it can, the GPA strategies to its overseas estate.

As part of FCDO2030, a comprehensive Overseas Network Review (ONR) is underway which will build a network that is agile, resilient, and able to deliver for the UK in a changing world. The FCDO will ensure that the global estate can support these plans. The National Audit Office (NAO) report of 23 May 2025 (Managing FCDO's overseas estate) and the Public Accounts Committee (PAC) review of 10 July 2025 made several recommendations on managing the estate which have all been accepted by the FCDO and are fully integrated into estate business plans. The focus remains on ensuring the estate is safe, critical services remain operational, physical security is maintained, it retains its value and operational agility and fully represents HMG in the most positive way. The FCDO continues to capture detailed data on the estate and is introducing a number of processes and procedures management based on this data. The capital replacement and backlog maintenance programmes continue at pace, and we have taken several actions to enable us to deliver the NAO and PAC recommendations.

What's next?

The FCDO will reconfigure its estate in line with the requirements of FCDO2030 and the recommendations of the Overseas Network Review.

Strategic Enabler 3: Digital, Data and Cyber

Over the past year, the Digital, Technology and Security (DTaS) Directorate has completed Osprey deployment worldwide, the FCDO's standard Official-level IT platform, whilst strengthening the resilience of the global digital backbone, supporting operations worldwide and improving the corporate experience for staff. These improvements have enabled better tools, stronger capability, and greater diplomatic, development, and delivery impact.

The FCDO was among the first Departments to provide staff with Generative AI through Copilot Chat. 16,000 colleagues now use the tool regularly with strong evidence of real productivity gains. This rollout has been supported by a major uplift in digital skills, including instructor-led training, hands-on support, an AI Summer School, and One Big Thing – delivered in partnership with the College of British Diplomacy to build confidence and ensure safe, effective use. The AI Catalyst team is focused on developing AI agents – including First Drafts, which generates analytical policy products aligned to the FCDO standards and Submit.ai which checks ministerial submissions for clarity, completeness and compliance.

DTaS has also delivered a range of products that have transformed how staff operate. This year these included the launch of Nexus, a new security management platform designed to automate and streamline processes – and the roll out of the Country and Business Planning app, which improves transparency, analysis, and real-time tracking of how Posts and Directorates will deliver FCDO2030 and the Foreign Secretary's priorities.

The FCDO has continued to improve the consular and crisis services we offer to British people overseas through enhancements to our public-facing digital services, and internal case management platform. The resurgence of conflict in the Middle East this spring saw unprecedented volumes of British citizens using our digital services. The FCDO's innovation in response was awarded the Best Citizen-Facing Technology at the Tech UK Transformation in the Public Sector Awards. We have also continued to improve the guidance available on gov.uk, so British people travelling or living overseas can find the information they need quickly and easily.

Looking ahead to 2026-27, and aligned with our FCDO2030 Tech-Enabled Goal, DTaS will continue to strengthen the foundations that underpin frontline impact – ensuring our key platforms deliver and establishing greater resilience in our services and operations. With increased funding for our digital transformation journey and as we transition to a product centred operating model, with clearer organisational prioritisation, faster delivery cycles and closer day to day collaboration between digital teams and policy, operational and corporate leaders, our ambition is to become the most digitally transformed foreign ministry in the world, able to adapt at the speed of relevance while managing risk in a way that enables innovation and impact across the Office. This approach will enable the FCDO to continuously absorb and deploy new technologies, scale proven digital services, and adapt to changing operational, policy and geopolitical demands without the need for repeated largescale transformation programmes.

The FCDO also has an ambitious transformation programme for our public-facing digital services – we will deliver a better user experience for British people, whilst driving efficiency across our global Consular network. Key areas of focus for 2026-27 will include improving direct communications with those using our consular services, simplifying and streamlining our transactional digital services, enhancing our integrations and data sharing across government and continuing to invest in AI and automation to improve service delivery.

Strategic Enabler 4: Project Delivery

Project delivery is a core strategic enabler for the FCDO, delivering value for money and results for the UK while minimising inefficiency. In 2025-26 we strengthened our delivery system to enable faster, better-evidenced decisions, clearer accountability, and assurance proportionate to risk, complexity and context.

We refreshed the Programme Operating Framework to strengthen accountability and speed up approvals and oversight. We introduced Portfolio Strategies to give Ministers clearer insight into trade-offs and set multi-year direction for delivery portfolios. We streamlined processes for smaller projects, simplifying due diligence, programme reviews, and spend and payment processing.

We updated our capability offer for a changing operating environment, strengthening project leadership, commercial and financial skills, and the use of evidence and data. Our project management network secured 1,100+ learning places, 120+ project delivery qualifications and 132 individuals were accredited to the cross-HMG Project Delivery profession.

FCDO Commercial Directorate focused on protecting delivery continuity amid uncertainty, including ODA reductions and global market pressure. Strong monitoring, close supplier relationships and regular insights supported earlier risk mitigation and a faster response. Strategic Supplier Relationship Management enabled open dialogue with delivery partners and early visibility of pressures. Strengthened data, analytics and risk tools supported targeted action to avoid unplanned disruption, alongside further supply chain mapping to improve visibility across complex, multi-tier supply chains and strengthen insights on market resilience and value for money. Selective senior and Ministerial engagement provided assurance at key points. Publication of the SME Action Plan and spend target signalled longer-term resilience ambitions aligned with growth objectives.

What’s next?

Next steps focus on implementing HMG’s Project RESET (led by HMT/NISTA) to streamline processes, strengthen oversight and remove avoidable friction in a financially and resource constrained environment. The Department will embed the Development Shifts in day to day practice, moving towards more targeted, portfolio led and influencing focused delivery models, with project delivery expertise embedded in policy so that design and implementation are grounded in robust planning, evidence and risk management.

We will also adapt our delivery system for new and emerging non ODA spend, applying consistent standards and approvals across a broader range of interventions.

The FCDO's Risk Profile

In 2025-26, the FCDO operated in a volatile external environment. Conflicts, geopolitical instability and shifting international priorities contributed to a high-risk profile during the year. The FCDO has prioritised action to stabilise and progressively reduce exposure across its principal risks. These improvements are expected to support greater control over risk levels over time, while enabling delivery of the department's strategic and operational objectives. As a result, the FCDO's principal risks included risks to the safety and security of our people, information, systems and overseas estate; risks to our ability to respond to international crises; and fiduciary risks.

Performance Analysis: Risk

In 2025-26, the FCDO's seven principal risks were:

(1) Crisis Preparedness. The risk the FCDO is not ready to respond effectively to crises. Management actions included the development of crisis identification and escalation triggers, specialist training for crisis responders, and the use of technology for crisis early-warning.

(2) Cyber Security. The risk of significant cyber breach, data leakage or system compromise. Management actions included changes to policies and systems governing how information is accessed and used alongside improved detection and recovery measures.

(3) Estates. The risk of health and safety or operational failures in the FCDO's buildings across its global network. Management actions included improved estates surveys and the development of preventative maintenance plans.

(4) Fraud. The risk of the FCDO not adequately protecting public funds from fraud and misuse. Management actions included mandatory fraud training for all staff, an increase in specially trained fraud liaison officers across the FCDO, and established reporting mechanisms.

(5) Insider Threat. The risk that some FCDO employees could intentionally or accidentally release sensitive information or compromise the FCDO's systems or properties. As with Cyber Security risk, management actions included changes to policies and systems governing how information is accessed and used alongside improved detection and recovery measures.

(6) Sexual Exploitation, Abuse and Harassment (SEAH). The risk of inadequately preventing, detecting or responding to incidents of sexual exploitation, abuse and harassment. Management actions included internal training and awareness campaigns, clear reporting channels, and capacity building with delivery partners.

(7) Safety of our people overseas. The risk that the FCDO cannot fully anticipate, mitigate and respond to major health, safety and security incidents involving our staff working overseas. Management actions included comprehensive health and safety policies and procedures, enhanced support to staff in crisis environments, and regular horizon scanning and business continuity planning.

If they were to materialise, these risks would have a high impact on one or more of the following: the FCDO's ability to deliver its strategic and operational objectives; its reputation and stakeholder trust; or its effective stewardship of people, resources and public funds.

Performance in Other Areas

Consular and Crisis: In 2025-26

The FCDO provided tailored consular assistance to over 27,200 British nationals overseas, including support to families of more than 6,700 British nationals who had died overseas, 3,900 who had been hospitalised, over 5,600 who had been detained, and 2,200 victims of crime (based on the FCDO's consular database).

The FCDO's Travel Advice on gov.uk was viewed over 31.6 million times (source: gov.uk).

The FCDO answered over 330,200 enquiries, issued more than 28,300 Emergency Travel Documents, delivered 621,300 Apostilles, registered 3,400 births and deaths overseas, provided approximately 13,000 notarial services and over 4,600 of citizenship ceremonies overseas (based on the FCDO's consular database).

88% of service users who accessed consular and crisis support were satisfied (8/10 or above) with the service they received. This continued to exceed the existing benchmark of 80% (source: consular service user satisfaction tracking survey).

During the Spring 2026 Middle East crisis the FCDO led a 24/7 cross-government response, with over 900 staff supporting operations in the UK and overseas. More than 178,000 British nationals and dependants registered through the FCDO's Register Your Presence service, and our Consular Contact Centre handled more than 21,000 public enquiries. Travel Advice was updated 87 times, attracting 2.6 million views, while crisis-related FCDO social media content was viewed 21.7 million times. 60 specialist staff were deployed to the region to support British nationals and their dependents on the ground, and the FCDO coordinated six civilian evacuation flights, helping 765 people leave the affected region. Throughout the response, resilient consular systems and enhanced data capabilities provided real-time insight, supporting informed decision-making and effective delivery at a time of unprecedented demand.

Evaluation Arrangements

The FCDO's evaluation policy and strategy set out principles and standards for proportionate evaluation to provide the insight and learning needed to strengthen delivery and impact of all areas of our work. This evidence complements routine monitoring and accountability mechanisms. Evaluation operates at the central level, focusing on opportunities for strategic investment, as well as local level, where teams are best positioned to identify their own evaluation opportunities and learning needs, with central support to ensure quality and proportionality. The Department is committed to transparency and publishes planned and completed evaluations on the cross-government Evaluation Registry.

Over the last year, new evaluation evidence was produced in priority areas including thematic and portfolio evaluations on topics ranging from climate resilience to conflict prevention and experimental impact evaluations of the FCDO's activities on topics as diverse as civil registration in Nepal to parametric insurance for education in Kenya. Considerable progress was made in supporting staff to use evaluation evidence including in harder to measure areas such as diplomacy and influence with a new toolkit supporting the application of different evaluation methods and tailored training to strengthen skills in applying these approaches. We made progress in facilitating easier access to evaluation evidence including the development of a new AI tool which draws on a new publicly available evidence and gap map of more than 1,400 FCDO-funded evaluations dating back to 2012.

The FCDO recently published a new Evaluation Strategy which outlines how the function will evolve over the coming years to meet the changing needs of the Department. This outlines four shifts to strengthen the relevance and reach of evaluation evidence:

- A more strategic evaluation model that better combines demand-driven evaluation with a small number of centrally directed evaluations to address priority evidence gaps.
- Greater emphasis on portfolio monitoring, evaluation and learning (PMEL) to strengthen our ability to understand how different activities work together to deliver impact across countries and themes.
- Wider use of internal expertise and evaluative thinking to support continuous learning and adaptation that can complement external evaluations.
- Improved use of technology to make it easier for staff to find and use relevant evaluation evidence.

The strategy reaffirms our commitment to learning, accountability and continuous learning and sets out concrete steps to make high-quality timely evaluation a foundation for strategic choices across all areas of the FCDO work.

Safeguarding

The FCDO continued to safeguard against Sexual Exploitation, Abuse and Sexual Harassment (SEAH) internally, across HMG and internationally.

Internationally, we helped secure many more endorsements (now over 260) for the 2024 Common Approach to Protection from SEAH to align safeguarding work in humanitarian, development and peace operations. We also convened meetings which helped generate additional resources to manage SEAH risk.

We invested directly in programmes in four areas: global tools and coordination; capability building for organisations; support for victim-survivors who are mainly women and children; and improving vetting and law enforcement action against perpetrators, including in the UK.

We drove delivery of the 2020 HMG Safeguarding Strategy and began the process of updating it. We worked with Cabinet Office to tighten HMG recruitment processes to make it harder for former perpetrators of SEAH to evade detection during the recruitment process.

Internally, we delivered multiple actions in the FCDO's annual Safeguarding Capability Action Plan which aims to: prevent SEAH in the FCDO and reduce SEAH risk in programmes; promote the FCDO's zero tolerance to inaction approach; and increase the number of staff who take action after witnessing or experiencing SEAH. We collected data on staff's experience of SEAH via the annual People Survey.

The number of safeguarding concerns reported to the FCDO in 2025-26 was 379. These are cases across our programme portfolio and where we provided advice, as well as internal cases. Internal cases mean either the survivor or subject of complaint is an FCDO staff member.

129 of the SEAH cases for 2025-26 were internal, 39% more than last year. Of the 129, 55% related to FCDO staff as the subject of complaint and 45% to non-FCDO staff as the subject of complaint with the survivor being an FCDO staff member. In 2025-26 we closed 114 internal cases: in 53% of cases FCDO staff were the subject of complaint and the remainder non-FCDO staff. In all cases where the allegation was proven action up to and including dismissal was taken. Actions in other cases included addressing concerns about behaviour at line management level and referral to other partner organisations.

Of the 216 external programme cases (i.e. FCDO staff not directly involved) that were closed in 2025-26, the allegation was proven in 40% of cases. Actions taken by partners in response included disciplinary, criminal referral, introduction of new policies and additional staff training. 112 cases closed were logged as advisory as they did not have a connection to FCDO funding.

Our annual safeguarding progress report published in April 2026 https://www.gov.uk/government/publications/safeguarding-against-sexual-exploitation-abuse-and-harassment-in-the-international-aid-sector-fcdo-progress-report-2024-to-2025?utm_medium=email&utm_campaign=govuk-notifications-topic&utm_source=d85bafa8-5d4f-4cc5-b4a4-eac886e3ce3a&utm_content=daily provides more details.

Future Reporting on Key Achievements

The FCDO is working to improve its approach to measuring results across the whole organisation by embedding this at the core of the new organisational architecture for strategic planning and delivery. We are improving the systems and processes through which the organisation defines and monitors its objectives and key results, and ensuring they are better aligned with our strategic objectives. This will enable improved reporting on the results achieved through FCDO's work in future Annual Report and Accounts.

SECTION 1
Performance Report

Section 1.3: Financial Review

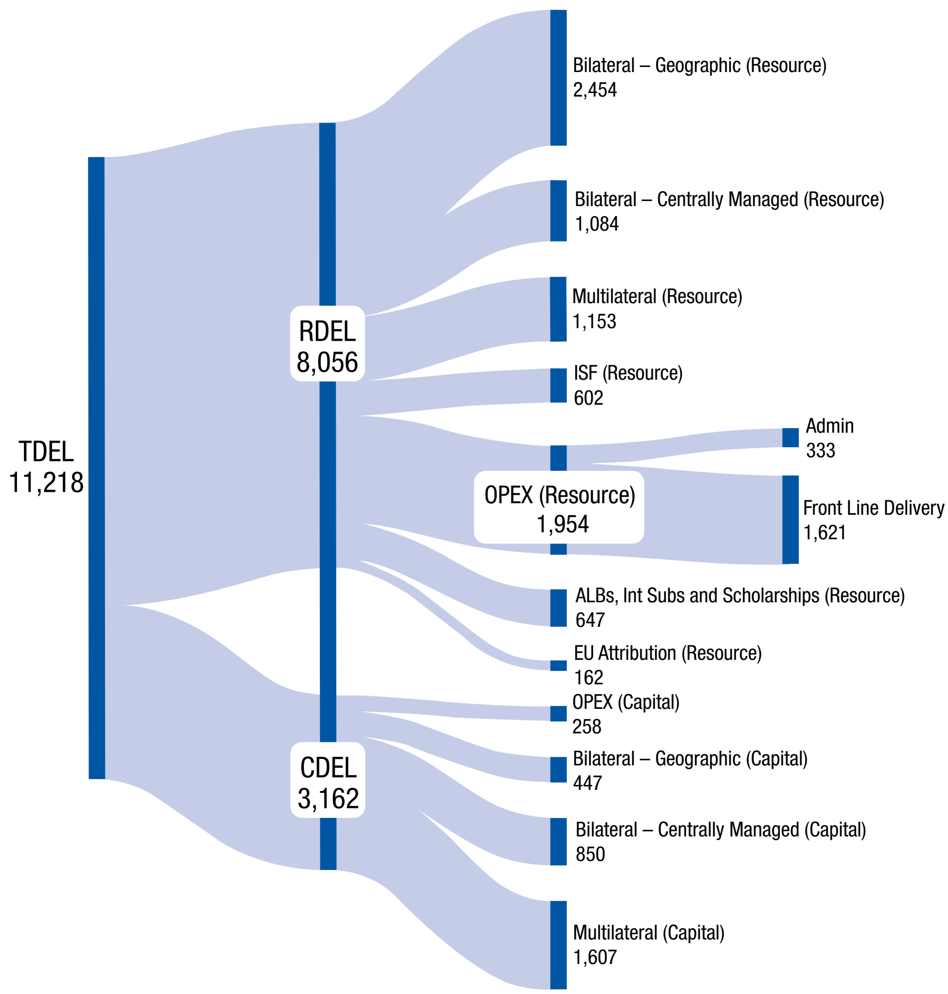
Financial Performance – Overview

In 2025-26, the FCDO spent £11.6 billion of its £12.3 billion Parliamentary budget. This led to an underspend of 6% – Departmental Expenditure Limit (DEL) £209 million and Annually Managed Expenditure (AME) £530 million, while remaining within all Parliamentary and HM Treasury spending controls.

The underspends, particularly in DEL reflect the high degree of volatility faced by the FCDO during the financial year, including the UK's response to the Iran crisis. This is a challenging environment for financial management, where crisis has exacerbated the level of uncertainty requiring both a regional Official Development Assistance (ODA) and a Non-ODA response.

It also reflects prudent management of volatile costs, particularly within AME, where year-end balances can fluctuate due to movements in key variables such as interest rates and exchange rates (with favourable changes potentially generating credits to AME), as well as the effects of management estimates and ringfenced budgets. Because ringfenced budgets cannot be repurposed, relatively small underspends across multiple areas can accumulate into a larger overall underspend.

The waterfall chart below illustrates total DEL spend (in £ million) during 2025-26:



During the year, the Department managed public money prudently, balancing the need to respond to global crises with the need to remain within strict Parliamentary controls. The FCDO also adjusted plans in line with the Government's decision to reduce the UK ODA budget to the equivalent of 0.3% of gross national income by 2027. This led to around £0.5 billion of savings, mainly by reducing or delaying some spend to manage the move to lower spending levels more smoothly.

Spending and Response to Crises

During the year, bilateral FCDO spending was driven mainly by major humanitarian and security crises, particularly in Ukraine, Palestine, and Sudan. Responding quickly to urgent needs meant balancing speed of delivery, risk, value for money and limited budget flexibility.

As the year went on and flexibility reduced, the Department relied more on multilateral organisations and existing funding mechanisms rather than rapidly expanding new bilateral programmes. This allowed the FCDO to deliver support at scale and manage security and delivery risks, while keeping tighter control of cash spending during the year.

» **Ukraine**

Support to Ukraine continued to represent a significant financial commitment, with the UK spending £238 million. While direct grant-based ODA remained important, a growing proportion of UK support was delivered via multilateral channels, particularly through UK-backed guarantees to Multilateral Development Banks (MDBs).

These guarantees enabled MDBs to provide large-scale budget support and reconstruction financing beyond their standard lending limits, helping sustain essential public services in Ukraine.

» **Palestine**

In Palestine, £117 million of ODA provided support, prioritising humanitarian assistance and support delivered through UN agencies and trusted international partners, reflecting operational constraints and heightened delivery risk. Financial management focused on ensuring that funding flows complied with Parliamentary controls, sanctions regimes, and value for money requirements.

Delivering assistance primarily through multilateral and third-party organisations reduced the department's direct operational exposure but limited the scope for rapid financial reallocation when conditions changed. This reinforced the importance of early financial commitments and conservative contingency planning.

» **Sudan**

The crisis in Sudan drove significant humanitarian demand during the year, with the FCDO spending £146 million. The FCDO responded largely through pooled funds and multilateral humanitarian mechanisms. While this model constrained in-year flexibility as funding allocations were often committed early, it allowed for rapid mobilisation while managing fiduciary and security risks.

Further information on 2025-26 ODA outturn and indicative 2026-27 to 2028-29 ODA spending plans is contained in Annex A.

The public sector budgeting framework

The FCDO operates within a public sector budgeting framework set by Parliament and HM Treasury. This splits spending into different categories for day-to-day spending (resource) and long-term investment (capital), and into budgets that are either fixed (Departmental Expenditure Limits (DEL)) or managed in-year where spending is more volatile (AME). These control totals determine both the types of expenditure that can be incurred and the degree of flexibility available to manage pressures in-year.

DEL budgets primarily fund programme delivery and operating activity. AME covers more volatile, demand-led and non-cash items, including accounting movements on financial instruments, and is managed conservatively to avoid breaches of Parliamentary control. This framework is central to understanding the department's outturn and the drivers of underspend described below.

Spending Outturn Against Budget

Departmental Expenditure Limits (DEL)

DEL totalled £11.2 billion with an underspend of £209 million (1.8%) driven by the high degree of volatility in the FCDO's operating environment and the need to respond efficiently to emerging pressures. While this underspend demonstrates effective control, it also highlights the limited scope for reallocating resources late in the year.

Annually Managed Expenditure (AME)

AME outturn was a £530 million underspend, reflecting the inherently volatile nature of noncash costs, impairments and provisioning associated with financial instruments. AME is managed conservatively to avoid overspends on items subject to significant estimation uncertainty. As a result, the underspend primarily reflects the conservative management of risks in areas subject to significant estimation uncertainty and valuation volatility.

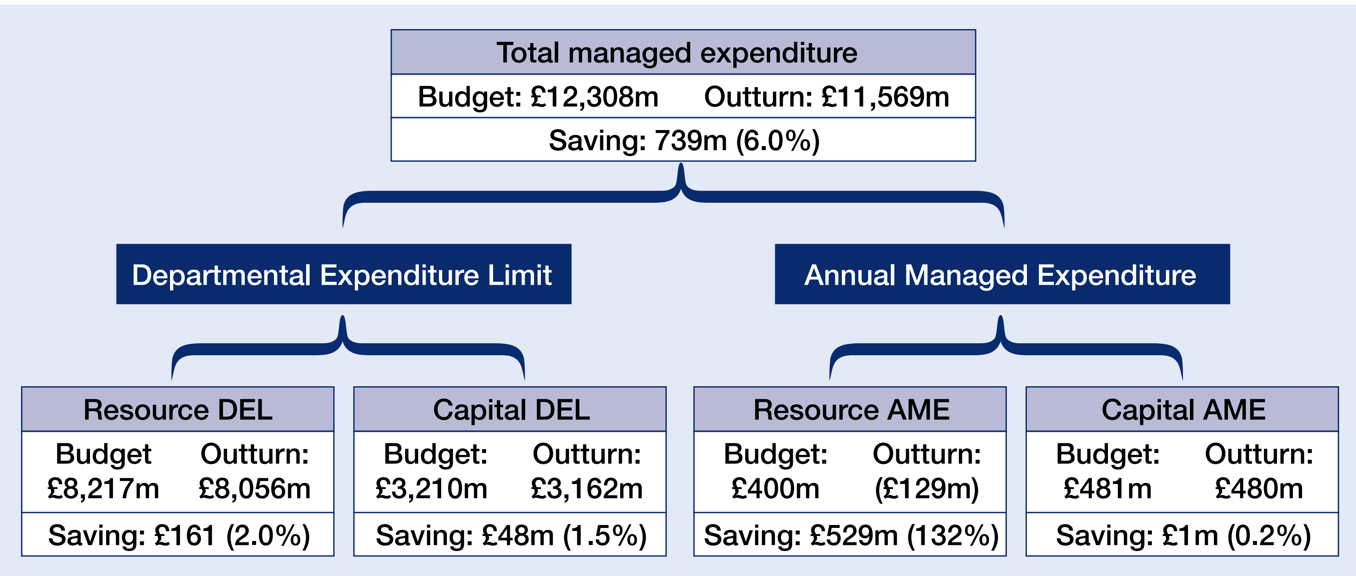
Monitoring financial performance

The Department monitors financial performance through regular review of spend against Parliamentary control totals, supported by monthly profiling against approved budgets and variance analysis comparing forecast and actual outturn.

Significant variances are reviewed monthly by management, explained where they arise, and addressed as needed to ensure continued compliance with Parliamentary control.

Outturn against estimate variances

This section explains how the FCDO's spending compared to the amounts voted by Parliament in the estimates. The figures are shown in the Statement of Outturn against Parliamentary Supply (SOPS) (page 131).



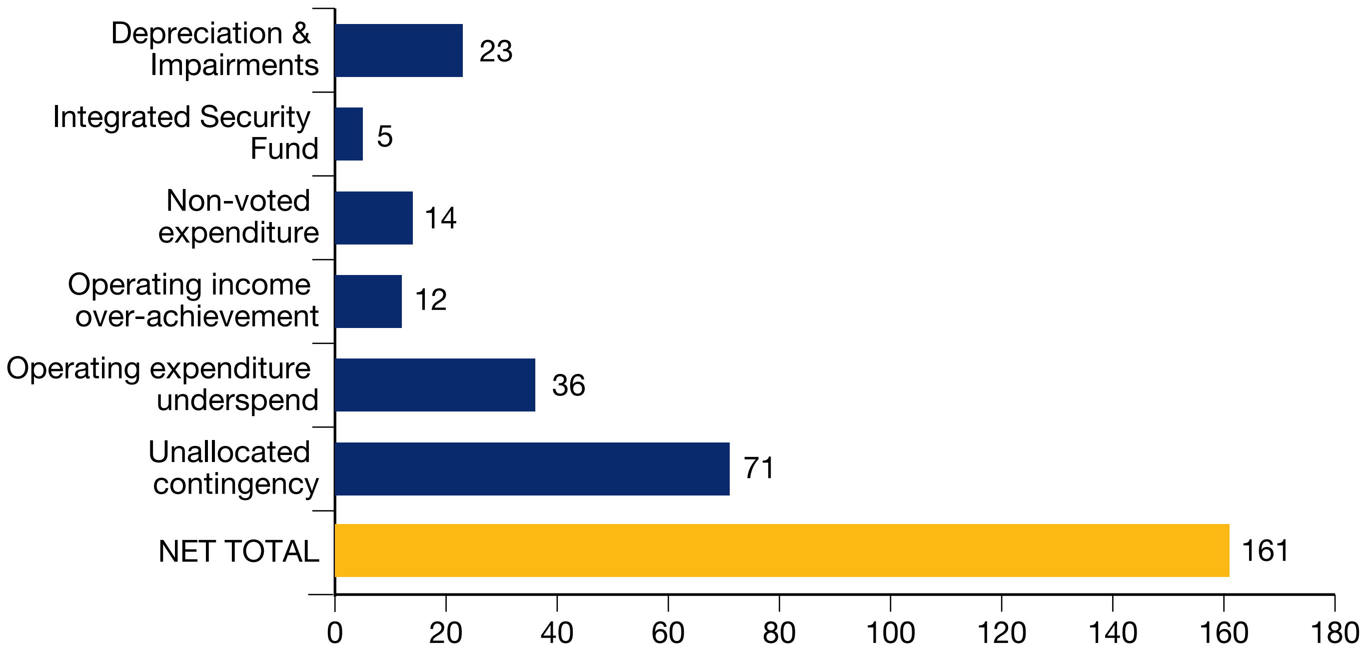
» **Resource DEL**

SOPS 1.1: headings A through to I – an underspend of £161 million (2.0%) of £8.2 billion budget. The underspend primarily reflects the department's approach to managing in year risk and volatility.

£42 million (26%) is ringfenced and could not be redeployed, broken down as follows:

- £23 million relating to lower than forecast depreciation and impairment charges.
- £5 million for the Integrated Security Fund.
- £14 million for the non-voted expenditure.
- Of the remaining £119 million underspend, the main drivers relate to:
- £12 million operating income over achievement. The timing of income can be unpredictable and therefore not always possible to re-spend in the year.
- £36 million operating expenditure underspend. The FCDO is protected by Treasury against Foreign Exchange movements and Differential Inflation and Crisis risk for non-ODA budgets until the last three months of the financial year, after the Supplementary Estimates. At that stage, the FCDO must retain contingency budgets to mitigate against volatility caused by Crisis, Inflation and Exchange rate movements.
- £71 million unallocated contingency budget to deal with year-end risks and audit adjustments.

Resource DEL Underspend 2025-26 (£millions)



» **Resource AME**

SOPS 1.1: heading J – an underspend of £529 million (132%) of a £400 million budget.

Resource AME includes non-cash accounting movements arising from the valuation of financial instruments, including guarantees. Changes in discount rates, exchange rates and underlying credit assumptions can result in significant movements in AME outturn, independent of in-year cash expenditure. The Department therefore manages AME budgets conservatively, maintaining sufficient headroom to avoid breaches of Parliamentary control.

Resource AME forecasts in the year were tested to ensure that they were taut and realistic and necessarily provided cover for a reasonable worst case.

The underspend of Resource AME in the year is due to:

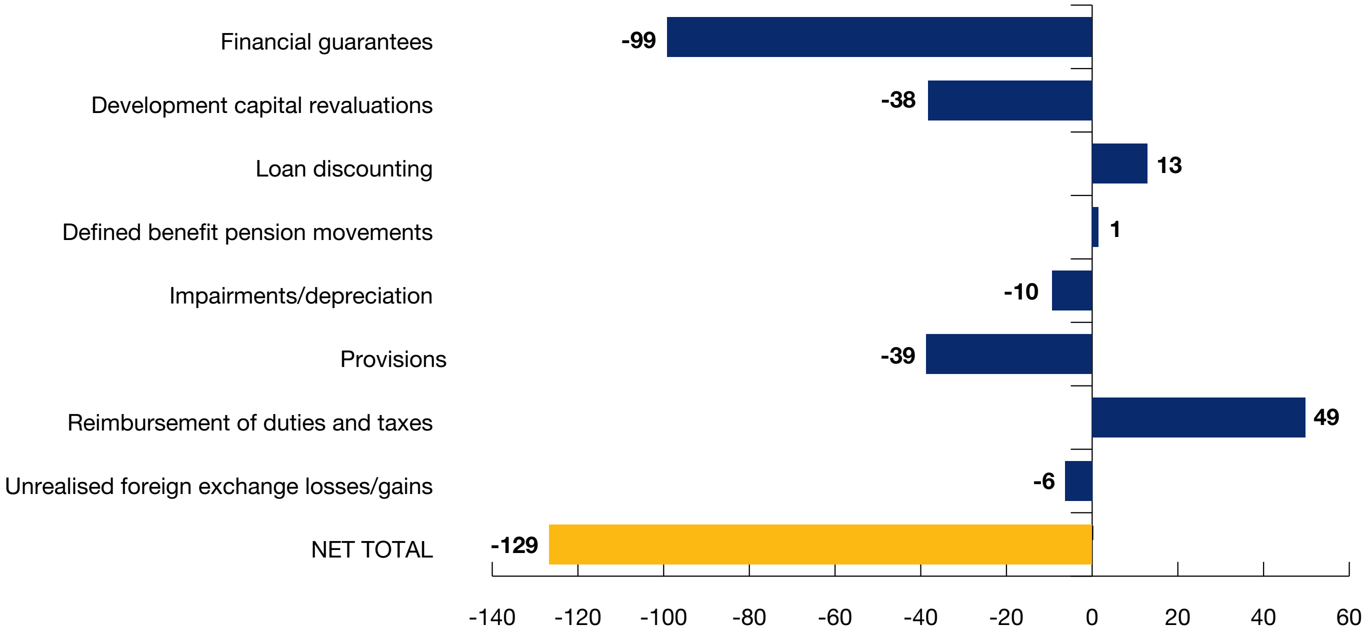
- The reduction of expected losses in relation to financial guarantees – particularly due to a reduction in interest rates applied to loans. In addition, some anticipated new guarantees were not required in 2025-26, particularly in relation to Ukraine.

» The release of a number of high-value provisions relating to legal challenges against the Department. The timing and outcome of such cases cannot be predicted with certainty. In the year, the value of provisions released exceeded the value of new provisions recognised.

» Favourable foreign exchange rates and stable economic conditions resulting in minimal Resource AME spend on balance sheet valuations.

Resource AME expenditure

Actual AME resource expenditure 2025-26 (£millions)



» **Capital DEL**

SOPS 1.2: headings A, C, D, E, F and H – an underspend of £48 million (1.5%) of £3.2 billion budget.

Capital DEL underspend relates to:

» £34 million is in respect of underspend relating to leased assets accounted for under IFRS 16. The timing of lease renewals and new signings is difficult to predict due to the volume and global nature of the leased properties, the negotiations required and the impact of conflicts and political uncertainty. Underspend includes a lease renewal delayed due to Iran War (£6m), delays of other expected early renewals (£7.6m), one property now being bought (£1.4m) and one property being sold by the landlord (£1.3m).

» £1 million is in respect of underspend relating to Financial Transactions, ringfenced spend which cannot be reallocated.

» The remaining £13 million is primarily due to the retention of unallocated contingency funds set aside for year-end risks and audit adjustments.

» **Capital AME**

SOPS 1.2: Headings J and K – an underspend of £1 million (0.2%) of £481 million budget.

This comprises investments in the FCDO's wholly owned, self-financing public corporation, BII, and IFRS 16 lease dilapidation provisions. The small underspend reflects a lower requirement for dilapidation provisions than estimated.

Budget to accounts reconciliation

The FCDO's resource outturn (DEL and AME) was £7.9 billion compared to £10.5 billion net resource in the consolidated statement of comprehensive net expenditure CSoCNE.

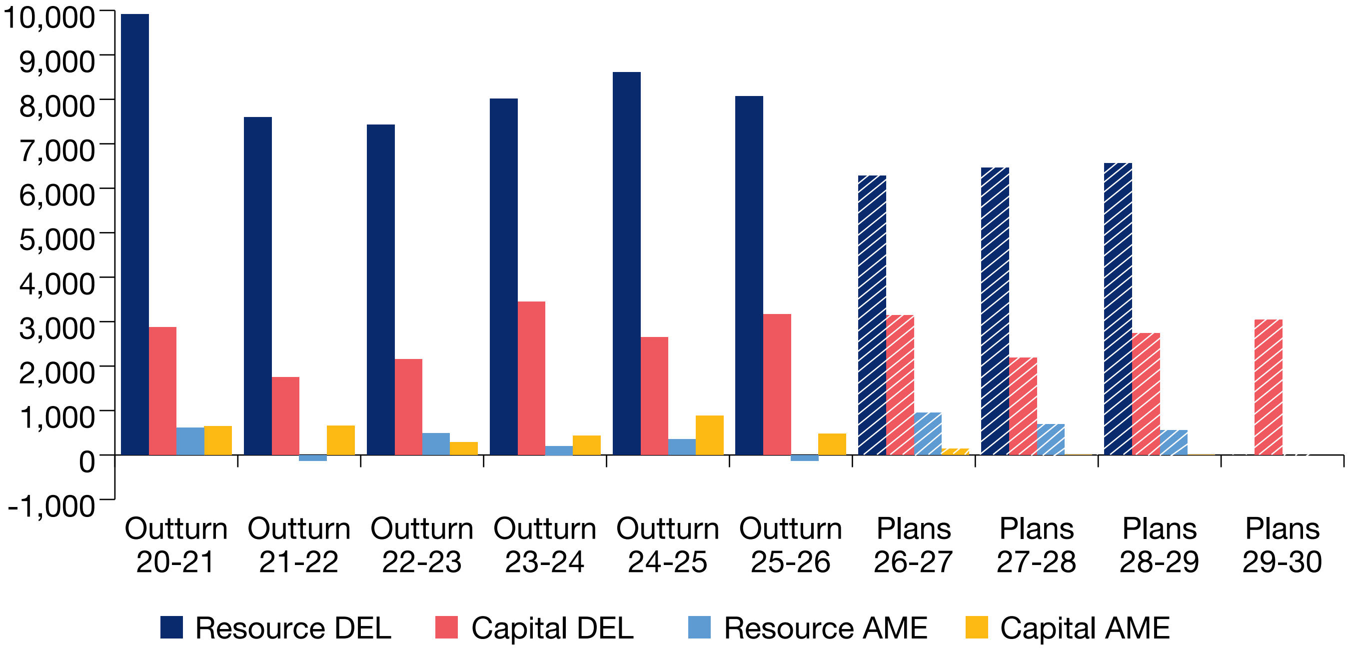
The key differences are that:

» Capital grants and research and development (that meets ESA 10 criteria for the national accounts) are treated as expenditure in the resource accounts but as capital in budgets,

» The CSoCNE does not include EU attribution, in line with rules on activities charged directly.

Trend analysis

The chart below shows overall spending trends for the last six outturn years and plans for the next three years for resource allocations and four years for capital allocations.



The FCDO's budget for 2025-26 reflects further adjustments to ODA in line with the Government's fiscal framework, alongside continued prioritisation of strategic capital investment. To reduce the steepness of the ODA glide path to 0.3% of GNI by 2027, the FCDO reprofiled £470 million Total DEL budget from 2025-26 into 2026-27.

Capital DEL increased compared with the prior year, although it was reduced from the Main Estimate position, primarily due to the rephasing of planned capital activity and lower forecast ODA requirements. These movements demonstrate continued active management of the department's budget position during the year.

Resource AME remains largely driven by accounting adjustments, including movements on provisions, financial instruments and unrealised foreign exchange. Capital AME continues to support investments in the FCDO's wholly owned public corporation, BII, contributing to the Government's financial transactions objectives. Further detail on these trends is provided in the Common Core Tables (Annex C), which reconcile the changes across the spending period.

	2025-26 £m	2024-25 £m	Change £m	Change (%)	Explanation of movement between 2024-25 and 2025-26
Property, plant and equipment	2,610	2,469	141	**6%**	Increase is largely due to additions and positive revaluations of buildings excluding dwellings and plant and machinery. This is offset partially by disposals and depreciation. See Note 5 for more information.
Right of Use assets	1,365	1,418	-53	**-4%**	Movement is due to additions, disposals and depreciation of leased right of use assets. See Note 16 for more information.
Financial investments	16,046	15,562	484	**3%**	Additions of £680 million, including addition of £480 million shares in BII and positive revaluations of existing investments. Offset against disposals of £31million. See Note 6 for more information.
Trade and other payables (current and non-current)	7,352	7,256	96	**1%**	Slight increase in promissory notes due to increased deposits offset against drawdowns. See Note 10 for more information.
Provisions (current and non-current)	907	955	-48	**-5%**	Movement is largely due to provision utilisations for International Finance Facility for Immunisation (IFFIm) commitments and the Voluntary Exit Scheme, offset by the recognition of provisions relating to restructuring and the unwinding of discounts. See Note 11 for more information.
Financial guarantee	996	1,094	-98	**-9%**	Movement primarily due to improvements in rates on underlying loans – particularly interest rates. See Note 13 for more information.

Contingent liabilities

The FCDO has a portfolio of investment and guarantee financial instruments. Guarantees and other instruments, (such as callable capital) create a contingent liability for the FCDO. This means that the Department must consider the risk that it might have to make a payment against these contingent liabilities and the impact of that on in-year budgets.

Contingent liabilities of £1,635 million are disclosed in accordance with International Accounting Standard 37 in Note 12. In addition, certain contingent liabilities, where the likelihood of a transfer of economic benefits is remote are disclosed in the Parliamentary accountability and audit report (page 143).

Contingent liabilities are increasingly a key feature of the FCDO's financial position and are monitored closely with regards to their amount, timing and potential impact on future cash flows.

The FCDO ensures that it complies with HM Treasury's Contingent Liability Approval

Framework, which includes best practice when designing guarantees and indemnities, and an enhanced checklist to assess contingent liability proposals.

Financial guarantees

The FCDO's guarantee portfolio had a total exposure of £996 million at 31 March 2026, primarily reflecting guarantees provided through multilateral development banks. These guarantees support lending beyond standard credit limits but expose the Department to contingent fiscal risk over the life of the underlying loans. The Department monitors concentration, maximum annual payout exposure and affordability to ensure risks remain manageable. See Note 13 for more information on the FCDO's guarantees.

British council loan funding

In 2021-22, the Government committed to providing the British Council with a loan facility of up to £200 million to help support their short term cash flow and restructure. By March 2024, £197 million had been drawn down and this was restructured into a term loan. The British Council remains reliant on the continuation of a loan facility of £197 million provided by the FCDO on commercial terms which the Government has committed to extend to 30 September 2027.

Official Development Assistance (ODA)

The UK ODA budget is reducing to the equivalent of 0.3% of GNI by 2027, based on Spring Statement 2025 OBR forecasts, to fund a necessary increase in spending on defence in response to pressing security challenges.

There is greater certainty and stability for the FCDO's ODA budget as it is no longer automatically exposed to the volatility of fluctuations in GNI forecasts or spending by other government departments, including demand-driven refugee and asylum costs in the UK.

The FCDO's ODA spending in 2025-26 helped lay the foundation for the FCDO's shift towards a modern approach to international development, set out in more detail in the Minister for Development's 22 July 2025 letter to the International Development Committee. After the announcement of the move to spend 0.3% of GNI on ODA in February 2025, the department's immediate objectives for ODA programming included focussing on areas where we can have the greatest impact, aligning with the needs of our partners, and minimising uncertainty for teams and suppliers. This followed a line-by-line strategic review of ODA programming for 2025-26 carried out by the Minister for Development which protected live contractual agreements and planned humanitarian spend.

In 2025-26, spend on ODA programming was approximately £8.7 billion, around 71% of the FCDO's overall budget. This does not include the ODA eligible portion of FCDO operating costs.

The Provisional Statistics on International Development 2025 confirmed that the UK spent £13.0 billion on ODA in calendar year 2025 and the ODA:GNI ratio was 0.43%. The final ODA spend ratio will be confirmed in autumn 2026. Further information on 2025-26 ODA outturn and indicative 2026-27 to 2028-29 ODA spending plans is contained in Annex A.

Overall assessment

Overall, the department's 2025-26 financial outturn reflects effective management of public funds within a constrained and increasingly complex fiscal environment. Reduced flexibility arising from ring-fenced budgets, lower ODA headroom and AME volatility places greater emphasis on early planning, conservative forecasting and balance-sheet risk management to ensure continued compliance with Parliamentary control.

SECTION 1

Performance Report

Section 1.4: Sustainability Report

Task force on Climate-related Financial Disclosures (TCFD) Compliance Statement

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

The FCDO considers climate risk as a material and cross-cutting risk to the department's objectives, however it is not assessed as a principal risk.

The FCDO has complied with the TCFD recommendations and recommended disclosures around:

» Governance – recommended disclosures (a) and (b)

» Risk Management – recommended disclosures (a) and (b)

» Metrics and Targets – recommended disclosure (b)

» Strategy – recommended disclosure (b – partial)

The FCDO has not yet achieved compliance with TCFD recommendations and recommended disclosures around:

» Strategy – recommended disclosure (a) and (b – partial)

» Risk Management – recommended disclosure (c)

» Metrics and Targets – recommended disclosures (a) and (c)

The Department has made significant progress in strengthening its approach to climate risk management and TCFD-aligned reporting. This includes a comprehensive TCFD alignment review with the Government Actuary's Department. This external review has provided an objective assessment of current alignment, highlighted priority gaps, and is informing ongoing work to strengthen climate risk governance, metrics and reporting over future periods.

This reflects, in part, the complexity of the FCDO's global and decentralised operating model (280 posts across 180 countries), which results in significant variation in local climate risk exposure and data availability.

Governance

Board-level visibility is established through several governance mechanisms, including the department's wider risk management framework and the Environmental Principles Policy Statement (EPPS) compliance process. Climate-related risks are not currently assessed as meeting the Priority Risk Register threshold under the Risk Management Framework, reflecting the high bar for enterprise-level risks rather than an absence of exposure. The Framework provides mechanisms for emerging or cross-cutting risks to be considered at senior level, with clear routes for escalation through established governance structures to the department's most senior decision-making bodies where appropriate. The Department will continue to develop its approach to identifying and assessing climate-related risks and will keep under review whether these warrant escalation for dedicated senior-level consideration. While climate change is not classified as a principal risk, it remains a material and cross-cutting consideration that is embedded across policy development, programme delivery, and operational activity.

Governance is primarily exercised through devolved processes at programme, country and policy level, ensuring that climate-related risks and opportunities are considered as part of routine decision-making and delivery.

Relevant issues are considered within senior governance forums, including the Management Board and its Committees, where they are material to delivery.

Further detail on the department's approach to risk management and internal control is set out in Section 2.1 of the Governance Statement. This includes how risks to achieving objectives are identified, assessed, and managed, and how effective internal controls are maintained.

The Environmental Principles Policy Statement (EPPS) is an example of how the Department ensures structured mechanisms are in place to ensure climate and environmental considerations are embedded in FCDO decision making. Under the EPPS duty, policy teams are required to assess environmental impacts, including climate-related risks and opportunities, and document these through formal assessments. These are summarised in key governance outputs, including Business and Country Plans, Ministerial Submissions, and papers to the Management Board (now Committee).

This approach ensures that responsibility for identifying and assessing climate-related risks is delegated to relevant teams, while maintaining senior-level visibility. Compliance with the EPPS is monitored through the annual Management Assurance Process, providing assurance that environmental and climate considerations are consistently incorporated across the organisation.

Risk Management

The FCDO has established processes for identifying, assessing and managing climate-related risks across its programmes, estates and policy functions. These processes provide a meaningful foundation and demonstrate that climate considerations are embedded within wider risk management activity, although there is work to do to align the approach consistently across the organisation

At the programme level, climate and environmental risks are identified and assessed throughout the programme lifecycle in line with the Programme Operating Framework. This includes screening at the design stage, with more detailed assessments undertaken where required, and ongoing monitoring through programme reviews. Climate-related risks are also recorded within central systems, including the Aid Management Platform (AMP) and Risk Management Platform (RMP), where risks are assessed using standard likelihood and impact criteria. At the policy level, the Environmental Principles Policy Statement supports proportionate identification and consideration of environmental impacts within decision-making processes.

For the UK estate, structured climate risk assessment has been undertaken for selected sites, supported by external analysis, providing an initial evidence base on exposure to physical climate hazards, such as flooding, overheating and water scarcity.

The FCDO is actively managing climate-related risks through established risk management processes, including the development and implementation of mitigation actions. Risk register analysis indicates that mitigation activity is contributing to a reduction in risk severity across programmes and country operations, providing evidence of active management in practice. Within the estate, transition risks are beginning to be addressed through planned investment and decarbonisation activity.

Climate risk management is partially integrated into the FCDO's overall risk management framework. Integration is strongest at programme and policy level, where climate considerations form part of core governance and control. However, a fully consistent, organisation-wide approach to climate risk identification, assessment and management is still developing.

Further work is underway, including through the redesign of the Enterprise Risk Management framework, to strengthen the consistency and integration of climate risk management across programmes, policy, estates and corporate functions, and to improve the tracking and reporting of climate-related risks at an organisational level.

Strategy

The FCDO recognises that climate change presents a range of physical and transition risks in different geographies, including impacts on the overseas estate, programme delivery and policy objectives. Climate-related risks are identified through the department's current principal risk framework and operational systems, including the Aid AMP and RMP, demonstrating that climate considerations are embedded within wider risk management processes.

Analysis of the AMP and RMP indicates that approximately 945 climate and environment-related risks have been identified across the organisation, comprising 798 programme-level risks and 147 risks within country and business plan registers. These represent around 5% of the total programme risk register, demonstrating that climate and environmental considerations are embedded within wider risk management processes across the organisation.

Climate-related risks are observed across a broad range of risk categories, with the largest concentrations in strategy and context, and policy and programme delivery, alongside material risks relating to safeguarding, financial exposure and operational delivery. This distribution highlights the cross-cutting nature of climate-related risks and their interaction with wider geopolitical, humanitarian and delivery risks.

The FCDO is already taking proactive steps to address these risks through its policy, programme and international engagement activities. This includes the delivery of ICF programmes, which support climate mitigation and adaptation in partner countries, as well as the integration of climate and environmental considerations into programme design and decision-making processes. These activities contribute both to reducing global climate-related risks and to strengthening resilience in vulnerable regions.

While climate-related risks and opportunities are clearly considered at programme and policy level, their integration into department-wide strategy and financial planning remains partial. Further work is required to ensure these considerations are applied consistently across the organisation and reflected in strategic prioritisation and planning at the departmental level.

Further work is underway to strengthen the integration of climate risk into departmental-level strategy and planning, including improving the assessment, prioritisation and monitoring of risks based on their potential impact.

Metrics and Targets

The FCDO recognises the importance of developing a consistent and decision-useful set of metrics to assess and monitor climate-related risks and opportunities. The Department has not yet completed a full assessment of Scope 3 emissions and cannot yet determine whether these are material. This reflects current data and methodological limitations, particularly given the scale and diversity of the department's global operations. While a comprehensive set of climate risk metrics is not yet in place at an organisational level, the Department already holds a wide range of relevant data across its programmes, policy activity and estates, including emissions, energy use, and climate-related risk information captured through internal systems.

For Greenhouse Gas Emissions, UK Scope 1, 2 and selected scope 3 emissions are published within the Sustainability Report. Scope 1 and 2 emissions currently reported relate primarily to the UK estate. Due to the scale of the FCDO's overseas footprint, inclusion of global emissions will require further development of systems, data coverage and reporting capability.

The FCDO is currently working with the Government Actuary's Department to define a coherent framework for aggregating and reporting climate-related metrics. This will support improved consistency, comparability and integration with strategy and risk management processes.

Overall strategy for sustainability

Climate change and nature loss are the most serious multipliers of other global threats and their effects are intensifying.

In support of our work internationally, we aim to lead by example by reducing the environmental impact of our own operations, both to protect our environment and to create a sustainable FCDO workplace. In 2025-26, the FCDO continued its work towards achieving the UK Greening Government Commitments (GGCs), integrating climate change and sustainability themes into our business practices and operations. The FCDO measures its annual performance against the GGC targets for its core UK estate, with sections below covering performance against these targets and the impacts of the wider global estate.

Underpinning our efforts, the FCDO maintains an ISO 14001 Environmental Management System (EMS), with externally certified accreditation since 2006. The certification covers our offices in King Charles Street, London, and Hanslope Park, Milton Keynes, driving continual improvement in environmental performance and ensuring that the FCDO complies with its statutory environmental obligations.

Over the past year, we have also worked to develop a more detailed understanding of the environmental impacts of our global estate of embassies, high commissions and consulates, enabling us to take data-driven action to improve sustainability globally and support with the FCDO's transition to Net Zero by 2050.

Section 1: UK Greening Government Commitments

The GGCs demonstrate how the UK government is working to improve the environmental performance of its estate and operations. We are actively engaged in embedding sustainability metrics into our ways of working.

The GGCs reflect the current scope of the FCDO's UK estate. From 2021-22, the FCDO's GGC targets cover the FCDO's two joint headquarters: King Charles Street in London and Abercrombie House in East Kilbride, in addition to sites in:

» Lancaster House and Carlton Gardens in London;

» Hanslope Park in Milton Keynes;

» Wilton Park in Sussex;

» British Council sites throughout the UK.

Although FCDO Services, Wilton Park and the British Council are executive agencies with their own annual reports and accounts, all their related impacts are included in the environmental figures for our UK operations in this report and the FCDO baseline, in line with our GGC scope[1].

Reductions in emissions, domestic flights, waste and water consumption were seen in 2020-21 due to reduced office usage and reduced travelling as a result of working from home due to the COVID-19 pandemic, increases have been seen since then due to returns to the office and introduction of hybrid working practices.

Mitigating climate change – working towards Net Zero by 2050

In line with the GGC requirements, we have reported below our UK estate greenhouse gas emissions covering scope 1, scope 2 and a subset of scope 3 (domestic business-related travel only).

Greenhouse gas emissions in the UK estate fell by 57% in 2025-26 compared to the baseline year of 2017-18. This is a decrease on the previous year, this is in part due to a decrease in emissions from electricity. To reduce carbon emissions in the UK estate since the baseline, we have consolidated the estate by exiting 22 Whitehall and focused on installing energy efficient lighting, replaced windows and on-site renewable energy at Hanslope Park.

We continue to review further opportunities to reduce emissions in our buildings to meet our Net Zero goals. Staff engagement on sustainability, colder weather resulting in increased heating and changes to occupancy of our buildings are all factors which could potentially impact our ability to further reduce our GHG emissions in future.

Table 1 provides headline greenhouse gas emissions consumption and carbon emission figures associated with the FCDO's in-scope UK operations (aligned with GGC scope as detailed above) for 2025-26.

1 Direction from the GGC exemption panel in 2021-22 has resulted in FCDO Services' wider market work and British Council being included from 2021-22 within the FCDO's reported impacts, when they had previously been exempt. The environmental performance data for 2017-18, 2021-22, 2022-23, 2023-24 and 2024-25 reflects the new adjusted reporting scope. Performance data for 2018-19, 2019-20 and 2020-21 reflects the FCDO's scope based on the previous GGC framework and therefore do not include FCDO Services wider market or British Council.

