



United Kingdom
Debt Management
Office

Commissioners for the Reduction of the National Debt

CRND receipts and payments accounts

Report and Accounts for the year ended 31 March 2025



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Introduction

What this document covers

The Commissioners for the Reduction of the National Debt (CRND) is a statutory entity within the United Kingdom Debt Management Office (DMO) that performs a fund management service for public sector clients and manages several receipts and payments accounts.

Prior to 2013-2014, separate Annual Report and Accounts were prepared for the four receipts and payments accounts presented in this document. The significant areas of commonality between the accounts led to the decision to amalgamate them. The Secretary and Comptroller General's responsibilities to report on each account, as described on page 9, are discharged within this document.

This document presents the Annual Report and Accounts of the following accounts for the year ended 31 March 2025:

- Donations and Bequests Account
- Life and Other Annuities Warrant Account
- Unclaimed Redemption Moneys Account
- Unclaimed Stock and Dividends Account

The following sections of this document apply to all the accounts:

- Foreword and management commentary (page 5 to 8)
- Statement of Secretary and Comptroller General's responsibilities (page 9)
- Governance statement (page 10 to 22)

The following sections are specific to each account:

- Accounts of the Donations and Bequests Account (page 23 to 29)
- Accounts of the Life and Other Annuities Warrant Account (page 30 to 38)
- Accounts of the Unclaimed Redemption Moneys Account (page 39 to 46)
- Accounts of the Unclaimed Stock and Dividends Account (page 47 to 55)

Foreword and management commentary

Donations and Bequests Account

The Donations and Bequests Account exists to deal with donations and bequests from the public that are for the purpose of reducing the national debt. It arose from section 8 of the National Debt Reduction Act 1823.

Bequests are handled by the Treasury Solicitor, who conducts all negotiations with executors and trustees, and then passes cash or government securities to the CRND. The cash held is periodically used to buy gilts from the market for cancellation, which reduces the national debt.

The account presents the receipts, payments, and transactions in securities during the year ended 31 March 2025, and the net securities balance held at that date.

The account is prepared on a cash basis and must properly present the receipts and payments for the year and the balances held at the year end.

Any cash received into the Donations and Bequests Account is held in a non-interest bearing account at the Bank of England.

During the 2024-2025, the Donations and Bequests Account received a significant transfer of cash and gilts from the National Fund. The National Fund was established in 1927 by a gift from an anonymous donor for the purpose of accumulating funds until sufficient in value to discharge the national debt. In November 2023, the Court of Appeal upheld a High Court judgement from 2022, which determined that the assets of the National Fund should be transferred to the National Debt Commissioners to reduce the national debt. In 2024-2025, the National Fund transferred £585,000,000 of cash, £7,800,000 (nominal) of 0.375% Index-linked Treasury Gilt 2062, and £14,000,000 (nominal) of 4.125% Treasury Gilt 2027 to the Donations and Bequests Account.

In total for the year, the Donations and Bequests Account received £585,112,933 of cash donations and bequests (2023-2024: £698,687) and £10,549,394 of dividends from gilt holdings (2023-2024: nil). The cash received during the year was held on account at the Bank of England. Cash in this account at the Bank of England is used to purchase gilts for subsequent cancellation. The CRND purchases gilts from time to time when it is considered most beneficial for reducing the national debt. During the year, £585,747,364 of 3.5% Treasury Gilt 2025 was purchased for subsequent cancellation (2023-2024: no gilts were purchased).

Historically, the CRND has purchased undated government securities into the Donations and Bequests Account for cancellation. Following HM Treasury's decision to redeem all outstanding undated government securities, the remaining undated government securities were redeemed on 6 July 2015. This caused the CRND to purchase fixed term government securities subsequent to this date. Since the cancellation of these fixed term government securities would affect various market indices, from 6 July 2015 CRND has purchased gilts with a view to cancelling them on maturity date or the next suitable opportunity, if earlier.

At 31 March 2025, the cash balance held in the account was £10,661,912 (31 March 2024: £746,949) and the following government securities were held: £7,800,000 (nominal) of 0.375% Index-linked Treasury Gilt 2062, £14,000,000 (nominal) of 4.125% Treasury Gilt 2027 and £583,561,000 (nominal) of £3.5% Treasury Gilt 2025 (31 March 2024: no gilts were held). All securities held as at 31 March 2025 are expected to be cancelled in 2025-2026.

Audit arrangements

The account is audited by the Comptroller and Auditor General under agreement with the DMO. The National Audit Office's fee for audit of the Donations and Bequests Account in 2024-2025 was £8,760 (2023-2024:

£8,280), which included £1,460 of irrecoverable VAT. The cost of the audit is accounted for within the DMO's agency vote and reported in the DMO Report and Accounts 2024-2025.

Life and Other Annuities Warrant Account

The Life and Other Annuities Warrant Account is a non-statutory account that was opened by the CRND in 1885 for the purpose of paying life annuities which had been sold since 1808, although such annuities have not been sold since 1962. Sums are drawn quarterly from the National Loans Fund against a certificate from the CRND to meet payments due. Payments are then allocated to remaining annuitants directly, and to National Savings and Investments in respect of Savings Bank issued annuities. Where appropriate, tax is deducted and paid to HM Revenue and Customs. Where subsequently the annuity is not claimed, the related tax payments reclaimable from HM Revenue and Customs are deducted from later payments of tax.

This account presents the receipts and payments for the year ended 31 March 2025 and the balance held at that date. Annuitants may claim payments due within 3 years, and unclaimed payments are only returned to the National Loans Fund after this period. As a result, the amount received from the National Loans Fund does not generally equal the total payments in a given year.

The account is prepared on a cash basis and must properly present the receipts and payments for the year and the balance held at the year end.

Any cash in the Life and Other Annuities Warrant Account is held in a non-interest bearing account at the Bank of England.

During 2024-2025, the account received £1,085 (2023-2024: £1,173) from the National Loans Fund to pay annuitants. No funds were returned from annuitants or National Savings & Investments during the year (2023-2024: nil).

Payments made to annuitants during the year were £689 (2023-2024: £929), of which £82 (2023-2024: £170) was paid to National Savings & Investments for annuitants. Also, £316 (2023-2024: £316) was paid to HM Revenue & Customs for tax deducted from annuity payments.

At 31 March 2025, the balance held in the account was £722 (31 March 2024: £642), which was retained for operational purposes.

Audit arrangements

The account is audited by the Comptroller and Auditor General under agreement with the DMO. The National Audit Office's fee for audit of the Life and Other Annuities Warrant Account in 2023-2024 was £8,760 (2023-2024: £8,280), which included £1,460 of irrecoverable VAT. The cost of the audit is accounted for within the DMO's agency vote and reported in the DMO Report and Accounts 2024-2025.

