



 **NCA**
National Crime Agency

Annual Report and Accounts 2021- 2022



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Annual report and accounts 2021-2022

For the period 1 April 2021 to 31 March 2022

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Foreword by the Home Secretary

Serious and organised crime is a continuing scourge on our society, destroying lives, threatening our prosperity and devastating communities. It is one of the greatest national security threats we face, and the appalling events in Ukraine and economic uncertainty across the world are exacerbating the complex and persistent threat posed by high harm criminal networks and hostile state activity.

The National Crime Agency (NCA) takes the lead in protecting the UK from this rapidly evolving and increasingly multifaceted threat, responding with agility and resilience to keep us safe from some of the most harmful offending, including child sexual abuse, economic and cybercrime, fraud, trafficking in illegal drugs and firearms and organised immigration crime.

I continue to be impressed by the performance of the NCA. The Agency has had another successful year, delivering more disruptions and targeting an increasing proportion of those criminals causing the most harm. In the year to March 2022 the NCA safeguarded nearly 1,300 children in the UK from sexual abuse and 79 offenders were sentenced. Decisive action prevented people smugglers from obtaining the boats needed to attempt perilous trips across the Channel, and against criminal hauliers, resulting in the arrest of 244 offenders outside of the UK. The Agency increased disruptions against modern slavery, protecting over 900 people. Nearly 250 tonnes of Class A drugs were seized worldwide, and NCA operations dismantled eight global networks facilitating the supply of illegal firearms. More than £358 million of criminal assets were frozen or seized. Project AIDANT, part of a Europe-wide operation, led to 54 arrests for child exploitation and 33 arrests for sexual exploitation, and, by leading the implementation of a cross-law enforcement ransomware threat group, the Agency protected the UK economy from losses of at least £600 million.

The past year has been demanding for the NCA, not least because of the fallout from the COVID-19 pandemic. The invasion of Ukraine, economic uncertainties and the increasing pace and sophistication with which criminals have adopted digital technology have added to this pressure. To help meet this challenge, the NCA secured a settlement for 2022-23 of some £810m from the Spending Review. This represents an uplift of approximately 14% (£100m) for the Agency and includes new funding to support Government priorities such as establishment of the 'Kleptocracy Cell' which targets sanctions evasion and corrupt Russian assets hidden in the UK. The Government has also increased the NCA's core funding from 62% to approximately 80% of its budget, which will provide increased stability and improved operational flexibility and support investment in essential infrastructure.

I am immensely grateful for all that the officers of the NCA have done over the past year, and their continuing efforts to protect our borders, our communities and the public.



Rt Hon Priti Patel MP



Statement by the Director General

2021-22 saw the context in which the NCA operates shift again: with Russia's invasion of Ukraine sharpened the UK's focus on kleptocracy, lives were increasingly put at risk in the English Channel, and criminals once again adapted as we came out of the Government's Covid-19 restrictions. I'm proud to say that the NCA rose to the challenge, demonstrating agility, expertise and persistence in lead the national response to serious and organised crime (SOC). SOC continues to endanger the safety, prosperity and sovereignty of the UK and its institutions, at home and overseas. We have not let up in our pursuit of those responsible.

The year was a strong one in terms of our operational performance. We made some of the most impactful disruptions in the Agency's history, against some of the most harmful criminals, preventing them from inflicting misery on the citizens of this country. We showed particular flexibility in some key areas:

- We placed an even greater emphasis on protecting communities from drugs, guns, and the violence that comes with them. We dismantled several global firearms supply networks, stopping guns from reaching the UK in the first place, and led a nationwide crackdown on the threat from heroin.
- We worked hard with our partners in law enforcement – here and abroad – to protect the most vulnerable in society. In particular, we took concerted action to disrupt and dismantle the people smuggling networks bringing men, women and children to the UK in small boats.
- And we moved at real speed to establish an enhanced UK response to kleptocracy and the corrupt elites involved in widespread abuse of the UK's financial institutions and property market.

This performance was in no small part down to the foundations laid by my predecessor, Dame Lynne Owens, who retired through ill health halfway through the year. I pay tribute to her leadership and vision, which we now look to build on.

Looking ahead, the context in which we operate is uncertain. We do not yet know for sure how criminals will exploit the financial insecurity facing the world, but they no doubt will seek to. We have not yet seen the full impact of withdrawal from Afghanistan on migrant flows. And there will no doubt be new technological challenges for us to come.

What I do know, however, is that the NCA will step up, proactively leading national and international efforts to counter one of the most significant threats to our national security. We are well-placed to build on our success to date, and take the Agency to the next level.



Graeme Biggar CBE
Director General NCA



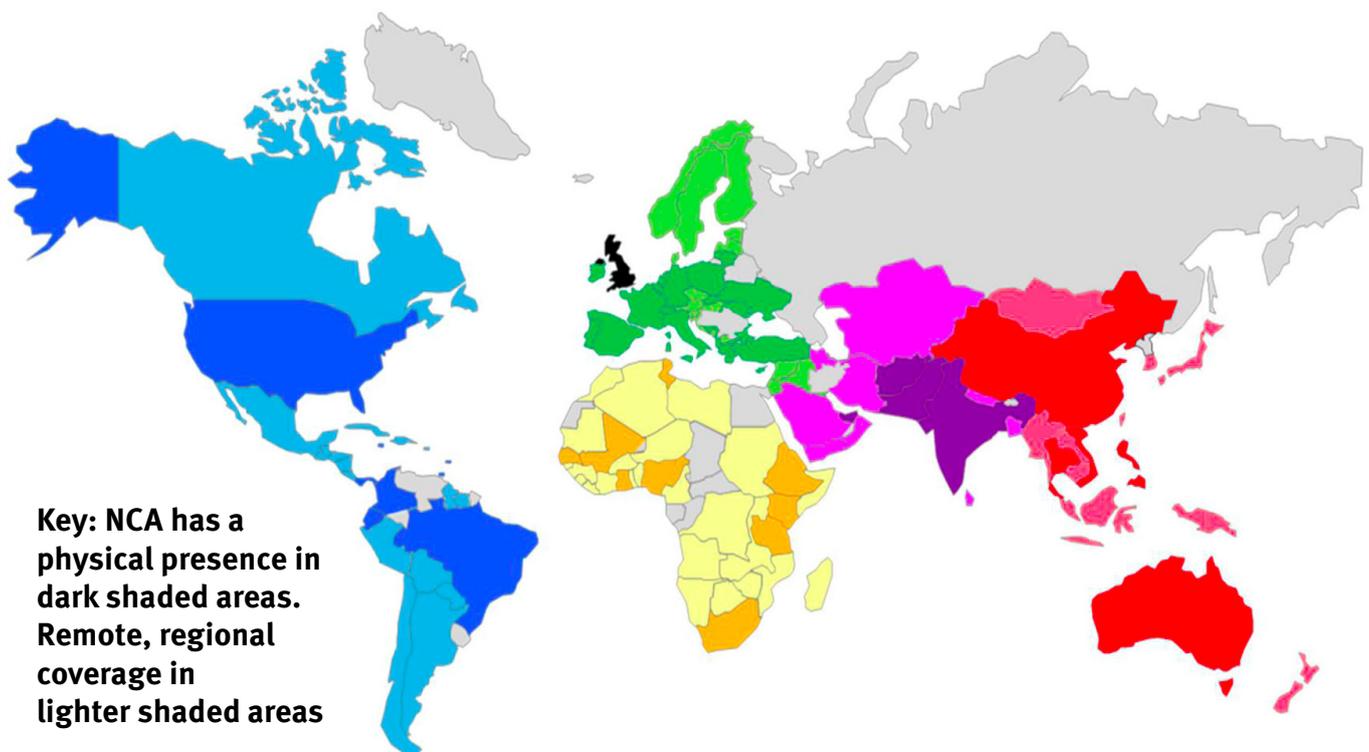


Part One - Performance Report

Performance Overview

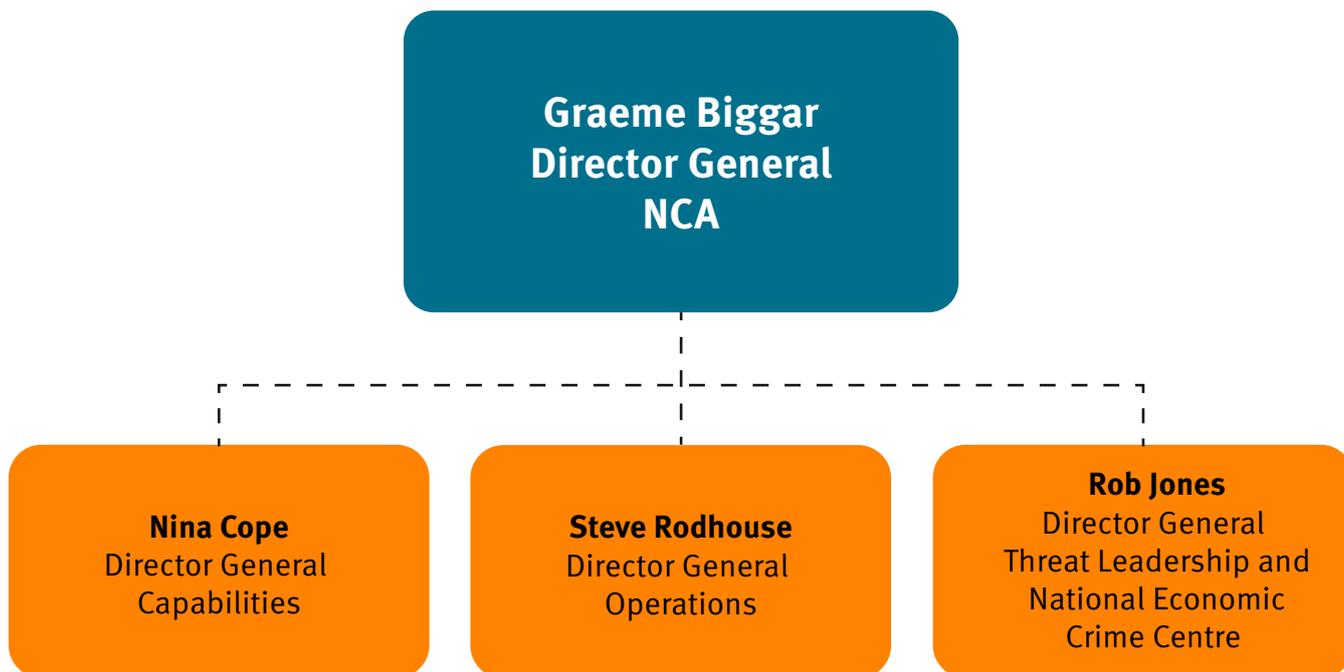
Who We Are and What We Do

The NCA is the national law enforcement agency charged with leading the UK's fight to cut serious and organised crime (SOC), in accordance with the Crime and Courts Act 2013. We have officers based in England, Wales, Scotland and Northern Ireland, as well as a network of liaison officers in key locations around the world. We work closely with partners in Government, law enforcement and the national security community to lead and coordinate a comprehensive response in the UK, at the border, overseas and online.



The NCA is a non-ministerial government department. The Director General is the head of the Agency and the Agency's Accounting Officer. The Director General is accountable to the Home Secretary for Agency performance, and through the Home Secretary to Parliament. While the Director General's principal accountability is to the Home Secretary, the NCA is also subject to inspection, review and scrutiny by Parliamentary and independent bodies, including representatives from the Devolved Administrations.

In 2021-22, the Director General was supported by deputies for Operations, Capabilities, the National Economic Crime Centre and Threat Leadership. They, in turn, were supported by a team of Directors.



The Serious and Organised Crime Threat

Each year, we produce a single picture of the threat to the UK from SOC, which is published as the National Strategic Assessment of Serious and Organised Crime (NSA). In 2021-22, we were responsible for tackling the following strategic threats:

Exploitation of the Vulnerable	Impact on Communities	Harm to the UK's Economy and Institutions
<p>Child Sexual Abuse (CSA)</p> <ul style="list-style-type: none"> The overall threat had slightly increased on the previous year. Offenders remained engaged online, with some more aware of anonymising techniques. Some contact offending that had reduced due to Covid-19 restrictions may have returned to pre-pandemic levels. 	<p>Drugs</p> <ul style="list-style-type: none"> The UK market for illicit drugs remains large in the UK, and continues to evolve in nature. The annual cost to society from illicit drugs is high, estimated to be £19 billion, with heroin and crack cocaine prominent. 	<p>Cyber Crime</p> <ul style="list-style-type: none"> Ransomware remained the most significant SOC cyber threat. Many of the most capable SOC groups that traditionally used banking Trojans Adopted ransomware themselves, or provided other criminals with access to their malware.
<p>Modern Slavery and Human Trafficking (MSHT)</p> <ul style="list-style-type: none"> The overall scale of the threat and offending had likely increased over the previous 12 months, but remained below pre-pandemic levels. 	<p>Firearms</p> <ul style="list-style-type: none"> Firearms criminality had largely returned to pre-pandemic levels. Discharges were significantly less likely to involve a lethal-barrelled weapon and less likely to result in injury. 	<p>Fraud</p> <ul style="list-style-type: none"> The scale of offending had increased, largely reflecting an increase in reports to Action Fraud and those recorded by Cifas and UK Finance. Reports against high-harm and high-volume frauds, including investment and romance fraud, remained at high levels.

Exploitation of the Vulnerable	Impact on Communities	Harm to the UK's Economy and Institutions
<p>Organised Immigration Crime (OIC)</p> <ul style="list-style-type: none"> Irregular migrant detections at juxtaposed ports and on small boats were 61% higher compared to 2020-21. The majority of detections in 2021 found migrants using small boats to enter the UK, almost certainly because of larger migrant flows in Europe and a more boats being available to them. 	<p>Organised Acquisitive Crime (OAC)</p> <ul style="list-style-type: none"> Overall, the threat from OAC in 2021 was lower than the previous year. The price of precious metals, however, are increasing which could increase crimes such as theft of catalytic convertors and burglaries. 	<p>Money Laundering</p> <ul style="list-style-type: none"> With no change in the volume of illicit funds from crimes such as drugs and fraud, tried-and-trusted methods of money laundering continued. Criminals increasingly exploited financial technology and crypto assets, and adapted to Covid-19 travel restrictions. <p>Bribery, Corruption and Sanctions Evasion</p> <ul style="list-style-type: none"> Events like the 'Pandora Papers' increased public awareness of international bribery and corruption, but did not change the threat level from the start of Covid-19.
<p align="center">UK border</p> <p align="center">Criminals continue to exploit the UK border in order to facilitate their activity. New employment opportunities (post Covid-19) may exacerbate the threat from corruption.</p>		

Despite our significant operational success this year, the fact that the threat level continues to increase illustrates the scale of the challenge we face in the UK, and the relentless nature of our fight against SOC.

Our Priorities in 2021-22

In order to tackle the threat, the Home Secretary set us three Strategic Priorities:

Home Secretary's Strategic Priorities		
1	2	3
Reduce the number of victims of exploitation: this includes CSA, MSHT and OIC.	Reduce the impact of SOC on communities: the main threats are firearms and drugs.	Reduce the harm to individuals, the UK economy and institutions from economic crime: the main threats are fraud and financial exploitation, money laundering, and cyber crime.