Table 1: FCDO UK greenhouse gas emissions consumption

Scope 1: Energy Direct (total 1293 tCO_2e)			
	KWhkm	**tCO_2e**	**GBP (£)**[2]
Self Generated Electricity from renewable sources	111,580	0	
Gas	2,745,683	502	137,621
Heating oil	1,416,543	363	69,637
Biodiesel	1,062,992	19	172,287
Biomass	48,272	0.56	
Fugitive		222	
Fleet	941,509	186	

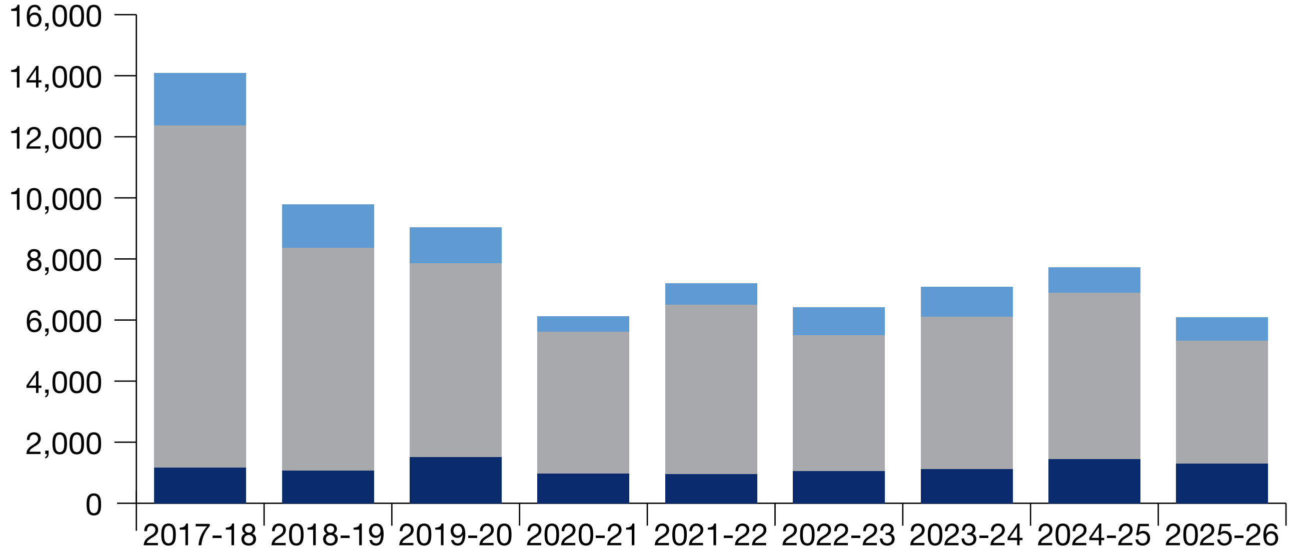
Scope 2: Energy Indirect (total 4036 tCO_2e)			
Scope 3: Official business travel (total 755 tCO_2e)			
	KWhkm	**tCO_2e**	**GBP (£)**
Electricity[3]	17,201,083	3045 **(Scope 2)** 319 **(Scope 3)**	£7,303,041
Whitehall district heating scheme	3,319,390	882 **(Scope 2)** – **(Scope 3)**	£444,409
District heating	629,052	110 **(Scope 2)** 6 **(Scope 3)**	
Taxi, Underground & Bus	55,377	8 **(Scope 3)**	£75,725
Domestic flights	839,527	114 **(Scope 3)**	£189,759
UK rail	4,227,778	150 **(Scope 3)**	£635,094
Private mileage, Car Services & Car Hire	850,402	158 **(Scope 3)**	£185,964

2 Financial values reported cover the FCDO's central government estate only (King Charles Street, Lancaster House, Carlton Gardens, Hanslope Park and Abercrombie House).

3 15,965,462 kWh is from electricity on standard rate, 1,135,621 kWh is from electricity on a green renewable tariff.

Greening Government Commitments: progress against greenhouse gas emissions consumption[4]

GGC – UK Greenhouse Emissions Consumption (tCO_2e)



Scope 3	1,715	1,422	1,180	493	699	909	972	843	755
Scope 2	11,202	7,286	6,350	4,640	5,544	4,455	4,989	5,433	4,036
Scope 1	1,170	1,077	1,506	978	962	1,051	1,122	1,451	1,293

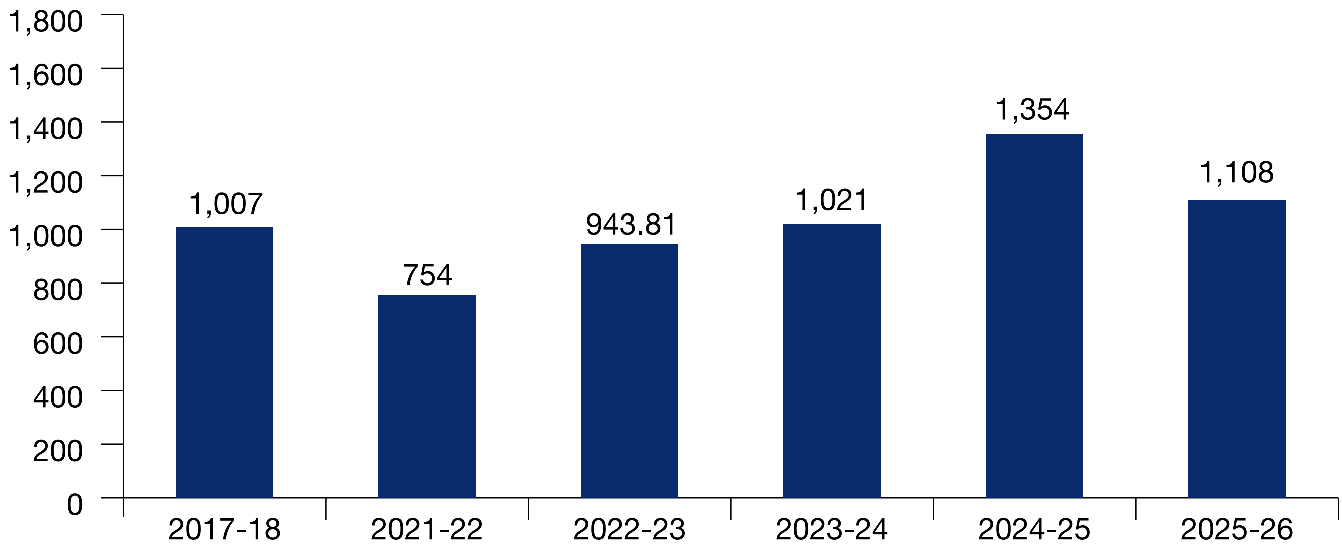
Greening Government Commitments: progress against direct greenhouse gas emissions

In 2025-26, the direct emissions of our UK estate increased by 10% since the baseline year of 2017-18. As our direct emissions are a small sub-set of our overall emissions, relatively small fluctuations to overall emissions result in a bigger change for this metric. Recent increases in emissions are due to an increase in heating oil and natural gas emissions due to operational reasons. We have introduced air source heating at Hanslope Park which is supplemented by solar panels, and we continue to review further opportunities to decarbonise heating on our UK estate and reduce future direct heating emissions.

In line with the GGCs, this target comprises direct emissions from the UK estate and operations. This includes emissions arising from fuel use and fugitive emissions across the estate and on sites. This target does not include transport emissions or emissions arising from grid electricity use – these are still captured under the overall emissions target above (table 1).

4 tCO_2 e stands for tonnes of carbon dioxide equivalent. The GGC's definition for reporting requirements for CO_2 e is: "a universal unit of measurement used to indicate the global warming potential of a greenhouse gas, expressed in terms of global warming potential of one unit of carbon dioxide."

GGC – UK Direct Greenhouse gas Emissions (tCO_2e)



Domestic flights[5]

In 2025-26, our emissions from UK domestic flights decreased by 74% since the baseline year of 2017-18 and and remain the same as last year.

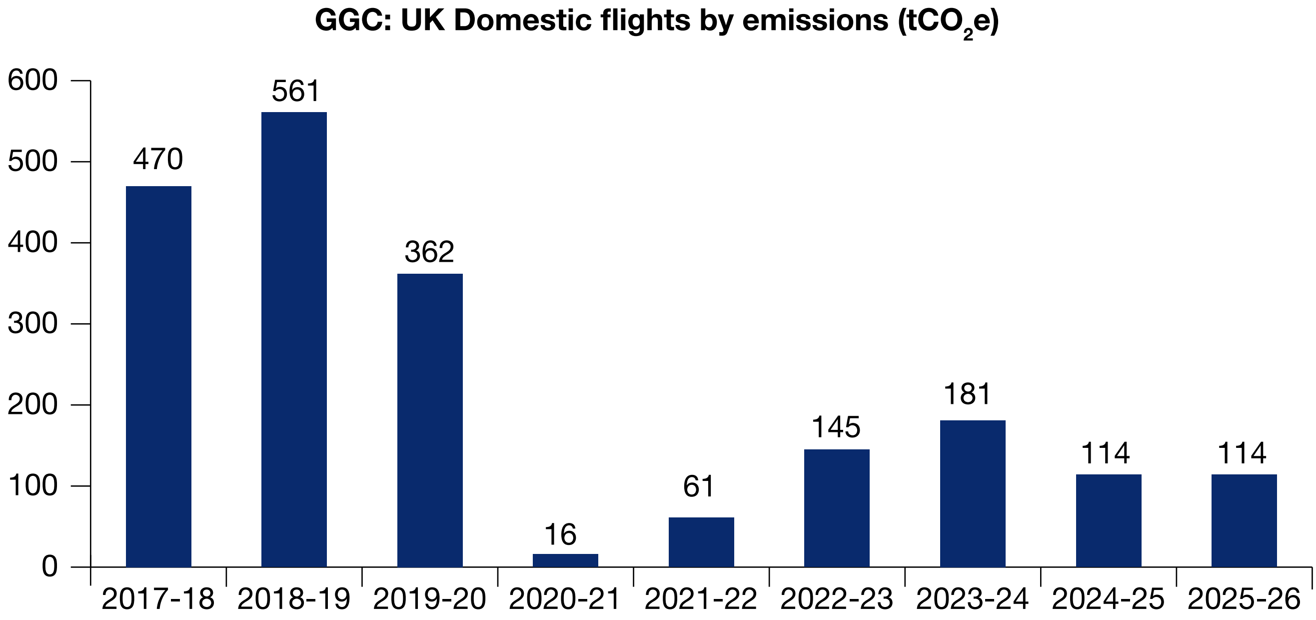
Table 2 below provides headline domestic UK flight data for 2025-26.

Table 2: domestic flights

Domestic flights		**2025-26**
Total number of domestic flights		940
Non-financial indicator	Domestic UK Km travelled	839,527 Km
	Carbon (tCO_2e)	114 tonnes CO_2e

5 The number of domestic flights, distance travelled by domestic, associated emissions and expenditure relate only to flights and train travel booked with the FCDO's travel provider. Flights and train travel booked by other means are not readily identifiable.

Greening Government Commitments: progress against domestic flights target



The FCDO is committed to reducing the number of UK domestic flights and increasing sustainable travel options as operations embed hybrid working practices. Our duty travel policy requires all staff travelling within the UK and between England and Eurostar destinations to travel by train by default. This policy and increased use of technology to collaborate without the need for travel will help the FCDO reduce emissions.

Government Fleet Commitment

The FCDO is committed to the Government Fleet Commitment (GFC) as set out in the Department for Transport's Road to Zero strategy. The Office for Zero Emission Vehicles (OZEV) required all UK departments to transition 25% of their car and small van fleets to Ultra Low Emission Vehicles (ULEV) by the end of 2022 and for 100% of the governments car and van fleet to be fully zero emissions at the tailpipe by 31 December 2027.

The FCDO's UK fleet requirements are supplied and managed by FCDO Services, currently 5% of the fleet is zero emissions. We are jointly focused on transitioning to electric vehicles and aim to meet the GFC's 2027 commitment for the UK fleet to be 100% vehicles with zero tailpipe emissions.

Minimising waste and promoting resource efficiency

The FCDO's UK estate waste tonnage has decreased by 31% since the 2017-18 baseline, waste has decreased on last year. The FCDO continues to aim for zero waste to landfill, increase recycling rates and reducing overall waste produced from its operations.

Table 3 below provides headline waste disposal figures and costs across the FCDO's UK operations for 2025-26.

Greening Government Commitments: progress against waste target

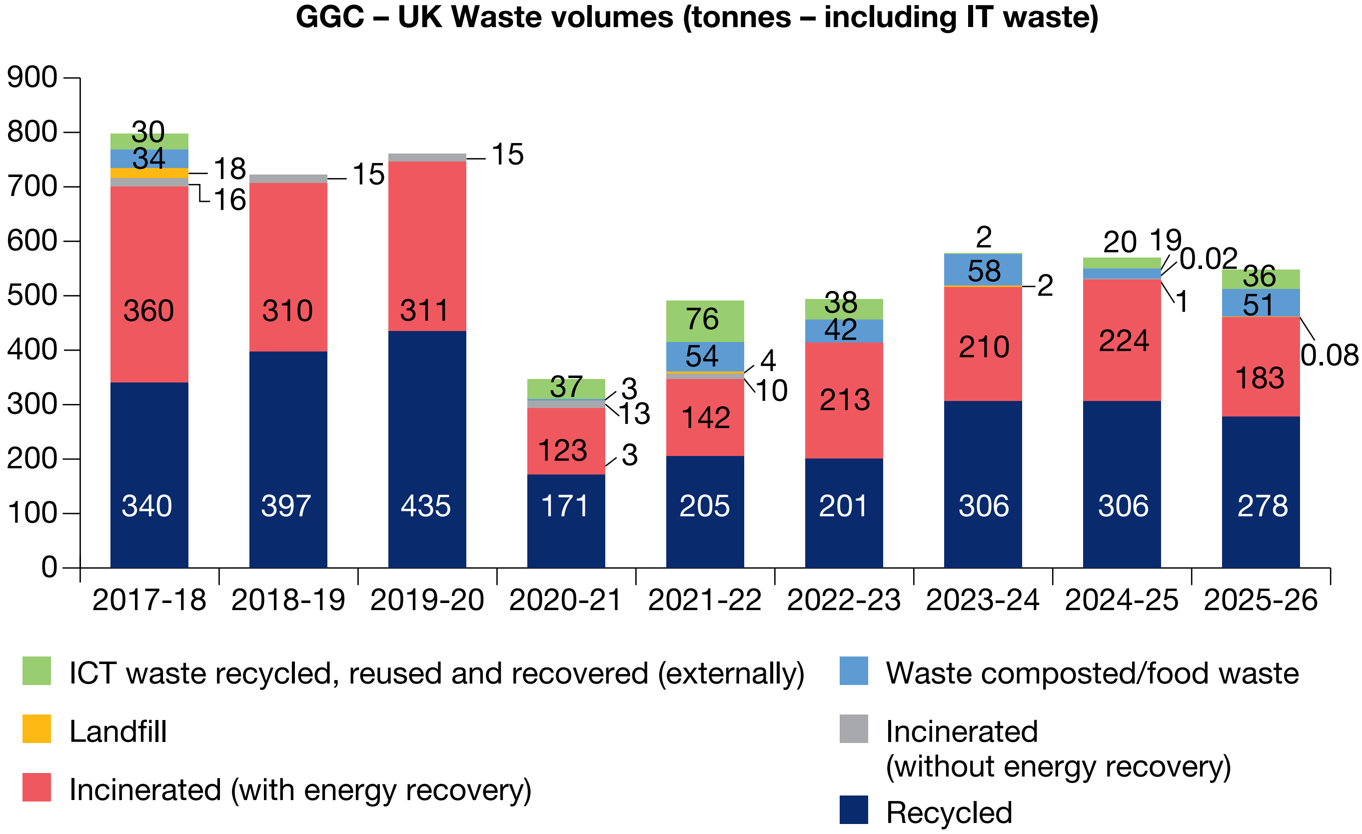


Table 3: waste disposal

Waste Disposal		2025-26 Tonnes Municipal Waste	Major Mineral Waste	Other waste	Financial indicator
Total waste by method of disposal	Recycled	267	7	5	
	Landfill	0			
	Waste incinerated with energy recovery	159			
	Waste incinerated without energy recovery	0			
	Waste composted/ food waste	13			
	Anaerobic digestion	38			
Total waste					**£226,732**

In 2025-26, the FCDO recycled 68% of waste from the UK estate – an increase compared to waste recycled in the previous year. The FCDO continues to work to improve the way we stream, segregate and recycle waste, and this year have renewed waste signage as well as increasing food waste recycling across our UK estate. The FCDO will continue to undertake communications campaigns to educate and inform staff on the importance of good waste management practices.

Table 4: ICT waste disposal

ICT Waste disposal	2025-26 Number of units	Mass (tonnes)
Reuse (donated within government to charities, schools or other NGOs or sold)	0	0
Incineration with energy recovery	12,449	23.91
Incineration without energy recovery	0	0
Recycling	13,988	36.015
Landfill	4	0.008

Finite resource consumption and reducing water consumption

The FCDO's overall water usage in the UK decreased by 32% in 2025-26 compared to the 2017-18 baseline. However it has increased compared with the previous year. The FCDO continues to encourage the efficient use of water in UK offices and seeks to repair and replace water devices with efficient alternatives when required.

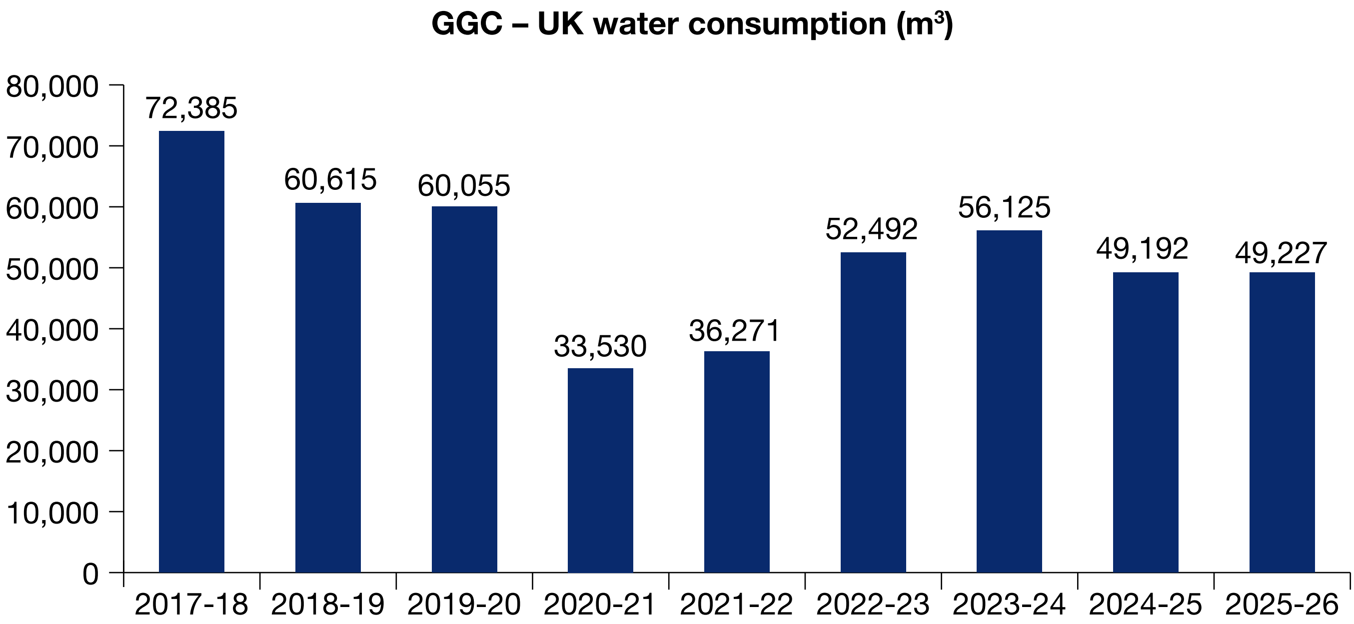
Table 5 below provides headline water consumption figures and costs across the FCDO's UK operations for 2025-26.

Table 5: finite resource consumption – water

Finite resource consumption – water		2025-26 cubic metres	Financial indicator[6]
Total consumption	Supplied	49,227	£245,004

6 Financial values reported cover the FCDO's central government estate only (King Charles Street, Lancaster House, Carlton Gardens, Hanslope Park and Abercrombie House).

Greening Government Commitments: progress against water target



Section 2: FCDO's global operations

Overseas Estate

Carbon emissions arising from the FCDO's global estate present a significant challenge for the organisation. This year, the FCDO strengthened sustainability performance across its overseas estate in Europe and the Asia-Pacific region through improved data quality and operational practices, supported by our facilities management provider, JLL. This was achieved through the development of more robust reporting and enhanced data optimisation, improving the monitoring of energy consumption and emissions. Greater visibility and reliability of performance data enabled clearer identification and prioritisation of high-impact initiatives. Our approach combined technical upgrades with operational improvements, including large-scale LED lighting upgrades, the roll-out of low-flow aerators, and targeted adjustments to building management systems (BMS). On-site engagement was reinforced through regular Eco Champion activities and tailored communications, including newsletters and sustainability-focused guidance. Collectively, these measures enabled a more proactive, data-driven approach to reducing environmental impact and advancing sustainability objectives. The FCDO continues to explore opportunities to strengthen our reporting over time, with a view to disclosing emissions data for the global estate in future years.

The FCDO aims to ensure our global operations are managed towards becoming Net Zero by 2050 or earlier. Modernising our overseas estate through replacing end-of-life infrastructure, rationalisation, moving to modern offices, and investing in cleaner energy has reduced our carbon emissions as well as driving down costs.

During 2025-26, we have continued to develop our global Net Zero estate pathway, targets and investment requirements for the overseas estate. Our purpose is to align with the UK domestic aim to achieve Net Zero by 2050 and other UK Greening Government Commitment targets. This focus allows us to reduce our carbon emissions progressively, maximise opportunities to significantly reduce energy costs and increase our energy resilience in overseas locations. Investment in overseas solar and battery storage during this reporting year has demonstrated a clear ability for the FCDO to further Net Zero objectives and, achieve a return on financial investment for the UK Government.

Two key examples of this approach to Net Zero and resilience went live during 2025-26. At the British Embassy in Tunis, the visitor's car park underwent major improvement works to shade vehicles with energy generating solar canopies.

The installation also included battery storage, with excess power being exported to the local power grid. At the British High Commission Banjul in the Gambia, the FCDO installed a substantial solar PV ground array with battery storage. This has effectively removed nearly all the FCDO dependency on power from the local energy company and diesel standby power units.

Travel and overseas fleet vehicles

Table 6 below provides headline official duty international travel data for FCDO staff in the UK[7], covering flights and rail booked through our official travel provider for 2025-26

In previous years, this data has included executive agencies in line with our GGC scope, this year it excludes these executive agencies. International travel is not included in the emissions GGC targets above.

Table 6: International travel for staff in the UK

International Air Travel	Distance travelled (km)	96,322,957 Km
	Carbon (tCO_2e)	17,501 tonnes CO_2e
International Rail (Eurostar)	Distance travelled (km)	679,136 Km
	Carbon (tCO_2e)	3 tonnes CO_2e

As a significant source of environmental impact, the FCDO reports the distance travelled by international flights and Eurostar to better understand and, where possible, reduce associated emissions over time.

The FCDO has also committed to transitioning as much of our non-armoured overseas vehicle fleet as possible to fully electric vehicles by 2030. Since 2018, the FCDO has mandated low emission vehicles (LEVs) as the default option when replacing overseas non-armoured fleet vehicles except where local conditions make an electric or hybrid vehicle impractical or costs are excessive.

Section 3: sustainable procurement

FCDO Commercial Directorate continues to prioritise sustainability in procurement, aligning with the Procurement Act 2023, Public Services (Social Value) Act 2012 and Greening Government Commitments (GGCs). This report outlines the systems in place and actions taken to buy sustainably, embedding compliance with Government Buying Standards (GBS) and reducing supply chain impacts and risks.

7 International travel data relates to business work travel booked by staff who are based in the UK, booked with the FCDO's travel provider.

Sustainable Procurement Policy

Commercial Directorate's Sustainable Procurement Policy, outlines how sustainability is embedded into commercial operations and describes collaboration with the Estates Directorate to meet Net Zero Obligations by 2050 and minimise environmental impact.

The policy outlines the FCDO's commitment to embedding sustainability into public procurement and addresses three main pillars of sustainability:

- **Environmental:** Minimising negative environmental impacts such as energy emissions and the materials used in manufacture across the duration of a product lifecycle.
- **Social:** Monitoring supplier ethical behaviour, ensuring fair and safe working conditions, and implementing social value initiatives during procurement.
- **Economic:** Ensuring value for money while minimising environmental damage and waste.

Carbon Reduction Plans

FCDO Commercial Directorate continues to consider carbon reduction plans in the procurement process for contracts valued at £5 million or more per annum. As part of assessing supplier technical and professional ability, tenders require bidding suppliers to provide a carbon reduction plan, ensuring their commitment to achieving Net Zero by 2050 in the UK. The FCDO reviews suppliers' environmental policies under the Supplier Code of Conduct and monitors environmental performance measures annually at the organisational level as part of the Annual Declaration process.

Social Value

The FCDO considers social value in contracts valued at £115k (including VAT) or over, where relevant and proportionate, requiring detailed social value plans from suppliers, aligned to Cabinet Office prescribed Social Value thematic outcomes that are most relevant to the requirement. Although overseas requirements are out of scope of this requirement, the FCDO continues to consider social value for overseas requirements where proportionate and relevant. Recent contracts for international development projects included commitments to local employment and sustainable practices:

Example 1: Social Value Through Inclusive Recruitment at Green Growth Nepal (GGN) Project: The Green Growth Nepal (GGN) project exemplifies social value through its inclusive recruitment model. GGN prioritises the professional growth of young national professionals by pairing them with highly experienced senior staff in a mentorship-driven and collaborative approach. Experts provide strategic guidance and support to young Technical Support Staff, fostering an environment of continuous learning and innovation. This structure ensures that institutional expertise is effectively passed on, securing a sustainable pipeline of skilled professionals. Additionally, GGN is committed to gender inclusivity, with significant representation of women across all programmatic areas, including leadership roles. This approach not only promotes workplace inclusivity but also strengthens organisational capacity through diverse perspectives.

Example 2: Diverse Supply Chains in Nepal in Business (NiB) Project: The Nepal in Business (NiB) project focuses on creating diverse supply chains as part of its social value activities. The project has conducted assessments to understand the market and guide implementation planning. NiB has hosted socialisation events to encourage greater diversity in the supply chain and advertised opportunities for in-country operational service provision widely, including through local job sites and newspapers. The project also emphasises accessibility for disabled owners and employees, requiring a minimum of 20% job creation for marginalised communities as part of the grants criteria. This commitment to diversity and inclusion is embedded within NiB's procurement processes and partnerships. To date, job targets for year 1 have been exceeded for both direct women (target of 12, achieved 28) and disadvantaged groups (target of 6, achieved 20).

Supply Partner Code of Conduct

The FCDO Supply Partner Code of Conduct included within programme contracts is an integral and binding part of standard contract terms and conditions. This code sets high but realistic standards for ethical and safeguarding behaviour, social responsibility, and value for money. The inclusion of the Code in contracts means that high but realistic standards for ethical and safeguarding behaviour are set out and measured against organisational level KPIs. The Code of Conduct is applied to the lead contractor plus the entire delivery chain. The FCDO Commercial Supply Chain Ethics and Sanctions Team monitors compliance with the Code. Compliance to Code KPIs is reviewed on an annual basis. It ensures that supply partners are committed to high environmental standards, continuous improvement, and stringent financial management to reduce waste and improve efficiency.

FCDO Commercial Department has refreshed the existing Code of Conduct, bringing it up to date for today's FCDO, current market conditions, aligning it with the government's missions, and will launch the new version in programme contracts later in 2026. The Ethics and Sanctions team is also progressing the rollout of the Code of Conduct to other areas of FCDO Contractual spend.

Supply Chain Management

The Supply Chain Management team continues to strengthen strategic relationships and manage risks through a cohesive approach to market management. FCDO Commercial Market Engagement and devolved Commercial teams overseas are critical in building understanding of markets and sectors, helping to identify sustainability-related risks and apply mitigations where possible.

Supply partners and their delivery chains act on behalf of Government and operate globally, engaging with partner governments, other donors and delivery partners, and a wide range of stakeholders. These interactions must meet the highest standards of ethical and professional behaviour to uphold the reputation of Government. Supply Chain Management brings together strategic relationship managers, supply chain risk analysts and market creation leads to provide a comprehensive approach and a coherent voice to the supply chain on priority matters. This includes work to support a diverse and accessible supply base, including local delivery partners and SMEs, in line with FCDO's SME Action Plan and spend target.

Supply partners and their delivery chains must be committed to high environmental standards, recognising that FCDO activities may affect, or be affected by, environmental conditions. They must take proportionate steps to protect local environments and communities, and identify and escalate environmental risks that are imminent, significant, or could cause harm or reputational damage.

Category Approach

The FCDO specifically promotes the use of GBS in its guidance for operational cost contracts. Programme suppliers are expected to embrace FCDO values and demonstrate Corporate Social Responsibility by considering economic, social, and environmental factors.

Suppliers are required to comply with GBS for sustainable procurement and work with the FCDO to support the Government's Agenda to meet the GGCs. Disposal organisations must contractually commit to acceptable disposal practices, including compliance with the European Community Directive on Waste Electrical and Electronic Equipment. These practices, whether operated locally, regionally, or internationally, should also comply with International Labour Organisation core standards on labour and social matters.

Programme procurement teams will not select bidders that have been prosecuted or served notice under environmental legislation in the last three years unless the FCDO is satisfied that the bidder has taken remedial action to prevent future occurrences or breaches. Suppliers must provide requirements in accordance with applicable national and international laws and FCDO policy.

In alignment with the FCDO's commitment to sustainability, the following example illustrates how sustainable procurement practices have been integrated into Facilities Management (FM) category procurements:

Example: UK Facilities Management – ISS: The UK FM contract with ISS embeds social value and sustainability as core contractual requirements. These are not voluntary commitments. The contract requires specialist decarbonisation capability, contract specific carbon footprint assessments, and tailored Net Zero action plans. Delivery is supported by annual carbon performance reporting. Energy and asset efficiency surveys, lifecycle business cases, and smart monitoring are used to target retrofit and optimisation opportunities. This reduces avoidable operating costs and asset related waste while supporting UK Net Zero obligations. The contractual model drives longterm efficiency, strengthens workforce and supply chain resilience, and delivers sustained carbon reduction without incentivising shortterm service cuts.

Section 4: reducing environmental impacts from ICT and digital

The FCDO has continued to make progress in improving the sustainability of its technology platforms and digital products, while reducing the organisation's overall carbon footprint.

Over the past year, we have continued to streamline and modernise legacy infrastructure and digital workplace products and services. Projects such as the LAN Refresh (Project Halo) and Managed WiFi rollout are reducing reliance on older, energy-intensive infrastructure and the overall amount of equipment required to support users globally.

The LAN rollout, starting with KCS and HSP, will help to create a more efficient working environment while supporting FCDO2030 ambitions.

A key focus has been improving how technology is reused and managed across its lifecycle. Through the Managed WiFi project, network equipment recovered from posts will be reused and recycled where possible, reducing waste and limiting the need for new hardware. In parallel, steps have been taken to strengthen device lifecycle management, including local recycling and disposal to reduce transport emissions. Progress has also been made with Circular Services, with over 800 devices recycled across the year, helping to reduce waste and extend the lifecycle of technology across the estate.

In the End User Devices space, the Global Laptop Refresh has begun, introducing more energy-efficient devices such as the HP EliteBook 8 Flip supports improved sustainability through increased energy efficiency, use of recycled materials and recognised environmental certifications.

Work has also progressed in print and paper services. The centralisation of paper ordering across AH, KCS and HSP will improve visibility and control of paper usage. Starting with a pilot in Abercrombie House, this is expected to reduce unnecessary printing, lower paper consumption and support increased use of recycled and recyclable paper.

The shift to Microsoft 365 has reduced the need for physical servers and energy use, with more efficient datacentres and greater use of renewable energy helping to lower the overall impact of the service.

Looking ahead, the Innovation Hub will support sustainability outcomes by providing a structured approach to testing and scaling new digital solutions. It will help teams explore more efficient ways of working, reduce duplication and make better use of existing technology.

Future priorities will focus on:

- Scaling technology modernisation across the overseas network.
- Improving lifecycle management of devices and peripherals.
- Continuing to reduce paper consumption.

There will also be continued focus on improving sustainability data and reporting to ensure environmental impact is consistently measured across services.

Section 5: broader impacts and reporting requirements

Nature recovery and biodiversity action planning

The FCDO's UK estate does not hold significant landholdings or natural capital. We continue to explore our potential to improve nature recovery and biodiversity across our UK estate.

Our offices in Hanslope Park offer the opportunity for the FCDO to maintain biodiversity and encourage habitats and local plant species. Continuous management is undertaken in Hanslope Park to plant trees and maintain the pond and wildflower meadow. At King Charles Street, the Quadrangle supports sustainability through trees, planting and soft landscaping. These features improve the urban environment and help mitigate drainage challenges by absorbing run-off.

Adapting to climate change

The FCDO has a climate change risk assessment and adaption plan for its UK estate and operations in line with the Greening Government Commitments. This includes a screening of climate risks, a climate change risk assessment and an adaptation plan which contains a range of recommended actions to help increase resilience to climate change.

Sustainable construction

The FCDO adheres to sustainable construction standards, follows the GBS and continues to support the government's timber procurement policy.

Nick Dyer

Accounting Officer for the Foreign, Commonwealth and Development Office

14 July 2026

Foreign Secretary Yvette Cooper visits Paris for the G7

SECTION 2

Accountability Report

SECTION 2: Accountability Report

Section 2.1: Corporate Governance Report

This section of the annual report and accounts sets out the FCDO's corporate governance structures 2025-26.

FCDO Ministers

The Rt Hon Yvette Cooper MP, Secretary of State for Foreign, Commonwealth & Development Affairs

Appointed 5 September 2025

The Foreign Secretary has overall responsibility for the work of the Foreign, Commonwealth and Development Office.

Baroness Chapman of Darlington, Minister of State for International Development and Africa

Responsibilities include: Africa, Migration, Development and Humanitarian, International Finance, Climate and Energy Security, and Violence Against Women and Girls.

Stephen Doughty MP, Minister of State for Europe, North America and Overseas Territories

Responsibilities include: US and Canada, Europe, Eastern Europe and Central Asia, Overseas Territories, Defence and International Security, and Sanctions.

Hamish Falconer MP, Parliamentary Under-Secretary of State, Middle East, North Africa, Afghanistan, Pakistan

Responsibilities include: Afghanistan and Pakistan, Middle East and North Africa, Consular and Crisis.

Seema Malhotra MP, Parliamentary Under-Secretary of State, Indo-Pacific

Appointed 6 September 2025

Responsibilities include: Indo-Pacific, Growth, Global Tech and AI, Departmental Operations (including Legal).

Chris Elmore MP, Parliamentary Under-Secretary of State, Multilateral, Human Rights, Latin America, Caribbean

Appointed 7 September 2025

Responsibilities include: Latin America, Caribbean, Small Island Developing States, UN, Multilateral, Human Rights and Commonwealth, Strategy and Delivery including British Council and the World Service.

Former Ministers during the financial year:

- **Secretary of State for Foreign, Commonwealth & Development Affairs:** The Rt Hon David Lammy MP (to 5 September 2025)
- **Parliamentary Under-Secretary of State (Indo-Pacific):** Catherine West MP (to 6 September 2025)
- **Parliamentary Under-Secretary of State (Africa):** Lord Collins of Highbury (to 7 September 2025)

FCDO Special Advisers

FCDO Special Advisers:
Thomas Raines (since July 2024),
Jessica Leigh (since September 2025),
Damian McBride (since September 2025),
Callum Tipple (since September 2025),
Natasha Collett (since September 2025).

Previous Special Advisers:
Jonathan Garvie (July 2024 – September 2025),
William Heilpern (July 2024 – September 2025),
Benjamin Judah (July 2024 – September 2025),
Kieran Cunningham (October 2024 – February 2025).

Directors' report

Elements of the statutory requirements of the Directors' report are detailed in the governance statement from page 81. These include:

- details of the senior official board members
- names of the Non-Executive Directors
- composition of the Supervisory Board
- details of company directorships and other significant interests held by senior management
- information on personal data related incidents where these have been formally reported to the Information Commissioner's Office (ICO).

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed the FCDO 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 (inclusive of its executive agencies) and its sponsored non-departmental public bodies designated by order made under the GRAA by Statutory Instrument 2023 No. 1360 (together known as the 'departmental group', consisting of the Department and sponsored bodies listed at Note 19 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 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 Foreign, Commonwealth and Development Office. Prior to 17 April 2026 the permanent head of the Department had appointed the Second Permanent Under-Secretary as Additional Accounting Officer for the Foreign, Commonwealth and Development Office, effective from 3 July 2023, with responsibility for the activities and expenditure related to Official Development Assistance programmes and allocations and development finance instruments. The Additional Accounting Officer was personally accountable to Parliament and at the same time supported the permanent head of the Department in their role as Principal Accounting Officer for the Department as a whole. This appointment did not detract from the head of Department's overall responsibility as Accounting Officer for the department's accounts. Following the departure of the Head of the Department on 16 April 2026, the Second Permanent Under-Secretary has been appointed as interim Head of the Department, and as the single Accounting Officer for the Foreign, Commonwealth and Development Office.

The Accounting Officer of the Department has also appointed the Chief Executives or equivalents of its sponsored Arm's-Length Bodies (ALBs) as Accounting Officers of those bodies.

The Principal Accounting Officer of the Department is responsible for ensuring that appropriate systems and controls are in place. This is 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 responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the body.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Department or non-departmental public body for which the Accounting Officer is responsible, are set out in 'Managing Public Money' published by HM Treasury.

Statement on the disclosure of relevant audit information

As the FCDO Accounting Officer, I am responsible for ensuring that the Department has an effective governance framework that provides strategic direction and management of the organisation. In particular, I am responsible for overseeing delivery of ministerial strategic and policy priorities, ensuring accountability and delivery of efficient and effective organisational performance and ensuring that the supporting governance systems function as they are designed to – securing value for money and managing risk. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the FCDO's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware. I also confirm that this annual report and accounts as a whole is fair, balanced, and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced, and understandable.

Governance statement

FCDO Non-Executive Directors (NEDs)

Beverley Tew CMG, Lead Non-Executive Director

Beverley sits on the Supervisory Board and Management Committee and attends the Audit and Risk Assurance Committee. Beverley is an experienced business leader, chief financial officer and commercial leader. She has held executive roles at Burberry and the BBC and qualified as a chartered accountant at EY. She is Trustee and Chair of the Audit Committee of Plan International (UK), a humanitarian organisation that advances children's rights and equality for girls. She also works as a commercial advisor to the Cabinet Office in the technology and telecoms sectors. She is a trustee at English Heritage and a lay member of council at Durham University.

James Bilefield, Non-Executive Director

James sits on the Supervisory Board and Management Committee. James is an experienced chair and non-executive director. He serves on a range of public, private and not-for-profit boards across the technology, business services, cultural and charitable sectors. He is an advisor to McKinsey & Company and SystemIQ. James was previously a serial digital entrepreneur and chief digital officer following a successful investment banking career at JP Morgan Chase.

Jon Watts, Non-Executive Director

Jon was appointed on 15 May 2025. He sits on the Supervisory Board and Management Committee and is Chair of the Audit and Risk Assurance Committee. Jon has an international career spanning global businesses and the third sector. He has held senior leadership roles in listed multinational companies, including Group Director of Finance and Control at SABMiller PLC. He has also served as Global Chief Financial Officer at Save the Children. He is currently Non-Executive Director and Chair of the Audit and Risk Assurance Committee at the Environment Agency and Trustee and Chair of the Finance Audit and Risk Committee of the Eden Trust.

Karen Blackett CBE, Non-Executive Director

Karen was appointed on 10 June 2025. She sits on the Supervisory Board. Karen is an experienced CEO, chairperson and chief operating officer, and is the former UK President for WPP, the world's largest marketing services group. Karen is Non-Executive Director for Creative UK and Diageo, Chancellor of the University of Portsmouth, and a member of the Board of Directors for the British Fashion Council. She has also served as Non-Executive Director at the Cabinet Office and Race Equality Champion for Business, appointed by the then Prime Minister, Theresa May. Karen stepped down from her role on 31 March 2026.

Former Non-Executive Directors during the financial year:

» **John Coffey,** Non-Executive Director and Chair of the Audit and Risk Assurance Committee (to 30 April 2025).

FCDO Non-Executive Members (NEMs)

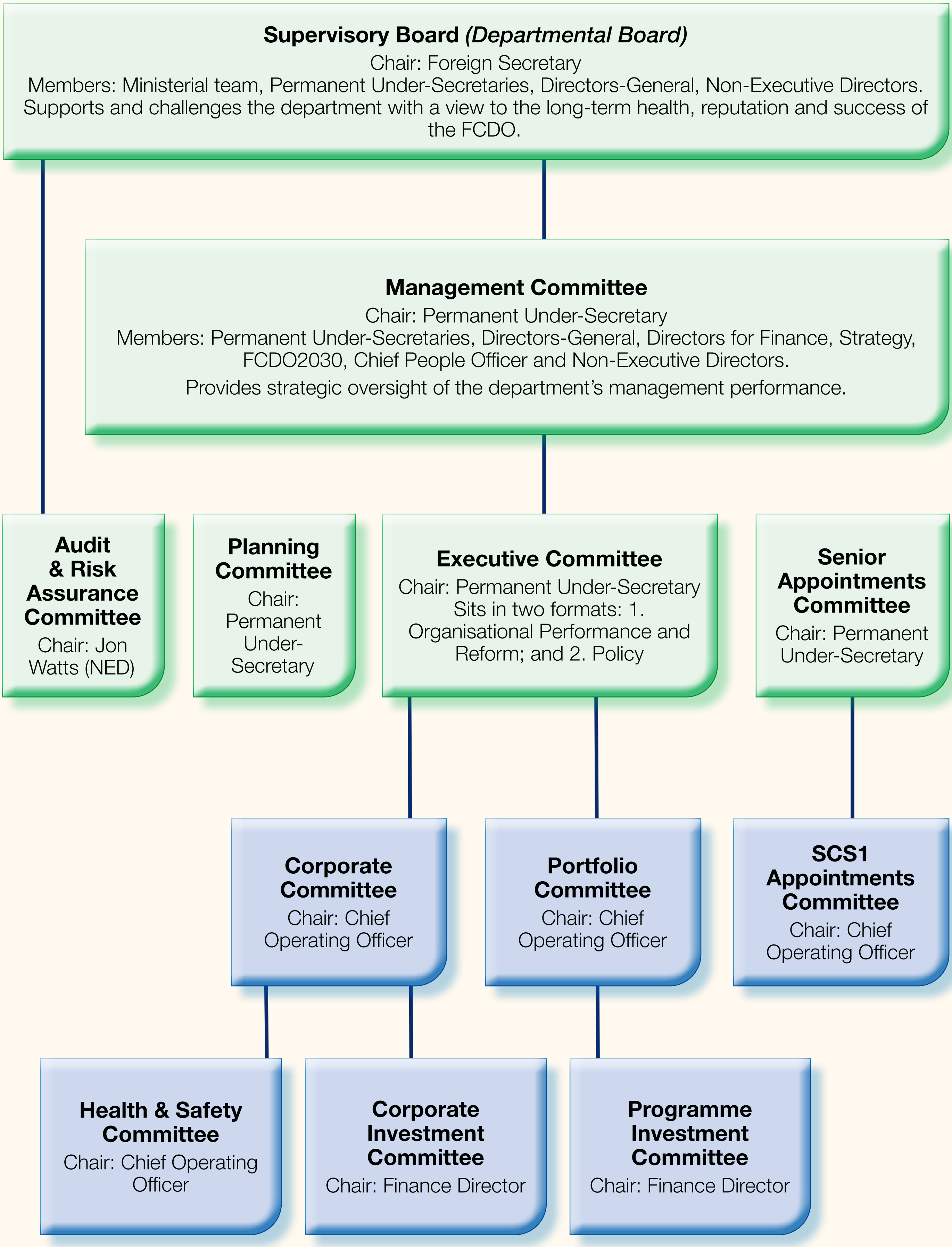
Chris Wood

Chris Wood is a NEM of the FCDO's Audit and Risk Assurance Committee. Chris is a Chartered Accountant and Fellow and Bursar of St Hilda's College, Oxford. He is a Non-Executive Director for Navitas University Partnerships Europe, Publica Group (Support), HR Wallingford Group, and Forestry England. He also serves on the Audit Committee for the House of Lords, and as a trustee director of the University of Oxford Staff Pension Scheme.

Fiona Thompson

Fiona Thompson is a NEM of the FCDO's Audit and Risk Assurance Committee. She is a UK chartered accountant and is currently Chair of the London Sinfonietta and serves on the boards of the Fenton Arts Trust.

Diagram: FCDO top-level boards and committees



FCDO boards and committees

During 2025-26 the FCDO undertook a comprehensive review of its corporate governance structures to improve coherence and clarity on roles and responsibilities across boards and committees.

The Supervisory Board remained the FCDO's departmental board, chaired by the Foreign Secretary, and met in January 2026. A new Management Committee was established under the Supervisory Board as the most senior non-ministerial committee, with a focus on organisational performance and risk management (including arm's length bodies). It met for the first time in April 2026, replacing the previous Management Board.

Executive management of the Department was led by the Executive Committee (ExCo), which met in two formulations:

» ExCo (Organisational Performance and Reform OPR): oversees corporate strategy, policies and resourcing, including the FCDO2030 reform programme.

» ExCo (Policy): ensures the quality and coherence of short- to medium-term policy formulation and supports coherent advice to the ministerial team.

A Planning Committee was established to complement ExCo (Policy) by taking a longer-term view of the UK's positioning in the world.

The People and Operations Committee was revised to meet as the Corporate Committee, chaired by the Chief Operating Officer, with a smaller and more senior membership and responsibility for decision-making across corporate policy issues (including HR, finance, estates, security, digital and commercial).

The Investment and Delivery Committee was revised to meet as the Programme Investment Committee, providing oversight of major ODA and non-ODA programme investment decisions. An (ODA / non-ODA) Portfolio Committee was established above the Programme Investment Committee to take a strategic view of programme investments at a portfolio level, maximising impact and value for money. This took on part of the remit of the Development Committee, which was dissolved. The wider remit of Development Committee on development policy and strategy is now integrated into the governance of FCDO policy priorities.

The Senior Leadership Board was renamed the Senior Appointments Committee. The Staff Advisory Board was dissolved and will be replaced with a revised platform for staff views to be considered within corporate governance structures.

The tables below summarise the boards and committees that operated during the reporting period, including chairs and meeting frequency.

Top level boards and committees

The following boards and committees were chaired by the Foreign Secretary, Permanent Under-Secretary, or a Non-Executive Director.

Board / committee	Chair	Primary purpose (summary)	Meeting frequency in 2025-26
FCDO Supervisory Board	Secretary of State for Foreign, Commonwealth & Development Affairs	Departmental board providing strategic direction, oversight and challenge; supports the Accounting Officers in their duties to Parliament.	Met once
FCDO Management Board	Permanent Under-Secretary	Most senior non-ministerial board prior to dissolution; provided corporate leadership in delivery of policies, services and objectives decided by Ministers.	Met twice
Audit and Risk Assurance Committee (ARAC)	NED Beverley Tew (April–July 2025); Jon Watts (August 2025 onwards)	Supports the Supervisory Board and Accounting Officer on internal control, risk management, financial reporting, audit, counter-fraud and safeguarding; advises on risk, control and governance.	Met six times
Executive Committee – Organisational Performance and Reform (ExCo OPR)	Permanent Under-Secretary	Oversees corporate strategy, policies, resourcing and the FCDO2030 reform programme.	Met eight times
Executive Committee – Policy (ExCo Policy)	Permanent Under-Secretary	Ensures short-to-medium-term quality and coherence of policy formulation; ensures capabilities, interests and dependencies are considered in advice to the ministerial team.	Met five times
Planning Committee	Permanent Under-Secretary	Takes a longer-term view of the UK's positioning in the world through strategic reflection, horizon scanning and development of innovative approaches to international policy and strategy.	Met four times
Senior Appointments Committee (SAC)	Permanent Under-Secretary	Advises on appointments at SCS2 and above, taking a strategic view of leadership capability and diversity in the senior leadership cadre.	Met eight times

Additional committees and sub-committees

Committee	Chair	Key change/status in 2025-26	Meeting frequency in 2025-26
Development Committee	Second Permanent Under-Secretary	Dissolved; part of remit transferred to Portfolio Committee.	Met once
Investment and Delivery Committee	DG Finance and Corporate	Revised to meet as the Programme Investment Committee during 2025-26.	Met four times
Programme Investment Committee	Finance Director	Established in November 2025 to replace the Investment and Delivery Committee.	Met five times
People and Operations Committee	Chief Operating Officer	Revised to meet as Corporate Committee during 2025-26.	Met three times
Corporate Committee	Chief Operating Officer	Established in November 2025 to replace the People and Operations Committee.	Met six times
Corporate Investment Committee	Finance Director	Ongoing.	Met eight times
Health and Safety Committee	Chief Operating Officer	Ongoing.	Met three times
Staff Advisory Board	Two Staff Advisory Board members, on rotation	Dissolved; will be replaced with a revised platform for staff views.	Met four times

Supervisory Board membership and attendance in 2025-26

Board member	Date of In-Year Appointment / Departure	Board Attendance Record
Ministers		
Rt Hon Yvette Cooper MP	Appointed 5 September 2025	1/1
Baroness Chapman of Darlington		0/1
Stephen Doughty MP		0/1
Seema Malhotra MP	Appointed 6 September 2025	1/1
Hamish Falconer MP		1/1
Chris Elmore MP	Appointed 7 September 2025	0/1
Rt Hon David Lammy MP	Departed 5 September 2025	0/0
Catherine West MP	Departed 6 September 2025	0/0
Lord Collins of Highbury	Departed 8 September 2025	0/0
Non-Executives		
Beverley Tew, Lead Non-Executive Director		1/1
Jon Watts	Appointed 15 May 2025	1/1
James Bilefield		1/1
Karen Blackett	Appointed 10 June 2025; departed 31 March 2026	1/1
John Coffey	Departed 30 April 2025	0/0
Executives		
Oliver Robbins, Permanent Under-Secretary	Departed 16 April 2026	1/1
Nick Dyer, Second Permanent Under-Secretary	[Interim Permanent Under-Secretary from 17 April 2026]	0/1
Jonathan Allen, DG Defence and Security		1/1
Melinda Bohannon, DG Global Issues		1/1
Edward Llewellyn, DG Political	Appointed 1 September 2025	0/1
Neil Wigan, DG Strategy and Delivery	Appointed 1 September 2025	1/1
Christina Scott, DG Network	Appointed 1 September 2025	1/1
Helena Vega-Lozano, Chief Operating Officer	Appointed 1 September 2025	1/1
Sally Langrish, DG Legal		1/1
Jenny Bates, DG Economics, Climate & Global Issues	Departed 31 August 2025	0/0
Corin Robertson, DG Finance & Corporate	Departed 1 August 2025	0/0
Harriet Mathews, DG Africa, Americas & Overseas Territories	Departed 31 August 2025	0/0
Christian Turner, DG Geopolitics and Political Director	Departed 31 August 2025	0/0

Board member	Date of In-Year Appointment / Departure	Board Attendance Record
Owen Jenkins, DG Indo-Pacific, Middle East and North Africa	Departed 31 August 2025	0/0
Dame Deborah Bronnert, Interim Director General Europe	Departed 31 August 2025	0/0

Board Effectiveness Review

The FCDO's corporate governance structures underwent significant revision in September 2025. The most significant change was to the Executive Committee, and this was evaluated in depth using interviews and a questionnaire adapted from Cabinet Office guidance. As part of this exercise, a light-touch review of the Supervisory Board was also conducted, which highlighted the role of the Board in holding the executive to account for the delivery of the FCDO's policy priorities. In the coming year, a full externally-led Board Effectiveness Review will be conducted.

Risk management governance and process

The department's risk management approach is modelled on HM Treasury's Orange Book risk management principles. Risk management accountabilities, responsibilities and processes in 2025-26 were set out in the FCDO risk management policy. The overall accountable officer for risk management in the organisation was the Permanent Under-Secretary, with responsibility delegated through the second Permanent Under-Secretary and Director Generals to Directors and Heads of Mission, who were responsible for ensuring effective management of risks to the delivery of country and business plans.

Risk management was scrutinised by the ARAC throughout 2025-26 and by the FCDO Management Board. Early in 2025-26 the Management Board recognised that principal risk reporting made it difficult to focus senior oversight on the priority risks which leaders could most directly influence. Furthermore, due to leadership and governance changes and the priority afforded to FCDO2030, scrutiny of principal risks did not operate on a regular cycle.

The HMT Orange Book requires government organisations to disclose compliance with its five risk principles or explain any departure. These principles state that risk management:

i. shall be an essential part of governance and leadership;

ii. shall be an integral part of all organisational activities to support decision-making in achieving objectives;

iii. shall be collaborative and informed by best available information;

iv. processes are structured to include risk identification, assessment, risk treatment options, risk monitoring and timely, accurate and useful risk reporting to enhance the quality of decision-making and to support management and oversight bodies in meeting their responsibilities;

v. shall be continually improved through learning and experience.

The FCDO's assessment draws on evidence from the Management Assurance Process, governance and senior feedback and self-reflection, together with relevant internal audit recommendations. The FCDO was partially compliant with the first four principles in 2025-26, as risk management was part of governance and leadership, supporting decision-making, was collaborative and used best available information, at many levels. However, the FCDO did not fully meet these principles at all levels in the organisation; organisational transformation and changes to corporate governance structures during the year were contributory factors. The FCDO was fully compliant with principle five; our commitment to continuous improvement resulted in a full review of the risk approach.

