



UK Government
Investments

UK Government Investments Limited
Annual Report
and Accounts
2025-26

CP 1631



UK Government Investments Limited

Annual Report and Accounts 2025-26

Presented to Parliament
by the Economic Secretary to the Treasury
by Command of His Majesty

July 2026

Company No. 09774296



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Overview

Our mission

UK Government Investments Limited (UKGI or the Company) is the government's centre of expertise in corporate governance and corporate finance. We provide expert advice and leading solutions that inform and translate government decisions into effective outcomes in the national interest.

UKGI promotes good governance of publicly owned businesses and supports government's private sector interventions. It also provides advice on, and analysis of, the government's financial instruments and delivers orderly transactions that generate value for money.

Objectives



HM Treasury

UKGI is entrusted by His Majesty's Treasury (HMT) to undertake the following objectives:

UK Government Investments



Corporate Governance

Act as a shareholder representative for, and lead establishment of, the government's most complex and commercial arm's length bodies (ALBs) on behalf of sponsor departments.



Corporate Finance

Advise on major UK government corporate finance matters including financial interventions into corporate structures, financial transactions and corporate finance negotiations.



Financial Instruments and Transactions Advisory Group (FInTAG)

Advise on and analyse the UK Government's financial assets and liabilities.

Chair's Foreword



“... the organisation has built a distinctive capability at the heart of government, combining deep commercial expertise, informed judgement and a clear focus on outcomes for departments.”

Vindi Banga
Chair

At UK Government Investments our role is to support departments in driving their priorities and creating value for society from the government's most complex commercial interests. Over the past year, UKGI has: supported several departments in strengthening governance across a wide range of arm's length bodies and executing complex transactions – always with a focus on long-term value for taxpayers.

This year marks an important milestone for UKGI as we mark our ten-year anniversary. Since UKGI began operations on 1 April 2016, bringing together UK Financial Investments (UKFI) and the Shareholder Executive (ShEx), the organisation has built a distinctive capability at the heart of government, combining deep commercial expertise, informed judgement and a clear focus on outcomes for departments.

UKGI's leadership has transitioned during this year with the appointment of Harry Hampson as Chief Executive, in January 2026, succeeding Charles Donald. Charles led UKGI with distinction from 2020, guiding the organisation through an exceptional period that included the COVID-19 response, major portfolio responsibilities and continued work associated with the Post Office Horizon IT Inquiry. On behalf of the Board, I would like to thank Charles for his assured, principled leadership and for the strong organisation he leaves behind. Harry brings deep corporate finance and capital markets experience and a strong leadership track record. The Board has full confidence in his leadership and focus on excellence, client impact and investment in UKGI's people and capabilities.

Our successes of the past year underline the importance of the UKGI model. I would like to highlight, in particular, UKGI's contribution in enabling the full exit from the government's shareholding in NatWest Group (NWG) in

May 2025. This brought an end to nearly 17 years of public ownership and saw the bank returned to full private ownership. On behalf of the Board, I would like to thank everyone in UKGI – and its predecessor UKFI – who worked on this successful exit.

UKGI also supported various departments in appointing and developing high calibre Chairs, Non-Executive Directors (NEDs) and executives to their arm's length bodies, and in strengthening the effectiveness of their Boards through a growing programme of cross government governance expertise and activity. The transition to a governance hub operating model will further enhance UKGI's ability to deploy governance expertise flexibly and consistently in response to departmental needs.

The Board strongly emphasises continuous improvement throughout UKGI in line with best practice and drawing on lessons learned from our previous experiences. This includes UKGI's continued engagement with the Post Office Horizon IT Inquiry. We remain fully committed to supporting the Inquiry Chair and ensuring that the necessary lessons are understood and embedded so that good practice is strengthened.

Board effectiveness and strong oversight are central to UKGI's ability to deliver. During the year, the Board continued to oversee UKGI's strategy, performance and risk management. This included the development of new arrangements for cost recovery and refreshed Memoranda of Understanding with key departments to ensure clarity of expectations, appropriate accountability and a strong focus on outcomes.

We also continued to evolve the Board's composition to reflect UKGI's priorities and portfolio. I am pleased that our Board has been further strengthened with the addition of Jim O'Neil, as HM Treasury's Shareholder NED, Harry Hampson, as Chief Executive, and Craig Coben as NED. These changes reflect the continued growth of our corporate finance activities, as we align to the government's priorities. I would like to thank Kalpana Desai, Gareth Davies, Jeremy Pocklington and Beth Russell for their significant contribution and service as they step down from the Board.

Looking ahead, the environment will remain demanding: fiscal constraints, complex delivery challenges and an evolving public sector landscape will continue to require disciplined commercial judgement and strong governance. The Board is confident that UKGI is well placed to meet these challenges. Under Harry's leadership, and with the continued expertise and dedication of UKGI colleagues, we will build on the organisation's strong foundations and continue to help government steward critical assets, deliver complex transactions and create long-term value for taxpayers.



Vindi Banga

Chair

2 July 2026

Chief Executive's Statement



“Our purpose remains clear: to act as the government’s centre of expertise in corporate governance and corporate finance. Over the past year, our work has spanned some of the government’s biggest priorities.”

Harry Hampson
Chief Executive

This year marked the start of a period of transition for UKGI, building on strong foundations. I took up the role of Chief Executive in January 2026, succeeding Charles Donald, who had led UKGI since March 2020. Charles steered the organisation through an exceptional period, leaving an exemplary legacy: a strong senior leadership team, a committed Board and a talented group of colleagues with a distinctive blend of public and private sector experience. I am grateful for the generous support he gave me in my transition into the role.

Our purpose remains clear: to act as the government’s centre of expertise in corporate governance and corporate finance. Over the past year, our work has spanned some of the government’s biggest priorities. At the same time, we have started to shape the next chapter for UKGI, with a focus on excellence, client impact and building the skills and capabilities of our team.

A defining milestone this year was the completion of the government’s exit from its shareholding in NatWest Group. The government raised £24.8bn from share sales, and £35bn in total when accounting for dividends and other fees. UKGI has been central to this programme from the outset. We are now sharing the insights and best practice developed through this work – in terms of stewardship, delivery, complex capital markets execution and value for money – to inform our approach to other major transactions and future interventions.

Our role supporting delivery of the government’s clean energy ambitions has continued to grow. We supported the Department for Energy Security and Net Zero (DESNZ) on the government’s further investment in Sizewell C and the subsequent final investment decision. We also provided corporate finance advice on

Great British Energy Nuclear's (GBE-N's) Small Modular Reactor technology selection process, helping to shape the government's investment with the preferred technology provider. These projects exemplify the complex, long-term investment decisions where UKGI's expertise adds real value.

Alongside these programmes, we supported departments on a wide range of special situations and transactions across industrial sectors, defence and infrastructure. Our work with the Ministry of Defence (MoD), Department for Business and Trade (DBT) and others on major restructurings and investments illustrates the breadth of issues on which UKGI is asked to advise, and the importance of bringing a consistent, cross-government perspective.

This year UKGI published a first-of-a-kind Financial Investment Report analysing the government's £203bn loan and equity portfolio, reflecting a government commitment to increased transparency. Together with our annual report on contingent liabilities, it places the government at the international forefront of proactive balance sheet management.

Through our shareholder roles, we continue to work with departments to support effective boards, sound decision-making and transparent accountability in complex arm's length bodies and companies in which the government has a stake. Over the year we have supported the Ministry of Housing, Communities and Local Government (MHCLG) as they develop the National Housing Bank and have provided a Shareholder NED to the board of DfT Operator Limited. We also continued our governance events programme, including hosting the inaugural cross-government Shareholder NED conference, focused on board culture, raising minority views and navigating crises.

The events under consideration by the Post Office Horizon IT Inquiry underscore the importance of ensuring our people have the right skills, training and support, and that we learn from these events. We have continued to strengthen our shareholder oversight model, building on improvements made in recent years, including embedding enhanced Portfolio Operating Principles, expanding training and support for Shareholder NEDs and shareholder teams, and reinforcing our approach to escalation, whistleblowing and litigation oversight. We remain committed to providing the Inquiry with the fullest possible assistance and to ensuring that we reflect carefully on the evidence and hearings and strengthen our approach so that we become a more effective organisation.

I was pleased to open UKGI's new office in Leeds in February 2026. Leeds offers a strong talent pool, a well-established professional services ecosystem and excellent connectivity. Our presence there will bring us closer to stakeholders, create more opportunities for public service careers beyond London and strengthen our ability to support government priorities.

UKGI has much to be proud of, and a strong platform for the future. Looking ahead to 2026-27 we will build on our strong foundations and focus on: seeking excellence in everything we do; delivering clear value to our clients; working as one team and getting the most from our diverse backgrounds and experiences; and growing and developing our people. I look forward to the year ahead.



Harry Hampson

Chief Executive
2 July 2026





Strategic Report

Business Model

UKGI is a company wholly owned by HM Treasury (HMT) providing advisory services to Whitehall departments on the execution of a range of complex commercial and financial tasks in line with the government's policy objectives.

We have memoranda of understanding with Whitehall departments setting out the services we offer and how we work with them to deliver those services. When working for ministers, UKGI staff demonstrate the same degree of confidentiality as ministers would expect of their own officials, to the standards contained within the Civil Service Code, and in line with the UK Market Abuse Regulation.

UKGI is accountable to Parliament for specific matters pertaining to the preparation of its accounts, governance and acting in accordance with Managing Public Money, and to HMT for performance against its objectives.

How We Work

Our people are highly skilled, experienced professionals, drawn from both the Civil Service and private sector. This combined capability allows us to best meet the evolving needs of our clients.

Our values define who we are, what we stand for, how we behave and what we aspire to achieve. We continuously hold ourselves and each other accountable to these values and strive for improvement where we fall short. At UKGI, we are:



Our Funding Model

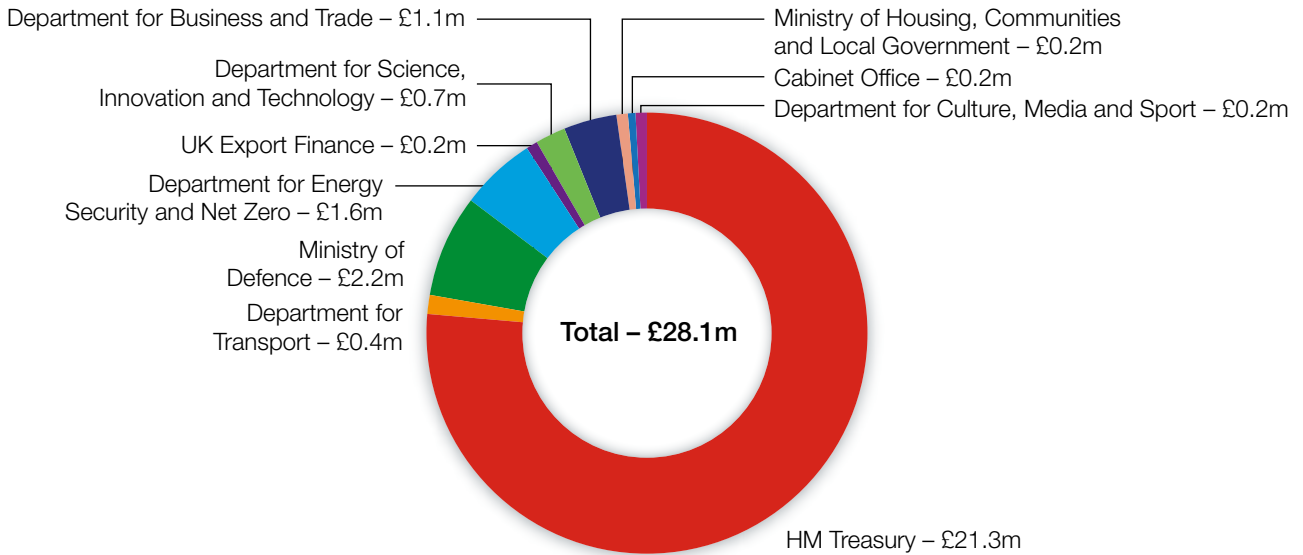
UKGI is funded by HM Treasury under section 36 of the Enterprise Act 2016 and through invoicing departments at cost for the provision of Shareholder services. UKGI's funding split by department for 2025-26 is set out below. The funding is the total available and does not necessarily align to the grant-in-aid drawn down in the year as disclosed in the financial statements.

UKGI may recover its cost for specific services incurred on behalf of another department. The recovery may be via budget transfers or as an invoice for services.

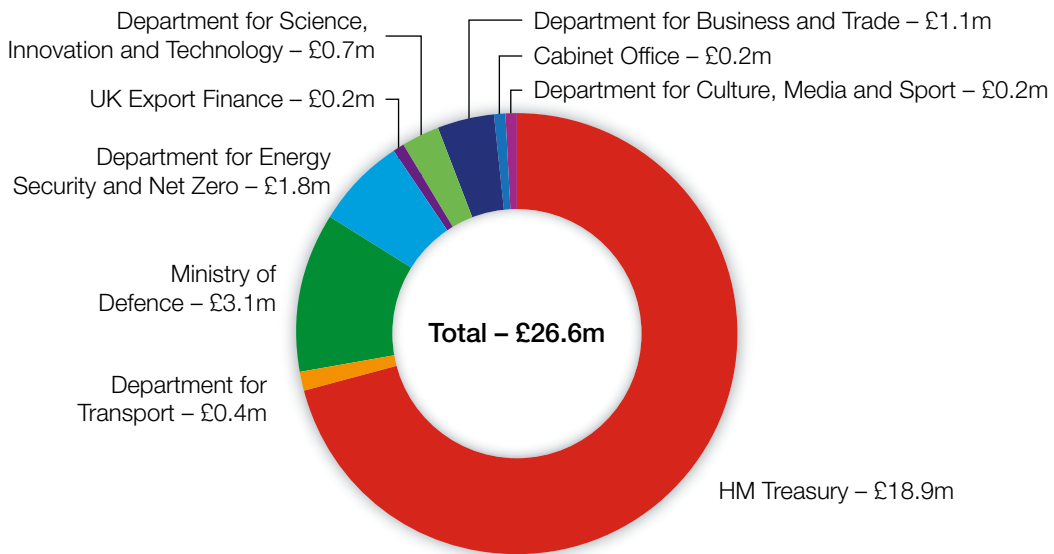
	2025-26 (£m)	2024-25 (£m)
HM Treasury	18.9	21.3
Department for Transport	0.4	0.4
Ministry of Defence	3.1	2.2
Department for Energy Security and Net Zero	1.8	1.6
UK Export Finance	0.2	0.2
Department for Science, Innovation and Technology	0.7	0.7
Department for Business and Trade	1.1	1.1
Ministry of Housing, Communities and Local Government	–	0.2
Cabinet Office	0.2	0.2
Department for Digital, Culture, Media and Sport	0.2	0.2
Total Funding	26.6	28.1

In 2025-26, UKGI's in-house corporate finance and governance function saved government departments c. £21.4m in external adviser fees compared to using framework contracts. The pie chart below shows the total savings attributed to each department (note that HM Treasury provides funding for all work related to special situations which will be in support of other departments).