Unclaimed Redemption Moneys Account

The Unclaimed Redemption Moneys Account was opened in 1921 and comprises redemption moneys of HM Government securities that have remained unclaimed by any party for two years or more. In accordance with Section 5 (2-6) of the Miscellaneous Financial Provisions Act 1955 (the Act), unclaimed redemption moneys received from the registrar (Computershare Investor Services plc) are deposited with the National Loans Fund at a rate determined by HM Treasury. On a monthly basis, interest is calculated by the National Loans Fund and then paid directly to the Unclaimed Stock and Dividends Account.

This account shows the transactions of the CRND in respect of unclaimed redemption moneys. The account presents the receipts and payments and transactions in securities for the year ended 31 March 2025 and the balances held at that date.

The account is prepared on a cash basis and must properly present the receipts and payments for the year and the balances held at the year end.

During 2024-2025, the account received unclaimed redemption moneys of £61k (2023-2024: £500k) from the gilts registrar, and paid reclaimed moneys of £280k (2023-2024: £679k) to the gilts registrar.

By virtue of Section 5 (7) of the Act, the interest earned on the total holdings in the account was paid to the Unclaimed Stock and Dividends Account.

At 31 March 2025, the balance held in the account was £50,839k (31 March 2024: £51,058k), which represented unclaimed redemption moneys.

Audit arrangements

The account is audited by the Comptroller and Auditor General under agreement with the DMO. The National Audit Office's fee for audit of the Unclaimed Redemption Moneys Account in 2023-2024 was £8,760 (2023-2024: £8,280), which included £1,460 of irrecoverable VAT. The cost of the audit is accounted for within the DMO's agency vote and reported in the DMO Report and Accounts 2024-2025.

Unclaimed Stock and Dividends Account

The CRND have been involved in the handling of unclaimed Government stock and dividends since 1816. Initially, any Government stock on which dividends had been unclaimed for 10 years was transferred to CRND and held in their Unclaimed Stock Account. That arrangement was discontinued in 1955 by Section 5(1) of the Miscellaneous Financial Provisions Act 1955 (the Act). However, stock previously transferred was retained, and dividends on it continued to be paid into the Unclaimed Stock and Dividends Account. These dividend payments stopped in 2016 when the remaining stock was redeemed by HM Treasury.

The account now receives any dividends from the gilts registrar (Computershare Investor Services plc) that have been unclaimed for five years. The gilts registrar transfers the unclaimed dividends to CRND on or around 1 April and 1 October each year. The gilts registrar is responsible for validating claims for dividends, including those that have been transferred to CRND as unclaimed for five years, before the account transfers these back.

By virtue of Section 5(7) of the Act, the account also receives interest and dividends in respect of assets held by CRND's Unclaimed Redemption Moneys Account.

Assets are held as non-interest bearing demand deposits with the National Loans Fund. Annually, sums held in excess of £100,000 (or another amount as determined by HM Treasury) at 31 March are surrendered to the National Loans Fund in accordance with Section 5(9) of the Act.

The account is prepared on a cash basis and must properly present the receipts and payments for the year and the balances held at the year end.

During 2024-2025, no unclaimed dividends (2023-2024: £188k) were transferred from the gilts registrar to the account. Also, £2,497k (2023-2024: £2,479k) was received from interest earned on the holdings in the Unclaimed Redemption Moneys Account.

Reclaimed dividends of £76k (2023-2024: £17k) were transferred from the account to the gilts registrar during the year.

In accordance with a requirement by HM Treasury, £6,015k of funds were surrendered to the National Loans Fund during the year (2023-2024: none).

At 31 March 2025, the balance held in the account was £100k (31 March 2024: £3,694k), which represented accumulated unclaimed dividends retained by the account.

Audit arrangements

The account is audited by the Comptroller and Auditor General under agreement with the DMO. The National Audit Office's fee for audit of the Unclaimed Stock and Dividends Account in 2023-2024 was £8,760 (2023-2024: £8,280), which included £1,460 of irrecoverable VAT. The cost of the audit is accounted for within the DMO's agency vote and reported in the DMO Report and Accounts 2024-2025.

All accounts

Date of authorisation for issue

The date of authorisation for issue is the date on which the Secretary and Comptroller General authorises the accounts for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

Jo Whelan

Secretary and Comptroller General to the Commissioners for the Reduction of the National Debt

15 July 2025

Statement of Secretary and Comptroller General's responsibilities

Donations and Bequests Account

There is no statutory requirement for the production of these annual accounts. However, the Donations and Bequests Account is prepared on a cash basis and must properly present the receipts and payments for the year and net balance held on 31 March 2025.

Life and Other Annuities Warrant Account

There is no statutory requirement for the production of these annual accounts. However, the Life and Other Annuities Warrant Account is prepared on a cash basis and must properly present the receipts and payments for the year and balances held on 31 March 2025.

Unclaimed Redemption Moneys Account

There is no statutory requirement for the production of these annual accounts. However, the Unclaimed Redemption Moneys Account is prepared on a cash basis and must properly present the receipts and payments for the year and balances held on 31 March 2025.

Unclaimed Stock and Dividends Account

There is no statutory requirement for the production of these annual accounts. However, the Unclaimed Stock and Dividends Account is prepared on a cash basis and must properly present the receipts and payments for the year and balances held on 31 March 2025.

All accounts

The Commissioners have appointed the Secretary and Comptroller General to discharge their statutory responsibilities, a role that is analogous to acting as an Accounting Officer. Therefore, the Secretary and Comptroller General has responsibility for preparing the annual accounts.

In preparing the accounts, the Secretary and Comptroller General is required to comply with relevant legislation and has also elected to be consistent with certain requirements of the Government Financial Reporting Manual (FReM), and in particular to:

- apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis; and
- confirm that the annual report and accounts as a whole are fair, balanced and understandable, and take personal responsibility for the annual report and accounts and the judgements required for determining they are fair, balanced and understandable.

As the role of the Secretary and Comptroller General is analogous to acting as an Accounting Officer, it is considered that the responsibilities of an Accounting Officer, as set out in Managing Public Money published by HM Treasury, apply to the Secretary and Comptroller General. These include responsibility for the propriety and regularity of the public finances for which the Secretary and Comptroller General is answerable, for keeping proper records, and for safeguarding the accounts' assets.

Governance statement

Scope of responsibility

The Secretary and Comptroller General to the Commissioners for the Reduction of the National Debt (CRND) is responsible for ensuring the operation of a sound system of internal control that supports the achievement of CRND's targets, policies and objectives in managing client investment portfolios whilst safeguarding the public funds for which they are accountable, in accordance with the responsibilities assigned to the Secretary and Comptroller General.

CRND is a separate business entity managed within the control framework of the DMO. While the Secretary and Comptroller General is responsible for CRND's system of internal control, the Accounting Officer of the DMO is responsible for the wider control framework within which CRND is managed. In discharging the control responsibilities, the Secretary and Comptroller General takes assurance on the continued sound maintenance of the wider control framework from the governance statement for the DMO, although it is understood that only reasonable and not absolute assurance can be given that risks have been controlled.