To achieve these, the Director General set five Operational Priorities for the year:

Director General's Operational Priorities				
1	2	3	4	5
To enhance the intelligence picture of existing and emerging serious and organised crime threats to the UK.	To lead, task and coordinate the law enforcement operational response against agreed priority threats, ensuring the right resources are targeted where they will have the greatest impact.	To operate proactively at the high-end of high-risk, undertaking significant investigations resulting in disruption of threats by the most effective means.	To develop and deliver specialist capabilities and services, where this is best done nationally, for the benefit of all UK law enforcement.	To enhance our capability and credibility by recruiting and retaining talented officers and enabling them with the right skills, facilities, data and technology to operate productively and effectively.

Underpinned by our core values:

Flexibility
Integrity
Respect
Serving the Public
Transparency

2021-22 summary

This report details our performance over the past year, and pertains to operational activity we have undertaken, or where our activity has led to interventions by partners overseas.

2021-22 was a year of strong operational performance, during which we demonstrated continued resilience against the challenges of Covid-19. We delivered 13% more high-impact disruptions against the most harmful offenders¹ than in 2020-21, with prison sentences totalling more than 2,379 years. A greater proportion of our success was against the criminals causing most harm to national security and to the public.

We safeguarded 1,284 children in the UK from sexual abuse, and supported international partners in tackling CSA.

Working with the private sector, we made it harder for criminals to view indecent images of children online.

We took more than 137 guns out of the hands of dangerous criminals, dismantling 8 global supply networks.

We also identified online and removed more than 300 listings of items prohibited in the UK under the Firearms Act.

We tracked down some of the most wanted criminals globally, with our activity leading to the arrest of 1,083 fugitives in the UK for foreign partners, and 538 overseas on behalf of UK law enforcement.

We increased our impact on the cyber crime threat by more than 50%, notably exceeding our ambition in tackling ransomware.

A greater proportion of our operations targeted the most sophisticated cyber criminals, some of whom were attempting to take down significant UK infrastructure.

Reduce the number of victims of exploitation

We have taken significant strides in targeting high-harm offenders and working with partners to safeguard potential victims.

We took significant action to prevent people smugglers from obtaining the boats and equipment they needed, and to stop organised crime groups from using hauliers to facilitate their criminality.

By working with our international partners to prevent more criminality at source, we had more success in tackling human traffickers and the modern slave trade than the year before.

Reduce the impact of SOC on communities

We focused on improving the national 4P (Pursue, Prevent, Protect, Prepare) response to these threats, protecting communities from the most harmful threats.

We shifted the system's response towards the most harmful drugs, with our activity leading to the seizure of 241 tonnes of Class A drugs worldwide.

This included an increased focus on the heroin threat, which saw the seizure of 220kg heroin each month in the UK and overseas.

Reduce the harm to individuals, the UK economy and institutions from economic crime

We continued to harness data across the system to pursue key targets, including through innovative collaboration with the financial sector.

We increased our impact (+59%) against fraudsters, who account for the majority of recorded crime in the UK.

We achieved 40% more disruptions against money launderers, with an average of 25 each month.

Our activity led to more than £358 million in criminal assets being frozen or seized.

¹ This includes Lead disruptions against the most harmful criminals and groups where the disruption is assessed as having a Major or Moderate impact. We use the term 'disruption' to describe the impact operational activity has against either the individuals or groups involved in the criminality, or against a specific strategic threat. This can include Lead activity, where an operation is conducted by the NCA; and Support activity, which directly enables a partner to deliver an operational outcome. Depending on the level of impact, disruptions are classified as Major, Moderate or Minor.

Financial Summary

Financial Outturn

The NCA is funded by Parliamentary Supply and is accountable to the Home Secretary for its performance. In 2021-22, the NCA Resource Departmental Expenditure Limit (RDEL) was £513.08 million, the Capital Departmental Expenditure Limit (CDEL) was £48.04 million, and the Annually Managed Expenditure (AME) estimate was £50.00 million. Within the budget delegation received from HM Treasury (HMT), the NCA receives funding for specific operational deliverables. This ‘ring-fenced’ funding cannot be used for other purposes and any underspend cannot be transferred to core operations.

In addition to Parliamentary Supply, the NCA was allocated £208.20 million across 61 streams of funding from, for the most part, government departments. This funding structure required annual review and approval, meaning that the Agency faced the risk that operational capability may be defunded each year. Following a formal review of the NCA’s future funding model in 2021, the majority of the NCA’s funding from 2022-23

onwards will be baselined and received in line with the HMT Estimates process. This reduces the level of additional external funding, allows for longer-term planning, and reduces complexity in managing the NCA’s budget.

External funding streams received in 2021-22 were for:

- Specific projects;
- Enhancing the Agency’s response to specific crime types, such as illicit finance; and
- National programmes, such as the National Cyber Security Programme.

Like delegated ‘ring-fenced’ funding, income received from other external funding providers cannot be used for any other purposes than those agreed between the NCA and the external funding provider within the relevant Memorandum of Understanding. Details of additional funding are in Part 3 of this report.

The Director General is fully accountable for the NCA’s core and non-core budget. The Agency performed within its financial limits for each budget element in 2021-22, as shown in the table below:

Departmental Expenditure Limit (DEL)	Estimate (£’million)	Outturn (£’million)	Underspend (£’million)
Resource	513.08	503.42	9.67
Capital	48.04	45.40	2.63
Annually Managed Expenditure (AME)			
Resource	50.00	13.85	36.15
Total	611.12	562.67	48.45

This table reflects the unqualified opinion the Agency received from the Comptroller and Auditor General as a result of the 2021-22 audit.

RDEL underspend (excluding non-cash for depreciation) was £6.57 million (1.45% of the NCA budget). This is above the Board tolerance level of 1%. The key drivers for the underspend are within the Pay budget, and this reflects the number of vacancies held during 2021-22. Despite the vacancy pressures, the NCA continued to perform and meet its operational objectives during 2021-22 as noted throughout this Performance Report. The non-cash depreciation budget was underspent by £3.10 million and reflects delays in delivering some of the NCA's portfolio projects, in part due to vacancies pressures.

AME relates primarily to changes in provisions as a result of changes in discount rates, over which the NCA has no control. The Agency takes a prudent approach to Estimate in AME and the underspend relates to a lower than expected impact in estimation of provisions – police pension liability, property revaluation and general provisions.

Externally funded expenditure in both Resource and Capital increased in 2021-22 compared to 2020-21. Resource expenditure during 2021-22 was £143.75 million (an increase of £21.50 million from 2020-21) and Capital expenditure was £59.85 million (an increase of £2.20 million from 2020-21). Initial budgets are set when agreeing the Memorandum of Understanding with the funding provider at the start of the project, and are subject to movement throughout the year in line with emerging priorities. Expenditure on this externally-funded activity is fully offset by income received from the funding provider.

The NCA does not benefit from any underspend in either the delegated budget or externally-funded non-core budgets. The NCA is required to spend its delegated budget in the year it is received and therefore returns any underspend to HMT annually.

A further breakdown of the Agency's financial performance is provided in the Statement of Parliamentary Supply in Part 2 of this report.

Going Concern Statement

Under the going concern assumption, an entity is viewed as continuing in business for the foreseeable future. The Statement of Financial Position as at 31 March 2022 shows a net liability of £779.73 million (2020-21: net liability £723.13 million). This is largely due to a pensions liability of £1,101.56 million. This does not adversely impact the going concern status, as the liability is fully funded by Parliamentary Supply.

In common with other Government departments, the future financing of the Agency's liability is to be met by future grants of Parliamentary Supply and the application of future income, both to be approved by Parliament. Additionally, funding has been agreed by HMT for the next Spending Review period which covers the next three years. Therefore, it is appropriate to adopt a going concern basis for the preparation of these financial statements.

Performance Analysis

Exploitation of the Vulnerable

Child Sexual Abuse (CSA)

2021-22 context

- Some individuals who began or increased their online offending during Covid-19 restrictions continued after they ended.
- In 2021, we received 102,842 reports of CSA from the US National Center for Missing and Exploited and Children, up 26% from 2020.
- During 2021, the number of people seeking help from Stop It Now! to stop themselves viewing sexual images of children increased by 107% to more than 165,000.
- The NSPCC helpline received a record high of 4,735 CSA reports between April and September 2021, a 36% increase compared to the same period in the previous year.

Headlines

- Over the course of 2021-22:
- We achieved 758 disruptions (including 28 Major disruptions, compared to 20 in 2020-21), with 79 offenders sentenced to over 299 years' imprisonment.
 - Our coordination of the overall UK law enforcement response to online CSA leads saw more of the highest-harm offenders disrupted and 13,447 children protected or safeguarded and 10,181 offenders were arrested or interviewed by UK law enforcement (+8% on 2020-21).
 - We worked with global industry partners to reduce the ease of access to CSA material online (increasing the number of clicks needed to access it on the open web to access it from three to four), and to prevent more suspected grooming offenders from platform-hopping, by producing a pilot due to launch in 2022.
 - We saw 2 million visits to our educational children's websites and 37,000 downloads of lesson resources, as well as 500,000 visits to our dedicated parents and carers website. We have also trained more than 125,000 professionals on the CSA threat.

A sadistic online blackmailer was jailed for 32 years after targeting nearly 2,000 people globally with some of the most sickening sexual offending we have ever investigated. The offender masqueraded as a stockbroker or rich businessman on 'sugar daddy' websites and promised payments of thousands of pounds for naked or partially clothed images.

He forced victims to abuse themselves, blackmailed women to send him footage of them abusing young children, and made girls abuse their siblings. The victims were so terrified they felt they had no choice but to comply.

Our investigation showed there were at least 196 victims in the UK and that he had contacted at least 600 people in the UK. He had also tried to contact 1,367 women in the United States and with victims in 20 other countries.

Organised Immigration Crime (OIC)

2021-22 context

- Between 2020 and 2021, the number of migrants crossing the English Channel by small boats trebled.
- However, the end of Covid travel restrictions saw a resurgence of other methods of illegal entry to the UK, including roll-on roll-off traffic through the juxtaposed controls between the UK and France and Belgium.

Headlines

Working closely with international partners, we focused our operational response this year on the small boats marketplace and supply chains, and criminal hauliers:

- We exceeded our ambition in these two key areas, achieving 13 disruptions against offenders operating in the small boats marketplace; and 50 against criminal hauliers. Our work led to the arrest of 244 offenders operating outside the UK.
- In total, we seized c. £360,000 in cash, 12 boats and 39 vehicles from OIC offenders.
- We led joint law enforcement activity to disrupt online enablers, working with social media companies to do so.
- We raised awareness of OIC, and the human risks associated with it, within financial institutions and the road haulage industry.

In May, we arrested two men on suspicion of facilitating illegal immigration. They were suspected of transporting migrants from drop-off and pick-up points and were part of an organised crime group with links to Romania and Turkey.

The operation led to the interception of more than 100 illegal migrants, three of which were already wanted by UK law enforcement.

Modern Slavery and Human Trafficking (MSHT)

2021-22 context

- The end of Covid-19 restrictions also increased opportunities for human traffickers. However, the threat remained highest in those areas that continued to operate during lockdown.

Headlines

We focused our activity on the most sophisticated OCGs operating in agriculture, food and sex industries:

- Overall, we achieved 31% more disruptions against MSHT, leading to the protection of 109 children and 823 adults. This included a 40% increase in our non-Pursue (Prevent, Protect, Prepare) disruptions.
- We worked with industry to increase intelligence of criminality in the online sex advertising market, and forced the closure of a harmful Chinese-language Adult Services Website. This safeguarded potential victims and reduced opportunities for further offending.
- We delivered awareness campaigns on the risks of exploitation online (Google Ads) and on ethical consumer choices, helping the public to make more informed decisions.

In 2021, we coordinated four phases of a long-running piece of activity to tackle MSHT. This led to 54 UK arrests for child exploitation and 33 arrests for sexual exploitation.

We identified 400 potential victims of MSHT (72 children and 328 adults), with 207 of these referred for safeguarding.

Linked activity across Europe resulted in 175 further arrests and 187 further potential victims identified.



Impact on Communities

Drugs

2021-22 context

- Drug trafficking undermines governments and economies whilst exploiting the vulnerable and harming the environment.
- The demand for illegal drugs in the UK remains high and the illicit market is lucrative, attracting organised crime globally.

Headlines

Our continued 'end-to-end' approach, which sees us tackling the threat in the UK, at the border and overseas, meant that this year:

- We achieved more disruptions against the drugs threat than in 2020-21 (937 v 841), seizing 7 tonnes of Class A drugs in the UK.
- Our operational activity also led to the seizure of 234 tonnes of Class A drugs overseas.

A British man was jailed for 18 years after trying to smuggle two tonnes of cocaine worth £160m into the UK.

The man was aboard a luxury yacht when it was stopped 80 miles off the coast, as part of an NCA-led operation, supported by Border Force and Australian Federal Police.

He was the link between senior members of an international OCG and a UK group that had planned to take delivery of the drugs near the English channel.

This major haul of cocaine was prevented from coming into the UK market, where it would have fuelled more crime and misery.

Firearms

2021-22 context

- Against a backdrop of reduced firearm-enabled violence, the criminal supply of firearms is diversifying.
- Criminals remain intent on obtaining Original Lethal Purpose firearms, but they also resort to converted blank-firing weapons.

Headlines

In leading and coordinating the national response, this year we:

- Focused our activity on the disruption of supply chains, rather than volume seizures to increase our impact on the availability of firearms. As a result, we dismantled 8 global firearms supply networks based in the UK.
- Seized 137 firearms and saw 50 people sentenced to over a total of 488 years' imprisonment in the UK as a result of our operations.
- Safeguarded 24 children through our firearms operations.

In February, seven individuals were sentenced to a combined total of 81 years' imprisonment for the supply of automatic and semi-automatic firearms to the UK.

The firearms included an AK-47 assault rifle, an Uzi and Skorpion machine guns, posing significant threat to the UK public.

Our investigation successfully targeted a crime group with links to Spain and Pakistan that was attempting to flood the streets of Britain with incredibly rare and serious weapons.

Harm to the UK's Economy and Institutions

Cyber Crime

2021-22 context

- Ransomware continues to be the greatest cyber crime threat to UK businesses and critical national infrastructure. The threat is dominated by highly-capable Russian-speaking organised crime groups.
- Ransomware-as-a-service is the dominant operating model and facilitated criminal use of ransomware with a corresponding increase in the number of victims.
- The UK remains one of the most targeted countries (behind the US) for ransomware attacks.

Headlines

In delivering our ambition to dismantle the highest-harm actors and perpetrators, this year we:

- Increased the number of disruptions we achieved by 68%, leading to a 50% increase in our overall impact on the threat.
- By leading the development and implementation of a cross-law enforcement ransomware threat group, we protected the UK economy from losses of at least £600 million.

In January, a man from Nottingham was jailed for more than two years after he illegally accessed victims' devices to spy on them and build a collection of indecent images of children and adults.

He came to our attention in 2019 after he purchased cyber crime tools including crypters and remote administration tools.

He was also a customer of *weleakinfo*, an online marketplace selling stolen credentials that we took offline in 2021.