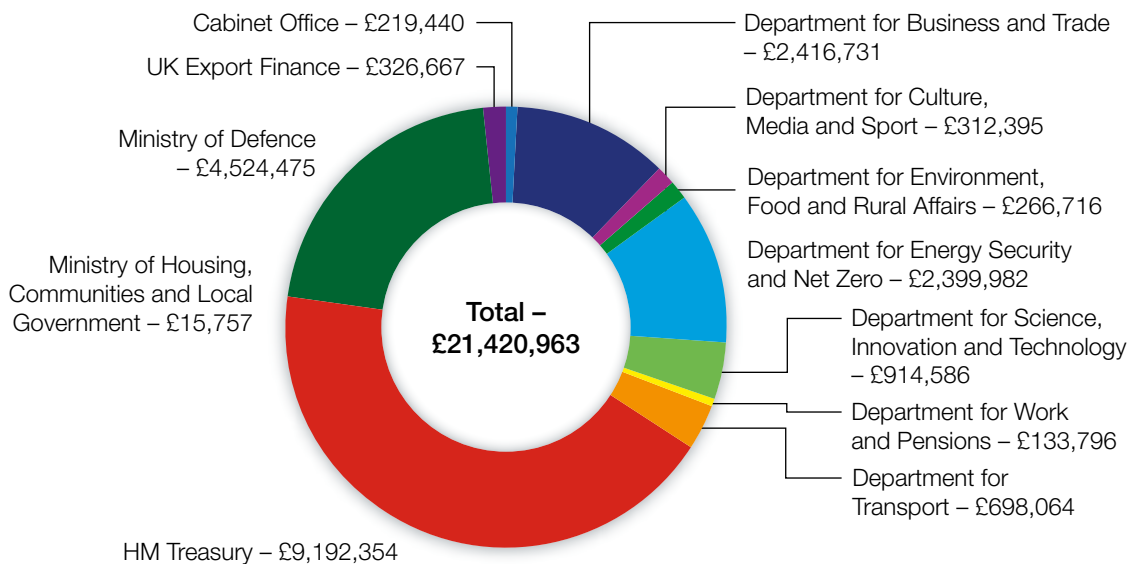
Our funding, by departments we supported, 2024–25



Our funding, by departments we supported, 2025–26

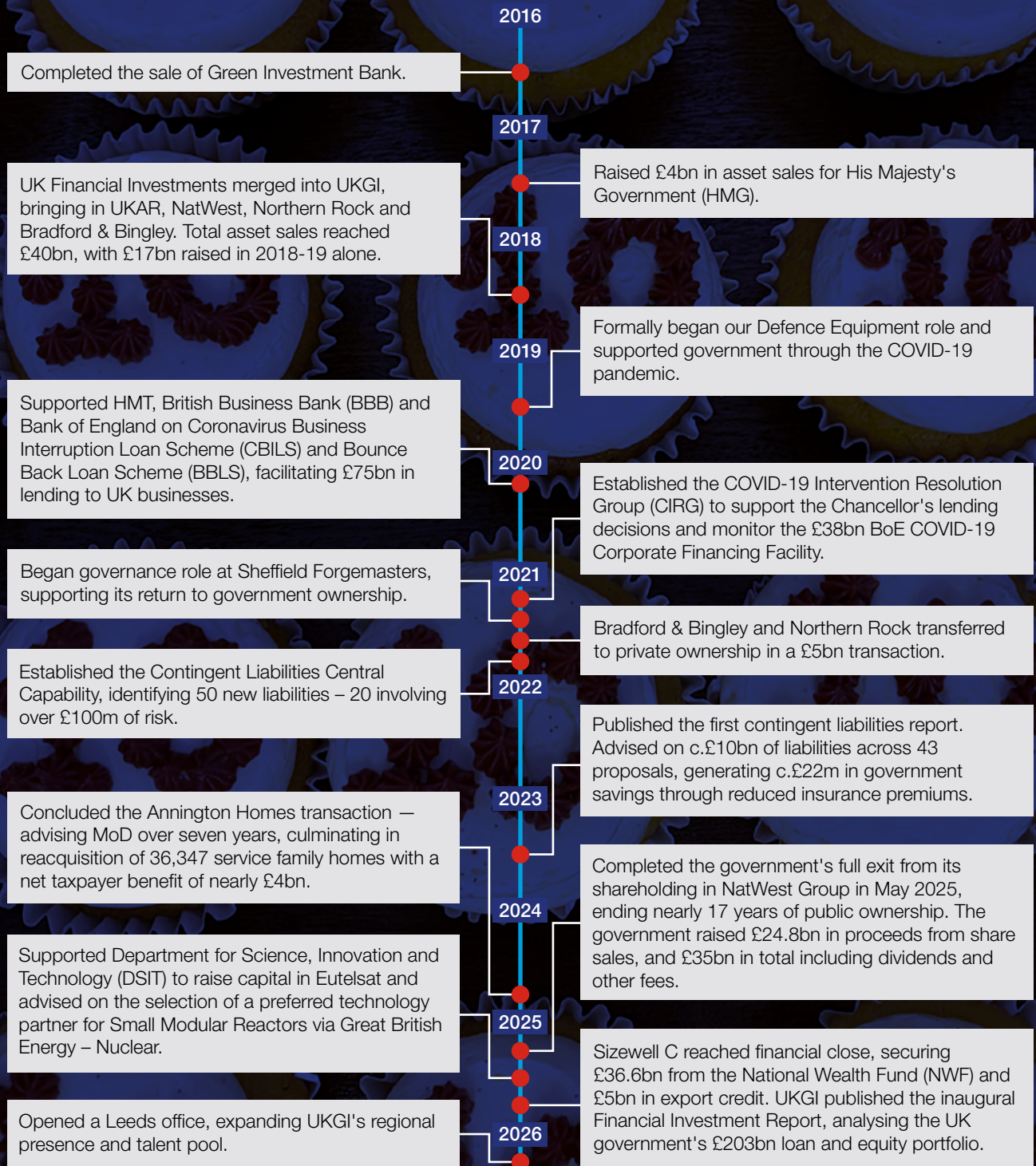


The estimated savings each Department made through using UKGI services



Delivering a Decade of Impact

This year marks UKGI's tenth anniversary. UKGI began operations on 1 April 2016, with the merger of UK Financial Investments and the Shareholder Executive. Over the past decade UKGI has supported the government to deliver on some of its most complex corporate finance and corporate governance challenges. The timeline that follows shows some selected highlights from the last ten years, illustrating the breadth of UKGI's work and the impact it has had across government and the country.



Case study: The National Housing Bank



The National Housing Bank is a new body, established as a subsidiary of Homes England, which delivers purpose-led finance for housing delivery. With up to £16 billion of financial capacity, it aims to attract over £50 billion of private capital, enabling more homes to be built and supporting the government's aims to transform places and boost economic growth.

As the first Public Financial Institution (PuFI) created since the designation was established through the 2024 Financial Transactions Control Framework, it was important to ensure the Bank was set up with the right systems and governance to enable it to deliver on its objectives. UKGI worked with both the MHCLG and HM Treasury to provide advice and best practice on areas including governance, board composition and risk management, sharing our experiences from the set-up of other similar bodies like the UK Infrastructure Bank (now National Wealth Fund) and from our stewardship of other PuFIs such as the BBB and UK Export Finance (UKEF).

The National Housing Bank was formally launched on 1 April 2026 and UKGI continues to support the Bank including through providing a Shareholder NED sitting on the Bank's Board.

Case study: Nuclear Third-Party Liability



Nuclear has a key role in the UK's transition to net zero by 2050, with safety and regulation being of paramount importance, and the risk of any accidents in the UK remaining very low. In 2022, changes to protocols in the field of nuclear energy strengthened the UK's nuclear third-party liability regime, providing more compensation to more victims for a broader range of damages. A key change was extending the period during which personal injury claims could be made, in the highly unlikely event of an incident, from 10 to 30 years.

After engaging with the market, it became clear that UK insurers could not immediately provide sufficient insurance capacity up to the new requirements. The government has therefore offered indemnities to operators for an economic charge, for allowable claims made in the 10-to-30-year period after an incident, up to a maximum limit.

This is an example of government providing capacity that works alongside commercially available cover. The government sets a premium price that balances an overriding policy objective to encourage, but not crowd out, the market, while also ensuring operators can meet their legal obligation to have sufficient cover in place. This charging approach is aligned with the principle of government developing a long-term exit strategy to address the cause of the market disruption and facilitate the transfer of risk back to the commercial market.

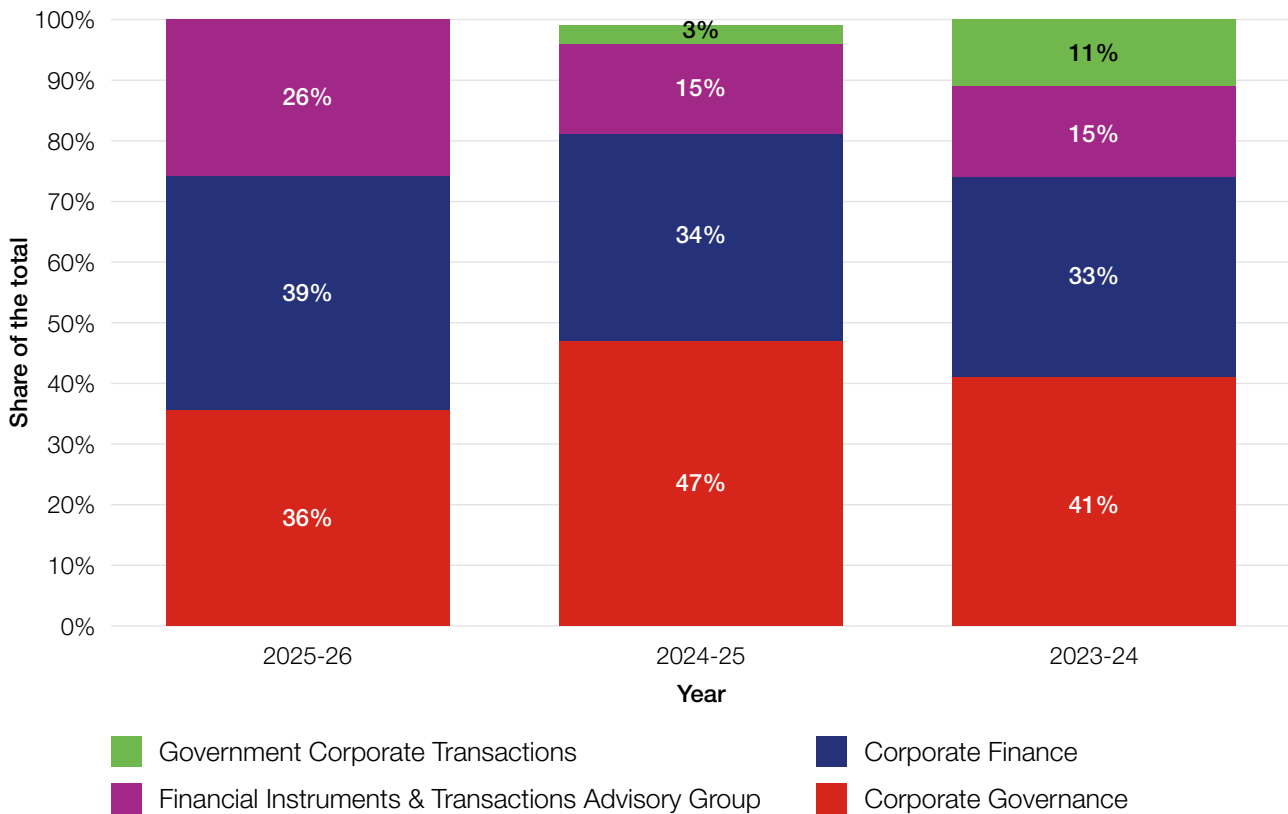
2026 is the fifth year this intervention was required. There are encouraging signs the market is developing, with insurers covering more of the risk. The government will continue to review the arrangements annually and aim to reduce intervention as insurers expand capacity and close the gap.

UKGI supports Department for Energy Security and Net Zero (DESNZ) on an annual basis with the completion of the contingent liability checklist required under the Contingent Liability Approval Framework.

Delivering our Objectives

UKGI assesses its performance through a process of feedback from key stakeholders, including departmental Permanent Secretaries and Chairs and CEOs of portfolio entities; through measurement against performance metrics; and through a review of achievements against its objectives, which is subject to challenge and endorsement by its Board. Against all these measures, UKGI met its objectives for 2025-26.