It is also the responsibility of the Secretary and Comptroller General to ensure that all CRND fund management activities are conducted with due regard to value for money and operated in line with client instructions. The Secretary and Comptroller General has put arrangements in place to ensure that there is a proper evaluation of the balance of cost and risk in our operations.

CRND is committed to the highest standards of corporate governance and is subject to the guidance set out in the Corporate Governance Code for central government departments (the Code) and the principles laid down in that Code:

- Parliamentary accountability;
- The role of the Board;
- Board composition;
- Board effectiveness; and
- Risk management.

CRND does not conduct any part of its business with or through arm's length bodies (ALBs) and therefore CRND has not applied principle six which covers departmental governance arrangements with ALBs.

On 28 September 2023, it was announced that Sir Robert Stheeman, the Chief Executive of the DMO, would be retiring on 30 June 2024 and an open recruitment process for a successor commenced in late December 2023. On 16 April 2024, Jessica Pulay was announced as the new Chief Executive and commenced this role on 1 July 2024.

Advisory Board

The Secretary and Comptroller General was supported during 2024-2025 by the Advisory Board (the Board) which, in addition to the Secretary and Comptroller General, comprised:

- Dame Sue Owen

Non-Executive Chair - Dame Sue was a civil servant for 30 years, including 14 years at HM Treasury. Amongst other things, Dame Sue worked on fiscal policy and debt management policy at HM Treasury. Dame Sue has previously held senior roles at the Foreign and Commonwealth Office, Department for

International Development and Department for Work and Pensions. Most recently Dame Sue served as the Permanent Secretary at the Department for Digital, Culture, Media and Sport, from 2013 to 2019. She has other current roles, including non-executive director at Pantheon International plc and Serco plc.

- Sir Robert Stheeman

DMO Chief Executive and Accounting Officer (until 30 June 2024)

- Jessica Pulay

DMO Chief Executive and Accounting Officer (from 1 July 2024)

Co-Head of Policy and Markets (until 30 June 2024)

- Jim Juffs

Chief Operating Officer

- Ruth Curtice (until 20 December 2024)

Non-executive HM Treasury representative

Stephen Farrington (from 24 February 2025)

Non-executive HM Treasury representative

- Paul Fisher

Non-executive director - During a 26-year career at the Bank of England, Paul Fisher served as a member of the Monetary Policy Committee from 2009 to 2014, the interim Financial Policy Committee from 2011 to 2013 and the PRA Board from 2015 to 2016. Paul has a number of current roles including Chair of the London Bullion Market Association.

- Martin Egan

Non-executive Director - Martin Egan has 37 years of experience in financial markets. Most of his career was spent at BNP Paribas in various roles including Managing Director Global Co-Head Primary and Secondary Credit, Vice Chairman of the Global Markets Client Board, and Chair of BNPP UK Ltd. He was also Chair of the Diversity and Inclusion Network at BNPP UK. Earlier in his career he held roles at JP Morgan Ltd., UBS Investment Bank and Credit Suisse First Boston. Martin was also the Chair of the Board of the International Capital Market Association from May 2017 to May 2018, and a member of the Board for another five years before that.

Non-Executive Directors are appointed by the Non-executive Chair, in consultation with the DMO Accounting Officer, following a formal process and have fixed terms defined in their contract of service. All Non-Executive Board members including the Non-executive Chair will receive an induction on joining and have access to additional information and training where it is considered necessary for the effective discharge of their duties.

One of the roles of the Board is to advise the Secretary and Comptroller General on any key decisions affecting CRND.

An executive sub-committee of the Board generally meets weekly and supports the Secretary and Comptroller General on operational decisions.

The Terms of Reference for the Advisory Board were set out on its formation in June 2022. The Board's effectiveness was reviewed in November 2024, after the new Accounting Officer was established in the role. Overall, the review found that the Advisory Board had been very effective in fulfilling its responsibilities.

2024-2025 Advisory Board activities

Board meetings were held throughout 2024-2025 and covered regular agenda items, including risk management, staffing and progress against the operational business plan.

Board, as well as Audit and Risk Committee, attendance is outlined in the table below:

	Possible	Actual		
Dame Sue Owen	6	6		
Jessica Pulay	6	6		
Sir Robert Stheeman	1	1		
Jo Whelan	6	6		
Jim Juffs	6	6		
Paul Canty	2	2		
Ruth Curtice	4	4		
Stephen Farrington	1	1		
Paul Fisher	6	6	Possible	Actual
Martin Egan	6	6	5	5
Rodney Norman	n/a	n/a	5	5

Audit and Risk Committee

The Secretary and Comptroller General was supported during 2024-2025 by the Audit and Risk Committee on matters relating to risk, internal control and governance. The Audit and Risk Committee covers the activities of the DMO, Debt Management Account, PWLB lending facility and CRND. The members of the Audit and Risk Committee during 2024-2025 were:

- Paul Fisher (Chair)
- Martin Egan
- Rodney Norman

Audit and Risk Committee member - Rodney was Finance Director of NS&I until 2018. Prior to that Rodney was the Treasury Accountant at HM Treasury. This was preceded by a career in the City where he qualified as a Chartered Accountant with PWC and was Finance Director of the Banking Division of Close Brothers. Rodney is currently a non-executive member of the Audit and Risk Committee of the Army and Rodney has previously been a senior advisor to the Bank of England. He has previously been a non-executive director of a variety of organisations including the Pension Protection Fund where he was also a member of its Risk and Audit Committee and chaired the Nominations Committee.

Audit and Risk Committee meetings are typically attended by the DMO Accounting Officer, the Secretary and Comptroller General, the Co-Heads of Policy & Markets, the Chief Operating Officer, the Head of Internal Audit, the Head of Finance, the Head of Risk and the National Audit Office.

One of the Audit and Risk Committee's objectives is to give advice to the Secretary and Comptroller General on:

- The overall processes for risk, control and governance and the governance statement;
- Management assurances and appropriate actions to follow from internal and external audit findings, risk analysis and reporting undertaken;
- The financial control framework and supporting compliance culture;
- Accounting policies and material judgements, the accounts and the annual report and management's letter of representation to the external auditors;
- Whistleblowing arrangements for confidentially raising and investigating concerns over possible improprieties in the conduct of the DMO's business;
- Processes to protect against money laundering, fraud and corruption; and
- The planned activity and results of both internal and external audits.