Fraud

2021-22 context

- The increasing scale and diversity of fraud presents significant challenges across most sectors and communities.

Headlines

This year, through the leadership of the National Economic Crime Centre, we have built greater capability and capacity in the law enforcement system, leading intensified multi-agency exercises and targeting the highest-harm fraud types and their enablers. We have:

- Achieved a 59% increase in disruptions, (355) exceeding the 2020-21 total (211).
- Commissioned a programme with partners to remove more than 4 million pieces of online infrastructure being used to carry out fraud.
- Led a multi-agency fraud operation resulting in 309 suspects interviewed for offences, 364 offenders issued with cease and desist notices and £30 million in assets restrained.
- Worked with international partners to facilitate the recovery of £2.4 million proceeds of fraud for repatriation to victims across the world.
- Enhanced our partnership work with industry, using Targeted Alerts and communications campaigns to raise awareness and mitigate the threat.



Money Laundering

2021-22 context

- The Russian invasion of Ukraine framed our focus in relation to combatting kleptocracy (corrupt elites). Our response also supported our work on key money laundering (ML) threats (including professional enablers, and cryptoassets).
- ML remains a key cross-cutting enabler of SOC.

Headlines

This year we focused on cash-based and high-end money laundering impacting the UK, and the main vulnerabilities being exploited by criminals. We:

- Exceeded our ambition in delivering high-impact disruptions against money launderers (including working with partners to make large cryptocurrency seizures in the UK), and delivered a c. 20% increase in disruptions against professional enablers.
- Established the NCA-led Project PLUTUS, a multi-agency response to cash-based money laundering, and set up the Combatting Kleptocracy Cell, a multi-disciplinary team housed within the Agency focused on investigating corrupt elites and their associates.
- Worked with Government, regulators and industry to agree policy and legislative solutions that will have a sustainable impact on Law Enforcement's ability to tackle money laundering in the UK.



Asset Denial

This year, we seized or froze significantly more assets than in 2020-21:

- The value of criminal assets frozen or seized increased by 186% to **£358 million**. This was primarily due to several high-value restraints (+88%) and a large increase in international assets denied.
- We increased our use of some proactive asset denial tools (Civil Recovery and Forfeiture Orders), but the overall number of orders obtained using POCA powers fell. This was in part due to the impact of COVID-19 and court closures, but also reflects the agencies priorities to target the highest harm criminals.
- Cash seizures were lower than last year, primarily because in part 2020-21 saw the exceptional success of Operation VENETIC (50% of all seizures).

In September, two men who headed up an international criminal network responsible for laundering £70 million were sentenced to a total of 33 years in prison.

We had been investigating the two men from Russia and Lithuania as part of our four-year joint investigation with the Metropolitan Police.

The men travelled throughout the UK, stopping at lorry parks to collect cash before returning to London. The money would be sent from one shell company to another in a complex web of transfers before it was sent out to international accounts held abroad.



National Capabilities

We continued to deliver against Operational Priority 4 (to develop and deliver specialist capabilities and services, where this is best done nationally, for the benefit of all UK law enforcement):

Major Crime Investigative Support (MCIS)	Provision of Expert Evidence (Drugs and Firearms Trafficking)
<p>MCIS provides frontline policing with information, advice and support in relation to major crimes, as well as vulnerable and intimidated witnesses. This year, MCIS:</p> <ul style="list-style-type: none"> • Supported 10,346 investigations, deploying officers to assist investigations into serious crimes on 1,507 occasions. • Directly supported vulnerable victims and witnesses on more than 7,800 occasions. • Supported all NPCC police forces, Police Scotland and PSNI, as well as the Dutch, Australian and Spanish Police, and the South Atlantic based St Helena Police. • Satisfaction levels with MCIS assistance were rated at over 98%. 	<p>Our Expert Evidence Team coordinates and delivers independent, objective and professional drugs and firearms trafficking expert evidence in support of NCA and partner investigations.</p> <p>This year, under Operation MORTIMER, an NCA investigation into drug trafficking in the UK and individuals involved in serious violence:</p> <ul style="list-style-type: none"> • Our expert witness provided detailed statements having assessed a substantial volume of audio material and SMS downloaded from Encrochat devices. • Despite only a small quantity of drugs being seized, the expert witness confirmed that involved were also concerned in the wholesale supply of cocaine, heroin and cannabis. • As a result, at trial six defendants were found guilty and sentenced to a total of 132 years imprisonment.

UK Missing Persons Unit (UKMPU)

The UKMPU is the UK's point of contact nationally and globally for all missing persons and unidentified bodies/persons. It provides support to law enforcement partners, providing them with expertise particularly in relation to international cases and the identification of remains.

This year, the UKMPU:

- Received 13,800 cases and provided investigative support to 5,628. The unit was directly responsible for locating 98 persons who, without UKMPU, would not have been found.
- Received notifications of 73 cases of unidentified remains in this reporting period and have assisted in positively identifying 23 cases.

Serious Crime Analysis Section (SCAS)

SCAS has a nationwide remit to support serious stranger sexual offence and murder investigations through the provision of behavioural analysis. In 2021-22:

- SCAS received 5,604 case notifications, recorded 1,244, and generated 123 specific lines of enquiry for policing partners.
- SCAS supported policing partners with the provision of enhanced products, such as familial DNA mapping and prioritisation on 24 occasions. 91% of cases received by SCAS were rape investigations.
- Policing partners rated their level of satisfaction with SCAS support at 100%.



Devolved Administrations

Overall, we maintained our significant operational success in Scotland and Northern Ireland in 2021-22, and have continued to strengthen our collaboration. This collaboration continued to allow us to use the full strength of our joint capabilities and knowledge to tackle the SOC threat.

Scotland

We achieved our ambition to improve our performance in Scotland, with 80 disruptions. This exceeded 31 achieved last year (+158%). Key achievements included:

- **A dangerous fugitive being arrested in the Netherlands** as a result of close working with Dutch partners and Police Scotland.
- The individual had fled from Spain after being listed in our Most Wanted media Campaign.
- He was wanted for his connection to the seizure of a £14 million worth of street Valium, £100m worth of cocaine, as well as suspected arson attacks.
- **As part of our response to a systemic cash-based money laundering risk** identified in Post Office banking services, we worked with Police Scotland to arrest a principal subject who had been co-ordinating the cash movements.
- This significantly disrupted the group's criminal activities.
- Since this investigation launched in 2019, a total of 21 arrests have taken place and more than £1.3 million in cash has been recovered.

Northern Ireland

We achieved 18 disruptions in Northern Ireland in 2021-22. Although this was fewer than the previous year (-33%), we continued to strengthen our collaboration with the Police Service of Northern Ireland (PSNI) and drove impact through key achievements that included:

- In January 2022, our Agency officers working as part of the Paramilitary Crime Task Force **seized two properties with a combined value of £150,000**, from an individual with alleged links to the West Belfast Ulster Defence Association.
- The properties are believed to have been acquired with the proceeds of money laundering and fraud.
- The **seizure of a cache of firearms** in Northern Ireland, in May 2021, taking dangerous weapons off UK streets and preventing their use by criminals involved in SOC and who trade them as a commodity.
- With the support of PSNI, three handguns, three machine pistols and submachine guns and ammunition were recovered.

We supported the Home Office in enacting the Criminal Finances Act 2017 in Northern Ireland, which was ratified via legislative process in June 2021. The Act amends the Proceeds of Crime Act 2002 and increases law enforcement's ability to prevent money laundering, tax evasion and corruption, combat the financing of terrorism, and recover the proceeds of crime. It includes Unexplained Wealth Orders, Account Freezing Orders and Listed Asset Orders.

In September 2021, we worked in partnership with the Organised Crime Taskforce in Northern Ireland to upskill financial investigators across the system in implementing the Act effectively.

Enabling Functions

We continued to deliver against Operational Priority 5 (to enhance our capability and credibility by recruiting and retaining talented officers and enabling them with the right skills, facilities, data and technology to operate productively and effectively):

Digital, Data and Technology	<ul style="list-style-type: none"> We have progressed our technology transformation programme, continuing to bring the Agency's IT infrastructure up to date.
Security	<ul style="list-style-type: none"> We produced a new security strategy and increased our capacity in this area. We have also enhanced our security culture, especially in light of the war in Ukraine and Covid-19.
Professional Standards	<ul style="list-style-type: none"> In 2021-22, our Professional Standards Unit recorded 23 public complaints and 48 conduct matters. The number of formally-recorded public complaints decreased by 39% compared to 2020-21, likely due to more consistent application of the regulations.

Our People

Our establishment grew from 5,687 at the end of 2020-21 to 5,903 by March 2021-22.²

Engagement	<ul style="list-style-type: none"> 3,595 NCA officers (59%) completed the Civil Service-wide People survey in 2021, allowing them to provide feedback and ideas to ensure we continue to deliver a high-quality service to the public. The overall engagement index was 62%, three points down from 65% last year, but an increase on 2019 (59%) and 2018 (50%). Our scores remained high on understanding our mission and how officers contribute to it, on being interested in the work that we do, and feeling challenged by it. This reinforces the value our officers place on the role of the NCA and the pride that officers have in fulfilling our mission. We remain steadfastly committed to addressing concerns raised by officers in key areas: low satisfaction with pay and benefits, leadership and managing change, access to learning and development, and resources and workload.
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² These figures represent directly employed staff, seconded officers, loaned-in staff, commercial contractors and agency staff. It does not include NED's, IRG members, attachments, NCA Specials, Career Breaks, Student Placements and Outsourced Specialist Contractors.

Our People

Diversity and Inclusion

- Our Race Equality Working Group delivered positive results: we now publish quarterly diversity data dashboards, to identify disparities and monitor trends over time, reporting these into governance routes for targeted action in our attraction and recruitment strategies.
- We reviewed our approach to positive action in recruitment to increase access to interview stages, and completed an assurance process across vetting and professional standards reporting.
- We developed the 'RAISE' Inclusion Learning Programme to create an integrated programme that focuses on learning at key points of the employee lifecycle, embedding the value of difference and the benefits of inclusion. We focused on 'Allyship' initially.
- Our Diversity Groups continued to bring our people policies and tools to life, holding events on important issues such as misogyny, Violence Against Women and Girls and Black History Month.
- We continue our efforts to increase the extent to which we are representative of the communities we serve, with 44.1% of officers being female, 12.8% from an ethnic minority background and 4.7% of officers recording their sexual orientation as lesbian, gay, bisexual or other.
- As of quarter three 2021 12.16% of officers recorded themselves as registered disabled.

Culture

- We undertook internal Culture Enquiry sessions to enable us to better understand our shared experience of working within the Agency. The sessions encouraged diversity of thought and created safe spaces for our people to offer different opinions and views, across all Commands.
- Resulting themes and findings are being used to inform learning interventions within RAISE, and are built into Engagement Action Plans.

Sustainability Report

Introduction

The NCA's sustainability team supports the strategic plans and operational objectives of the NCA, providing professional advice and practicing efficient, effective and compliant environmental/sustainability management.

NCA's strategy for sustainability is to improve its performance against the Greening Government Commitments (GGC); the current cycle, with a 2017-18 baseline, ends 31 March

2025. Working towards GGC targets supports the UK's Sustainable Development (SD) Goals to eradicate extreme poverty, fight inequality and injustice.

Performance relates to sites for which the NCA has overall responsibility for utilities. Sites where staff co-locate with partners are not included in this report.

Performance is measured against the baseline year for each of the minimum reporting areas (GGC for central government).

Performance Commentary

		Baseline		Performance	
Greenhouse gas emissions		2017-18	2019-20	2020-21	2021-22
tonnes CO ₂ e	Scope 1 and 2 emissions	13,306	10,106	9,175	8,866
	Scope 3 emissions (indirect official business travel)	1,223	1,180	408	309
	International travel	2,539	2,250	797	610
	Total emissions	17,068	13,536	10,380	9,785
Related energy consumption (MWh)					
	Electricity	20,096	18,698	18,078	18,005
	Gas and Oil	5,148	7,561	8,083	7,678

The NCA's target under the GGC is to reduce greenhouse gas (GHG) emissions by at least 43% overall compared to the 2017-18 baseline. This will be a reduction of 7,339 tonnes CO₂e from total emissions. To date we have achieved a 42% reduction in total GHG emissions, contributing to SD Goals 7, 11, 3 and 15³.

Electricity consumption continues to fall year on year and now stands at 10.5% below baseline. Gas and Oil remain higher than baseline however overall emissions from energy continue to fall.

Use of video conferencing and other alternatives to face-to-face meetings continue to be effective in reducing Scope 3 emissions.

The NCA's Estate and Fleet teams are working together to ensure proper infrastructure is in place to support the de-carbonisation of the fleet. To date 0.5% of fleet and hire vehicles comprise Ultra Low Emission Vehicles (ULEV) or zero carbon vehicles.

³ Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all.

Goal 11 Make cities and human settlements inclusive, safe, resilient and sustainable.

Goal 13 Take urgent action to combat climate change and its impacts.

Goal 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Waste

Waste		Baseline	Performance		
		2017-18	2019-20	2020-21	2021-22
tonnes	Non-recycled	-	-	-	-
	Total reused/recycled	88	120	85	89
	Energy recovery	249	216	120	150
	Total waste	337	336	205	239

The GGC waste targets are to:

- reduce landfill to less than 5% of overall waste by 2025 compared to the 2017-18 baseline;
- increase the proportion of recycled waste to at least 75% of overall waste generated;
- meet the consumer single use plastic (CSUP) elimination commitment of 0% CSUP on the government estate by 2020.

Zero waste to landfill continues and, although overall waste has increased this year, total waste is almost 30% below the 2017-18

baseline. 62% of all waste is reused/recycled, the remainder is sent for energy recovery.

Consumer Single Use Plastics have been removed from the NCA's food services contract and are being phased out of its cleaning services as viable alternatives are identified.

It is the NCA policy and practice to recycle all redundant ICT equipment using Waste Electrical and Electronic Equipment (WEEE) approved suppliers. An internal re-use scheme is in place for otherwise redundant furniture, keeping these items from the waste stream.

There was a 29% reduction in total waste, contributing to SD Goals 11, 14⁴ and 15.

Paper

Finite resource consumption: Paper	Baseline	Performance		
	2017-18	2019-20	2020-21	2021-22
A4 reams	4,573	2,898	4,693	5,454

The GGC target for the NCA is to reduce paper consumption by at least 60% by 2025 from a 2017-18 baseline. During 2021-22 some staff continued to work at home and were provided with reams of paper which would normally be shared within an office. This has contributed to further increases in paper purchased, by 28% from 2017-18.

⁴ Goal 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Water

Finite resource consumption: Water	Baseline	Performance		
	2017-18	2019-20	2020-21	2021-22
m ³	35,601	55,453	32,086	33,582

The GGC target is to reduce water consumption by at least 8% from the 2017-18 baseline.

Water consumption during 2021-22 was slightly higher than the previous year however it remains below the 2017-18 baseline, by 2.7%.

Savings continue to be realised through urinal flushing controls and enhanced management of real time leak detection.

Sustainable construction

As part of the estate transformation programmes the NCA selects sites with an Energy Performance Certificate (EPC) rating of B or better and that are able to achieve net carbon zero in the next few years to meet required targets.