During 2025-26 the Department recognised that risk management maturity and the quality of risk information varied across the organisation. In response it initiated a fundamental review and redesign of its risk management approach and assurance arrangements. The FCDO is now implementing a more robust, consistent and effective approach to its risk management, which will bring the FCDO in line with good practice and address areas of historic weakness. The new risk approach will support more consistent application of the policy and processes across the organisation, improve the quality and use of risk information, and strengthen links between risk, performance and delivery. The refreshed approach has directly informed the development of a revised set of principal risks and forms a key component of the department's response to the limited assurance opinion, by embedding stronger and more consistent risk management practices, improving risk insight, and enhancing the effectiveness of governance and oversight arrangements.

As noted, we are in the process of implementing improved risk management. In the course of transition, and in the context of significant wider changes in the Department, elements of existing risk management arrangements came under pressure and have not operated consistently through the period.

The FCDO Internal Control Framework outlines our system of internal control. This includes a FCDO governance structure that provides a clear direction for accountability and to facilitate effective decision making. It also outlines the relationship between risk, control, and assurance, and is designed to provide reasonable assurance to the Permanent Under-Secretaries as Accounting Officers.

Built on the foundations of the Civil Service Values, the framework has five basic principles: Proportionality, Transparency, being Responsible and Accountable, being Coherent and using Evidence to inform choices and ways of working. The Internal Control Framework adopts the Orange Book three lines of defence model to manage risk. The FCDO's executive leaders are responsible for setting the FCDO's objectives. The FCDO's Control Framework is under revision to complement the new Risk Management Framework, making it more data driven with fewer but sharper controls to provide ongoing assurance. The first and second line manage risks to achieving those objectives, while the third line provides independent scrutiny. Additional scrutiny is provided externally by a range of organisations including the National Audit Office; the Independent Commission for Aid Impact (an ALB of FCDO); by functional owners in government such as the Infrastructure and Projects Authority or the Public Sector Fraud Authority; and Parliamentary bodies (such as the Foreign Affairs Committee, Public Accounts Committee and International Development Committee).

Management assurance process

The Management Assurance Process (MAP) is an annual exercise that requires Heads of Mission and Directors to self-assess at year-end whether key controls are effective or require some improvement. Supporting evidence is verified by the Control and Assurance Team. Improvement actions for local issues are implemented by Directorates and Posts. Aggregated responses are reviewed by functional leads, with thematic improvements managed and implemented by functional areas. In 2024-25 there was a Department wide Assurance Action Plan for highest priority issues. The results of the MAP are reported in the Annual Assurance Report, presented to the ARAC in July.

FCDO assurance process on management of interests and business appointment rules (BAR)

All staff are required to comply with the Civil Service Code, the Diplomatic Service Code and the Civil Service Management Code. The FCDO operates a dedicated policy and process, emphasising the importance of declaring interests/secondary employment and following the BAR. To ensure FCDO staff remain compliant, annual declarations (including nil returns), regular reviews of HR policies/ processes and robust audit processes are used on an annual basis. Transparency data for grades SCS1, SCS2, Special Advisers, Supervisory Board and Management Board are published on GOV.UK in line with Cabinet Office guidelines.

Special Advisers, Supervisory Board and Management Board members in the FCDO must declare any relevant interests or confirm they do not have any. In compliance with BAR, the FCDO is transparent in the advice given to individual applications for senior staff. Advice regarding specific business appointments is published on an annual basis as part of the FCDO's Annual Report and Accounts on GOV.UK.

There were 45 exits from the Senior Civil Service in the reporting period. The number of BAR applications assessed by grade are as follows:

	Number of BAR Applications	Number of BAR Applications with set conditions	Unsuitable applications	Breaches of rules
Delegated grades	6	6	–	–
SCS1	1	1	–	–
SCS2	4	4	–	–
SCS3	8	8	–	–
SCS4	3	3	–	–

Members of the Supervisory Board are required to disclose details of company directorships and other significant interests held which may conflict with their management responsibilities.

Name	Declared Interest(s) Body	Position Held	Type of Interest	Other Relevant Information
Non-Executive Board Members				
Beverley Tew	Crown Commercial Function, Cabinet Office	Crown Representative	Paid	Beverley works on behalf of the Cabinet Office to lead the cross central government strategic relationships with three IT/Telco suppliers: BT, Cap Gemini and CGI. Beverley is not involved in contract award decisions. If asked to approve or provide a steer on any contracts with any of these suppliers, Beverley would recuse herself from discussion.
Beverley Tew	Plan International (UK)	Trustee and Chair of the Audit Committee	Unpaid	Plan International receives small scale grant income from FCDO for its international development work. Beverley is not involved in grant making decisions, and if asked to approve or provide a steer on any funding for Plan International, would recuse herself from discussions.
Beverley Tew	English Heritage	Trustee	Unpaid	

Name	Declared Interest(s) Body	Position Held	Type of Interest	Other Relevant Information
Beverley Tew	Durham University	Lay Member of Council & Finance Committee Chair	Unpaid	
James Bilefield	SThree plc	Chair	Paid	
James Bilefield	MPB	Chair	Paid	
James Bilefield	AnyVan	Chair	Paid	
James Bilefield	McKinsey & Co.	Senior Advisor	Paid	
James Bilefield	Science Museum Group	Trustee	Unpaid	
James Bilefield	Systemiq	Senior Advisor	Paid	
James Bilefield	HBX Group International plc.	Chair	Paid	
Jon Watts	Environment Agency	Non-Executive Director	Paid	
Jon Watts	Eden Trust	Trustee and Non-Executive Director	Unpaid	
Jon Watts	CIFF GP Ltd	Director	Paid	Jon will recuse himself from discussion on any funding for CIFF.
Jon Watts	Various NGOs	Independent consultant	Paid	Jon provides advice to some charitable foundations and NGOs. Jon will consult the FCDO Corporate Governance team for advice on relevant issues and mitigation and recuse himself from discussions on funding for any of his clients.
Karen Blackett	Diageo PLC	Non-Executive Director	Paid	
Karen Blackett	University of Portsmouth	Chancellor	Unpaid	
Karen Blackett	British Fashion Council	Non-Executive Director	Unpaid	
Karen Blackett	Sky Diversity Advisory Council	Board Member	Paid	
Executive Board Members				

Name	Declared Interest(s) Body	Position Held	Type of Interest	Other Relevant Information
Oliver Robbins				
Nick Dyer	Natural Resources Institute (NRI)	None	Family member's employer	This interest would be declared for any relevant discussion in which Nick was involved and he would recuse himself if there was a risk of conflict of interest
Nick Dyer	Royal Society of Paediatrics and Child Health	None	Family member's employer	This interest would be declared for any relevant discussion in which Nick was involved and he would recuse himself if there was a risk of conflict of interest
Helena Vega-Lozano	Riding for the Disabled Association (Charity)	Chair	Trustee, unpaid	
Helena Vega-Lozano	The Mare and Foal Sanctuary (Charity)	Chair	Trustee, unpaid	
Jonathan Allen	FCDO Services Board	Non-Executive Director	Unpaid	
Edward Llewellyn	GSK shares	Shareholder	Shareholder	Should any financial, contractual or company interest matters arise, Ed Llewellyn would recuse himself from any involvement.
Edward Llewellyn	Royal Naval Reserve	Hon Captain	(Affiliated ship, HMS PRINCE OF WALES)	
Edward Llewellyn	British Institute Florence	Ex Officio, Honorary President	Role linked with the role of HMA Rome	
Edward Llewellyn	The Council of the British Chamber of Commerce for Italy	Honorary President	Role linked with the role of HMA Rome	
Edward Llewellyn	The Non-Catholic Cemetery for Foreigners in Testaccio, Rome	Member of the Assembly of Ambassadors	Role linked with the role of HMA Rome	
Edward Llewellyn	Association of the Anglican Church in Italy	Ex Officio, member of the Board	Role linked with the role of HMA Rome	

Name	Declared Interest(s) Body	Position Held	Type of Interest	Other Relevant Information
Edward Llewellyn			Family links to relevant policy	Anne Charbord, Ed's wife is an international human rights lawyer. She is formerly the legal adviser to the mandate of the UN Special Rapporteur on human rights and countering terrorism. This included work on Syria and travel to NE Syria, including blogs on the repatriation of ISIS-linked individuals from Northeast Syria. Anne is also writing a book with her former boss the Special Rapporteur on their experience working on the mandate, including on their experience with respect to Syria.
Edward Llewellyn	The Keats-Shelley House	Honorary (non-voting		
Neil Wigan	Nil return			
Christina Scott	Nil return			
Melinda Bohannon	Nil return			
Sally Langrish	Nil return			
Corin Robertson	Lifeboat Fund	Trustee		
Harriet Mathews	Daily Telegraph	None	Client of family member's company	This interest would be declared for any relevant discussion in which Harriet was involved and she would recuse herself if there was a risk of conflict of interest.
Harriet Mathews	Refugee Council	None	Family member's employer	This interest would be declared for any relevant discussion in which Harriet was involved and she would recuse herself if there was a risk of conflict of interest.
Harriet Mathews	Danube Institute	None	Family member is visiting Fellow	This interest would be declared for any relevant discussion in which Harriet was involved and she would recuse herself if there was a risk of conflict of interest.
Christian Turner	British Council	Trustee		
Owen Jenkins	Nil return			

Name	Declared Interest(s) Body	Position Held	Type of Interest	Other Relevant Information
Dame Deborah Bronner	Nil return			
Jenny Bates	National Institute of Economic and Social Research	Trustee	Unpaid	

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. The Permanent Under-Secretary has considered these returns and the following relevant interests are set out in public:

Name	Interest
Jessica Leigh	Ms Leigh was a Lambeth Councillor until 7 May 2026.

Personal data related incidents

In 2025-26, 133 incidents involving personal data were recorded within the FCDO. While 104 of the reported incidents involved a breach of security resulting in the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data, none met the criteria for reporting to the ICO. The table below provides a breakdown of the incidents that involved a breach of security recorded during the reporting period.

	Number of Breaches		
Nature of Incident	**2025-26**	**2024-25**	**Change**
Unauthorised disclosures	93	95	-2
Insecure disposal/Inadequate protection	2	4	-2
Loss of or poor protection of data inside FCDO premises	7	3	4
Loss of or poor protection of data outside FCDO premises	1	4	-3
Other	1	2	-1
Total	**104**	**108**	-4

The FCDO places a high priority on the security of its personnel, information and infrastructure, and continues to monitor and assess its personal data risks to identify and address any weaknesses and ensure continuous improvements. For example, during the reporting period, the mandatory training that all staff are required to undertake was updated to highlight the more common causes of incidents and how to avoid them.

These figures do not include incidents involving visa or passport information, which are managed and reported separately by the Home Office.

Internal audit annual assurance opinion

For the period 1 April 2025 to 31 March 2026 the Head of Internal Audit provided a limited assurance opinion over the FCDO's governance, risk management and control framework.

Internal Audit has identified principal themes underpinning the opinion, which are consistent with last year's limited opinion: gaps in accountability and oversight; systems and information not adequately supporting oversight and control; inconsistent risk management;

weaknesses in the design or implementation of corporate controls and policies; and ongoing prioritisation challenges. The assurance trend across the main components of the opinion is also broadly unchanged. Audit results remain static overall, with a significant proportion of reviews continuing to identify controls that are not operating effectively to manage risk within appetite. The FCDO has, however, improved the rate of closure of open audit actions. Actions taken by the FCDO to address issues highlighted in the 2024-25 opinion remain at an early stage, with most activity still in design rather than fully implemented. Other sources of assurance and risk reporting have been more limited this year, reflecting the department's focus on redesigning governance, risk and control frameworks across the FCDO.

The FCDO, in 2026-27, is undertaking a significant restructure and organisational change. To meet this change & challenge we are materially adjusting our Risk Management and Control Frameworks to meet our future challenges.

Going forward, the FCDO's reform programme FCDO2030 has initiated projects that aim to tackle the root causes of these issues, with significant improvements made in year on the design of risk management and delivery frameworks. Remediation of the issues underlying the limited opinion is likely to continue into 2027.

Whistleblowing

The FCDO is committed to high standards of integrity, probity, and accountability. Our Raising a Concern and Whistleblowing policy complies with the Public Interest Disclosure Act and enables confidential reporting of wrongdoing, including code breaches, fraud, safeguarding, and health and safety concerns. Concerns can be raised via a confidential hotline and email managed by the Internal Audit and Investigations Directorate, as well as through other routes such as Staff Counsellors. Reporting routes are promoted internally via the intranet and externally through GOV.UK, including for concerns relating to our aid delivery partners. During the year, our whistleblowing arrangements operated as intended, with concerns handled confidentially and investigated appropriately. The Audit and Risk Assurance Committee provides assurance on the effectiveness of these arrangements.

Complaints

The Parliamentary and Health Service Ombudsman (PHSO) investigates complaints concerning central government Departments and agencies when referred by a Member of Parliament. The PHSO reports its findings to Parliament to support scrutiny and shares them more widely to drive improvements in public services and complaint handling. The FCDO is unable to confirm precisely how many of our cases have been referred to the PHSO during 2025-26, we are only alerted when the PHSO decides to seek information from us, in order to inform their decision whether or not to proceed to investigation (some may have been rejected prior to this stage). We have received three such requests from them during 2025-26, of which one has since been closed and two remain active.

Corporate governance code

The FCDO's governance arrangements have been assessed against the requirements set out in the Corporate Governance in Central Government Departments: Code of Good Practice. This code operates on a 'comply or explain' basis, whereby Departments explain the rationale for elements of the code with which they are not fully compliant. the FCDO meets the provisions in the code with the following exceptions. First, the function of the nominations committee is carried out through the Senior Appointments Committee. Second, the FCDO's departmental board - the Supervisory Board - met once during 2025-26, rather than the recommended four times. This was complemented by a standing meeting between the Foreign Secretary, Ministers, the Permanent Under-Secretary, and Directors General, which meets at least monthly. The Board Effectiveness Review (BER) was light-touch in 2025-26, with further detail captured in the BER paragraph above.

Independent Commission for Aid Impact and National Audit Office audit reports

The Accounting Officer takes account of findings from the work of the Independent Commission for Aid Impact (ICAI), an arms-length body of the FCDO. During the financial year 2025-26, ICAI examined and reported on a range of subjects across ODA spending Departments. It conducted full reviews of: UK aid to Sudan, UK aid for energy transitions, and the management of the ODA spending target. The FCDO publishes its response to ICAI reports and gives evidence on them to the House of Commons International Development Select Committee.

In June 2026, the National Audit Office (NAO) published its report 'Responding to humanitarian crises'. The FCDO welcomed the largely positive report which recognises the FCDO's strong and effective response to sudden-onset humanitarian crises. This review focused on our Humanitarian Crisis Response Department (HCRD) which co-ordinated response efforts centrally to 19 sudden-onset crises between the review period of 2021 and 2025. It acknowledged the strong arrangements in place, rapid response times and effective support provided which are crucial in saving lives and reducing the crises requiring a more costly and lengthy response.

As the global context remains highly challenging and fast changing, the FCDO continues to adapt and meet these demands to deliver its objectives for Ministers, the UK Public and the Global Population. As such, we welcome the report's recommendations to further strengthen our performance and cost monitoring processes to maximise long-term effectiveness and value for money.

In June 2026, the NAO also published its Investigation into the Financial Sustainability of the British Council. During the Covid-19 pandemic, the British Council saw a steep fall in its revenue as it was forced to suspend many of its income-generating activities. In response, the FCDO provided the British Council with a loan of which £197 million is outstanding. The FCDO and HMT want to find a sustainable solution which enables the British Council to repay the £197 million loan. The current loan term comes to an end in September 2026, however the FCDO has committed to extending the loan until 30 September 2027 while the longer term structure of the loan is being worked through. A PAC hearing was held on this matter on 2 July.

In March 2026, the FCDO contributed to a cross government investigation by the NAO into the Afghanistan resettlement schemes. The report examined the design and delivery of the schemes and highlighted challenges associated with the transition from the initial crisis response to a unified cross government programme. The recommendations were primarily directed at the Ministry of Defence as the Department leading the programme.

The Department has continued to engage with the NAO on its value for money report on 'Managing FCDO's overseas estate', published in May 2025. During the year, the Department attended a Public Accounts Committee hearing, following which the Committee issued a report setting out six recommendations broadly aligned with those made by the NAO. The Department has subsequently published a series of Treasury Minutes in response and continues to work closely with the NAO on delivering a full implementation plan.

In addition, the NAO publishes other reports to which the FCDO contributes. Recommendations arising from these reports since 2019 are published on the NAO's recommendation tracker. During the year to 31 March 2026, the Department continued to make progress in addressing these recommendations, with updates published on the tracker. All NAO reports are also publicly available on the NAO's website.

Arm's length bodies

The Permanent Under-Secretary is the FCDO's Accounting Officer and is responsible for the oversight and governance of the department's ALBs, comprising:

- **One executive agency:** Wilton Park;
- **Four executive Non-Departmental Public Bodies (NDPB's)**: the Commonwealth Scholarship Commission (CSC); Marshall Aid Commemoration Commission (MACC); Westminster Foundation for Democracy

(WFD); Great Britain China Centre (GBCC); and

» **One advisory NDPB:** Independent Commission for Aid Impact (ICAI)

The FCDO also sponsors the **British Council**, a charity, public corporation, and NDPB, and **FCDO Services**, an executive agency operating as a trading fund. Both organisations sit outside the FCDO accounting boundary.

The department's relationship with each ALB is governed by a published **Framework Document**, which sets out the respective roles and responsibilities of the sponsor Department and the ALB, including arrangements for governance, accountability, risk management, performance, funding, financial control, and assurance. These arrangements support the Accounting Officer in meeting their statutory and delegated responsibilities.

The FCDO monitors the performance and governance of its ALBs through proportionate assurance mechanisms, including regular governance and performance reviews, engagement between sponsor teams and ALB boards, and scrutiny of risk management, internal controls, and financial reporting. Where appropriate, findings from these arrangements are reflected in the department's corporate governance and risk assessments.

In addition, the FCDO is the sole shareholder of British International Investment BII, a public limited company. The Department exercises its shareholder function on an arm's length basis, with BII operating independently of government in its day-to-day management and investment decisions, in line with the agreed shareholder framework.

Further details on each arm's length body are provided below Annex D and Note 19.

British Council	The British Council is the UK's international organisation for cultural relations and educational opportunities. It is a charity, public corporation and a non-departmental public body (NDPB) sponsored by the FCDO. It is governed by a Royal Charter which sets out its charitable objects. In 2025-26, the British Council received £178.1 million grant-in-aid from the FCDO, of which £126.9 million was ODA. The British Council continues to face a challenging financial situation and remains reliant on a £197 million loan provided by the FCDO on commercial terms. The FCDO has committed to extending the loan until 30 September 2027 while the longer term structure of the loan is being worked through.
Wilton Park	Wilton Park is an executive agency of the FCDO, and administratively distinct from the Department. It provides a platform for policy dialogue on international and strategic affairs which brings together government ministers, officials, business leaders and civil society. Between April 2025 and March 2026, Wilton Park hosted 76 dialogues and events. Topics for discussion included global economy and trade, climate change, conflict prevention, resolution and state building, health, defence and security and sustainable development. In 2025-26, Wilton Park's total operating expenditure was £10.010 million and total operating income (including FCDO funding) was £9.005 million. Negotiations to renew the lease at Wilton House, which expires in March 2027, are underway. Wilton Park produces its own annual report and accounts.
Great Britain-China Centre (GBCC)	The Great Britain-China Centre advances the UK's interests with China. They work to: improve the UK's China capabilities, a key priority of the Integrated Review Refresh; organise senior strategic dialogues between parliamentarians, legal experts and policymakers in China and the UK, which are used to deliver tough messages on Xinjiang, Tibet, and Hong Kong; and deliver projects which support legal and judicial reform in China. In 2025-26, the GBCC received £360,500 grant-in-aid from the FCDO.

Marshall Aid Commemoration Commission (MACC)	The Marshall Aid Commemoration Commission (MACC) was established under the 1953 Marshall Aid Commemoration Commission Act in recognition of assistance given by the United States to the UK under the 'Marshall Aid' programme. An Executive Non-Departmental Public Body, MACC awards up to 50 postgraduate scholarships each year to exceptional American scholars to study at UK universities. As its sponsor, the FCDO provided MACC with a grant in-aid of £4.1 million in 2025-26. MACC annual reports and accounts are laid before Parliament and published on GOV.UK.
Independent Commission for Aid Impact (ICAI)	ICAI scrutinises UK aid spending. It operates independently of government and reports to Parliament through the House of Commons International Development Committee. ICAI's formal remit is to provide independent evaluation and scrutiny of the impact and value for money of all UK government ODA. This involves undertaking evidence based reviews of strategic issues faced by the UK government's aid spending, informing and supporting Parliament in holding the Government to account, and ensuring that ICAI's findings are publicly available. ICAI's mandate covers all UK ODA, regardless of which government Department is responsible for the spend. ICAI's total expenditure in 2025-26 was £2.63million.
Westminster Foundation for Democracy (WFD)	Westminster Foundation for Democracy (WFD) is the UK public body dedicated to strengthening democracy around the world. The FCDO provided £8.5 million in 2025-26 to WFD in Grant-in-Aid. The Foreign Secretary is accountable to Parliament for the activities of WFD and has responsibility for approving their strategic objectives, the appointment of the CEO, the board, and laying of the WFD accounts before Parliament. The Democratic Governance Department is the sponsoring team in the FCDO and is the principal source of advice to the Foreign Secretary and the PUS on these matters. Their annual report and accounts are published on their website.
Commonwealth Scholarship Commission (CSC)	The Commonwealth Scholarship Commission (CSC) in the UK was established under the 1959 Commonwealth Scholarships Act to manage the UK's contribution to the Commonwealth Scholarship and Fellowship Plan. An Executive Non-Departmental Public Body, the CSC awards scholarships and fellowships to Commonwealth citizens for postgraduate study at UK universities and professional development that contribute to sustainable development. As its sponsor, the FCDO provided CSC with a grant-in-aid of £28.6 million in 2025-26. CSC annual reports are laid before Parliament and published on GOV.UK.

Closing statement

Though I came into post after the end of the performance year, I have drawn assurance from the governance and control arrangements in place throughout 2025-26, including from my experience as Second Permanent Under Secretary and Accounting Officer for ODA during this period. My judgement takes account of the Internal Audit annual opinion, which provided limited assurance over the overall effectiveness of governance, risk management and control. While that opinion highlights the need for continued improvement, I am satisfied that the department's governance structures functioned effectively in supporting decision-making and delivery during the year, and that a clear programme of work is underway to strengthen the areas identified as requiring improvement. Risk management has been in transition and not fully met Orange book standards but mitigation of the department's principal risks is systematically reviewed by the Executive Committee.

There were no ministerial directions during the reporting period 2025-26.

Nick Dyer

Accounting Officer for the Foreign, Commonwealth and Development Office

14 July 2026

SECTION 2: Accountability Report

Section 2.2: Remuneration and Staff Report

This section of the annual report and accounts sets out the FCDO’s remuneration policies and how those policies have been implemented. This section also sets out the amounts awarded to directors, fair pay disclosures, diversity and inclusion information, and information on the FCDO’s staff numbers and costs.

Remuneration Report

Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service and Diplomatic 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 stated below, the officials covered by this report hold contracts 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://www.civilservicecommission.org.uk/.

Remuneration Policy

The pay of Senior Civil Servants (SCS) is set by the Prime Minister following independent advice from the Senior Salaries Review Body (SSRB). The SSRB takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. From time to time, the Review Body advises the Prime Minister on the pay, pensions and allowances of ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In making its recommendations, the Review Body considers:

» The need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities.

» Regional and local variations in labour markets and their effects on the recruitment and retention of staff.

» Government policies for improving public services, including the requirement on Departments to meet the output targets for the delivery of departmental services.

» The funds available to Departments, as set out in the government's departmental expenditure limits.

» The government's inflation target, wider economic considerations, and the affordability of its recommendations.

Further information about the work of the SSRB body can be found at Senior Salaries Review Body – GOV.UK.

In line with the government's transparency commitments, the FCDO publishes salary details of its SCS in the format agreed with the Cabinet Office on the government's website, www.gov.uk.

For the Permanent Under-Secretaries, remuneration is set by the Prime Minister on the recommendation of the Permanent Secretary Remuneration Committee. https://www.gov.uk/government/publications/government-evidence-to-the-senior-salaries-review-body-on-the-pay-of-the-senior-civil-service/government-evidence-to-the-senior-salaries-review-body-on-the-pay-of-the-senior-civil-service-october-2025-html.

Remuneration (Including Salary) and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management (i.e. Management Committee members) of the Department.

Remuneration for Ministers (subject to audit)

	Salary[8]		Benefits in Kind (to the nearest £100)		Pension Benefits[9] (to the nearest £1,000)		Total (to nearest £1,000)	
Ministers	**25-26**	**24-25**	**25-26**	**24-25**	**25-26**	**24-25**	**25-26**	**24-25**
The Rt Hon Yvette Cooper *Secretary of State* (from 05/09/25)[10]	33,753	–	–	–	10,000	–	44,000	–
Seema Malhotra Parliamentary *Under Secretary of State* (from 06/09/25)[11]	–	–	–	–	–	–	–	–
Chris Elmore Parliamentary *Under Secretary of State* (from 07/09/25)[12]	11,475	–	–	–	3,000	–	15,000	–
Stephen Doughty Minister of State	31,680	23,164	–	–	8,000	6,000	40,000	29,000
Baroness Jennifer Chapman Parliamentary *Under Secretary of State*	107,242	75,596	–	–	27,000	12,000	134,000	88,000
Hamish Falconer Parliamentary *Under Secretary of State*	22,375	1,931	–	–	6,000	–	28,000	2,000
Lord Raymond Collins of Highbury Parliamentary *Under Secretary of State* (to 08/09/25)[13]	35,484	17,742	–	–	7,000	5,000	43,000	23,000
The Rt Hon David Lammy *Secretary of State* (to 05/09/25)[14]	33,753	49,721	3,000	3,300[15]	7,000	13,000	44,000	66,000[16]
Catherine West Parliamentary *Under Secretary of State* (to 06/09/25)[16]	9,747	16,300	–	–	2,000	4,000	12,000	20,000

8 'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private offices allowances and and other allowance to the extent that it is subject to UK taxation.
9 The value of pension benefits accrued during the year are calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual; the real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.
10 The Rt Hon Yvette Cooper full year equivalent salary was £67,505 for 2025-26.
11 Seema Malhotra salary is paid by DfE.
12 Chris Elmore full year equivalent salary was £22,675 for 2025-26.
13 Lord Raymond Collins of Highbury full year equivalent salary was £70,969 for 2025-26.
14 The Rt Hon David Lammy full year equivalent salary was £67,505 for 2025-26.
15 Figure for 2024-25 has been restated. The benefits in kind for this year was finalised after the annual accounts were published. The benefits in kind amount was reported to HMRC to allow settlement of appropriate PAYE tax and NICs.
16 Catherine West full year equivalent salary was £22,675 for 2025-26.

Compensation for loss of office

	Date of Departure	Compensation Paid
Ministers		**£**
The Rt Hon David Lammy *Secretary of State*	05/09/25	–
Catherine West Parliamentary *Under Secretary of State*	06/09/25	5,593
Lord Raymond Collins of Highbury Parliamentary *Under Secretary of State*	08/09/25	–

Remuneration for senior officials (subject to audit)

	Salary (£000)		Bonus Payments (£000)		Pension Benefits (to nearest £1,000)[17]		Total (£000)	
Senior Officials[18]	**25-26**	**24-25**	**25-26**	**24-25**	**25-26**	**24-25**	**25-26**	**24-25**
Nick Dyer *Second Permanent Under-Secretary*[19]	170-175	165-170	–	–	54	176	220-225	340-345
Sir Oliver Robbins *Permanent Under-Secretary*[20]	230-235	45-50	–	–	88	20	320-325	65-70
Jonathan Allen *DG Defence and Security*	150-155	145-150	5-10	5-10	68	97	225-230	250-255
Melinda Bohannon *DG Global Issues*	145-150	140-145	0-5	0-5	55	145	205-210	285-290
Sally Langrish *DG Legal*	145-150	140-145	5-10	5-10	56	53	205-210	195-200
Helena Vega-Lozano *Chief Operating Officer* (from 01/09/25)[21]	95-100	–	–	–	36	–	130-135	–
Edward Llewellyn *DG Political* (from 01/09/25)[22]	95-100	–	–	–	38	–	135-140	–
Christina Scott *DG Network* (from 01/09/25)[23]	–	–	–	–	26	–	100-105	–

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

18 No benefits in kind were received by officials included in this table during 2025-26.

19 Nick Dyer was appointed as interim PUS from 17 April 2026.

20 Sir Oliver Robbins departed 16 April 2026. Full year equivalent salary was £230-235k in 2024-25. The full year equivalent salary for 2024-25 has been restated from £235-240k; prior year salary disclosure was correct, but the banding has been reassessed.

21 Helena Vega-Lozano full year equivalent salary was £165-170k for 2025-26.

22 Edward Llewellyn full year equivalent salary was £170-175k for 2025-26.

23 Christina Scott full year equivalent salary was £135-140k for 2025-26.

Senior Officials[18]	Salary (£000) 25-26	24-25	Bonus Payments (£000) 25-26	24-25	Pension Benefits (to nearest £1,000)[17] 25-26	24-25	Total (£000) 25-26	24-25
Neil Wigan *DG Strategy and Delivery* (from 01/09/25)[24]	75-80	–	–	–	78	–	155-160	–
Will Gelling *Strategy Director* (from 15/12/25)[25]	30-35	–	–	–	5	–	35-40	–-
Tim Jones *Director Finance*	140-145	135-140	5-10	5-10	50	47	200-205	190-195
Mark Power *Chief People Officer* (from 01/11/25)[26]	50-55	–	–	–	39	–	90-95	–
Sarah Russell *Director FCDO2030* (from 05/05/25)[27]	95-100	–	0-5	–	35	–	130-135	–
Corin Robertson *DG Finance and Corporate* (to 03/08/25)[28]	50-55	140-145	5-10	0-5	23	85	75-80	225-230
Mervyn Thomas *Chief People Officer* (to 30/06/25)[29]	85-90	150-155	5-10	5-10	15	56	105-110	215-220
Jenny Bates *DG Economics, Climate & Global Issues* (to 31/08/25)[30]	70-75	160-165	5-10	5-10	–	88	75-80	255-260
Janine Lloyd-Jones *Director of Communications* (to 01/05/25)[31]	10-15	130-135	5-10	5-10	4	113	20-25	250-255
Colin Martin-Reynolds *Director Organisational Improvement* (to 04/05/25)[32]	10-15	105-110	0-5	5-10	39	75	50-55	190-195
Harriet Mathews *Director General Africa, Americas and Overseas Territories* (to 31/08/25)[33]	60-65	145-150	5-10	0-5	82	166	145-150	315-320
Christian Turner *Director General Geopolitics and Political Director* (to 31/08/25)[34]	70-75	160-165	5-10	5-10	87	90	160-165	255-260
Adnan Khan *Chief Economist* (to 30/09/25)[35]	65-70	125-130	0-5	0-5	24	47	95-100	175-180

24 Neil Wigan full year equivalent salary was £135-140k for 2025-26.
25 Will Gelling full year equivalent salary was £110-115k for 2025-26.
26 Mark Power was on loan from Ministry of Justice (MOJ) when appointed as Interim Chief People Officer between 9 June 2025 to 31 October 2025. Full year equivalent salary was £125-130k.
27 Sarah Russell full year equivalent salary was £105-110k for 2025-26.
28 Corin Robertson full year equivalent salary was £145-150k for 2025-26.
29 Mervyn Thomas full year equivalent salary was £155-160k for 2025-26. Exit payment was £215-220k.
30 Jenny Bates full year equivalent salary was £165-170k for 2025-26.
31 Janine Lloyd-Jones full year equivalent salary was £135-140k for 2025-26. Exit payment was £215-220k.
32 Colin Martin-Reynolds full year equivalent salary was £115-120k for 2025-26.
33 Harriet Mathews full year equivalent salary was £160-165k for 2025-26. Exit payment was £260-265k.
34 Christian Turner full year equivalent salary was £170-175k for 2025-26.
35 Adnan Khan full year equivalent salary was £125-130k for 2025-26.

Senior Officials[18]	Salary (£000) 25-26	24-25	Bonus Payments (£000) 25-26	24-25	Pension Benefits (to nearest £1,000)[17] 25-26	24-25	Total (£000) 25-26	24-25
Laure Beaufils Overseas Network Representative	115-120	105-110	0-5	5-10	48	54	165-170	165-170
Owen Jenkins *Director General Indo-Pacific, Middle East and North Africa* (to 31/08/25)[36]	60-65	140-145	5-10	0-5	106	199	170-175	340-345
Kate White *Director Strategy* (to 12/12/25)[37]	80-85	100-105	5-10	0-5	35	76	120-125	185-190
Dame Deborah Bronnert *Interim Director General Europe* (to 31/08/25)[38]	90-95	85-90	5-10	5-10	64	77	160-165	170-175
Alison Daniels *Interim Director Communications* (from 02/05/25 to 03/10/25)[39]	45-50	–	0-5	–	17	–	65-70	–

Fees paid to non-executive board and committee members (subject to audit)

During 2025-26, the following fees and taxable expenses were paid to Non-Executive Directors of the Board and Committee Members:

	Fees & Taxable Expenses paid	
Non-Executive Directors of the Board	**2025-26[40]**	**2024-25**
Beverley Tew *Lead Non-Executive Director FCDO*	£15,000–£20,000	£15,000–£20,000
Jon Watts Non-Executive Director, Chair FCDO Audit and Risk Assurance Committee (from 15/05/25)	£15,000–£20,000	–
James Bilefield *Non-Executive Member, FCDO Audit and Risk Assurance Committee*	£15,000–£20,000	£10,000–£15,000
Fiona Thompson *Non-Executive Member, FCDO Audit and Risk Assurance Committee*	£5,000–£10,000	£5,000–£10,000
Chris Wood *Non-Executive Member, FCDO Audit and Risk Assurance Committee*	£5,000–£10,000	£5,000–£10,000
John Coffey *Non-Executive Director, Chair FCDO Audit and Risk Assurance Committee (to 30/04/25)*	£0–£5,000	£20,000–£25,000
Karen Blackett Non-Executive Director (from 10/06/25 to 31/03/26)	£10,000–£15,000	–

36 Owen Jenkins full year equivalent salary was £145-150k for 2025-26.
37 Kate White full year equivalent salary was £115-120k for 2025-26.
38 Dame Deborah Bronnert full year equivalent salary was £155-160k for 2025-26.
39 Alison Daniels full year equivalent salary was £105-110k for 2025-26.
40 NEDs have been paid in line with Government Departmental standard fees. Banding includes taxable expenses of which none are over £700.

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 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.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HMRC as taxable. During the financial year, the former Foreign Secretary had use of official residences at 1 Carlton Gardens. Expenses relating to its use, such as heating and lighting, are chargeable to tax under the terms of the Income Tax (Earnings and Pensions) Act 2003. The benefit in kind is capped at 10% of gross salary. A pro-rata calculation is covered for financial year 2025-26. This disclosure was omitted from the previous year's financial accounts due to departmental administrative error. No further benefits in kind have been received in the current year.

Bonuses

From the 2025-26 performance year, the FCDO no longer pays traditional, end year, purely performance related bonuses to staff. Annual pay awards include an element of non-consolidated pay with values determined by performance *and* salary position on the pay range. Payments made in 2025 used performance ratings from the 2024-25 cycle.

Pension benefits for ministers (subject to audit)

Senior Officials	Accrued Pension at age 65 as at 31/03/26 (£000)[41]	Real increase in pension at age 65 (£000)	CETV at 31/03/26 or end date whichever is earlier[42] (£000)	CETV at 31/03/25 or start date whichever is earlier (£000)	Real Increase in CETV[43] (£000)
The Rt Hon Yvette Cooper *Secretary of State (from 05/09/25)*	15-20	0-2.5	339	315	8
Seema Malhotra *Parliamentary Under Secretary of State (from 07/09/25)*	–	–	–	–	–
Chris Elmore *Parliamentary Under Secretary of State (from 07/09/25)*	0-5	0-2.5	8	5	2
Stephen Doughty *Minister of State*	0-5	0-2.5	14	6	4
Baroness Jennifer Chapman *Parliamentary Under Secretary of State*	0-5	0-2.5	45	14	18
Hamish Falconer *Parliamentary Under Secretary of State*	0-5	0-2.5	6	1	3
Lord Raymond Collins of Highbury *Under Secretary of State (to 08/09/25)*	0-5	0-2.5	25	16	6
The Rt Hon David Lammy *Secretary of State (to 05/09/25)*	10-15	0-2.5	208	194	5
Catherine West *Parliamentary Under Secretary of State (to 06/09/25)*	0-5	0-2.5	8	5	2

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

42 Remuneration reports show the CETVs of senior staff at the start and end of the reporting year, together with the real increase during that period. The real increase is the increase due to additional benefit accrual (i.e. as a result of salary changes and service) that is funded by the employer. It will be smaller than the difference between the start and end CETVs because it does not include any increase in the value of the pension due to inflation or due to the contributions paid by the employee or the value of any benefits transferred from another pension scheme. Nor does it include any increases (or decreases) because of any changes during the year in the actuarial factors used to calculate CETVs.

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

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-schemerules.pdf.

Those Ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report). Benefits for Ministers are payable from State Pension age under the 2015 scheme. Pensions are revalued 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.

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.

Real increase in the value of 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 for senior officials (subject to audit)

Senior Officials[44,45]	Accrued pension at age 65 as at 31/03/2026 (£000)[46]	Real increase in pension at age (£000)	CETV at 31/03/26 or end date whichever is earlier (£000)	CETV at 31/03/25 or start date whichever is earlier (£000)	Real increase in CETV (£000)
Nick Dyer Second Permanent Under-Secretary	90-95 plus a lump sum of 230-235	2.5-5 plus a lump sum of 0	2,129	2,048	41
Sir Oliver Robbins Permanent Under-Secretary (to 16/04/26)	5-10	5-7.5	92	16	56
Jonathan Allen DG Defence and Security	55-60 plus a lump sum of 135-140	2.5-5 plus a lump sum of 0-2.5	1,236	1,118	49
Melinda Bohannon DG Global Issues	50-55 plus a lump sum of 115-120	2.5-5 plus a lump sum of 0	1,051	957	35
Sally Langrish DG Legal	10-15	2.5-5	206	149	41
Helena Vega-Lozano Chief Operating Officer (from 01/09/25)	0-5	0-2.5	33	–	25
Edward Llewellyn DG Political (from 01/09/25)	65-70	0-2.5	1,146	1,093	29
Christina Scott DG Network (from 01/09/25)	45-50 plus a lump sum of 105-110	0-2.5 plus a lump sum of 0	970	913	17
Neil Wigan DG Strategy and Delivery (from 01/09/25)	40-45 plus a lump sum of 95-100	2.5-5 plus a lump sum of 5-7.5	953	843	72
Will Gelling Strategy Director (from 15/12/25)	40-45 plus a lump sum of 90-95	0-2.5 plus a lump sum of 0	783	759	–
Tim Jones Director Finance	35-40	2.5-5	591	534	32

44 Figures presented in the remuneration report do not reflect the impact of taxation on the individual, for example from Annual Allowance and Lifetime Allowance ceilings.

45 Remuneration reports show the CETVs of senior staff at the start and end of the reporting year, together with the real increase during that period. The real increase is the increase due to additional benefit accrual (i.e. as a result of salary changes and service) that is funded by the employer. It will be smaller than the difference between the start and end CETVs because it does not include any increase in the value of the pension due to inflation or due to the contributions paid by the employee or the value of any benefits transferred from another pension scheme. Nor does it include any increases (or decreases) because of any changes during the year in the actuarial factors used to calculate CETVs.

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

Senior Officials[44,45]	Accrued pension at age 65 as at 31/03/2026 (£000)[46]	Real increase in pension at age (£000)	CETV at 31/03/26 or end date whichever is earlier (£000)	CETV at 31/03/25 or start date whichever is earlier (£000)	Real increase in CETV (£000)
Mark Power Chief People Officer (from 01/11/25)	25-30	0-2.5	372	338	20
Sarah Russell Director FCDO2030 (from 05/05/25)	20-25	0-2.5	316	291	18
Corin Robertson DG Finance and Corporate (to 03/08/25)	55-60 plus a lump sum of 130-135	0-2.5 plus a lump sum of 0-2.5	1,196	1,164	16
Mervyn Thomas Chief People Officer (to 30/06/25)	0-5	0-2.5	67	51	11
Jenny Bates DG Economics, Climate & Global Issues (to 31/08/25)	60-65 plus a lump sum of 5-10	0-2.5 plus a lump sum of 0	1,156	1,100	–12
Janine Lloyd-Jones Director of Communications (to 01/05/25)	40-45	0-2.5	663	659	2
Colin Martin-Reynolds Director Organisational Improvement (to 04/05/26)	55-60 plus a lump sum of 135-140	0-2.5 plus a lump sum of 0	1,228	1,136	26
Harriet Mathews Director General Africa, Americas and Overseas Territories (to 31/08/25)	55-60 plus a lump sum of 130-135	2.5-5 plus a lump sum of 2.5-5	1,194	1,066	62
Christian Turner Director General Geopolitics and Political Director (to 31/08/25)	65-70 plus a lump sum of 155-160	2.5-5 plus a lump sum of 2.5-5	1,406	1,261	68
Adnan Khan Chief Economist (to 30/09/25)	10-15	0-2.5	175	152	18
Laure Beaufils Overseas Network Representative	30-35	2.5-5	540	475	33
Owen Jenkins Director General Indo-Pacific, Middle East and North Africa (to 31/08/25)	85-90	5-7.5	1,777	1,587	93
Kate White Director Strategy (to 12/12/25)	45-50 plus a lump sum of 110-115	0-2.5 plus a lump sum of 0	1,037	958	21
Dame Deborah Bronnert Interim Director General Europe (to 31/08/25)	80-85 plus a lump sum of 200-205	2.5-5 plus a lump sum of 0-2.5	1,972	1,809	51
Alison Daniels Interim Director Communications (from 02/05/25 to 03/10/25)	30-35	0-2.5	512	489	13

Pension contributions

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 FCDO is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS at 31 March 2024.

Details can be found at https://www.gov.uk/government/publications/2024-valuation-civil-service-pension-scheme. The latest valuation sets the employer contribution rate at 22.1% from 1 April 2027.

For 2025-26, employers' contributions of £113,521,438 were payable to the PCSPS (2024-25: £114,249,687) at the rate of 28.97% of pensionable earnings. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2025-26 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £657,034 were paid to one or more of the panel of three appointed stakeholder pension providers.

Employer contributions are age related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings.

In addition, employer contributions of £23,422, 0.5% 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 £0. Contributions prepaid at that date were £0.

The total employer pension contributions detailed above will not cross reference to the staff costs table pension cost due to payments made for overseas pensions contributions which are not detailed above but are included within the staff costs table.

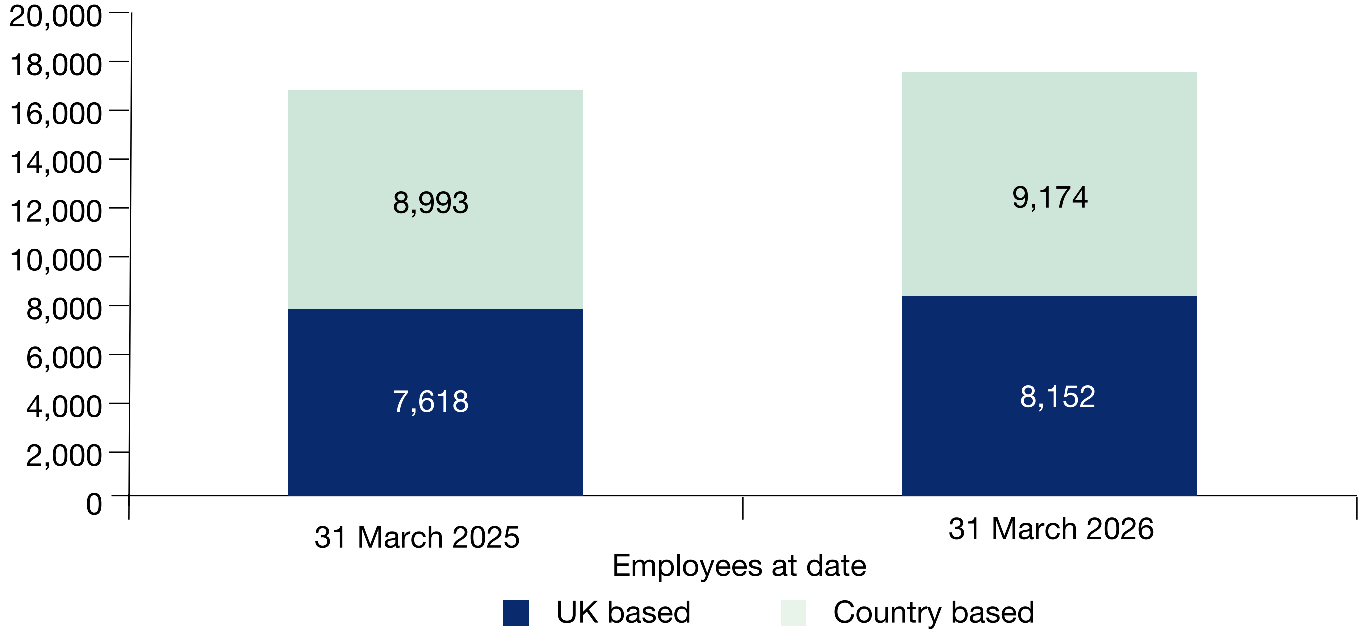
Staff report

Our workforce

The FCDO had 16,611 employees at 31 March 2026 comprising 7,618 (46%) UK Based (UKB) staff and 8,993 (54%) Country Based Staff. The UKB full-time equivalent was 7,500. At 31 March 2026, 71% of UKB staff were working in the UK and 29% were based overseas.

The turnover rate for UKB staff in 2025-26 was 11.9%.

FCDO Staff Headcount[47]



Our Workforce Structure

The FCDO has a Senior Civil Servants (SCS) structure comprising four pay bands.

Number of SCS employed by the FCDO

Grade	FCDO SCS at 31/03/2026	FCDO SCS at 31/03/2025
Permanent Under-Secretary	2	2
SCS4	1	2
SCS3	33	36
SCS2	124	131
SCS1	357	393
Total	**517**	**564**

Salary for SCS Pay Bands

SCS Pay band	Cabinet Office minimum	Cabinet Office maximum
Permanent Under-Secretary/SCS4	155,000	220,000
Director General (SCS3)	130,000	208,100
Director (SCS2)	100,000	162,500
Deputy Director (SCS1)	81,000	117,800

47 As at 31 March 2026 there were 6 Ministers and 5 Special Advisors as compared to 31 March 2025 when there were 6 Ministers and 4 Special Advisors.

Staff Loans

Career experience outside of the FCDO helps to build expertise and organisational agility.

Number of staff loaned to the FCDO as at 31 March 2026 from Other Government Departments

Grade	Loaned in total	Loaned in for <6 months	Loaned in for 6+ months	Average loan length (in years)
AO	3	–	3	1.6
EO	17	11	6	0.8
HEO	106	17	89	1.6
SEO	69	15	54	1.6
G7	156	29	127	1.6
G6	35	5	30	1.7
SCS	29	4	25	1.9
Total	**415**	**81**	**334**	**1.6**

Number of staff loaned from the FCDO as at 31 March 2026 to Other Government Departments

Grade	Loaned out total	Loaned out for <6 months	Loaned out for 6+ months	Average loan length (in years)
AO	–	–	–	–
EO	1	1	–	0.5
HEO	11	3	8	1.5
SEO	14	7	7	0.7
G7	35	6	29	1.7
G6	46	12	34	1.6
SCS	36	8	28	1.5
Total	**143**	**37**	**106**	**1.5**

Average Number of Persons Employed (subject to audit)

The average number of UK-Based full-time equivalent persons (FTE) employed by the FCDO during 2025-26 was 7,796.0. The number of FTE UK-Based for 2024-25 was 8,098.5.

	Permanently employed staff	Others	Ministers	Special Advisors	Total
Total staff	7,976.8	12.6	6.0	4.6	8,000.0
Of which:					
Core department	7,796.0	–	6.0	4.6	7,806.6
Agencies	82.4	3.6	–	–	86.0
Other designated bodies	98.4	9.0	–	–	107.4

Staff Costs (subject to audit)

All staff costs relate to the staff of the FCDO. The numbers in the table below are included in 'Staff costs' within the Consolidated Statement of Comprehensive Net Expenditure and in note 3 Expenditure.

FCDO	Permanently Employed Staff (£000)	Others (£000)	Ministers (£000)	Special Advisors (£000)	2025-26 Total (£000)	2024-25 Total (£000)
Wages and Salaries	782,626	–	297	–	782,923	760,946
Social Security Costs	53,678	–	44	–	53,722	46,532
Other pension costs	140,466	–	–	–	140,466	136,812
Sub Total	976,770	–	341	–	977,111	944,290
Less recoveries in respect of outward secondments	(3,543)	–	–	–	(3,543)	(1,678)
Total net costs	**973,227**	**–**	**341**	**–**	**973,568**	**942,612**

Fair Pay Disclosures (subject to audit)

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

The banded remuneration of the highest paid director in the FCDO in the financial year 2025-26 was £230-235k (2024-25 £230-235k). This was 3.88 times (2024-25: 4.28) the median remuneration of the workforce, which was £59,885 (2024-26: £54,264), 5.15 times (2024-25: 5.47) the 25th percentile remuneration of the workforce, which was £45,139 (2024-25: £42,520) and 3.21 times (2024-25: 3.42) the 75th percentile remuneration of the workforce, which was £72,506 (2024-25: £68,046). In 2024-25, no employee received remuneration in excess of the highest-paid director.

Remuneration ranged from £29,500-£235,000 (2024-25: £28,000-£235,000).

For the purpose of fair pay disclosures, Directors are members of the board of management. Remuneration includes gross salary, non-consolidated performance-related pay, 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. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Changes in pay ratios are attributed to changes in remuneration of the highest paid director and the pay and benefits of employees taken as a whole; increases in remuneration are in line with approved pay policies.

Total Remuneration	2025-26	2024-25	% Change
Band of highest paid director's total remuneration	£230–235k	£230-235k	0.00
25th percentile remuneration of all UK Based Staff	£45,139	£42,520	6.16
Ratio	5.15	5.47	-5.80
Median remuneration of all UK Based Staff	£59,885	£54,264	10.36
Ratio	3.88	4.28	-9.39
75th percentile remuneration of all UK Based Staff	£72,506	£68,046	6.43
Ratio	3.21	3.42	-6.16

Total Salary	2025-26	2024-25	% Change
Band of highest paid director's total salary	£230–235k	£225-230k	2.17%
25th percentile total salary of all UK Based Staff	£43,688	£37,621	16.13
Ratio	5.32	5.91	-10.02%
Median total salary of all UK Based Staff	£57,720	£47,403	21.76
Ratio	4.03	4.69	-14.18%
75th percentile total salary of all UK Based Staff	69,680	£63,184	10.28
Ratio	3.34	3.52	-5.25%

Percentage change in total salary and bonuses for the highest paid Director and the staff average

		2025-26[48]		2024-25
Total Salary	Total Salary	Bonus	Total Salary	Bonus
Highest Paid Director	2.17%	0.00%	18.27%	(100.00)%
Staff Average	13.94%	66.01%	2.70%	(30.14)%

Country-based staff remuneration and salaries are excluded from the fair pay disclosure calculations. Their salaries are paid in local currency, based on local market conditions and subject to individual countries taxation and social security arrangements. The variation of arrangements plus differences in rates of pay and local purchasing power would distort the calculation and would make comparisons with other organisations impossible.

Diversity and inclusion

The FCDO is committed to building a diverse workforce and an inclusive culture where everyone is treated with dignity and respect, can thrive, and can contribute fully to delivering our objectives. In line with the Public Sector Equality Duty, we consider equality impacts when developing and implementing policies, and we engage with staff groups to understand lived experience and identify practical mitigations.

48 There is a change in basis of calculation which includes allowances in 2025-26 as compared to prior years.

Declared Diversity of FCDO UKB Staff as of 31 March 2026

Characteristic	Total UKB Staff	SCS	Delegated Grades	G6	G7	SEO	HEO	EO	AO
Women	51.4%	46.6%	51.8%	48.5%	52.3%	50.9%	51.6%	54.4%	57.6%
Ethnic Minority	21.7%	11.9%	22.6%	14.3%	18.7%	19.6%	27.5%	31.6%	37.9%
Disability	–	12.8%	–	–	–	–	–	–	–
LGBO[49]	10.3%	8.0%	10.5%	–	–	9.2%	12.1%	9.6%	9.3%

The provision of diversity data is voluntary; where reporting rates are below 60% this data has been withheld. We encourage staff to share their data so we can strengthen analysis and improve outcomes.

Since 2020 we have delivered targeted D&I action plans to address barriers and strengthen dignity and respect at work. This has supported improvements, including in some senior-grade representation and staff support, but progress remains uneven. An external review commissioned by the former Foreign Secretary David Lammy is identifying effective practice and where we must go further and faster.

Changes since the FCDO was formed in 2020

Characteristic	SCS at the formation of the FCDO	SCS as of 31 March 2026
Women	41.6%	46.6%
Ethnic Minorities	7.0%	11.9%
Disability	8.0%	12.8%
LGBO	4.8%	8.0%

In 2025-26 we focused on practical improvements to inclusion and fair access to opportunity.

- **Race**: increased Ethnic Minority representation in senior grades through mentorship, sponsorship and targeted talent (shortlisted for the Civil Service Awards and CIPD People Management Awards). We strengthened insights into Black staff experiences and barriers to progression.
- **Women**: continued focus on senior-grade representation; recent Board and Director restructuring delivered majority-women outcomes. Continued progress on closing our Gender Pay Gap puts the FCDO as a leading Whitehall Department on gender pay parity.
- **Disability:** as a Disability Confident Level 3 Leader, we remain committed to improving attraction, recruitment, retention and development of disabled people. We have strengthened workplace adjustments to improve speed and consistency, with access to advice, equipment and support.
- **LGBT:** the focus is on supporting LGBT+ staff overseas, including stronger guidance for higher-risk environments and tools for leaders to build respectful, inclusive teams in the UK and overseas.
- **Tackling Bullying, Harassment and Discrimination**: introduced targeted action plans for business areas with higher-than-average scores, strengthening prevention, reporting and responses. Plans set clear leadership accountability, address root causes, and track impact over time.