Chart showing the change in full-time equivalent (FTE) allocation across UKGI objectives over three years





Corporate Governance

Acts as a shareholder representative for, and lead establishment of, the government’s most complex and commercial ALBs on behalf of sponsor departments

In 2025-26, UKGI shareholder NEDs continued to provide strong challenge and judgement to some of the government’s most complex organisations. Feedback routinely reflected that UKGI board representatives apply commercial discipline, provide credible and constructive engagement on difficult issues and guide organisations through challenging circumstances. Sponsor departments of these organisations have credited UKGI with helping them navigate complex performance, governance and shareholder issues. UKGI also continued to support departments to successfully establish new arm’s length bodies, like the National Housing Bank.

As at 31 March 2026, UKGI performed the shareholder representative function for 24 organisations,* on behalf of eight government departments, which:



Employ over
126,000
people



Generate c.
£32bn
of gross income



Manage over
£261bn
of assets

* UKGI’s responsibilities vary significantly across the organisations within its portfolio. While UKGI’s role is typically focused on delivering the shareholder representative role, drawing on our corporate governance expertise, in some cases we are asked by departments to perform additional or alternative activities. These may include providing corporate finance expertise or supporting the delivery of specific departmental projects. Examples include (but are not limited to) UKGI’s roles on BBC Commercial, Sizewell C and Channel 4. These roles sit outside UKGI’s core shareholder representative model and reflect specific responsibilities agreed with departments.

The portfolio includes ministerial departments through to private limited companies and covers a diverse range of sectors, including:

 Defence



 Energy



 Property and Land



 Manufacturing



 Transport



 Communications



 Finance



Developments across the portfolio

UKGI has continued to operate proactively as shareholder representative across a diverse portfolio of organisations. In 2025-26 we provided a NED to the board of DfT Operator Limited and we have supported departments as they introduce new organisations including Great British Energy, the National Housing Bank and Great British Railways. We ended our mandates on NatWest Group (May 2025) and Octric (December 2025).

As an organisation focused on continuous improvement, we have reflected on opportunities to enhance our portfolio management practices. As a result, UKGI is adapting its approach to corporate governance, moving to a model where Shareholder NEDs are supported by a team organised by specialism in a Corporate Governance Hub to deliver the full suite of 'shareholder' activities. This change is designed to further strengthen UKGI's governance work across the government-owned entities within UKGI's portfolio by enhancing the consistency and coordination of our expert advice. Over time, it will offer a base to drive further efficiency through greater use of data and AI.

UKGI's unique role in government allows us to bring together the leadership from government's most complex entities to share best practice and promote effective stewardship. In 2025-26 we facilitated six events on specialist topics for different leadership cohorts from across the portfolio, including Chairs and CEOs, Audit and Risk Committee Chairs, Remuneration Committee Chairs, General Counsels and Board Members. UKGI also hosted an inaugural event for the government's wider Shareholder NED community and those who work alongside them.

Case study: Eutelsat



UKGI has supported the UK government as shareholder in Eutelsat since the merger with OneWeb in 2023. Last year, Eutelsat announced a €1.5bn capital raise to underpin the execution of the company's long-term strategic vision.

The Secretary of State for Science, Innovation and Technology, in partnership with fellow key shareholders including the French government and Bharti Space, chose to participate in the capital increase, reflecting the UK government's commitment to the development of critical technologies and maintain its strategic stake in the global satellite communications sector.

UKGI provided corporate finance and corporate governance expertise to execute the UK government's €163m participation in the capital increase, working closely with the company, its board and wider government and international stakeholders.

As a result, the UK government has maintained its 10.9% stake in Eutelsat, its seat on the Eutelsat board and close partnership with the only European operator of a low-earth-orbit satellite communications constellation.

Promoting effective stewardship

UKGI is committed to good stewardship practices and building its reputation as a centre of expertise for corporate governance across government. We have been reaffirmed as a signatory to the Financial Reporting Council's Stewardship Code for a fifth year. We have engaged with stakeholders across Whitehall to promote effective governance, including with the Cabinet Office Public Bodies Team, the DBT Corporate Governance, Audit Reform and Shareholder Rights team, Cabinet Office Propriety and Ethics team and the Prime Minister's Appointments Unit.



Case study: Reclaim Fund Ltd – UK Dormant Assets Scheme reaches £1 billion milestone



Reclaim Fund Limited (RFL) is a not-for-profit public body owned by HM Treasury responsible for managing the UK Dormant Assets Scheme (the ‘Scheme’). The Scheme enables participating banks, building societies, and other financial institutions to transfer eligible dormant assets to RFL, which then distributes surplus funds to vital social and environmental initiatives across the UK via the National Lottery Community Fund. UKGI acts as Shareholder Representative, supporting RFL’s governance and performance monitoring, to promote strategic alignment with government policy.

Since its inception in 2011, the Scheme has enabled the transfer of dormant assets from over 50 financial institutions to RFL for the benefit of communities across the UK. This year, the Scheme reached the landmark of £1 billion distributed to good causes. This funding has supported more than 2,500 charities and social enterprises, helping to tackle youth unemployment, advance financial inclusion, address climate change, and promote community development.

The Scheme expanded in 2022 to include assets from insurance, pensions, investments, and securities, increasing its capacity to unlock further funding for social and environmental initiatives. The positive effects of this funding are evident in community projects across the UK, which demonstrate how dormant assets can be repurposed to transform lives and strengthen communities.

RFL’s delivery of the Scheme exemplifies the positive social and environmental outcomes that can be achieved through effective stewardship of public assets. RFL’s operational expertise, robust governance and risk management ensure that the Scheme operates transparently and prudently, safeguarding the interests of beneficiaries across society, channelling dormant assets to where they can have the greatest impact. UKGI supports RFL in maintaining high standards of accountability and effectiveness, helping the Scheme to deliver on its objectives and adapt to new opportunities.

International work

UKGI has represented the UK at the Organisation for Economic Co-operation and Development's (OECD's) Working Party on State Ownership and Privatisation Practices (WPSOPP), holding a Bureau role since 2012. UKGI General Counsel Lucie Lambert was voted into the role of Vice-Chair when Charles Donald stepped down from the working party Chair role which he held for four years in 2025. Coordinating cross-Whitehall input, UKGI contributed to the OECD's work to refresh the global state ownership compendium which is an important tool for transparency on good practice adherence.

In support of OECD standards, UKGI continues to engage internationally to share its experience and lessons learnt. In 2025-26, UKGI met with delegations from Italy, South Africa, and Thailand, to discuss a variety of corporate governance topics in the context of UKGI's shareholder model for state-owned companies and corporate finance practices.





Corporate Finance

Advises on major UK government corporate finance matters, including financial interventions into corporate structures and corporate finance negotiations

UKGI continued to provide departments with high quality technical and execution capability for complex transactions. Departments noted that UKGI consistently demonstrates strong corporate finance skills, robust handling of process through transactions (governance, approvals, documentation) and credible advice that stands up to scrutiny. UKGI has helped departments deliver solutions in highly time-constrained situations across its special situations, inward M&A and financial transaction advisory work.

Over the year, UKGI reached a major milestone on its corporate transaction work, through the sale of the government's final shares in NatWest Group. The organisation's corporate transaction expertise was then rolled into UKGI's Corporate Finance group.

Case study: NatWest Group

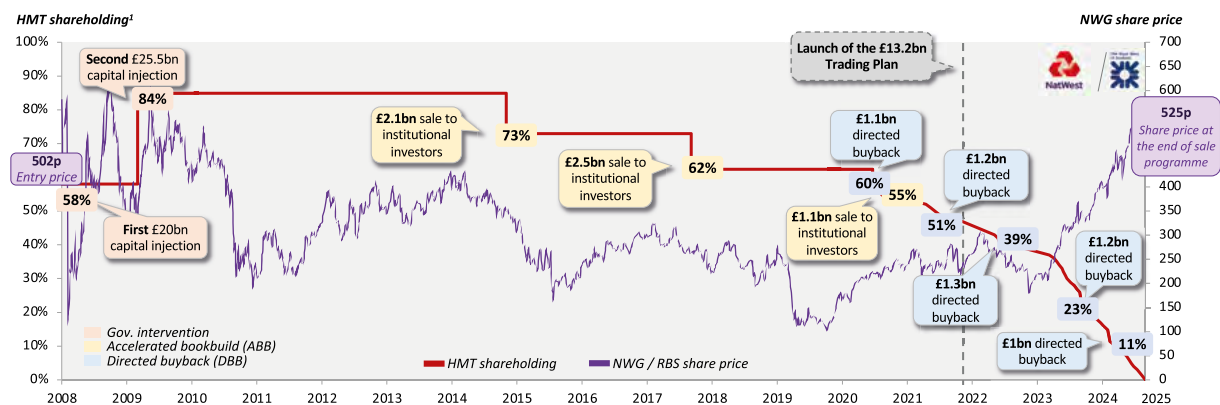


On 30 May 2025 the government sold its remaining shares in NWG (previously Royal Bank of Scotland, RBS). This concluded nearly 17 years of the government being a shareholder in the bank and ended the public ownership of banks resulting from the 2007-2009 global financial crisis.

Over the course of 2008 and 2009, the government provided c. £45.5 billion to recapitalise RBS, taking HM Treasury's (HMT's) ownership of the bank to a peak of 84.4% in 2009. This was done as part of a series of interventions made by the government in the financial sector, to protect ordinary savers and businesses from the collapse of a bank that was vital to the functioning of the UK economy and financial system. UKGI, and its predecessor UK Financial Investments, was mandated by HMT to develop and execute a strategy for disposing of NWG shares in an orderly and active way, delivering value for money for the taxpayer.

UKGI led the privatisation of NWG via three disposal methods including accelerated bookbuilds, directed buybacks and the trading plan. Sales were only conducted when market conditions allowed and it represented value for money for the taxpayer to do so. In total, the government raised £24.8 billion in proceeds from sales of its shares in NWG. When dividends and other fees are included, the government received a total of £35 billion in relation to its shareholding in NWG. This privatisation represented the largest ever global financial services monetisation programme.

Timeline of HMT's shareholding in NWG (formerly RBS) and share price performance



Corporate finance and financial transactions advisory

UKGI's corporate finance expertise supports departments to identify, design and execute corporate finance transactions. We work throughout the life cycle of a typical corporate finance project from early-stage policy, options development and assessment through to full-service execution. This includes supporting the appointment and management of advisers, oversight of due diligence, transaction process management, engagement with external counterparties, negotiation of terms and raising of private sector capital.



Case study: Small Modular Reactors (SMR)



The government's SMR programme is central to the UK's clean energy mission. It is critical to strengthening long-term energy security and delivering net zero.

Alongside the multi-year Technology Partner competition run by Great British Energy – Nuclear, the government put in place early-stage financing to support bidders' design activity. This was intended to level the playing field and ensure the government could select the strongest technology partner based on technical and delivery merit alone.

This financing took the form of a large-scale Repayable Design Investment (RDI). The transaction was structurally complex and evolved during delivery, including a transition of the financial counterparty from the DESNZ to the NWF.

UKGI's corporate finance role

UKGI provided specialist corporate finance expertise to support the design and delivery of the RDI. UKGI worked closely with DESNZ, the NWF and HMT throughout the process. UKGI strengthened governance and decision-making structures, acted as an intelligent client to external advisers and applied a clear government lens to the assessment of risks and returns. UKGI also supported negotiation strategy and execution, helping to ensure pricing, valuation and subsidy control considerations were robust, defensible and executable.

Transaction outcome and impact

In April 2026, GBE-N agreed contracts with Rolls-Royce SMR. This was accompanied by up to £599m of repayable government financing from the NWF to support SMR design development. The RDI represents one of NWF's largest investments to date. The transaction demonstrates the value UKGI brings in structuring and delivering complex, strategically important investments.



Department for
Energy Security
& Net Zero



SMR



Great British
ENERGY NUCLEAR

Mergers and Acquisitions activity

UKGI provides specialist corporate finance advice and commercial negotiation support across government where a particular M&A transaction or corporate event is deemed of national security importance under the National Security and Investment Act 2021, or where departments see the need to intervene to protect wider UK interests.

The team has been working closely across Whitehall, focusing on the economic and national security assessment of transactions and leveraging our expertise to support negotiations between government and transacting parties. Over the past year, in a landscape of increasing global threats, UKGI has also undertaken a key advisory role in some of the most high-profile national security transactions facing government, spanning defence, aerospace, telecoms and digital sectors.

Case study: IDS plc



IDS plc (“IDS”), the holding company of Royal Mail, was acquired by EP Group in April 2025. Royal Mail is an essential part of life in the UK, delivering letters and parcels to c. 32 million UK addresses. It has unparalleled scale and reach in the UK, is a renowned brand, has strong customer relationships and a dedicated workforce.

During the acquisition, the DBT worked to safeguard aspects of Royal Mail’s services and business. UKGI was brought in by DBT because it has deep experience of M&A and was ideally placed to support DBT to optimise the securing of those aspects. UKGI worked closely and collaboratively alongside the DBT team to crystallise the outcomes to seek from EP Group, formulate the negotiation strategy, coordinate with external advisers and contribute to discussions and communications with various stakeholders.

UKGI supported DBT throughout the acquisition process which culminated in obtaining legally binding undertakings from EP Group that secured:

- commitments on Royal Mail’s institutional stability as a key UK business, including retaining its tax residency and HQ in the UK and ensuring the brand and Royal Cypher are protected;
- commitments from EP Group to maximise the chances of Royal Mail’s financial success including investment in modernisation;
- securing commitments from EP Group to meet core regulatory requirements including ensuring Royal Mail is the “universal service provider” and maintaining “one-price-goes-anywhere” service;
- securing the requirement for at least two Royal Mail directors to be British nationals;
- ensuring certain Crown Dependencies & Overseas Territories are consulted on key proposals that affect them;
- maintaining commitments for Royal Mail to achieve net zero by 2040; and
- continuing to recognise the relevant postal-worker unions.