Climate Change Adaptation

A climate resilience/adaptation strategy is being developed to ensure planning and mitigation is incorporated at all business levels where required. Where climate risks are identified appropriate adaptation actions will be undertaken.

The NCA continues to work towards increasing climate resilience and maintaining the operational capacity of the estate. It will continue to assess and manage climate resilience risks to meet current and future infrastructure, and built environment capability requirements, supported by the Facilities Management contract, to maintain the operational capacity of the estate.

In addition to supporting the NCA's performance under the GGC, these actions also support the SD Goals 13 and 15.

Nature Recovery and Biodiversity

Nature areas are maintained by using good husbandry and encouraging native flora and fauna, and a healthy biological balance is maintained in water areas. Risk assessments are carried out to identify any necessary action to mitigate potential erosion of the water areas.

The NCA is committed to supporting biodiversity; ensuring habitats are maintained and enhanced in order to create healthy functioning ecosystems. Bird boxes, wildlife habitats and a newt pond are monitored to ensure they are still in use which supports a healthy diverse population of species. Various other wildlife habitats are present for insects and bats so these species can continue to be encouraged and protected.

The NCA is also using the Property Government Functional Standards to track its sustainability approach to the estate it maintains and manages.

Sustainable Procurement

Our procurement strategy principally includes the use of Crown Commercial Service (CCS) framework contracts, and it is subject to the Sustainability Policy which the CCS operates, including Government Buying Standards.



**Graeme Biggar CBE,
Director General NCA**

12 July 2022



Part Two - Accountability Report

Corporate Governance Report

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HMT has directed the NCA to prepare for each financial year a Statement of Accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the NCA and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Secretary of State with the approval of HMT, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis; and.
- confirm that the Annual Report and Accounts is fair, balanced and understandable.

The Secretary of State for the Home Department has appointed myself, the Director General, as Accounting Officer of the NCA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is

answerable, for keeping proper records and for safeguarding the NCA's assets, are set out in 'Managing Public Money' published by the HMT.

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

I maintained effective governance arrangements from 5 October 2021 until the present date, which comply with the relevant sections of Cabinet Office Guidelines. Between 1 April and 4 October 2021, the Accounting Officer was Dame Lynne Owens. A full handover of responsibilities took place, which included assurance that NCA governance was run effectively during that period. I have maintained the same governance reporting and meeting structure and was in receipt of all relevant financial, operational and risk reporting covering the period before my appointment.

Details of Audit

The NCA's accounts are audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. The audit fee for 2021-2022 was £150,000, which was an increase of £7,000 from 2020-2021. No remuneration was paid to the NAO for non-audit work.

Complaints to the Parliamentary Ombudsman

The Ombudsman's remit for the NCA is to look into complaints of the NCA not acting fairly or where the NCA has given a poor service and not put things right. There were no complaints made in 2021-2022 to the Parliamentary Ombudsman in relation to the NCA or its staff.

Personal data-related incidents

There were eight personal data-related incidents reported to the Information Commissioner's Office (ICO) in 2021-22, an increase from two in 2020-21. This is a result of the Agency's well-developed breach reporting process and increased officer awareness.

We were issued with a reprimand as a result of an ICO investigation into our use of Facial Recognition in 2020. The ICO assessed our processing breached the Data Protection Act 2018. A reprimand is on the lower end of the ICO's hierarchy of regulatory action but we treated the issue with the utmost seriousness. The ICO has issued three recommendations which, while not mandatory, are best practice and we will respond to.

Governance Statement

The Governance Statement details the NCA's governance framework and risk management process, and how both have been used to manage the risks and challenges the Agency faced in 2021-22. In the preparation of the

Governance Statement, I, as the Accounting Officer, have been supported with:

- insight into the organisation's performance provided by the Government Internal Audit Agency;
- feedback from Directors with delegated responsibility for the use of the Agency's resources, responses to risk and management of information;
- views of the Audit, Risk and Assurance Committee (ARAC).

As Accounting Officer, I maintained effective governance arrangements from 5 October 2021 until the present date, which comply with the relevant sections of Cabinet Office Guidelines. Between 1 April and 4 October 2021, the Accounting Officer was Dame Lynne Owens. A full handover of responsibilities took place.

I, along with other Board members, am responsible for sound financial management and ensuring that appropriate controls are in place. The NCA's governance framework is in line with HMT and Cabinet Office best practice, as set out in Corporate Governance in Central Government Departments: Code of Good Practice (The Code) 2017.



Directors Report

NCA Board	Date Appointed	Contract end date
Director General – Dame Lynne Owens	4 January 2016	4 October 2021
Interim Director General – Graeme Biggar	5 October 2021	–
Director General (Operations) – Steve Rodhouse	25 June 2018	
Director General (Capabilities) – Nina Cope	3 April 2017	5 June 2022
Director General (National Economic Crime Centre) – Graeme Biggar	4 March 2019	
Interim Director General (National Economic Crime Centre) – Rob Jones	1 November 2021	
Chief Financial Officer – Philip Lloyd	25 August 2020	23 July 2021
Chief Financial Officer – Jacqui Smillie	1 June 2021	–
Non-Executive Directors		
Reshard Auladin	1 April 2017	30 November 2021
Mary Calam	4 July 2019	30 November 2023
David Horncastle	4 July 2019	3 July 2024
Andrew Tivey	29 July 2019	27 July 2024
Sir Jonathan Stephens	21 February 2022	20 February 2024

Additional Board Information

- Director Legal attends the Board as Legal Advisor
- Director Strategy attends the Board as Board Secretary.
- Home Office representative attends each meeting as an official observer.
- One member of each NCA Trade Union attends Board in turn, as observers.

Register of interests

Details of external interests held by Board members during the accounting period are available on our website www.nationalcrimeagency.gov.uk.

The Professional Standards Unit (PSU) has effective controls around the application, evaluation, approval and recording of outside interests (business interests, secondary employment and political activity), which are supported by clearly documented policies and procedures. This is reinforced through regular prevention communication on thematic areas and induction training for all new officers. The assurance process is applicable to all officers, including those at Senior Civil Service (SCS) grades. SCS applications are considered by the Director Investigations, ensuring that outside interests do not present conflicts of interest. In line with the Civil Service Code, failure to abide by the policies and procedures can lead to formal disciplinary action.

Governance Framework

The governance approach used by the NCA provides an auditable, managed system for decision making by the NCA Board, through a committee and sub-committee structure, providing clear lines of responsibility via individual senior management and leadership teams. The governance of the NCA, including the NCA Board, complements the Board Code of Conduct, the NCA Code of Ethics and the Civil Service Code.

The work of sub-committees is a formal part of the Agency's governance structure and therefore adheres to the same standards and processes. They are expected to report to their parent committee on a regular basis.

NCA Board	
Chair	Director General NCA
Frequency	Bi-Monthly
Committee Composition by Gender as at 31 March 2022	
Male 60%	Female 40%
Role of the Board/Committee	
<p>NCA Board provides strategic oversight of the NCA and is responsible for delivery of the Agency's objectives and priorities. The Board is responsible for agreeing the publication of the Annual Plan and Business Plan. It monitors and drives performance, provides strategic direction on financial and human resources, organisational design, risk appetite, communications and other key areas affecting the Agency's ability to deliver operational impact. NCA officers of all grades can view Board papers and 'shadow' the Board's work.</p>	
Key Activity	
<p>In 2021-22, the Board considered key topics in relation to the Annual Plan, business planning, Spending Review, People Survey and action plan, and risk and assurance, including risk appetite.</p>	

Audit, Risk and Assurance Committee (ARAC)	
Chair:	Non-Executive Director
Frequency:	Quarterly
Committee Gender Composition as at 31 March 2022	
Male: 65%	Female: 35%
Role of the Board/Committee	
<p>ARAC is an advisory committee to NCA Board. It is responsible for reviewing the comprehensiveness and reliability of assurance on governance, risk management, the control environment, the integrity of financial statements, and the Annual Report and Accounts. It provides assurance on these areas to Director General NCA, as the Accounting Officer. It does not have executive powers. It is attended by representatives of Internal Audit and the National Audit Office.</p>	
Key Activity	
<p>In addition to its routine duties, ARAC undertook deep-dive reviews into: data utilisation, information management, capacity and capability, change delivery, disrupting SOC using immigration powers, cyber; intelligence failure, and civil financial investigations.</p>	

Director General Committee

Chair: Director General NCA

Frequency: Bi-Monthly

Committee Gender Composition as at 31 March 2022

Male: 54%

Female: 46%

Role of the Board/Committee

DG Committee provides direction and oversight on Agency progress towards delivery of its strategy. It monitors and oversees any new organisation-level activity, and takes decisions on competing operational priorities. DG Committee meets to agree and monitor Agency performance on a bi-monthly basis, assessing performance against expectations. It also acts as a gatekeeper to NCA Board.

Key Activity

In 2021-22, among other activities, the Director General Committee reviewed the strategic aims of the Ministry of Justice's Security Investment Programme and the UK withdrawal from Afghanistan.

Talent Management and Senior Appointments Panel (TMSAP)

Chair: Director General NCA

Role of the Board/Committee

TMSAP is responsible for overseeing the management and development of the Agency's talent and the appointment of its senior leaders (at Director and Deputy Director level).

Key Activity

The Agency was able to increase the number of officers accessing talent programmes from 15 in 2019-20 to 131 in 2021-22. This was achieved alongside an expanded use of Talent Conversations and the 9 Box Grid tool, which provides officers with the tools to drive development, whilst offering a holistic picture of talent to drive succession planning and address any areas of potential under-representation.

Change Committee

Chair	Director General (Capabilities)
Frequency	Monthly
Committee Gender Composition as at 31 March 2022	
Male 60%	Female: 40%

Role of the Board/Committee

Change Committee delivers, monitors and assures work under the NCA Transformation Portfolio. It provides a view of how activities should be undertaken across the Agency, the design options that exist and the appropriate implementation of transformation. It oversees change benefits and ensures that change is efficiently managed and embedded. It also manages risks to the Transformation Portfolio.

Key Activity

In 2021-22, the Change Committee oversaw a range of activity with the potential to help deliver the Agency’s mission, including portfolio prioritisation and further options for hosting national capabilities. The Committee also focused on the need to make technology, data and platform changes across the NCA, to mitigate risk and allow the Agency to evolve.

Operations Committee

Chair	Director General (Operations)
Frequency	Monthly
Committee Gender Composition as at 31 March 2022	
Male: 63%	Female: 37%

Role of the Board/Committee

The Operations Committee oversees the operation of the Agency, ensuring that operational prioritisation is in line with NCA ambitions and that resources are deployed appropriately. It considers issues impacting Agency delivery, including issues relating to workforce and IT, partnership working and engagement, operational activity and capability deployment. It monitors and challenges the Agency’s response to risk and audit compliance, as well as data governance.

Key Activity

Discussions focused on the Tackling Organised Exploitation programme, risk and readiness for EU exit.

Investment Committee

Chair	Director General Capabilities
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Frequency	Monthly
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Committee Gender Composition as at 31 March 2022	
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Male: 70%	Female: 30%
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Role of the Board/Committee

Investment Committee is a sub-committee of the NCA Board and reports to the Director General Committee. It ensures compliance with accounting and investment processes, and oversees the management of the NCA budget to ensure delivery in line with the NCA strategy. The Investment Committee provides oversight of internal and external funding in line with government protocols and considers all business cases where whole-life costs exceed £200,000. The Remuneration Committee, a sub-committee of the Investment Committee, is made up of Deputy Directors and acts as the executive body for the design and delivery of the NCA pay case.

Key Activity

In 2021-22, the Investment Committee considered, among other topics, Finance, human resources, telematics and the environmental and savings implications of changes to the NCA fleet.

Independent Advisory Group on Ethics

Chair	Lord Toby Harris
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Frequency	Bi-Monthly
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Committee Gender Composition as at 31 March 2022	
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Male: 37%	Female: 63%
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Role of the Board/Committee

The Independent Advisory Group on Ethics provides advice to the NCA on novel or contentious ethical issues. In 2020-21, the group changed its name from the Independent Reference Group, in order to make its role and purpose more explicit. The Group provides advice from an ethical, moral and reputational perspective, ensuring that the NCA is supported in promoting its culture, ethics and values across all of its work. It is composed of members recruited from outside of Government and overseen by the NCA Board.

Key Activity

In 2021-22, the Independent Advisory Group on Ethics considered, among other topics, the SOC Threat Radar Tool. This tool is designed to answer strategic questions around emerging threats, the capacity to track residual threat, the identification of threat facilitators and the prioritisation of finite resources. The Independent Advisory Group on Ethics discussed the need for the tool to be scientifically robust and ethically defensible, with recommendations made to support this.

Workforce Planning Committee

Chair	Director Strategy
Frequency	Monthly
Committee Composition as at 31 March 2022	
Male: 50%	Female 50%
Role of the Board/Committee	
<p>The Workforce Planning Committee is a subcommittee of the Investment Committee. It ensures that the NCA is delivering on its People Strategy. The Workforce Planning Committee is chaired by Director Strategy and meets monthly. It has oversight and control of Agency-wide recruitment and resourcing plans, and monitors deployments and postings, as well as promotions and talent development.</p>	
Key Activity	
a) Ensure the Agency fills its critical roles through recruitment.	
b) Ensure officers complete mandatory training courses	

Board Effectiveness Review

In line with Cabinet Office Code 1, it is recommended that an annual board effectiveness evaluation is undertaken. We aim to carry out the next review of the NCA

Board and ARAC as soon as practicable post the appointment of a substantive Director General. Thereafter we aim to conduct it annually. We are also undertaking a review of our overall governance.

Risk Management

Our risk management framework ensures risks to delivery are managed at a level appropriate to their significance. The Operations Committee maintains an enterprise view of Agency risk to ensure consistency of approach and timely mitigation activity. Other governance forums review risks relevant to their area of responsibility. Risks are also managed across business areas, addressing specific categories of risk.

ARAC assures the risk process, and reviews corporate risks at every meeting. To satisfy itself key risks are being mitigated effectively, ARAC commissions deep-dive reviews into thematic areas. This year, ARAC conducted Deep Dives or received detailed updates on Cyber Defences, Information Management, Partnerships corporate risks and the Commercial Improvement Plan in response to the Commercial and Assurance corporate risk.