In 2026-27 we will be taking a new approach to D&I to align with broader changes linked to FCDO2030. Through our workforce strategy, we will ensure D&I is fundamentally integrated across HR policies and processes, building on external learning of best practice to tackle

49 LGBO – Lesbian, Gay, Bi-sexual, and Other (this data field reflects sexual orientation, gender identity data is collected in another field – reporting rates are too low to share)

barriers for protected groups. We will ensure that the HQ staff restructure, including staff reductions, is fair and evidence-led, with equality impacts considered throughout. Once complete, we will reassess the diversity profile of the remaining workforce and identify any further action required, which will feed into our future Pay Gap reports and Equality Action Plans.

Health, Safety and Wellbeing

We operate in a complex global environment, with many staff overseas including in highrisk and hardship locations. Over the past year we enacted 20 temporary drawdowns across 12 posts, affecting 100+ staff and 280+ family members, and supported four staff affected by expulsions—placing sustained pressure on resilience and duty of care.

Against this backdrop, the FCDO manages health, safety and wellbeing on the basis that colleagues' wellbeing depends on effective health, welfare and safety arrangements, backed by practical learning and specialist advice. This year we used insight from the central Health and Safety incident reporting database and learning completion data to keep managers, colleagues and crossgovernment partners informed on performance.

Home and Overseas Welfare Teams support staff and managers, drawing on the Mental Health Experts Advisory Group. In the past 12 months we delivered 50+ Trauma Risk Management assessments after potentially traumatic incidents to enable timely intervention and risk mitigation. Overseas staff and eligible adult dependants have 24/7 access to the Employee Assistance Programme (EAP); bespoke services remain in place for priority posts and have been expanded. A global network of 450+ Mental Health First Aiders provides early peer support, complemented by the Mental Health, Wellbeing and Listening Network.

On Health and Safety, we have streamlined risk assessment guidance, reporting processes and IT systems, reducing time spent on compliance and helping front line teams focus on essential controls. In 2025-26, incidents fell slightly to 1,089 (from 1,201 last year) and personal injury claims against the FCDO (accidents or workrelated ill health) remained low; we continue to encourage reporting of accidents and workrelated ill health. Health and safety training uptake improved to 87% (from 85% last year).

To build capability, the Wellbeing Team also delivered targeted UK and overseas outreach, including sessions on wellbeing during organisational change, PERMA-based resilience workshops, Trauma Risk Management assessor training, Type 2 Trauma training for line managers, and Mental Health First Aider training and refreshers.

Staff Engagement

The annual Civil Service People Survey looks at civil servants' experience of working in government Departments and is a helpful way to measure year on year progress.

This was the sixth survey since the FCDO was formed in 2020. Staff completed the survey during September and October 2025 with a response rate of 67%, a fall of four percentage points compared to 2024.

The FCDO's overall Employee Engagement Index (the measure of employee commitment to organisational goals and values) remained static at 65%. This was the same as the Civil Service Benchmark.

Sickness Absence Rates

The FCDO measures the average number of days lost to sickness absence, known as the Average Working Days Lost (AWDL) for our UKB staff, based on the number of full-time equivalent employees.

In 2025, the FCDO had an AWDL of 3.8, which is a decrease of 0.6 when compared to the 2024 figure of 4.4.

Sickness absence in FCDO	2025	2024
Working days lost (short-term absence)	13,800	14,682
Working days lost (long-term absence)	16,212	20,770
Total working days lost	30,012	35,452
AWDL	3.8	4.4
Number of staff absent as a result of sickness	2,789	2,904
Percentage of staff with no sickness absence	67%	67%

Ill-Health Retirement

Eight individuals retired early on ill-health grounds.

Expenditure on Consultancy and Temporary Staff

Professional services and external resources can generally be split into two broad categories. Temporary staff includes temporary workers, interim managers and specialist contractors who are used to cover business as usual or service delivery activity, within an organisation. Consultancy includes staff who provide objective advice relating to strategy, structure, management, or operations of an organisation and may include the identification of options with recommendations.

Consultancy costs and spend on temporary staff for the FCDO

Costs	2025-26	2024-25
Consultancy costs[50]	£3,648,521	4,129,058[51]
Temporary staff costs	£48,480,136	£40,358,853

Consultancy costs and spend on temporary staff for ALBs and Agencies

ALB[52]	GBCC		WFD		WP		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Consultancy Staff	£373,506	£434,185	–	–	£7,219	£20,973	£380,725	£455,158
Temporary Staff Costs	£79,587	£79,667	£51,982	£94,128	£95,570	£90,686	£227,139	£264,481

50 Consultancy services are defined by the Cabinet Office and Financial Reporting Manual.
51 Consultancy costs for 2024-25 has been restated due to revision of classification resulting in increase of previously mis-identified costs.
52 GBCC – Great Britain China Centre, WFD – Westminster Foundation for Democracy WP – Wilton Park.

Off-payroll engagements

Highly paid off-payroll worker engagements as of 31 March 2026 earning £245 per day or greater:

Type	Core Department	ALBs	Departmental group
Number of existing engagements as of 31 March 2026	400	2	402
Of which			
less than 1 year	198	1	199
between 1 and 2 years	40	–	40
between 2 and 3 years	48	–	48
between 3 and 4 years	38	–	38
For 4 or more years	76	1	77

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

Type	Core Department	ALBs	Departmental group
No. of temporary off-payroll workers engaged during the year ended 31 March 2026	500	4	504
Of which			
Not subject to off-payroll legislation	–	1	1
Subject to off-payroll legislation and determined as in-scope of IR35	438	3	441
Subject to off-payroll legislation and determined as out-of-scope of IR35	62	–	62
No. of engagements reassessed for compliance or assurance purposes during the year	50	–	50
Of which			
No. of engagements that saw a change to IR35 status following review	42	–	42

During 2025-26, the FCDO continued to undertake extensive reviews of all IR35 off-payroll status determinations. This review has resulted in a significant reduction of out-of-scope engagements in the Department. The FCDO made a voluntary disclosure to HMRC last year, advising of the changes in assessment, the review of our voluntary disclosure and the associated liability is still in progress. The FCDO has recognised an accrual within our 2025-26 accounts for the estimated backdated tax owed for the period from 2021-22 to 2025-26. Once the HMRC review is complete, the final agreed liability will be fully disclosed within the FCDO's next Annual Report and Accounts.

For any off-payroll engagement of board members, and/or senior officials with a significant finance responsibility between 1 April 2025 and 31 March 2026 for the FCDO:

Type	Main Department	Agencies	ALBs	Departmental group
Number of off-payroll engagements of Board members and/or senior officials with significant financial responsibility during the financial year	–	–	3	3
Total number of individuals on payroll and off payroll that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year.[53]	24	11	32	67

53 This figure includes both on payroll and off-payroll engagements.

Reporting of Civil Service and Other Compensation Schemes – Exit Packages

UK Based Staff Exits (Subject to audit)

FCDO 2025-26 (Comparative data for previous year shown in brackets)

			Core Department FCDO UK Based			Core Department and Agencies FCDO UK Based
Exit package cost band[54,55]	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
<£10,000	(–)	– (1)	– (1)	(–)	– (1)	– (1)
£10,000 – £25,000	(–)	24 (–)	24 (–)	(–)	24 (–)	24 (–)
£25,000 – £50,000	(–)	48 (5)	48 (5)	(–)	48 (5)	48 (5)
£50,000 – £100,000	(–)	294 (57)	294 (57)	(–)	294 (57)	294 (57)
£100,000 – £150,000	(–)	3 (–)	3 (–)	(–)	3 (–)	3 (–)
£150,000 – £200,000	(–)	9 (–)	9 (–)	(–)	9 (–)	9 (–)
>£200,000	(–)	11 (1)	11 (1)	(–)	11 (1)	11 (1)
Total number of exit packages	**(–)**	**389 (64)**	**389 (64)**	**(–)**	**389 (64)**	**389 (64)**
Total Cost £000			**30,998 (5,587)**			**30,898 (5,587)**

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.

The Voluntary Exit Scheme that ran in Financial Year 2024-25 has attributed to the increase in total cost this Financial Year.

Voluntary Exit Scheme

The FCDO ran a Voluntary Exit Scheme (VES) for UK Based Staff at the delegated and SCS grades in 2024-25 in order to support the alignment of workforce and cost with our Spending Review budget, and create capacity to reform the workforce to meet long-term requirements. This scheme was agreed with Cabinet Office and HM Treasury on the terms set out in the Civil Service Compensation Scheme.

Discretionary Exit Scheme

The FCDO is currently offering a rolling, inhouse Discretionary Exit Scheme, for UK Based Staff at delegated grades and SCS grades to support our workforce transformation. The

54 Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and not included in the table.
55 Payments attributed to the Financial Year the exit occurred rather than payment occurred.

scheme is intended to support the restructuring of the organisation responsibly while maintaining the skills and capabilities that are essential for our future success. This scheme was agreed with the Cabinet Office, and offers up to the voluntary redundancy tariff (as set out in the Civil Service Compensation Scheme) but will be conducted in-house to enable more rapid agreement to the terms, rather than relying on Capita to support this given current operational issues.

Country Based Staff Exits (subject to audit)

FCDO 2025-26 (Comparative data for previous year 2024-25 shown in brackets)

			Core Department 2025-26
Exit Package Cost Band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
<£10,000	56 (40)	164 (185)	220 (225)
£10,000-£25,000	47 (45)	59 (65)	106 (110)
£25,000-£50,000	26 (20)	39 (33)	65 (53)
£50,000-£100,000	14 (13)	14 (20)	28 (33)
£100,000-£150,000	5 (2)	10 (–)	15 (2)
£150,000-£200,000	1 (2)	3 (–)	4 (2)
>£200,000	– (1)	– (–)	– (1)
Total number of exit packages	**149 (123)**	**289 (303)**	**438 (426)**
Total Cost £000	**3,682 (3,213)**	**5,658 (4,279)**	**9,340 (7,491)**

SECTION 2: Accountability Report

Section 2.3: Parliamentary Accountability and Audit Report

This section of the annual report and accounts brings together key parliamentary accountability documents including the Statement of Outturn against Parliamentary Supply and supporting notes, regularity of expenditure, all other requirements as set out in Managing Public Money and the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

Statement of Outturn against Parliamentary Supply

Summary of Resource and Capital Outturn 2025-26

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

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

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

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

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

The SOPS 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 costs.

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

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 gov.uk, for detail on the control limits voted by Parliament.

Parliamentary control of the FCDO spending applies to:

- The net resource DEL requirement;
- The net capital DEL requirement;
- The net resource AME requirement;
- The net cash requirement for the Estimate as a whole.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The Financial Review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures. Explanations of variances between estimate and outturn are given in the Financial Review (page 50).

Summary Tables – Mirrors Part 1 of the Estimates

Summary Table 2025-26

										2025-26	2024-25
				Outturn			Estimate	Outturn vs Estimate Saving / (Excess)		Prior Year Outturn
	Note	Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Departmental Expenditure Limit										
Resource	SOPS 1.1	7,893,892	161,900	8,055,792	8,040,356	177,000	8,217,356	146,464	161,564	8,606,460
Capital	SOPS 1.2	3,162,932	–	3,162,932	3,210,477	–	3,210,477	47,545	47,545	2,650,978
Total		**11,056,824**	**161,900**	**11,218,724**	**11,250,833**	**177,000**	**11,427,833**	**194,009**	**209,109**	**11,257,438**
Annually Managed Expenditure										
Resource	SOPS 1.1	(129,119)	–	(129,119)	400,066	–	400,066	529,185	529,185	349,280
Capital	SOPS 1.2	480,165	–	480,165	481,000	–	481,000	835	835	880,598
Total		**351,046**	**–**	**351,046**	**881,066**	**–**	**881,066**	**530,020**	**530,020**	**1,229,878**
Total Budget										
Resource	SOPS 1.1	7,764,773	161,900	7,926,673	8,440,422	177,000	8,617,422	675,649	690,749	8,955,740
Capital	SOPS 1.2	3,643,097	–	3,643,097	3,691,477	–	3,691,477	48,380	48,380	3,531,576
Total Budget Expenditure		**11,407,870**	**161,900**	**11,569,770**	**12,131,899**	**177,000**	**12,308,899**	**724,029**	**739,129**	**12,487,316**
Non-Budget		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Budget and Non Budget		**11,407,870**	**161,900**	**11,569,770**	**12,131,899**	**177,000**	**12,308,899**	**724,029**	**739,129**	**12,487,316**

Summary of Net Cash Requirement

				2025-26	2024-25
	Note	Outturn	Estimate	Saving/(Excess)	Prior Year Outturn
		£000	£000	£000	£000
Net cash requirement	SOPS 3	11,025,992	11,354,744	328,752	11,064,370

Summary of Administration Costs

				2024-25	2023-24
	Note	Outturn	Estimate	Saving/(Excess)	Outturn
		£000	£000	£000	£000
Administration Costs		332,752	347,243	14,491	326,313

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 51 in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in Chapter 1 of Consolidated Budgeting Guidance, available on gov.uk.

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

SOPS 1 Outturn detail, by Estimate Line

SOPS 1.1 Analysis of net resource outturn by Estimate Line

											2025-26	2024-25
	Resource Outturn							Estimate			Outturn vs estimate saving/ (excess) £000	Prior Year Outturn Total £000
	Administration			Programme								
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000	Total £000	Vire-ments £000	Total inc. Virements £000		
Spending in Departmental Expenditure Limits (DEL)												
Voted expenditure												
A: Operating costs, frontline diplomacy and overseas network	345,451	(12,699)	332,752	1,867,930	(246,366)	1,621,564	1,954,316	2,055,947	(54,000)	2,001,947	47,631	1,132,312
B: Funding for NDPBs within Departmental Group (Net)	-	-	-	43,108	-	43,108	43,108	43,950	-	43,950	842	43,493
C: British Council	-	-	-	180,550	-	180,550	180,550	166,070	14,480	180,550	-	166,075
D: Regional bilateral programmes	-	-	-	2,453,943	-	2,453,943	2,453,943	2,522,558	(48,225)	2,474,333	20,390	3,315,299
E: Core multilateral programmes	-	-	-	1,152,825	-	1,152,825	1,152,825	1,042,512	110,313	1,152,825	-	1,803,013
F: Centrally managed programmes	-	-	-	1,084,360	-	1,084,360	1,084,360	1,073,665	70,372	1,144,037	59,677	750,463
G: International subscriptions, scholarships and BBC World Service	-	-	-	422,987	-	422,987	422,987	528,765	(92,940)	435,825	12,838	386,195
H: UK Integrated Security Fund	-	-	-	601,803	-	601,803	601,803	606,889	-	606,889	5,086	727,875
Total voted DEL	**345,451**	**(12,699)**	**332,752**	**7,807,506**	**(246,366)**	**7,561,140**	**7,893,892**	**8,040,356**	**-**	**8,040,356**	**146,464**	**8,324,725**
Non-Voted Expenditure												
I: European Union Attributed Aid	-	-	-	161,900	-	161,900	161,900	177,000	-	177,000	15,100	281,735
Total non-voted DEL	**-**	**-**	**-**	**161,900**	**-**	**161,900**	**161,900**	**177,000**	**-**	**177,000**	**15,100**	**281,735**
Total spending DEL	**345,451**	**(12,699)**	**332,752**	**7,969,406**	**(246,366)**	**7,723,040**	**8,055,792**	**8,217,356**	**-**	**8,217,356**	**161,564**	**8,606,460**
Spending in Annually Managed Expenditure (AME)												
Voted expenditure												
J: Other central programme and technical costs	-	-	-	(90,562)	(38,557)	(129,119)	(129,119)	400,066	-	400,066	529,185	349,280
K: BII	-	-	-	-	-	-	-	-	-	-	-	-
Total voted AME	**-**	**-**	**-**	**(90,562)**	**(38,557)**	**(129,119)**	**(129,119)**	**400,066**	**-**	**400,066**	**529,185**	**349,280**

											2025-26	2024-25
	Resource Outturn							Estimate			Outturn vs estimate saving/ (excess) £000	Prior Year Outturn Total £000
	Administration			Programme								
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000	Total £000	Vire-ments £000	Total inc. Virements £000		
Non-Voted Expenditure												
Total non-voted AME	-	-	-	-	-	-	-	-	-	-	-	-
Total spending AME	-	-	-	(90,562)	(38,557)	(129,119)	(129,119)	400,066	-	400,066	529,185	349,280
Total resource	345,451	(12,699)	332,752	7,878,844	(284,923)	7,593,921	7,926,673	8,617,422	-	8,617,422	690,749	8,955,740

Non-voted expenditure relates to spend by the European Union on development related activities which have been funded by the UK.

SOPS 1.2 Analysis of capital outturn by Estimate Line

								2025-26	2024-25
				Capital Outturn			Estimate	Outturn vs estimate saving/ (excess)	Prior Year Outturn Total
	Gross	Income	Net	Programme Total	Total	Vire-ments	Total inc. Virements		
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Type of Spend (Capital)									
Spending in Departmental Expenditure Limits (DEL)									
Voted expenditure									
A: Operating costs, frontline diplomacy and overseas network	261,982	(4,073)	257,909	257,909	323,953	(26,349)	297,604	39,695	298,415
B: Funding for NDPBs within Departmental Group (Net)	–	–	–	–	–	–	–	–	–
C: British Council	–	–	–	–	–	–	–	–	–
D: Regional bilateral programmes	447,284	–	447,284	447,284	455,121	–	455,121	7,837	578,814
E: Core multilateral programmes	1,607,604	–	1,607,604	1,607,604	1,588,900	18,704	1,607,604	–	792,343
F: Centrally managed programmes	850,135	–	850,135	850,135	842,490	7,645	850,135	–	981,221
G: International subscriptions, scholarships and BBC World Service	–	–	–	–	–	–	–	–	–
H: UK Integrated Security Fund	–	–	–	–	13	–	13	13	185
Total voted DEL	**3,167,005**	**(4,073)**	**3,162,932**	**3,162,932**	**3,210,477**	**–**	**3,210,477**	**47,545**	**2,650,978**
Non-Voted expenditure									
I: European Union Attributed Aid	–	–	–	–	–	–	–	–	–
Total non-voted DEL	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total spending in DEL	**3,167,005**	**(4,073)**	**3,162,932**	**3,162,932**	**3,210,477**	**–**	**3,210,477**	**47,545**	**2,650,978**
Spending in Annually Managed Expenditure (AME)									
Voted expenditure									
J: Other central programme and technical costs	165	–	165	165	1,000	–	1,000	835	598
K: BII	480,000	–	480,000	480,000	480,000	–	480,000	–	880,000
Total voted AME	**480,165**	**–**	**480,165**	**480,165**	**481,000**	**–**	**481,000**	**835**	**880,598**
Non-Voted expenditure									
Total non-voted AME	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total spending AME	**480,165**	**–**	**480,165**	**480,165**	**481,000**	**–**	**481,000**	**835**	**880,598**
Total capital	**3,647,170**	**(4,073)**	**3,643,097**	**3,643,097**	**3,691,477**	**–**	**3,691,477**	**48,380**	**3,531,576**

The total estimate columns in both charts 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 are provided in the Supply Estimates Manual, available on gov.uk.

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament. Explanations of variances between Estimate and outturn are given in the Financial Review on page 50.

SOPS 2 Reconciliation of outturn to net operating expenditure

		2025-26	2024-25
		FCDO	FCDO
		Outturn Total	Outturn Total
	SOPS Note	£000	£000
Total Resource Outturn	SOPS 1.1	**7,926,673**	**8,955,740**
Capital Grants		2,308,411	2,142,113
Research and Development		439,901	8,571
Finance Income		42,652	46,837
Total		**2,790,964**	**2,197,521**
Non-voted EU attribution	SOPS 1.1	(161,900)	(281,735)
Net Profit/Loss on Disposal		(14,737)	3,471
Total		**(176,637)**	**(278,264)**
Net Operating Expenditure in CSoCNE		**10,541,000**	**10,874,997**

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.

Capital grants are budgeted for as CDEL but accounted for as spend on the face of the CSoCNE, and therefore function as a reconciling item between Resource and Net Operating Expenditure.

Research and development expenditure that meets the criteria laid down by ESA 10 for National Accounts are recorded as capital in budgets. Where this differs from the treatment in the accounts, as research expenditure is usually expensed in the CSoCNE, then a reconciling item is shown in SOPS 2.

SOPS 3 Reconciliation of net resource outturn to net cash requirement

				2025-26	2024-25
		Outturn Total	Estimate	Saving/(Excess)	Outturn Total
	Note	£000	£000	£000	£000
Resource Outturn	SOPS 1.1	**7,926,673**	**8,617,422**	**690,749**	**8,955,740**
Capital Outturn	SOPS 1.2	**3,643,097**	**3,691,477**	**48,380**	**3,531,576**
Accruals to Cash Adjustments					
Adjustments for designated ALBs:					
Remove voted resource and capital		(43,108)	(43,950)	(842)	(43,493)
Add cash grant-in-aid		41,584	43,950	2,366	41,174
Adjustments to remove non-cash items:					
Depreciation/Amortisation	3	(346,106)	(404,335)	(58,229)	(344,213)
New impairments and adjustments to previous impairments DEL	3	1,212	–	(1,212)	359
New impairments and adjustments to previous impairments AME	3	4,273	–	(4,273)	12,352
New provisions and adjustments to previous provisions	11	(123,838)	(432,219)	(308,381)	(106,402)
New provisions and adjustments to previous provisions	11	(118,963)	–	118,963	–
Other non-cash items (except profit on disposal of PPE)		(282,435)	(14,766)	267,669	(1,204,989)
Adjustments to reflect movements in working balances					
Increase/(decrease) in inventory	CSoCF	(5)	–	5	(134)
Increase/(decrease) in receivables	CSoCF	(67,328)	–	67,328	(16,691)
(Increase)/decrease in payables	CSoCF	381,780	(60,059)	(441,839)	362,777
Use of provisions	11	170,834	134,224	(36,610)	158,711
Adjustments re pension schemes	CSoCF	222	–	(222)	(662)
Other Adjustments		–	–	–	–
Total		**11,187,892**	**11,531,744**	**343,852**	**11,346,105**
Removal of Non-Voted Budget Items					
Consolidated Fund Standing Services		(161,900)	(177,000)	(15,100)	(281,735)
Other Adjustments		–	–	–	–
Total		**(161,900)**	**(177,000)**	**(15,100)**	**(281,735)**
Net Cash Requirement		**11,025,992**	**11,354,744**	**328,752**	**11,064,370**

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. Explanations of variances between Estimate and outturn are given in the Financial Review on page 50.

SOPS 4 Income payable to the Consolidated Fund

In addition to income retained by the Department, the following income relates to the Department and is payable to the Consolidated Fund. This note shows excess cash that is payable to the Consolidated Fund as at year end. The disclosure splits the total payable to the Consolidated Fund by a) income received that is either outside the ambit of the Estimate or which cannot be retained as it is outside the FCDO's settlement limit and b) other excess cash that has not been spent and which must be returned to the Consolidated Fund.

SOPS 4.1 Analysis of income payable to the Consolidated Fund

		2025-26		2024-25	
		Outturn Total		Outturn Total	
		Accruals basis	Cash basis	Accruals basis	Cash basis
	Note	£000	£000	£000	£000
Operating income outside the ambit of the Estimate	4	(52)	(17)	(568)	(566)
Interest payments for the British Council loan	4	(11,917)	(9,805)	(15,260)	(13,667)
Receipts in respect of capital sales proceeds	4	–	–	–	–
Total amount payable to the Consolidated Fund		**(11,969)**	**(9,822)**	**(15,828)**	**(14,233)**

Income can be included as part of the Estimate (detailed in Note 1) and used to fund expenditure. However, where the type of income is not one which an entity can retain (i.e. if it is not included in its ambit as part of the Estimate) or where income received exceeds settlement limits (or the amount of income an entity can retain to offset spend), then the income is payable to the Consolidated Fund.

Income due to the Consolidated Fund is therefore, shown as a reconciling item in SOPS 2. The total Consolidated Fund Extra Receipts (CFERs) payable to the Consolidated Fund are disclosed as part of the Statement of Changes in Taxpayers' Equity (CSoCTE) in the financial statements.

The disclosure shows cash payable both on an accruals basis and on a cash basis (which may differ given budgets are compiled on an accruals basis and not a cash basis).

SOPS 4.2 Consolidated Fund Income

Consolidated Fund income shown in SOPS 4.1 above does not include any amounts collected by the FCDO where it was acting as agent for the Consolidated Fund rather than as principal. Of the various types of Consular Fees, only one is surrendered to the Consolidated Fund, this is the Notarial & Documentary Services line in the Consular Fees table on page 142. Fees are set by Statutory Instrument under the Consular Fees Act 1980.

The amounts collected as agent for the Consolidated Fund (which are excluded from the FCDO's income) were:

	2025-26	2024-25
	Outturn Total	Outturn Total
	£000	£000
Consular fees	971	1,296
Miscellaneous income	–	–
Amount payable to the Consolidated Fund	971	1,296
Balance held at the start of the year	106	266
	1,077	**1,562**
Payments into Consolidated Fund	(830)	(1,456)
Balance held on trust at the end of the year	**247**	**106**

Parliamentary Accountability Disclosures

Losses and special payments (subject to audit)

Losses Statement

	2025-26	2024-25
Total number of losses	305	118
Total value of losses (£000)	2,039	2,219

All figures above relate to the FCDO. No additional losses were reported within the wider Departmental Group.

There were no losses greater than £300,000 during the year.

Losses and fruitless payments relate to lost IT and mobile equipment, missed travel, unrecoverable advances and some programme-related stolen assets. The FCDO takes a robust approach to pursuing loss recovery.

Special Payments

Special payments are transactions outside the normal range of departmental activity that require specific HM Treasury approval. All special payments reported below have been authorised by HM Treasury

Nature of Incident	2025-26	2024-25
Total number of special payments	29	23
Total value of special payments (£000)	3,003	1,118

All figures above relate to the FCDO. No additional special payments were reported within the wider Departmental Group.

There were two special payments greater than £300,000 made during the year:

- A £500,000 payment was made to fund the delivery of life saving medical supplies in Gaza. While the payment was made on the basis of an approved submission, activity commenced before the agreement was formally signed. The FCDO followed Managing Public Money guidance and treated this as an extra-contractual payment. A thorough review has since been completed to inform future support mechanisms and prevent similar occurrences. The UK continues to support efforts to provide aid in Gaza, including through the Jordanian Airbridge initiative, utilising all available means.
- A £443,487 payment supported the London School of Economics (LSE) to implement the project Ideas4India in India. To enable this work, the Commercial Agreement between the FCDO and LSE required a formal contract amendment, this was missed due to an internal error. This is part of a long standing programme via the LSE that helps developing countries implement effective inclusive growth policies in order to lift their citizens out of poverty. The FCDO followed advice from commercial and legal advisers in treating this as an extra-contractual payment. Commercial capabilities and governance structure within the programme have been strengthened to ensure this does not happen in future.

There were eleven special severance payments made in the year totalling £218,318. The highest payment was £34,671 and the lowest payment was £6,393.

Fraud

FCDO Fraud Risk Appetite and Approach

Fraud remains a key risk for the FCDO, reflecting its operating environment, delivery models and responsibility for managing public funds.
The FCDO has historically maintained a cautious risk appetite towards fraud, seeking to prevent, detect, deter and respond to fraud while pursuing recovery where appropriate. This is applied through embedding counter fraud within delivery frameworks. In practice, this requires balancing the application of controls with the need to deliver at pace in complex environments, accepting some residual risk where further mitigation would be disproportionate or would impede essential delivery. The FCDO is continuing to refine how we articulate risk appetite and measure fraud risk. In FY 2025-26 the FCDO completed seven Initial Fraud Impact Assessments covering a combined budgetary value of £2.028 billion.

Fraud Risk Environment

The FCDO faces a complex and evolving fraud risk environment driven by its international operations, reliance on multi-layered delivery chains, and work in fragile and high-risk contexts. These risks are increasingly shaped by technological developments that enable more sophisticated and scalable fraud threats.
Fraud in this context is not solely a financial issue; it can undermine delivery to beneficiaries, damage relationships with partners and host governments, and can affect the UK's credibility overseas. As a result, even relatively small financial losses can have disproportionate strategic impacts. The Department applies proportionate due diligence across programmes and partners to better understand these risks and inform the tailoring of controls to the operating context.

Governance, Culture & Managing Insider Fraud Risk

During FY 2025-26, the FCDO continued to strengthen its approach to managing fraud risk, including expanding fraud risk assessments across priority programmes and directorates in line with Government Counter Fraud Profession standards. Governance arrangements have evolved during the year, with oversight provided through departmental committees. As these arrangements have developed, further work is ongoing to ensure clarity of roles, effective oversight and consistent visibility of fraud risks across the organisation. The FCDO recognises the importance of counter fraud culture and provide targeted communications and guidance to support staff in identifying and managing fraud risk in their roles. This is particularly important given the global and decentralised nature of its operations. The FCDO continues to assess its approach through reporting, assurance activity and lessons learned from investigations. A key specific risk in this context is insider fraud risk, due to the level of access, authority and trust afforded to staff and delivery partners. The global and decentralised nature of its operations, combined with varied legal and cultural environments, increases both the likelihood and potential impact of this risk. We seek to manage this through a combination of preventative and detective controls, including vetting, segregation of duties and audit trails, supported by reporting mechanisms and ongoing work to strengthen proactive detection.

Fraud Measurement, Reporting and Response

The FCDO reports fraud and error through the Consolidated Data Return (CDR) to the Public Sector Fraud Authority (PSFA), including detected, recovered and prevented amounts.

CDR category	Detected (£000)	Recovered (£000)	Prevented (£000)
Fraud 2025-26	1,315	879	1,837
Error 2025-26	5,074	3,743	18
Fraud 2024-25	2,250	971	–
Error 2024-25	5,457	3,033	–

Significant Fraud Case (2023–24)

The FCDO declared in its 2023-24 Annual Report and Accounts that we had uncovered a fraud case relating to procurement activity in the South East Asia region. The value of the fraud is £1.1 million. Corrective measures have been taken to reduce the risk of a repeat of this type of fraud. Given criminal referral and recovery efforts are ongoing, the FCDO has not yet written off this amount.

Significant Fraud Case (2025-26)

During 2025-2026, the FCDO uncovered a fraud case relating to procurement activity in the East Africa region. It is anticipated that the loss exposure may be over £300k. Given the investigation is ongoing the FCDO has not yet written off this amount.

Where incidents occur, the FCDO takes corrective action, including recovery where feasible and suitable sanction, redress or punishment which may include, for example, dismissal, legal or disciplinary action. Investigative insights such as root cause analysis are also used to inform future prevention activity. This reflects a continued focus on strengthening prevention and detection, recognising that reliance on reactive investigation alone is insufficient to manage fraud risk effectively.

Recognising that not all fraud is detected, the FCDO are undertaking pilot exercises to develop an evidence-based understanding of fraud and error, building towards a more robust and organisation-specific estimate over time. In the interim, cross-government benchmarks are used to inform planning assumptions, recognising the limitations of these approaches.

The FCDO has begun developing approaches to measuring fraud prevention in selected areas. Measuring prevention is inherently complex and relies on a range of assumptions and data limitations. As such, these approaches are applied selectively, and only where there is sufficient data and analytical confidence to support meaningful interpretation. They are not yet applied consistently or at full scale across departmental activity and continue to be developed as part of its broader approach to strengthening prevention and detection capability.

Capability, Investment and Partnerships

The FCDO continues to strengthen counter fraud capability across the organisation. During FY 2025-26, the FCDO expanded its global network of Fraud Liaison Officers, embedding fraud awareness and expertise across posts and directorates. The FCDO works closely with the Public Sector Fraud Authority and other government partners, aligning its approach with the GovS 013 standard and delivering a prioritised counter fraud action plan. Counter fraud investment for FY 2025-26 was approximately £2.18 million, primarily relating to staffing and investigation activity. We seek to align this investment to areas of highest risk and greatest potential impact and keep trade-offs under close review. We continue to assess the effectiveness of our approach, recognising that recovery is not always achievable or cost-effective in all contexts.

Associated Entities Outside the Departmental Accounting Boundary (subject to audit)

The FCDO takes the lead for two public sector bodies which are outside the accounting boundary:

The British Council is a charity, public corporation and a Non-Departmental Public Body (NDPB). It is governed by a Royal Charter which sets out its charitable objectives. It is the UK's international organisation for cultural relations and educational opportunities, building lasting relationships between the UK and other countries. The FCDO provides the British Council with Grant-in-Aid, but the majority of the British Council's income and expenditure stems from its own earned income. The FCDO's Director General Strategy and Delivery is a member of the British Council Board of Trustees. The FCDO Ministers and senior officials meet the British Council Chair and Chief Executive regularly. The British Council consults the FCDO if it proposes opening or closing any of its representation overseas. The Annual Report and Accounts can be found at www.britishcouncil.org.

FCDO Services (FCDOS) is an agency of the FCDO as well as a trading fund. As a trading fund the FCDOS provides a range of integrated secure services worldwide to the FCDO, other UK public bodies, foreign governments and international organisations closely linked to the UK. FCDOS generates its own income to fund its activities. The FCDO holds an investment in

FCDOS, comprised of 100% of its Public Dividend Capital of £4,981,000. The Annual Report and Accounts can be found at www.FCDOservices.gov.uk.

Gifts (subject to audit)

For the year ended 31 March 2026, there were no gifts that exceeded £300,000.

Regularity (subject to audit)

For the year ended 31 March 2026, the FCDO sought two retrospective approvals from His Majesty's Treasury (HMT) following actions taken that infringed the requirements of regularity as set out in Managing Public Money. The first was a decision to support the delivery of aid into Gaza through Jordan, while the second sought retrospective approval for work that continued outside of any contractual agreement on the Ideas4India programme. Further information on these payments is set out in the losses and special payments section on page 138.

Following retrospective approval being granted for the above items, HM Treasury (HMT) approval was granted for all novel, contentious or repercussive transactions relating to FY 2025-26.

Fees and Charges (subject to audit)

In line with HM Treasury's Managing Public Money, the FCDO is required to publish performance results for activities where fees and charges are levied.

Consular fees are authorised under the Consular Fees Act 1980, which permits the recovery of costs associated with consular functions, including the cross-subsidisation of certain activities through UK consular fees.

Current fee levels are established through the Consular Fees Orders 2016, 2019 and 2023, and are reviewed annually in accordance with HM Treasury guidance.

The fees and charges table sets out services with costs exceeding £500k, presenting income, full cost and the resulting surplus or deficit. These figures may fluctuate in response to changes in demand and/or underlying costs.

Fees are grouped into three categories: Legalisation; Emergency Travel Documents and Emergency Passports; and Notarial and Documentary services (for example, oaths and certificates of no impediment).

Consular Premiums

The consular premium (£18.62 per adult passport) supports non-fee-bearing consular services in the UK and overseas. Related income is claimed through the Supplementary Estimate, in addition to baseline funding (£100.2 million).

The Emergency Disaster Relief Fund (£0.69 per adult passport) supports crisis response activity. No claim was made in FY 2025-26 in respect of crisis-related costs.

Consular costing model

A revised costing model was introduced in FY 2024-25 improving the accuracy of reporting on consular income, premiums and service costs.

Analysis of Consular Fees and Charges where the full cost of providing the service exceeds £1 million (rounded to the nearest £1,000)

	2025-26			2024-25		
	Income (£000)	**Cost (£000)**	**Surplus/ Deficit (£000)**	**Income (£000)**	**Cost (£000)**	**Surplus/ Deficit (£000)**
Public Facing Services	26,250	2,777	23,473	24,827	3,384	21,443
Emergency Travel Documents	3,716	4,166	(450)	2,884	3,856	(972)
Notarial and Documentary Services	972	6,944	(5,972)	1,296	7,171	(5,875)
Total for Fee Bearing Services	30,938	13,887	17,051	29,007	14,411	14,596
Consular Premiums and EDRF	111,700			106,980		
Consular and Crisis Assistance Support		124,980	(13,280)		122,264	(15,284)
Total	142,638	138,867	3,771	135,987	136,675	(688)

Financial Guarantees and Indemnities

Financial Guarantees are disclosed within Note 13 to the Financial Statements.

During 2025-26, the FCDO issued two letters of comfort: one to the Great British China Centre (GBCC) and one to the British Council. The letter to GBCC provided assurance that the FCDO would supply sufficient financial support to enable the organisation to meet its obligations and continue operating as a going concern for at least 12 months from 11 March 2026, which is the date on which its 2024-25 accounts were certified by the Comptroller and Auditor General. The letter to the British Council confirmed that the FCDO would extend the maturity of its outstanding loan to 30 September 2027, pending agreement on a longer-term restructuring of the facility.

Indemnities

	1 April 2025 (£000)	Increase in year (£000)	Liabilities crystallised in year (£000)	Items re-classified to remote (£000)	31 March 2026 (£000)	Amount reported to Parliament by Departmental Minute (£000)
British Council	0	264	0	0	264	0
BVI	0	0	0	3,000	3,000	3,000

The FCDO has entered into an indemnity arrangement with the British Council and HMT in respect of overseas art exhibitions. Under this agreement, the British Council is responsible for meeting the first £3 million of any claim. This represents an ongoing liability, with the year-end balance dependent on whether exhibitions are held. The balance increased from £nil at 1 April 2025 (when no exhibitions took place) to £264,000 at 31 March 2026. The likelihood of a transfer of economic benefits is considered too remote for recognition as a contingent liability under IAS 37.

An indemnity of up to £3.0 million was provided in 2021 to cover the Commissioner and staff of the Governor-established Commission of Inquiry in the British Virgin Islands against liabilities arising from acts or omissions made honestly and in good faith in the course of their duties. The Commission concluded its work in 2022, and the UK Order in Council providing for potential interim administration was lifted with effect from 13 March 2026 following sufficient progress by the BVI Government. While the indemnity remains in force, the likelihood of any claims arising is considered remote given the conclusion of the inquiry, the passage of time, and the absence of any legal proceedings. Therefore this is not a contingent liability within the meaning of IAS 37 since the likelihood of a transfer of economic benefit in settlement is too remote.

Remote Contingent Liabilities (subject to audit)

In addition to contingent liabilities disclosed in accordance with IAS 37 at Note 12 of the accounts, the Department discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote. These amount to £15,045.7 million (2024-25: £15,334.3 million) and comprise:

- £14,997.7million (2024-25: £15,285.2 million) in respect of callable capital on investments in International Financial Institutions (IFIs). These are subject to call only when required and to the extent necessary to meet the obligations of the IFIs on borrowings of funds or guarantees. The equity base of each IFI allows the institutions to meet their financial objectives by absorbing risk out of their own resources and protecting member countries from a possible call on callable capital. No call has ever been made on the IFIs' callable capital stock to date.
- £48.0 million (2024-25: £49.1 million) through the issuance of a promissory note for maintenance of value obligations in respect of subscriptions already paid to the capital stock of the International Bank for Reconstruction and Development (IBRD). Members are required to make payments to the IBRD if their currencies (Sterling for UK) depreciate significantly from the subscription date, relative to the US Dollar. This promissory note has never been drawn down.

The Department has entered into other unquantifiable contingent liabilities relating to maintenance of the value of subscriptions paid to capital stock of regional development banks and funds. None of these is a contingent liability within the meaning of IAS 37 since the possibility of a transfer of economic value is considered remote. The FCDO does not expect any liabilities to arise in relation to these contingent liabilities.

Reconciliation of contingent liabilities included in the supply estimate to the accounts

Quantifiable contingent liabilities	Note	Supply Estimate (£000)	Amount disclosed in ARA (£000)	Variance (£000)
Callable Capital for IFIs		14,733,766	14,997,708	(263,942)
Callable Capital – IBRD maintenance of value		47,059	48,021	(962)
EIB Guarantee	12.2	250,618	249,062	1,556
Other IFI liabilities related to future performance conditions	12.2	107,565	92,565	15,000
GuarantCo Callable Capital	12.2	130,000	130,000	–
CABI Pension Deficit Liability	12.2	19,066	17,330	1,736
Various legal cases	12.2	911,375	1,146,083	(234,708)
Indemnities	12.3	3,000	–	3,000
IBRD Guarantees	13	6,711,920	5,599,960	1,111,960
AfDB Room2Run Guarantee	13	1,187,510	1,210,148	(22,638)
Gibraltar Guarantee	13	445,599	475,000	(29,401)
ADB IFFEd & IFCAP Guarantee	13	283,536	288,941	(5,405)
EBRD Ukrenergo Guarantee	13	24,916	31,457	(6,541)

Unquantifiable contingent liabilities	Included in the Supply Estimate	Disclosed in the ARA	Explanation
Callable Capital – Other IFIs maintenance of value subscriptions	No	No	No agreed basis to quantify the liability
Sanctions challenges	No	No	Potential future challenges brought against the FCDO as yet unknown therefore not possible to quantify the liability
Litigation cases	No	No	Various cases in early stages and therefore not possible to quantify the liability

IBRD guarantees decreased by £1.1 billion compared with the Supply Estimate, primarily due to the timing of new agreement signings. At the time of the Supply Estimate, it had been expected that loan guarantees for Ukraine and Egypt would be signed within the financial year, adding approximately £1.1 billion to total exposure. However, these agreements were not finalised by 31 March 2026.

Legal and other liabilities rose by £234.7 million compared with the Supply Estimate, mainly reflecting additional legal challenges brought in relation to sanctions regimes. The Gibraltar guarantee increased by £29.4 million, driven by additional loan drawdowns during the financial year.

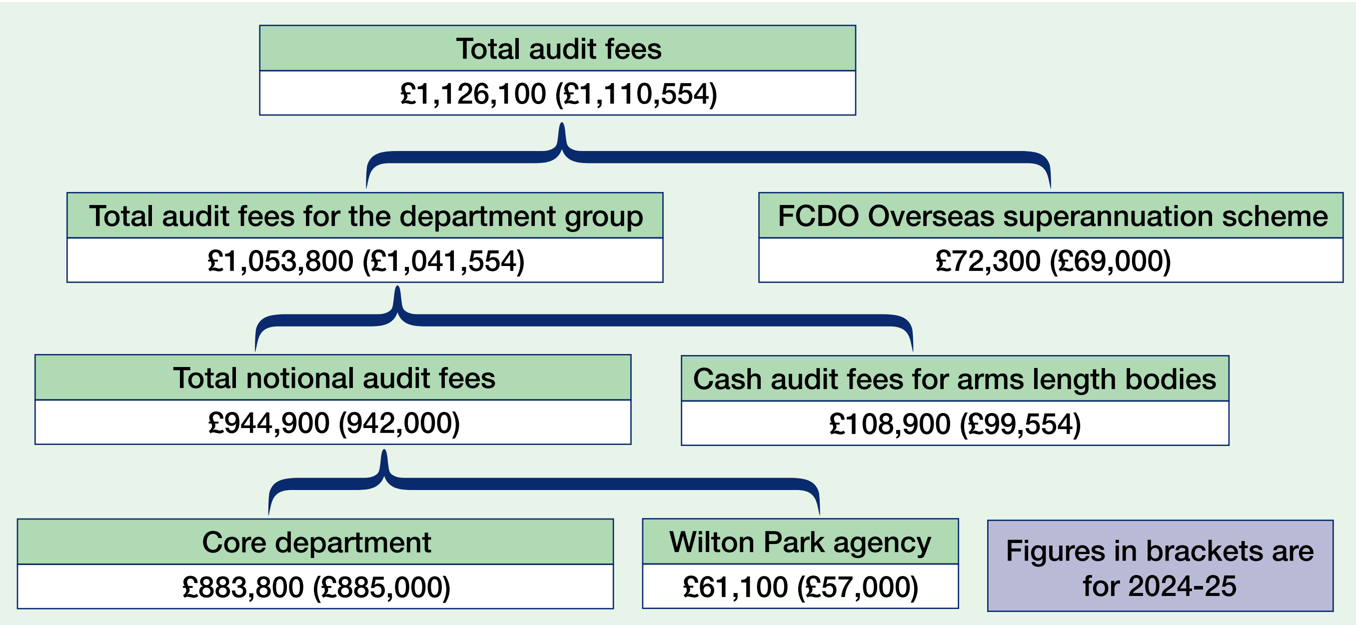
The AfDB Room2Run guarantee increased by £22.6 million compared with the Supply Estimate, due to exchange rate movements. The underlying exposure is denominated in USD and is therefore subject to foreign exchange fluctuations.

Other IFI liabilities related to future performance conditions decreased by £15.0 million during the period. This reduction reflects the deposit of promissory notes between the Supply Estimate and year-end. These liabilities arise where capital increases have been approved through a Statutory Instrument but the promissory note has not yet been deposited; once deposited, they no longer meet the criteria for disclosure as contingent liabilities.

Callable capital for IFIs increased by £263.9 million relative to the Supply Estimate, largely driven by foreign exchange movements. As callable capital is denominated in currencies other than GBP, it is subject to exchange rate fluctuations. The increase represents approximately 1.8%.

Audit Fees

The Accounts have been audited by the Comptroller and Auditor General. The total cost of audit for all bodies across the Departmental Group for FY 2025-26 is £1,053,800 (FY 2024-25 £1,041,554) comprising:



The audit of the designated bodies was carried out by the National Audit Office (NAO) under various statutes, and the costs are included in the figures disclosed above. Further details are given in the accounts of the bodies concerned.

In addition to their statutory audit work, the NAO was directly paid fees of £280,684 for consultancy advice to the FCDO during FY 2025-26 (FY 2024-25 £347,374). NAO also received indirect fees in FY 2025-26 from the FCDO totalling £91,948 (FY 2024-25 £67,542).

Government Functional Standards

The FCDO uses the functional standards and associated continuous improvement frameworks to inform its approach to delivering work related to the areas covered by the 14 current government functional standards. An SCS Senior Responsible Owner leads each of the functions within the FCDO and oversight is provided by the DG Chief Operating Officer. The standards, and our adoption of each, support value for money delivery, and capability building choices in relation to the functions to which they relate.

Going Concern

In common with other government Departments, the future financing of the department's liabilities will be met by funding from Parliament. This is through the receipt of Supply financing and future income, approved annually by Parliament by the passing of the Supply and Appropriation (Main Estimates) Act.

The Department considers there is no reason that future approvals will not continue, and the financial statements have therefore been prepared on a going concern basis.

Common Core tables (unaudited)

The Core tables for the FCDO can be found in Annex C

Nick Dyer

Accounting Officer for the Foreign, Commonwealth and Development Office

14 July 2026

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

Opinion on financial statements

I certify that I have audited the financial statements of the Foreign, Commonwealth & Development Office (FCDO) 'the Department' and of its departmental group for the year ended 31 March 2026 under the Government Resources and Accounts Act 2000. The Department comprises the core department and its agency. The departmental group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2025. The financial statements comprise: the department's and the departmental group's:

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

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

In my opinion, the financial statements:

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

Opinion on regularity

In my opinion, in all material respects:

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

Basis for opinions

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

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

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

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

Framework of authorities	
Authorising legislation	Government Resources and Accounts Act 2000
Parliamentary authorities	Supply and Appropriations Act
HM Treasury and related authorities	Managing Public Money

Conclusions relating to going concern

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

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

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

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

Overview of my audit approach

Key audit matters

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

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

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed around the presumed risk of management override of controls where my work has not identified any matters to report.

The 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.

In this year's report the risks identified are broadly consistent to those in my prior year report, with the exception of Leases, which is not a Key Audit Matter in the current year.

Valuation of financial guarantees	
Description of risk The Department commonly enters into financial guarantees with third parties on non-commercial terms, where there is no active market or observable equivalent. The fair value of these guarantees is highly material to the financial statements at £996 million (2024-25: £1,094 million). No new guarantees have been issued in the 2025-26 financial year. There is a significant level of judgement required from management in determining the initial and subsequent measurement of these liabilities under the financial reporting framework which requires a lifetime expected credit loss valuation where the above criteria are met. These judgements relate to the complexities of the input data and assumptions used in measuring these liabilities due to changing global markets which make the modelling of the expected credit loss challenging. The Department employs the Government Actuary's Department as a management expert to design a model to measure lifetime expected credit losses.	
How the scope of my audit responded to the risk	I have, with the assistance of external financial instrument specialists: » Documented the design and implementation of the FCDO's controls around the recognition, accounting, disclosure and subsequent measurement of financial guarantees; » Agreed the accounting treatment for each individual arrangement to the relevant contracts, business case and approval documentation; » Assessed the FCDO's judgement and calculations for initial and subsequent measurement of financial guarantees; » Agreed input data to relevant observable market data such as credit risk ratings; and » Confirmed the appropriateness of the methodology and model used by FCDO, including that the model generates the expected outputs. **Key observations** Based upon these procedures, no material errors have been identified in relation to the valuation of financial guarantees.

Valuation and impairment of property

Description of risk

The valuation of the FCDO's property is material to the financial statements, being £2,114 million as at 31 March 2026 (2024-25 £1,930 million). The valuation of the department's property involves significant judgement by management supported by their external property valuers (Colliers International and Knight Frank) who prepare the valuations. There is added complexity to the valuations as the properties are located around the world, involving different property markets and currencies. The valuation date is 30 September, increasing the risk of movements between the valuation date and the 31 March year-end, including the impact of foreign currency movements.

In 2025-26, HM Treasury revised the valuation basis for non-investment operational assets to allow a quinquennial or rolling programme of revaluations over a 5-year cycle, with indexation applied to property assets not subject to formal valuation. FCDO has adopted this approach, applying indexation to assets not subject to physical revaluation, rather than the desktop assessments performed in prior years.

How the scope of my audit responded to the risk

II have, with the assistance of external property specialists:

<u>Quinquennial Review (QQR)</u>

» Documented the design and implementation of the FCDO's controls over the valuation of land and buildings; considering the processes, judgements and assumptions adopted by the FCDO's external valuers in valuing land and buildings;

» Tested a sample of valuations to supporting calculations and assumptions to ensure that these have been carried out in compliance with the RICS Red Book, with a focus on the regions subject to physical valuation in 2025-26 (Sub Saharan Africa);

» Substantively tested the input data used in the valuation exercise including floor plans to support the floor areas;

» Substantively tested the accuracy and completeness of the revaluations recorded in the non-current asset register against the reports provided by the external valuers; and

» Challenged the FCDO's assessment as to whether there have been significant movements in property valuations in the period between the 30 September 2025 revaluation date and the 31 March 2026 year-end and reviewed any impairments recognised.

<u>Indexation</u>

Documented the design and implementation of the FCDO's controls over the use and application of the indices; considering the processes, judgements and assumptions adopted by the FCDO;

» Reviewed the underlying calculation to assess whether it was processed appropriately; and

» Challenged the FCDO's assessment as to whether the indices used are most appropriate for its estate and where deviations to these indices were made, whether they were fully justified.

Key observations

Based upon these procedures, no material errors have been identified in relation to the valuation of property.

Valuation of financial investments – British International Investment and International Financial Institutions
Description of risk The Department holds a number of equity investments. These include various minority holdings in International Financial Institutions (IFIs), as well as 100% ownership of British International Investment (BII) where inputs are unobservable. The values are highly material to the accounts at £15,276 million at 31 March 2026 (2024-25: £14,865 million). These are not traded securities, and in the absence of available market data, the valuation of these equity investments is determined through calculating the department's share of the net assets, based on the number of shares held by the Department. This valuation is made more complex by the fact that the entities have non-coterminous reporting dates to the Department. Consequently, the Department has little direct assurance over the value of its investments as at 31 March, and needs to apply considerable judgement to both recognise and mitigate the level of estimation uncertainty, recognising that material movements may occur between the date of the last audited investment valuation and the department's year-end. The lack of direct assurance over the year-end values presents a risk that the data used in the estimation is inaccurate, or that the assumptions applied are inappropriate or include error. The risk is broadly consistent to prior years.

Valuation of financial investments – British International Investment and International Financial Institutions	
How the scope of my audit responded to the risk	I have: » Reviewed and assessed the design and implementation of the department's controls over its accounting for financial investments. This included an assessment of management's procedures to take account of the non-coterminous reporting dates; » Assessed the accounting treatment applied by the Department for the IFI and BII financial investments to ensure it is in accordance with IFRS 9, as adapted by the FReM, and IFRS 13, and that all relevant disclosures have been made in the accounts; » Agreed the department's valuation of its financial investments to the available supporting documentation. This included reviewing the last audited accounts of the investee and assessing these accounts as a source of audit evidence in accordance with ISA (UK) 500, and evaluating the BII audit findings in line with FCDO's materiality; » Assessed BII's management as a management's expert in accordance with ISA (UK) 500 in relation to work undertaken to provide valuation services to FCDO for investments for which there is no observable market; » Performed an independent sensitivity analysis of those BII investments individually material to the Department to identify any indication of material valuation movement; » Tested any material movements in value between the date of the investee's accounts and the department's year-end of 31 March, including the impact of foreign exchange movements and the investee's financial performance. This included obtaining letters of assurance from the investees, performing historic trend analysis, and assessing the appropriateness of any investee management information as at 31 March made available to the Department; and » Challenged any assumptions made by management in their valuation of the department's financial investments and assessed the reasonableness of any judgements that they have made and the methodologies applied. **Key observations** Based upon these procedures, no material errors have been identified in relation to the valuation of the department's investment in International Financial Institutions and British International Investment.

Application of materiality

Materiality

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

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

	departmental group	department parent
Materiality	£108,450,000	£108,240,000
Basis for determining materiality	1% of gross group expenditure of £10,845 billion (2024-25; £111,915,000 materiality on gross group expenditure of £11,192 million)	1% of gross parent expenditure of £10,824 billion (2024-25; £111,697,000 materiality on gross group expenditure of £11,170 million)
Rationale for the benchmark applied	I have set materiality based on gross expenditure. I consider this to be of key interest to users of the accounts as expenditure is the means with which the Department achieves it diplomatic, development and consular objectives. The same rationale applies to the departmental group.	