Special Situations Group

The Special Situations Group (SSG) collaborates with colleagues across government on a diverse range of projects and sectors, prioritising criticality over size. Over the past year, SSG has taken a lead advisory role in several high-profile situations, including:

- supporting DBT with grant offers in steel companies to facilitate transition to a more sustainable and lower-carbon-intensive steel making process;
- supporting the MoD in the proposed divestment of a key supplier of technology hardware with sovereign capabilities to ensure continued product supply;
- supporting the Department for Environment, Food and Rural Affairs in navigating complex situations involving regulated entities;
- supporting the Department for Health and Social Care in contingency planning and response options for challenges in adult social care;
- supporting Cabinet Office with strategic suppliers to government facing financial distress;
- working with the Home Office on contingency planning and response options for a critical supplier failure;
- continuing to support the Department for Culture, Media and Sport (DCMS) in managing distressed situations impacting the DCMS COVID-19 Sport and Cultural Loan Book; and
- assisting the Department for Education on challenges related to children's social care and universities.

Government Corporate Finance Profession

The Government Corporate Finance Profession (GCFP) has made strong progress across its initiatives this year and has continued to expand its membership base. The profession was led by Charles Donald, in his capacity as Chief Executive of UKGI, until the end of January 2026. On 29 January 2026, leadership passed to Harry Hampson, UKGI's new Chief Executive, with a dedicated UKGI team running the profession in close collaboration with corporate finance colleagues across Whitehall departments.

Over the past year, the profession has focused on enhancing skills, sharing knowledge, and supporting networking, collaboration and career development among corporate finance professionals in government. Key highlights include the expansion of our seminar programme (covering public and private sector topics delivered by internal and external speakers), the GCFP Annual Event which brought the community together to discuss the implications of the UK's Infrastructure Strategy, and continued applications from colleagues to study for the Institute of Chartered Accountants in England and Wales (ICAEW) Corporate Finance qualification via the Government Campus curriculum.



Financial Instruments and Transactions Advisory Group

Advises on and analyses the UK government's financial assets and liabilities

The Financial Instruments and Transactions Advisory Group (FinTAG) is an analytical and advisory unit within UKGI which has been established to strengthen expertise on, and transparency of, contingent liabilities, loans and equity investments in government. FinTAG assists departments and arm's length bodies with assessing, quantifying and pricing risk from financial instruments.

Monitoring and reporting on contingent liabilities and financial transactions

One way these aims are delivered is through the production and publication of reports on the government's stock of contingent liabilities and financial transactions. UKGI's first Financial Investment Report was published alongside Budget 2025. Together with UKGI's Annual Report on the Government's Contingent Liabilities, the Financial Investment Report places the government at the forefront internationally of proactive balance sheet management.

Case study: Financial Investment Report



UKGI published the inaugural *Financial Investment Report* at Budget 2025, providing transparency in support of the government's updated fiscal framework.

At Autumn Budget 2024, the government set out its updated fiscal framework, which included a move to measuring net financial debt. Net financial debt recognises the value of assets created through financial investments in the capital budget which allows for higher levels of capital spending while maintaining fiscal discipline. It also supports the government's objective of catalysing private investment by using loans and equity to invest alongside businesses. It is therefore important that public funds are invested in a sustainable manner.

To strengthen transparency and accountability around how public funds are being invested in conjunction with the private sector, the government established a requirement for UKGI to publish an annual *Financial Investment Report*.

UKGI's Financial Instruments and Transactions Advisory Group (FIInTAG) was uniquely placed to lead the government's work on this report, bringing together public and private sector expertise through a multidisciplinary team of actuarial, credit risk, analytical, data and policy professionals. The team was also able to draw on its extensive experience in bringing together complex, cross-government analysis through the *Annual Report on the UK Government's Contingent Liabilities*.

The inaugural report presented, for the first time, a portfolio-level assessment of the government's £203bn loan and equity transactions. The report brings together diverse and complex financial information into a coherent and accessible narrative, analysing and explaining the value, risk and performance of the government's investment portfolio. It also introduces public financial institutions as the government's primary delivery partners for financial transactions, reflecting their specialist commercial capabilities and market expertise.

Supporting departments to develop contingent liability proposals

FInTAG supports departments to design guarantees and insurance-type products. This includes supporting officials to understand pricing, structure and risk. Throughout the 2025-26 financial year, FInTAG advised on over £15bn of contingent liabilities across 59 individual proposals and advised on a further 19 proposals with unlimited exposure. In surveys conducted after this support had been provided, 88% of respondents in departments said UKGI had done “extremely well” or “well” advising them on the new instrument.

Supporting HMT on their oversight of contingent liabilities and financial transactions

FInTAG supported HMT in the development of policy and application of financial transactions through the Financial Transactions Control Framework, including in relation to economic capital modelling. In addition, it provided support on improvements to contingent liability management, for example on managing the government’s implicit liabilities.

How We Manage Our Risk

In line with HMT's Orange Book on Risk Management, UKGI seeks to maintain robust risk management arrangements which require risks to be reported, reviewed and mitigated in line with UKGI's risk appetite.

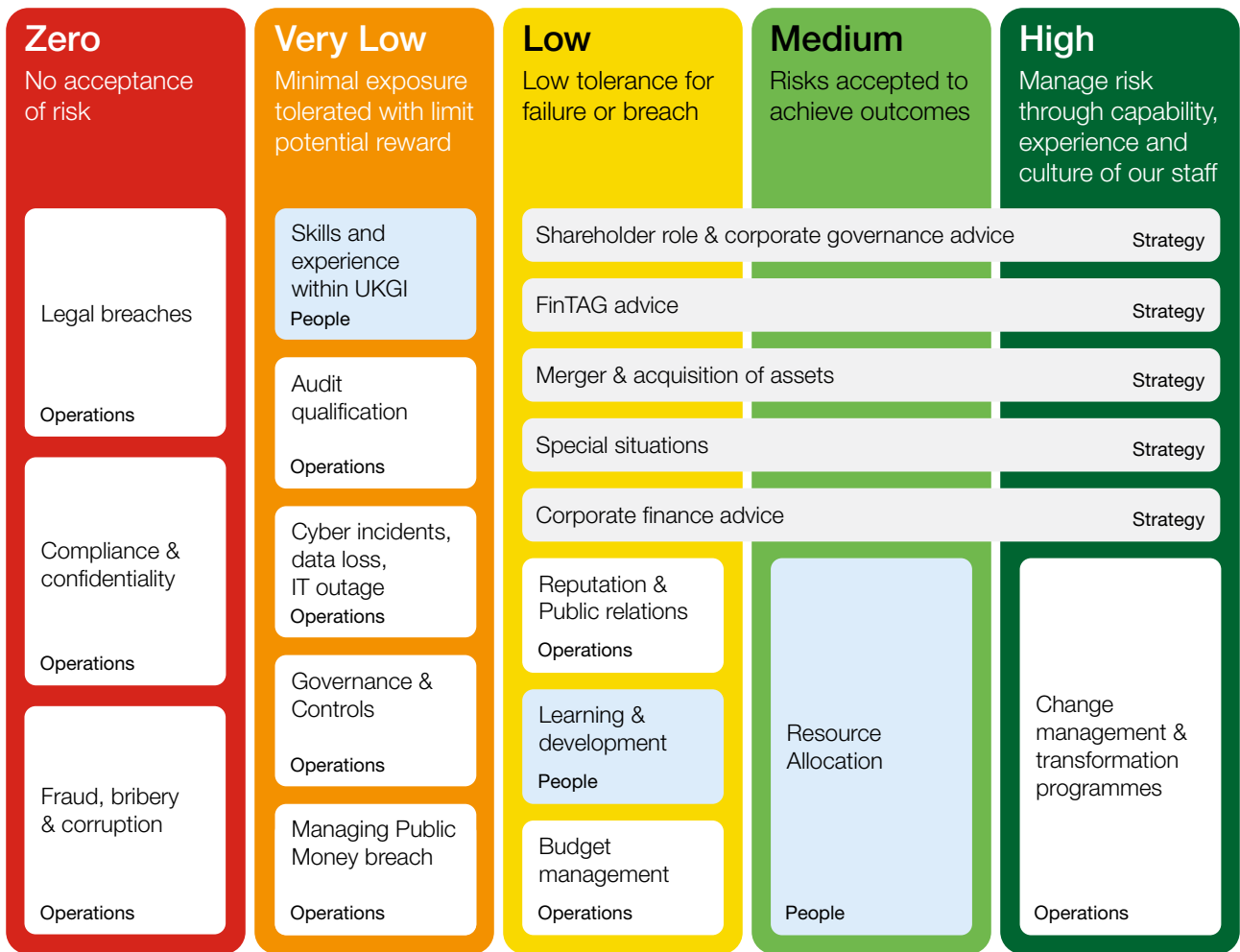
UKGI's risk appetite statement, as approved by its Board, demonstrates that risk is inherent in everything we do, as shown in the strategic risks, on the schematic below. Our risk appetite statement is as follows:

“As an organisation whose role it is to act as an agent for ministers and government departments, the key risks UKGI must manage are those which arise as a consequence of discharging its mandate. Risk is inherent in the nature of the work UKGI is asked to undertake by government. UKGI seeks to achieve its objectives whilst minimising and effectively managing all risk including strategic, people and operational risks. Where UKGI is required to take on risk to deliver its objectives, it will rely upon its people and governance structure to mitigate and manage risk.

Risk will be monitored and controlled by systematic review from project/portfolio asset teams up to the Board, via regular risk register reviews, project/portfolio reviews and discussion by the Executive Committee and the Risk & Audit Committee. In addition, the culture of open and proactive communication, and continuous learning and training throughout UKGI underpins UKGI's ability to control risks that do arise.”

The UKGI risk appetite is then split into three categories, recognising the differing levels of risk tolerance for different activities that UKGI undertakes. These categories are:

- i. strategic delivery – risks associated with successfully delivering UKGI's objectives and mandate;
- ii. people – risks associated with having the right people deployed to the right activities; and
- iii. operations – risks associated with UKGI's IT, data, legal and compliance controls.



← The above categories identify the initial risk acceptance. Through UKGI controls, procedures and the expertise of our staff we seek to reduce risk to a lower level.

UKGI generally has a higher risk appetite for strategic delivery, reflecting its role supporting government departments on complex and often high-profile programmes, transactions and governance challenges. UKGI seeks to remain within its strategic delivery risk appetite by focusing on work that aligns with its mandate and areas of expertise, and by reducing its involvement in projects where this expertise is less directly applicable.

HMT's Orange Book outlines the three lines of defence model, providing a flexible framework for assessing risk control processes. UKGI has mechanisms in place across all three levels, with staff responsible for identifying and escalating risks in their work. Training on roles, responsibilities, and best practice is a key component of effective risk management.

1. First line of defence – individual risks across UKGI's portfolio of projects and assets are regularly monitored through a bi-monthly project/asset risk reporting process. Codes of Conduct and Compliance requirements are embedded in the organisation. UKGI also monitors a number of internal operational and strategic risks. These include risks regarding staffing, finance, IT and data protection/management systems and relationships around Whitehall. These internal risks are regularly reported to HM Treasury.

2. Second line of defence – UKGI conducts regular in-depth project and portfolio reviews led by seniors to identify issues, potential risks and mitigating actions. Updates on risk management are provided regularly to the Executive Committee and UKGI Board and risk mitigations are scrutinised. Sub-Committees to the Board also provide specialist scrutiny and assurance on contingent liabilities and realisation of assets in the financial institutions sector.
3. Third line of defence – the Government Internal Audit Agency (GIAA) provides internal audit and objective insight to review and assure UKGI's internal risk management processes.

The Performance Report was approved on behalf of the Board of Directors on 2 July 2026 and was signed on its behalf by:

Approval and signing



Harry Hampson
Chief Executive



Vindi Banga
Chair

UK Government Investments Limited Company Number 09774296



Directors' Report

Directors' Report and Governance Statement

The Board of Directors (Board) of UKGI provides strategic direction to the Company and ensures UKGI is equipped to perform its functions, including having sufficient resourcing and a suitable organisational structure. The Board also enables effective arrangements to be put in place to provide assurance on risk management, governance and internal control.

The Executive Committee is responsible for the day-to-day running of the Company. It comprises the Chief Executive and senior management, including the Chief Financial Officer, General Counsel and Chief Operating Officer. The Executive Committee meets monthly to discuss the most strategic issues facing UKGI. The UKGI Operating Committee, which comprises the Chief Executive, Chief Financial Officer, Chief Operating Officer and three business directors meets weekly to discuss day-to-day management and operational issues. These two committees review key management information and this process of regular review and challenge by senior executives ensures that the information provided to the Board and its committees is up-to-date and reliable. This in turn enables the Company's directors to carry out their duties.

Board Member	Position	Committee Membership
Vindi Banga (appointed 23 September 2021 and reappointed on 23 September 2024)	Chair	N (Chair), T
Andrew Duff (appointed 09 July 2019 and reappointed on 09 July 2022, appointed Senior Independent Director 01 December 2023)	Senior Independent Director	N, A, T
Charles Donald (resigned 29 January 2026)	Chief Executive	T, FT
Harry Hampson (appointed 29 January 2026)	Chief Executive	T, FT
Mahnaz Safa (appointed 22 September 2022)	Non-Executive Director	R (Chair), N, T, A
Andrew Ballheimer (appointed 22 September 2022)	Non-Executive Director	A, R, N, FT (Chair)
Gareth Davies (resigned 6 April 2026)	DBT Appointed Non-Executive Director	N
Kalpana Desai (resigned 21 September 2025)	Non-Executive Director	N, FT
Beth Russell (resigned 15 July 2025)	Shareholder Representative Non-Executive Director	N
Jim O'Neil (appointed 15 July 2025)	Shareholder Representative Non-Executive Director	N
Jess Glover (appointed 26 September 2023)	Shareholder Representative Non-Executive Director (Alternate)	N
Andrew Halford (appointed 1 October 2023)	Non-Executive Director	A (Chair), N, T
Vanessa Lawrence (appointed 26 September 2023)	Non-Executive Director	A, R, N
Iain Mackay (appointed 1 November 2023)	Non-Executive Director	R, N, T (Chair)
Jeremy Pocklington (resigned 26 November 2025)	DESNZ Appointed Non-Executive Director	N
Craig Coben (appointed 26 March 2026)	Non-Executive Director	N, FT

Key: A = Audit and Risk Committee; FT = FlntAG Committee; N = Nominations Committee; R = Remuneration Committee; T = Transactions Committee

UKGI has an agreed Framework Document with HMT. This document sets out the broad framework within which the Company will operate and can be found on our website at www.ukgi.org.uk. HMT, as sole shareholder, has various reserved rights, including appointment of the Chair, Chief Executive, and a Shareholder Representative Director, approval of Board appointments, the terms of any Board appointments, the Company's remuneration framework and the Company's budget.