Summary of the NCA corporate risks

Risk	Mitigating actions
<p>Information Management</p> <p>The complex legislative, regulatory and technology environment, combined with an operational imperative to use more sophisticated and innovative approaches to target the most harmful criminals, means the Agency fails to adhere to statutory requirements for the management of its information.</p>	<ul style="list-style-type: none"> • Delivery of Data & Applications Programme • Increased data literacy and training effort • Implementation of enhanced data governance structure • Deployment of permanent cadre of Information Custodians
<p>Intelligence Failure</p> <p>A miscarriage of justice, or serious harm or death to a member of the public or law enforcement officer, resulting from an NCA failure to provide an accurate and timely intelligence picture</p>	<ul style="list-style-type: none"> • Detailed programme of work seeking to improve access to systems and connectivity • Upskilling practitioners through a bespoke officer development pathway • Strengthening collaboration with law enforcement and other government partners • Development and access to automated tools and systems throughout the Intelligence Cycle
<p>Data Utilisation</p> <p>The NCA fails to maximise use of its information / data holdings to exploit operational opportunities and improve organisational performance</p>	<ul style="list-style-type: none"> • Implementing the National Data Exploitation Capability programme • Enhancing Data Governance structures • Engaging with partners in uplifting capabilities • Improvement of intelligence processes

Risk	Mitigating actions
<p>Penetrating Criminal Communications</p> <p>The NCA will not be able to access this mission critical operational tactic due to the communications landscape becoming more encrypted, fragmented, virtualised, complex and data heavy.</p>	<ul style="list-style-type: none"> • Implementation of a whole-system approach to communications intelligence through the Integrated Communications Intelligence transformation programme
<p>Cyber Defences</p> <p>The NCA experiences a major cyber-attack.</p>	<ul style="list-style-type: none"> • Development and implementation of a NCA Cyber Defence Strategy • Implementation of NCSC Standards • Compliance with Cabinet Office cyber security standards • Alignment of cyber security with future capabilities planning
<p>Workforce</p> <p>There is a risk the NCA is not able to recruit to meet organisational headcount, and is unable to develop and retain an effective workforce in a timely way.</p>	<ul style="list-style-type: none"> • Development of the People Strategy to drive active workforce planning and management • Development of Agency Talent Strategy • Developing Career pathways across the agency with Heads of Professions. • Alignment of our reward strategy with progress in workforce planning to ensure critical roles are more attractive in terms of pay.
<p>Disclosure</p> <p>The NCA is not in a position to fulfil Disclosure obligations for all investigations.</p>	<ul style="list-style-type: none"> • Enhanced governance process to improve Disclosure practices • Improved Disclosure training, upskilling and professionalisation programme • Upgrade programme for existing case management system and future IT development
<p>System Leadership</p> <p>The NCA does not have adequate strategic levers (resource, mandate and primacy) to further establish and lead effectively the ‘whole system’ response to the SOC threats.</p>	<ul style="list-style-type: none"> • Improving governance structures across all Threat areas • Improving performance reporting to accurately reflect threat status; • Working with government and operational partners to ensure roles and accountabilities deriving from the National Strategy and performance indicators to NCA Threat Governance • Continued development of performance indicators
<p>Partnerships</p> <p>The NCA is unable to influence partners to support delivery of our vision, strategy and priorities.</p>	<ul style="list-style-type: none"> • Enhanced engagement with key external partners to ensure a consistency of approach • Improved management of key partner engagements, future strategy and communications

The NAO conducted an audit of NCA accounts for the year 2020-21 and the Comptroller and Auditor General delivered an unqualified audit opinion in July 2021. In July 2022, the Comptroller and Auditor General concluded an unqualified audit of the 2021-22 Annual Report and Accounts as detailed in the Certificate of the Comptroller and Auditor General in Part 2 of this report. The NAO also conducted a review to assess progress in tackling fraud since the 2017 publication of their report 'Online Fraud'. The review examined the NCA's work with Home Office and other government departments, law enforcement and industry to prevent and reduce fraud, including objectives set under the Economic Crime Plan in 2019. The review's findings are not expected until summer 2022.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)

HMICFRS conducted an inspection of the NCA in 2021-22 focusing on Safeguarding. HMICFRS also conducted a wider thematic review of Online Child Sexual Abuse and Exploitation involving several police forces and law enforcement partners as well as the NCA, which will report in late 2022. Separately, the Agency provided specialist expertise to support an inspection of Digital Forensics. HMICFRS also conducted a follow-up review of the 2019 inspection of the NCA's Criminal Intelligence Function and was satisfied with operational progress resulting from its recommendations. Copies of previous HMICFRS reports are available at www.justiceinspectors.gov.uk.

Government Internal Audit Agency (GIAA)

The GIAA carried out eight audits in 2021-22 covering the most significant risks affecting the NCA. These audits included Strategic Partnerships, Key Financial Controls (Budget Management Processes), Digital Media Investigators, Cyber Endpoint Security, projects to mitigate the risk of Intelligence

Failure, Covid-19 and post-EU Exit operations. Director-led action plans are in place to respond to the findings of each of these audits. The GIAA also administered an audit of NCA costs related to an EU-funded counter-narcotics programme and conducted a review of Agency compliance with the Government Functional Standard for Internal Audit. The GIAA reports have been de-conflicted with other external assurance providers to give the broadest possible range of assurance for the year ahead. The GIAA provided a moderate annual assurance opinion in 2021-22 on the overall adequacy and effectiveness of our framework of governance, risk management and control, taking account of the results of previous assurance and the work of other assurance providers. The GIAA noted the progress made in implementing enterprise risk management and assurance processes.

Infrastructure and Projects Authority (IPA)

The IPA carried out its first review of our Illicit Finance Programme in June 2021 and awarded us an Amber rating, indicating successful delivery of the programme/project to time, cost and quality appears feasible, and that prompt management attention to some resolvable issues should not present a cost/schedule overrun. The IPA noted the programme had delivered against its Key Performance Indicators and highlighted obstacles to delivery, including funding for digital transformation and competition for talent. The review resulted in recommendations which are being implemented.

In April 2022 the IPA awarded Transformation Portfolio a red rating in relation to organisational challenges of workforce planning and management of delivery and funding risk. The NCA undertook a thorough review of internal processes and implemented strengthened process, governance and policy improvements. The IPA carried out a follow-up Assurance of Action Plan review in June 2022, were satisfied with the progress made against

their recommendations and are expected to reduce their rating to Amber.

Investigatory Powers Commissioner's Office (IPCO)

IPCO carried out six inspections in 2021-22 covering specialist areas of compliance with legislation and guidance. These inspections covered NCA compliance with the Principles relating to the detention and interviewing of overseas detainees and passing/receiving intelligence on detainees, and the Agency's continued compliance with legislation covering the acquisition of communications data, the use and management of covert surveillance, the use of covert human intelligence sources and property interference, targeted intercept and targeted equipment interference. Each of these IPCO inspections now includes a data assurance aspect regardless of the subject area under review. Through these reviews, the IPCO found the NCA to be acting lawfully and for the correct statutory purposes.

In response to the continued improvement in NCA assessments in relation to the Principles, the Investigatory Powers Commissioner reduced the frequency of future inspections to annually. Recommendations and observations from the annual IPCO inspections are being addressed in order to maintain compliance with data handling and safeguarding requirements, with areas of notable good practice recorded by inspectors. This will support current controls acting to reduce several corporate risks, including Information Management and Intelligence Failure.

UKAS (Forensics)

The NCA received accreditation for the conduct of crime-scene and laboratory-based forensic operations as a result of an inspection in June 2021 under ILAC G19, ISO 17025 and ISO 17020 as mandated by the Forensic Science Regulator, alongside additional scope extensions.

Financial Action Taskforce (FATF)/Egmont

We provided evidence to the HM Treasury-led FATF follow-up report process contributing to FATF's assessment of the UK's compliance with a specific recommendation. A finalised response was submitted by the UK to FATF in February 2022 and assessors completed their review and report, with the UK maintaining its previous compliance rating of "Partially Compliant". Progress was noted in a number of areas in relation to the expansion of the UK Financial Intelligence Unit (UKFIU) and the ongoing Suspicious Activity Reports (SARs) IT Transformation Programme under SARs Reform, with FATF assessors concluding that the UK still requires additional human and IT resource to conduct the operational and strategic analysis of SARs needed given the size of the UK economy and financial system. Work continues under the SARs Reform Programme to address these recommendations.

Independent Inquiry into Child Sex Abuse

We continue to engage positively with the Independent Inquiry into Child Sexual Abuse (IICSA), including to assist preparations for the publication of the final report in 2022.

Conflict, Stability and Security Fund (CSSF) & Sovereign Borders Fund

The CSSF (replaced by Sovereign Borders) conducted an annual review of the NCA's response to OIC via the Mediterranean. The review delivered a Green rating, indicating that outcomes are being met in terms of disruption of criminal activity. Intelligence collection and analysis was judged as demonstrably underpinning the disruption strategy.

Financial Summary

We maintain a medium-term financial plan (MTFP) which focuses on setting plans and controls for the next three to five years. We

have structures and processes in place to ensure we operate effective financial management. In accordance with the Government Finance Function's strategy, Finance is central to our decision-making, with the Chief Financial Officer being a member of NCA Board.

Resource meetings are held monthly by the Chief Financial Officer with Directors and budget holders throughout the NCA. These meetings are a means to monitor and review both financial and workforce resources and value for money. Financial performance is tested against forecast outturns, and metrics such as purchase order compliance are monitored against Board-sponsored targets. Workforce data is discussed in conjunction with updates on recruitment and other HR metrics, with Directors held accountable for any under- or over-resourcing.

Our financial statements are audited by the NAO on behalf of the Comptroller and Auditor General each year, further details of which can be found in Part 3 of this report.

HM Treasury project approvals

There was a delay in obtaining HM Treasury approval on the NCA Portfolio Business Case for 2019-20 and 2020-21. Under the delegation to the NCA Accounting Officer, projects and programmes above £25 million require approval from HMT.

We submitted both business cases through the Home Office channels, receiving approval in September 2021. As requested by HMT, the 2019-20 business case was held until 2020-21 so that both could be approved together. Delays in our submission to HMT and clearance of queries were due to both HMT and NCA teams being diverted to focus on Covid-19 and Spending Review matters. We recognises that we could have worked more closely with HMT to ensure that clarifications were closed more quickly and have put a more robust process in place for 2022-23.

Remuneration and Staff Report

Certain disclosures within this Remuneration and Staff Report are subject to audit. Audited sections are noted individually.

Remuneration Policy

Senior Management salaries were based on recommendations of the Senior Salaries Review Body, an independent body providing advice to the Prime Minister and others on senior civil servants' salaries.

Further information about the Review Body can be found at www.ome.uk.com.

Remuneration (Including Salary) and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Board members.

**National Crime Agency 1 April 2021
– 31 March 2022**

Remuneration (salary, non-cash benefits and pension) (audited)

Where an individual has only served for part of the year, the full-year equivalent salary is reported in brackets.

Single total figure of remuneration (audited)

Date appointed – appointment end	Salary and allowances £'000		Bonuses £'000		Pension benefits £'000		Total £'000	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Director General								
Dame Lynne Owens DCB CBE QPM ⁱ								
4 January 2016 – 4 October 2021	110-115 (220-225)	220-225	-	-	-	-	110-115	220-225
Graeme Biggar ⁱⁱ								
5 October 2021	150-155 (155-160)	140-145	-	-	48	59	195-200	200-205
Director General (Operations)								
Steve Rodhouse								
25 June 2018	175-180	175-180	-	0-5	24	82	200-205	260-265
Director General (National Economic Crime Centre)								
Robert Jones ⁱⁱⁱ								
1 November 2021	60-65 (145-150)	-	-	-	53	-	115	-
Director General (Capabilities)								
Nina Cope								
3 April 2017 – 5 June 2022	175-180	175-180	-	0-5	63	72	240-245	245-250
Chief Financial Officer								
Jacqui Smillie								
1 June 2021	105-110 (125-130)	-	-	-	16	-	120-125 (145-150)	-
Simon Hart								
28 February 2018 – 24 August 2020	-	40-45 (100-105)	-	-	-	16	-	55-60 (140-145)
Philip Lloyd ^{iv}								
6 July 2020 – 23 July 2021	75-80	210-215	-	-	-	-	75-80	210-215
Non-Executive Directors								
Andrew Tivey ^v								
29 July 2019 – 27 July 2024	10-15	10-15	-	-	-	-	10-15	10-15
Reshard Auladin								
1 April 2020 – 30 November 2021	5-10 (10-15)	10-15	-	-	-	-	5-10	10-15
David Horncastle ^{vi}								
4 July 2019 – 3 July 2024	10-15	10-15	-	-	-	-	10-15	10-15
Nick Alston								
1 December 2016 – 30 November 2020	-	5-10 (10-15)	-	-	-	-	-	5-10 (10-15)
Mary Calam ^{vii}								
4 July 2019 – 30 November 2023	10-15	10-15	-	-	-	-	10-15	10-15
Sir Jonathan Stevens								
21 February 2022 – 20 February 2024	0-5 (10-15)	-	-	-	-	-	0-5	-

Notes to Remuneration table:

* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contribution made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

Details of changes to the composition of the Management Board are given on page 37.

ⁱ Dame Lynne Owens retired from the NCA on 4 October 2021.

ⁱⁱ On 5 October 2021, Graeme Biggar was appointed Director General NCA until the permanent DG NCA is appointed and in post. Prior to 5 October 2021, Graeme Biggar held the position of DG NECC and received remuneration in the range of £70-£75k. As DG NCA, Graeme Biggar's remuneration was in the range of £75-£80k for the financial year 2021-22.

ⁱⁱⁱ Robert Jones was appointed as Interim Director General NECC on 1 November 2021.

^{iv} Costs for Philip Lloyd are shown as the gross costs to the contractor agency.

^v Andrew Tivey's contract was extended for a period of 3 years from 28 July 2021 to 27 July 2024.

^{vi} David Horncastle's contract was extended for a period of 3 years from 4 July 2021 to 3 July 2024.

^{vii} Mary Calam's contract was extended for a further period from 4 July 2021 to 30 November 2023.

These figures represent the values for the full year.

Salary and Allowances

'Salary and allowances' includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Agency and are recorded in these financial statements.

Non-Cash Benefits

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue & Customs as a taxable emolument. Benefits reported were calculated as the taxable value and relate to the private mileage element of assets (vehicles) placed at the employee's disposal.

Performance Pay or Bonuses

Performance pay or bonuses are based on performance levels attained and are made as part of the appraisal process.

Performance related bonuses are paid in arrears. The bonuses reported in 2021-22 relate to performance in the 2020-21 financial year and the comparative bonuses reported for 2020-21 relate to performance in the 2019-20 financial year.

Notice Periods for Senior Officers

Notice periods for the Director General, Directors General (Operations, Capabilities and NECC), the Chief Financial Officer and Non-Executive Directors are three months.

Benefits and Pension Contributions

In addition to salaries paid and taxable benefits in kind for travel and the associated taxes paid by the NCA, the pension entitlements of the current senior management team are disclosed below.

Pension Entitlements 2021-22 (audited)

All figures in the table below are provided by MyCSP or analogous arrangement for those Board members (employees and seconded) with Civil Service pension arrangements.

	Accrued pension at age as at 31.3.2022	Total lump sum at pension age as at 31.3.2022	Real increase in pension at pension age	Real increase in lump sum at pension age	CETV at 31.3.2022	CETV at 31.3.2021	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Nina Cope	30-35	-	2.5-5	-	471	410	31
Graeme Biggar	50-55	95-100	2.5-5	2.5-5	828	780	27
Robert Jones	65-70	145-150	2.5-5	2.5-5	1,217	1,161	40
Jacqui Smillie	55-60	130-135	0-2.5	0	1,178	1,144	1

The figures in the table below are provided by the Agency's Police Pensions Administrator for those Board members who are employees with Police Pension Scheme arrangements.