Performance Materiality

Il 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%). In determining performance materiality, I have considered the uncorrected misstatements identified in the previous period to judge that the 75% threshold is appropriate.

Other Materiality Considerations

Materiality has remained consistent with the prior year, as there was no substantial change in the department's gross expenditure from the preceding year. The materiality calculation has remained unchanged.

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.

Total unadjusted audit differences reported to the Audit and Risk Assurance Committee would have reduced net expenditure by £39,868,000.

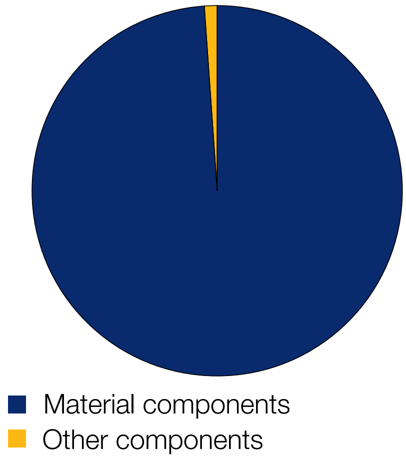
Audit scope

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

I determined that the risks of material misstatement faced by the group to be the same as that of the core department and that there are no additional significant risks which arise on consolidation. This is because the core department is responsible for most of the group financial activity. All other group components are not assessed as being significant in size to materially impact the group.

My audit work on the core department covered substantially all of the group's gross expenditure (99%). This together with the procedures performed at group level, and testing the accuracy of the consolidation process, gave me the evidence I needed for my opinion on the group financial statements as a whole.

Gross expenditure of individual components of the FCDO Departmental Group (as at 31 March 2026)



Other Information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

» the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;

» the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

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

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

» Adequate accounting records have not been kept by the Department and its group or returns adequate for my audit have not been received from branches not visited by my staff; or
» I have not received all of the information and explanations I require for my audit; or
» the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
» certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
» the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- cesign of the Department and its group's accounting policies.
- inquired of management, the department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Department and its group's policies and procedures on:
  - 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 and the relevant internal and external specialists, including financial instruments, property experts and IT audit specialists 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, disbursement of overseas grant funding, particularly in fragile and conflict areas, and the risk of manipulation of outturn against control totals. 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 (Main Estimates) Act 2025, employment law, tax legislation, the International Development Act 2002, the International Development (Reporting and Transparency) Act 2006, the International Development (Official Development Assistance Target) Act 2015, the Commonwealth Development Corporation Act 2017, the Consular Fees Act 1980 and the Sanctions and Anti-Money Laundering Act 2018.

In addition, I considered the department's processes to prevent, detect and evaluate fraud in the disbursement of overseas grant funding including a targeted review of fraud reporting mechanisms and wider information in the public domain.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and

other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

» I completed an assessment of the results of the department's evaluation of fraud in overseas grant funding. This included assessing reported fraud cases, seeking evidence as to the potential for unreported fraud and independently testing a sample of grant payments.

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

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

Other auditor's responsibilities

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

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies 14 July 2026

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

Foreign Secretary attends Munich Security Conference

SECTION 3
Financial Statements

Consolidated Statement of Comprehensive Net Expenditure

for the year ended 31 March 2026

	Note	2025-26 Core Department & Agencies £000	2025-26 Departmental Group £000	2024-25 Core Department & Agencies £000	2024-25 Departmental Group £000
Revenue from contracts with customers	4	(247,011)	(247,061)	(276,044)	(276,094)
Income of consolidated bodies	4	(3,423)	(7,909)	(4,210)	(17,081)
Total Operating Income		**(250,434)**	**(254,970)**	**(280,254)**	**(293,175)**
Operating Expenditure					
Staff costs	3	973,568	980,177	942,612	947,707
Grants	3	6,642,958	6,675,122	7,084,703	7,084,703
Promissory note deposits	3	1,820,480	1,820,480	1,314,368	1,314,368
Subscriptions to international organisations	3	211,204	211,204	218,883	218,883
Other costs	3	782,715	754,358	794,342	800,614
Depreciation, amortisation and impairment	3	340,483	340,621	331,232	331,502
Other non-cash costs	3	14,098	14,008	470,392	470,395
Total operating expenditure		**10,785,506**	**10,795,970**	**11,156,532**	**11,168,172**
Net Operating Expenditure		**10,535,072**	**10,541,000**	**10,876,278**	**10,874,997**
Other Income					
Finance income	4	(42,611)	(42,652)	(46,775)	(46,837)
Consolidated Fund extra receipts	4	(11,969)	(11,969)	(15,828)	(15,828)
		(54,580)	**(54,621)**	**(62,603)**	**(62,665)**
Other Expenditure					
Finance expenditure	3	49,033	49,038	50,877	50,878
		49,033	**49,038**	**50,877**	**50,878**
Net Expenditure for the Year		**10,529,525**	**10,535,417**	**10,864,552**	**10,863,210**
Total Expenditure		10,834,539	10,845,008	11,207,409	11,219,050
Total Income		(305,014)	(309,591)	(342,857)	(355,840)
Net Expenditure for the Year		**10,529,525**	**10,535,417**	**10,864,552**	**10,863,210**

Consolidated Statement of Comprehensive Net Expenditure (continued)

		2025-26		2024-25	
	Note	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Other Comprehensive Net Expenditure					
Items that will not be reclassified to net operating expenditure:					
Net (gain)/loss on:					
Revaluation of property, plant and equipment	5	(193,803)	(193,803)	(141,080)	(141,080)
Revaluation of right of use assets	16	(24,633)	(24,633)	(46,320)	(46,320)
Actuarial (gain)/loss on defined benefit pension schemes		(811)	(811)	697	697
		(219,247)	**(219,247)**	**(186,703)**	**(186,703)**
Items which may be reclassified to net operating expenditure:					
Net (gain)/loss on:					
Revaluation of development capital investments	6	31,514	31,514	(1,765)	(1,765)
Revaluation of International Financial Institution investments	6	(162,568)	(162,568)	(116,514)	(116,514)
Revaluation of investment in BII	6	285,300	285,300	(2,200)	(2,200)
		154,246	**154,246**	**(120,479)**	**(120,479)**
Total Comprehensive Net Expenditure		**10,464,524**	**10,470,416**	**10,557,370**	**10,556,028**

The notes following these main schedules form part of these financial statements.

Consolidated Statement of Financial Position

at 31 March 2026

	Note	31 March 2026 Core Department & Agencies £000	31 March 2026 Departmental Group £000	31 March 2025 Core Department & Agencies £000	31 March 2025 Departmental Group £000
Non-Current Assets					
Property, Plant and Equipment	5	2,610,329	2,610,411	2,468,931	2,468,938
Intangible Assets		10,478	10,817	12,815	12,868
Right of Use Assets	16	1,364,981	1,365,111	1,417,836	1,417,991
Financial Investments	6	16,045,845	16,045,845	15,561,800	15,561,800
Forward Currency Contracts	7	–	–	–	–
Retirement Benefit Schemes Asset	14	4,103	4,103	4,925	4,925
Trade and Other Receivables	9	1,148,877	1,148,877	1,153,944	1,153,944
Total Non–Current Assets		**21,184,613**	**21,185,164**	**20,620,251**	**20,620,466**
Current Assets					
Assets Classified as Held For Sale	5.1	12,001	12,001	9,363	9,363
Inventories		780	780	785	785
Trade and Other Receivables	9	388,474	385,894	448,822	452,888
Cash and Cash Equivalents	8	184,797	191,457	252,691	256,490
Forward Currency Contracts	7	–	–	–	–
Total Current Assets		**586,052**	**590,132**	**711,661**	**719,526**
Total Assets		**21,770,665**	**21,775,296**	**21,331,912**	**21,339,992**
Current Liabilities					
Bank Overdraft	8	–	–	–	–
Forward Currency Contracts	7	–	–	(4,213)	(4,213)
Trade and Other Payables	10	(7,318,129)	(7,326,210)	(7,220,474)	(7,225,348)
Provisions	11	(273,934)	(273,934)	(198,583)	(198,583)
Lease Liabilities	16	(110,178)	(110,241)	(112,454)	(112,570)
Total Current Liabilities		**(7,702,241)**	**(7,710,385)**	**(7,535,724)**	**(7,540,714)**
Total Asset less Current Liabilities		**14,068,424**	**14,064,911**	**13,796,188**	**13,799,278**

Consolidated Statement of Financial Position (continued)

		31 March 2026		31 March 2025	
	Note	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Non-Current Liabilities					
Trade and Other Payables	10	(25,851)	(25,907)	(30,261)	(30,261)
Retirement Benefit Schemes Liability	14	(14,221)	(14,221)	(15,632)	(15,632)
Forward Currency Contracts	7	-	-	-	-
Financial Guarantee Contracts	13	(995,582)	(995,582)	(1,093,541)	(1,093,541)
Provisions	11	(633,238)	(633,238)	(756,227)	(756,227)
Lease Liabilities	16	(501,830)	(501,879)	(545,476)	(545,476)
Total Non–Current Liabilities		**(2,170,722)**	**(2,170,827)**	**(2,441,137)**	**(2,441,137)**
Total Assets less Liabilities		**11,897,702**	**11,894,084**	**11,355,051**	**11,358,141**
Tax-payers Equity and Other Reserves					
General Fund		3,226,351	3,222,733	2,734,140	2,737,230
Revaluation Reserve		8,671,351	8,671,351	8,620,911	8,620,911
Total Equity		**11,897,702**	**11,894,084**	**11,355,051**	**11,358,141**

The notes following these main schedules form part of these financial statements.

Nick Dyer
Accounting Officer for the Foreign,
Commonwealth and Development Office

14 July 2026

Consolidated Statement of Cash Flow

for the year ended 31 March 2026

		2025-26		2024-25	
	Note	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Cash Flows from Operating Activities					
Net expenditure for the year		(10,529,525)	(10,535,417)	(10,864,552)	(10,863,210)
Adjustments for non-cash transactions and non-operating activities		397,037	396,344	776,999	774,677
(Increase)/decrease in trade and other receivables	9	65,415	72,061	22,014	20,249
Less movements in receivables relating to items not passing through the CSoCNE		(4,733)	(4,733)	(3,558)	(3,558)
(Increase)/decrease in inventories	CSoFP	5	5	134	134
Increase/(decrease) in trade payables	10	93,245	96,508	506,280	507,410
Less movements in payables relating to items not passing through the CSoCNE		(478,288)	(478,288)	(870,187)	(870,187)
Use of provisions	11	(170,834)	(170,834)	(158,711)	(158,711)
Defined benefit pension scheme cash payments		222	222	(662)	(662)
Net Cash Outflow from Operating Activities		**(10,627,456)**	**(10,624,132)**	**(10,592,243)**	**(10,593,858)**
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	5	(136,383)	(136,490)	(158,071)	(158,077)
Purchase of right of use assets	16	(249)	(257)	(755)	(755)
Purchase of intangible assets		(96)	(319)	(77)	(220)
Proceeds from disposal of property, plant and equipment		22,542	22,542	23,893	23,893
Proceeds of disposal of financial investments		33,177	33,177	36,391	36,391
Purchase of financial investments		(199,744)	(199,744)	(254,417)	(254,417)
Purchase of loans		–	–	–	–
Repayment of loans		43,984	43,984	46,680	46,680
Net Cash Outflow from Investing Activities		**(236,769)**	**(237,107)**	**(306,356)**	**(306,505)**

Consolidated Statement of Cash Flow (continued)

	Note	2025-26 Core Department & Agencies £000	2025-26 Departmental Group £000	2024-25 Core Department & Agencies £000	2024-25 Departmental Group £000
Cash Flows from Financing Activities					
Lease liability interest expense	16	(12,556)	(12,561)	(11,545)	(11,546)
Capital element of payments in respect of leases	16	(135,529)	(135,649)	(140,153)	(140,379)
From the Consolidated Fund (Supply) - current year	CSoCTE	10,955,809	10,955,809	11,092,528	11,092,528
Payment to Consolidated Fund (Supply) - current year	CSoCTE	–	–	–	–
Capital element of payments of on-CSoFP PFI contracts		(1,712)	(1,712)	(2,868)	(2,868)
Net Financing		**10,806,012**	**10,805,887**	**10,937,962**	**10,937,735**
Net Increase/(Decrease) in Cash and Cash Equivalents in the period before Adjustment for Receipts and Payments to the Consolidated Fund		**(58,213)**	**(55,352)**	**39,363**	**37,372**
Payments of amounts due to the Consolidated Fund		(10,652)	(10,652)	(15,689)	(15,689)
Receipts of amounts as agent of the Consolidated Fund	SOPS 4.2	971	971	1,296	1,296
Net Increase/(Decrease) in Cash and Cash Equivalents in the period after Adjustment for Receipts and Payments to the Consolidated Fund		**(67,894)**	**(65,033)**	**24,970**	**22,979**
Cash and Cash Equivalents at the beginning of the period	8	252,691	256,490	227,721	233,511
Cash and Cash Equivalents at the end of the period	8	184,797	191,457	252,691	256,490

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2026

		Core Department & Agencies			Departmental Group		
		General Fund	Revaluation Reserve	Total	General Fund	Revaluation Reserve	Total
	Note	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024	CSoFP	**2,529,719**	**8,327,375**	**10,857,094**	**2,533,671**	**8,327,375**	**10,861,046**
Net Parliamentary Funding - drawn down		11,092,528	–	11,092,528	11,092,528	–	11,092,528
Net Parliamentary Funding - deemed		220,777	–	220,777	220,777	–	220,777
Supply receivable/(payable) adjustment	10	(248,935)	–	(248,935)	(248,935)	–	(248,935)
Parliamentary Funding - supply received/(paid) in year		–	–	–	–	–	–
CFERS payable to the Consolidated Fund	SOPS 4.1	(15,828)	–	(15,828)	(15,828)	–	(15,828)
Net expenditure for the year	CSoCNE	(10,864,552)	–	(10,864,552)	(10,863,210)	–	(10,863,210)
Net gain/(loss) on revaluation of PPE	CSoCNE	–	141,080	141,080	–	141,080	141,080
Net gain/(loss) on revaluation of intangibles	CSoCNE	–	–	–	–	–	–
Net gain/(loss) on revaluation of assets held for sale	5.1	–	–	–	–	–	–
Net gain/(loss) on right of use assets		–	46,320	46,320	–	46,320	46,320
Actuarial gain/(loss) on defined benefit pension schemes		(697)	–	(697)	(697)	–	(697)
Net gain/(loss) on revaluation of development capital investments	CSoCNE	–	1,765	1,765	–	1,765	1,765
Net gain/(loss) on revaluation of International Financial Institution investments	CSoCNE	–	116,514	116,514	–	116,514	116,514
Net gain/(loss) on revaluation of investment in BII	CSoCNE	–	2,200	2,200	–	2,200	2,200
		183,293	**307,879**	**491,172**	**184,635**	**307,879**	**492,514**
Non-cash adjustments							
Non-cash charges - auditors remuneration	3	942	–	942	942	–	942
Fair value revaluation adjustment		–	–	–	–	–	–
Movements in Reserves							
Realised element to General Fund		11,785	(11,785)	–	11,785	(11,785)	–
Consolidation and other in-year adjustments		8,401	(2,558)	5,843	6,197	(2,558)	3,639
Balance at 31 March 2025	CSoFP	**2,734,140**	**8,620,911**	**11,355,051**	**2,737,230**	**8,620,911**	**11,358,141**

Consolidated Statement of Changes in Taxpayers' Equity (continued)

		Core Department & Agencies			Departmental Group		
		General Fund	Revaluation Reserve	Total	General Fund	Revaluation Reserve	Total
	Note	£000	£000	£000	£000	£000	£000
Net Parliamentary Funding - drawn down		10,955,809	–	10,955,809	10,955,809	–	10,955,809
Net Parliamentary Funding - deemed		248,935	–	248,935	248,935	–	248,935
Supply receivable/(payable) adjustment	10	(178,752)	–	(178,752)	(178,752)	–	(178,752)
Parliamentary Funding - supply received/(paid) in year		–	–	–	–	–	–
CFERS payable to the Consolidated Fund	SOPS 4.1	(11,969)	–	(11,969)	(11,969)	–	(11,969)
Net expenditure for the year	CSoCNE	(10,529,525)	–	(10,529,525)	(10,535,417)	–	(10,535,417)
Net gain/(loss) on revaluation of PPE	CSoCNE	–	193,803	193,803	–	193,803	193,803
Net gain/(loss) on revaluation of intangibles	CSoCNE	–	–	–	–	–	–
Net gain/(loss) on revaluation of assets held for sale	CSoCNE	–	–	–	–	–	–
Net gain/(loss) on right of use assets		–	24,633	24,633	–	24,633	24,633
Actuarial gain/(loss) on defined benefit pension schemes		811	–	811	811	–	811
Net gain/(loss) on revaluation of development capital investments	CSoCNE	–	(31,514)	(31,514)	–	(31,514)	(31,514)
Net gain/(loss) on revaluation of International Financial Institution investments	CSoCNE	–	162,568	162,568	–	162,568	162,568
Net gain/(loss) on revaluation of investment in BII	CSoCNE	–	(285,300)	(285,300)	–	(285,300)	(285,300)
		485,309	**64,190**	**549,499**	**479,417**	**64,190**	**543,607**
Non-cash adjustments							
Non-cash charges - auditors remuneration	3	945	–	945	945	–	945
Fair value revaluation adjustment		–	–	–	–	–	–
Movements in Reserves							
Realised element to General Fund		5,713	(5,713)	–	5,713	(5,713)	–
Consolidation and other in-year adjustments		244	(8,037)	(7,793)	(572)	(8,037)	(8,609)
Balance at 31 March 2026	CSoFP	**3,226,351**	**8,671,351**	**11,897,702**	**3,222,733**	**8,671,351**	**11,894,084**

The General Fund represents the total assets less liabilities of the Department, to the extent it is not represented by other reserves and financing items. The revaluation reserve reflects the change in asset values that have not been recognised as income or expenditure.

The notes following these main schedules form part of these financial statements.

Notes to the Departmental Resource Accounts

1. Statement of Accounting Policies

1.1 Basis of preparation

These financial statements have been prepared in accordance with the 2025-26 government Financial Reporting Manual (FReM) and the Government Resources and Accounts Act 2000. The accounting policies in the FReM apply International Financial Reporting Standards (IFRS) as adapted and interpreted for the public sector.

Where the FReM allows a choice of accounting policy, the FCDO has selected the policy judged most appropriate for its circumstances and which presents a true and fair view. These policies are described below and have been applied consistently throughout.

As well as preparing the primary statements under IFRS, the FReM also requires us to prepare the Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes. This statement is shown on page 130 and shows outturn against estimate in terms of our net resource and net cash requirements.

In common with other government Departments, the department's obligations and liabilities are expected to be met by future grants of supply approved annually. Parliament has demonstrated its commitment to fund the Department (and its bodies) for the foreseeable future. It has therefore been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

The financial statements are prepared in the FCDO's functional currency, pounds sterling.

1.2 Accounting convention

These accounts have been prepared on an accruals basis, under the historical cost convention, modified to account for the revaluation of land and buildings and certain financial instruments to reflect their current cost or fair value, as determined by the relevant accounting standards.

1.3 Basis of consolidation

These accounts consolidate the core FCDO Department, its executive agency, and those arm's length bodies which fall within the departmental boundary as listed in the Designation Order 2025-26 issued by HM Treasury (HMT). Together, these entities form the departmental group. Transactions between group entities are eliminated on consolidation. A full list of entities included within the departmental accounting boundary is provided in Note 20.

Consistent accounting policies are applied across all entities, with adjustments made where differences would materially affect the accounts. In line with FReM rules, the primary statements exclude EU development spending from the EU budget attributed to the FCDO. However, this expenditure is included in the SOPS when calculating resource outturn for the year and appears in SOPS 2, which reconciles resource outturn with the total in the Consolidated Statement of Comprehensive Net Expenditure (CSoCNE).

1.4 Accounting policy changes

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts was adopted by the public sector from 1 April 2025. The FCDO has reviewed its contracts and contingent liabilities to assess whether any constitute an insurance contract under IFRS 17 and has concluded that no disclosures in relation to IFRS 17 are required.

1. Statement of Accounting Policies (continued)

Non-Investment Asset Valuations

From 1 April 2025 HM Treasury changed the requirements in the Government Financial Reporting Manual (FReM) in respect of valuations of non-investment assets.

- The requirement to revalue an asset when its fair value differs materially from its carrying value has been withdrawn.
- References to assets being held for their "service potential" and the terms "specialised/non-specialised" assets were removed from the FReM. Non-investment assets are instead described as assets held for their "operational capacity". This change has no impact on the valuation basis of non-investment assets which remains Existing Use Value (EUV).
- The FCDO has a rolling programme of property valuations over a 5-year cycle, with annual indexation, replacing annual desk reviews, applied to assets during the four intervening years. Due to its global portfolio, the FCDO has chosen to use indices published by the International Monetary Fund (IMF).
- The option to measure intangible assets using the revaluation model was withdrawn. The carrying values of intangible assets at 31 March 2025 are considered historical cost at 1 April 2025.

1.5 Accounting Standards issued but not yet effective

The FCDO applies applicable new and revised accounting standards once they have been adopted by the public sector as set out in the Government Financial Reporting Manual (FreM).

IFRS 18: Presentation and Disclosure in Financial Statements

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

IFRS 19: Subsidiaries without public accountability: disclosures

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

1.6 Critical Accounting Judgements and Estimates

The preparation of financial statements requires management to make judgements and estimates that are reasonable and prudent. Actual results may differ from these estimates. Information about these judgements and estimates is contained in the relevant accounting policies and notes to the accounts. The key areas of estimation uncertainty and judgement are:

- Valuation of property, plant and equipment (Note 5 – Property, Plant and Equipment)
- Valuation of financial investments (Note 6 – Financial Investments)
- Impairment of financial instruments (Note 7 – Financial Instruments)
- Provisions (Note 11 – Provisions)
- Expected credit losses (ECLs) on Financial Guarantees (Note 13 – Guarantees)
- Calculation of accruals and prepayments

1. Statement of Accounting Policies (continued)

Expenditure is recognised in the period in which the underlying event occurs. This may require adjustments through accruals and prepayments. Accruals and prepayments are based on known transaction values where possible. Where estimates are required, appropriate and consistently applied methods are used. For prepayments, judgement is applied to determine whether spending and funded activities can be separately identified in order make an appropriate estimate. Judgement is also required to establish whether there is a legal right to the return of any committed funds, and thus whether a constructive obligation has been created in full or in part.

1.7 Operating Segments

In line with IFRS 8 – Operating Segments, the FCDO's reporting of its operating segments is consistent with internal reporting provided to the Management Board (now Committee), which is responsible for resource allocation and performance assessment.

The FCDO's internal reporting is managed by seven Director General (DG) areas, which have been identified as the operating segments.

The Management Committee receives a monthly finance report summarising historical and forecast financial performance by DG area. Note 2 sets out gross expenditure, income, and net position for each segment.

1.8 Operating Income and Revenue Recognition

Operating income relates to the FCDO's operating activities and mainly comprises charges for services provided to external partners across government on a full cost recovery basis. Operating income is stated net of VAT and recognised in accordance with the FReM and IFRS 15.

Revenue is primarily derived from providing services and is recognised over time as services are delivered. Significant income streams include receipts from other government Departments and organisations, running cost receipts and consular fees (see Note 4 for details).

The FCDO also recognises notional interest income from the unwinding of discounting on loans, calculated under IFRS 9 using the effective interest rate method.

1.9 Income Collected as Agent for the Consolidated Fund

Income collected by the FCDO as an agent for the Consolidated Fund is excluded from the CSoCNE. Details of the amount and balance held at the year-end are disclosed in SOPS Note 4.2.

1.10 Notional Costs – Audit Fees

In accordance with the FReM, external audit fees for the core Department and its agency are charged to Net Operating Costs as notional costs to the FCDO borne by the National Audit Office (NAO). Further details are provided in Section 2.3 – Parliamentary Accountability and Audit Report.

1.11 Staff Costs

In accordance with IAS 19 – Employee Benefits, all short-term staff costs accrued at the year-end are recognised in the CSoCNE. These short-term benefits largely relate to the non-consolidated pay element of the annual pay award and accrued holiday entitlement. Long-term benefits, such as pensions, are recognised in accordance with IAS 19 as modified by the FReM.

1. Statement of Accounting Policies (continued)

1.12 Grants Payable

Grants payable are recorded as expenditure either in the period when the underlying event or activity occurs (where it is known how and when FCDO funds have been spent), or when a constructive obligation arises. Where grants are made to governments or international organisations and the FCDO contributions are pooled, every effort is made to match expenditure to particular activities. If the payment period is defined, resource adjustments are made through accruals and prepayments. Recognition of entitlement to the grant varies by individual programme.

Grant in Aid (GIA) payments to ALBs are made only when the need for cash is demonstrated and are treated as expenditure in the CSoCNE. ALBs treat receipts of GIA as financing. These transactions are eliminated on consolidation.

A promissory note is a legally binding undertaking by the government to provide funds to a named beneficiary up to a specified limit on demand. The FCDO uses promissory notes mainly to make payments to International Development Banks and Funds. Promissory notes deposited during the year are recorded as expenditure. Notes payable are classified as financial liabilities at amortised cost and shown as due within one year, as they are legally payable on demand (see Note 10.2).

International Subscriptions are fees for membership of international organisations, paid on behalf of the government. These are treated as 12 equal payments over the annual membership period.

1.13 Value Added Tax (VAT)

The FCDO is VAT-registered. Income and expenditure are shown net of VAT where output tax is charged or input tax is recoverable. Irrecoverable VAT is included in the cost of purchased items. VAT recoverable from HMRC at the year-end is included in Trade and Other Receivables (see Note 9).

1.14 Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling at the spot rate or monthly average rate when settled in accordance with IAS 21.29. The FCDO's accounting system uses an average rate determined on the first day of the month in which the transaction occurs, as an approximation of the actual exchange rate at the date of the transaction.

Average Rate is the rate of exchange on the last working day of the previous month. Average rates are updated to a revised spot rate if exchange rates deviate by ±3% for three or more consecutive days.

Monetary assets and liabilities are translated at the year-end rate. Differences on translation are recognised as operating costs.

Non-monetary assets are revalued annually and translated at the year-end rate as part of fair value valuations. Foreign exchange elements of revaluations for investments and PPE are included in the revaluation amounts.

Most FCDO exchange rates are sourced from Olsen and Associates (OANDA) for consistency between average rate and spot rate transactions.

For peacekeeping obligations, the FCDO uses forward purchase contracts for USD and EUR to provide budget certainty (see Note 7).

1. Statement of Accounting Policies (continued)

1.15 Cash and Cash Equivalents

The FCDO's cash comprises cash in hand with UK and overseas banks and on-demand deposits at the reporting date. Bank accounts are provided by the Government Banking Service or commercial providers overseas.

Cash Equivalents are assets readily convertible to cash due to their high liquidity and short-term nature.

UK Visas and Immigration (UKVI):

The FCDO acts as agent for UKVI, accounting for visa income as cash and recognising a payable to UKVI. Direct expenses paid by UKVI through FCDO accounts are recognised as receivables. Visa prices are set annually under the Home Office Fees Order and normally paid in local currency. All cash is deposited in FCDO local bank accounts, and costs incurred in collecting visa income are recharged to UKVI.

1.16 Property, Plant and Equipment (PPE)

In accordance with IAS 16, PPE is initially measured at cost, including directly attributable costs such as installation. Subsequently, PPE is carried at valuation as at the Statement of Financial Position (CSoFP) date. Movements in valuation during the year are recognised in Other Comprehensive Net Expenditure and the Revaluation Reserve or treated as impairments where appropriate. Revaluations reflect both market and foreign exchange movements.

Capitalisation Thresholds:

- » Single tangible asset: £10,000 (subject to grouping conventions).
- » Exceptions:
  - – Land and Buildings – all compound assets capitalised regardless of threshold.
  - – Antiques and Works of Art (AWA) – threshold £3,000.

Transport equipment, plant, machinery, and IT are stated at current value using indices from the ONS.

PPE excludes items purchased as part of overseas programme spending.

Assets Held for their Operational Capacity

Owned buildings and perpetual leasehold land are valued on a current value in existing use basis using professional valuations in line with Royal Institute of Chartered Surveyors (RICS) guidelines.

- » Overseas estate: rolling revaluation every 5 years supplemented by annual indexation.
- » Valuations carried out at 30 September; reviewed at 31 March for material changes.
- » Market movements outside the UK also reflect foreign exchange changes.
- » Refurbishments extending useful life or functionality are capitalised at cost but superseded by subsequent revaluations.

Where Depreciated Replacement Cost (DRC) is determined to be the most appropriate measure of current value in existing use modern equivalent asset costs are adjusted for comparability. Further details are in Note 5.

Assets Under Construction

Assets under construction are capitalised at actual cost until completion, then reclassified when the asset is deemed available for use. Assets are held at historic cost and are subject to impairment review.

1. Statement of Accounting Policies (continued)

Assets Held for Sale

Under IFRS 5, assets are classified as held for sale when recovery is expected primarily through sale rather than continued use. Measured at the lower of carrying amount and fair value less costs to sell.

Antiques and Works of Art (AWA)

AWA are not depreciated due to indefinite useful life. They are valued at market value by professional valuers on a five-year rolling basis, focusing on posts with highest-value collections. Annual physical checks and periodic inventory exercises are required. Details are disclosed in Note 5.

Intangible Assets

Intangible assets are carried at cost and are mainly digital solutions and software services.

- Capitalisation threshold: £10,000.
- Costs may include directly attributable staff costs.
- Amortised on a straight-line basis over the shorter of licence term or useful economic life.

1.17 Depreciation

PPE is depreciated on a straight-line basis over estimated useful lives. Land and assets under construction are not depreciated. Typical ranges for useful lives are:

- Freehold buildings: up to remaining 60 years
- Leasehold assets: remaining lease term
- Information Technology: 1–10 years
- Software licences: shorter of licence term or useful life
- Transport equipment: 2–8 years
- Plant and machinery:
  - Office equipment: 5–10 years
  - Technical equipment: up to 20 years
  - Heavy machinery: up to 20 years
- Non-residential enhancements are depreciated over the remaining lease term or useful life, whichever is shorter.

Depreciation methods, useful lives, and residual values are reviewed annually. Freehold building lives are adjusted based on expert valuation. Non-property assets over £150,000 are reviewed and re-lifed as needed. Such changes are treated as changes in accounting estimates.

1.18 Leases

The FCDO accounts for leases under IFRS 16, which requires recognition of all leases except those that are low value (underlying asset value below £10,000) or short-term (lease term of 12 months or less). These excluded leases are expensed in the Consolidated Statement of Comprehensive Net Expenditure (CSoCNE). Most former operating leases have been capitalised as Right-of-Use (ROU) assets since the adoption of IFRS 16 on 1 April 2022.

1. Statement of Accounting Policies (continued)

Recognition and Measurement

At contract inception, the FCDO assesses whether a contract conveys the right to control the use of an identified asset for a period of time. This includes arrangements with nil consideration (e.g. ground leases).

» Ground leases are measured at fair value on initial recognition and revalued at each reporting date.

» For most leases, the cost measurement model under IFRS 16 is used as a proxy for current value in existing use.

The FCDO has elected to exclude intangible assets, and to use the HM Treasury PES rate as the appropriate discount rate for determining present value.

Lease Term and Options

The FCDO evaluates whether break or extension options are reasonably certain to be exercised at lease commencement. Management's judgement considers the strategic importance of the property; the cost of alternatives and leasehold improvements; and corporate asset management plans and market conditions.

For overseas offices and residences, extensions are generally assumed due to the high costs of relocation and security adaptations unless changes are agreed under the Global Asset Management Plan (GLAMP). Regional surveyors review leases up to three years before expiry.

Residential leases typically range from a few months to 4–5 years (average 2–3 years) and may be extended to align with staff tour dates or property improvements. Local market practices and legal jurisdictions influence renewal decisions.

Approval of a Lease Authorisation Record (LAR) is the recognition point for making an extension option reasonably certain.

Cash Flow Presentation

Cash payments for the principal portion of the lease liability and interest payments are presented within financing activities in the cash flow statement. Payments for short-term and low-value leases are included within operating expenses. Irrecoverable VAT is not part of the lease liability and is expensed at the tax point in accordance with IFRIC 21.

As a Lessee:

Right-of-Use (ROU) Assets

At lease commencement, the FCDO recognises a right-of-use asset and a lease liability.

The ROU Asset is initially measured at cost, comprising the lease liability, initial direct costs, prepayments or incentives, and restoration costs. Lease incentives are generally deducted from rent over the lease term and material incentives are accounted for upfront.

The cost model under IFRS 16 is used as a proxy for current value in existing use, except for long-term leases without market rent reviews or leases where underlying asset values fluctuate significantly.

ROU assets are depreciated on a straight-line basis over the shorter of the lease term or useful life, consistent with PPE depreciation policies.

1. Statement of Accounting Policies (continued)

Lease Liabilities

Lease liabilities are presented within current and non-current liabilities on the CSoFP.

Lease liabilities are initially measured at the present value of future lease payments, discounted using HM Treasury discount rates (4.81% for leases entered into in 2025; 5.32% from 1 January 2026).

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

- Fixed payments (including in-substance fixed payments).
- Variable lease payments based on an index or rate (measured at the commencement date).
- Amounts payable under residual value guarantees.
- Purchase options, renewal options, and termination penalties where these are reasonably certain.

Lease Remeasurement

When the lease liability is remeasured, a corresponding adjustment is made to the ROU asset. The lease liability is remeasured when there is a change in future lease payments arising from a change in the applicable index or rate, or the FCDO changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease Modification

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of its original terms and conditions. The FCDO accounts for a lease modification as a separate lease if both:

a. The modification increases the scope of the lease by adding the right to use one or more underlying assets: and
b. The consideration for the lease increases by an amount commensurate with the standalone price for the increase in scope.

When a lease contract has expired but the FCDO remains in occupation pending negotiations for a renewed term, the lease term is measured as the estimated time until the new contract is agreed.

Foreign currency treatment

The ROU asset is a non-monetary asset, and the lease liability is a monetary liability. Foreign currency ROU assets are translated to sterling using the exchange rate on the lease commencement date. Lease liabilities are remeasured at the period-end rate. Any changes to the lease liability due to exchange rate changes are recognised in the CSoCNE.

Cross-Charging Agreements

Agreements with partner organisations for platform sharing do not meet the definition of a lease under IFRS 16 and are excluded from this policy.

1.19 Capital Commitments

Capital commitments represent contracted capital expenditure at the reporting date where no payment has been made and no performance has occurred. Only non-cancellable contracts are included.

1. Statement of Accounting Policies (continued)

1.20 Financial Instruments

IFRS 7 – Financial Instruments: Disclosures requires the FCDO to provide information that enables users to assess:

» The significance of financial instruments to its financial position and performance; and

» The nature and extent of risks arising from financial instruments and how these are managed.

Financial assets and liabilities are recognised when the FCDO becomes party to the contracts that give rise to them and conditions satisfying recognition are met.

» Measurement: Financial assets are measured at fair value unless designated as measured at amortised cost.

» Derecognition: Assets are derecognised when rights to cash flows expire or substantially all risks and rewards are transferred. Liabilities are derecognised when obligations expire, are discharged, or cancelled.

» Other financial instruments, not separately disclosed in the accounting policies are recorded at amortised cost using the effective interest rate method.

» Fair value disclosures, hierarchy levels (1, 2, or 3), and transfers between levels are provided in Note 7, in line with IFRS 13.

1.21 Investment in Other Public Sector Bodies

The FCDO investment in FCDO Services comprises 100% of its public dividend capital which is reported at historical cost. As a trading fund, it is outside the FCDO departmental boundary.

The FCDO is the sponsor Department for BII, a wholly owned public limited company. The FCDO has a 100% shareholding and is the controlling entity of BII under IFRS, but due to the application of ESA 2010 and HM Treasury direction, BII is not consolidated within the departmental boundary. The FCDO's ownership interest in BII is recognised in these financial statements within non-current financial asset investments adopting the recognition and measurement provisions of IFRS 9.

1.22 Financial Investments and Loans

Development Capital (DC) assets are investments made to achieve defined development objectives while retaining a recoverable interest. The FCDO's financial investments are initially recognised at fair value. The best evidence of fair value in an arm's length transaction is cash received or paid, unless there is evidence to the contrary. For subsequent measurement, IFRS 9 requires financial assets to be classified as either held at amortised cost, FVOCI (fair value through other comprehensive income), or FVTPL (fair value through profit or loss), dependent on the business model and cash flow characteristics of the asset. Where the cash flows are solely payments of interest and principal on specified dates, the FCDO holds these assets at amortised cost. All other assets are measured at either FVOCI or FVTPL.

(a) Investments measured at FVOCI

The FCDO has applied the irrevocable election available in IFRS 9 to measure equity instruments at fair value through other comprehensive income. Fair value movements for FVOCI assets are taken to the Revaluation Reserve until realised.

1. Statement of Accounting Policies (continued)

International Financial Institutions (IFIs):

Investments include the UK interest in certain IFIs. Shares in these bodies are not traded securities. Investments in IFIs are valued at fair value. In the absence of available market data, an approximation of the fair value of the FCDO's interests is assessed as the FCDO's share of the net assets of the IFIs, based on the number of shares subscribed by the FCDO. The Articles of Agreement of all the IFIs specify that this is the valuation basis that would be used to determine the value that the FCDO would realise on dissolution of the individual institutions. This value is determined based on the net assets disclosed in the Statement of Financial Position of each IFI at the date closest to the FCDO year-end, adjusted for any subsequent and material known changes. The IFIs apply Generally Accepted Accounting Principles (United States) or IFRS. Investment additions in IFIs are funded using promissory notes (see Notes 6 and 10.3).

British International Investment (BII):

In the absence of observable market data for investments in public corporations outside the departmental boundary, net asset value per recent audited financial statements is used as a measure for determining fair value. This applies to the FCDO's investment in BII, which is held at fair value under IFRS. Changes in the value of BII's net assets are recorded as changes in the value of the FCDO's investment. Investment additions in BII are funded using promissory notes (see Notes 6 and 10.3)

Other Development Capital (DC) – Equities:

The fair values of DC equity assets are estimated based on a variety of valuation techniques performed by independent valuation experts, as appropriate to the nature of each asset. Valuation techniques used include the use of earnings multiples, discounted cash flow analysis and net asset values.

(b) Investments and loans measured at amortised cost

Loans and receivables have been valued at amortised cost based on expected future cash flows, net of ECLs calculated in line with IFRS 9. The discount rate applied to future cash flows to calculate amortised cost is the higher of the long-term interest rate set by HM Treasury at the date of inception or the rate intrinsic to each agreement. Expected credit losses applied are based on appropriate evidence and likelihood of default. Further information on expected credit loss allowances is set out in Note 7.

Other development capital (DC) – amortised cost

The fair value of DC assets held at amortised cost, including returnable grants, is estimated based on discounted cash flow analysis using the discount rate set by HM Treasury at the date of inception.

(c) Investments and convertible loans measured at FVTPL

Other development capital (DC) – FVTPL

Embedded derivatives and debt instruments which do not meet the criteria to be measured at fair value through other comprehensive income are measured at fair value through profit or loss with movements in fair value being charged or credited to the CSoCNE. This includes convertible loans. The fair values of these assets are estimated based on a variety of valuation techniques performed by independent valuation experts, as appropriate to the nature of each asset. Valuation techniques used include the use of earnings multiples and discounted cash flows analysis.

1. Statement of Accounting Policies (continued)

(d) Foreign Currency Forward Purchase Contracts

The FCDO has foreign currency forward purchase contracts for US Dollars and Euros for its peacekeeping expenditure obligations. Open contracts are measured at fair value through profit or loss with movements in fair value being charged or credited to the CSoCNE. The fair value is measured as the difference between the currency's midmarket forward rate at the date of valuation (provided by the Bank of England) and the rate stipulated in the contract multiplied by the number of contracted units of currency. Once each contract has been settled it is removed from the CSoFP with any further gain or loss, calculated by comparing the contract proceeds translated at the corporate rate of exchange at maturity with the purchase cost at the rate stipulated in the contract, taken to the CSoCNE. Details of open and settled contracts are in Note 7.

1.23 Impairment of Financial Assets

(a) Financial investments measured at FVTPL

Gains and losses (the difference between the acquisition cost and the current fair value) on financial investments measured at FVTPL are recognised in the CSoCNE

(b) Financial Investments Measured at Amortised Cost

IFRS 9 requires a loss allowance to be recognised at an amount equal to either 12 months or lifetime ECLs, dependent on the level of credit risk. However, for trade receivables, the FReM requires government Departments to recognise lifetime ECLs. The FCDO's largest group of trade receivables are with Other Government Departments. HM Treasury has mandated that receivable balances with core central government Departments (including their executive agencies) are excluded from being recognised for impairments; with the liabilities being assessed as having zero credit risk. The Department will consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the FCDO in full. The Department will consider 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. This will include qualitative and quantitative information and analysis based on historical experience, expert credit assessment (where available) and forward-looking information.

The credit risk at initial recognition for some of the FCDO's historic loan balances is not known. Many of these balances are fully provided for already. For those without an existing provision, all available information will be used to determine the level of loss allowances required. The FCDO's loan balances include historic loans to sovereign states which fall under Paris Club agreements. One of the main principles is that any debt negotiations must be agreed by all creditor countries meaning that the FCDO cannot write off any debts without full Paris Club agreement. As a result, many historic sovereign loan balances are fully provided for with no reasonable expectation of repayment but not written off.

1.24 Service Concessions (PFI)

PFI transactions are accounted for in line with HM Treasury and FReM requirements. Where arrangements meet the definition of service concessions under IFRIC 12, the infrastructure asset is recognised as a non-current asset, and the liability is treated as a finance lease.

Contract payments are apportioned between a reduction in the capital obligation and charges to the CSoCNE for service performance and finance cost (see Note 15).

1. Statement of Accounting Policies (continued)

1.25 Provisions

The FCDO provides for legal and constructive obligations, related to past events, where the obligations are of uncertain timing or amount at the CSoFP date. Such provisions are based on the best estimate of the expenditure required to settle the obligation taking into account the risks and uncertainties surrounding the obligation.

Where the time value of money is material, expected cash flows are stated at discounted amounts using the nominal discount rate set by HM Treasury (3.64% between 0 and 5 years, 4.22% between 5 and 10 years and 5.32% exceeding 10 years), (See Note 11).

1.26 Pensions – UK Employees

Pension benefits for the majority of current and former employees are covered by the provisions of the Civil Service pension arrangements.

From 1 April 2015 a pension scheme known as Alpha was introduced, and all newly appointed civil servants, and most of those already in service, joined Alpha. Prior to that date UK based employees were covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). Both Alpha and PCSPS defined benefit schemes are unfunded.

The FCDO recognises the expected cost of providing these pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the scheme of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Civil Service pension arrangements. In respect of the defined contribution 'money purchase' schemes, the FCDO recognises the contributions payable for the year.

For more details of these schemes please see the relevant section of the Remuneration Report.

1.27 Overseas Pensions and Terminal Benefits

The FCDO is required to observe local employment laws regarding the payment of pensions, gratuities and terminal benefits at its overseas posts. Where state or other trustee schemes exist, the FCDO discharges its obligation in-year by the payment of accrued contributions. Where the final gratuity or terminal benefit has to be met by the FCDO, the full cost has been provided for in the accounts.

The FCDO has adopted the requirements of IAS 19: Employee Benefits in respect of its overseas pension schemes. Actuarial gains/losses are taken through Other Comprehensive Net Expenditure. In respect of the defined contribution elements of the Schemes, the FCDO recognises the contributions payable for one year. A summary of the performance of the schemes is provided in these financial statements, with further information available in Note 14.

Terminal gratuities are recorded within these accounts as provisions under IAS 37 (See Note 11). A full exercise was carried out during 2020-21 to test for a material difference between the IAS 37 valuation of terminal gratuities and that using IAS 19 methodology; no material difference was found. A follow-up analysis did not indicate any change from this position. The FCDO used assumptions based on reportable data, bearing in mind the cost of providing IAS 19 data in full. The FCDO keeps the assumption of no material difference under annual review.

1. Statement of Accounting Policies (continued)

1.28 Contingent Assets and Liabilities

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Remote contingent liabilities, disclosed in the Parliamentary Accountability Report, are stated at the amounts reported to Parliament.

The Department discloses a contingent asset where it is probable there will be an inflow of economic benefits from a past event, but where the outcome (timing and/or value) is uncertain. An estimate of the financial effect is indicated, where possible.

In addition to the contingent liabilities and assets described above, the FCDO also discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities and guarantees where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of 'Managing Public Money'. These remote contingent liabilities can be found in the Parliamentary Accountability report.

1.29 Financial Guarantees

Financial guarantees are measured at fair value at the reporting date and recorded as a financial liability.

Details of our approach to valuing our financial guarantee portfolio are included in Note 13.

2. Statement of Operating Expenditure by Operating Segment

Director General	2025-26 Gross £000	2025-26 Income £000	2025-26 Net £000	Restated 2024-25 Gross £000	Restated 2024-25 Income £000	Restated 2024-25 Net £000
DG Chief Operating Officer	1,244,242	(69,192)	1,175,050	1,124,975	(24,212)	1,100,763
DG Defence & Security	291,783	(31,170)	260,613	292,768	(27,946)	264,822
DG Global Issues	3,949,589	–	3,949,589	3,608,366	–	3,608,366
DG Network	4,171,051	(17,753)	4,153,298	4,332,978	(17,163)	4,315,815
DG Political	414,341	(24)	414,317	452,374	(28)	452,346
DG Strategy & Delivery	655,231	(2,591)	652,640	757,657	(1,100)	756,557
Other	69,733	(134,240)	(64,507)	599,054	(222,726)	376,328
Total	**10,795,970**	**(254,970)**	**10,541,000**	**11,168,172**	**(293,175)**	**10,874,997**

In 2025-26, the FCDO reorganised its structure, moving from having 9 Directors General (DG Africa, the Americas and Overseas Territories, DG Indo-Pacific, Middle East & North Africa, DG Defence and Intelligence, DG Europe, DG Geopolitics, DG Economics, Climate and Global Issues, DG Humanitarian and Development, DG Finance and Corporate, and DG Legal) to having 7 Directors General (DG Chief Operating Officer, DG Defence & Security, DG Global Issues, DG Network, DG Political, DG Strategy & Delivery, and DG Legal)..

As a result of the reorganisation, the prior year comparatives have been restated to align with the DG structure at 2025-26.

The Department reports its expenditure by operating segment in accordance with IFRS 8 Operating Segments. The basis for defining operating segments is set out in Note 1.7. The standard also includes a requirement to show net assets per operating segment. The structure of the FCDO means that all assets included in the Consolidated Statement of Financial Position are used for the general administration and benefit of the FCDO as a whole. It is not possible to accurately allocate assets from liabilities from operating segments, and thus such information is not reported to the Management Board (now Committee) or included in the segmental reporting in these financial accounts.

More details of the FCDO's performance reporting can be found in the Performance Analysis within the Annual Report.

Other expenditure includes corporate accounting adjustments and non DG specific expenditure such as Non-Cash items. Other income relates to funding received from other Government Departments in relation to provision of One HMG overseas platform and notional (non-cash) income.

3. Operating Expenditure

	Note	2025-26 Core Department & Agencies £000	2025-26 Departmental Group £000	2024-25 Core Department & Agencies £000	2024-25 Departmental Group £000
Staff costs					
Wages and salaries		780,908	785,991	758,940	762,747
Social security costs		53,722	54,264	46,532	46,918
Other pension costs		140,466	141,450	136,812	137,697
Recoveries outward secondments		(3,543)	(3,543)	(1,678)	(1,678)
Apprenticeship levy costs		2,015	2,015	2,006	2,023
		973,568	**980,177**	**942,612**	**947,707**
Grants					
Diplomatic programmes		293,156	293,156	197,936	197,936
British Council		180,550	180,550	166,075	166,075
UK Integrated Security Fund programmes		592,075	592,075	726,420	726,420
Peacekeeping foreign exchange rate loss/(gain)		9,085	9,085	2,543	2,543
Humanitarian assistance payments		374,226	374,226	444,935	444,935
Trust funds contributions		243,443	243,443	274,774	274,774
Voluntary contributions		649,217	649,217	826,765	826,765
Core contributions		1,202,976	1,202,976	1,842,566	1,842,566
Other financial contributions[56]		1,156,301	1,156,301	1,152,055	1,152,055
Programme contributions[57]		745,242	745,242	402,100	402,100
Accountable grant payments		715,278	715,278	630,242	630,242
Other[58]		481,409	513,573	418,292	418,292
		6,642,958	**6,675,122**	**7,084,703**	**7,084,703**
Promissory notes					
Promissory note deposits[59]		1,820,480	1,820,480	1,314,368	1,314,368
		1,820,480	**1,820,480**	**1,314,368**	**1,314,368**
Subscriptions to International Organisations					
Subscriptions to international organisations (including NATO, UN & Council of Europe)		211,204	211,204	218,883	218,883
		211,204	**211,204**	**218,883**	**218,883**

56 This is other financial aid provided to Governments and other aid providers which were previously mapped to the other grants line. Both the current year and prior year have now been disclosed separately.
57 This is financial aid that is made via joint programmes and general programme contributions which were previously mapped to the other grants line. Both the current year and prior year have now been disclosed separately.
58 Other grants has been revised this year with the prior year comparative included. See footnotes 56 and 57 for further details.
59 Promissory note deposits have been revised for the BII promissory note deposit. Further details have been provided in the footnotes of Note 10.

3. Operating Expenditure (continued)

		2025-26		2024-25	
	Note	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Other costs					
Reimbursements of duties to other Governments		49,477	49,477	59,886	59,886
Audit fees for Arms Length Bodies		–	108	–	100
Auditors' remuneration and expenses – cash[60]		264	281	331	347
Exchange rate (gains)/losses – realised		6,858	6,858	742	742
Business hospitality		11,317	11,317	10,543	10,543
Consular		6,317	6,317	3,732	3,732
Contractor, consultancy and fee based services		123,800	123,800	88,096	88,096
Estate, security and capital related costs		319,897	319,897	330,596	330,596
Grant in aid to other Arms Length Bodies		41,584	–	41,174	–
Information and commercial services		5,283	5,283	34,758	34,758
IT and communications		187,998	188,648	189,016	189,016
Medical		23,768	23,768	24,434	24,434
Provisions: Utilisation[61]		(170,765)	(170,765)	(152,795)	(152,795)
Recruitment		2,154	2,174	1,236	1,236
Representation		5,417	5,417	3,622	3,622
Rentals under short term and low value leases		9,004	9,004	8,459	8,459
Service element of on–CSoFP PFI contracts		2,906	2,906	2,680	2,680
Transport equipment costs		6,299	6,299	6,381	6,381
Training		12,624	12,624	12,023	12,023
Travel		72,060	72,060	83,263	83,263
Other non programme costs[62]		66,453	78,885	46,165	93,495
		782,715	**754,358**	**794,342**	**800,614**
Cash Finance Expenditure					
On-CSoFP PFI contracts interest expense		1,285	1,285	1,435	1,435
Lease liability interest expense	16	12,556	12,561	11,545	11,546
		13,841	**13,846**	**12,980**	**12,981**
Total Cash		**10,444,766**	**10,455,187**	**10,367,888**	**10,379,256**

60 A breakdown of audit fees paid to NAO can be found in the Parliamentary Accountability Report.

61 Utilisation of provisions were previously mapped to the other grants line. Both the current year and prior year have now been disclosed separately.

62 Other non programme costs are a range of costs including payments for bank charges, storage costs and administrative costs.

3. Operating Expenditure (continued)

	Note	2025-26 Core Department & Agencies £000	2025-26 Departmental Group £000	2024-25 Core Department & Agencies £000	2024-25 Departmental Group £000
Depreciation, amortisation and impairment					
Depreciation of property, plant and equipment		198,049	198,082	193,931	193,938
Depreciation of right of use assets		142,797	142,875	145,412	145,675
Amortisation of intangible assets		5,122	5,149	4,600	4,600
Movement on impairments – Departmental Expenditure Limit		(1,212)	(1,212)	(359)	(359)
Movement on impairments – Annually Managed Expenditure		(4,273)	(4,273)	(12,352)	(12,352)
		340,483	**340,621**	**331,232**	**331,502**
Other non-cash costs					
(Gain)/Loss on disposal of property, plant and equipment		14,737	14,737	3,471	3,471
(Gain)/Loss on disposal of investments		1,418	1,418	8,690	8,690
Financial guarantee		(97,959)	(97,959)	370,655	370,655
Revaluation of investments and loans through profit and loss		12,724	12,724	23,228	23,228
Auditors' remuneration and expenses[63]		945	945	942	942
Provisions: Provided in year	11	131,090	131,090	73,996	73,996
Provisions: Written back in year	11	(42,539)	(42,539)	(6,223)	(6,223)
Provisions: Dilapidations		165	82	–	–
Exchange rate (gains)/losses – unrealised		(6,483)	(6,490)	(4,367)	(4,364)
		14,098	**14,008**	**470,392**	**470,395**
Non-cash Finance Expenditure					
Provisions: Discounting	11	35,192	35,192	37,897	37,897
		35,192	**35,192**	**37,897**	**37,897**
Total Non-Cash		**389,773**	**389,821**	**839,521**	**839,794**
Total Expenditure		**10,834,539**	**10,845,008**	**11,207,409**	**11,219,050**

63 A breakdown of audit fees paid to NAO can be found in the Parliamentary Accountability Report.

4. Income

	2025-26		2024-25	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Revenue from contracts with customers				
Income from OGDs[64]	127,682	127,682	213,865	213,865
Income from other organisations[65]	1,304	1,304	1,499	1,499
Consular fees[66]	30,027	30,027	27,946	27,946
Running cost receipts[67]	87,998	88,048	32,734	32,784
	247,011	**247,061**	**276,044**	**276,094**
Income of consolidated bodies				
Agency: Wilton Park	3,423	3,423	4,210	4,210
Non-Departmental Public Bodies	-	4,486	-	12,871
	3,423	**7,909**	**4,210**	**17,081**
Total operating income	**250,434**	**254,970**	**280,254**	**293,175**
Finance income				
Effective interest rate (EIR) interest income[68]	38,557	38,557	39,848	39,848
Dividends receivable	1,413	1,413	3,954	3,954
Interest on loans	2,641	2,682	2,973	3,035
	42,611	**42,652**	**46,775**	**46,837**
Consolidated Fund extra receipts				
Interest payments for the British Council loan	11,917	11,917	15,260	15,260
Receipts in respect of capital sales proceeds	-	-	-	-
Consolidated Fund extra receipts[69]	52	52	568	568
	11,969	**11,969**	**15,828**	**15,828**
Total Income	**305,014**	**309,591**	**342,857**	**355,840**

64 This includes the income from partner Departments that use our overseas platform. Income from other government Departments (OGDs) is not subject to impairment under IFRS 9. Billing is made via a standard contract for platform charges, residential accommodation and other central charges. OGDs are largely charged on a per capita basis.

