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The Rt Hon Liam Byrne MP
Chair, Business and Trade Committee
House of Commons
London
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22 July 2025

Dear Liam,

Department of Business and Trade 2024-25 Annual Report and Accounts update

1. Following the meeting on 11 February 2025 it was agreed that we would keep you sighted on the progress of the 2024-25 Annual Report and Accounts (ARA) on a monthly basis. This is the fifth such update.

Activity completed to support the 2024-25 ARA audit timetable

2. The 2024-25 ARA production and its audit are progressing well and in line with the agreed timetables. All versions of the ARA have been provided to the National Audit Office (NAO) on time. The ARA was presented to Department's the Audit and Risk Assurance Committee on 1 July, and its content and the Department's progress was well received. The latest version of the account shared with the NAO on 14 July represents a substantially complete picture of the Department's activities, governance structures, transactions and balances.

Key audit risk

3. A significant risk to the delivery of a September publication of the 2024-25 account relates to resolving issues that have arisen regarding the Post Office redress provision balances. Modelling of the provision balances has had to be revisited for the Horizon Shortfall Scheme (HSS) and the Horizon Convictions Redress Scheme. For HSS, the mailout cohort and expected claimants have been revised as the Post Office Limited has extended its mailout to another circa 10,000 potential claimants. For HCRS, the expected settlement above the fixed sum offer has been updated following some further settlements in the Overturned Convictions scheme.

4. Working through these matters to enable a September laying continues to be a challenging process, though the Department and the NAO remain committed to a September laying date. The Department continues to progress audit queries in a timely manner and has provided detailed accounting papers throughout the audit to support its approach to key judgements. This gives the Department confidence that the agreed accounts publication timeline can be maintained.

5. While there are other audit risks, such as completion of the audits of British Business Banks investments, the Department and NAO consider these matters able to be resolved without representing a significant risk to the September accounts publication timetable.

Summary

6. There remains work to do, however the 2024-25 ARA production is progressing in line with the agreed timetable. Significant risks have arisen in relation to the modelling of some redress schemes, but the Department and the NAO are working well together to resolve these matters. We continue to work to a September publication date.

Best wishes,

Tara Smith
Chief Operating Officer, Department for Business and Trade

Annex 1 High level timetable for September publication