During the period under review the Audit and Risk Committee paid particular attention to the following areas:

- Result of cyber security reviews and tests;
- Succession planning and key dependency risks;
- Documentation of roles and responsibilities and authorisation and delegation;
- Personnel and building security risks;
- Risk management framework;
- Personal dealing policy;
- High level risks principal risks and uncertainties;
- Procurement processes and controls;
- Finance processes;
- Business critical model;
- User access rights and permissions;
- Critical spreadsheets;
- Compliance with applicable legal & regulatory requirements;
- Governance and controls over cash management;

- Operating models for debt and cash management activities;
- Civil Service Commissioners recruitment principles;
- IT controls over patching updates;
- SWIFT attestations;
- Business Continuity response plans in an event of a cyber security incident;
- Whistleblowing policy;
- Trading system upgrade project;
- Changes to Global internal Audit Standards;

The Audit and Risk Committee covers a regular programme of agenda items, together with other current topics, and met four times during the year to consider its regular agenda. There was one additional ad-hoc meeting to discuss preparations to sign the Annual Report and Accounts 2023-2024 ahead of the departure of the DMO's former Chief Executive, Sir Robert Stheeman.

The Secretary and Comptroller General has also been informed by the following operational committees throughout the period under review:

Fund Management Review Committee

The Fund Management Review Committee monitors CRND activity relating to the performance of the government funds under management, including any reporting on compliance activities undertaken in relation to the funds.

The Fund Management Review Committee met four times in 2024-2025.

Business Delivery Committee

The Business Delivery Committee (BDC) reviews the status of the delivery of DMO's business and work plan as a collective cross-functional body, resolving emerging issues in a timely way, and agreeing priorities to ensure the plan stays on track. The most significant initiatives monitored by the BDC during the year were the trading system upgrade, infrastructure upgrades, and the IT strategy.

The Business Delivery Committee met regularly (typically weekly) throughout 2023-2024.

Risk Committees

The Secretary and Comptroller General is informed by two risk committees covering operational risk and material change programmes. More detail on the roles, responsibilities and activities of these committees can be found in the sections below.

Risk management and internal control

The Secretary and Comptroller General is responsible for maintaining a sound system of internal control that supports the achievement of CRND's targets, policies and objectives in managing client investment portfolios whilst safeguarding the public funds for which they are accountable, in accordance with the responsibilities assigned to them in the Managing Public Money document.

CRND is managed within the wider DMO system of internal control which is based upon what the DMO Accounting Officer, with the support of the Board, considers to be appropriate, taking account of the DMO's activities, the materiality of risks inherent in those activities and the relative costs and benefits of implementing specific controls to mitigate those risks. The DMO's position differs to that of a commercial organisation in that it must always be in a position to transact the underlying business required to meet its remit. As a result, the risks associated with this activity cannot be avoided and the system of internal control can only provide reasonable assurance against failure to achieve aims and objectives.

The Risk and Control Framework

The Board has designed and put in place a formal risk management framework covering all the activities conducted and overseen by the DMO. This framework helps ensure that the DMO Accounting Officer is appropriately informed and advised of any identified risks and also allows the management of risks to be monitored. The risk management framework covers both regular operations and new business initiatives, and evolves as the range and nature of the DMO's activities change. The framework is supported by a clear 'three lines of defence' model:

First line of defence:

Day-to-day management of risk is the responsibility of management staff within business areas. The DMO considers effective risk management to be central to its operations and fosters a risk aware culture in which all members of staff, including Board members, are encouraged to understand and own the risks that are inherent in those operations. In particular, the DMO seeks to promote an environment in which staff feel comfortable to identify new risks and changes in previously identified risks, as well as weaknesses so that these may be assessed and appropriate mitigating actions put in place.

Mitigating actions typically include segregation of duties, staff training, clear lines of management delegation and reporting and robust business continuity arrangements.

Second line of defence:

Oversight of risk is provided by the Board and risk committees, whose role is to provide regular and systematic scrutiny of risk issues which lie within their remit and to support the DMO Accounting Officer in exercising their overall responsibility for risk management.

The DMO considers that the principal risks it faces arise in three broad areas: credit risk, market risk and operational risk. It has established committees to meet regularly to review the changing risk pattern for each of these areas and to set up appropriate responses. The work of these committees is described in more detail below.

Credit and Market Risk Committee

The Credit and Market Risk Committee (CMRC) meets on a regular basis, with more frequent meetings held when required, for example during times of market stress. The CMRC monitors and reviews the management of market, credit, and liquidity risk. The CMRC met six times during 2024-2025.

Operational Risk Committee

The Operational Risk Committee (ORC) meets regularly to monitor operational risks and to review significant risk issues. The ORC is responsible for reviewing risk incidents identified through the DMO's risk incident reporting process, and for considering whether planned mitigating actions are appropriate. The ORC also reviews and tracks the progress of actions identified by Internal Audit. The ORC's scope includes issues relating to information risk, IT security, business continuity, anti-fraud and key supplier risks.

The ORC has advised the DMO Accounting Officer and the Board, during the year, on significant operational risk concerns, significant risk issues and trends as well as actions to mitigate such risks. This year, the ORC focussed on business continuity, information security, cyber security, physical security and personnel security. The ORC also reviewed contingency planning scenarios. The ORC met eight times during 2024-2025.

Controls Group

The Controls Group meets periodically to review issues affecting the DMO's system of internal control and to analyse material changes to the control environment. The Controls Group recommends actions to management to implement changes where appropriate. The Controls Group consists of representatives from Finance, Risk, Compliance and Internal Audit.

The Controls Group has advised the DMO Accounting Officer, the Board and senior management on any significant risk concerns stemming from the introduction of new business activities as well as risks relating to other change management activities. The Controls Group has also advised the DMO Accounting Officer on suitable mitigating actions where appropriate.

During the year the Controls Group reviewed key project change proposals including the escalation process of incidents, trading process enhancements, IT strategy and the trading system upgrade implementation.

Risk Management Unit

The risk committees are supported by the DMO's Risk Management Unit (RMU) which ensures key risk issues arising from these committees are communicated to the DMO Accounting Officer and senior management on a regular basis, with additional ad-hoc reporting if an emerging issue requires it. The RMU also supports the formal risk reporting processes with defined outputs, including regular detailed risk reports which are reviewed by the Board and senior management.

As well as supporting the risk committee structure, the RMU provides control advice on risks. As part of the second line of defence the RMU is separate from, and independent of, the DMO's trading operations. The RMU conducts risk analysis and provides market, credit and operational risk capability for the DMO.

The identification, monitoring and mitigation of operational risk is facilitated by the RMU via quarterly consultations with heads of business units and functional teams. Significant risk issues are assessed for materiality and probability of occurrence. New risks, and risks to which exposure is increasing, are highlighted and actions are taken to ensure effective management of all risks. The DMO has Senior Risk Owners (SROs) who undertake a cross-functional moderation process to promote better prioritisation of operational risks across the organisation. The RMU maintains a central exception log to record all risk incidents raised, in order to identify control weaknesses and assign actions to improve controls. RMU continued to carry out compliance awareness training to all staff, throughout the year.