65 This includes income from partner countries to help fund the FCDO managed projects overseas. Income from other organisations is given to support overseas programmes carried out by the FCDO. Work supported by donor countries is scaled up and down as donations are received.

66 Consular fees are grouped into three categories: legalisation fees, emergency travel documents (including emergency passports) and notarial and documentary services. This line only includes income from legalisation fees and emergency travel documents and emergency passports. Notarial and documentary services are classified as consolidated fund extra receipts and are disclosed separately below. Further information is provided in the Accountability Report under Consular Fees & Charges.

67 Running costs receipts are recovered under Memorandums of Understanding (MOUs) and signed letters of agreement with partner organisations. These receipts include secondment recoveries, rent, selling to wider markets, sponsorship income and recovery of overseas platform costs from organisations outside of One HMG.

68 This is notional income reflecting the release of discounting on loans.

69 Income collected by the FCDO where it was acting as agent for the Consolidated Fund rather than as principal is excluded from Note 4. Details of the amount and balance held as agent at the year-end date are given in SOPS Note 4.2, which (as the amounts are so small) are included as SOPS 4.2 in lieu of a Trust Statement.

5. Property, Plant and Equipment

	2025-26											
	Non-residential Land	Buildings Excluding Dwellings	Non-residential Enhancements	Residential Land	Dwellings	Residential Enhancements	Information Technology	Transport Equipment	Plant and Machinery	Antiques and Works of Art	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation												
At 1 April 2025	247,415	1,747,927	135,983	280,430	1,308,379	6,228	131,362	113,513	425,386	20,199	270,615	4,687,437
Additions	134	420	350	261	610	–	106	–	208	–	134,399	136,490
Disposals	(2,669)	(2,638)	(66,330)	(3,456)	(11,805)	(3,827)	(21,965)	(12,819)	(111,236)	–	–	(236,745)
Impairments (net of reversals)	123	340	–	1,247	3,210	–	(878)	(646)	(3,711)	20	(741)	(1,035)
Reclassification	(73)	(374)	66,197	1,322	2,266	23,452	21,541	19,649	23,496	–	(160,261)	(2,785)
Revaluation	8,158	284,131	–	16,320	180,846	–	39	1,382	(9,599)	1,071	–	482,349
At 31 March 2026	**253,089**	**2,029,806**	**136,201**	**296,125**	**1,483,505**	**25,853**	**130,206**	**121,078**	**324,545**	**21,290**	**244,013**	**5,065,711**
Depreciation												
At 1 April 2025	–	989,402	104,278	–	698,762	3,449	70,497	85,284	266,827	–	–	2,218,499
Charged in year	–	48,986	7,301	–	32,030	902	28,301	11,289	35,342	–	–	164,151
Disposals	–	(1,849)	(60,383)	–	(5,547)	(3,397)	(21,575)	(12,441)	(111,059)	–	–	(216,250)
Impairments	–	1,229	–	–	660	–	(93)	(537)	(905)	–	–	354
Reclassification	–	(940)	2,670	–	(562)	564	–	(103)	(1,630)	–	–	–
Revaluation	–	184,043	–	–	109,210	–	45	1,250	(6,002)	–	–	288,546
At 31 March 2026	**–**	**1,220,872**	**53,867**	**–**	**834,554**	**1,519**	**77,174**	**84,741**	**182,574**	**–**	**–**	**2,455,300**
Net Book Value 1 April 2025	**247,415**	**758,525**	**31,705**	**280,430**	**609,617**	**2,779**	**60,865**	**28,229**	**158,559**	**20,199**	**270,615**	**2,468,938**
Net Book Value 31 March 2026	**253,089**	**808,935**	**82,335**	**296,125**	**648,951**	**24,334**	**53,032**	**36,337**	**141,971**	**21,290**	**244,013**	**2,610,411**
Asset Financing												
Owned	242,067	783,218	82,335	296,125	648,951	24,334	53,032	36,337	141,971	21,290	244,013	2,573,672
On-balance sheet (CSoFP) PFI Contracts	11,022	25,717	–	–	–	–	–	–	–	–	–	36,739
Net Book Value 31 March 2026	**253,089**	**808,935**	**82,335**	**296,125**	**648,951**	**24,334**	**53,032**	**36,337**	**141,971**	**21,290**	**244,013**	**2,610,411**
Of the Total												
Department	253,089	808,858	81,780	296,125	648,951	24,334	52,782	36,337	141,625	21,290	243,980	2,609,150
Agencies	–	–	555	–	–	–	245	–	346	–	33	1,179
ALBs	–	77	–	–	–	–	5	–	–	–	–	82
Net Book Value 31 March 2026	**253,089**	**808,935**	**82,335**	**296,125**	**648,951**	**24,334**	**53,032**	**36,337**	**141,971**	**21,290**	**244,013**	**2,610,411**

5. Property, Plant and Equipment (continued)

	2024-25											
	Non-residential Land	Buildings Excluding Dwellings	Non-residential Enhancements	Residential Land	Dwellings	Residential Enhancements	Information Technology	Transport Equipment	Plant and Machinery	Antiques and Works of Art	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation												
At 1 April 2024	252,551	1,500,736	135,473	288,335	1,210,886	4,884	268,655	121,360	397,846	20,198	199,788	4,400,712
Additions	–	–	272	–	–	–	170	–	159	–	157,476	158,077
Disposals	(2,563)	(12,733)	(1,010)	(1,618)	(4,076)	(885)	(162,967)	(23,455)	(39,656)	–	–	(248,963)
Impairments (net of reversals)	(681)	7,696	(186)	(2,053)	197	–	(185)	(11)	(13,441)	1	(3,773)	(12,436)
Reclassification	135	18,743	1,434	1,011	2,190	2,229	24,288	9,683	17,370	–	(82,876)	(5,793)
Revaluation	(2,027)	233,485	–	(5,245)	99,182	–	1,401	5,936	63,108	–	–	395,840
At 31 March 2025	**247,415**	**1,747,927**	**135,983**	**280,430**	**1,308,379**	**6,228**	**131,362**	**113,513**	**425,386**	**20,199**	**270,615**	**4,687,437**
Depreciation												
At 1 April 2024	–	806,721	97,189	–	594,723	3,977	213,115	92,445	242,060	–	–	2,050,230
Charged in year	–	50,412	8,144	–	31,305	282	19,391	9,543	35,207	–	–	154,284
Disposals	–	(7,307)	(1,000)	–	(1,908)	(811)	(162,949)	(20,927)	(38,592)	–	–	(233,494)
Impairments	–	4,506	(55)	–	237	1	(167)	56	(11,859)	–	–	(7,281)
Reclassification	–	177	–	–	(177)	–	–	–	–	–	–	–
Revaluation	–	134,893	–	–	74,582	–	1,107	4,167	40,011	–	–	254,760
At 31 March 2025	**–**	**989,402**	**104,278**	**–**	**698,762**	**3,449**	**70,497**	**85,284**	**266,827**	**–**	**–**	**2,218,499**
Net Book Value 1 April 2024	**252,551**	**694,015**	**38,284**	**288,335**	**616,163**	**907**	**55,540**	**28,915**	**155,786**	**20,198**	**199,788**	**2,350,482**
Net Book Value 31 March 2025	**247,415**	**758,525**	**31,705**	**280,430**	**609,617**	**2,779**	**60,865**	**28,229**	**158,559**	**20,199**	**270,615**	**2,468,938**
Asset Financing												
Owned	233,959	738,789	31,705	280,430	609,617	2,779	60,865	28,229	158,559	20,199	270,615	2,435,746
On-balance sheet (CSoFP) PFI Contracts	13,456	19,736	–	–	–	–	–	–	–	–	–	33,192
Net Book Value 31 March 2025	**247,415**	**758,525**	**31,705**	**280,430**	**609,617**	**2,779**	**60,865**	**28,229**	**158,559**	**20,199**	**270,615**	**2,468,938**
Of the Total												
Department	247,415	758,525	31,080	280,430	609,617	2,779	60,541	28,229	158,187	20,199	270,564	2,467,566
Agencies	–	–	625	–	–	–	317	–	372	–	51	1,365
ALBs	–	–	–	–	–	–	7	–	–	–	–	7
Net Book Value 31 March 2025	**247,415**	**758,525**	**31,705**	**280,430**	**609,617**	**2,779**	**60,865**	**28,229**	**158,559**	**20,199**	**270,615**	**2,468,938**

5. Property, Plant and Equipment (continued)

Property Valuations

Valuations are carried out by Royal Institution of Chartered Surveyors (RICS) qualified surveyors in accordance with RICS Valuation – Global Standards. From 1 April 2025 HM Treasury changed the requirements in the Government Financial Reporting Manual (FReM) in respect of revaluations of property, plant and equipment. The requirement to revalue an asset when its fair value differs materially from its carrying value has been withdrawn.

The FCDO has a rolling programme of property valuations over a five-year cycle, with annual indexation applied during the four intervening years, replacing annual desk reviews. Due to the global nature of its estate portfolio, the FCDO uses indices published by the International Monetary Fund (IMF), which is an international organisation that monitors the global economy and publishes a range of economic and financial statistics for countries worldwide. The IMF inflation index was selected as it provides a consistent and reliable basis for indexation across the majority of the FCDO's estate, and no alternative index offers comparable global coverage. Where significant fluctuations are identified, or where local market conditions are considered to be materially different from the movement indicated by the IMF index, the FCDO applies a hierarchy of alternative measures to determine the most appropriate indexation approach, including the use of hard-currency proxies where necessary.

Physical inspections to inform valuations of properties were carried out as follows:

Property Location	Valuer	Effective Valuation Date
Sub-Saharan Africa (Africa Directorate)	Knight Frank	30 September 2025
Americas (Americas Directorate)	Knight Frank	30 September 2024
Asia Pacific and South Asia and Afghanistan (Asia Pacific Directorate) (South Asia & Afghanistan Directorate)	Colliers International	30 September 2023
European Union; Wider Europe and Russia; Caucasus; Central Asia (Europe Directorate) (Eastern Europe and Central Asia Directorate)	Colliers International	30 September 2022
Middle East & North Africa (Middle East & North Africa Directorate)	Colliers International	30 September 2021

End of year impairments were assessed by Colliers International and Knight Frank in conjunction with the FCDO's in-house chartered surveyors. The total fees payable to the valuers in all cases represent less than 5% of the total fee income of the valuing firm/body. Properties in sub-Saharan Africa were inspected for 2025-26.

The FCDO also holds a number of cemeteries across the world which are classified as non-operational assets, and as such, have de minimis carrying values. The cemeteries were purchased from public subscriptions. The cemeteries are held in the Embassy name for the local British Community.

Accounting policies for PPE and depreciation are in Note 1.16 and 1.17.

Methods of valuation

Properties held for their operational capacity are measured at their current value in existing use, where there is no market-based valuation evidence available, properties are valued using depreciated replacement cost (DRC), ignoring listed status (where relevant). It should be noted that DRC valuations are only relevant subject to the continuing prospect of the property in question remaining viable and occupied. In the event the property is no longer required for its operational capacity then the achievable market value of the asset may be significantly less or more than the value now reported on a DRC basis.

5. Property, Plant and Equipment (continued)

All the valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors Professional Standards (Global and UK). All valuers are experienced and qualified Chartered Valuation Surveyors and Registered Valuers with relevant knowledge, skill and understanding. Physical inspections to inform valuations are valid at 30 September 2025 and reviewed at the reporting date for any material impact from global market volatility. Unless there are material changes the valuation is not changed from that at 30 September. For assets not physically inspected, indexation has been applied at year end.

Impact of valuation movements

The FCDO assesses material market movements between the date of measurement (30 September) and the year end (31 March). This was based on the top 30 assets by value, which were revalued to 31 March values. The inspected year assets, sub–Saharan Africa, did not incur any material change in value over this period.

Elsewhere, Washington and New York large residential properties decreased, Paris materially increased, while Jakarta materially decreased.

In the prior year, Colliers quoted a material uncertainty for Russia, Ukraine, Myanmar, Syria, Iran, Yemen, Israel, Gaza, Lebanon and Iraq due to conflicts in those countries. In addition Colliers noted uncertainty for asset valuations for Kazakhstan, Tajikistan, Pakistan, and Sri Lanka, where the commercial and residential property markets are very opaque with little in the way of publicly available transactions.

This assessment of valuation movements is required annually as the FCDO uses a non-coterminous year end valuation of land and buildings. The non coterminous year end valuation is driven by the requirement to revalue the entire FCDO portfolio worldwide, which would delay the publication of the FCDO's Annual Report and Accounts beyond the administrative deadline set by HMT. The FCDO's property database was updated to replace foreign exchange rates at 30 September 2025 with those at 31 March 2026, and the valuations shown in Note 5 amended for changes in FX rates.

Leased Properties

Since the implementation of IFRS 16 on 1 April 2022, ground leaseholds are now shown separately in Note 16.1. All leases in Note 16 are valued at fair value. Except for ground leases, cost is used as a proxy for fair value. The fair value of ground leases is measured using the revaluation process used for PPE included in Note 5. A ground lease is a lease with nil or nominal consideration.

Antiques and Works of Art (AWA)

The FCDO has appointed Golding Young as antiques and works of art valuers. AWA assets in some of our Designated and Historic Residences were inspected during 2025-26. These inspections will be part of a 5 yearly inspection and valuation schedule.

Assets Under Construction (AUC)

The top 3 projects contained within the AUC category are the New York Permanent Representative's Residence (£23.3 million), Lagos Office refurbishment (£15.9 million) and Nairobi Office refurbishment (£13.6 million). The majority of projects are at early stages, where spending will grow in future years.

5. Property, Plant and Equipment (continued)

Reinforced Autoclaved Aerated Concrete (RAAC)

The FCDO has reviewed all the properties in its estate to consider the risk of a building's valuation being affected by RAAC. No buildings were found to be at a high risk, a small proportion (2%) of the estate buildings were assessed as a medium risk and the remaining 98% were assessed as low risk of RAAC existing and impacting on valuation. We do not assess RAAC existence having a material impact on the valuation of our properties.

5.1 Assets Held for sale

The FCDO manages its property portfolio in line with its dynamic business needs, including investment in new properties and disposal of those no longer required. Capital disposal receipts are retained for further investment by the FCDO as agreed with HMT. These assets are included as current assets on the CSoFP.

The following assets are classified as held for sale:

	2025-26	2024-25
	£000	£000
Overseas Properties		
Balance at 1 April	9,363	4,737
Reclassification to assets held for sale at carrying value	4,685	13,050
Revaluation to fair value less costs to sell	-	-
(Impairments)/reversals	-	-
Disposals	(2,047)	(8,424)
Balance at 31 March	**12,001**	**9,363**

Proceeds from Assets Sales

In 2025-26 asset sales included £1.4 million from the sale of property in Belgrade.

6. Financial Investments

	2025-26				
	Other development capital £000	International Financial Institutions £000	BII £000	Other Public Sector Bodies £000	Total £000
At 1 April 2025	691,348	5,180,270	9,685,200	4,981	**15,561,799**
Additions	146,034	53,710	480,000	–	**679,744**
Disposals	(29,571)	–	–	–	**(29,571)**
Reclassifications	–	–	–	–	**–**
Impairment	–	–	–	–	**–**
Gains/(losses) taken to other comprehensive income	(31,514)	162,568	(285,300)	–	**(154,246)**
Losses taken to profit and loss	(12,957)	–	–	–	**(12,957)**
Financing cost	1,076	–	–	–	**1,076**
At 31 March 2026	**764,416**	**5,396,548**	**9,879,900**	**4,981**	**16,045,845**
At 1 April 2024	590,315	4,970,483	8,803,000	4,981	**14,368,779**
Additions	161,143	93,274	880,000	–	**1,134,417**
Disposals	(36,391)	–	–	–	**(36,391)**
Reclassifications	(3,849)				**(3,849)**
Impairment	552	–	–	–	**552**
Gains/(losses) taken to other comprehensive income	3,055	116,514	2,200	–	**121,769**
Losses taken to profit and loss	(24,518)	–	–	–	**(24,518)**
Financing cost	1,041	–	–	–	**1,041**
At 31 March 2025	**691,348**	**5,180,271**	**9,685,200**	**4,981**	**15,561,800**

The above financial investments relate to investments held by the FCDO Departmental Group. The FCDO has made the irrevocable election available in IFRS 9 to measure equity investments (other development capital equity investments, International Financial Institutions and BII) at fair value through other comprehensive income because they are not held for trading and to be consistent with previous treatment under IAS 39. The investment in FCDO Services, within Other Public Sector Bodies, is public dividend capital. It is therefore not a financial instrument under the FReM and so is held at historical cost. Further information on the valuation of the FCDO investments is available in Accounting Policy 1.22.

Other development capital

Other development capital (DC) assets are investments made by the FCDO to achieve defined development objectives while retaining an ongoing, recoverable interest in the assets funded. At 31 March 2026, these include equity investments (£279.6 million), debt instruments (£437.4 million), a convertible loan (£11.8 million) and other returnable grant arrangements (£35.6 million), the terms of which will vary depending on programme circumstances. The convertible loans are embedded derivatives.

The fair value of the FCDO's DC assets increased by £73.1 million during the year to 31 March 2026 due to further investment of £146.0 million, disposals of £29.6 million relating to the exit of mature investments, negative revaluations of £44.5 million and financing costs of £1.1 million, (financing costs are the release of discounting on returnable grants). In 2024-25 one convertible loan of £3.8 million was restructured and reclassified within Development Capital loans.

6. Financial Investments (continued)

International financial institutions

Investments in International Financial Institutions (IFIs) are valued at fair value. There is no market for these investments – all shareholders are sovereign states. Fair value has been assessed as the FCDO's share of the net assets of the IFIs, based on the number of shares subscribed by the FCDO. The Articles of Agreement of all of the IFIs specify that this is the value that the FCDO would receive on the dissolution of the IFIs.

The FCDO's investment in IBRD Hybrid Capital is a perpetual loan to the IBRD which can be converted into share capital at a subsequent IBRD capital increase, and so is effectively pre-paid capital. This equity investment is held at cost on the basis that it will convert to shares in the IBRD at par value.

All investments in IFIs are denominated in a currency other than sterling. The FCDO is therefore exposed to currency risk if the value of these currencies falls against sterling. The FCDO is also exposed to market risk, as the value of each investment is dependent upon the net assets of the IFIs.

The fair value of the FCDO's investments in the IFIs increased by £216.3 million during the year to 31 March 2026. Additions of £53.7 million relate to further investment of £47.9 million in IBRD hybrid capital and £5.8 million in the share capital of IDB Invest. Favourable investment revaluations of £162.6 million are due to an increase in IFI equity of £266.1 million partly off-set by changes in exchange rates resulting in lower sterling holding amounts of £103.5 million.

Base currencies of investments in IFIs are shown below. Figures in US dollars include those bodies for which the US dollar is used as the working equivalent for units of account formally expressed in Special Drawing Rights (SDRs).

	2025-26		2024-25	
	Currency 000	£000	Currency 000	£000
International Bank for Reconstruction and Development	$2,862,865	2,166,089	$2,674,371	2,067,450
International Bank for Reconstruction and Development (Hybrid Capital)	$129,510	97,989	$64,755	51,208
International Finance Corporation	$2,067,636	1,564,406	$1,954,845	1,511,214
Asian Development Bank	$1,182,017	894,333	$1,149,925	888,961
Inter-American Development Bank	$401,146	303,513	$388,964	300,693
African Development Bank (in Units of Account)	207,324	213,062	206,330	213,993
Caribbean Development Bank	$90,196	68,243	$83,876	65,357
Multilateral Investment Guarantee Agency	$106,068	80,253	$96,979	74,971
IDB Invest	$11,445	8,660	$8,310	6,424
		5,396,548		**5,180,271**

British International Investment (BII)

The FCDO, on behalf of the UK Government, owns 100% of the issued ordinary share capital of BII, an investment company that invests in private sector businesses in developing countries. BII aims to demonstrate that it is possible to invest successfully in challenging environments, thereby attracting other sources of capital including fully commercial capital.

The FCDO agrees BII's high-level strategy but has no involvement in day-to-day decision making which is the responsibility of the BII Board of Directors and management.

HM Treasury requires that self-financing public corporations achieve a rate of return, described as 'cost of capital', to ensure that the opportunity cost of the Departments' investments is covered.

6. Financial Investments (continued)

If BII does not meet its rate of return over each Comprehensive Spending Review period, then the shareholding Department may face a further charge to the extent that such a return has not been met. BII investments aim to achieve returns from capital appreciation, investment income or both. All BII's profits are reinvested in businesses throughout its target emerging markets. Information on BII's strategies can be found at https://www.bii.co.uk/en/about/our-company/how-we-operate/.

BII is a key instrument in the FCDO's approach to economic development, providing long-term patient capital to private sector businesses and projects in developing economies to support their productive, sustainable, and inclusive development. A central pillar of BII's new five year strategy (2026-2031) launched in April 2026 is accelerating the flow of private capital to developing countries including through the British Climate Partners initiative which will support emissions reductions in India and South-East Asia. Under the new strategy, BII will continue to lead on climate and gender finance, and will deepen its focus on frontier markets – those identified by the UN as Least Developed Countries – with at least 25 per cent of new core investments by value going to those countries.

The fair value of FCDO's investment in BII increased by £194.7 million during the year to 31 March 2026. Additions of £480.0 million were due to further shares being subscribed. The unfavourable revaluation decrease of £285.3 million is due to an audited loss of for the 9 months to 31 December 2025. BII's total net assets increased during 2025 from £9,869.5 million to £9,879.9 million, a rise of 0.1% (2024: 16.2%). BII's investment portfolio decreased by £650.4 million in 2025 to £6,641.2 million. In US dollar terms, the portfolio generated a gain of 1.2% (2024: 3.3% gain) due to some positive performances across BIIs investments. Most of the BII portfolio is denominated in US dollars and as such, results can be significantly impacted by changes in the sterling to US dollar exchange rate.

During the year ending 31 March 2026, the FCDO subscribed for a further 480.0 million shares in BII (including £60 million for Ukraine capital) for £480.0 million consideration (2024-25: 880.0 million shares for £880.0 million consideration). These transactions were funded through the use of promissory notes (refer to Notes 10.2, 10.3 and 19).

The preparation of BII's financial statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates are reviewed on an ongoing basis. The area on which the most significant estimates and judgements are made is on the fair value of equity investments. In the process of applying its accounting policies, BII has made the judgement that it meets the definition of an investment entity within IFRS 10 'Consolidated Financial Statements'.

BII's operations are managed within the risk appetite defined by the BII Board of Directors and set out in the BII Risk Management Policy.

BII's principal risks, mitigating policies and processes can be found on pages 14-18 of BII's Annual Accounts 2025.

6. Financial Investments (continued)

Significant uncertainty arising from the nature of the department's investments in IFIs and BII

As set out in Accounting Policy 1.6 (b), there is a significant risk around the fair value of investments, particularly IFIs and BII due to the magnitude of these investments on the FCDO's balance sheet. Valuations are based on financial information contained in published, audited annual accounts, but most entities have a year end non-coterminous with the FCDO therefore we also use quarterly financial information to help value investments where the FCDO judges these to provide a more accurate valuation of shareholding.

The IFIs and BII base their estimates and assumptions, and thus their reported financial results, on their current perceptions of risk, on the basis of information which is available at the time of preparing the financial information and by employing experience and judgement.

Whilst the Department considers that the financial information reported by the IFIs and BII are fairly stated, the ultimate realisable value of the reported assets and liabilities will vary as a result of subsequent information and events. Accordingly, so too will the value of the department's investments in the IFIs and BII as recorded in these financial statements.

Other Public Sector Bodies

Other Public Sector Bodies consists of a £5.0 million investment in FCDO Services, comprised of 100% of its Public Dividend Capital (PDC). As a trading fund, FCDO Services is not included within the FCDO departmental boundary. Historical cost is considered to be a reasonable approximation for fair value of this asset as any surplus from trading is paid annually to the Department in the form of a dividend.

7. Financial Instruments

This note describes the nature and extent of the FCDO's use of financial instruments and the associated financial risks. The FCDO's financial instruments primarily arise from its development finance activity, including:

» Investments in Multilateral Development Banks (MDBs) and public sector bodies

» Bilateral and multilateral loans

» Forward foreign exchange contracts

» Cash and trade receivables

» Financial guarantees

These activities expose the FCDO to a number of risks. The FCDO does not undertake speculative trading. For the purpose of this note, risks are considered under the following headings:

» Market risk;

» Credit risk;

» Liquidity risk;

» Concentration risk.

At 31 March 2026 the FCDO held total financial assets of £17.5 billion and financial liabilities of £8.3 billion, resulting in net financial assets of £9.2 billion. Most financial assets represent long-term development investments measured at fair value under IFRS 9, while the largest financial liabilities relate to trade payables and the fair value of financial guarantees measured at lifetime expected credit losses. Further details of financial instrument fair values can be found in the following section.

7.1 Fair Values of Financial Instruments

The carrying value of financial assets and liabilities approximates their fair value at both 31 March 2026 and 31 March 2025. Financial instruments are measured at:

» Amortised cost

» Fair value through profit or loss (FVTPL)

» Fair value through other comprehensive income (FVOCI)

Assets held solely to collect contractual cash flows (such as sovereign loans and receivables) are measured at amortised cost. Long term strategic investments in multilateral development institutions are measured at FVOCI, as they are held both to collect returns and for potential sale, with valuation movements recognised in other comprehensive income. Instruments whose cash flows are not solely principal and interest, or which are managed on a fair value basis (such as forward currency contracts and certain development capital investments), are measured at FVTPL.

7. Financial Instruments (continued)

	2025-26	2024-25	Change	Notes
	£000	£000	£000	
Total Financial Assets	**17,542,780**	**17,142,869**	**399,911**	
at Amortised Cost	1,537,499	1,620,970	(83,471)	Mainly receivables movements
at FVOCI	15,556,056	15,156,129	399,927	IFI & BII valuation uplift
at FVTPL	449,225	365,770	83,455	Debt type investments
Total Financial Liabilities	**(8,347,699)**	**(8,353,363)**	**5,664**	
at Amortised Cost	(7,352,117)	(7,255,609)	(96,508)	Mainly payables movements
at FVOCI	–	–	–	
at FVTPL	(995,582)	(1,097,754)	102,172	Movement in guarantee ECL
Net Financial Asset Position	**9,195,081**	**8,789,506**	**405,575**	
at Amortised Cost	(5,814,618)	(5,634,639)	(179,979)	
at FVOCI	15,556,056	15,156,129	399,927	
at FVTPL	(546,357)	(731,984)	185,627	

Fair Value Hierarchy

Fair value measurement of financial instruments uses the IFRS 13 hierarchy. The fair value hierarchy is a framework that ranks the inputs used to measure fair value according to how observable they are. It has three levels, from most to least observable:

Level 1: Uses unadjusted quoted prices for identical assets or liabilities in active markets (e.g. cash equivalents, some listed securities).

Level 2: Inputs are observable, either directly or indirectly, but not quoted for identical items (e.g. quoted prices for similar assets/liabilities, interest rate curves).

Level 3: Inputs are not observable, often because markets are inactive or the item is unique. This level generally relies on management judgement, models, and assumptions (e.g. net-asset value based valuations of unlisted IFI investments; financial guarantee valuation models).

See Notes 1.6, 1.20, 1.22 and 6 for more information on valuation techniques and inputs.

The breakdown of FCDO's financial instruments by level is shown below:

Level	Description	2025-26 £000	2024-25 £000	Notes
Level 1	Quoted prices in active markets	191,457	256,490	Cash & cash equivalents
		46,331	48,275	Financial Investments
Level 2	Observable inputs (e.g. FX forwards)	1,310,458	1,329,560	Trade and other receivables
		–	–	Forward currency contracts
Level 3	Unobservable inputs (e.g. NAV-based valuations)	15,994,534	15,508,544	Financial investments
Financial Assets		**17,542,780**	**17,142,869**	

Level	Description	2025-26 £000	2024-25 £000	Notes
Level 1	Quoted prices in active markets	–	-	Cash & cash equivalents
Level 2	Observable inputs (e.g. FX forwards)	(7,352,117)	(7,255,609)	Trade and other payables
		–	(4,213)	Forward currency contracts
Level 3	Unobservable inputs (e.g. NAV-based valuations)	(995,582)	(1,093,541)	Financial guarantees
Financial Liabilities		**(8,347,699)**	**(8,353,363)**	

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy in 2025-26 or 2024-25.

7. Financial Instruments (continued)

A reconciliation from the opening balances to the closing balances of recurring fair value measurements within Level 3 of the fair value hierarchy is given in the table below:

	2025-26 £000	2024-25 £000
Opening Balance	15,508,544	14,346,868
Additions	658,751	1,100,732
Disposals	(24,812)	(33,458)
Gains/(losses) taken to other comprehensive income	(157,983)	121,726
Gains/(losses) taken to profit and loss	(12,957)	(24,517)
Impairment	–	–
Other movements	22,991	(2,807)
Closing Balance	**15,994,534**	**15,508,544**

7.2 Market risk

Market risk is the risk of adverse financial impact due to changes in the fair value or future cash flows of financial instruments from fluctuations in interest rates, foreign exchange rates (and other prices). Market risk comprises foreign currency risk, interest rate risk, and equity/valuation risk.

(i) Foreign Currency Risk

The FCDO is exposed to foreign currency risk because a significant proportion of its programme spend, investments and operating costs is denominated in foreign currencies. Foreign currency risk arises from both transaction risk - the impact of exchange rate movements on foreign currency receipts and payments, and translation risk - which affects the sterling value of foreign currency assets and liabilities when retranslated at the year end exchange rate.

Foreign exchange exposure on non ODA expenditure is largely mitigated through the HM Treasury Foreign Currency Mechanism (FCM), which adjusts the FCDO's budget annually to reflect movements in the currencies most relevant to its non ODA spending. The mechanism does not cover currency movements between February and March, creating a small residual exposure.

The FCM does not apply to ODA or Peacekeeping expenditure, which therefore remain subject to in year exchange rate volatility.

To reduce uncertainty on Peacekeeping contributions, the FCDO uses forward foreign currency purchase contracts, approved by HM Treasury and executed through the Bank of England. Contracts are entered into over a three year horizon, with in year adjustments made at spot rates to reflect updated requirements. Forward purchase contracts that matured in 2025-26 had a sterling cost of £97.7 million and realised losses of £9.1 million. There are currently no contracts with a maturity beyond 31 March 2026.

Despite these mitigation measures, the Department retains exposure to exchange rate movements, particularly in currencies associated with ODA delivery and in late year fluctuations not captured by the FCM. The currency profile of the FCDO's financial instruments is shown in the tables below.

7. Financial Instruments (continued)

	2025-26				
	Sterling £000	Euro £000	US dollar £000	Other £000	Total £000
Financial investments	10,306,913	4,603	5,313,001	416,347	**16,040,865**
Trade and other receivables	1,252,141	12,794	45,523	–	**1,310,458**
Cash and cash equivalents	118,003	8,562	24,928	39,964	**191,457**
Trade and other payables	(7,306,972)	–	(45,145)	–	**(7,352,117)**
Net exposure	**4,370,085**	**25,959**	**5,338,307**	**456,311**	**10,190,663**

	2024-25				
	Sterling £000	Euro £000	US dollar £000	Other £000	Total £000
Financial investments	10,011,912	2,651	5,096,046	446,210	**15,556,819**
Trade and other receivables	1,274,080	10,628	44,852	–	**1,329,560**
Cash and cash equivalents	165,762	21,034	26,729	42,965	**256,490**
Trade and other payables	(7,217,936)	–	(37,673)	–	**(7,255,609)**
Net exposure	**4,233,818**	**34,313**	**5,129,954**	**489,175**	**9,887,260**

Sensitivity analysis

A 10% strengthening of the following currencies against the pound sterling at 31 March 2026 and at 31 March 2025 would have increased taxpayers' equity and lowered net comprehensive expenditure by the amounts shown below. This calculation assumes that the change occurred at the Consolidated Statement of Financial Position date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

	2025-26		2024-25	
	Equity £000	**(Profit) or loss £000**	**Equity £000**	**(Profit) or loss £000**
Euro €	2,884	(2,373)	3,813	(3,518)
US Dollar $	597,920	(7,586)	573,928	(7,701)
	600,804	**(9,959)**	**577,741**	**(11,219)**

A 10% weakening of the above currencies against the pound sterling at 31 March 2026 and at 31 March 2025 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

The department's interest rate exposure is limited to loans made at fixed and variable rates and cash balances held overseas. At the reporting date, the interest rate profile of the FCDO's interest-bearing financial instruments was:

7. Financial Instruments (continued)

	2025-26 £000	2024-25 £000
Fixed rate instruments		
Cash and cash equivalents	–	–
Trade and other receivables	999,322	1,004,055
	999,322	**1,004,055**
Variable rate instruments		
Cash and cash equivalents	110,819	151,605
Trade and other receivables	196,644	196,640
	307,463	**348,245**

For the financial year ending 31 March 2026 the Department received interest from loans of £1.1 million (2024-25: £1.3 million). The interest earned from these financial instruments does not represent a material source of income for the FCDO.

(iii) Equity price risk

The department's exposure to equity price risk arises from its investment in equity securities which are classified as financial assets, held at fair value through other comprehensive income and fair value through profit or loss, and are shown on the Statement of Financial Position as financial investments (see Note 6).

Sensitivity analysis

The FCDO's investments in IFIs are based on the FCDO's share of the net assets of each IFI, which are recorded at fair value. Although there is no publicly traded market for these investments, changes in the underlying net asset values of the IFIs would impact on the investment value shown in these accounts. At 31 March 2026, a 10% reduction in net asset values of the IFIs, with all other variables held constant, would result in the FCDO's net assets being reduced by £539.7 million (at 31 March 2025: £518.0 million).

The FCDO's investment in BII is based on the net assets as included in their most recent audited financial statements drawn up to 31 December 2025 and reflecting any capital contributions by the FCDO in the period between that date and 31 March 2026.

The resultant value is adjusted to reflect any other material movements in fair value over that 3-month period based on management information provided. At 31 March 2026, a 10% reduction in the fair value of BII, with all other variables held constant, would result in the department's net assets being reduced by £988.0 million (at 31 March 2025: £968.5 million).

7.3 Credit risk

Credit risk is the risk that a counterparty will fail to meet its contractual obligations to the FCDO, leading to a financial loss. The Department is exposed to credit risk through its sovereign and multilateral loans, financial guarantee contracts, and trade and other receivables.

At 31 March 2026, the total expected credit losses (ECL) recognised across these financial instruments was £1,031 million (2024-25: £1,121 million). The decrease primarily reflects repayments of the underlying loans and updated lifetime loss expectations for the department's financial guarantees. The carrying amounts of financial assets held at amortised cost, trade receivables, and cash and cash equivalents disclosed in Note 7.1 represent the department's maximum exposure to credit risk.

7. Financial Instruments (continued)

How credit risk is measured

The FCDO applies the IFRS 9 Financial Instruments impairment framework, which requires entities to recognise credit losses on a forward looking basis rather than waiting for an actual default to occur. This model considers historical credit performance, current macroeconomic conditions and reasonable, supportable forward looking forecasts when estimating expected future losses.

Under IFRS 9, financial assets (other than trade receivables) move through three "stages" as credit risk changes:

	Financial Asset	
Stage 1	Stage 2	Stage 3
Assets with no significant increase in credit risk since initial recognition	Assets where credit risk has increased significantly since origination	Credit-impaired assets (i.e. assets in default)
Provision equals 12-month ECL	Provision equals lifetime ECL	Provision equals lifetime ECL, and interest income is recognised on the reduced carrying amount

Trade receivables use the simplified approach, requiring lifetime ECLs from initial recognition.

In contrast to private-sector IFRS 9 treatment, the FReM requires all financial guarantees issued below fair value and where no observable market equivalent exists to be measured at lifetime ECLs at both initial recognition and in subsequent periods, regardless of changes in credit risk.

As a result, the FCDO's exposure to sovereign guarantees, which can extend for many years and cover large underlying loan portfolios, naturally produces higher ECLs compared with loans and receivables. This difference in accounting treatment is the primary driver of the scale of the credit loss provision.

A key assumption within the ECL models, whether for 12 month or lifetime losses, is that future performance is broadly consistent with past experience. To reduce model risk, the FCDO regularly reviews and updates default rates, incorporating forward looking information gathered from programme teams, including economists with detailed knowledge of country specific conditions.

The FCDO defines default as a history of non payment where there is no reasonable expectation of recovery. Where no such history exists, Moody's sovereign credit ratings are used to estimate potential future losses. Further detail on how the Department identifies credit impaired assets is set out in Note 1.22. Financial assets are written off only where recovery is not expected and where consistent with Paris Club agreements.

7. Financial Instruments (continued)

Credit risk by major instrument type

1. Loans to sovereigns and multilateral organisations:

Loans are recognised within trade and other receivables and comprise bilateral sovereign loans, multilateral development loans and the British Council loan. The total carrying amount of loan balances at year end was £1,196.0 million, consisting of £1,148.9 million non current and £47.1 million current receivables.

Bilateral sovereign loans: Long dated loans, with some not requiring repayments until 2041, reflecting the concessional terms applied in development finance.

Multilateral loans: Loans extended through international financial institutions, which historically exhibit low default rates and often benefit from preferred creditor treatment.

British Council loan: Originally a £200 million revolving credit facility, converted into a £197 million term loan due for repayment on 30 September 2026, and now extended to 30 September 2027.

ECL staging of the loan portfolio:

Stage 1 (12 month ECL): £0.4 million (2025: £0.4 million)

The Stage 1 allowance relates almost entirely to the British Council loan, whose credit risk is assessed as low, reflecting its short remaining term and the expectation of continued UK Government support where required.

Stage 2 (lifetime ECL): £20.5 million (2025: £22.5 million)

Other bilateral and multilateral sovereign loans are classified in Stage 2 where credit risk has increased relative to initial recognition. These loans are sensitive to economic, fiscal and political developments in partner countries and have long repayment horizons. The lifetime ECL reflects updated assessments of default history, sovereign credit ratings, programme intelligence and forward looking economic indicators.

Stage 3: £nil (2025: £nil)

No loans were classified as credit impaired at 31 March 2026.

2. Financial guarantee portfolio:

Financial guarantees represent the department's most significant credit exposure. Guarantees are issued in support of sovereign borrowers, including Ukraine, India, Iraq, Egypt, Jordan and Gibraltar, as well as to portfolios managed by multilateral development banks such as the African Development Bank (Room to Run) and Asian Development Bank (IFFEd and IFCAP).

At 31 March 2026, the maximum undiscounted exposure under these guarantees was £7.6 billion, with a corresponding lifetime ECL of £995.6 million (2025: £1,093.5 million). The valuation reflects sovereign credit rating data, economic analysis, modelling inputs and forward looking scenario assessments.

ECL staging of the financial guarantee portfolio:

Consistent with the FReM, guarantees are measured at lifetime expected credit losses from initial recognition.

7. Financial Instruments (continued)

3. Trade receivables:

Trade receivables arise from operational activities and typically exhibit low levels of default. A lifetime ECL of £14.4 million (2025: £5.1 million) was recognised at year end, applying the IFRS 9 simplified approach.

Movement in Expected Credit Losses

Expected credit losses decreased by £90.5 million from £1,121.4 million to £1,030.9 million during the year. A £55.7 million decrease was driven by a combination of more favourable underlying rates (including interest rates) applied to the guaranteed loans, and ongoing principal repayments during the year which reduced overall exposure. A further £34.8 million decrease was attributable to changes in credit risk ratings and associated assessments across loans, guarantees and trade receivables. These movements reflect the IFRS 9 requirement to incorporate unbiased forward looking information rather than relying solely on historical default experience.

Reconciliation of Expected Credit Losses

	Stage 1: Loss allowance based on 12 month ECLs	Stage 2: Loss allowance based on lifetime ECLs - not credit impaired	Stage 3: Loss allowance based on lifetime ECLs – credit impaired	Loss allowance based on lifetime ECLs for guarantees	Loss allowance based on lifetime ECLs for trade receivables	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2024	**284**	**40,323**	**–**	**722,886**	**5,151**	**768,644**
Impact of change to cashflows	15	(17,860)		368,560	(97)	350,618
Impact of change of credit rating assessment	63	–	–	2,095	–	2,158
Balance at 31 March 2025	**362**	**22,463**	**–**	**1,093,541**	**5,054**	**1,121,420**
Impact of change to cashflows	–	–	–	(55,697)	–	(55,697)
Impact of change of credit rating assessment	(4)	(1,949)	–	(42,262)	9,394	(34,821)
Balance at 31 March 2026	**358**	**20,514**	**–**	**995,582**	**14,448**	**1,030,902**

Credit quality of loans held at amortised cost

	2025-26			2024-25		
	Stage 1 £000	Stage 2 £000	Stage 3 £000	Stage 1 £000	Stage 2 £000	Stage 3 £000
Loan balance excluding allowances:						
Neither past due nor credit-impaired	1,173,234	–	–	1,178,342	–	–
Past due but not credit-impaired	–	38,464	–	–	40,039	–
Credit-impaired	–	–	–	–	–	–
Less: impairment allowances	(358)	(20,514)	–	(362)	(22,463)	–
Loan balance net of allowances	**1,172,876**	**17,950**	**–**	**1,177,980**	**17,576**	**–**

7. Financial Instruments (continued)

7.4 Liquidity risk

Liquidity risk is the risk that the Department may encounter difficulty in meeting its financial obligations as they fall due, because the timing of expected cash inflows does not align with the timing of required cash outflows, or because of the materialisation of unanticipated liabilities. For financial instruments, this can arise where repayments, recoveries or reflows are delayed, or where obligations such as guarantee calls occur unexpectedly.

The Department manages liquidity risk by monitoring the timing of cash outflows associated with its financial liabilities wherever possible, including trade payables, guarantee obligations and other contractual commitments. Forecast cash requirements are reviewed regularly and incorporated into the annual Estimates process. Funding to meet obligations is accessed through voted Supply, subject to HM Treasury and parliamentary controls. Such approval for the amounts has already been provided until 2028-29 and 2029-30 for capital commitments.

	2025-26				
	Within 1 year Due on demand £000	Within 1 year Not due on demand £000	1-5 years £000	Over 5 years £000	Total £000
Non-Derivative Financial Liabilities					
Financial Guarantees	–	1,028,140	1,705,038	4,872,328	7,605,506
Trade and Other Payables	6,263,245	878,168	25,907	–	7,167,320
Lease Liabilities	–	125,218	224,232	338,500	687,950
Derivative Financial Liabilities					
Forward Currency Contracts	–	–	–	–	–

	2024-25				
	Within 1 year Due on demand £000	Within 1 year Not due on demand £000	1-5 years £000	Over 5 years £000	Total £000
Non-Derivative Financial Liabilities					
Financial Guarantees	–	583,623	2,106,678	5,520,130	8,210,431
Trade and Other Payables	6,117,898	854,759	30,261	–	7,002,918
Lease Liabilities	–	121,628	264,151	328,302	714,081
Derivative Financial Liabilities					
Forward Currency Contracts	–	4,213	–	–	4,213

7.5 Concentration risk

In accordance with its Risk Management Framework, the FCDO monitors single country concentration risk in relation to its portfolio of financial guarantees and reports on this at its Financial Transactions Steering Board. Further details on the FCDO's financial guarantees are covered in Note 13.

8. Cash and cash equivalents

Cash balances at the Government Banking Service were held in sterling. No interest is earned on cash balances held at the Government Banking Service. Local commercial bank accounts and imprest balances are held in a variety of local currencies.

	2025-26		2024-25	
	Department & Agencies	Departmental Group	Department & Agencies	Departmental Group
	£000	£000	£000	£000
Balance at 1 April	252,691	256,490	227,721	233,511
Net change in cash balances	(67,894)	(65,033)	24,970	22,979
Balance at 31 March 2026	**184,797**	**191,457**	**252,691**	**256,490**
Of which:				
Cash and cash equivalents	184,797	191,457	252,691	256,490
Bank overdraft	–	–	–	–
Balance at 31 March 2026	**184,797**	**191,457**	**252,691**	**256,490**
The following balances and overdrafts were held at 31 March:				
Government Banking Service	80,638	80,638	104,885	104,885
Government Banking Service – NDPB	–	3,041	–	996
Commercial banks and cash in hand UK and overseas	104,159	107,778	147,806	150,609
Balance at 31 March 2026	**184,797**	**191,457**	**252,691**	**256,490**

Reconciliation of liabilities arising from financing activities

			Non-Cash Changes				
	31 March 2025	Cash flows	Acquisition	Forex Movements	Fair value changes	Other changes	31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Supply	248,935	10,955,809	–	–	–	(11,025,992)	178,752
Lease Liabilities	658,046	(148,210)	67,823	(2,317)	–	36,778	612,120
PFI Liabilities	15,091	(1,712)	–	–	–	–	13,379
Total liabilities from financing activities	**922,072**	**10,805,887**	**67,823**	**(2,317)**	**–**	**(10,989,214)**	**804,251**

			Non-Cash Changes				
	31 March 2024	Cash flows	Acquisition	Forex Movements	Fair value changes	Other changes	31 March 2025
	£000	£000	£000	£000	£000	£000	£000
Supply	220,777	11,092,528	–	–	–	(11,064,370)	248,935
Lease Liabilities	690,127	(151,925)	68,223	(10,288)	–	61,909	658,046
PFI Liabilities	17,959	(2,868)	–	–	–	–	15,091
Total liabilities from financing activities	**928,863**	**10,937,735**	**68,223**	**(10,288)**	**–**	**(11,002,461)**	**922,072**

9. Trade receivables, financial and other assets

	2025-26		2024-25	
	Department & Agencies	Departmental Group	Department & Agencies	Departmental Group
	£000	£000	£000	£000
Amounts Falling Due Within 1 Year				
Development capital loans	731	731	400	400
Bilateral and multilateral loans	46,359	46,359	46,351	46,351
Trade receivables	14,275	14,980	32,540	34,097
Other receivables	71,495	65,112	65,754	65,765
Deposits and advances	9,438	9,505	9,231	9,586
Prepayments	221,787	224,313	276,275	277,272
Contract assets	24,389	24,894	18,271	19,417
	388,474	**385,894**	**448,822**	**452,888**
Amounts Falling Due After 1 Year				
Other receivables	196,645	196,645	196,640	196,640
Bilateral and multilateral loans	947,824	947,824	952,565	952,565
Development capital loans	4,408	4,408	4,739	4,739
	1,148,877	**1,148,877**	**1,153,944**	**1,153,944**
Total	**1,537,351**	**1,534,771**	**1,602,766**	**1,606,832**

Other receivables falling due after 1 year includes the British Council loan of £197 million (adjusted for expected credit losses). The loan was due for repayment on 30 September 2026, however the FCDO has committed to extending the loan until 30 September 2027 while the longer term restructure of the loan is being worked through.

10. Trade payables and other liabilities

10.1 Analysis by type

		2025-26		2024-25	
	Note	Department & Agencies	Departmental Group	Department & Agencies	Departmental Group
Amounts Falling Due Within 1 Year					
Other taxation and social security		2,459	2,596	2,589	2,723
Trade payables		61,499	62,624	71,114	72,184
Other payables		2,592	2,580	87,983	87,986
Accruals		789,502	795,003	681,217	682,647
Contract liabilities		11,266	12,596	4,554	6,791
Promissory notes: due on demand	10.2	6,263,245	6,263,245	6,117,898	6,117,898
Capital and interest elements of PFI contracts	17	2,769	2,769	2,428	2,428
Total excluding amounts due to the Consolidated Fund		**7,133,332**	**7,141,413**	**6,967,783**	**6,972,657**
Amounts issued from the Consolidated Fund for supply but not spent		178,752	178,752	248,935	248,935
Income due to be paid to the Consolidated Fund		6,045	6,045	3,756	3,756
		7,318,129	**7,326,210**	**7,220,474**	**7,225,348**
Amounts Falling Due After 1 Year					
Payables, accruals and contract liabilities		15,241	15,297	17,598	17,598
Capital and interest elements of PFI contracts	17	10,610	10,610	12,663	12,663
		25,851	**25,907**	**30,261**	**30,261**
Total		**7,343,980**	**7,352,117**	**7,250,735**	**7,255,609**

10.2 Promissory notes payable: movement during the year

	Departmental Group £000
Balance at 31 March 2024	5,683,930
New notes deposited in year	2,194,368
Cash drawn down against notes previously issued	(1,760,402)
Foreign exchange gains/(losses)	2
Balance at 31 March 2025	**6,117,898**
New notes deposited in year	2,300,480
Cash drawn down against notes previously issued	(2,155,036)
Foreign exchange gains/(losses)	(97)
Balance at 31 March 2026	**6,263,245**

Promissory notes payable have been classified as financial liabilities at amortised cost. They have been shown as due within 1 year, as they are legally payable on demand, so the maturity profile in the Consolidated Statement of Financial Position, and in Note 7, shows the earliest date at which they could be payable. Included within promissory notes payable is an amount of £1,904.5 million which is expected to be encashed within 1 year and £4,358.5 million which is expected to be encashed after 1 year based on non-legally binding encashment schedules. Promissory notes deposited in year include £480 million relating to BII additional investment as detailed in Note 6 and £1,820.4 million relating to grants as detailed in Note 3.

10. Trade payables and other liabilities (continued)

10.3 Promissory notes payable: analysis by institution

	At 31 March 2026	At 31 March 2025
	£000	£000
International Development Association	1,808,683	2,247,560
BII	1,826,300	1,396,000
African Development Fund	569,152	460,613
International Bank for Reconstruction and Development	1,667,562	1,627,815
Caribbean Development Bank	57,557	58,190
World Health Organisation	28,000	75,000
Private Infrastructure Development Group	136,374	101,374
Asian Development Fund	50,787	54,098
European Bank for Reconstruction and Development	–	5,950
International Finance Corporation	45,145	37,673
Multilateral Investment Guarantee Agency	3,098	3,098
Renewable Energy Performance Platform	10,280	32,361
IBRD Territorios Forestalos Sostenibles (TEFOS)	3,010	15,910
UNODC Territorios Forestalos Sostenibles (TEFOS)	–	2,256
Sustainable Infrastructure Programme	32,416	–
Norwegian Development Agency	4,500	–
Alliance for Green Infrastructure in Africa	9,681	–
Pacific Clean Energy Programme	10,700	–
Total	**6,263,245**	**6,117,898**

11. Provisions

11.1 Analysis of Movement

	2025-26					
	IFFIm £000	IFFIm – COVAX £000	IFFIm – Gavi £000	Terminal Gratuities £000	Other £000	Total £000
Balance at 1 April 2025	171,229	241,549	402,602	60,166	79,264	954,810
Provided in year	–	–	–	10,318	121,122	131,440
Provisions not required written back	–	–	–	–	(42,794)	(42,794)
Provisions utilised in the year	(80,871)	(53,333)	–	(7,597)	(29,033)	(170,834)
Changes in discount rate	315	1,483	3,806	–	–	5,604
Unwinding of discount/(initial discount on recognition of provision)	4,602	8,761	16,225	–	–	29,588
Foreign exchange unrealised (gain)/loss	–	–	–	(642)	–	(642)
Balance at 31 March 2026	**95,275**	**198,460**	**422,633**	**62,245**	**128,559**	**907,172**

	2024-25					
	IFFIm £000	IFFIm – COVAX £000	IFFIm – Gavi £000	Terminal Gratuities £000	Other £000	Total £000
Balance at 1 April 2024	259,730	283,084	385,000	58,210	23,253	1,009,277
Provided in year	–	–	–	9,980	64,748	74,728
Provisions not required written back	–	–	–	–	(6,223)	(6,223)
Provisions utilised in the year	(96,998)	(53,333)	–	(5,866)	(2,514)	(158,711)
Changes in discount rate	430	1,310	3,015	–	–	4,755
Unwinding of discount/(initial discount on recognition of provision)	8,067	10,488	14,587	–	–	33,142
Foreign exchange unrealised (gain)/loss	–	–	–	(2,158)	–	(2,158)
Balance at 31 March 2025	**171,229**	**241,549**	**402,602**	**60,166**	**79,264**	**954,810**

11.2 Analysis of Expected Timing of Discounted Cash Flows

	2025-26					
	IFFIm £000	IFFIm – COVAX £000	IFFIm – Gavi £000	Terminal Gratuities £000	Other £000	Total £000
Not later than 1 year	64,283	52,310	63,753	4,430	89,158	273,934
Later than 1 year but not later than 5 years	30,992	146,150	358,880	12,570	35,340	583,932
Later than 5 years	–	–	–	45,245	4,061	49,306
Balance at 31 March 2026	**95,275**	**198,460**	**422,633**	**62,245**	**128,559**	**907,172**

	2024-25					
	IFFIm £000	IFFIm – COVAX £000	IFFIm – Gavi £000	Terminal Gratuities £000	Other £000	Total £000
Not later than 1 year	79,948	52,202	–	3,918	62,515	198,583
Later than 1 year but not later than 5 years	91,281	189,347	402,602	11,370	12,046	706,646
Later than 5 years	–	–	–	44,878	4,703	49,581
Balance at 31 March 2025	**171,229**	**241,549**	**402,602**	**60,166**	**79,264**	**954,810**

11. Provisions (continued)

International Finance Facility for Immunisation (IFFIm)

The International Finance Facility for Immunisation (IFFIm) is an international development financing institution that provides funding to Gavi, the Vaccine Alliance, and is supported by sovereign donors (www.iffim.org). IFFIm raises finance in the international capital markets to provide funding to Gavi in the near term, backed by longer term donor pledges.