	Accrued pension at pension age as at 31.3.2022 £'000	Total lump sum pension age as at 31.3.2022 £'000	Real increase in pension at pension age £'000	Real increase in lump sum at pension age £'000	CETV at 31.3.2022 £'000	CETV at 31.3.2021 £'000	Real increase in CETV £'000
Steve Rodhouse	105-110	-	2.5-5	-	2,282	2,207	61

Dame Lynne Owens was not an active member of a public sector pension scheme.

The Non-Executive Directors are non-pensionable appointments.

Police Pension Scheme

Directors with a police pension are members of the Police Pension Scheme 1987.

The Police Pension Scheme 1987 is a 'final salary' scheme, the pension calculated as a proportion of final average pensionable pay, generally pay in the last year of service as a member of the scheme. The pension received depends on pensionable service, which for most officers will be the length of service in the police force for which they have paid pension contributions, with appropriate adjustments for part-time service. 30 years' service is required to qualify for the maximum pension.

The Scheme provides the following benefits:

- a maximum pension is two-thirds of average pensionable pay;
- there is an option to exchange ('commute') part of the pension for a lump sum;
- average pensionable pay is in effect the highest pensionable pay for the three years before retirement; and
- each year of pensionable service for the first 20 years gives entitlement to a pension of 1/60 of final pay and each year for the final 10 years gives 2/60, up to a limit of 40/60.

Seconded Directors who are police officers are members of pension schemes managed by their respective police forces.

As part of this scheme, the NCA accepts liability for payment of the pension benefits in respect of the officer's past service with a police force, although no transfer values are payable from a former employer in respect of this liability, as well as their pensionable service while employed by the Agency. Pension benefits are paid as they fall due from the NCA resources. Pensions paid in the year are charged against the Pension Provision (see Part Three and Notes to the Accounts). In order to comply with HM Treasury's Financial Reporting Manual (FRM) and Accounts Guidance, the NCA is required to provide in these accounts for the full value of the expected future pensions liabilities of the officers. The NCA has commissioned the Government Actuary's Department (GAD) to value the scheme liabilities as at 31 March 2022 as part of its quadrennial review.

Civil Service Pensions

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

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

These statutory arrangements are unfunded, with the cost of benefits met by monies voted by Parliament each year. Pensions payable under *classic*, *premium*, *classic plus*, *nuvos* and *alpha* are increased annually, in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into *alpha* sometime between 1 June 2015 and 1 February 2022. All members who switch to *alpha* have their PCSPS benefits ‘banked’; those with earlier benefits in one of the final salary sections of the PCSPS have those benefits based on their final salary when they leave *alpha*. (The pension figures quoted for officials show pension earned in PCSPS or *alpha* – as appropriate. Where the official has benefits in both the PCSPS and *alpha*, the figure quoted is the combined value of their benefits in the two schemes). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (*partnership* pension account).

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

pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation.

Benefits in *alpha* build up in a similar way to *nuvos*, except that the accrual rate is 2.32%. In all cases members may opt to give up (‘commute’) pension for a lump sum up to the limits set by the Finance Act 2004.

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

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

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

Cash Equivalent Transfer Values (CETVs) (audited)

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

The pension figures shown relate to the benefits the individual has accrued as a consequence of their total NCA and related precursor agency service, not just their current appointment. CETVs are calculated in accordance with the Occupational Pension Schemes Transfer Values (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when the pension benefits are taken.

Real Increase in CETVs

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

McCloud/Sargeant Judgment

In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members of the judicial and fire fighters' schemes as part of the 2015 Pension reforms amounted to unlawful discrimination.

The Chief Secretary to the Treasury made a statement on 15 July 2019 that remedy will be applied across all equivalent schemes. A remedy consultation paper was published in February 2021. The remedy is expected to be implemented in October 2023. A potential future liability for the NCA has been valued by the GAD and included in Police Pension Scheme valuation in Note 3 (page 89).

The National Police Chiefs' Council (NPCC) liaises regularly with HM Treasury and the Home Office in relation to remedy arrangements. The NPCC has set up a Pension Remedy Working Group which meets on a monthly basis. Representatives from the NCA contribute to NPCC work to understand and mitigate the impact of the remedy across relevant Home Office agencies and departments and help develop common arrangements and policies.

Compensation on Early Retirement or for Loss of Office (audited)

No officers left under Voluntary Exit terms during 2021-22.

Payments to Past Directors (audited)

No payments were made to past directors in 2021-22.

Fair Pay Disclosure (audited)

Reporting bodies are required to disclose the relation between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

Year	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021-22	5.2:1	4.6:1	3.9:1
Salary	£33,841	£38,512	£45,480

The banded remuneration of the highest-paid director in the NCA in the financial year 2021-22 was £175-180k, a 20.2% decrease from 2020-21 (2020-21: £220-225k). The 20.2% decrease in the pay of the highest-paid director reflects the appointment of the interim Director General NCA whose salary is less than the highest-paid director in 2020-21. This was 4.6 times (2020-21: 6.0 times) the median remuneration of the workforce, which was £38,512 (2020-21: £37,938). The NCA's calculation of the median earnings of the workforce (excluding the highest-paid director) and the ratio between this and the highest-paid director was based on full-time equivalent officers as at 31 March 2022, on an annualised basis.

The average percentage change from 2020-21 in respect of the employees of the NCA taken as a whole was a 1.5% increase.

In 2021-22, no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15k to £178k (2020-21: £15k to £223k).

No contingent labour costs are included in the median pay calculation. The impact of excluding contingent labour and seconded officers does not have a material impact on the calculation.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions or the cash equivalent transfer value of pensions. The NCA's median pay included allowances but not overtime.

Trades Unions

The NCA has in place an employee relations policy that outlines a consultative framework for engaging trade union representatives. There are three recognised trade unions and facility time is provided to allow union representatives to take part in industrial relations duties.

In October 2013, the NCA introduced new union facility time arrangements limiting the proportion of the pay bill allocated to paid union facility time to 0.1%, in line with the Cabinet Office Facility Time Framework.

Facility Time Publication Requirements

Effective from 1 April 2020

Table 1 – Trade Union (TU) representatives

Number of employees who were relevant union officials during the reporting period	Full Time Equivalent (FTE) employee number 66
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Table 2 – Percentage of time spent on facility time

Percentage of time	Number of employees
0%	8
1%-50%	58
51%-99%	-
100%	-

Table 3 – Percentage of pay bill spent on facility time

Total cost of facility time	£167,860
Total pay bill	£315.25m
Percentage of the total pay bill spent on facility time	0.05%

Table 4 - Paid Trade Union Activities (TUA)

Time spent on paid TUA	No paid TUA. TUA is unpaid except in exceptional circumstances. Only Trade Union duties are paid.
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Staff Report

Staff Costs (audited)

For year to 31 March 2022

	Permanently Employed	Others	Total	Total
	2021-22	2021-22	2021-22	2020-21
	£'000	£'000	£'000	£'000
Wages and Salaries	237,394	27,583	264,977	254,248
Social Security Costs	24,872	-	24,872	23,006
Pension Costs	57,487	-	57,487	52,064
Sub Total	319,753	27,583	347,336	329,318
Less recoveries in respect of outward secondments	(1,125)	-	(1,125)	(986)
Sub Total	318,628	27,583	346,211	328,332
Total service cost net of employee contributions	4,280	-	4,280	5,450
Total Net Costs	322,908	27,583	350,491	333,782

Pension Benefits

Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme in which the NCA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2020. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2021-22, employers' contributions of £54.3m were payable to the PCSPS (2020-21: £48.8m) at one of four rates in the range 26.6 to 30.3 per cent (2020-21: 26.6 to 30.3 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Partnership and Stakeholder Schemes

Employees can opt to open a partnership pension account - a stakeholder pension with an employer contribution. Employers' contributions of £1.5m (2020-21: £1.4m) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8.0 to 14.75 per cent (2020-21: 8.0 to 14.75 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay.

In addition, employers contributions of £47k (2020-21: £43k) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death-in-service and ill-health retirement of these employees. Contributions due to the partnership pension providers at 31 March 2022 were £2.11m. Contributions prepaid at the date were £nil.

Three staff (2020-21: three) retired early on ill-health grounds.

Numbers of Senior Civil Servants (SCS)

NCA's senior staff grades are analogous to SCS equivalents. Numbers of Senior Civil Servants (or equivalent) by pay band as at 31 March 2022:

SCS Grade	NCA Equivalent	2021-22 Number	2020-21 Number
SCS 4	Director General NCA	1	1
SCS 3	Director General (Capabilities)	1	1
	Director General (Operations)	1	1
	Director General (NECC)	1	1
SCS 2	Directors	9	8
SCS 1	Deputy Directors	25	23
Total		38	35

Disclosure also includes secondees where occupying a permanent position.

Staff Numbers and Costs (audited)

The NCA's total headcount as at 31 March 2022 was 5,760 officers made up of directly employed officers, seconded officers, loaned officers and contingent labour, including employment agency officers and specialist contractors.

At 31 March 2022, the breakdown of officer headcount by gender was as follows:

Staff composition by headcount	Male	Female	Total Headcount
Directors General and Directors	9	4	13
Other Senior Civil Servants	15	10	25
Other Employees	3,180	2,542	5,722
Total*	3,204	2,556	5,760

* This total represents the NCA headcount as at 31 March 2022, including employment agency officers, commercial contractors, seconded officers and officers on career break.

The average number of full-time equivalent (FTE) officers employed during the year was: (audited)

	2021-22 FTE	2020-21 FTE
Permanently Employed (UK employment contract)	5,373	4,921
Other	290	359
Total average number of officers	5,663	5,280

In addition to the above directly employed officers, the NCA had 65 attached from other organisations as at 31 March 2022 (2020-21: 97), who are excluded from the above figures as they do not form part of the NCA establishment. The NCA is not charged for the attached officers, who are considered to be working for the benefit of their employers.

Officer Turnover

Officer turnover during 2021-22 was 9.5%.

Officer Sickness Reporting

NCA officers were absent on sick leave for an average of 3.8 days per employee during the year to 31 March 2022 (2020-21: 3.3 days).

Staff Policies Applied During the Year

Inclusion, Diversity and Equality

The NCA is committed to treating everyone with dignity and respect, valuing diversity, working in partnership, and sharing knowledge and best practice.

It seeks to create and maintain an environment which values all officers and respects the contribution they make, and where fairness and equality of opportunity are assured. Inclusion, diversity and equality issues are embedded in strategic planning, policy development and organisational processes.

The NCA aims to provide a positive environment in which everyone feels valued, and where the organisation is open to the experience, insights and skills of people of different age, disability, sex, gender reassignment, race, religion, belief, sexual orientation, marital/civil partnership, pregnancy/maternity status and political opinion.

The NCA supports a range of work styles for individual officers, while meeting organisational need. Respect is an integral part of the NCA values and behaviours, and is part of the Agency's recruitment processes and annual individual performance reviews.

The NCA is committed to the employment and career development of disabled officers and is a holder of the Jobcentre Plus 'Positive about Disabled People' Two Ticks symbol. The symbol is a recognition given to employers who demonstrate that they are serious about achieving equality of opportunity for disabled people.

The NCA actively ensures that disability is not regarded as a barrier to recruitment or promotion. The NCA has a policy of inviting people who have a disability, and who meet the minimum behavioural and technical entry criteria, to interview/assessment. Once in post, disabled officers are provided with any reasonable support/adjustments they might need to carry out their duties.

Within the NCA, the Disability Network Advisory Group (DNAG) provides information and advice on a range of disability issues to all officers. DNAG works with the occupational health and welfare department, Business Disability Forum and MIND, the mental health charity.

Monitoring Expenditure on Consultancy and Temporary Staff

The NCA is required to report expenditure during the year on consultancy and the use of contingent labour (temporary staff). This expenditure includes, as separate line items, total consultancy expenditure and contingent labour expenditure incurred.

Temporary (Non-Payroll) Staff

The table below gives the cost of providing contingent labour to cover business as usual or service delivery activities in the Agency.

Temporary staff are employed either through an employment agency or recruitment consultant, and are engaged on an ad hoc or temporary basis to fulfil requirements within established posts, which involves providing cover (e.g. for a vacancy, holiday, sickness or additional resource), and can undertake operational or professional roles.

'Temporary workers' are interim staff at the NCA junior grades. Whereas 'interim managers' include staff at the NCA middle management grades and senior interim staff at Director level where applicable.

Staff seconded to the NCA from within Government and related arms-length bodies are excluded from the disclosure as they are not considered 'non payroll'.

The use of specialist contractors in 2021-22 was driven by support for the NCA's transformational programme and contractors engaged to work on externally-funded projects. Externally-funded projects operate on a cost recovery basis. The totals below are shown gross (i.e. not net of any related externally-funded income).

	2021-22 £'000	2020-21 £'000
<u>Temporary Workers – Admin and Clerical</u> [*]	7,457	8,187
Admin and clerical agency staff are normally lower-grade contingent labour who are filling in for a role within the organisational structure		
<u>Interim Managers</u> ^{†\$}	11,181	13,543
Middle- to senior-grade staff, concerned with the fulfilment of particular professional functional or senior management positions within the organisational structure		
<u>Specialist Contractors/Services (Consultants)</u> [^] \$	40,639	37,380
Specialists are normally middle to senior grades, used to provide expertise that is not available in-house, fulfilling functional or senior positions within the organisational structure		
	59,277	59,110

* This total includes £5.09m (2020-21: £5.51m) expenditure on temporary workers within cost recovered externally-funded special operations.

† This total includes £3.35m (2020-21: £3.54m) expenditure on interim managers within cost recovered externally-funded special operations.

^ This total includes £16.37m (2020-21: £13.9m) expenditure on specialist contractors within cost recovered externally-funded special operations.

\$ Included in the above is £5.01m (2020-21: £4.00m) contingent labour expenditure which has been capitalised.

Consultancy

Consultancy expenditure covers the provision to management of objective advice relating to the strategy, structure, management or operations of the NCA, in pursuit of its purposes and objectives. Such advice will be provided outside the 'business-as-usual' environment, when in house skills are not available, and will be time-limited.

Resource employed for the purpose of supporting the 'business-as-usual' environment, when in-house skills are not available, but are not expressly contingent labour, are used exclusively for the delivery of services, providing further flexibility to fill unavoidable short-term operating gaps.

For the purposes of disclosure, the NCA classifies such expenditure as Specialist Contractors – middle-to-senior grades used to provide expertise that is not available in-

house, fulfilling functional or senior positions within the organisational structure, engaged on a short-term basis, although not always provided through an employment agency.

Reporting of High Paid Off-Payroll Appointments

The Review of Tax Arrangements of Public Sector Appointees requires the NCA to publish information on the Agency's highly paid and/or senior off payroll engagements. The Agency interprets these as staff who are paid more than £245 per day and contracted through an agency relationship.

Table 1 – All off-payroll engagements as at 31 March 2022 for more than £245 per day and that last for longer than six months:

	2021-22	2020-21
Number of existing engagements as at 31 March 2022	57	91
Of which at time of reporting:		
Number that have existed for less than one year at time of reporting	14	39
Number that have existed for between one and two years at time of reporting	32	36
Number that have existed for between two and three years at time of reporting	7	7
Number that have existed for between three and four years at time of reporting	3	6
Number that have existed for four or more years at time of reporting	1	3

All existing off-payroll engagements outlined above have been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax.