Third line of defence:

The DMO's Internal Audit function is the third line of defence and provides the Accounting Officer with independent and objective assurance on the overall effectiveness of the DMO's system of internal control. It does this through a risk based work programme which is presented to and approved by the Audit and Risk Committee at the start of each year. All audits review the processes in place and where necessary raise findings relating to control weaknesses and management actions are agreed to mitigate any risks and enhance the control structure. Progress against agreed management actions is monitored on a regular basis to ensure issues highlighted by internal audit, as well as any issues raised by the external auditors, and other identified actions to improve the control environment, are managed and progressed within agreed deadlines. The function is independent of the DMO's trading activities and operations and has a direct reporting line to the Accounting Officer as well as the chair of the Audit and Risk Committee. The work of Internal Audit includes assessing the

effectiveness of both control design and control performance. With its independence and overall remit, Internal Audit provides a third line of defence against the risks that might prevent the DMO delivering its objectives.

Risk policies and procedures

The DMO's risk policies reflect the high standards and robust requirements which determine the way risks are managed and controlled. The DMO Accounting Officer, with the support of the Board, ensures that policies are regularly reviewed to reflect any changes in the DMO's operations and/or best practice. In 2024-2025, this included policies relating to health & safety, spreadsheet control, anti-fraud, personal dealing, gifts & hospitality and anti-money laundering.

Staff are asked to confirm that they have read and accepted the DMO's rules on personal dealing and the DMO's policy on the use of information systems and technology, and that they are aware of, and will continue to keep up to date with, the DMO's policies on whistleblowing, anti-fraud, anti-money laundering and information security. The DMO ensures that this exercise is undertaken on an annual basis allowing staff to maintain a good level of awareness of the DMO's policies in these areas. All members of staff have job descriptions which include reference to the specific key risks they are expected to manage.

Managers in each business function are responsible for ensuring that the operations within their area are compliant with plans, policies, procedures and legislation.

During 2024-2025 no concerns were raised by staff under the DMO's whistleblowing policy relating to CRND.

Key Developments

Geopolitical conflicts

Further to ongoing Geopolitical conflicts, the DMO again continued to closely monitor actual and potential effects on activities, markets, counterparties and suppliers.

The DMO continued to work with partners across government to ensure all necessary steps were taken to maintain cyber security defences and also assurances were received from some strategic partners regarding their own arrangements, with details of the assurances put in place to mitigate against any disruption or impact. Internal assessments considered potential accounting or disclosure impacts and any effects through legal and regularity changes.

Budgetary constraints

Risks to effective delivery of the DMO's objectives arise from the constraints associated with pressures on public sector spending. As a result, effective budgetary control continues to be a critical element of financial management of the DMO.

The DMO continues to face particular challenges due to the nature of its role. First, it faces specific additional cost increases for certain third-party services it requires in order to undertake its role in the financial markets. Second, it competes for recruitment of suitably skilled staff with private sector banks and other financial institutions which are not subject to the same remuneration constraints as the DMO. Notwithstanding these exogenous cost pressures the DMO's core objectives are non-discretionary, so it would be challenging to deprioritise certain objectives in order to reduce costs.

Risk Profile

The Secretary and Comptroller General and the DMO Board believe that the principal risks and uncertainties facing CRND are outlined in the table below together with the key actions taken to manage and mitigate them:

Principal risks and uncertainties	Mitigation and management
<p>IT systems and infrastructure</p> <p>CRND relies on a number of IT and communications systems to conduct its operations effectively and efficiently.</p>	<p>During the year the DMO has progressed additional initiatives to further strengthen the resilience and security of its IT network and infrastructure. Strategic roadmap priorities were reviewed and the DMO carried out an internal health-check. The DMO has in place structured business continuity arrangements to ensure it is able to continue market operations in the event of an internal or external incident that threatens business operations.</p> <p>Arrangements to support critical operations were in place throughout the year with a core team in the office, support teams working from the disaster recovery site and staff working from home. Assessment of business continuity needs is also a specific requirement for new projects and major business initiatives.</p>
<p>IT and data security</p> <p>The DMO could be the subject of an external attack on its IT systems and infrastructure. Through its activities the DMO gathers, disseminates and maintains sensitive information including market sensitive information and personal data about staff and market participants. The DMO seeks to ensure the highest standards of data protection and information management.</p>	<p>The DMO, including CRND, continues to work to maintain the required level of protective security covering physical, personnel and information security and is particularly aware of the growing threat posed by cyber security risk. IT and data security risks continued to be a specific area of focus in 2023-2024 and the DMO's IT team have been enhancing the detective, protective and recovery security controls.</p> <p>Risks to data and information held by the DMO are owned and managed by designated Information Asset Owners. The DMO has a Senior Information Risk Owner (SIRO) who is responsible for the information risk policy and the assessment of information risks. The SIRO is a member of the Board and provides advice to Board members on the management of information risks.</p> <p>The DMO has put in place several layers of defensive controls against external and internal attacks. This</p>

year the DMO undertook internal and independent testing to ensure defences remained robust against the changing landscape of cyber-attacks.

Reliance on third parties

A number of the operational systems and services on which CRND relies are provided or supported by third party suppliers.

To mitigate the risk of failure of a key third party supplier the DMO undertakes regular corporate risk assessments of each key supplier to assess a range of factors including its financial strength and operational capacity, including the reliance on sub-contractors. The DMO has dedicated contract owners who meet regularly with key suppliers and monitor performance against the agreed Service Level Agreements, where appropriate.

The procurement manager and the vendor management group have been working to embed consistent standards of supplier management across account managers by improving visibility of key contracts and sharing best practice. The DMO has introduced enhanced monitoring for critical suppliers (i.e. strategic partners) that focuses on risk and strategic aspects. Scrutinised areas include inherent risks, scenario analysis, assessment of supply chain risks including fourth parties, monitoring and assessing residual risks, and mitigation planning. External consultancy work assisted with the approach.

The DMO sought assurance that its key suppliers and strategic partners follow National Cyber Security Centre (NCSC) guidance on cyber security. This year, further work was undertaken to explore alternative arrangements where over-reliance on particular key suppliers has been identified.

Work has commenced to align the DMO procurement policies and procedures with the new procurement legislation. The Procurement Bill received Royal Assent on 26 October 2023. It will now be referred to as the Procurement Act 2023 (the Act) and will come into force in October 2024.

Transaction processing

CRND relies on its operational processes to successfully execute a significant number of high value transactions on a daily basis. Reliance on the

A key component of CRND's control framework is the segregation of duties to ensure independent checking and reconciliation, and to avoid

accurate execution of processes exposes CRND to operational risk arising from process breakdowns and human error.

concentration of key activities or related controls in individuals or small groups of staff. In particular, segregation of duties takes place between front and back office activities.

All teams, including CRND, have documented procedures for their main activities and there are clearly defined authorisation levels for committing the DMO externally.