The Company's directors serving during the financial year 2025-26 are as listed below. They provide the Company with the appropriate expertise, skills and experience required to deliver its objectives.

Non-executive Board appointments, other than Shareholder Representative NEDs, are for up to two terms of up to three years, and each term can be extended for a further one year. Appointments can be terminated by either party with three months' notice. During the year, there were several changes to UKGI Non-Executive Board appointments:

- the Minister responsible for UKGI sponsorship agreed that Jim O'Neil, Second Permanent Secretary, would become HMT's representative on the UKGI Board, replacing Beth Russell.
- Jeremy Pocklington, then Permanent Secretary at the DESNZ, stepped down following his appointment as Permanent Secretary at the MoD. The Interim Permanent Secretary at the DESNZ was invited to attend Board meetings as an Observer until a permanent appointment is made.
- Kalpana Desai resigned at the end of her first term as a NED of the Company.
- Charles Donald's cessation of Directorship coincided with him stepping down as UKGI CEO; he was replaced by Harry Hampson on 29 January 2026.
- Craig Coben was appointed to the Board on 26 March 2026.

The Board has put in place arrangements to manage any conflicts of interest. As part of this each Director has disclosed, at the outset of their term as a Director, and again subsequently at the start of each financial year, any direct or indirect conflicts of interest they are aware of and may have in connection with being appointed a Director of the Company. Directors also have a duty to declare any conflicts of interest as they become aware of any on an ongoing basis and at all Board and Board Committee meetings. Directors' key external interests are set out in their profiles below.

The Board has a high degree of oversight of the Company's activities, ensuring independent checks on all aspects of the Company's activities.

Each non-departmental NED is assigned one or more mentoring roles for UKGI's senior leadership working on major projects or portfolio entities. These arrangements allow for a deeper insight for non-executives into the work of the organisation and provide for a more substantial challenge and independent check on the work of management. In terms of direct responsibilities, it is not expected that Directors will be formally bound by their fiduciary duties as members of the Board when acting in their mentor roles. Board decisions will only be taken by a quorum of Directors in a Board meeting.

All Committees are chaired by NEDs.

Director indemnities

Each Director is indemnified by the Company and in turn by HMT. The Directors are therefore indemnified to the extent permitted by law in respect of the performance of their duties as Directors.

Corporate governance

As a non-listed, government-owned entity, UKGI is not required to apply the UK Corporate Governance Code but draws on the Code as a source of best practice in its reporting and governance arrangements. UKGI does not hold an annual general meeting, but holds quarterly shareholder meetings, and its sole shareholder HMT is represented on the Company's Board.

Data received by the Board

The Board receives extensive data allowing it to form judgements. Data received by the Board includes, but is not limited to:

- an update at each meeting on UKGI's financial position, including spend to date, and forecasts against budget
- and, on alternate meetings, a risk report outlining notable risk updates across UKGI's portfolio entities and projects, as well as a dashboard with narrative and quantitative information on each entity in UKGI's current portfolio. There is an escalation process for emerging risks in-between meetings.

Transparency

UKGI adheres to the government's transparency agenda and publishes a range of data online including:

- [UKGI Website](#)
- [Transactions over £25,000](#)
- [Corporate credit card transactions over £500](#)
- [Contracts Awarded](#)

Review of effectiveness

In September 2025, an externally facilitated review of the Board's effectiveness concluded that the Board 'has maintained its strong governance of the business'. Recommendations focused on the continuous improvement of Board effectiveness continue to be implemented.

Sustainability

UKGI has fewer than 200 members of staff and occupies less than 3% of the floor space of the 3rd floor of 100 Parliament Street from the Government Property Agency, so our environmental impact in terms of emissions, waste or consumption is both minimal and cannot be quantified. However, we are committed to reducing this impact wherever possible.

UKGI has assessed areas where we can reduce our environmental impact and implemented campaigns and processes to achieve positive change, through using internal awareness-raising campaigns to support colleagues to make changes in their own behaviours.

UKGI occasionally procures goods and services in its course of business. As part of this process, staff are encouraged to consider how they can not only source the most economically advantageous supplier, but also to consider the environmental merits of those entering the competition for contracts and how we can challenge/change ways of working within the contract or competition.

Payment of suppliers

In May 2010, the government introduced a five-day target for Small and Medium-sized Enterprise suppliers to receive payment. During 2025-26, UKGI made 97.18% (2024-25 96.42%) of all supplier payments within five days. HMT group's target is 90%. UKGI will continue to seek further improvements in its payment processes in order to push towards making all supplier payments within five days.

Going concern

For 2025-26 the Company has relied upon HM Treasury Grant-In-Aid (GIA) to fund its activities and having due regard to delegated authority letter presented for 2025-26 and the undertaking by HM Treasury in March 2023 to ensure that the Company shall always have sufficient funds to discharge each and all its financial obligations. For 2026-27, the Company expects to receive a funding support directly from HM Treasury for GIA equivalent to £10.239m covering services provided to HMT and Other Government Departments that relate to 45% of the forecast expenditure in the following areas:

- Special Situations,
- Inward Mergers and Acquisitions,
- Financial Transactions Advisory Services, and;
- Financial Transactions Reporting.

Further services provided by UKGI to HM Treasury and Other Government Departments (OGD) relate to Corporate Finance Projects and Corporate Governance support as Shareholder representatives. These services are directly chargeable to HMT and OGD under a cost recovery approach to the expected value of £13.9m.

UKGI has entered into agreements through a Memorandum of Understanding with each department where significant services are deployed. This approach is an extension and continuation from 2025-26, whereby the Company invoiced for Corporate Governance Services to the value of £5.8m. In the first month of 2026-27 the Company invoiced departments £1.113m for services deployed on Corporate Finance Projects and Corporate Governance representation. Annualised, this figure would be £13.3m.

The Company has liaised and engaged with departments ahead of 2026-27 that it expects to serve directly in a client/supplier relationship, as opposed to serving Departments through HM Treasury. Beginning in April 2025, the Company CEO wrote to departmental Permanent Secretaries to outline the proposed change to a cost recovery model. A second, joint letter was sent in November 2025 from UKGI and HMT, notifying each department of the change to a cost recovery model and identifying that HMT savings will be passed to each department as budget cover transfer on the condition that the Company's services continued to be used. A further letter was sent to departments in February 2026 summarising the fees that UKGI intend to recover from each department across 2026-27.

The spending review period began in 2026-27 and runs for three years to 2028-29. The projects and governance engagements delivered by UKGI as supplier to departments are expected to continue throughout this period. Where individual projects or governance engagements come to an end, it is expected that new projects will be secured. A core level of activity, particularly in governance engagements, is expected to continue. Those projects that existed before 2026-27 and benefit from HMT funding through budget cover transfer are expected to continue to receive HMT funding throughout the three-year period. The Company continues with strong support from Permanent Secretaries on the UKGI Board. Considering these points, the Company Directors consider UKGI to be a going concern.

Summary of meetings and attendance

The Board and its committees meet regularly throughout the year. All agendas are structured to allow adequate and sufficient time for discussions of the items on the agenda, particularly strategic issues. The attendance of individual Board members at Board and committee meetings during 2025-26, together with the overall number of meetings held is set out below.

Number of meetings attended in 2025-26	Board	Audit and Risk	Remuneration	Transaction	FInTAG
Vindi Banga ¹	6/6			2/2	
Andrew Duff	6/6	3/3		1/2	
Mahnaz Safa	5/6	3/3	1/1	2/2	
Andrew Ballheimer	6/6	3/3	1/1		4/4
Craig Coben	1/1				
Kalpana Desai ⁵	2/2				1/2
Charles Donald ²	5/5	3/3	1/1	2/2	4/4
Gareth Davies	1/6				
Jess Glover ⁶	0/0				
Harry Hampson ³	1/1	0/1			1/1
Andy Halford	5/6	3/3		2/2	
Vanessa Lawrence	6/6	3/3	1/1		
Iain Mackay	5/6		1/1	2/2	
Jeremy Pocklington ⁴	1/4				
Beth Russell	1/1				
Jim O'Neil	5/5				

¹ Vindi Banga is the Chair of the Nominations Committee; he was invited to attend all other committee meetings as an observer.

² Charles Donald is a member of the Transactions Committee and the Financial Instruments and Transactions Advisory Group (FInTAG) Committee; he was invited to attend all other committee meetings as an observer.

³ Harry Hampson is a member of the Transactions Committee and the Financial Instruments and Transactions Advisory Group (FInTAG) Committee. He was invited to attend all other committee meetings as an observer.

⁴ Jeremy Pocklington, then Permanent Secretary at the DESNZ, stepped down following his appointment as Permanent Secretary at the MoD. As Interim Permanent Secretary, Clive Maxwell was invited to observe the Board in March 2026, and as Second Permanent Secretary at DESNZ, Clive Maxwell was appointed to the UKGI board in May 2026.

⁵ Kalpana Desai stepped down from the Board on 21 September 2025 following a three-year term.

⁶ Jess Glover is the alternate HMT director on UKGI Board, attending in place of Jim O'Neil when necessary.

Events after the reporting period

There are no events after the reporting period which will have a material effect on the Financial Statements of UKGI.

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. The National Audit Office carries out the audit for and on behalf of the Comptroller and Auditor General. The remuneration paid to its external auditor for work relating to this financial year was £70,200 plus VAT (2024-25 £65,000 plus VAT). No non-audit work was undertaken by the auditors.

Other matters

The review of business and disclosure of principal activities and risks in the year are included in the Strategic Report.

During 2025-26, UKGI experienced a data breach in which an internal file containing high-level management information and the names and work email addresses of 51 government officials was publicly accessible for c. 40 hours, following the actions of a member of staff who did not follow established information security policies. The incident was voluntarily reported to the Information Commissioner's Office (ICO) – notwithstanding that it did not meet the threshold for mandatory notification – and to the UKGI Audit and Risk Committee. UKGI also engaged with a firm to undertake an external review which found that UKGI's response to the incident was appropriate and provided recommendations to further strengthen our controls and incident preparedness, the overwhelming majority of which UKGI has since implemented or will be implementing in the coming months.

The UK Government Investments Limited Board

Vindi Banga, Non-Executive Chair

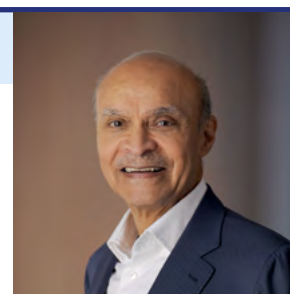
Vindi was appointed Chair of UK Government Investments in September 2021. He is also Chair of the Nominations Committee.

Vindi is an experienced Chair of public and private companies with an extensive Board career having been Senior Independent Director at M&S plc; GlaxoSmithKline; Chair and CEO of Hindustan Unilever Ltd and Chair of privately owned companies.

He has 33 years of executive experience at Unilever, where his last role was President of the Global Foods, Home and Personal Care businesses, including serving on the Unilever Executive Board.

Current additional appointments include:

- Chair of Council at Imperial College London
- Senior Independent Director at Haleon plc
- Non-Executive Director of The Economist Group
- Partner of CD&R, a global private equity firm



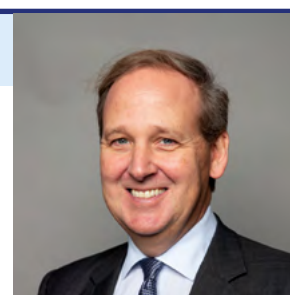
Harry Hampson, Chief Executive

Harry was appointed Chief Executive Officer of UK Government Investments in January 2026, having joined as Corporate Finance Director in July 2025.

Prior to that, Harry had a 37 year career in international investment banking at JP Morgan based in London. His most recent role was as one of the Global Chairs of Investment Banking and a member of that group's Executive Committee.

His prior roles have included: Chair of Industry Coverage in EMEA, Vice-Chair of JP Morgan Cazenove, Head of TMT Advisory and Head of Equity Capital Markets in the EMEA region.

Harry was appointed as the government's representative Non-Executive Director for the Ordnance Survey in January 2026.



Andrew Ballheimer, Non-Executive Director



Andrew was appointed a Non-Executive Director of UK Government Investments in September 2022.

From 2016 to 2020, Andrew was the Global Managing Partner of Allen & Overy LLP (and, previously, the Global Co-Head of Corporate and UK Managing Partner of Corporate at the firm).

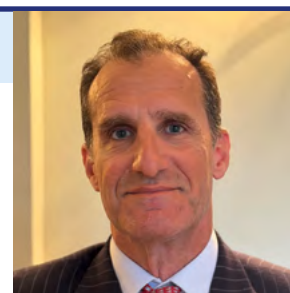
Andrew has more than 35 years of M&A and capital markets experience advising multinational corporations and global financial institutions.

Andrew is the Founder and Co-CEO of AGILIS Sports Advisory Limited, an M&A boutique focused on the sports sector.