Table 2 – All new off-payroll engagements, or those that reached six months in duration between 1 April 2021 and 31 March 2022 for more than £245 per day and that last for longer than six months:

	2021-22	2020-21
Number of new engagements or those that reached six months in duration between 1 April 2021 and 31 March 2022	46	54
Number assessed as caught by IR35	45	36
Number assessed as not caught by IR35	1	18
Number engaged directly (via PSC contracted to department) and are on departmental payroll	-	-
Number of engagements reassessed for consistency / assurance purpose during the year	-	-
Number of engagements that saw a change to IR35 status following the consistency review	-	-

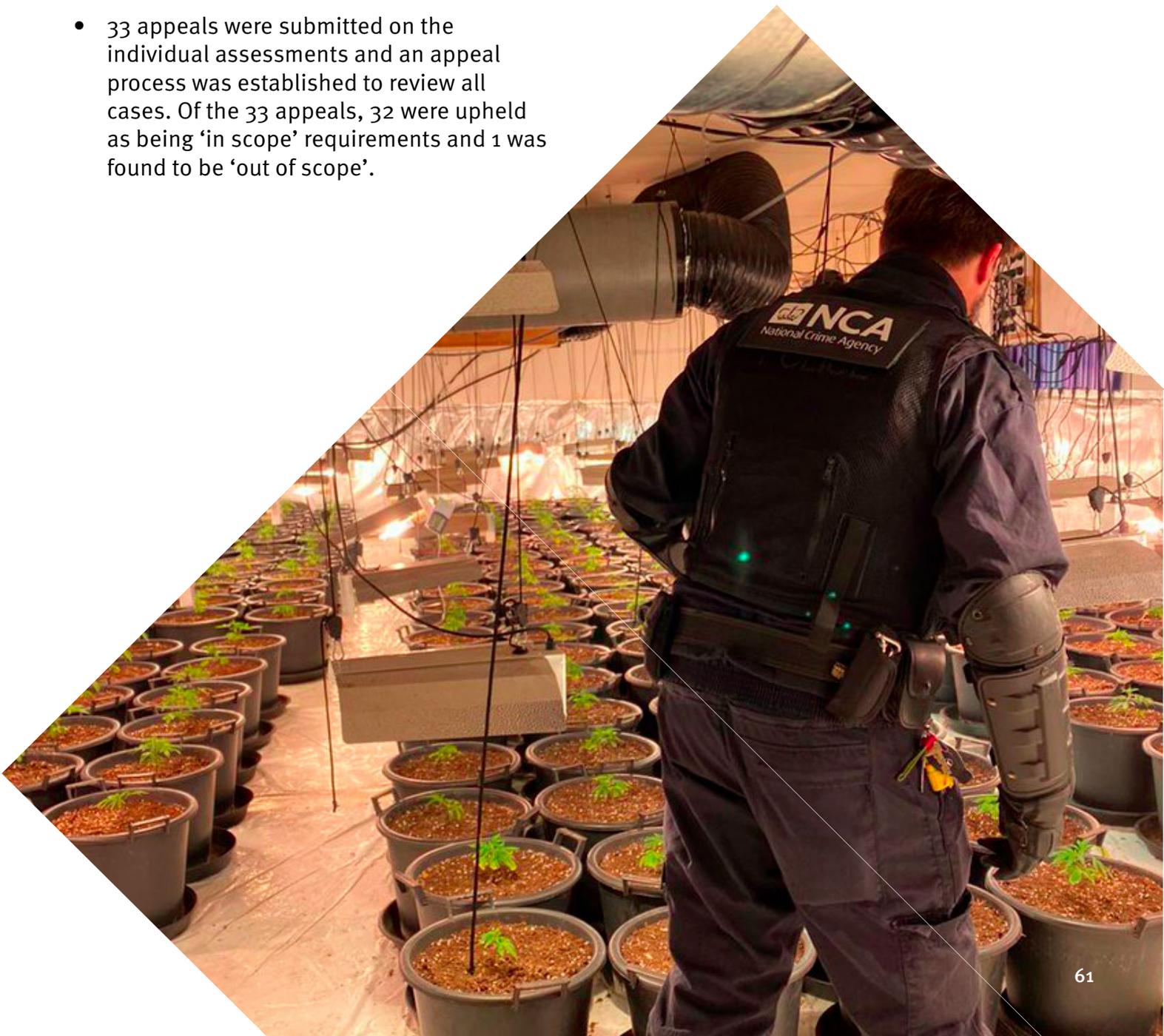
Following the risk-based assessment, no assurance was required from the employment agencies.

During the year, an IR35 consistency review took place. A summary of the results of the review are as follows:

- As at 1 April 2021, there were 250 contingent labour contractors in post (this included those with less than 6 months duration and low value day rates not included in the high off-payroll tables in these accounts). The NCA undertook a review of all contingent labour worker arrangements to determine their IR35 position. Of these, 67 were found to have an 'out of scope' or 'undetermined' status.
- New Status Determination Statements (SDS) were prepared by hiring managers.
- 33 appeals were submitted on the individual assessments and an appeal process was established to review all cases. Of the 33 appeals, 32 were upheld as being 'in scope' requirements and 1 was found to be 'out of scope'.

- At least 14 workers left due to changes in IR35 determination (there may have been more who did not disclose their reason for leaving), other leavers occurred as a result of natural contract finish or non-IR35 reasons.

The NCA had one off-payroll engagement, who was within the scope of IR35, for a Board Member and/or senior officials with financial responsibility between the period 1 April 2021 and 31 March 2022 (Interim Chief Financial Officer).



Parliamentary Accountability and Audit Report

Statement of Outturn against Parliamentary Supply

This section is subject to audit.

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

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

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

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

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

The SoPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent

(budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (Note 1); a reconciliation of outturn to net operating expenditure in the Statement Of Comprehensive Net Expenditure (SOCNE), to tie the SoPS to the financial statements (Note 2); and a reconciliation of outturn to net cash requirement (Note 3).

The SoPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can be found in Chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

The SoPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SoPS disclosures.

Summary Tables

Summary Table, 2021-22

All figures presented in £'000

	SoPS Note	Outturn			Estimate			Outturn Vs Estimate, savings/(excess)		Prior Year Outturn Total 2020-21
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
Departmental Expenditure Limit										
- Resource (RDEL)	1.1	503,420	-	503,420	513,084	-	513,084	9,664	9,664	498,230
- Capital (CDEL)	1.2	45,403	-	45,403	48,036	-	48,036	2,633	2,633	46,929
Annually Managed Expenditure (AME)										
- Resource	1.1	13,850	-	13,850	50,000	-	50,000	36,150	36,150	21,571
- Capital	1.2	-	-	-	-	-	-	-	-	-
Total Budget		562,673	-	562,673	611,120	-	611,120	48,447	48,447	566,730
Non-Budget										
- Resource	1.1									
Total		562,673	-	562,673	611,120	-	611,120	48,447	48,447	566,730
Total Resource		517,270	-	517,270	563,084	-	563,084	45,814	45,814	519,801
Total Capital		45,403	-	45,403	48,036	-	48,036	2,633	2,633	46,929
Total		562,673	-	562,673	611,120	-	611,120	48,447	48,447	566,730

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

Net Cash Requirement 2021-22

All figures presented in £'000

	SoPS Note	Outturn	Estimate	Outturn vs Estimate, Saving/(excess)	Prior Year Outturn Total 2020-21
Net Cash Requirement	3	532,930	670,000	137,070	551,655

Administration Costs 2021-22

All figures presented in £'000

Types of Spend	SoPS Note	Outturn	Estimate	Outturn vs Estimate, Saving/(excess)	Prior Year Outturn Total 2020-21
Administration Costs	1.1	35,212	37,461	2,249	36,513

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

Explanations of variances between Estimates and outturn are given under SoPS 3 below.

Notes to the Statement of Outturn against Parliamentary Supply 2021-22

SoPS 1 Outturn Detail, by Estimate Line

SoPS 1.1 Analysis of Resource Outturn by Estimate Line

Type of Spend (Resource)	Resource Outturn							Estimate	Total Including Virements	Outturn vs Estimate savings/ (excess)	Prior Year Outturn Total	
	Administration			Programme								
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Total £'000	Total £'000	Virements £'000	Total £'000	Total £'000	
Spending in Departmental Expenditure limit (DEL)												
Voted												
A												
– National Crime Agency												
Agency	35,343	(131)	35,212	634,174	(165,966)	468,208	503,420	513,084	-	513,084	9,664	498,230
Spending in Annually Managed Expenditure (AME)												
Voted												
B												
– National Crime Agency												
Agency	-	-	-	13,850	-	13,850	13,850	50,000	-	50,000	36,150	21,571
Total	35,343	(131)	35,212	648,024	(165,966)	482,058	517,270	563,084	-	563,084	45,814	519,801

SoPS 1.2 Analysis of Capital Outturn by Estimate Line

Type of Spend (Capital)	Outturn			Estimate			Outturn vs Estimate savings/ (excess) £'000	Prior Year Outturn Total 2020-21 £'000
	Gross £'000	Income £'000	Net £'000	Net Total £'000	Virements £'000	Total Including Virements £'000		
Spending in Departmental Expenditure limit (CDEL)								
Voted								
A – National Crime Agency	102,732	(57,329)	45,403	48,036	-	48,036	2,633	46,929
Annually Managed Expenditure								
Voted								
B – National Crime Agency	-	-	-	-	-	-	-	-
Total	102,732	(57,329)	45,403	48,036	-	48,036	2,633	46,929

The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require Parliamentary authority (because Parliament does not vote to this level of detail and delegates this to HM Treasury). Further

information on virements are provided in the Supply Estimates Manual, available on gov.uk.

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

SoPS 2. Reconciliation of Outturn to Net Operating Expenditure

Item	Reference	Outturn Total £'000	Prior Year Outturn Total 2020-21 £'000
Total resource outturn in Statement of Parliamentary Supply	SoPS 1.1	517,270	519,801
Less: Capital grants		(56,834)	(61,481)
Other – Research and Development (R&D) expenditure		6,822	6,072
Other – capital expenditure		6,343	4,930
Net Operating Expenditure in Statement of Comprehensive Net Expenditure		473,601	469,322

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

Capital grants, R&D and Capital expenditure are budgeted for as CDEL, but do not classify as an asset under IFRS – International Account Standard (IAS) 16 and are accounted for as spend or income on the face of SOCNE, and therefore function as a reconciling item between Resource and Net Operating Expenditure. Corresponding adjustments are made in SoPS 1.2 and SoPS 2.

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

Item	Reference	Outturn Total £'000	Estimates Total £'000	Outturn vs Estimate Savings/ (excess) £'000
Resource outturn	SoPS 1.1	517,270	563,084	45,814
Capital outturn	SoPS 1.2	45,403	48,036	2,633
<i>Adjustments to remove non-cash items:</i>				
Depreciation and impairment		(55,468)	(58,569)	(3,101)
New provisions and adjustments to previous provisions		(23)	(50,000)	(49,977)
Other non-cash items		11,242	(130)	(11,372)
<i>Adjustments to reflect movements in working balances:</i>				
Increase in receivables		11,299	-	(11,299)
Decrease in payables		2,521	167,579	165,058
Use of provisions		686	-	(686)
		532,930	670,000	137,070
Removal of non-voted budget items				
Consolidated Fund Standing Services		-	-	-
Other adjustments		-	-	-
Net cash requirement		532,930	670,000	137,070

As noted in the introduction to the SoPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

Explanation of key variances between Estimates and outturn are as follows:

Despite the challenges faced in-year of the impact of Covid-19, the NCA managed and optimised its funding, taking appropriate action to identify and mitigate risk and maximise opportunities through the redeployment of resources.

The NCA achieved a strong operational performance as outlined in Part 1 of these accounts. Some of the planned

transformational work was impacted by the larger than expected number of vacancies with the planned implementation of this now expected in the 2022-25 Spending Review period.

Resource Departmental Expenditure Limit:

RDEL underspend includes both cash and non-cash items. Removing non-cash depreciation, the NCA cash underspend was 1.45%. This is slightly above Board tolerance level of 1% and reflects underspend, primarily within the Admin Pay budget, due to higher than forecast vacancies during the year.

RDEL non-cash depreciation underspend of £3m reflects delay in delivering Portfolio capital projects during the financial year.

Capital Departmental Expenditure Limit: CDEL underspend of £2.63m is 5.48% of the Estimated budget. The CDEL underspend was due to delays in delivering the NCA's Portfolio projects as a result of higher than forecast vacancies within the NCA and supply chain issues.

Resource Annually Managed Expenditure: The reported outturn represents a 72% underspend. AME by its nature is demand led and volatile. The NCA maintains a budget with comfort to react to the volatile nature of expenditure in this category. AME expenditure

is affected by changes in discount rates, with the majority of the expenditure the result of movements in provisions and the Police Pension liability. The NCA has no control over this expenditure and the underspend represents a smaller movement in provisions than forecast.

Net Cash Requirement: Cash is drawn down when required and not in advance of need. The cash held at the end of the financial year is returned to HM Treasury during financial year 2022-23.

Remote Contingent Liabilities, Losses and Special Payments

This section is subject to audit.

Indemnities

A Departmental Minute was laid before Parliament in March 2015 that enables the NCA to indemnify bodies against losses when using their facilities for firearms training purposes, to a maximum value at any one time of £50m.

Firearms Indemnities	2021-22	2020-21
Agreements entered into with suppliers during the year	43	50
Maximum value at any one time	£26m	£28m

There was one indemnity in place with firearms training establishments on 31 March 2022 (2020-21: nil). Controls were in place to ensure that these did not exceed the £50m limit at any specific date. No individual firearms indemnity held during the reporting period exceeded £5m in value.

The NCA has the authority to enter into other indemnities for operational need in line with the limits set out by the 2015 Departmental Minute. The NCA entered into no new indemnity during 2021-22 (2020-21: one).

A PF78 (solicitor's undertaking as to expenses) occurred in circumstances where a person, by dint of their age or capacity, was unable to defend their own interests. In these cases, the court would direct that their interests were independently represented by the office of the Official Solicitor. In such circumstances, the NCA was requested by the court to provide an undertaking to indemnify the Official Solicitor's reasonable costs. No new PF78s were established in the period to 31 March 2022 (2020-21: nil).

The following indemnities are in place as at 31 March 2022:

- no indemnities (2020-21: 5) with banks relating to the recovery of criminal assets (2020-21: £0.618m).
- 6 indemnities (2020-21: 6) with clearing banks with a maximum aggregated value of £1.9m (2020-21: £2.3m).
- 8 operational indemnities (2020-21: 8) with a combined maximum estimated value of £6.149m (2020-21: £6.00m).
- 5 PF78 solicitor's undertaking as to expenses (2020-21: 5). PF78s are to cover all 'reasonable expenses' with a potential liability of less than £0.125m (2020-21: £0.125m).

No liabilities crystallised during the reporting period. The NCA continually reviewed indemnities according to the quantum of risk and likelihood.

Losses and Special Payments

There were no losses during the year.

In accordance with Managing Public Money, the NCA is required to disclose the total value of special payments made during the year. Separate disclosure is also required for any special payments greater than £0.30m.