The RMU conduct regular control and compliance testing of CRND activities, providing the executive sub-committee of the Board with assurance on the effectiveness of operational controls and compliance with relevant Financial Conduct Authority and Prudential Regulation Authority rules in the dealing and settlement areas.

The DMO also maintains a strong audit and control environment which includes a well embedded incident reporting procedure which extends to cover CRND. This promotes the early identification and resolution of risk incidents and provides visibility to the DMO Accounting Officer and Board.

The continued focus has been on enhanced compliance monitoring over transaction processing, to provide assurance over controls standards during remote working. During the year, operational support training was provided to relevant staff to increase resilience in support roles. There were also enhanced controls implemented for oversight of counterparty interactions.

This year, the DMO worked on upgrading a key trading system.

People risk

The DMO, including CRND, relies on maintaining a sufficiently skilled workforce at all levels of the organisation in order to operate effectively and efficiently, ensuring delivery of its strategic objectives.

The DMO is exposed to an increased risk of operational failure if it is unable to compete for, and retain, sufficiently skilled staff over time. Competition for skilled staff is generally against employers from the private financial services sector who have historically offered higher remuneration packages

DMO recruitment activity helps ensure that individuals with the appropriate level of skill and experience are appointed at all levels within the organisation. This helps mitigate the level of human error which could result in process failures.

The DMO follows the Civil Service Commission's recruitment principles and selection process to ensure vacancies are filled on merit on the basis of fair and open competition.

that are not subject to public sector remuneration policies.

The DMO has a formal performance appraisal process and all staff are given clear and achievable objectives. Progress is reviewed against these regularly.

The DMO's Training and Development policy is designed to help ensure that staff have the right skills to meet its objectives. Induction training is provided to all new employees.

Staff are encouraged to engage in activities which promote development and the DMO provides regular training opportunities and support for professional studies to enhance the skills base of its employees. The DMO also provides cross-training for different roles to help improve staffing flexibility and reduce turnover pressure. Teams are encouraged to ensure cross-skilling of staff to support resilience.

Salaries are benchmarked annually to equivalent private sector pay levels in order to keep management aware of any significant disparities that are developing. Challenges with recruitment and retention were again identified this year and were reviewed by the Advisory Board. The DMO has a policy to recognise those staff who have performed well in their roles through the payment of one-off non-consolidated performance related awards. Any awards are assessed annually by the DMO Performance Review Team. They are determined by individual performance and criteria associated with the DMO's performance management process, which are also aligned to the policy for public sector pay.

A Staff Council has met regularly throughout the year and enabled an open exchange of ideas and views between management and staff representatives. Staff Council was consulted to discuss the future hybrid working arrangements. This has been an effective conduit for wider communication and consultation with all staff.

On an annual basis all DMO staff are given the opportunity to take part in the Civil Service People survey. Any issues raised via this route, with suggested mitigating action if required, are considered by the Accounting Officer and the Board.

The organisation has placed greater emphasis on undertaking key person risk analysis for succession planning. This year, HR organised management

development training across the organisation to support the management group.

The DMO is a disability confident employer.

Review of effectiveness

I have reviewed the effectiveness of the system of internal control and confirm that an ongoing process designed to identify, evaluate and prioritise risks to the achievement of CRND's aims and objectives has been in place throughout 2024-2025. This review included an assessment of any material risk and control issues identified and reported during the relevant period.

My review has been informed by the advice of the risk committees, the work of the internal auditors and the executive managers within the DMO, who have been delegated responsibility for the development and maintenance of the internal control framework. Comments made by the external auditors in their management letter and other relevant reports have also informed this review.

In my role as Secretary and Comptroller General I have been advised on the implications of the result of my review, of the effectiveness of the system of internal control by the Board and the Audit and Risk Committee.

In 2024-2025, no ministerial directions were given and no material conflicts of interest have been noted by the Board or Audit Committee members in the Register of Interests.

In my opinion, CRND's system of internal control was effective throughout the financial year and remains so on the date I sign this statement.

Jo Whelan

Secretary and Comptroller General to the Commissioners for the Reduction of the National Debt

15 July 2025

Accounts of the Donations and Bequests Account

For the year ended 31 March 2025

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Independent auditor's report to the Commissioners for the Reduction of the National Debt

Opinion on financial statements

I have audited the financial statements of the Donations and Bequests Account for the year ended 31 March 2025. The financial statements of the Donations and Bequests Account comprise: The Receipts and Payments, the Statement of Balances; and the related notes.

The financial reporting framework that has been applied in the preparation of the financial statements is a disclosure of the receipts and payments of the Donations and Bequests Account.

In my opinion, the financial statements:

- properly present the Donations and Bequests Account's statement of balances at 31 March 2025 and its receipts and payments for the year ended 31 March 2025.

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 (2022). 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 2019. I am independent of the Donations and Bequests Account in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Donations and Bequests Account'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 Commissioners and the Secretary and Comptroller General with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises information included in the Annual Report, but does not include the Donations and Bequests Account, the Life and Other Annuities Warrant Account, Unclaimed Redemption Moneys Account and Unclaimed Stock and Dividends Account and my auditor's report thereon. The Commissioners and the Secretary and Comptroller General 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.

Matters on which I report by exception

In the light of the knowledge and understanding of the Donations and Bequests Account and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword and Management Commentary.

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

- Adequate accounting records have not been kept by the Donations and Bequests Account or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Commissioners and the Secretary and Comptroller General for the financial statements

As explained more fully in the Statement of Secretary and Comptroller General's Responsibilities, the Commissioners and the Secretary and Comptroller General 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 the Donations and Bequests Account from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements and Annual Report which are in accordance with the applicable financial reporting framework; and
- assessing the Donations and Bequests Account'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 Commissioners and the Secretary and Comptroller General either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Donations and Bequests Account's accounting policies;
- inquired of management, the Donations and Bequests Account's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Donations and Bequests Account's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Donations and Bequests Account's controls relating to the Donations and Bequests Account's compliance with Managing Public Money;
- inquired of management, Donations and Bequests Account's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the Donations and Bequests Account's framework of authority and other legal and regulatory frameworks in which the Donations and Bequests Account operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Donations and Bequests Account. The key laws and regulations I considered in this context included Managing Public Money.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- In addressing the risk of fraud through management override of controls I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated 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 evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

16 July 2025

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

Donations and Bequests Account

Receipts and payments

For the year ended 31 March 2025

	Notes	2025 £	2024 £
Cash receipts			
From donations or bequests		585,112,933	698,687
Dividends from gilt holdings		10,549,394	-
		595,662,327	698,687
Cash payments			
Securities purchased for cancellation	2	(585,747,364)	-
Excess of receipts over payments		9,914,963	698,687

Statement of balances

For the year ended 31 March 2025

	Notes	2025 £	2024 £
Balance at beginning of year		746,949	48,262
Net movement in year		9,914,963	698,687
Balance at end of year	1	10,661,912	746,949

The notes on page 29 are an integral part of these accounts.