Current additional appointments include:

- Member of the fundraising committee of Moorfields Eye Charity
- Board member of Factor Law Inc.
- Chair of the M&A Global Advisory Board at AON PLC

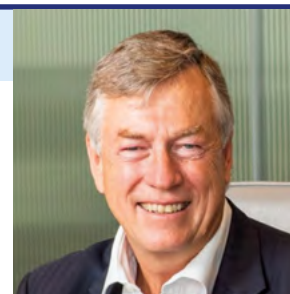
Craig Coben, Non-Executive Director



Craig Coben is a seasoned capital markets executive with nearly three decades of experience at leading global investment banks. He spent 17 years at Bank of America (formerly Merrill Lynch), where he served as Vice Chair of Global Capital Markets and Global Head of Equity Capital Markets. Over the course of his career, he led teams across the EMEA, the Americas, and Asia-Pacific regions, overseeing the origination and execution of equity and equity-linked fundraising transactions worldwide.

A graduate of Yale University and Harvard Law School, Craig served as law clerk for Judge Douglas H. Ginsburg of the US Court of Appeals for the District of Columbia Circuit and began his career as a securities lawyer at Sullivan & Cromwell. He is currently a Managing Director and Expert Witness at SEDA Experts, a contributing writer to the *Financial Times* and *GlobalCapital*, and a trustee of Fulham Palace Trust. He previously chaired the Equity Capital Markets Division of the Association for Financial Markets in Europe.

Andrew Duff, Non-Executive Director



Andrew was appointed Non-Executive Director of UK Government Investments in July 2019.

Andrew spent most of his executive career in the energy industry; first with BP and then Chief Executive Officer of RWE Npower. Andrew was the Senior Trustee of Macmillan Cancer Support and a member of the Steering Group on the Hampton Alexander Review. Andrew was previously Chair of Severn Trent plc and Chair of Elementis plc, a FTSE 250 chemicals company. He was a Non-Executive Director and Senior Independent Director of Wolseley plc (now Ferguson Plc) from 2004-2013.

Current additional appointments:

- Chair of Sage Group Plc, having been a member of the Board from 1 May 2021
- Member of the steering committee of the Investor and Issuer Forum

Andy Halford, Non-Executive Director



Andy was appointed Non-Executive Director of UK Government Investments in October 2023.

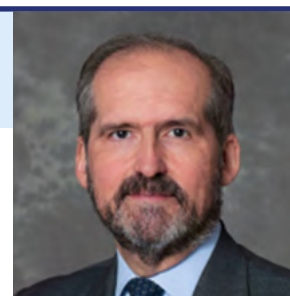
Andy is currently Chief Financial Officer of Aareal Bank AG having previously been Group Chief Financial Officer and Group Executive Director of Standard Chartered PLC from July 2014 until January 2024. Andy joined Standard Chartered from Vodafone Group PLC, where he spent 15 years including 9 years as Chief Financial Officer. Andy joined Vodafone Group PLC in 1999 as Financial Director for Vodafone Limited, and in 2001 he became Financial Director for Vodafone's Northern Europe, Middle East and Africa Region. In 2002, Andy was appointed Chief Financial Officer of Verizon Wireless in the US and was a Member of the Board of Representatives of the Verizon Wireless Partnership. Andy became Chief Financial Officer of Vodafone Group PLC in July 2005, a position which he held until March 2014. Prior to Vodafone, Andy was Finance Director at East Midlands Electricity PLC. Andy was the Senior Independent Director of Marks and Spencer Group PLC and is a former Chair of the Hundred Group of Finance Directors.

Current additional appointments:

- Non-Executive Director of Relx since April 2025

Andy holds a bachelor's degree in industrial economics from Nottingham University and is a Fellow of the Institute of Chartered Accountants in England and Wales.

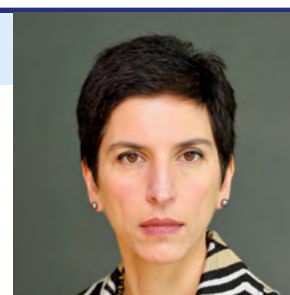
Jim O'Neil, Second Permanent Secretary at His Majesty's Treasury



Jim was appointed Second Permanent Secretary of the Treasury in July 2025. Jim brings a wealth of experience from investment banking and corporate finance to the Treasury, after a long career at Bank of America. He also has experience in the public sector, spending three years at UK Financial Investments from 2010-2013. As Chief Executive of UKFI, he managed the government's holdings in Royal Bank of Scotland, Lloyds Banking Group, and UK Asset Resolution. His appointment is part of the government's plan to deliver its number one mission to kickstart economic growth as part of the Plan for Change, and follows the Chancellor's commitment to lead the most pro-growth Treasury in the country's history. Jim's experience will help the government to secure private investment and boost the economy. His deep knowledge of the private sector will help the government to rip out the barriers to growth, provide support for the key industries at home, and work to secure open and fair trade abroad.

Jim began his career at Bank of America in New York in 1993 and relocated to London in 1999. He has over 30 years' experience of both the capital markets and the financial services industry. He holds a BSc from the University of Virginia and MBA from the University of Chicago.

Dr Mahnaz Safa, Non-Executive Director



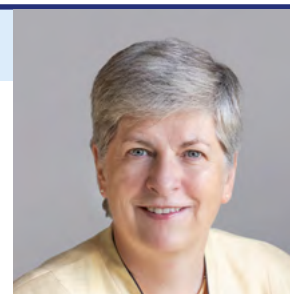
Mahnaz was appointed Non-Executive Director of UKGI in September 2022. She is also the NED responsible for Diversity and Inclusion, and the Chair of the Remuneration Committee.

With 30 years of experience in finance, Mahnaz has been a Senior Executive at UBS, Citi and ANZ. She led Debt Capital Markets for EMEA and headed Markets for Europe and America. Whilst at UBS and Citi, she co-chaired their respective women's leadership Executive Committees. She has previously served as a Senior Independent Director on the Board of Alternative Credit Investments, a FTSE 250 company and on the Imperial College Council, where she was Champion for Equality, Diversity & Inclusion. Mahnaz holds a PhD in computer aided technology from Imperial College.

Current additional appointments:

- Non-Executive Director at Jefferies International Limited.
- Non-Executive Director of the Advisory Board at the Business School at Imperial College.
- Trustee of The Royal Anniversary Trust.

Dr Vanessa Lawrence CB, Non-Executive Director



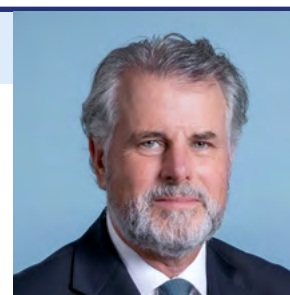
Vanessa was appointed Non-Executive Director of UKGI in September 2023.

Vanessa has more than 35 years' experience working in the digital data community and has a background in geographical information and space applications. From 2000-2014, Vanessa was Director General and CEO of Ordnance Survey. From 2011-2015, she was a founding co-chair of the United Nations Committee of Experts on Global Geospatial Information Management (UN-GGIM). Prior to joining Ordnance Survey, she held senior roles with the billion-dollar American software company, Autodesk Inc and the global media and publishing company, Pearson plc. Today, Vanessa is working internationally as a senior advisor to overseas governments, inter-governmental organisations, and large private sector organisations.

Current additional appointments include:

- Director of Location International and Locational Global
- Non-Executive Director and Trustee of the Alan Turing Institute for Data Science and AI
- Non-Executive Director for the Satellite Applications Catapult
- Chair of the UK's Centre for Doctoral Training in Geospatial Systems
- Adjunct Professor at the University of Southampton
- Patron of two charities – MapAction and Cure Parkinson's

Iain Mackay, Non-Executive Director



Iain was appointed a Non-Executive Director of UKGI in November 2023.

Iain spent most of his career in senior finance leadership roles and retired as CFO of GSK plc and as an executive director on the GSK Board in April 2023. Prior to joining GSK in early 2019, Iain was Group Finance Director of HSBC Holdings plc, a position he held for eight years. In his earlier career Iain undertook senior finance leadership roles for: HSBC in North America and Asia; for The General Electric Company of the US for almost 12 years in diverse areas including Consumer Finance, Healthcare and Corporate Audit; and for Schlumberger in Africa and Asia. A chartered accountant, Iain's formative career was with Thomson Maclintock in Aberdeen and with Price Waterhouse in New York and Paris. He holds an MA in Business Studies and Accounting and an Honorary Doctorate from Aberdeen University.

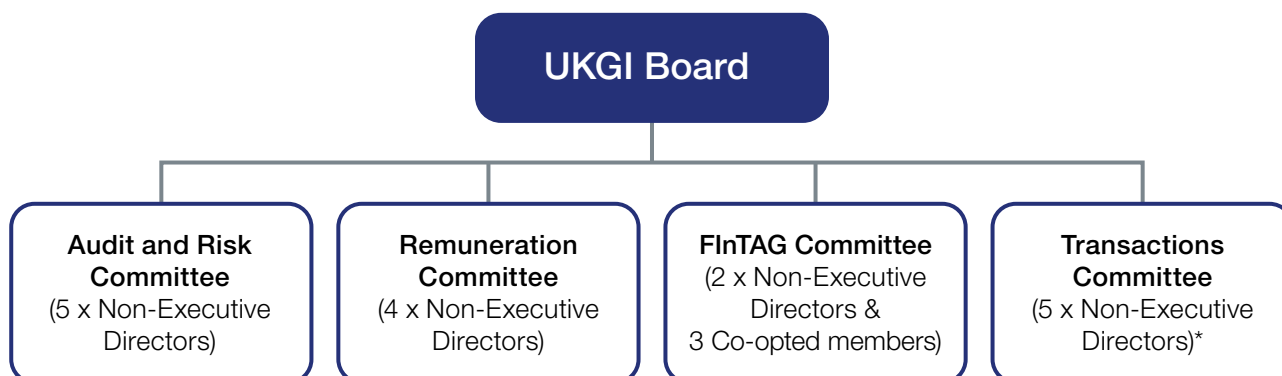
Current additional appointments:

- Non-Executive Director, Chair of the Audit and Risk Committee, and member of the Remuneration Committee at National Grid plc

- Senior Independent Director of Schroders plc since May 2025 and Chair of the Audit and Risk Committee since May 2024
- Non-Executive Director and member of the Audit and Risk Committee at Owens-Illinois Glass, Inc., since May 2025



Our Committee Structure



* Committee meetings placed on hold following the sale of NatWest holdings.

Audit and Risk Committee

The Audit and Risk Committee (ARC) supports the Board and Accounting Officer on risk management, governance and internal control. Its membership comprises:

- Andrew Halford (Committee Chair)
- Mahnaz Safa
- Andrew Duff
- Andrew Ballheimer
- Vanessa Lawrence

The ARC meets three times a year and is attended by the Chief Executive, Chief Financial Officer, General Counsel and Chief Operating Officer, with National Audit Office and Government Internal Audit Agency representatives invited. The ARC operates in line with the HMT Audit and Risk Assurance Committee Handbook and has agreed terms of reference covering:

- financial reporting;
- internal control;
- risk management;
- external and internal audit; and
- compliance.

The Chief Executive as Accounting Officer has confirmed to the ARC that there were no significant control issues in the year under review and that UKGI has an appropriate and effective system of internal control and risk management framework which have been in place for the full year and up to the date of approval of the Annual Report and Accounts.

Remuneration Committee

The Remuneration Committee supports the Board on pay and incentives. It is comprised of four independent NEDs, as follows:

- Mahnaz Safa (Committee Chair)
- Andrew Ballheimer
- Vanessa Lawrence
- Iain Mackay

During 2025–26 the committee met twice and reported to the Board after each meeting. It oversees the remuneration framework and Performance Related Pay (PRP) policy, approves the PRP payment, approves remuneration and PRP outcomes for the Chief Executive and Director-level staff, and makes recommendations to HM Treasury on senior remuneration.

Financial Instruments and Transactions Advisory Group Committee

The FinTAG Committee's Chair is a NED of UKGI appointed by the UKGI Board. The Committee comprises two NEDs of UKGI, the Chief Executive of UKGI, UKGI's FinTAG Director, and three external appointees.

The external members have a range of relevant experience which provides the Committee with a stronger knowledge base and allows for further depth of challenge. The current members of the Committee are:

- Andrew Ballheimer (Committee Chair)
- Kalpana Desai (committee member until September 2025)
- Craig Coben (committee member from April 2026)
- Charles Donald (committee member until January 2026)
- Harry Hampson (committee member from January 2026)
- Siobhán Duffy
- Matt Gurden (Externally Co-opted Member)
- Jeremy Heap (Externally Co-opted Member)
- Anthony Odgers (Externally Co-opted Member)

The Committee meets four times a year unless otherwise determined by the Chair. The Chair is responsible for reporting to the UKGI Board on the Committee's activities at each meeting of the Board, or as otherwise requested.

The Committee has an agreed terms of reference which define its scope as follows:

- The Committee will review and challenge the approach to the provision of recommendations and advice on contingent liabilities and financial transactions.

- Ministers and accounting officers retain final accountability for decision-making in relation to proposed or existing contingent liabilities, related risk frameworks and financial transactions.
- The Committee will oversee the performance of the FlntAG, regularly reviewing and monitoring performance against objectives.

Transactions Committee

The Transactions Committee comprises the Chief Executive of UKGI, the Director in UKGI's Financial Institutions Group, the Chair of the Transactions Committee and at least two additional independent NEDs. The current members are:

- Iain Mackay (Chair of the Transactions Committee)
- Vindi Banga
- Charles Donald (committee member until January 2026)
- Harry Hampson (committee member from February 2026)
- Andrew Duff
- Mahnaz Safa
- Andy Halford
- Holger Vieten

The Transactions Committee was set up to review and make recommendations to Ministers and Accounting Officers on stewardship of and disposal strategies for Financial Investment Assets.

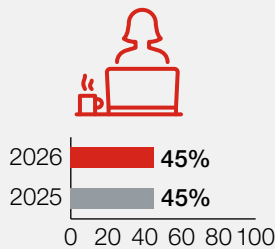
The final shareholding in Natwest Group was sold in May 2025. From September 2025, the Committee has not held regular scheduled meetings and has been placed on hold. The Committee may be reconvened as required, should future circumstances necessitate its input or oversight. This arrangement remains in place until further notice.