In 2006, the UK entered into two legally binding agreements with IFFIm, pledging £1,630.0 million. These agreements set out bi annual payment obligations from April 2007 to October 2029. In 2020-21, the UK made an additional legally binding pledge of £500.0 million to IFFIm to support the Gavi COVID 19 Vaccines Advanced Market Commitment (COVAX AMC), with annual payment obligations from October 2022 to October 2029. In 2022-23, the UK pledged a further £461.0 million to IFFIm in support of Gavi, through a legally binding agreement with annual payment obligations from October 2026 to October 2029. This latter pledge is not linked to a specific immunisation programme and is closely aligned in structure to the original IFFIm arrangements.

For each agreement, the signing of the legally binding contract represents the recognition point for the provision. While the timing of payments is defined, the value of individual payments remains uncertain until the final notice for each payment is issued to the FCDO. Payment amounts may be adjusted in accordance with formulas set out in the IFFIm grant agreements, which allow for reductions where specified countries named in the agreements are in protracted arrears to the International Monetary Fund. Historically, the maximum reduction applied has not exceeded 4%. In the current year, no reduction has been applied, as none of the specified countries are in protracted arrears.

Provisions are measured as the total of the FCDO's expected remaining payments, adjusted for any applicable arrears-related reductions at the reporting date, and discounted using nominal discount rates set by HM Treasury (3.64% for periods between 0 and 5 years, 4.22% for periods between 5 and 10 years, and 5.32% for periods exceeding 10 years, at 31 March 2026).

At 31 March 2026, the UK's liabilities, measured on a net present value basis and after deducting payments already made, are £95.3 million for IFFIm, £198.5 million for IFFIm COVAX, and £422.6 million for IFFIm Gavi.

Terminal Gratuities

Depending on local employment law and established practice at individual overseas posts, the FCDO may operate terminal gratuity arrangements for locally engaged staff. These arrangements are not formal pension schemes but allow the Department to recognise a liability for future payments to employees. Terminal gratuities are typically payable on retirement or when an employee leaves service, subject to the terms and conditions applicable in each country.

As employees complete each year of service, they build up an entitlement under the relevant terminal gratuity arrangement. The value of the provision attributable to each employee increases over time and becomes payable where the employee meets the eligibility conditions of the scheme.

The FCDO accounts for the terminal gratuities liability as a provision under IAS 37 rather than Employee Benefit under IAS 19. The FCDO assessed that the difference between applying IAS 37 and IAS 19 did not generate a material difference to the accounts.

Other Provisions

Other provisions are mainly for staff related liabilities, including the costs of voluntary exit payments and early retirement payments and claims made against the Department. These provisions also include claims made by third parties and liabilities arising from other estate related commitments.

12. Contingent Assets and Contingent Liabilities

12.1 Contingent Assets

Actis

On 30 April 2012, the FCDO entered into a legally binding sale agreement with the management of Actis LLP ("Actis") for the disposal of the department's 40% shareholding in Actis, a fund management entity. Under the terms of the agreement, the shareholding was sold to Actis management in return for cash consideration totalling US$13.0 million (£9 million), together with an entitlement to a share of Actis management's carried interest, comprising a 10% interest in Actis Fund 3 and a 7.5% interest in Actis Fund 4.

Carried interest represents a share of profits generated by the funds over the period from the date of the sale agreement until the expiry of the respective funds. Payments are contingent on the performance of the funds as a whole and become payable only once a predetermined hurdle rate (the minimum required rate of return) has been achieved.

As the value of carried interest is dependent on future investment performance, it is not possible to measure the value of this element of the sale proceeds reliably. Accordingly, the FCDO recognises carried interest as additional sale proceeds only when the amount has been determined as payable and confirmed through an external audit of Actis and the relevant funds. The FCDO received £44k in the year to 31 March 2026 (2024-25: £1.3 million).

EIB ACP Investment Reflows

The European Investment Bank's (EIB) African, Caribbean and Pacific (ACP) Investment Facility is part of the European Fund for Sustainable Development and the EU External Investment Plan. A total of €3.7 billion of EDF contributions (including UK contributions) has been committed to a revolving fund in the Investment Facility, which invests in assets (e.g. loans, equity) that generate reflows for reinvestment.

Under the EU/UK Withdrawal Agreement (Article 152) the UK's share of the Investment Facility shall be reimbursed to the UK as the investments mature.

By the end of 2022, the UK share of the Investment Facility to be reimbursed was estimated to be around €500 million, less any losses. The FCDO has not recognised the full amount as a receivable on the Statement of Financial Position, as both the timing and value of reflows are uncertain and depend on investments maturing profitably. The balance is therefore treated as a contingent asset, since its realisation is dependent on future events outside the FCDO's control and is not considered virtually certain at the reporting date.

The FCDO recognises this reimbursement as income in the period in which it is received. In 2025-26 the FCDO received £74.9 million (2024-25 £38.7 million).

12. Contingent Assets and Contingent Liabilities (continued)

12.2 Contingent Liabilities

The Department has the following quantifiable non-remote contingent liabilities:

	1 April 2025	Increase in year	Liabilities crystallised in year	Obligations expired in year	31 March 2026
	£000	£000	£000	£000	£000
Contributions due to IFIs	950,565	120,000	(978,000)	–	92,565
EIB Guarantees	234,634	14,428	–	–	249,062
Callable Capital – GuarantCo	130,000	–	–	–	130,000
Pension liability – CABI	19,510	–	–	(2,180)	17,330
Dilapidations	4,848	–	–	(3,418)	1,430
Legal claims	841,527	337,305	(60)	(34,119)	1,144,653
Total contingent liabilities	**2,181,084**	**471,733**	**(978,060)**	**(39,717)**	**1,635,040**

Contingent liabilities of £92.6 million (2024-25: £950.6 million) relate to contributions due to International Financial Institutions (IFIs). These amounts are subject to future performance conditions which, although approved by Parliament, are not yet supported by promissory notes or cash payments. The movement in the year reflects a significant amount of pledges being deposited via promissory notes, therefore no longer meeting the criteria to be accounted for as a contingent liability.

Contingent liabilities of £249.1 million (2024-25: £234.6 million) relate to the UK's share of EU Member States' collective guarantees of the EIB's lending under the Cotonou I, II and III Agreements and the Decision on the Association of Overseas Countries and Territories with the European Economic Community. These guarantees support investment projects in African, Caribbean and Pacific States and in Overseas Countries and Territories. The EIB maintains Loan Loss Cover Accounts (LLCA) which are expected to meet any initial calls on the guarantees. Only when the balance in the applicable LLCA is fully utilised will there be a request for payment from Member States. Given the significant balances held in the LLCA accounts and the EIB's assessment of low credit risk, the probability of a call on Member States is considered to be low.

Contingent liabilities of £130.0 million (2024-25: £130.0 million) relate to callable capital commitments to GuarantCo Ltd ("GuarantCo"). GuarantCo provides high grade, local currency denominated guarantees in support of infrastructure projects in low income countries and is financed through a combination of debt and equity. Callable capital may be drawn if GuarantCo's cash balance falls below specified thresholds, designed to ensure compliance with its required debt to equity ratios and to preserve its credit rating. Based on current projections, which are subject to regular monitoring, a call on this capital is not expected within the next 12 months. The FCDO also holds a financial investment in GuarantCo in the form of a debt instrument and participates in GuarantCo through the PIDG Group of investments.

A contingent liability of £17.3 million (2024-25: £19.5 million) relates to the UK's membership of CABI, an intergovernmental organisation established under a UN-level treaty. In the event of CABI's dissolution, assets would be distributed and liabilities met by member governments in proportion to their contributions. At 31 March 2026, the crystallisation of this liability is considered unlikely, reflecting preventive actions taken following intervention by the UK Pensions Regulator.

12. Contingent Assets and Contingent Liabilities (continued)

Dilapidation provisions represent the estimated expenditure required to return leased buildings to their original condition at the end of lease terms. Such costs are inherently uncertain, as obligations are subject to negotiation at lease exit. The FCDO recognises provisions for dilapidation costs when these can be estimated reliably, typically around three years prior to lease expiry. Other potential future dilapidation obligations are treated as contingent liabilities. For 2025-26, the estimated contingent liability for dilapidations is £1.4 million, based on extrapolating actual dilapidation costs incurred in 2025-26 across the full lease portfolio and using a two year rolling average to calculate potential future dilapidation exposure across the lease portfolio. This approach mitigates the impact of year on year fluctuations.

All other contingent liabilities are either not individually material or are not disclosed separately for reasons of commercial or legal sensitivity. These include various forms of litigation, such as employment disputes, consular matters and sanctions related cases. Potential liabilities arising from sanctions challenges are considered unquantifiable due to limited legal precedent and uncertainty regarding the number and nature of future claims. Other risks include estate related legal actions in respect of overseas properties.

In addition to the contingent liabilities disclosed in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the FCDO also reports certain statutory and non statutory contingent liabilities for parliamentary accountability purposes. These relate to cases where the likelihood of a transfer of economic benefits is remote but which have been disclosed to Parliament in accordance with HM Treasury's Managing Public Money. Further details are provided in the Parliamentary Accountability Report.

12.3 Indemnities

The FCDO previously reported an indemnity of up to £3.0 million, provided in 2021 in respect of the British Virgin Islands Commission of Inquiry. During 2025-26, following the conclusion of the Commission, the lifting of the related Order in Council with effect from 13 March 2026, and the absence of any legal proceedings, the likelihood of the indemnity being called was reassessed as being remote and is therefore now disclosed within the Parliamentary Accountability Report.

13. Financial Guarantees

At 31 March 2026, the total outstanding amounts and corresponding fair values of our financial guarantees are as follows:

	2025-26			2024-25		
	Guaranteed amount outstanding Currency 000	Guaranteed amount outstanding £000	Fair Value £000	Guaranteed amount outstanding Currency 000	Guaranteed amount outstanding £000	Fair Value £000
Government of Egypt (USD)	$241,642	182,776	37,364	$268,452	207,532	43,416
Republic of Iraq (USD)	$342,732	259,239	43,404	$396,380	306,431	50,154
Hashemite Kingdom of Jordan (USD)	$281,382	212,834	9,128	$312,442	241,540	11,316
Government of Ukraine (USD)	$4,402,489	3,329,997	430,622	$4,786,116	3,700,014	475,252
Government of Ukraine (EUR)	€557,474	484,225	74,133	€553,607	463,383	69,312
African Development Bank (USD) (R2R)	$1,599,900	1,210,148	191,539	$1,599,900	1,236,838	224,018
Government of India (USD)	$1,495,115	1,130,890	13,924	$1,670,522	1,291,435	17,535
Asian Development Bank (USD) (IFFEd)	$102,000	77,151	8,418	$102,000	78,853	3,070
Ukrenergo (USD)	$36,216	31,457	5,767	$51,307	42,945	8,973
Government of Gibraltar (GBP)	–	475,000	–	–	425,000	40
Asian Development Bank (USD) (IFCAP)	$280,000	211,789	181,283	$280,000	216,460	190,455
Total Guarantees		**7,605,506**	**995,582**		**8,210,431**	**1,093,541**

The movement in the department's financial guarantees during 2025-26 is shown below

	1 April 2025 £000	Increase in year £000	Liabilities crystallised in year £000	Obligations expired in year £000	31 March 2026 £000
Government of Egypt	207,532	–	–	(24,756)	182,776
Republic of Iraq	306,431	–	–	(47,192)	259,239
Hashemite Kingdom of Jordan	241,540	–	–	(28,706)	212,834
Government of Ukraine	4,163,397	20,842	–	(370,017)	3,814,222
African Development Bank (R2R)	1,236,838	–	–	(26,690)	1,210,148
Government of India	1,291,435	–	–	(160,545)	1,130,890
Asian Development Bank (IFFEd)	78,853	–	–	(1,702)	77,151
Ukrenergo	42,945	–	–	(11,488)	31,457
Government of Gibraltar	425,000	50,000	–	–	475,000
Asian Development Bank (IFCAP)	216,460	–	–	(4,671)	211,789
Total Guarantees	**8,210,431**	**70,842**	**–**	**(675,767)**	**7,605,506**

13.1 Nature and purpose of financial guarantees

Financial guarantees represent contractual commitments by the FCDO to compensate lenders in the event that specified borrowers fail to meet their debt obligations. Amongst other things, the FCDO uses financial guarantees to support development, climate, education and crisis response objectives by enabling MDBs and commercial lenders to provide finance on more favourable terms than would otherwise be available.

The FCDO's guarantees include single country sovereign guarantees, portfolio guarantees covering pools of sovereign lending, and a small number of non sovereign guarantees. Most MDB development guarantees are structured so that a borrower default does not trigger payment of the full guaranteed amount. Instead, each guaranteed loan repayment is treated as a distinct credit event. As a result, over the life of a guarantee facility the FCDO may be exposed to multiple default events rather than a single crystallisation of the full outstanding exposure.

13. Financial Guarantees (continued)

13.2 Accounting treatment and measurement

Financial guarantees are accounted for in accordance with IFRS 9 – Financial Instruments, as adapted for the public sector by the Government Financial Reporting Manual (FReM).

All financial guarantees are recognised as financial liabilities on the Consolidated Statement of Financial Position and are measured at fair value at the reporting date. Where a guarantee is issued below fair value and there is no active market or observable market equivalent (which applies to all of the FCDO's guarantees) the FReM requires fair value to be determined using lifetime Expected Credit Losses (ECLs) rather than the transaction price.

IFRS 9 requires lifetime ECLs to reflect:

» an unbiased and probability weighted amount, determined by evaluating a range of possible outcomes;

» reasonable and supportable information, including historical experience and forward looking considerations, available without undue cost or effort; and

» the time value of money, through discounting expected losses to the reporting date.

The FCDO's valuation methodology, described below in section 13.4, has been designed to meet these requirements.

13.3 Overview of the Guarantee portfolio

Single country sovereign guarantees

The FCDO guarantees loans provided by the International Bank for Reconstruction and Development (IBRD) to the governments of Egypt, Iraq, Jordan, Ukraine and India. These guarantees were issued between 2017 and 2025 and cover repayment of principal and interest over long maturities. All were issued in non active markets with no fee charged.

As a result, they are valued using discounted lifetime ECLs. The key contractual terms of these arrangements are summarised in the table below.

Borrower	MDB	Year issued	Currency	Guaranteed principal	Loan term
Government of Egypt	IBRD	2018	USD	US$150.0m	35 years
Government of Iraq	IBRD	2017	USD	US$372.0m	18 years
Government of Jordan (Tranche 1)	IBRD	2019	USD	US$126.0m	34 years
Government of Jordan (Tranche 2)	IBRD	2020	USD	US$39.0m	34 years
Government of Ukraine (Tranche 1)	EBRD	2022	EUR	€426.0m	18.5 years
Government of Ukraine (Tranche 2)	IBRD	2023	USD	US$500.0m	19 years
Government of Ukraine (Tranche 3)	IBRD	2023	USD	US$500.0m	29 years
Government of Ukraine (Tranche 4)	IBRD	2024	USD	US$500.0m	19 years
Government of Ukraine (Tranche 5)	IBRD	2024	USD	US$516.2m	33.5 years
Government of Ukraine (Tranche 6)	IBRD	2025	USD	US$483.8m	30 years
Government of India	IBRD	2023	USD	US$1.0bn	22 years

13. Financial Guarantees (continued)

Portfolio guarantees

The FCDO has three portfolio guarantees: Room to Run (R2R), the International Finance Facility for Education (IFFEd) and the International Financing Facility for Climate in Asia and the Pacific (IFCAP). Unlike single country guarantees, these arrangements cover pools of sovereign lending rather than specific loans.

R2R provides second loss protection to the African Development Bank (AfDB), with private insurers providing first loss cover, thereby reducing the FCDO's overall credit risk. IFFEd provides pro rata protection against defaults across the sovereign lending portfolios of participating MDBs, currently the Asian Development Bank (ADB) and IBRD, with the UK's exposure capped. IFCAP provides first loss protection to the ADB on a reference portfolio of sovereign exposures, subject to country specific loss limits.

All portfolio guarantees were issued on terms that are significantly below fair value and are therefore measured using discounted lifetime ECLs. A summary of these arrangements is provided in the table below:

Guarantee	MDB	Structure	Countries covered	UK maximum exposure	Fee terms	Term	Valuation basis
R2R (2022)	AfDB	Second-loss	11	US$1.6bn	0.1% p.a., biannual	15 years	Lifetime ECL
IFFEd (2023)	IBRD, ADB	Pro-rata portfolio defaults	Full MDB lending portfolio	US$127m (split US$25m paid-in and US$102m contingent)	No fee	25 years	Lifetime ECL
IFCAP (2024)	ADB	First-loss with country limits	29	US$280m	23 bps p.a.	15 years	Lifetime ECL

Other guarantees

The FCDO also guarantees lending by the European Bank for Reconstruction and Development (EBRD) to Ukrenergo, a Ukrainian state owned electricity transmission operator, with exposure capped at €54.4 million until October 2027. In addition, the UK guarantees a £500 million revolving credit facility entered into by the Government of Gibraltar with NatWest. Neither arrangement was entered into in an active market and both are valued using discounted lifetime ECLs. Further details are provided in the table below.

Counterparty	Lender	Currency	Maximum exposure	Expiry	Valuation basis
Ukrenergo	EBRD	EUR	€54.4m	Oct 2027	Lifetime ECL
Government of Gibraltar	NatWest	GBP	£500m	Dec 2026	Lifetime ECL

13.4 Valuation methodology and application of IFRS 9

Single Country Guarantees

Defaults to MDBs are historically very rare, and there is limited observable data on losses following default. In order to measure ECLs in accordance with IFRS 9, the FCDO assesses probability of default (PD) using sovereign credit ratings and historical transition data, reflecting how sovereigns migrate between ratings (including into default) over time. A cumulative PD is applied, reflecting that exposures are limited to scheduled repayments and are not subject to acceleration.

13. Financial Guarantees (continued)

To identify a range of possible outcomes, the FCDO bases its scenario modelling on sovereign default data compiled by the Bank of Canada, updated in partnership with the Bank of England, covering the period from 1960 to 2024. This dataset includes defaults to MDBs and provides the most relevant historical evidence available.

For single country sovereign guarantees, the FCDO models a range of default duration scenarios, reflecting uncertainty over both whether a default will occur and how long it may take for a country to recover if default occurs. These scenarios range from short term recovery to permanent (perpetual) default.

The probability applied to each scenario is derived from historical IBRD default experience and adjusted using World Bank sovereign income classifications, reflecting evidence that defaults are more frequent and more prolonged in lower income countries.

Portfolio guarantees

For portfolio guarantees (R2R and IFCAP), the FCDO is exposed to a defined number of sovereign repayments rather than one defined borrower. As a result, the approach to estimating expected credit losses differs from that used for single country guarantees and applies portfolio level (marginal) probabilities of default.

A scenario weighted loss given default (LGD) is applied within the modelling to reflect both the expected duration of default and the likelihood of recovery, using the same default duration scenarios as for single country guarantees. This enables the model to capture multiple default events over the life of a guarantee.

For IFFEd, the FCDO's exposure relates to a small share of large MDB sovereign portfolios. PD is therefore based on historical MDB default rates, rather than individual sovereign assessment. As the portfolio does not enter or exit default uniformly, expected credit losses are derived using probability-weighted scenarios based on historical MDB default experience, consistent with IFRS 9.

Other Guarantees

For Ukrenergo, the approach follows single country guarantees but is adjusted to reflect the short remaining loan term, limiting the range of scenarios modelled.

For Gibraltar, a proxy sovereign credit rating is applied. The loan structure involves a single bullet repayment, resulting in a single loss scenario.

Discounting

As required by IFRS 9, all lifetime ECLs are discounted to the reporting date using HM Treasury discount rates to reflect the time value of money. The discount rate applied at 31 March 2026 was 2.45% (31 March 2025: 2.15%).

13.5 Estimation uncertainty and sensitivity analysis

The valuation of financial guarantees issued below fair value in non active markets is subject to estimation uncertainty. The principal sources of estimation uncertainty relate to assumptions about the likelihood of sovereign default, the duration of any default before recovery, and the resulting loss given default. Given the limited historical incidence of sovereign defaults to multilateral development banks, a range of plausible recovery scenarios is modelled and probability weighted in accordance with IFRS 9. Sensitivity analysis is used to illustrate the potential impact of alternative assumptions on the portfolio valuation.

13. Financial Guarantees (continued)

At 31 March 2026, the best estimate of the fair value of the FCDO's financial guarantee portfolio was £995.6 million (2025: £1,093.5 million). Sensitivity analysis has been performed to illustrate the potential impact of alternative but plausible assumptions. This includes modelling best case and worst case combinations of default duration, interest rates and exchange rates. For the Government of Gibraltar guarantee, additional sensitivity analysis is performed to reflect changes in the shadow sovereign credit rating and for IFFEd, alternative sensitivity analysis is performed to model MDB default rates as opposed to default duration.

This analysis results in an estimated minimum portfolio fair value of £339.3 million and a maximum of £3,149.0 million.

Because probability weightings are partly based on sovereign income classifications, changes to those classifications can materially affect valuations. The portfolio has significant exposure to Ukraine. At 31 March 2026, the fair value attributed to the Ukraine guarantees was £504.8 million, based on an upper middle income classification. If Ukraine were reclassified as lower middle income, the fair value would increase to £801.0 million. The remainder of the portfolio is already largely concentrated in lower income classifications and is therefore less sensitive to further deterioration.

13.6 Governance and oversight

The FCDO's portfolio of financial guarantees is overseen by a dedicated governance board reporting to the Investment and Delivery Committee. The board is responsible for setting strategy, maintaining the Contingent Liability Risk Framework, reviewing risk appetite, and overseeing the management of existing guarantees. All new guarantee proposals are assessed against the risk framework before being submitted to Ministers for approval.

13.7 Further information

Further information on individual guarantees is available in the related business cases published on DevTracker (https://devtracker.fcdo.gov.uk/).

14. Retirement Benefit Schemes

Retirement benefits for UK-based employees are provided through the Civil Service pension arrangements. Details are given in the Remuneration Report. For staff engaged overseas the FCDO observes local employment laws and, where local state pension provision does not meet the FCDO requirements, provides for the payment of pensions or other terminal benefits. Local staff terminal gratuities are provided at some Posts where other retirement schemes are not available or are insufficient. These are accounted for under IAS 37 and are included under Provisions shown in Note 11. Defined contribution schemes are operated at some Posts and the value of contributions in 2025-26, excluding contributions to local government schemes, was £5.7 million (2024-25: £5.6 million).

The FCDO also operates legacy defined benefit schemes in eight overseas locations. These are based on final salary and provide for pensions at retirement and for benefits on death or disablement in service. Posts retain responsibility for the stewardship of these schemes and funding is met by the FCDO out of in year resources. They are accounted for under IAS 19 and are subject to annual actuarial review. They are all closed to new members and are all funded other than for a scheme based in Cyprus (in respect of former BBC World Service staff who operated on the island) which is unfunded with the benefits being paid out of current resources. The estimated amount of contributions expected to be paid to the schemes in the next financial year is £0.5 million.

	2025-26			2024-25		
Pension Schemes Obligations (Liabilities)	**Funded Schemes £000**	**Unfunded Schemes £000**	**Total £000**	**Funded Schemes £000**	**Unfunded Schemes £000**	**Total £000**
Balance at 1 April	17,851	15,632	33,483	18,325	16,082	34,407
Employees contributions	98	–	98	97	–	97
Matched by annuity contracts	(90)	–	(90)	(41)	–	(41)
Interest cost	860	790	1,650	904	779	1,683
Changes in assumptions	(91)	(703)	(794)	(229)	209	(20)
Current service cost	261	–	261	238	–	238
Payments of pensions	(790)	(1,210)	(2,000)	(908)	(1,235)	(2,143)
Actuarial gains & losses	(7)	(859)	(866)	368	162	530
FX gain/loss	232	571	803	(903)	(365)	(1,268)
Balance at 31 March	**18,324**	**14,221**	**32,545**	**17,851**	**15,632**	**33,483**

	2025-26			2024-25		
FV Pension Schemes Assets	**Funded Schemes £000**	**Unfunded Schemes £000**	**Total £000**	**Funded Schemes £000**	**Unfunded Schemes £000**	**Total £000**
Balance at 1 April	22,776	–	22,776	23,734	–	23,734
Employees contributions	98	–	98	97	–	97
Matched by annuity contracts	(90)	–	(90)	(41)	–	(41)
Finance income	1,136	–	1,136	1,221	–	1,221
Employers contributions	(165)	–	(165)	39	–	39
Payments of pensions	(790)	–	(790)	(908)	–	(908)
Actuarial gains & losses	(849)	–	(849)	(186)	–	(186)
FX gain/loss	311	–	311	(1,180)	–	(1,180)
Balance at 31 March	**22,427**	**–**	**22,427**	**22,776**	**–**	**22,776**
Net Asset/(Liability)	**4,103**	**(14,221)**	**(10,118)**	**4,925**	**(15,632)**	**(10,707)**

15. Capital and Other Commitments

15.1 Capital Commitments

At 31 March 2026, the FCDO has undertaken the following contractual capital commitments, which are not otherwise included in these financial statements.

The increase in the value of Estates commitments reflects the increase in funding over the current spending review period. Significant projects are being undertaken in Tokyo, Nicosia, Lagos, Maputo and Baghdad.

	2025-26		2024-25	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Estates Projects	111,609	111,609	65,579	65,579
IT Infrastructure	8,125	8,125	3,140	3,140
Vehicles	423	423	262	262
	120,157	**120,157**	**68,981**	**68,981**

15.2 Other Financial Commitments

The FCDO has entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements), for contracts to support Estates Operations and IT services. The 2024–25 comparative figures have been restated to exclude contracts that, following further review, were determined not to represent enforceable financial commitments at the reporting date. The payments to which the Department are committed are disclosed below.

	2025-26		Restated 2024-25	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Not later than 1 year	59,387	59,387	48,262	48,262
Later than 1 year but not later than 5 years	15,966	15,966	11,446	11,446
Later than 5 years	109	109	344	344
	75,462	**75,462**	**60,052**	**60,052**

15.3 Other Financial Commitments – International Financial Institution Replenishments

The Department has committed to provide funding to International Financial Institutions (IFIs) under multilateral replenishment arrangements authorised through the relevant statutory instruments. These commitments will be settled through future cash payments in accordance with the relevant replenishment agreements, on receipt of requests from the IFIs.

The Department's outstanding commitments at the reporting date are set out below.

	2025-26		2024-25	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Not later than 1 year	711,250	711,250	–	–
Later than 1 year but not later than 5 years	1,035,090	1,035,090	–	–
Later than 5 years	–	–	–	–
	1,746,340	**1,746,340**	**–**	**–**

16. Leases

The majority of the FCDO's leases are for operational land and buildings, comprised of two distinct elements:

» Leases for offices and official residences. These are managed by chartered surveyors within the Estates team. Lease terms are taken out in the name of the Secretary of State and vary from 1 year to many years; and

» Residential Post Hirings. These are typically shorter agreements, leased in the name of the local UK Mission. Lease terms vary from a few months to four-five years, and exceptionally in a few locations, up to nine years.

There are 3,267 residential properties in the portfolio and 378 non-residential properties. The gross value of the residential properties is £465.8 million, with the non-residential properties having a gross value before depreciation of £629.6 million.

The most significant leases are:

» King Charles Street, which is held under a Terms of Occupation Agreement (TOA) with the Government Property Agency (GPA). Lease liability £298.4 million.

» UK Mission New York. Lease liability £33.3 million.

» Abercrombie House, held under a TOA with GPA. Lease liability £11.6 million.

» UK Embassy, Beijing. Lease liability £8.1 million.

» Abuja compound Nigeria. Lease liability £8.1million.

The FCDO lease valuation policy is set out in Note 1.18.

16.1 Quantitative disclosure around right of use assets

	2025-26					
	Land	Buildings excluding dwellings	Dwellings	Plant & Machinery	Vehicles	Total
Consolidated	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Cost or valuation						
At 1 April 2025	-	624,401	431,082	389	166	1,056,038
Additions	-	5,937	61,803	49	34	67,823
Disposals	-	(10,489)	(68,716)	(54)	(149)	(79,408)
Remeasurements	-	9,528	41,612	(182)	182	51,140
Dilapidations	-	270	–	–	–	270
At 31 March 2026	**-**	**629,647**	**465,781**	**202**	**233**	**1,095,863**
Depreciation						
At 1 April 2025	-	133,459	229,129	182	91	362,861
Charged in year	-	44,923	97,789	59	104	142,875
Disposals	-	(8,520)	(52,241)	(54)	(149)	(60,964)
Remeasurements	-		–	(50)	50	–
At 31 March 2026	**-**	**169,862**	**274,677**	**137**	**96**	**444,772**
Carrying Amount at 31 March 2026	**-**	**459,785**	**191,104**	**65**	**137**	**651,091**

16. Leases (continued)

Consolidated	2024-25 Land £000	Buildings excluding dwellings £000	Dwellings £000	Plant & Machinery £000	Vehicles £000	Total £000
Cost or valuation						
At 1 April 2024	–	621,408	365,855	267	211	987,741
Additions	–	6,098	61,972	153	–	68,223
Disposals	–	(10,104)	(45,330)	(34)	(45)	(55,513)
Remeasurements	–	6,310	48,585	3	–	54,898
Dilapidations	–	689	–	–	–	689
At 31 March 2025	**–**	**624,401**	**431,082**	**389**	**166**	**1,056,038**
Depreciation						
At 1 April 2024	–	94,974	162,052	161	107	257,294
Additions	–	47,760	97,832	54	29	145,675
Disposals	–	(9,619)	(30,755)	(33)	(45)	(40,452)
Remeasurements	–	344	–	–	–	344
At 31 March 2025	**–**	**133,459**	**229,129**	**182**	**91**	**362,861**
Carrying Amount at 31 March 2025	**–**	**490,942**	**201,953**	**207**	**75**	**693,177**

Right of use assets – Ground Leases

	2025-26 Non-residential Land £000	Buildings excluding dwellings £000	Residential Land £000	Dwellings £000	Total £000
Cost or valuation					
At 1 April 2025	41,912	993,333	43,222	798,944	1,877,411
Additions	–	–	–	–	–
Disposals	–	(277)	(648)	(194,487)	(195,412)
Impairments (net of reversals)	(323)	816	(857)	587	223
Revaluation	267	16,478	(1,143)	44,524	60,126
At 31 March 2026	**41,856**	**1,010,350**	**40,574**	**649,568**	**1,742,348**
Depreciation					
At 1 April 2025	–	558,305	–	594,292	1,152,597
Charged in year	–	21,328	–	12,602	33,930
Disposals	–	(197)	–	(194,250)	(194,447)
Impairments (net of reversals)	–	566	–	189	755
Revaluation	–	10,319	–	25,174	35,493
At 31 March 2026	**–**	**590,321**	**–**	**438,007**	**1,028,328**
Carrying amount at 31 March 2026	**41,856**	**420,029**	**40,574**	**211,561**	**714,020**

16. Leases (continued)

	2024-25				
	Non-residential Land	Buildings excluding dwellings	Residential Land	Dwellings	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2024	42,951	1,165,221	44,689	824,093	2,076,954
Additions	–	27	–	–	27
Disposals	–	(320,659)	(593)	(8,156)	(329,408)
Impairments (net of reversals)	(352)	(385)	(41)	1,598	820
Revaluation	(687)	149,129	(833)	(18,591)	129,018
At 31 March 2025	**41,912**	**993,333**	**43,222**	**798,944**	**1,877,411**
Depreciation					
At 1 April 2024	–	781,034	–	574,683	1,355,717
Charged in year	–	24,438	–	15,214	39,652
Disposals	–	(320,151)	–	(5,914)	(326,065)
Impairments (net of reversals)	–	(51)	–	646	595
Revaluation	–	73,035	–	9,663	82,698
At 31 March 2025	**–**	**558,305**	**–**	**594,292**	**1,152,597**
Carrying amount at 31 March 2025	**41,912**	**435,028**	**43,222**	**204,652**	**724,814**

16. Leases (continued)

16.2 Quantitative disclosures around lease liabilities

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is given below. The cash flows and balances are presented net of irrecoverable VAT.

	2025-26		2024-25	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Buildings excluding dwellings				
Not later than one year	51,872	51,939	43,904	44,020
Later than one year and not later than five years	145,496	145,546	171,614	171,614
Later than five years	321,900	321,900	312,262	312,262
Subtotal Buildings	519,268	519,385	527,780	527,896
Less: Unaccrued interest	(64,826)	(64,831)	(43,536)	(43,536)
Present value of obligations	**454,442**	**454,554**	**484,244**	**484,360**
Dwellings				
Not later than one year	73,183	73,183	77,477	77,477
Later than one year and not later than five years	78,546	78,546	92,376	92,376
Later than five years	16,600	16,600	16,040	16,040
Subtotal Dwellings	168,329	168,329	185,893	185,893
Less: Unaccrued interest	(10,978)	(10,978)	(12,474)	(12,474)
Present value of obligations	**157,351**	**157,351**	**173,419**	**173,419**
Other (Plant & Machinery and Vehicles)				
Not later than one year	96	96	131	131
Later than one year and not later than five years	140	140	161	161
Later than five years	–	–	–	–
Subtotal Other	236	236	292	292
Less: Unaccrued interest	(21)	(21)	(25)	(25)
Present value of obligations	**215**	**215**	**267**	**267**
TOTAL present value of obligations	**612,008**	**612,120**	**657,930**	**658,046**
Comprising:				
Current	110,178	110,241	112,454	112,570
Non-current	501,830	501,879	545,476	545,476
Balance at 31 March 2026	**612,008**	**612,120**	**657,930**	**658,046**

The FCDO and its departmental group have no borrowings and therefore use the HM Treasury issued discount rate which is updated on 1 January each year. 2026: 5.32% (2025: 4.81%).

16. Leases (continued)

16.3 Amounts recognised in the Consolidated Statement of Comprehensive Expenditure

		2025-26		2024-25	
	Note	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Interest on lease liabilities	3	12,556	12,561	11,545	11,546
Foreign exchange		(2,317)	(2,317)	(10,288)	(10,288)
Depreciation		176,754	176,805	185,064	185,327
Expenses relating to short-term liabilities		2,697	2,697	2,431	2,431
Expenses relating to leases of low value assets		1,669	1,669	1,017	1,017
Total		**191,360**	**191,416**	**189,769**	**190,033**

16.4 Amounts recognised in the Consolidated Statement of Cashflows

	2025-26		2024-25	
	Core Department & Agencies £000	Departmental Group £000	Core Department & Agencies £000	Departmental Group £000
Acquisition of right of use assets	249	257	755	755
Interest expense	12,556	12,561	11,545	11,546
Repayment of principal on leases	135,529	135,649	140,153	140,379
	148,334	**148,467**	**152,453**	**152,680**

17. Commitments under PFI Contracts and other service concession arrangements

17.1 On-CSoFP

Berlin Embassy

The contract in respect of the building, operation and maintenance of the British Embassy Berlin is for a term of 30 years from 23 June 2000 with an option to extend for a further 30 years. This is the only PFI contract the FCDO has entered into. The property meets the criteria determined by IFRIC 12, and therefore the embassy is included in the accounts within Property, Plant and Equipment. The initial capitalisation of the contract was reflected in the FCO's accounts for 2002-03.

	2025-26	2024-25
	£000	£000
Not later than 1 year	3,866	3,659
Later than 1 year but not later than 5 years	12,564	14,637
Later than 5 years	–	915
	16,430	**19,211**
Less Interest element	(3,051)	(4,120)
Present Value of obligations	**13,379**	**15,091**
The above liability is disclosed under Payables (Note 10) as follows:		
Amounts falling due within 1 year	2,769	2,428
Amounts falling due after 1 year	10,610	12,663
	13,379	**15,091**

Private Finance Initiative (PFI) transactions have been accounted for in accordance with HMT and FReM requirements. Where the terms of the PFI meet the definition of service concession arrangements in IFRIC 12 Service Concession Arrangements, the infrastructure asset is recognised as a non-current asset and the liability to pay for it is accounted for as a finance lease. Contract payments are apportioned between a reduction in the capital obligation and charges to the CSoCNE for service performance and finance cost.

17.2 Future charge to the CSoCNE for the service charge element

Contractual payments comprise two elements: imputed finance lease charges and service charges. The liability to pay for the Berlin Embassy is in substance a finance lease obligation.

	2025-26		2024-25	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
	£000	£000	£000	£000
Not later than 1 year	2,828	2,828	2,682	2,682
Later than 1 year but not later than 5 years	11,311	11,311	10,728	10,728
Later than 5 years	–	–	2,682	2,682
	14,139	**14,139**	**16,092**	**16,092**

18. Related Parties

The FCDO is the 100% shareholder in British International Investment plc. During the year to 31 March 2026 the FCDO subscribed for a further 480.0 million shares for £480.0 million consideration (2024-25: 880.0 million shares for £880.0 million consideration). These transactions were funded through the use of promissory notes (refer to Note 10).

The FCDO consolidates Wilton Park as an Executive Agency plus four Non-Departmental Public Bodies (NDPBs) and one advisory body.

In addition, the FCDO sponsors a number of bodies outside its accounting boundary (and therefore not consolidated in these accounts), including FCDO Services and the British Council as listed in the Corporate Governance Report on page 102. These bodies are regarded as related parties with which the Department has had various material transactions during the year.

The FCDO provides the One HMG platform overseas and consequently it has had regular transactions with the following Partners across Government:

- British Council
- Cabinet Office
- Department for Business and Trade
- HM Treasury (HMT)
- HM Revenue and Customs (HMRC)
- Home Office, including UK Visas and Immigration (UKVI)
- Ministry of Defence (MOD)
- National Crime Agency (NCA)

Beverley Tew, a non-executive director, is a Trustee of Plan International UK (a global children's charity) which received payments totalling £2,833,097 in 2025-26 (2024-25: £3,491,634). Plan International UK have a subsidiary, Social Development Direct, which received payments totalling £3,984,646 in 2025-26 (2024-25: £5,402,737).

Laure Beaufils, His Majesty's Ambassador for Manila and Overseas Network Representative, is a board member of Action Against Hunger UK which received payments from FCDO totalling £3,779,202.

Further to this, no minister, Board member, key manager or other related party has undertaken any material transactions with the Department during the year. Please refer to Section 2.2 Remuneration Report for details of salaries paid to ministers, Board members and senior managers. There are no potential conflicts of interest to report.

19. Entities within the departmental accounting boundary

Within its accounting boundary (and thus consolidated in these accounts) the FCDO has four Non-Departmental Public Bodies (NDPBs), one Executive Agency and one advisory NDPB. The entities within the boundary during 2025-26 were: Wilton Park Executive Agency, The Great Britain-China Centre (GBCC), The Marshall Aid Commemoration Commission (MACC), The Westminster Foundation for Democracy Limited (WFD) and the Commonwealth Scholarship Commission in the United Kingdom (CSC).

Advisory NDPBs

Income and expenditure for the FCDO in the current financial year incorporated financing of the Independent Commission for Aid Impact (ICAI), which is included within the core department and agencies columns of the Primary Statements. For more information on this entity, see page 101 of the Corporate Governance Statement.

20. Events after the reporting period

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

The FCDO has updated its disclosures in its financial statements to reflect information regarding certain events after the reporting period. None of the events provides evidence of conditions that existed at the end of the reporting period (adjusting events) and therefore no adjustments have been made to the financial statements.

On 14 April 2026, the Prime Minister, Sir Keir Starmer, laid a Written Ministerial Statement in Parliament announcing a Machinery of Government change impacting the FCDO. Management of the Integrated Security Fund (ISF), and associated funding, has permanently moved from the FCDO to the Cabinet Office effective from 1 April 2026. The ISF is the UK's cross-Government national security fund, which works to address major threats to the UK and its interests.

On 16 April 2026 Sir Olly Robbins left his role as Permanent Under-Secretary of the FCDO. On 13 July 2026 the former PUS launched a legal action for unfair dismissal. Second Permanent Under-Secretary, Nick Dyer is currently acting as Interim Permanent Under-Secretary.

On 6 May 2026, the FCDO signed a US$200 million guarantee for a World Bank loan to the Government of Egypt under the Generating Resilience, Opportunities and Welfare for Thriving Egypt (GROWTH) 2 Development Policy.

On 5 June, the FCDO signed a US$500 million guarantee for World Bank lending to the Government of Ukraine under the Social Protection Project for Inclusion, Resilience, Innovation and Transformation (SPIRIT).

On 2 July 2026, the FCDO signed a further guarantee of US$500 million to unlock World Bank lending to the Government of Ukraine under the First Ukraine Jobs and Private Sector Growth Development Policy Operation. Both of these guarantees form part of the US$3 billion commitment announced at the Ukraine Recovery Conference in June 2023.

The accounts do not reflect events after the date of the Comptroller & Auditor General's certification.

Midwives in Beni, eastern Democratic Republic of the Congo

SECTION 4

Annexes

Annex A: FCDO programme outturn

Annex A sets out the FCDO's actual ODA and Non–ODA programme resource outturn (actual spend) for 2025–26 and plans for the Spending Review (SR) period 2026–29.

It should be noted that country and regional figures do not reflect the full range of UK ODA spending in individual countries, as they do not include spend delivered via core contributions to multilateral organisations, or regional programmes delivered by the FCDO's central Departments. Similarly, spend on Policy Priorities, International Organisations and Humanitarian activity is presented under the responsible FCDO directorate or Department; these allocations do not necessarily show the full extent of the FCDO or UK ODA programming for each theme, as country and regional programming also deliver against themes.

Annex A does not show all UK ODA spend as other government Departments also contribute to country and thematic spending. Details of ODA spent by other UK Government Departments can be found in their Annual Reports and Accounts and in the Statistics for International Development. Provisional statistics for 2025 were published in April 2026 and final figures will be published in the autumn.

In 2025–26, the Government announced that the UK ODA budget will be gradually reduced to 0.3% of forecast GNI by 2027, to fund a necessary increase in spending on defence. The Department's ODA spending plans for 2026–29 reflect the trajectory of this reduction and how the UK is modernising its approach to development, in line with the Foreign Secretary's 19 March 2026 Written Ministerial Statement (HCWS1425) and Oral Statement to the House.

Setting three years of allocations provides the Department with the predictability required to effectively manage the transition to 0.3% of GNI. All future plans are subject to revision as, by its nature, the Department's work is dynamic. Programme allocations are continually reviewed to respond to changing global needs, including humanitarian crises and other ODA allocation decisions. Further detail is provided in the footnotes to the table.

Annex A is unaudited.

	2025–26 Programme Outturn			2026–27 Plans			2027–28 Plans			2028–29 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000
Regional Programmes[1,2,3]												
Africa	**1,447,186**	**1,318**	**1,448,504**	**817,800**	**21,410**	**839,210**	**727,500**	**17,410**	**744,910**	**676,400**	**17,410**	**693,810**
Africa Programmes and Expertise Department	141,523	–	141,523	22,000	–	22,000	23,000	–	23,000	24,000	–	24,000
Democratic Republic of the Congo	129,742	220	129,962	84,000	–	84,000	84,000	–	84,000	84,000	–	84,000
Ethiopia	175,512	16	175,528	87,600	–	87,600	81,500	–	81,500	80,500	–	80,500
Ghana	10,385	591	10,976	7,300	–	7,300	5,000	–	5,000	5,000	–	5,000
Kenya	66,937	2	66,939	31,500	–	31,500	15,800	–	15,800	5,000	–	5,000
Malawi	50,245	(3)	50,242	20,000	–	20,000	10,000	–	10,000	5,000	–	5,000
Mozambique	50,563	–	50,563	27,800	–	27,800	15,900	–	15,900	5,000	–	5,000
Nigeria	136,618	–	136,618	68,000	–	68,000	67,900	–	67,900	68,000	–	68,000
Other African countries[4]	2,528	241	2,769	1,900	–	1,900	1,900	–	1,900	1,900	–	1,900
Rwanda	28,124	3	28,127	12,100	–	12,100	6,600	–	6,600	5,000	–	5,000
Sahel Department[5]	101,528	–	101,528	67,800	–	67,800	67,800	–	67,800	67,800	–	67,800
Sierra Leone	16,094	–	16,094	9,000	–	9,000	5,000	–	5,000	5,000	–	5,000
Somalia	107,137	–	107,137	69,200	20,000	89,200	69,200	16,000	85,200	69,200	16,000	85,200
South Africa	14,603	228	14,831	10,500	–	10,500	6,000	–	6,000	–	–	–
South Sudan	118,565	–	118,565	72,200	–	72,200	72,200	–	72,200	72,200	–	72,200
Sudan	146,082	–	146,082	145,800	–	145,800	145,800	–	145,800	145,800	–	145,800
Tanzania	60,130	(9)	60,121	30,000	–	30,000	15,000	–	15,000	5,000	–	5,000
Uganda	42,981	(7)	42,974	20,000	–	20,000	18,000	–	18,000	18,000	–	18,000
Zambia	29,680	36	29,716	18,900	–	18,900	9,400	–	9,400	5,000	–	5,000
Zimbabwe	18,209	–	18,209	12,200	–	12,200	7,500	–	7,500	5,000	–	5,000
Americas & Small Island Developing States (SIDS)	**105,333**	**3,087**	**108,420**	**50,500**	**3,020**	**53,520**	**50,500**	**3,020**	**53,520**	**50,500**	**3,020**	**53,520**
Brazil	156	332	488	–	–	–	–	–	–	–	–	–
Canada	–	293	293	–	–	–	–	–	–	–	–	–
Caribbean Development Team[6]	98,542	20	98,562	45,500	–	45,500	45,500	–	45,500	45,500	–	45,500
Colombia	5,461	39	5,500	5,000	–	5,000	5,000	–	5,000	5,000	–	5,000
Mexico	41	309	350	–	–	–	–	–	–	–	–	–
Other American Countries[7]	1,035	1,441	2,476	–	–	–	–	–	–	–	–	–
United States of America	–	653	653	–	–	–	–	–	–	–	–	–
Venezuela	98	–	98	–	–	–	–	–	–	–	–	–

	2025–26 Programme Outturn			2026–27 Plans			2027–28 Plans			2028–29 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000
Asia Pacific[8]	**233,199**	**6,103**	**239,302**	**112,900**	**4,970**	**117,870**	**107,200**	**5,570**	**112,770**	**98,100**	**6,070**	**104,170**
ASEAN[9]	22,789	1,729	24,518	23,900		23,900	23,900		23,900	23,900		23,900
Indonesia	24,345	256	24,601	19,000		19,000	10,900		10,900			
Myanmar	92,819	99	92,918	55,300		55,300	55,300		55,300	55,300		55,300
Other North East Asia Countries and Territories[10]	906	2,707	3,613	–	–	–	–	–	–	–	–	–
Other South East Asia Pacific Countries[11]	92,340	1,312	93,652	–	–	–	–	–	–	–	–	–
Eastern Europe & Central Asia[12]	**265,543**	**995**	**266,538**	**252,900**	**1,190**	**254,090**	**252,900**	**1,090**	**253,990**	**252,900**	**990**	**253,890**
Central Asia[13]	16,975	–	16,975	–	–	–	–	–	–	–	–	–
Eastern Neighbourhood[14]	10,513	35	10,548	–	–	–	–	–	–	–	–	–
Other Eastern European & Central Asian Countries[15]	530	960	1,490	–	–	–	–	–	–	–	–	–
Ukraine	237,525	–	237,525	240,000	–	240,000	240,000	–	240,000	240,000	–	240,000
Europe	**42,121**	**7,196**	**49,317**	**29,900**	**10,260**	**40,160**	**29,900**	**10,260**	**40,160**	**29,900**	**10,260**	**40,160**
Albania	826	1,024	1,850	–	–	–	–	–	–	–	–	–
Bosnia–Herzegovina	–	95	95	–	–	–	–	–	–	–	–	–
Kosovo	–	46	46	–	–	–	–	–	–	–	–	–
Montenegro	35	78	113	–	–	–	–	–	–	–	–	–
North Macedonia	–	70	70	–	–	–	–	–	–	–	–	–
Other European Countries[16]	–	2,968	2,968	–	–	–	–	–	–	–	–	–
Serbia	38	40	78	–	–	–	–	–	–	–	–	–
Turkey	32,697	2,117	34,814	23,400	–	23,400	23,400	–	23,400	23,400	–	23,400
Western Balkans	8,525	758	9,283	6,500	5,500	12,000	6,500	5,500	12,000	6,500	5,500	12,000

	2025–26 Programme Outturn			2026–27 Plans			2027–28 Plans			2028–29 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000
Middle East and North Africa	**487,635**	**9,919**	**497,554**	**374,900**	**12,050**	**386,950**	**361,900**	**12,550**	**374,450**	**361,900**	**13,050**	**374,950**
Egypt	2,823	–	2,823	2,900	–	2,900	2,900	–	2,900	2,900	–	2,900
Iraq	6,524	1,071	7,595	5,000	–	5,000	5,000	–	5,000	5,000	–	5,000
Jordan	51,728	–	51,728	30,900	–	30,900	30,900	–	30,900	30,900	–	30,900
Lebanon	41,505	–	41,505	34,500	–	34,500	23,500	–	23,500	23,500	–	23,500
Middle East & North Africa Regional Team	3,000	–	3,000	2,000	–	2,000	–	–	–	–	–	–
Oman	–	1,578	1,578	–	–	–	–	–	–	–	–	–
Other Middle East and North Africa Countries[17]	12,882	7,270	20,152	–	–	–	–	–	–	–	–	–
Palestine	116,955	–	116,955	127,400	–	127,400	127,400	–	127,400	127,400	–	127,400
Syria	104,147	–	104,147	67,900	–	67,900	67,900	–	67,900	67,900	–	67,900
Yemen	148,071	–	148,071	104,300	–	104,300	104,300	–	104,300	104,300	–	104,300
Overseas Territories (OTs)	**129,950**	**45,817**	**175,767**	**129,500**	**97,000**	**226,500**	**130,000**	**115,300**	**245,300**	**130,000**	**90,200**	**220,200**
Overseas Territories (OTs)	129,950	45,817	175,767	129,500	97,000	226,500	130,000	115,300	245,300	130,000	90,200	220,200
South Asia and Afghanistan	**371,528**	**74**	**371,602**	**210,700**	**1,100**	**211,800**	**197,000**	**1,100**	**198,100**	**190,400**	**1,100**	**191,500**
Afghanistan	156,500	–	156,500	105,000	–	105,000	105,000	–	105,000	105,000	–	105,000
Bangladesh	66,734	–	66,734	31,000	–	31,000	29,000	–	29,000	29,000	–	29,000
Nepal	45,773	10	45,783	23,300	–	23,300	11,600	–	11,600	5,000	–	5,000
Pakistan	102,521	24	102,545	51,400	–	51,400	51,400	–	51,400	51,400	–	51,400
Sri Lanka	–	40	40	–	–	–	–	–	–	–	–	–
Regional Programmes Total	**3,082,495**	**74,509**	**3,157,004**	**1,979,100**	**151,000**	**2,130,100**	**1,856,900**	**166,300**	**2,023,200**	**1,790,100**	**142,100**	**1,932,200**
Policy Priorities, International Organisations and Humanitarian[18, 19]												
Defence & International Security	**–**	**6,705**	**6,705**	**400**	**14,000**	**14,400**	**400**	**14,000**	**14,400**	**400**	**14,000**	**14,400**
Defence & International Security Directorate	–	6,705	6,705	400	14,000	14,400	400	14,000	14,400	400	14,000	14,400
Delivery & Protocol	**346**	**2,451**	**2,797**	**520**	**–**	**520**	**420**	**–**	**420**	**420**	**–**	**420**
Centre for Delivery	346	–	346	520	–	520	420	–	420	420	–	420
Soft Power Hub	–	2,451	2,451	–	–	–	–	–	–	–	–	–

	2025–26 Programme Outturn			2026–27 Plans			2027–28 Plans			2028–29 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000
Energy & Climate	**719,194**	**2,242**	**721,436**	**340,596**	**1,000**	**341,596**	**331,450**	**1,000**	**332,450**	**296,550**	**1,000**	**297,550**
Climate, Strategy & Co–ordination Department	1,500	1,250	2,750	–	–	–	–	–	–	–	–	–
Clean Transition	74,638	9	74,647	–	–	–	–	–	–	–	–	–
Climate & Resilience	76,999	–	76,999	–	–	–	–	–	–	–	–	–
Climate & Nature	433,829	–	433,829	–	–	–	–	–	–	–	–	–
Green Cities and Infrastructure	55,495	883	56,378	–	–	–	–	–	–	–	–	–
International Forest Unit	76,733	100	76,833	–	–	–	–	–	–	–	–	–
Europe Department	**244,697**	**277**	**244,974**	**186,000**	**–**	**186,000**	**124,000**	**–**	**124,000**	**83,000**	**–**	**83,000**
EU Attribution	161,900	–	161,900	109,000	–	109,000	70,000	–	70,000	50,000	–	50,000
Europe Department	82,797	277	83,074	77,000	–	77,000	54,000	–	54,000	33,000	–	33,000
Global Tech	**39,123**	**6,564**	**45,687**	**23,700**	**3,000**	**26,700**	**22,100**	**3,000**	**25,100**	**23,700**	**3,000**	**26,700**
Digital Development Cluster	18,185	–	18,185	–	–	–	–	–	–	–	–	–
Global Science Department	20,827	1,087	21,914	–	–	–	–	–	–	–	–	–
International Technology Department	111	1,470	1,581	–	–	–	–	–	–	–	–	–
Science and Technology Network	–	4,007	4,007	–	–	–	–	–	–	–	–	–
Growth	**102,012**	**2,747**	**104,759**	**26,450**	**20,000**	**46,450**	**26,450**	**20,000**	**46,450**	**26,450**	**20,000**	**46,450**
Growth and Network Department	–	4,108	4,108	–	–	–	–	–	–	–	–	–
Strategy, Delivery & Analysis Department	21,917	725	22,642	–	–	–	–	–	–	–	–	–
Economic Development Department	80,095	(2,086)	78,009	–	–	–	–	–	–	–	–	–