Jo Whelan

Secretary and Comptroller General to the Commissioners for the Reduction of the National Debt

15 July 2025

Notes to the accounts

For the year ended 31 March 2025

1 Deposits with the Bank of England

Any cash in the Donations and Bequests Account is held in a non-interest bearing account at the Bank of England.

2 Securities purchased and donated for cancellation

During the year, £7,800,000 (nominal) of 0.375% Index-linked Treasury Gilt 2062 and £14,000,000 (nominal) of 4.125% Treasury Gilt 2027 were donated to the Donations and Bequests Account and an additional £583,561,000 (nominal) of 3.5% Treasury Gilt 2025 was purchased into the Donations and Bequests Account (2024: no gilts).

	2025 Nominal £	2025 Cash £	2024 Nominal £	2024 Cash £
0.375% Index-linked Treasury Gilt 2062	7,800,000	-	-	-
4.125% Treasury Gilt 2027	14,000,000	-	-	-
3.5% Treasury Gilt 2025	583,561,000	585,747,364	-	-
	605,361,000	585,747,364	-	-

The Donations and Bequests Account held £605,361,000 (nominal) of gilts as at 31 March 2025 (31 March 2024: none). Since the cancellation of gilts affects various market indices, CRND aims to cancel gilts on maturity date or the next suitable opportunity, if earlier. All securities held as at 31 March 2025 are expected to be cancelled in 2025-2026.

3 The National Fund

The National Fund was established in 1927 by a gift from an anonymous donor for the purpose of accumulating funds until sufficient in value to discharge the national debt. In November 2023, the Court of Appeal upheld a High Court judgement from 2022, which determined that the assets of the National Fund should be transferred to the National Debt Commissioners to reduce the national debt. The National Fund therefore transferred £585,000,000 of cash, £7,800,000 (nominal) of 0.375% Index-linked Treasury Gilt 2062 and £14,000,000 (nominal) of 4.125% Treasury Gilt 2027 into the Donations and Bequests Account in 2024-2025.

Accounts of the Life and Other Annuities Warrant Account

For the year ended 31 March 2025

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Independent auditor's report to the Commissioners for the Reduction of the National Debt

Opinion on financial statements

I have audited the financial statements of the Life and Other Annuities Warrant Account for the year ended 31 March 2025. The financial statements of the Life and Other Annuities Warrant Account comprise: the Receipts and Payments, the Statement of Balances; and the related notes.

The financial reporting framework that has been applied in the preparation of the financial statements is a disclosure of the receipts and payments of the Life and Other Annuities Warrant Account.

In my opinion, the financial statements:

- properly present the Life and Other Annuities Warrant Account's statement of balances at 31 March 2025 and its receipts and payments for the year ended 31 March 2025.

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 (2022)*. 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 2019*. I am independent of the Life and Other Annuities Warrant Account in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Life and Other Annuities Warrant Account's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Life and Other Annuities Warrant Account'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 Commissioners and the Secretary and Comptroller General with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises information included in the Annual Report, but does not include the Donations and Bequests Account, the Life and Other Annuities Warrant Account, Unclaimed Redemption

Moneys Account and Unclaimed Stock and Dividends Account and my auditor's report thereon. The Commissioners and the Secretary and Comptroller General 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.

Matters on which I report by exception

In the light of the knowledge and understanding of the Life and Other Annuities Warrant Account and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword and Management Commentary.

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

- Adequate accounting records have not been kept by the Life and Other Annuities Warrant Account or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Commissioners and the Secretary and Comptroller General for the financial statements

As explained more fully in the Statement of Secretary and Comptroller General's Responsibilities, the Commissioners and the Secretary and Comptroller General 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 the Life and Other Annuities Warrant Account from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements and Annual Report which are in accordance with the applicable financial reporting framework; and

- assessing the Donations and Bequests Account'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 Commissioners and the Secretary and Comptroller General either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Life and Other Annuities Warrant Account's accounting policies;
- inquired of management, the Life and Other Annuities Warrant Account's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Life and Other Annuities Warrant Account's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Life and Other Annuities Warrant Account's controls relating to the Life and Other Annuities Warrant Account's compliance with Managing Public Money;
- inquired of management, Life and Other Annuities Warrant Account's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the Life and Other Annuities Warrant Account's framework of authority and other legal and regulatory frameworks in which the Life and Other Annuities Warrant Account operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Life and Other Annuities Warrant Account. The key laws and regulations I considered in this context included Managing Public Money.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- In addressing the risk of fraud through management override of controls I tested the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluated 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 evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

16 July 2025

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

Life and Other Annuities Warrant Account

Receipts and payments

For the year ended 31 March 2025

	2025 £	2024 £
Cash receipts		
From the National Loans Fund for annuitants	1,085	1,173
Returned from annuitants	-	-
Returned from National Savings & Investments	-	-
	1,085	1,173
Cash payments		
To annuitants	(607)	(759)
To National Savings & Investments for annuitants	(82)	(170)
To HM Revenue & Customs for tax deducted on annuity payments	(316)	(316)
	(1,005)	(1,245)
Excess of receipts over payments / (payments over receipts)	80	(72)

Statement of balances

For the year ended 31 March 2025

	Notes	2025 £	2024 £
Balance at beginning of year		642	714
Net movement in year		80	(72)
Balance at end of year	1	722	642

The notes on page 38 are an integral part of these accounts.

Jo Whelan

Secretary and Comptroller General to the Commissioners for the Reduction of the National Debt

15 July 2025

Notes to the accounts

For the year ended 31 March 2025

1 Deposits with the Bank of England

Any cash in the Life and Other Annuities Warrant Account is held in a non-interest bearing account at the Bank of England.

Accounts of the Unclaimed Redemption Moneys Account

For the year ended 31 March 2025

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Independent auditor's report to the Commissioners for the Reduction of the National Debt

Opinion on financial statements

I have audited the financial statements of the Unclaimed Redemption Moneys Account for the year ended 31 March 2025. The financial statements of the Unclaimed Redemption Moneys Account comprise: the Receipts and Payments, the Statement of Balances; and the related notes.

The financial reporting framework that has been applied in the preparation of the financial statements is a disclosure of the receipts and payments of the Unclaimed Redemption Moneys Account.

In my opinion, the financial statements.

- properly present the Unclaimed Redemption Moneys Account's statement of balances at 31 March 2025 and its receipts and payments for the year ended 31 March 2025.

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 (2022). 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 2019*. I am independent of the Unclaimed Redemption Moneys Account in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Unclaimed Redemption Moneys Account's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Unclaimed Redemption Moneys Account'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 Commissioners and the Secretary and Comptroller General with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises information included in the Annual Report, but does not include the Donations and Bequests Account, the Life and Other Annuities Warrant Account, Unclaimed Redemption

Moneys Account and Unclaimed Stock and Dividends Account and my auditor's report thereon. The Commissioners and the Secretary and Comptroller General 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.