Remuneration Statement and People Report

This report contains disclosures on directors' remuneration, Cash Equivalent Transfer Value (CETV) and pensions, fair pay disclosures, staff numbers and costs. No exit payments were made during the year.

Diversity and Inclusion

Percentage of female senior management



10%
of senior management identify as from an ethnically diverse background

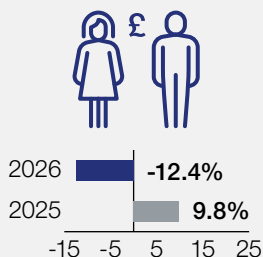
UKGI continues to benefit from a diverse workforce that brings a broad range of perspectives. **We have exceeded our formal gender diversity target:** 58% of our Executive Committee are now women and 45% of senior management (Executive Director and above) are women, **above the Women in Finance target of 40%.** This includes internal promotions, demonstrating clear routes to progression within the organisation. **We also met our target for 10% of senior management** to identify as from an ethnically diverse background.

In 2026, we placed particular emphasis on socio-economic diversity, where we believe early careers recruitment can have the greatest impact. Our summer internship and graduate programmes have helped us recruit talent from socio-economic groups that have historically been under-represented at UKGI. We also delivered our first work experience programme for 16–18-year-olds, partnering with a sixth-form provider supporting students from low-income families and children in care. Ten students took part in a one-week placement, and 100% of participants said the experience was valuable and impactful.

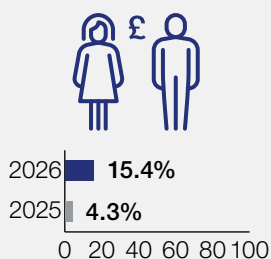
Throughout 2026, UKGI maintained a strong focus on inclusion. Colleagues across the organisation were encouraged to share the topics that matter to them, including their backgrounds and interests. This led to blogs, events and celebrations during the year – many initiated at grassroots level – supporting people to be themselves at work.

Gender pay

Mean Gender Pay Gap



Median Gender Pay Gap



UKGI is not within scope of the Equality Act 2010 gender pay gap reporting requirements, as it has fewer than 250 employees. However, in line with our commitment to transparency, we continue to publish this data voluntarily.

As at 31 March 2026, the **mean gender pay gap was -12.4% and the median gender pay gap was 15.4%** (compared to 9.8% and 4.3% respectively in 2025, and 13.6% and 5.3% in 2024). The **mean and median gender bonus gaps were 21.4% and 32.8%** respectively (compared to 17.5% and 28.3% in 2025, and 23.5% and 26.0% in 2024).

Year-on-year movements are primarily driven by changes in workforce composition, including a small number of leavers and joiners across grades. In an organisation of UKGI's size, such changes can have a disproportionate effect on the reported metrics, particularly where they affect the distribution of employees around the midpoint or upper end of the pay range.

Gender pay differentials within individual grades remain relatively small, indicating that men and women are paid broadly comparably for similar roles. The overall gender pay gap is therefore more likely to reflect the distribution of men and women across the organisation and grades, rather than differences in pay for like-for-like roles.

The bonus gap continues to be influenced by workforce composition and eligibility during the reporting period, including the impact of new joiners who were not eligible to receive a bonus, which can affect average outcomes by gender.

UKGI continues to review its remuneration framework, including proposals to increase the lower end of pay bands, with the aim of supporting greater consistency, progression and balanced representation over time. The organisation remains committed to fair and equitable pay practices and will continue to monitor these metrics closely.

Importance of continuous learning and development to UKGI

Training hours per person



20.8

training hours per person in 2026
(up from 17.4 in 2025)

Continuous improvement is central to UKGI. Our learning and development (L&D) strategy supports this through programmes including Shareholder NED and Future NEDs, development frameworks, career pathways and our Leadership Development programme.

By the end of January 2026, **colleagues had attended 2,920 hours of training since January 2025** – equivalent to 20.8 hours per person, up from 17.4 hours last year. This increase reflects additional development programmes, more tailored development conversations, and improved promotion of training opportunities.

Feedback from our people: our annual People Survey engagement score decreased by 2 percentage points to 71%, with a strong response rate of 85%. **This remains above comparator benchmarks** (Civil Service average 61%; HMT 65%). The areas showing the greatest improvement were those targeted in last year's People Plan. Colleagues also highlighted a need for more feedback and communication, which will be a focus in the coming year.

Volunteering



In 2025–26, UKGI continued its volunteering programme, which provides colleagues with up to three days a year to support a charity or non-profit of their choice. UKGI's charity of the year was the Cardinal Hume Centre, based in Westminster, which supports families, children and young people experiencing poverty and homelessness.

Throughout the year, UKGI colleagues supported the Centre through volunteering activities and donation drives. We also embedded charitable giving into wider organisational activity to raise awareness and encourage further support.

Remuneration received including pension benefits (audited)

In accordance with the requirements of FReM, remuneration is shown for UKGI's Board members and directors below:

	Salary	PRP payments	Pension benefits	Total 2025-26	2024-25
	£'000	£'000	£'000	£'000	£'000
Andrew Ballheimer	35-40			35-40	30-35
Vindi Banga	50-55			50-55	–
Kalpana Desai ¹	10-15			10-15	25-30
Charles Donald ²	205-210	25-30		230-235	270-275
Andrew Duff	35-40			35-40	35-40
Andrew Halford	35-40			35-40	35-40
Craig Coben ³	0-5			0-5	N/A
Vanessa Lawrence	30-35			30-35	30-35
Iain Mackay	35-40			35-40	35-40
Mahnaz Safa	35-40			35-40	35-40
Harry Hampson ⁴	40-45	5-10 ⁵	2	45-50	N/A

Jim O'Neil, Beth Russell, Gareth Davies, Jess Glover and Jeremy Pocklington received no fee for their roles as Directors of UKGI.

¹ Kalpana Desai stepped down as NED on 21 September 2025. Full year equivalent cost is £30-£35k

² Charles Donald stepped down as CEO on 29 January 2026. Full year equivalent salary is £240-£245k

³ Craig Coben's term commenced on 26 March 2026. Full year equivalent salary is £30-35k

⁴ Harry Hampson's term as CEO commenced on 29 January 2026. Full year equivalent salary is £240-£245k.

⁵ The total PRP payment made to Harry Hampson in capacity as CEO. Further payments were made in Harry's capacity as a Director, prior to his appointment as CEO.

Remuneration multiples and ratios (audited)

The relationship between the remuneration of the highest-paid member of the UKGI Board and the median remuneration of the organisation's workforce is reported below.

Although the Chief Executive changed during the year, both were paid the same salary; therefore, the CEO remains the highest paid member of the UKGI Board. The percentage change relating to (annualised) salary and allowances, and performance pay from the previous financial year in respect of the highest paid Board director is 0% and 0.3% respectively. This was 2.7 times (2024-25: 2.9 times) the median remuneration of the workforce which was £101k (2024-25 £95k).

In comparison to the previous year, the average percentage change relating to salary and allowances for the whole entity was 4.2% and for performance related pay for the whole entity was 11.9%.

	25th percentile pay ratio		Median pay ratio		75th percentile pay ratio	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Total remuneration	60,500	61,530	101,265	95,000	136,865	124,766
Salary	60,500	55,000	86,318	95,000	121,000	110,271
Ratio (Total remuneration)	4.5	4.4	2.7	2.9	2.0	2.2

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

Total employee remuneration (including PRP) ranged from £0k to £300k (2024-25 £0k to £293k).

Performance related payments (PRP) (audited)

The payment of performance related awards is assessed annually by the Remuneration Committee. These one-off payments are determined by individual and Company performance and criteria associated with the UKGI performance management process and are aligned to the policy for public sector pay. The payments relating to performance in each financial year are shown separately.

	2025-26	2024-25
	£'000	£'000
Total performance related pay	1,725	1,541

Pension (audited)

NEDs are not entitled to any pension benefits. Charles Donald received no pension benefits. Harry Hampson is enrolled in the UK Government Investments Limited scheme administered by Aviva. Further details can be found in the UK Government Investments Limited Pension Scheme section below.

Fees and charges (audited)

The organisation does not levy fees or charges on the public or other users for the provision of services or regulatory functions. Accordingly, no disclosure is required under FReM paragraph 6.7.1(f) (2024-25: nil).

Remote contingent liabilities (audited)

The organisation had no remote contingent liabilities requiring disclosure to Parliament at 31 March 2026 (31 March 2025: nil).

Gifts (audited)

UKGI has not made gifts during the year 2025-26 (2024-25 nil).

Functional Standards

Our corporate functions are aligned with agreed cross-functional standards

Pension Schemes

Civil Service pensions

For staff that TUPE'd into UKGI from the Civil Service, benefits are provided through the Civil Service pension arrangements.

From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switched into **alpha** sometime between 1 June 2015 and 1 February 2022. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of

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

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

McCloud Remedy

When the government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members. As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as "rollback". Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

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

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

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

Real increase in CETV

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

Further details about the Civil Service pension arrangements can be found at the website.

UK Government Investments Pension Scheme

Employees who joined UKGI after 1 April 2016 are enrolled into a defined contribution pension scheme administered by Aviva; employer contributions are 5% of base salary and the employee contributes a minimum of 3%.

Staff numbers and related costs (audited)

	Permanent and FTA staff	Staff seconded into UKGI	Total 2025-26	Total 2024-25
	£'000	£'000	£'000	£'000
Salaries (including PRP)	14,910	1,018	15,928	15,890
Social security	2,115	95	2,210	1,799
Other pension costs	717	121	838	793
Recoveries in respect of outward secondments	(265)	-	(265)	(534)
Total net costs	17,477	1,234	18,711	17,948
Staff numbers (including non-executive Board members)	146	12	158	155

Staff numbers are the average monthly full time equivalent for the year. Permanent and FTA staff includes non-executive Board members.

Exit payments (audited)

No exit payments were made 2025-2026 (2024-25 none).

Losses and special payments (audited)

UKGI has no losses or special payments to be disclosed (2024-25 none).

Male/female staff breakdown

	31 March 2026	31 March 2026	31 March 2025	31 March 2025
	Male	Female	Male	Female
Non-executive Board members	8	3	7	5
Staff	79	73	69	65
Total	87	76	76	70

Equal opportunities

UKGI is an equal opportunities employer. Policies are in place to ensure that no job applicant or member of staff receives less favourable treatment on grounds of gender, gender re-assignment, marital or family status, colour, racial origin, sexual orientation, age, background, religion, disability, trade union membership or by any other condition or requirement.

Off-payroll engagement

There were no off-payroll engagements during 2025-26 (2024-25 none).

Employee relations

UKGI recognises the following trade unions: Prospect, PCS and FDA. Staff are free to join the trade unions of their choice.

Learning and development

UKGI's learning and development policy aims to ensure that its staff have the right skills to meet its objectives. UKGI provides targeted training and support for professional studies to enhance the skills base of its employees.

Staff sickness absence

The average working days lost to sick absence during 2025-26 was 5.2 days (2024-25 4.64 days).

Social, community and human rights issues

UKGI has no social, community or human rights issues to report which are relevant to understanding its business.

Statement of Directors' and Accounting Officer's responsibilities in respect of the Directors' Report and Financial Statements

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations. Company law requires the Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with UK adopted International Accounting Standards and applicable law (International Financial Reporting Standards). The Financial Statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these Financial Statements, the Directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates on a reasonable basis;
- ensured the Financial Statements give a true and fair view of the state of affairs of the company and of the profit or loss of the company
- stated whether the applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepared the Financial Statements on a going-concern basis.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

This report has been approved by the Board of Directors and is signed by the Chief Executive and Chair on behalf of the Board of Directors.

The Principal Accounting Officer of HMT has designated the Chief Executive as the Accounting Officer of UKGI. 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 UKGI's assets, are set out in Managing Public Money, published by HMT.

In preparing these Financial Statements, the Accounting Officer has complied with the requirements of the Government Financial Reporting Manual:

- that there is no relevant audit information of which the auditors are unaware;
- that he has taken all steps he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information;
- to confirm that he takes responsibility for the judgements made to ensure the annual report and accounts as a whole is fair, balanced and understandable;
- that the Annual Report and Accounts as a whole are fair, balanced and understandable;
- to observe the Accounts Direction issued by HMT, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- to make judgements and estimates on a reasonable basis;
- to state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and are in accordance with the Companies Act 2006; and
- to prepare the financial statements on a going concern basis.

The Directors' Report was approved on behalf of the Board of Directors on 2 July 2026 and was signed on its behalf by:



Harry Hampson
Chief Executive



Vindi Banga
Chair

UKGI Company Number 9774296

Independent Auditor's Report to the Members of UK Government Investments Limited and the Houses of Parliament

Opinion on financial statements

I have audited the financial statements of UK Government Investments Limited for the year ended 31 March 2026.

The financial statements comprise the UK Government Investments Limited's

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

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards.

In my opinion the financial statements:

- give a true and fair view of the state of UK Government Investments Limited's affairs as at 31 March 2026 and its Net operating Expenditure for the year then ended; and
- have been properly prepared in accordance with the UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on regularity

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

Basis for opinions

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

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

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that UK Government Investments Limited'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 UK Government Investments Limited'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In my opinion the part of the Remuneration Statement and People Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual.