	2025–26 Programme Outturn			2026–27 Plans			2027–28 Plans			2028–29 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000
Human Development	**906,236**	**914**	**907,150**	**414,990**	**1,200**	**416,190**	**949,720**	**1,200**	**950,920**	**1,238,100**	**1,200**	**1,239,300**
Civil Society and Civic Space	20,568	67	20,635	–	–	–	–	–	–	–	–	–
Democratic Governance Department	6,167	83	6,250	–	–	–	–	–	–	–	–	–
Development and Open Societies	317	–	317	–	–	–	–	–	–	–	–	–
Tertiary Education and Partnerships	34,045	–	34,045	–	–	–	–	–	–	–	–	–
Gender, Equalities and Rights Department	60,714	764	61,478	–	–	–	–	–	–	–	–	–
Girls Education Department	183,745	–	183,745	–	–	–	–	–	–	–	–	–
Global Health Institutions Department	375,202	–	375,202	–	–	–	–	–	–	–	–	–
Human Development Department	212,217	–	212,217	–	–	–	–	–	–	–	–	–
Safeguarding Unit	13,261	–	13,261	–	–	–	–	–	–	–	–	–
Humanitarian	**356,119**	**896**	**357,015**	**277,018**	**1,400**	**278,418**	**301,310**	**1,400**	**302,710**	**285,910**	**1,400**	**287,310**
Humanitarian Directorate	356,119	896	357,015	277,018	1,400	278,418	301,310	1,400	302,710	285,910	1,400	287,310
International Finance	**2,330,154**	**942**	**2,331,096**	**1,827,530**	**–**	**1,827,530**	**948,332**	**–**	**948,332**	**1,488,416**	**–**	**1,488,416**
Development Finance	619,433	–	619,433	–	–	–	–	–	–	–	–	–
International Finance Institutions Department	1,431,988	–	1,431,988	–	–	–	–	–	–	–	–	–
Private Sector Department[20]	240,729	942	241,671	–	–	–	–	–	–	–	–	–
Public Finance and Tax Department	38,004	–	38,004	–	–	–	–	–	–	–	–	–
Migration	**24,481**	**–**	**24,481**	**24,200**	**40,000**	**64,200**	**24,200**	**40,000**	**64,200**	**24,200**	**40,000**	**64,200**
Migration Directorate	24,481	–	24,481	24,200	40,000	64,200	24,200	40,000	64,200	24,200	40,000	64,200
Multilateral	**13,224**	**2,420**	**15,644**	**9,510**	**6,000**	**15,510**	**9,220**	**6,000**	**15,220**	**9,660**	**6,000**	**15,660**
UK Mission to the United Nations	–	213	213	–	–	–	–	–	–	–	–	–
Commonwealth Unit	1,645	35	1,680	–	–	–	–	–	–	–	–	–
Human Rights Department	5,379	987	6,366	–	–	–	–	–	–	–	–	–
UN and Multilateral Department	6,200	1,185	7,385	–	–	–	–	–	–	–	–	–

	2025–26 Programme Outturn			2026–27 Plans			2027–28 Plans			2028–29 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000
National & Economic Security	**19,119**	**724**	**19,843**	**16,390**	**65,000**	**81,390**	**15,640**	**68,500**	**84,140**	**15,640**	**65,500**	**81,140**
National & Economic Security Directorate	19,119	724	19,843	16,390	65,000	81,390	15,640	68,500	84,140	15,640	65,500	81,140
Research and Analysis	**417,959**	**5,634**	**423,593**	**306,600**	**12,200**	**318,800**	**229,300**	**14,200**	**243,500**	**229,300**	**20,200**	**249,500**
Centre for Data and Analysis	5,702	–	5,702	–	–	–	–	–	–	–	–	–
Economics and Evaluation Department	1,841	188	2,029	–	–	–	–	–	–	–	–	–
Expertise and Science Advice Department	4,806	751	5,557	–	–	–	–	–	–	–	–	–
Technology and Innovation Research Department	296,140	–	296,140	–	–	–	–	–	–	–	–	–
What Works Research Department	109,470	4,695	114,165	–	–	–	–	–	–	–	–	–
Policy Priorities, International Organisations and Humanitarian Total	**5,172,664**	**32,516**	**5,205,180**	**3,453,904**	**163,800**	**3,617,704**	**2,982,542**	**169,300**	**3,151,842**	**3,721,746**	**172,300**	**3,894,046**
Non–Departmental Public Bodies & Scholarships												
British Council	126,900	53,650	180,550	127,000	56,000	183,000	127,000	46,000	173,000	127,000	46,000	173,000
Commonwealth Scholarship Commission	28,224	400	28,624	22,240	400	22,640	22,240	400	22,640	22,240	400	22,640
Chevening Scholarship	58,220	1,832	60,052	46,160	4,700	50,860	46,160	3,200	49,360	46,160	2,200	48,360
Great Britain China Centre	–	361	361	–	457	457	–	457	457	–	457	457
Independent Commission for Aid Impact	1,524	–	1,524	1,680	–	1,680	1,680	–	1,680	1,680	–	1,680
Marshall Aid Commemoration Commission	–	4,100	4,100	–	5,000	5,000	–	5,000	5,000	–	5,000	5,000
Westminster Foundation for Democracy	8,150	350	8,500	8,150	750	8,900	8,150	750	8,900	8,150	750	8,900
Wilton Park	1,155	1,326	2,481	2,350	3,500	5,850	2,350	4,500	6,850	2,350	5,500	7,850

	2025–26 Programme Outturn			2026–27 Plans			2027–28 Plans			2028–29 Plans		
	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000	FCDO ODA £000	FCDO Non-ODA £000	FCDO Total £000
Non–Departmental Public Bodies & Scholarships Total	224,173	62,019	286,192	207,580	70,807	278,387	207,580	60,307	267,887	207,580	60,307	267,887
BBC World Service Total	82,500	59,500	142,000	85,500	62,500	148,000	88,500	59,500	148,000	91,500	56,500	148,000
Multilateral Subscriptions to International Organisations Total[21]	84,055	136,725	220,780	96,438	153,506	249,944	99,000	165,400	264,400	102,000	176,700	278,700
UN Peacekeeping[22]	–	–	–	40,082	199,725	239,807	40,094	198,593	238,687	40,859	200,274	241,133
Other Central Programmes Total[23]	(127,668)	3,513	(124,155)	25,730	200	25,930	26,570	10,200	36,770	26,970	20,200	47,170
Crisis Fund Total[24]	–	–	–	75,000	–	75,000	75,000	–	75,000	75,000	–	75,000
Integrated Security Fund (ISF) Total[25]	201,354	399,202	600,556	107,528	143,839	251,367	107,528	143,839	251,367	107,528	143,839	251,367
Total	8,719,573	767,984	9,487,557	6,070,862	945,377	7,016,239	5,483,714	973,439	6,457,153	6,163,283	972,220	7,135,503

1 Non-ODA outturn and plans are generally presented at a regional and Directorate level. Where an allocation has been made at country level that is shown.
2 ODA programme allocations within this section do not necessarily reflect the full extent of the FCDO's planned ODA programming within the region/country listed, including through our central bilateral spend and multilateral contributions.
3 In 2025-26, the FCDO underwent a phased restructure. As a result, individual Directorate names may differ from the Annual Report and Accounts 2024-25.
4 Other African Countries Includes Cameroon, Chad, Cote d'Ivoire, Eritrea, Eswatini, Guinea, Lesotho, Liberia, Madagascar, Mali, Mauritius, Namibia, Niger, Senegal, Seychelles, the Gambia and West Africa Department.
5 Included in Sahel Department are the regional programmes.
6 Included in Caribbean Development Team are the regional programmes.
7 Other American Countries Includes Argentina, Bahamas, Barbados, Belize, Bolivia, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Panama, Paraguay, Peru, Trinidad and Tobago, and Uruguay.
8 Future year regionally managed programmes have been included in the regional totals, however they are not included on the country lines as the allocations for these have not yet been determined. For Asia Pacific this represents £14.7 million, £17.1 million and £18.9 million of regionally managed programmes for FY 2026-27, 2027-28 and 2028-29 respectively.
9 ASEAN is Association of South East Asian Nations which includes: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.
10 Other North East Asia Countries and Territories includes China, Mongolia, Taiwan, Japan, Hong Kong and South Korea.
11 Other South East Asia and Pacific Countries includes Australia, Fiji, New Zealand, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu.
12 Future year regionally managed programmes have been included in the regional totals, however they are not included on the country lines as the allocations for these have not yet been determined. For Eastern Europe and Central Asia this represents £12.9 million of regionally managed programmes for FY 2026-27, 2027-28 and 2028-29.
13 Central Asia includes Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan.
14 Eastern Neighbourhood includes Armenia, Azerbaijan, Georgia, Moldova.
15 Other Eastern European and Central Asian Countries includes Belarus and regional spend which cannot be attributed to a single country.
16 Other European Countries Includes Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Holy See, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland.
17 Other Middle East and North Africa Countries includes Algeria, Bahrain Israel, Kuwait, Libya, Tunisia, the United Arab Emirates, Qatar, Regional & North Africa Department and Saudi Arabia.
18 ODA programme allocations within this section capture payments to multilateral organisations. The profile of payments to multilateral organisations may be irregular, causing significant year on year changes; this does not necessarily reflect prioritisation decisions.
19 Thematic directorate allocations over the Spending Review period remain under development, with decisions on allocations for 2026-27 largely agreed, but not yet finalised how funding will be distributed across programmes in subsequent years; as a result, thematic total lines are presented, but allocations are not disaggregated across departments in this section.
20 Private Sector Department includes Financial Transactions (FCDO Investments in private equity funds), this includes the portfolio for India.
21 The UK's assessed membership fees for multilateral organisations, including the NATO Civil Budget, UN Regular Budget, the Council of Europe, and the OECD.
22 UN peacekeeping is no longer part of the Integrated Security Fund and has moved onto the FCDOs baseline from 2026-27.
23 The 2025-26 central programmes ODA outturn figure relates to loan reflows and returned funds and the expenditure is offset elsewhere. 2026-27 beyond reflects further centres of expertise funding for ODA, and FCDO's indicative contribution to G20/G7 summits for non ODA.
24 The 2025-26 crisis fund outturn was £100 million, this has been included in country outturns. The split of crisis spend in 2025-26 was £10 million Yemen, £0.5 million Vietnam, £5 million Syria, £13 million South Sudan, £4 million Sahel, Sudan & South Sudan Department, £15.2 million Palestine, £15 million Myanmar, £2 million Mozambique, £3 million Lebanon, £1.3 million Other South East Asia Pacific Countries, £5.5 million Ethiopia, £7.5 million Democratic Republic of the Congo, £5 million Caribbean Development Team, £2 million APEX Department and £11 million Afghanistan.
25 ISF spend by regional, cross regional and non-discretionary theme is reported in the ISF Annual Report. Figure FCDO baseline post mains.

Annex B: Annual Reporting of Statistical Information

The International Development (Reporting and Transparency) Act 2006 requires the Secretary of State to report statistical information to Parliament on an annual basis. The schedule to the Act specifies the statistical information that must be provided. This information is published each autumn in Statistics on International Development (SID) which is the official source of information on the UK's international development spending, known as Official Development Assistance (ODA). The UK ODA budget is spent by a number of government Departments other than the FCDO. The SID[70] publication sets out detailed information on ODA spend by department and summary information on the main aims of each Department's ODA budget. This data follows the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) definitions.[71]

Provisional ODA figures for 2025 split by bilateral and multilateral ODA are provided in Table B.1. Total UK net ODA and humanitarian assistance by recipient country up to 2024 is provided in Table B.2.

Some of the required information is already available within SID. UK bilateral ODA by sector can be found in Table A7, total ODA by UK government department in Table A2 and imputed UK share of multilateral net ODA by country can be found in Table A10.

The statistical information included in this Annex are correct at the time of publication and supersedes information for the same period in previous annual reports[72].

Please note that final UK ODA figures for 2025 will be published in "Statistics on International Development: Final UK ODA Spend 2025 (SID 2025)" in autumn 2026.

70 For more information on the SID publication, please see https://www.gov.uk/guidance/statistics-on-international-development

71 For more information on the OECD DAC definition, please see their development finance standards page: https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/

72 Occasionally, the FCDO may be required to make revisions to SID; see our revisions statement for information about this process. To access the most up-to-date figures, please see: https://www.gov.uk/government/collections/statistics-on-international-development

Table B.1: Total UK Net Official Development Assistance (ODA)

	2021 £ million	2022 £ million	2023 £ million	2024 £ million	2025[1] £ million
Total Bilateral ODA	**7,234**	**9,640**	**10,004**	**11,273**	**10,256**
as a % of GNI	0.32	0.38	0.38	0.40	0.34
of which: Administration costs[2]	740	678	705	714	780
of which: Debt Relief	–	–	–	24	134
of which: Non FCDO Department[3]	–	–	–	24	135
Total Multilateral ODA	**4,189**	**3,146**	**5,340**	**2,809**	**2,780**
as a % of GNI	0.18	0.13	0.20	0.10	0.09
of which: Total European Commission	1,319	836	457	383	230
Total World Bank	749	402	2,070	498	1,026
Total UN Agencies	523	472	570	554	360
Total Other Organisations[4]	**1,598**	**1,435**	**2,244**	**1,374**	**1,119**
TOTAL ODA	**11,423**	**12,786**	**15,344**	**14,082**	**13,036**
as a % of GNI	**0.50**	**0.51**	**0.58**	**0.50**	**0.43**

1 These are provisional figures from 'Statistics on International Development: Provisional UK ODA Spend 2025'. Final figures will be published in autumn 2026 in 'Statistics on International Development: Final UK ODA Spend 2025'."
2 This is in line with OECD DAC Statistical Reporting Directives.
3 Export Credits Guarantee Department (operational name: UK Export Finance).
4 Includes Regional Development Banks and other multilateral agencies on the DAC List of Multilateral Organisations.

Table B.2: Total UK Net ODA and Humanitarian Assistance by recipient country[1,2]

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Africa						
Algeria	UK Net Bilateral ODA	6,898	6,185	2,511	553	753
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.07%	0.09%	0.03%	0.01%	0.01%
Angola	UK Net Bilateral ODA	1,010	1,466	334	186	42
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.00%	0.00%	0.00%
Benin	UK Net Bilateral ODA	18	30	58	–	54
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Botswana	UK Net Bilateral ODA	1,903	2,356	696	308	283
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.01%	0.00%	0.00%
Burkina Faso	UK Net Bilateral ODA	344	201	170	–	677
	of which Humanitarian Assistance	–	–	123	–	101
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.01%
Burundi	UK Net Bilateral ODA	2,995	802	1,030	19	87
	of which Humanitarian Assistance	1,074	523	–	19	–
	Percentage of Total Net Bilateral ODA	0.03%	0.01%	0.01%	0.00%	0.00%
Cameroon	UK Net Bilateral ODA	15,092	8,030	2,388	2,059	3,313
	of which Humanitarian Assistance	11,714	4,996	2,000	2,000	3,000
	Percentage of Total Net Bilateral ODA	0.16%	0.11%	0.02%	0.02%	0.03%
Cape Verde	UK Net Bilateral ODA	156	216	294	30	30
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Central African Republic	UK Net Bilateral ODA	19,839	9,923	10,401	6,828	12,066
	of which Humanitarian Assistance	19,334	9,923	10,401	6,786	8,145
	Percentage of Total Net Bilateral ODA	0.21%	0.14%	0.11%	0.07%	0.11%
Chad	UK Net Bilateral ODA	4,242	1,201	185	2,910	46,238
	of which Humanitarian Assistance	1,100	200	–	2,830	46,000
	Percentage of Total Net Bilateral ODA	0.04%	0.02%	0.00%	0.03%	0.41%
Comoros	UK Net Bilateral ODA	113	149	188	–	23
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Congo	UK Net Bilateral ODA	802	71	34	–	8
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.00%	0.00%	0.00%
Cote d'Ivoire	UK Net Bilateral ODA	1,364	3,454	2,614	3,731	268
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.05%	0.03%	0.04%	0.00%

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Democratic Republic of the Congo	UK Net Bilateral ODA	136,071	72,960	46,879	40,175	101,550
	of which Humanitarian Assistance	66,016	33,821	28,233	22,597	63,279
	Percentage of Total Net Bilateral ODA	1.43%	1.01%	0.49%	0.40%	0.90%
Djibouti	UK Net Bilateral ODA	1,147	280	157	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.00%	0.00%	0.00%	0.00%
Egypt	UK Net Bilateral ODA	17,153	16,325	8,816	10,505	15,383
	of which Humanitarian Assistance	–	–	–	–	101
	Percentage of Total Net Bilateral ODA	0.18%	0.23%	0.09%	0.11%	0.14%
Equatorial Guinea	UK Net Bilateral ODA	–	29	35	21	262
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Eritrea	UK Net Bilateral ODA	1,908	1,637	762	874	1,060
	of which Humanitarian Assistance	–	–	630	800	995
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.01%	0.01%	0.01%
Eswatini	UK Net Bilateral ODA	426	399	131	133	165
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.00%	0.00%	0.00%
Ethiopia	UK Net Bilateral ODA	253,887	119,790	90,131	173,398	181,838
	of which Humanitarian Assistance	103,037	70,429	39,768	53,913	54,464
	Percentage of Total Net Bilateral ODA	2.66%	1.66%	0.93%	1.73%	1.61%
Gambia	UK Net Bilateral ODA	20,118	17,991	14,356	12,554	10,604
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.21%	0.25%	0.15%	0.13%	0.09%
Ghana	UK Net Bilateral ODA	34,450	25,002	15,404	13,909	20,977
	of which Humanitarian Assistance	168	24	–	–38	1,500
	Percentage of Total Net Bilateral ODA	0.36%	0.35%	0.16%	0.14%	0.19%
Guinea	UK Net Bilateral ODA	562	753	119	34	86
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.00%	0.00%	0.00%
Guinea-Bissau	UK Net Bilateral ODA	88	310	27	60	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Kenya	UK Net Bilateral ODA	91,958	71,993	44,931	48,355	73,882
	of which Humanitarian Assistance	11,700	7,201	4,104	13,390	21,046
	Percentage of Total Net Bilateral ODA	0.96%	1.00%	0.47%	0.48%	0.66%
Lesotho	UK Net Bilateral ODA	523	899	366	75	64
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.00%	0.00%	0.00%
Liberia	UK Net Bilateral ODA	2,939	2,932	3,664	2,365	769
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.03%	0.04%	0.04%	0.02%	0.01%

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Libya	UK Net Bilateral ODA	13,282	12,789	5,229	8,236	10,615
	of which Humanitarian Assistance	26	925	–	3,150	1,872
	Percentage of Total Net Bilateral ODA	0.14%	0.18%	0.05%	0.08%	0.09%
Madagascar	UK Net Bilateral ODA	1,643	6,337	4,603	1,959	2,865
	of which Humanitarian Assistance	–	4,800	3,000	86	–55
	Percentage of Total Net Bilateral ODA	0.02%	0.09%	0.05%	0.02%	0.03%
Malawi	UK Net Bilateral ODA	65,713	42,298	31,726	32,203	48,153
	of which Humanitarian Assistance	4,464	1,595	1,530	3,361	8,301
	Percentage of Total Net Bilateral ODA	0.69%	0.58%	0.33%	0.32%	0.43%
Mali	UK Net Bilateral ODA	8,963	8,476	8,144	9,278	11,121
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.09%	0.12%	0.08%	0.09%	0.10%
Mauritania	UK Net Bilateral ODA	–5	526	101	6	4,064
	of which Humanitarian Assistance	–	–	–	–	1,200
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.00%	0.00%	0.04%
Mauritius	UK Net Bilateral ODA	866	892	556	915	481
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.00%
Morocco	UK Net Bilateral ODA	8,193	7,041	2,310	2,100	1,589
	of which Humanitarian Assistance	–	–	–	942	144
	Percentage of Total Net Bilateral ODA	0.09%	0.10%	0.02%	0.02%	0.01%
Mozambique	UK Net Bilateral ODA	52,852	32,493	28,998	30,990	47,405
	of which Humanitarian Assistance	8,308	3,453	3,406	4,655	17,622
	Percentage of Total Net Bilateral ODA	0.55%	0.45%	0.30%	0.31%	0.42%
Namibia	UK Net Bilateral ODA	1,351	1,449	738	287	242
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.01%	0.00%	0.00%
Niger	UK Net Bilateral ODA	645	1,085	357	342	59
	of which Humanitarian Assistance	100	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.00%	0.00%	0.00%
Nigeria	UK Net Bilateral ODA	240,577	140,146	110,113	99,745	137,549
	of which Humanitarian Assistance	78,058	37,714	9,167	8,376	29,552
	Percentage of Total Net Bilateral ODA	2.52%	1.94%	1.14%	1.00%	1.22%
Rwanda	UK Net Bilateral ODA	42,380	34,946	25,657	18,259	30,678
	of which Humanitarian Assistance	1,800	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.44%	0.48%	0.27%	0.18%	0.27%
Sao Tome & Principe	UK Net Bilateral ODA	0	0	61	15	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Senegal	UK Net Bilateral ODA	2,609	2,891	1,099	1,304	1,877
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.03%	0.04%	0.01%	0.01%	0.02%

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Sierra Leone	UK Net Bilateral ODA	74,088	50,048	33,382	32,876	41,837
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.78%	0.69%	0.35%	0.33%	0.37%
Somalia	UK Net Bilateral ODA	232,457	100,696	99,762	97,559	143,434
	of which Humanitarian Assistance	63,824	39,443	68,059	53,748	37,205
	Percentage of Total Net Bilateral ODA	2.44%	1.39%	1.03%	0.98%	1.27%
South Africa	UK Net Bilateral ODA	48,065	102,251	22,961	14,514	19,359
	of which Humanitarian Assistance	–	–	500	–	–
	Percentage of Total Net Bilateral ODA	0.50%	1.41%	0.24%	0.15%	0.17%
South Sudan	UK Net Bilateral ODA	155,765	96,175	76,111	57,743	132,090
	of which Humanitarian Assistance	61,529	33,034	19,377	25,051	94,502
	Percentage of Total Net Bilateral ODA	1.63%	1.33%	0.79%	0.58%	1.17%
St. Helena	UK Net Bilateral ODA	45,887	38,678	39,838	41,042	42,016
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.48%	0.53%	0.41%	0.41%	0.37%
Sudan	UK Net Bilateral ODA	139,241	94,213	29,724	51,355	141,071
	of which Humanitarian Assistance	52,634	20,471	12,456	35,811	121,327
	Percentage of Total Net Bilateral ODA	1.46%	1.30%	0.31%	0.51%	1.25%
Tanzania	UK Net Bilateral ODA	96,367	60,605	33,334	29,786	41,711
	of which Humanitarian Assistance	11,977	5,378	4,150	122	1,523
	Percentage of Total Net Bilateral ODA	1.01%	0.84%	0.35%	0.30%	0.37%
Togo	UK Net Bilateral ODA	–	–	12	3	101
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Tunisia	UK Net Bilateral ODA	14,454	9,974	4,518	3,542	3,914
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.15%	0.14%	0.05%	0.04%	0.03%
Uganda	UK Net Bilateral ODA	89,327	64,352	44,672	30,041	41,906
	of which Humanitarian Assistance	21,130	6,753	8,969	5,311	13,453
	Percentage of Total Net Bilateral ODA	0.94%	0.89%	0.46%	0.30%	0.37%
Zambia	UK Net Bilateral ODA	40,930	27,921	19,473	20,187	49,914
	of which Humanitarian Assistance	1,169	–	–	250	500
	Percentage of Total Net Bilateral ODA	0.43%	0.39%	0.20%	0.20%	0.44%
Zimbabwe	UK Net Bilateral ODA	97,808	50,968	37,813	38,335	37,787
	of which Humanitarian Assistance	24,448	4,512	1,400	2,000	–
	Percentage of Total Net Bilateral ODA	1.03%	0.70%	0.39%	0.38%	0.34%
Africa, regional	UK Net Bilateral ODA	345,336	270,906	232,619	191,698	248,637
	of which Humanitarian Assistance	10,247	4,705	2,471	7,348	22,754
	Percentage of Total Net Bilateral ODA	3.62%	3.74%	2.41%	1.92%	2.21%
Eastern Africa, regional	UK Net Bilateral ODA	12,669	22,908	13,089	26,319	59,541
	of which Humanitarian Assistance	200	566	533	2,263	21,649
	Percentage of Total Net Bilateral ODA	0.13%	0.32%	0.14%	0.26%	0.53%

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Middle Africa, regional	UK Net Bilateral ODA	8,079	7,585	9,042	8,962	9,683
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.08%	0.10%	0.09%	0.09%	0.09%
North of Sahara, regional	UK Net Bilateral ODA	7,984	5,061	2,431	230	2,993
	of which Humanitarian Assistance	–	–	–	–	504
	Percentage of Total Net Bilateral ODA	0.08%	0.07%	0.03%	0.00%	0.03%
Southern Africa, regional	UK Net Bilateral ODA	1,561	2,058	2,774	3,391	6,626
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.03%	0.03%	0.06%
South of Sahara, regional	UK Net Bilateral ODA	137,013	56,138	49,599	55,403	85,862
	of which Humanitarian Assistance	61,204	9,653	21,628	23,588	45,032
	Percentage of Total Net Bilateral ODA	1.44%	0.78%	0.51%	0.55%	0.76%
Western Africa, regional	UK Net Bilateral ODA	4,635	4,439	3,458	5,388	9,662
	of which Humanitarian Assistance	–	–	1,280	–	–
	Percentage of Total Net Bilateral ODA	0.05%	0.06%	0.04%	0.05%	0.09%
Asia & Middle East						
Afghanistan	UK Net Bilateral ODA	225,552	187,213	352,512	114,924	192,108
	of which Humanitarian Assistance	52,324	136,491	336,015	77,318	138,930
	Percentage of Total Net Bilateral ODA	2.37%	2.59%	3.66%	1.15%	1.70%
Armenia	UK Net Bilateral ODA	2,255	4,213	1,768	5,555	7,133
	of which Humanitarian Assistance	–	–	–	500	50
	Percentage of Total Net Bilateral ODA	0.02%	0.06%	0.02%	0.06%	0.06%
Azerbaijan	UK Net Bilateral ODA	1,772	2,291	1,514	2,213	2,039
	of which Humanitarian Assistance	–	–	–	500	–
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.02%	0.02%	0.02%
Bangladesh	UK Net Bilateral ODA	203,360	87,196	54,673	57,894	65,036
	of which Humanitarian Assistance	87,224	29,577	23,640	28,419	40,604
	Percentage of Total Net Bilateral ODA	2.13%	1.21%	0.57%	0.58%	0.58%
Bhutan	UK Net Bilateral ODA	395	197	148	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Cambodia	UK Net Bilateral ODA	2,109	2,035	1,083	728	1,125
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.01%	0.01%	0.01%
China (People's Republic of)	UK Net Bilateral ODA	64,120	51,735	14,934	7,177	5,488
	of which Humanitarian Assistance	–	–	–	–	–1
	Percentage of Total Net Bilateral ODA	0.67%	0.72%	0.15%	0.07%	0.05%
Georgia	UK Net Bilateral ODA	3,968	5,239	4,060	5,045	5,367
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.04%	0.07%	0.04%	0.05%	0.05%
India	UK Net Bilateral ODA	94,881	80,194	45,728	25,526	–396
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	1.00%	1.11%	0.47%	0.26%	0.00%

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Indonesia	UK Net Bilateral ODA	33,304	29,494	24,060	16,264	26,806
	of which Humanitarian Assistance	198	849	–116	–61	–
	Percentage of Total Net Bilateral ODA	0.35%	0.41%	0.25%	0.16%	0.24%
Iran	UK Net Bilateral ODA	2,877	434	286	134	13
	of which Humanitarian Assistance	2,000	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.03%	0.01%	0.00%	0.00%	0.00%
Iraq	UK Net Bilateral ODA	46,402	50,693	19,434	22,478	25,500
	of which Humanitarian Assistance	12,086	9,285	321	–	–
	Percentage of Total Net Bilateral ODA	0.49%	0.70%	0.20%	0.22%	0.23%
Jordan	UK Net Bilateral ODA	81,385	62,380	41,942	27,956	66,905
	of which Humanitarian Assistance	27,384	16,042	12,768	7,743	38,562
	Percentage of Total Net Bilateral ODA	0.85%	0.86%	0.44%	0.28%	0.59%
Kazakhstan	UK Net Bilateral ODA	2,819	1,959	1,705	1,478	2,480
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.03%	0.03%	0.02%	0.01%	0.02%
Korea (Democratic People’s Republic of)	UK Net Bilateral ODA	218	135	–	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Kyrgyz Republic	UK Net Bilateral ODA	4,878	4,837	2,910	1,412	470
	of which Humanitarian Assistance	–	–	–	100	–
	Percentage of Total Net Bilateral ODA	0.05%	0.07%	0.03%	0.01%	0.00%
Lao People's Democratic Republic	UK Net Bilateral ODA	1,527	1,094	586	109	837
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.01%	0.00%	0.01%
Lebanon	UK Net Bilateral ODA	120,418	57,943	21,686	24,525	69,558
	of which Humanitarian Assistance	44,348	18,799	10,219	8,750	50,184
	Percentage of Total Net Bilateral ODA	1.26%	0.80%	0.22%	0.25%	0.62%
Malaysia	UK Net Bilateral ODA	10,264	10,930	4,286	3,610	4,012
	of which Humanitarian Assistance	–	–	–	–	15
	Percentage of Total Net Bilateral ODA	0.11%	0.15%	0.04%	0.04%	0.04%
Maldives	UK Net Bilateral ODA	595	1,628	1,633	1,414	4,182
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.02%	0.01%	0.04%
Mongolia	UK Net Bilateral ODA	2,408	1,803	957	260	250
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.03%	0.02%	0.01%	0.00%	0.00%
Myanmar	UK Net Bilateral ODA	103,257	66,288	46,785	28,162	44,497
	of which Humanitarian Assistance	29,348	21,495	11,942	5,541	21,506
	Percentage of Total Net Bilateral ODA	1.08%	0.92%	0.49%	0.28%	0.39%
Nepal	UK Net Bilateral ODA	84,261	59,299	37,241	38,354	62,055
	of which Humanitarian Assistance	20,701	11,982	4,045	2,879	14,336
	Percentage of Total Net Bilateral ODA	0.88%	0.82%	0.39%	0.38%	0.55%

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Pakistan	UK Net Bilateral ODA	199,987	127,766	57,843	68,696	113,974
	of which Humanitarian Assistance	30,117	7,110	19,430	16,400	19,207
	Percentage of Total Net Bilateral ODA	2.10%	1.77%	0.60%	0.69%	1.01%
Philippines	UK Net Bilateral ODA	19,196	13,671	8,090	7,094	8,769
	of which Humanitarian Assistance	898	19	1,000	–	1,000
	Percentage of Total Net Bilateral ODA	0.20%	0.19%	0.08%	0.07%	0.08%
Sri Lanka	UK Net Bilateral ODA	9,659	8,585	4,581	7,702	6,221
	of which Humanitarian Assistance	–	–	1,840	936	–81
	Percentage of Total Net Bilateral ODA	0.10%	0.12%	0.05%	0.08%	0.06%
Syrian Arab Republic	UK Net Bilateral ODA	181,201	91,069	63,416	109,490	158,047
	of which Humanitarian Assistance	148,013	56,930	32,824	72,341	84,051
	Percentage of Total Net Bilateral ODA	1.90%	1.26%	0.66%	1.09%	1.40%
Tajikistan	UK Net Bilateral ODA	4,462	2,852	1,199	347	100
	of which Humanitarian Assistance	–	1,000	–	–	–
	Percentage of Total Net Bilateral ODA	0.05%	0.04%	0.01%	0.00%	0.00%
Thailand	UK Net Bilateral ODA	11,496	9,465	3,392	3,332	4,113
	of which Humanitarian Assistance	–	–	–	–	5
	Percentage of Total Net Bilateral ODA	0.12%	0.13%	0.04%	0.03%	0.04%
Timor-Leste	UK Net Bilateral ODA	173	159	37	70	91
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Turkmenistan	UK Net Bilateral ODA	548	369	161	158	129
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.00%	0.00%	0.00%
Uzbekistan	UK Net Bilateral ODA	3,288	2,448	1,562	1,460	2,265
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.03%	0.03%	0.02%	0.01%	0.02%
Vietnam	UK Net Bilateral ODA	7,831	10,542	6,682	7,724	9,423
	of which Humanitarian Assistance	–	–	–	–	1,000
	Percentage of Total Net Bilateral ODA	0.08%	0.15%	0.07%	0.08%	0.08%
West Bank & Gaza Strip	UK Net Bilateral ODA	51,852	41,310	22,524	42,234	137,861
	of which Humanitarian Assistance	1,800	7,720	18	23,700	80,637
	Percentage of Total Net Bilateral ODA	0.54%	0.57%	0.23%	0.42%	1.22%
Yemen	UK Net Bilateral ODA	221,108	114,414	77,350	100,510	141,953
	of which Humanitarian Assistance	158,678	79,895	46,601	61,187	50,659
	Percentage of Total Net Bilateral ODA	2.32%	1.58%	0.80%	1.00%	1.26%
Asia, regional	UK Net Bilateral ODA	101,717	83,277	39,270	64,183	108,489
	of which Humanitarian Assistance	4,385	764	2,012	4,134	3,203
	Percentage of Total Net Bilateral ODA	1.07%	1.15%	0.41%	0.64%	0.96%
Central Asia, regional	UK Net Bilateral ODA	2,098	1,643	2,106	2,035	4,417
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.02%	0.02%	0.04%

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Far East Asia, regional	UK Net Bilateral ODA	3,766	4,401	11,891	1,710	3,943
	of which Humanitarian Assistance	198	50	–	–59	–
	Percentage of Total Net Bilateral ODA	0.04%	0.06%	0.12%	0.02%	0.03%
Middle East, regional	UK Net Bilateral ODA	25,763	24,538	53,100	36,884	40,983
	of which Humanitarian Assistance	432	404	335	654	10,219
	Percentage of Total Net Bilateral ODA	0.27%	0.34%	0.55%	0.37%	0.36%
South & Central Asia, regional	UK Net Bilateral ODA	5,399	4,069	2,841	2,769	2,565
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.06%	0.06%	0.03%	0.03%	0.02%
South Asia, regional	UK Net Bilateral ODA	31,267	14,126	14,424	22,375	37,352
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.33%	0.20%	0.15%	0.22%	0.33%
Rest of the World						
Albania	UK Net Bilateral ODA	1,348	3,504	2,211	4,633	5,520
	of which Humanitarian Assistance	–	977	23	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.05%	0.02%	0.05%	0.05%
Antigua and Barbuda	UK Net Bilateral ODA	196	91	–	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Argentina	UK Net Bilateral ODA	3,639	3,308	1,645	654	951
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.04%	0.05%	0.02%	0.01%	0.01%
Belarus	UK Net Bilateral ODA	1,535	2,635	1,196	193	14
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.02%	0.04%	0.01%	0.00%	0.00%
Belize	UK Net Bilateral ODA	1,559	1,151	237	60	120
	of which Humanitarian Assistance	–	–	–	60	–
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.00%	0.00%	0.00%
Bolivia	UK Net Bilateral ODA	1,501	1,503	817	17	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.01%	0.00%	0.00%
Bosnia and Herzegovina	UK Net Bilateral ODA	4,220	4,794	3,758	2,995	3,203
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.04%	0.07%	0.04%	0.03%	0.03%
Brazil	UK Net Bilateral ODA	33,923	28,247	14,556	62,388	40,490
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.36%	0.39%	0.15%	0.62%	0.36%
Colombia	UK Net Bilateral ODA	73,442	42,215	51,011	6,519	5,473
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.77%	0.58%	0.53%	0.07%	0.05%
Costa Rica	UK Net Bilateral ODA	697	822	336	–	22
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.00%	0.00%	0.00%

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Cuba	UK Net Bilateral ODA	1,837	1,476	561	451	386
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.01%	0.00%	0.00%
Dominica	UK Net Bilateral ODA	981	711	783	192	26
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.00%	0.00%
Dominican Republic	UK Net Bilateral ODA	542	881	404	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.00%	0.00%	0.00%
Ecuador	UK Net Bilateral ODA	1,269	1,058	906	480	1,155
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.00%	0.01%
El Salvador	UK Net Bilateral ODA	706	700	60	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.00%	0.00%	0.00%
Fiji	UK Net Bilateral ODA	2,761	1,284	772	99	1,078
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.03%	0.02%	0.01%	0.00%	0.01%
Grenada	UK Net Bilateral ODA	52	93	184	–51	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Guatemala	UK Net Bilateral ODA	878	1,764	1,283	970	140
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.01%	0.01%	0.00%
Guyana	UK Net Bilateral ODA	1,678	1,448	164	–	6
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.02%	0.02%	0.00%	0.00%	0.00%
Haiti	UK Net Bilateral ODA	194	983	276	24	2,500
	of which Humanitarian Assistance	–	485	203	24	–
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.00%	0.00%	0.02%
Honduras	UK Net Bilateral ODA	271	282	141	18	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Jamaica	UK Net Bilateral ODA	8,587	6,134	3,958	3,449	3,686
	of which Humanitarian Assistance	–	–	–	–	160
	Percentage of Total Net Bilateral ODA	0.09%	0.08%	0.04%	0.03%	0.03%
Kiribati	UK Net Bilateral ODA	25	7	–	1,018	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.01%	0.00%
Kosovo	UK Net Bilateral ODA	7,154	5,351	3,093	711	2,393
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.08%	0.07%	0.03%	0.01%	0.02%

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Marshall Islands	UK Net Bilateral ODA	0	–	–	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Mexico	UK Net Bilateral ODA	34,964	20,364	6,714	4,359	3,357
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.37%	0.28%	0.07%	0.04%	0.03%
Micronesia	UK Net Bilateral ODA	93	–	–	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Moldova	UK Net Bilateral ODA	1,287	2,267	1,456	15,889	7,369
	of which Humanitarian Assistance	–	–	–	810	551
	Percentage of Total Net Bilateral ODA	0.01%	0.03%	0.02%	0.16%	0.07%
Montenegro	UK Net Bilateral ODA	1,491	1,898	306	953	1,477
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.02%	0.03%	0.00%	0.01%	0.01%
Montserrat	UK Net Bilateral ODA	33,993	27,146	32,578	35,542	44,592
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.36%	0.38%	0.34%	0.36%	0.40%
Nauru	UK Net Bilateral ODA	–	–	28	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Nicaragua	UK Net Bilateral ODA	326	415	394	100	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.00%	0.00%	0.00%
North Macedonia	UK Net Bilateral ODA	2,655	4,059	2,333	3,714	3,046
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.03%	0.06%	0.02%	0.04%	0.03%
Panama	UK Net Bilateral ODA	1,398	867	685	223	601
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.00%	0.01%
Papua New Guinea	UK Net Bilateral ODA	1,246	1,196	571	890	2,681
	of which Humanitarian Assistance	–	–	–	–	13
	Percentage of Total Net Bilateral ODA	0.01%	0.02%	0.01%	0.01%	0.02%
Paraguay	UK Net Bilateral ODA	752	827	466	–2	–2
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.00%	0.00%	0.00%
Peru	UK Net Bilateral ODA	8,021	7,939	1,885	773	1,903
	of which Humanitarian Assistance	–	538	–	–	–
	Percentage of Total Net Bilateral ODA	0.08%	0.11%	0.02%	0.01%	0.02%
Saint Lucia	UK Net Bilateral ODA	395	305	114	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Saint Vincent & Grenadines	UK Net Bilateral ODA	60	818	161	–	–
	of which Humanitarian Assistance	–	550	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.00%	0.00%	0.00%
Samoa	UK Net Bilateral ODA	75	660	78	–	444
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.00%	0.00%	0.00%
Serbia	UK Net Bilateral ODA	2,761	2,968	1,019	2,023	3,137
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.03%	0.04%	0.01%	0.02%	0.03%
Solomon Islands	UK Net Bilateral ODA	898	599	544	572	123
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.01%	0.01%	0.00%
States Ex-Yugoslavia unspecified	UK Net Bilateral ODA	170	77	1,592	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.02%	0.00%	0.00%
Suriname	UK Net Bilateral ODA	39	5	–	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Tonga	UK Net Bilateral ODA	26	138	119	53	41
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Turkey	UK Net Bilateral ODA	52,166	37,872	30,044	36,871	12,943
	of which Humanitarian Assistance	–	–	–	13,256	2,812
	Percentage of Total Net Bilateral ODA	0.55%	0.52%	0.31%	0.37%	0.11%
Tuvalu	UK Net Bilateral ODA	13	18	11	–	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
Ukraine	UK Net Bilateral ODA	25,385	31,210	341,838	249,869	269,680
	of which Humanitarian Assistance	4,266	656	198,950	142,147	133,118
	Percentage of Total Net Bilateral ODA	0.27%	0.43%	3.55%	2.50%	2.39%
Vanuatu	UK Net Bilateral ODA	74	689	–49	402	205
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.01%	0.00%	0.00%	0.00%
Venezuela	UK Net Bilateral ODA	20,555	2,525	1,040	914	971
	of which Humanitarian Assistance	18,600	110	–	–	–
	Percentage of Total Net Bilateral ODA	0.22%	0.03%	0.01%	0.01%	0.01%
America, regional	UK Net Bilateral ODA	8,478	7,450	6,653	27,503	16,259
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.09%	0.10%	0.07%	0.27%	0.14%
Caribbean & Central America, regional	UK Net Bilateral ODA	1,669	1,078	–	–103	585
	of which Humanitarian Assistance	350	1,005	–	–	–
	Percentage of Total Net Bilateral ODA	0.02%	0.01%	0.00%	0.00%	0.01%

Country	ODA Breakdown	2020 £ thousand	2021 £ thousand	2022 £ thousand	2023 £ thousand	2024 £ thousand
Caribbean, regional	UK Net Bilateral ODA	18,155	16,343	35,518	38,877	42,737
	of which Humanitarian Assistance	73	363	1,158	12,750	1,160
	Percentage of Total Net Bilateral ODA	0.19%	0.23%	0.37%	0.39%	0.38%
Central America, regional	UK Net Bilateral ODA	855	487	76	780	1,008
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.01%	0.01%	0.00%	0.01%	0.01%
Europe, regional	UK Net Bilateral ODA	65,661	57,286	63,210	35,076	54,065
	of which Humanitarian Assistance	975	–	–	–	4,910
	Percentage of Total Net Bilateral ODA	0.69%	0.79%	0.66%	0.35%	0.48%
Melanesia, regional	UK Net Bilateral ODA	4,688	860	516	78	128
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.05%	0.01%	0.01%	0.00%	0.00%
Oceania, regional	UK Net Bilateral ODA	9,242	4,256	7,175	9,774	15,960
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.10%	0.06%	0.07%	0.10%	0.14%
Polynesia, regional	UK Net Bilateral ODA	–	–	–	14	–
	of which Humanitarian Assistance	–	–	–	–	–
	Percentage of Total Net Bilateral ODA	0.00%	0.00%	0.00%	0.00%	0.00%
South America, regional	UK Net Bilateral ODA	10,624	16,291	23,957	13,195	16,139
	of which Humanitarian Assistance	-47.17%	0.00%	0.00%	0.00%	0.00%
	Percentage of Total Net Bilateral ODA	0.11%	0.23%	0.25%	0.13%	0.14%
Total Africa	UK Net Bilateral ODA	2,606,742	1,721,731	1,220,987	1,233,098	1,885,325
	Percentage of Total Net Bilateral ODA	27.35%	23.80%	12.67%	12.33%	16.72%
	Percentage of Gross National Income	0.13%	0.08%	0.05%	0.05%	0.07%
Total Asia	UK Net Bilateral ODA	1,973,835	1,323,934	1,050,398	863,992	1,366,159
	Percentage of Total Net Bilateral ODA	20.71%	18.30%	10.90%	8.64%	12.12%
	Percentage of Gross National Income	0.10%	0.06%	0.04%	0.03%	0.05%
Rest of the World	UK Net Bilateral ODA	457,211	359,359	649,385	563,156	566,615
	Percentage of Total Net Bilateral ODA	4.80%	4.97%	6.74%	5.63%	5.03%
	Percentage of Gross National Income	0.02%	0.02%	0.03%	0.02%	0.02%
Unspecified Region	UK Net Bilateral ODA	4,493,776	3,828,885	6,718,907	7,343,685	7,455,188
	Percentage of Total Net Bilateral ODA	47.15%	52.93%	69.70%	73.41%	66.13%
	Percentage of Gross National Income	0.22%	0.17%	0.27%	0.28%	0.26%
Total UK Net Bilateral ODA	UK Net Bilateral ODA	9,531,563	7,233,908	9,639,677	10,003,931	11,273,287
	Percentage of Total Net Bilateral ODA	100.00%	100.00%	100.00%	100.00%	100.00%
	Percentage of Gross National Income	0.46%	0.32%	0.38%	0.38%	0.40%
Low Income Countries	UK Net Bilateral ODA	2,389,750	1,424,993	1,240,705	1,105,241	1,761,817
	Percentage of Total Net Bilateral ODA	25%	20%	13%	11%	16%
	Percentage of Gross National Income	0.12%	0.06%	0.05%	0.04%	0.06%
Total UK Net Multilateral ODA	UK Net Multilateral ODA	4,945,381	4,188,720	3,146,008	5,340,042	2,808,891
	Percentage of Gross National Income	0.24%	0.18%	0.13%	0.20%	0.10%

Annex C: Regulatory Reporting

Core Tables (unaudited)

The common core tables and annual accounts have both been prepared on a Clear Line of Sight basis since 2011-12. The expectation is that there should be consistency between these two sources of data. The common core tables below reflect total departmental budgets including the core FCDO, bodies sponsored by the FCDO and expenditure on conflict, stability and security.

In the FCDO Main Estimate 2021-22, the former FCO and DFID estimate rows were merged. The data below is presented in the format of the 2021-22 estimate structure. From 2022-23 estimate row D, Strategic priorities and other programme spending, was replaced with three estimate rows entitled: Regional bilateral programmes; Core multilateral programmes; and Centrally managed programmes. More information is available in the Main Estimates Memorandum 2022-23.

https://www.gov.uk/government/publications/foreign-commonwealth-development-office-main-estimates-memorandum-2022-to-2023.

It is not possible to link the data presented in the core tables to our core priorites as the FCDO is not structured in this way. Our resources, both people and projects, often support multiple priorities particularly overseas, therefore data is not captured in this way.

See the Financial Review page 55 for trend analysis.

See footnotes for further details. Annex C is unaudited.

Table 1. Public Spending

	2020-21 Outturn £000	2021-22 Outturn £000	2022-23 Outturn £000	2023-24 Outturn £000	2024-25 Outturn £000	2025-26 Outturn £000	2026-27 Plans £000
Resource DEL							
Section A: Operating Costs, frontline diplomacy and overseas network	1,446,249	1,494,995	1,595,687	1,777,085	1,132,312	1,954,315	1,805,191
Section B: Funding for NDPBs within Departmental Group (Net)	34,424	39,051	41,383	39,607	43,493	43,108	41,610
Section C: British Council	148,700	190,500	164,709	176,606	166,075	180,550	183,000
Strategic priorities and other programme spending[1]	6,333,649	4,190,539	–	–	–	–	
Section G: International subscriptions, scholarships and BBC World Service	329,536	319,072	336,954	359,929	386,195	422,987	443,065
Section H: UK Integrated Security Fund[2]	886,302	680,811	664,640	719,677	727,875	601,803	499,147
Prosperity Fund[3]	213,060	–	–	–	–	–	
Regional bilateral programmes	–	–	1,732,174	1,580,882	3,315,299	2,453,943	1,850,834
Core multilateral programmes	–	–	1,747,696	2,493,442	1,803,013	1,152,825	511,370
Centrally managed programmes	–	–	613,075	428,984	750,463	1,084,360	843,345
Non-Voted							
Section I: European Union Attributed Aid	522,000	684,224	532,000	432,000	281,735	161,900	109,000
	9,913,920	**7,599,192**	**7,428,318**	**8,008,212**	**8,606,460**	**8,055,791**	**6,286,562**
Resource AME							
Voted							
Section J: Other central programme and technical costs	617,378	(123,836)	485,362	202,607	349,280	(129,119)	954,063
Total Resource AME	**617,378**	**(123,836)**	**485,362**	**202,607**	**349,280**	**(129,119)**	**954,063**
Total Resource	**10,531,298**	**7,475,356**	**7,913,680**	**8,210,819**	**8,955,740**	**7,926,672**	**7,240,625**

1 In the Resource DEL table above the Integrated Activity Fund (IAF) is included in Strategic priorities and other programme spending.
2 In 2023-24 the budget for the Conflict, Stability and Security Fund was superseded by the UK Integrated Security Fund.
3 In FCO's 2017-18 accounts the Prosperity Fund was included in the row entitled Administration and programme expenditure.
4 Plans for 2026-27 are notional.
5 2022-23 to 2024-25 include budget for the Machinery of Government change from the Cabinet Office for responsibility for the UK-EU relationship. Outturn for 2020-21 £4,484k and 2021-22 £3,916k is not included in the figures above.

	2020-21 Outturn £000	2021-22 Outturn £000	2022-23 Outturn £000	2023-24 Outturn £000	2024-25 Outturn £000	2025-26 Outturn £000	2026-27 Plans £000
Capital DEL							
Section A: Operating Costs, frontline diplomacy and overseas network[1]	109,340	144,496	348,260	296,294	298,415	257,909	540,610
Section C: British Council	52,000	4,800	81,290	58,000	–	–	–
Strategic priorities and other programme spending	2,668,045	1,579,767	–	–	–	–	–
Section G: International subscriptions, scholarships and BBC World Service	–	–	379	1,173	–	–	–
Section H: UK Integrated Security Fund[2]	37,000	20,570	5,140	564	185	–	–
Prosperity Fund	4,692	–	–	–	–	–	–
Regional bilateral programmes			151,744	164,086	578,814	447,284	271,365
Core multilateral programmes			1,006,458	2,440,853	792,343	1,607,604	1,563,846
Centrally managed programmes			558,364	488,015	981,221	850,135	764,476
	2,871,077	**1,749,633**	**2,151,635**	**3,448,985**	**2,650,978**	**3,162,932**	**3,140,297**
Capital AME							
Voted							
Section J: Other central programme and technical costs					598	165	1,000
Section K: BII	650,000	660,650	289,500	433,000	880,000	480,000	143,000
Total Capital AME	**650,000**	**660,650**	**289,500**	**433,000**	**880,598**	**480,165**	**144,000**
Total Capital	**3,521,077**	**2,410,283**	**2,441,135**	**3,881,985**	**3,531,576**	**3,643,097**	**3,284,297**

1 From 2022-23, the Main Estimate Capital DEL figure includes budget for the adoption of IFRS16.
2 In 2023-24 the budget for the Conflict, Stability and Security Fund was superseded by the UK Integrated Security Fund.
3 Plans for 2026-27 are notional.

Table 2. Administration Budget

	2020-21 Outturn £000	2021-22 Outturn £000	2022-23 Outturn £000	2023-24 Outturn £000	2024-25 Outturn £000	2025-26 Outturn £000	2026-27 Plans £000
Administration							
Section A: Operating Costs, frontline diplomacy and overseas network[1]	242,635	258,672	303,833	301,269	325,084	332,752	327,307
Section B: Funding for NDPBs within Departmental Group (Net)	800	662	1,240	–	–	–	–
	243,435	**259,334**	**305,073**	**301,269**	**326,313**	**332,752**	**327,307**

1 2022-23 to 2024-25 include budget for the Machinery of Government change from the Cabinet Office for responsibility for the UK-EU relationship. Outturn for 2020-21 £4,484k and 2021-22 £3,916k is not included in the figures above.

Annex D: Arm's Length Bodies

Further information on Arm's Length Bodies is included within the Governance Statement and Note 19. The following bodies are those within our accounting boundary for 2025-26 that contribute to the departmental group. Annex D is unaudited.

Department	Total operating income £'000	Total operating expenditure £'000	Net Expenditure for the year £'000 (including financing)	Permanently employed staff		Other staff	
				Number of employees	Staff costs £'000	Number of employees	Staff costs £'000
Wilton Park	(9,005)	10,010	966	82	5,489	4	419
英中协会 Great Britain China Centre	(1,515)	1,844	319	7	457	3	174
WFD	(9,027)	17,479	8,426	82	5,445	2	79
Marshall Scholarships	(251)	4,145	3,894				
Commonwealth Scholarships		28,580	28,580				
icai		2,635	2,635	10	797	3	235

1 Total operating income is calculated to include revenue from contracts with customers and other operating income. As an Executive Agency, Wilton Park receives a subsidy included in operating income. All other ALBs are NDPBs receiving Grant in Aid funding, which is recognised through the general fund in line with the FReM.
2 There are no staff employed in CSC and MACC. Day to day functions are carried out by external administrators.
3. Net expenditure for the year is composed of total operating income, less total operating expenditure, plus finance income less finance expense.

E03612508

ISBN 978-1-5286-6522-3