Matters on which I report by exception

In the light of the knowledge and understanding of the Unclaimed Redemption Moneys Account and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword and Management Commentary.

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

- Adequate accounting records have not been kept by the Unclaimed Redemption Moneys Account or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements subject to audit are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Commissioners and the Secretary and Comptroller General for the financial statements

As explained more fully in the Statement of Secretary and Comptroller General's Responsibilities, the Commissioners and the Secretary and Comptroller General 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 the Unclaimed Redemption Moneys Account from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;

- ensuring that the financial statements and Annual Report are properly presented in accordance with the applicable financial reporting framework; and
- assessing the Unclaimed Redemption Moneys Account'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 Commissioners and the Secretary and Comptroller General either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Unclaimed Redemption Moneys Account's accounting policies;
- inquired of management, the Unclaimed Redemption Moneys Account's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Unclaimed Redemption Moneys Account's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Unclaimed Redemption Moneys Account's controls relating to the Unclaimed Redemption Moneys Account's compliance with Managing Public Money;
- inquired of management, Unclaimed Redemption Moneys Account's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;

- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the Unclaimed Redemption Moneys Account's framework of authority and other legal and regulatory frameworks in which the Unclaimed Redemption Moneys Account operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Unclaimed Redemption Moneys Account. The key laws and regulations I considered in this context included Managing Public Money.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- In addressing the risk of fraud through management override of controls I tested the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluated 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 evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

16 July 2025

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

Unclaimed Redemption Moneys Account

Receipts and payments

For the year ended 31 March 2025

	2025 £000	2024 £000
Cash receipts		
Unclaimed redemption moneys from registrar	61	500
Cash payments		
Reclaimed redemption moneys to registrar	(280)	(679)
Excess of payments over receipts	(219)	(179)

Statement of balances

For the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Balance at beginning of year		51,058	51,237
Net movement in year		(219)	(179)
Balance at end of year	1	50,839	51,058

The notes on page 46 are an integral part of these accounts.

Jo Whelan

Secretary and Comptroller General to the Commissioners for the Reduction of the National Debt

15 July 2025

Notes to the accounts

For the year ended 31 March 2025

1 Deposits with the Bank of England

Unclaimed redemption moneys received from the registrar were held in demand deposits with the National Loans Fund at a rate determined by HM Treasury. On a monthly basis, interest was calculated by the National Loans Fund and then paid directly to the Unclaimed Stock and Dividends account.

Accounts of the Unclaimed Stock and Dividends Account

For the year ended 31 March 2025

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Independent auditor's report to the Commissioners for the Reduction of the National Debt

Opinion on financial statements

I have audited the financial statements of the Unclaimed Stock and Dividends Account for the year ended 31 March 2025. The financial statements of the Unclaimed Stock and Dividends Account comprise: the Receipts and Payments, the Statement of Balances; and the related notes.

The financial reporting framework that has been applied in the preparation of the financial statements is a disclosure of the receipts and payments of the Unclaimed Stock and Dividends Account.

In my opinion, the financial statements:

- properly present the Unclaimed Stock and Dividends Account's statement of balances at 31 March 2025 and its receipts and payments for the year ended 31 March 2025.

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 (2022)*. 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 2019*. I am independent of the Unclaimed Stock and Dividends Account in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Unclaimed Stock and Dividends Account's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Unclaimed Stock and Dividends Account'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 Commissioners and the Secretary and Comptroller General with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises information included in the Annual Report, but does not include the Donations and Bequests Account, the Life and Other Annuities Warrant Account, Unclaimed Redemption

Moneys Account and Unclaimed Stock and Dividends Account and my auditor's report thereon. The Commissioners and the Secretary and Comptroller General 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.

Matters on which I report by exception

In the light of the knowledge and understanding of the Unclaimed Stock and Dividends Account and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword and Management Commentary.

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

- Adequate accounting records have not been kept by the Unclaimed Stock and Dividends Account or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Commissioners and the Secretary and Comptroller General for the financial statements

As explained more fully in the Statement of Secretary and Comptroller General's Responsibilities, the Commissioners and the Secretary and Comptroller General 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 the Unclaimed Stock and Dividends Account from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements and Annual Report are properly presented in accordance with the applicable financial reporting framework; and

- assessing the Unclaimed Stock and Dividends Account'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 Commissioners and the Secretary and Comptroller General either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Unclaimed Stock and Dividends Account's accounting policies;
- inquired of management, the Unclaimed Stock and Dividends Account's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Unclaimed Stock and Dividends Account's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Unclaimed Stock and Dividends Account's controls relating to the Unclaimed Stock and Dividends Account's compliance with Managing Public Money;
- inquired of management, Unclaimed Stock and Dividends Account's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the Unclaimed Stock and Dividends Account's framework of authority and other legal and regulatory frameworks in which the Unclaimed Stock and Dividends Account operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Unclaimed Stock and Dividends Account. The key laws and regulations I considered in this context included Managing Public Money.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- In addressing the risk of fraud through management override of controls I tested the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluated 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 evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

16 July 2025

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

Unclaimed Stock and Dividends Account

Receipts and payments

For the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Cash receipts			
Unclaimed dividends transferred from the gilts registrar		-	188
Interest on assets held by Unclaimed Redemption Moneys Account		2,497	2,479
		2,497	2,667
Cash payments			
Reclaimed dividends returned to the gilts registrar		(76)	(17)
Excess surrendered to the National Loans Fund	1	(6,015)	-
		(6,091)	(17)
Excess of (payments over receipts) / receipts over payments		(3,594)	2,650

Statement of balances

For the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Balance at beginning of year		3,694	1,044
Net movement in year		(3,594)	2,650
Balance at end of year	2	100	3,694

The notes on page 55 are an integral part of these accounts.

Jo Whelan

Secretary and Comptroller General to the Commissioners for the Reduction of the National Debt

15 July 2025

Notes to the accounts

For the year ended 31 March 2025

1 Payments to the National Loans Fund

Under section 5(9) of the Miscellaneous Financial Provisions Act 1955, as amended by Schedule 5 to the National Loans Act 1968, total sums held in excess of £100,000 (or another amount as determined by HM Treasury) at 31 March are surrendered to the National Loans Fund.

In accordance with a requirement by HM Treasury, the account surrendered £6,015k to the National Loans Fund during 2024-2025.

2 Deposits and securities held at year end

	2025 £000	2024 £000
In respect of unclaimed dividends		
Deposits with the National Loans Fund	100	3,694
In respect of unclaimed stocks		
Government and Government guaranteed securities	-	-
	100	3,694

Demand deposits with the National Loans Fund, which are interest-free, are funds deposited with the Bank of England and swept overnight into the National Loans Fund.