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

- the information given in the Strategic Report and the Directors' Report and Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report and Governance Statement have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of UK Government Investments Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report and Governance Statement.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration Statement and People Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' and Accounting Officer's Responsibilities, the directors are 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 UK Government Investments Limited 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 statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006;
- preparing the Annual Report in accordance with the Companies Act 2006;

- preparing the Remuneration Statement and People Report in accordance with the Government Financial Reporting Manual; and
- assessing the UK Government Investments Limited'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 directors either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the applicable law and International Standards on Auditing (UK) (ISAs (UK))

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of UK Government Investments Limited's accounting policies and performance incentives.
- inquired of management, UK Government Investments Limited's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to UK Government Investments Limited's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including UK Government Investments Limited's controls relating to the UK Government Investments Limited's compliance with the Companies Act 2006, and Managing Public Money;

- inquired of management, UK Government Investments Limited's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations; and
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of UK Government Investments Limited's framework of authority and other legal and regulatory frameworks in which UK Government Investments Limited 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 UK Government Investments Limited. The key laws and regulations I considered in this context included Companies Act 2006, Managing Public Money, employment law and tax legislation

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk 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. I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other auditor's responsibilities

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

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

Peter Morland (Senior Statutory Auditor)

6 July 2026

For and on behalf of the

Comptroller and Auditor General (Statutory Auditor)

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP





Financial Statements

Financial Statements of UK Government Investments Limited

Statement of comprehensive net expenditure for the year ended 31 March 2026

	Notes	2025-26	2024-25
		£ '000	£ '000
Staff costs	3	18,976	18,482
Operational costs	4	3,690	8,240
Total operating expenditure		22,666	26,722
Revenue	5	(5,879)	(7,398)
Net operating expenditure		16,787	19,324

The notes on pages 78-84 are an integral part of these financial statements. All activities are classified as continuing. There has been no other comprehensive income or expenditure in the current year.

Statement of financial position as at 31 March 2026

	Notes	2025-26	2024-25
		£'000	£'000
Non-current assets			
Property, plant and equipment	7	154	181
Total non-current assets		154	181
Current assets			
Cash and cash equivalents	8	2,128	1,124
Trade and other receivables	9	484	1,102
Total current assets		2,612	2,226
Total assets		2,766	2,407
Current liabilities			
Trade and other payables	10	(4,647)	(5,501)
Total current liabilities		(4,647)	(5,501)
Total assets less current liabilities		(1,881)	(3,094)
Assets less liabilities		(1,881)	(3,094)
Taxpayers' equity			
General fund		(1,881)	(3,094)
Total taxpayers' equity		(1,881)	(3,094)

The notes on pages 78-84 are an integral part of these financial statements. These financial statements were approved by the Board of Directors on 2 July 2026 and were signed on its behalf by



Harry Hampson

Chief Executive

UK Government Investments Limited company number 09774296

Statement of cash flows for the year ended 31 March 2026

	Notes	2025-26	2024-25
		£'000	£'000
Cash flows from operating activities			
Net operating expenditure before financing		(16,787)	(19,324)
Depreciation	7	27	18
(Increase)/Decrease in trade and other receivables	9	618	2,228
Increase/(Decrease) in trade and other payables	10	(854)	(916)
Net cash outflow from operating activities		(16,996)	(17,994)
Cash flows from financing activities			
Grant-in-Aid from HM Treasury		18,000	18,600
Net financing		18,000	18,600
Net (decrease)/increase in cash and cash equivalents in the period		1,004	606
Cash and cash equivalents at the beginning of the period		1,124	518
Cash and cash equivalents at the end of the period		2,128	1,124

The notes on pages 78-84 are an integral part of these financial statements.

Statement of changes in taxpayers' equity for the year ended 31 March 2026

	General Reserve
	£'000
Balance at 1 April 2024	(2,370)
Grant-in-Aid from HM Treasury	18,600
Comprehensive expenditure for the year after tax and transfer	(19,324)
Balance at 31 March 2025	(3,094)
Grant-in-Aid from HM Treasury	18,000
Comprehensive expenditure for the year	(16,787)
Balance at 31 March 2026	(1,881)

The notes on pages 78-84 are an integral part of these financial statements.

Notes to the Financial Statements

1. Reporting entity

UK Government Investments Limited (UKGI or the Company) is a Company limited by shares incorporated in the United Kingdom. The address of the Company's registered office is 27-28 Eastcastle Street, London W1W 8DH. The principal place of business is 100 Parliament Street, London, SW1A 2BQ.

2. Statement of accounting policies

The Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as appropriate, in relation to the financial statements and selected disclosures within the Annual Report only, the Government Financial Reporting Manual and other guidance issued by HMT where the disclosure requirements of these go beyond the Companies Act 2006. The financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee interpretation.

(a) Accounting convention

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

(b) Impact of new standards

UKGI has considered the newly issued accounting standards, interpretations and amendments to published standards that are not yet effective, including IFRS 18 *Presentation and Disclosure of Financial Statements* and IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. None are expected to have an impact on UKGI's financial statements.

(c) Going concern

It has been considered appropriate to adopt a going concern basis for the preparation of these financial statements as UKGI has in place an agreed budget settlement with HMT, comprising a commitment to financial year 2026-27. The going concern disclosures on pages 43-44 of the Annual Report detail in full the basis on which the Directors consider it appropriate to prepare these Accounts on a going concern basis.

(d) Revenue

Revenue is recognised in the statement of comprehensive expenditure on an accruals basis. Staff costs recovery, fees charged to other government departments in relation to shareholder services and recoveries and recharges are charged, received and recognised in the period to which the services relate to.

(e) Financing

The company is financed via Grant-in-Aid from HMT. The Grant-in-Aid is credited to the general fund in the year in which it is received. The total Grant-in-Aid received by the company from HMT in the financial year 2025-26 was £18.0m (2024-25 £18.6m).

(f) Pensions

The provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servants and Others Pension Scheme (CSOPS), are described in the Remuneration Committee Report, and cover staff transferred from the Civil Service and who are subject to TUPE. The defined benefit schemes within the PCSPS and CSOPS are unfunded and contributory.

UKGI recognises as a cost the monthly charges made by the PCSPS and CSOPS to contribute to the schemes. PCSPS and CSOPS cannot be accounted for as a defined benefit plan as it is not possible to identify the UKGI-specific element of the multi-employer scheme.

Employees are entitled to enroll into UKGI's group stakeholder pension plan, a defined contribution scheme administered by Aviva. Contributions are charged in the Statement of Comprehensive Net Expenditure as they become payable in accordance with the rules of the scheme.

(g) Employee benefits

The Company has accrued for the cost of the outstanding employee paid holiday entitlement. The accrual is based on salary, employer's National Insurance contributions and pension contributions.

(h) Financial instruments

UKGI is not exposed to significant financial risk factors arising from financial instruments. Financial assets and liabilities are generated by day-to-day operation activities rather than being held to change the risks facing UKGI in undertaking its activities.

UKGI's financial assets are: trade receivables due from related parties and other trade receivables.

UKGI's financial liabilities are: trade and other payables due to related parties, and other trade payables.

The carrying values of short-term financial assets and liabilities (at amortised cost) are not considered different from fair value.

i) Market risk

Market risk is the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. The vast majority of UKGI's transactions are undertaken in sterling and so its exposure to foreign exchange risk is minimal. UKGI's income and operating cash flows are substantially independent of changes in market interest rates.

ii) Credit risk

Credit risk arises from deposits with banks as well as credit exposures to HMT and other debtors, including amounts due from other government departments. The credit risk exposure to HMT and other government departments is considered negligible; UKGI's operating costs are recovered from HMT, which is financed by resources voted by Parliament. Surplus operating cash is only held within the Government Banking Service.

iii) Liquidity risk

Liquidity risk is the possibility that UKGI might not have funds available to meet its commitments to make payments; this is managed through prudent cash forecasting and is considered negligible as expenses are recouped through grant-in-aid.

(i) Tax

Value Added Tax – input tax on purchases is partially recoverable, in proportion to the Company's taxable outputs. Irrecoverable tax is charged to the relevant expenditure category or included in the capitalised purchase of non-current assets. Where output VAT is charged, or input VAT is recoverable, amounts are stated net of VAT.

Corporation Tax – UKGI is liable to pay corporation tax where taxable income exceeds the costs associated with that income. No payment was made to HMRC in the current or previous period.

(j) Non-current assets and depreciation

The value of the Company's non-current assets is stated at cost less accumulated depreciation and impairment losses. Only those assets costing more than £5,000 and having an economic value to the Company beyond the year in which they were bought are capitalised. Where parts of an item have different useful lives, they are accounted for as separate assets. Depreciation is applied on a straight-line basis over the estimated useful economic lives of assets. Depreciation methods, useful lives and residual values of non-current assets are reviewed at least at each balance sheet date.

Estimated useful economic lives of non-current assets

Asset type	Estimated Useful Life
Office furniture and fittings	Ten years
Leasehold improvements	The remaining period of the lease
Right-of-use-assets	The remaining period of the lease

(k) Leases

Leases are recognised and measured under IFRS 16. At the inception of each contract, the Company assesses whether the contract is, or contains a lease, where a lease is any arrangement which conveys the right to control an asset for a period of time in exchange for consideration as set out in note 2 (m). The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and is depreciated on a straight-line basis over the residual lease term. The lease liability is initially measured at the present value of remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, a rate determined by HMT and based on government's incremental borrowing rate.

(l) Functional & presentational currency

These Financial Statements are presented in pounds sterling, which is the Company's functional currency.

(m) Estimates and judgements

IFRS 15 requires that revenue is recognised as and when performance obligations have been satisfied. As described in note 2 (d) above, no judgement is required as to the satisfaction of these performance obligations as revenue is charged, received and recognised in the same period as the services performed.

IFRS 16 requires the company to assess whether any new contract is, or contains, a lease. At inception of the contracts for 100 Parliament Street, and the shared facility at 7-8 Wellington Place Leeds, the company assessed that neither contract are leases, due to the conditions of '*IFRS 16 B14 Substantive substitution rights*' being met and therefore no 'right-of-use' asset and corresponding liability has been recognised in respect of this contract.

The company determines the licence term as the non-cancellable term of the licence.

3. Staff costs

Further details of staff costs and numbers are disclosed in the Remuneration Committee Report.

	2025-26 £'000	2024-25 £'000
Salaries	14,910	13,944
Employer national insurance contributions	2,115	1,741
Pensions costs	717	686
Secondees	1,234	2,111
Total Costs	18,976	18,482

4. Operational costs

	2025-26 £'000	2024-25 £'000
Office related costs	2,640	2,061
Professional services	520	5,741
Staff related costs including training, travel and expenses	501	417
Depreciation	27	18
Other operating expenditure	2	3
Total	3,690	8,240

Professional services include audit fees payable to the National Audit Office of £70k for work relating to 2025-26 plus VAT (2024-25 £65k plus VAT).

5. Revenue

	2025-26 £'000	2024-25 £'000
Staff costs recovery	265	534
Revenue from other government departments	5,610	5,994
Recharges and recoveries	4	870
Total	5,879	7,398

Revenue from other government departments includes £5,610k relating to fees charged for the provision of shareholder services (2024-25 £5,542k). Staff costs recovery represents income from the secondment of UKGI staff to other government departments and public bodies. Recharges and recoveries are the reimbursement of professional advice related costs incurred by UKGI on behalf of UKGI's partner bodies, and fees charged for UKGI staff acting as NEDs.

6. Directors' emoluments

	2025-26 £'000	2024-25 £'000
Directors' emoluments	568	522
Total	568	522

Directors' emoluments include salary and performance pay awarded in the period and employer's pension contributions. Full details of the Directors' remuneration including policies are available within the remuneration section of this report.

7. Property, plant and equipment

	2025-26 £'000	2024-25 £'000
Cost at 01 April	205	205
Additions	–	–
Disposals	–	–
Cost at 31 March	205	205
Depreciation at 01 April	(24)	(6)
Depreciation in Year	(27)	(18)
Depreciation at 31 March	(51)	(24)
Net Book Value (NBV) at 31 March	154	181

8. Cash and cash equivalents

	2025-26 £'000	2024-25 £'000
Cash held with the Government Banking Service	2,128	1,124
Total	2,128	1,124

9. Receivables

Amounts falling due within one year	2025-26 £'000	2024-25 £'000
Trade and other receivables	217	145
Prepayments and accrued income	267	957
Total	484	1,102

Prepayments and accrued income include prepayments of £267k (2024-25 £576k) and accrued income of £0k (2024-25 £381k).

10. Payables

Amounts falling due within one year	2025-26 £'000	2024-25 £'000
Trade & other payables	623	839
Accruals	3,671	4,196
Taxation and social security	353	466
Total	4,647	5,501

11. Commitments and leases

There were no leases in the current year and the Company has not entered any capital commitment contracts.

12. Called up share capital

The Company's share capital consists of one Ordinary Share of £1. The share is fully paid up.

13. Related party transactions

UKGI is a wholly owned subsidiary of HMT. HMT is regarded as a related party. During the year, UKGI has had various significant transactions with HMT, primarily in relation to the provision of secondees, recoveries for IT, finance and HR shared services. HMT provides Grant-in-Aid to UKGI.

UKGI also made material transactions with Government Property Agency (GPA), primarily in relation to the provision of accommodation services.

UKGI had significant transactions for the outward secondment of staff with the DESNZ, MoD, and DBT.

UKGI also received income related to the provision of Shareholder services from the Department for Transport, the MoD, the DESNZ, the DSIT, the DBT, the MHCLG, the Cabinet Office and the DCMS and UKEF.

No Board member, key manager or other related party has undertaken any material transactions with UKGI during the year. Details about the Board members' remuneration are included on page 59.

14. Contingent assets and liabilities

UKGI has no contingent assets. UKGI has entered into a series of industry standard indemnities with financial services firms as part of managing the disposal of HMG's shareholdings. The probability of any outflow of resources in relation to these indemnities is deemed to be remote. The number and breadth of participants involved, and value of any transaction is such that it is not possible to assert with any confidence what a suitable estimate might be.

15. Ultimate controlling party

The ultimate parent entity and controlling party of UKGI is HMT, which holds the entire allotted share capital of ordinary shares of £1. HMT is domiciled in the United Kingdom and is located at 1 Horse Guards Road, London. UKGI is consolidated in the HMT Group accounts.

16. Dividends

UKGI has no intention of making a profit and does not intend to declare a dividend at any point. No dividend was declared or paid during the year (2024-25: Nil).

17. Events after the reporting period

There are no events after the reporting period which will have a material effect on the 2025-26 financial statements of UKGI.

18. Date authorised for issue

The financial statements were authorised for issue on the same date as the audit report.



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