A number of special payments totalling £0.28m were made during 2021-22 for which HM Treasury approval was received. No payments were greater than £0.30m. In all cases, HM Treasury approval was received and the expenditure was met through NCA Estimate delegation.



Graeme Biggar CBE
Director General

12 July 2022

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

Opinion on financial statements

I certify that I have audited the financial statements of the National Crime Agency for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000. The financial statements comprise: the National Crime Agency's:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the National Crime Agency's affairs as at 31 March 2022 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn Against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2022 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

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

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the National Crime Agency 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 National Crime Agency'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 National Crime Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Crime Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

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

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and

- assessing the National Crime Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- the nature of the sector, control environment and operational performance including the design of the National Crime Agency's accounting policies.
- Inquiring of management, National Crime Agency's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Crime Agency's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Crime Agency's controls relating to the National Crime Agency's compliance with the Government Resources and Accounts Act 2000, Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2021;
- discussing among the engagement team and involving relevant external specialists, including Pensions experts, 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 National Crime Agency for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management

estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the National Crime Agency's framework of authority as well as other legal and regulatory frameworks in which the National Crime Agency operates, focusing 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 National Crime Agency. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2021, Crime and Courts Act 2015, Serious Crime Act 2015, Employment Law, Tax Legislation, and relevant Pensions Legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing 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;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing 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, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I also communicated relevant identified laws and regulations and potential fraud risks 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 certificate.

Other auditor's responsibilities

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

I am also required to obtain evidence sufficient 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 that I identify during my audit.

Report

I have no observations to make on these financial statements.

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

15 July 2022



Part Three - Financial Statements

Statement of Comprehensive Net Expenditure

for the period ended 31 March 2022

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2021-22 £'000	2020-21 £'000
Revenue from contracts with customers	5	(215,767)	(202,148)
Other operating income	5	(7,163)	(7,035)
Total operating income		(222,930)	(209,183)
Officer costs	3	350,491	333,782
Other operating expenditure	4	278,272	263,880
Depreciation and impairment charges	4	55,468	64,203
Total operating expenditure		684,231	661,865
Net operating expenditure		461,301	452,682
Interest on pension liabilities	3a	12,300	16,640
Net expenditure for the year		473,601	469,322

Other Comprehensive Net Expenditure

	Note	2021-22 £'000	2020-21 £'000
Items which will not be reclassified to net operating expenditure:			
Net gain on revaluation of property, plant and equipment	4/6	(1,338)	(870)
Actuarial loss on pension reserve	3a	117,420	65,670
Comprehensive net expenditure for the year		589,683	534,122

The notes on pages 79 to 102 form part of these accounts.

Statement of Financial Position

as at 31 March 2022

This statement presents the financial position of the NCA. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	2021-22 £'000	2020-21 £'000
Non-current assets			
Property, plant and equipment	6	135,873	126,933
Intangible non-current assets	7	136,304	110,153
Total non-current assets		272,177	237,086
Current assets			
Trade and other receivables	10	144,242	132,943
Cash and cash equivalents	9	44,357	13,287
Total current assets		188,599	146,230
Total assets		460,776	383,316
Current liabilities			
Trade and other payables	11	(123,304)	(94,475)
Provisions	12	(2,956)	(2,636)
Total current liabilities		(126,260)	(97,111)
Total assets less current liabilities		334,516	286,205
Non-current liabilities			
IAS 19 pension liability	3	(1,101,551)	(995,373)
Provisions	12	(11,265)	(12,248)
Other payables	11	(1,430)	(1,710)
Total non-current liabilities		(1,114,246)	(1,009,331)
Total assets less total liabilities		(779,730)	(723,126)
Taxpayers' equity and other reserves:			
General Fund		123,881	63,473
Pension Reserve		(924,450)	(807,030)
Revaluation Reserve		20,839	20,431
		(779,730)	(723,126)

The notes on pages 79 to 102 form part of these accounts.



Graeme Biggar CBE
Director General and Accounting Officer, National Crime Agency
 12 July 2022

Statement of Cash Flows

for the period ended 31 March 2022

The Statement of Cash Flows shows the changes in cash and cash equivalents of the NCA during the reporting period. The statement shows how the NCA generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the NCA. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the NCA's future public service delivery.

	Note	2021-22 £'000	2020-21 £'000
Cash flows from operating activities			
Net expenditure for the year		(473,601)	(469,322)
<i>Adjustments for non-cash transactions:</i>			
Depreciation and audit fee	4	55,619	61,650
Loss on asset revaluation	4	6	825
(Surplus)/loss on disposal of non-current assets	4	(158)	(102)
Impairment of assets	7	(1)	2,688
Pension costs	3a	16,580	22,090
Employee contribution	3a	838	860
Police Pension payment made	3a	(28,660)	(28,990)
Increase in receivables	10	(11,299)	(43,882)
Decrease in trade and other payables	11	(2,521)	(628)
(Decrease)/increase in use of provisions	12	(663)	565
Net cash outflow from operating activities		(443,860)	(454,246)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(37,557)	(35,507)
Purchase of intangible assets	7	(52,010)	(62,147)
Proceeds from disposal of property, plant and equipment		497	246
Net cash outflow from investing activities		(89,070)	(97,408)
Cash flows from financing activities			
From the Consolidated Fund		564,000	557,000
Net financing		564,000	557,000
Net increase in cash and cash equivalents in the period		31,070	5,346
Cash and cash equivalents at the beginning of the period		13,287	7,941
Cash and cash equivalents at the end of the period		44,357	13,287

The notes on pages 79 to 102 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the period ended 31 March 2022

This statement shows the movement in the year on the different reserves held by the NCA, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the changes in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of the NCA, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £'000	Pension Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2020		(20,610)	(741,360)	21,169	(740,801)
Net gain on revaluation of property, plant & equipment	6	-	-	870	870
Actuarial loss on pension reserve	3a	-	(65,670)	-	(65,670)
Comprehensive net expenditure for the year		(469,322)	-	-	(469,322)
Non-cash charges – auditor's remuneration	4	143	-	-	143
Transfer between reserves		1,608	-	(1,608)	-
Supply payable		(13,287)	-	-	(13,287)
Net parliamentary funding		564,941	-	-	564,941
Balance at 31 March 2021		63,473	(807,030)	20,431	(723,126)
Net gain on revaluation of property, plant & equipment	6	-	-	1,338	1,338
Actuarial loss on pension reserve	3a	-	(117,420)	-	(117,420)
Comprehensive net expenditure for the year		(473,601)	-	-	(473,601)
Non-cash charges – auditor's remuneration	4	150	-	-	150
Transfer between reserves		930	-	(930)	-
Supply payable		(44,357)	-	-	(44,357)
Net parliamentary funding		577,286	-	-	577,286
Balance at 31 March 2022		123,881	(924,450)	20,839	(779,730)

The notes on pages 79 to 102 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

Basis of Preparation

The financial statements for the NCA have been prepared in accordance with the 2021-22 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NCA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NCA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The NCA is a Non-Ministerial Department which is accountable to the Home Secretary for its performance. Accordingly, it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

The presenting currency is in pounds sterling, rounded to the nearest thousand.

1 a) Accounting Convention

The accounts have been prepared on an accruals basis under the historical cost convention, modified to account for the revaluation of property, plant and equipment. Intangible assets and inventories are not revalued.

1 b) Income

Income is recognised in accordance with IFRS 15 Revenue from Contracts with Customers as adapted by FReM.

Revenue is recognised when a performance obligation is met at a point in time at the transaction price allocated to the performance obligation. If the cash has not been received by year end, the income is accrued and recognised in the SOCNE.

The NCA does not include income from sales of non-current assets within the scope of IFRS 15 as such gains would not be classed as revenue. Proceeds from the sale of non-current assets are offset against the net book value to determine the profit or loss on disposal as set out in Note 4.

All income is recognised in the year to which it relates. If cash has been received in advance of its associated expenditure, it is deferred to the following year and included as a contract liability in Note 11.

The table below shows the income streams recognised under IFRS 15 during the financial year 2021-22:

Income Stream	Description of Income Stream	Performance Obligation	Determination of Transaction Price	Payment Terms
Asset Recovered Incentivisation Scheme	Recovery of proceeds of crime	The NCA has powers set out in legislation to recover this income	Value of penalty collected	Payment by court order
Civil recoveries applied to receivers' fees	Recovery of costs in relation to civil recovery case work	Receivers' investigations work undertaken by the NCA	Value of costs awarded	Payment by court order
EU Funding	External funding for EU-specific projects	Completion of project work against agreed deliverables	Agreed within Memorandum of Understanding	Payment at the time work is completed on an accruals basis
Overhead Recharge	Recovery of administration costs	Supply of service delivery in line with agreed project work	Agreed within Memorandum of Understanding	Payment at time service is consumed
Proceeds of Crime Centre (PoCC) accreditation, registration and training	PoCC accreditation, registration and training provided by the NCA	On accreditation, registration or delivery of training	Standard price per level of accreditation and per training course	Payment in advance
Recovery of costs	Legal and other non-routine work carried out by the NCA	Completion of work against agreed deliverables	In agreement between the NCA and funding provider	Payment at time work completed on an accruals basis
Rental income	Licence fee arrangement for provision of accommodation within the NCA estate	Provision of accommodation	Agreed within Licence Agreement	Payment at the time service is consumed
Specific Operational funding	External funding for specific operational projects	Work carried out by the NCA	Agreed within Memorandum of Understanding	Payment at the time work is completed on an accruals basis
Training and conference fees	Supply of training and conference services	Supply of services	Set out in order confirmation	Payment at time or in advance of event

Asset Recovered Incentivisation Scheme (ARIS) income is required to be spent in the year in which it was rewarded.

Specific operational funding and recovery of costs relate to income received from stakeholders to cover the costs of specific operational initiatives and consequently certain costs are recovered when the performance obligation is met at a transaction price agreed within a Memorandum of Understanding or other agreement.

Significant Judgements

The total consideration from contracts is included in the transaction price for each income stream. None of the income streams contains variable consideration.

The performance obligation is satisfied when the goods or services are supplied. The income is recognised at the same point in time. The customer obtains control of goods or service at the point of delivery.

Income Streams not recognised under IFRS 15

Income is received in the form of government grants from Devolved Administrations to allow a collaborative working relationship between the NCA and the Police Service of Northern Ireland, and the NCA and the Police Service of Scotland. Funding is recognised during the year it is received, accounted for under IAS 20 Accounting for Government Grants and taken through the Statement of Comprehensive Net Expenditure.

Donation of goods and services is a notional income stream offset by notional expenditure recognised in Note 4. The notional funding element is recognised in accordance with IAS 20.

1 c) Foreign Currency

Transactions denominated in foreign currency are converted into sterling at the rate of exchange ruling on the date of each transaction, except where rates have not fluctuated significantly, in which case an average rate for the month is used. All end of

year balances are translated at the prevailing spot rate on 31 March 2022.

Monetary assets and liabilities denominated in foreign currency at the Statement of Financial Position date are translated at the rates ruling at that date. Any translation differences arising are taken to the Statement of Comprehensive Net Expenditure.

1 d) Leases

In accordance with IAS 17 Leases, rental payments made under operating leases on land and buildings and equipment are charged to expenditure. Discounts received for rent-free periods are recognised over the term of the lease through the Statement of Comprehensive Net Expenditure. Note 1 p) provides more information on the upcoming changes to lease accounting treatment from 1 April 2022.

The NCA does not hold any finance leases or Private Finance Initiative (PFI) contracts.

1 e) Pensions Reserve

In accordance with government accounting guidance, actuarial gains or losses on pension scheme liabilities are recognised in the Statement of Changes in Taxpayers' Equity. The movement in gain or loss is shown in the Pensions Reserve.

1 f) Pension Costs

Employer contributions to the Principal Civil Service Pension Scheme are charged to the Statement of Comprehensive Net Expenditure as incurred at the relevant percentage of employees' pensionable pay as specified by the pension scheme administrators. The annual charge is designed to reflect the cost of pension benefits over the employee's service life.

The cost of providing unfunded pension benefits for former police officers is charged to the Net Expenditure account over the qualifying service life of the officer. The qualifying service for these pension benefits includes prior service with a police force in addition to service with the NCA, although no

funding is received from the officer's previous employer in relation to this past service. The annual charge to the Statement of Comprehensive Net Expenditure is calculated so that the Statement of Financial Position provision reflects the proportion of the future pension liability relevant to accumulated qualifying service at the Statement of Financial Position date. The Police Pension liability includes a provision for future injury awards. A payment to cover the net pension deficit is included in the NCA budget annually. The deficit is caused by expenditure on pensions exceeding contributions.

The GAD has, in accordance with IAS 19, advised that any obligation that arises from other long-term employee benefits that depend on length of service needs to be recognised when service is rendered. As injury awards under the Police scheme are dependent on service, GAD values the liability expected to arise due to injury awards in respect of service prior to the valuation date. GAD uses historic data from police authorities to determine the expected incidence and size of future injury awards.

In accordance with government accounting guidance, actuarial gains/losses on pension scheme liabilities are recognised in the Statement of Changes in Taxpayers' Equity. The movement in gain/loss is shown in the Pensions Reserve.

1 g) Value Added Tax (VAT)

Most of the activities of the NCA are outside the scope of VAT and, in general, output tax does not apply and input tax is not recoverable. Input tax is recovered in accordance with services listed in HM Treasury's Contracting-Out of Services Direction, which is provided for in Section 41(3) of the VAT Act 1994. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1 h) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements requires management to make appropriate judgements and assumptions that affect the amounts reported for assets and liabilities for the year ending 31 March 2022, and for amounts reported for income and expenses during the relevant period.

Key accounting judgements and sources of estimation uncertainty relate to:

i. Provisions

A provision is recognised when the Agency has a present legal or constructive obligation that has arisen as a result of a past event, when payment is probable and the amount can be estimated reliably. In determining the value to recognise as a provision in the accounts we use estimates provided by suitably qualified professionals.

ii. Police Pension Scheme and related schemes

The GAD estimates the present value of the defined benefit liabilities. These are determined using the Projected Unit Credit Method (PUCM). Under the PUCM, the actuarial liability represents the present value of future benefit payments arising in respect of service prior to the valuation date.

1 i) Non-Current Assets

Expenditure incurred by the NCA on the acquisition of capital assets or expenditure that adds to the value of existing assets is capitalised, provided that the assets give benefit to the NCA for a period of more than one year. Where appropriate, the NCA capitalises the cost of salaries directly attributed to developing the non-current assets as permitted within IAS 16.

Capital assets, both tangible and intangible, are assets that cost or are valued at or above a capitalisation threshold of £5,000 which is set by the NCA Board and with an expected working life of more than one year. Individual assets that cost less than £5,000 but are

required to be grouped together to form one capital asset with a total value greater than £25,000 are capitalised. Technical equipment assets, the individual components of which cost less than £5,000 but which are non-consumable in nature, are also treated as capital assets.

Expenditure on the fit-out and works to buildings financed by operating leases is capitalised as a tangible non-current asset if the works add to the value of the building. Fit-out costs of all new buildings could include the costs of new furniture and equipment that individually cost less than £5,000, but collectively cost more than £25,000, where it is more appropriate to capitalise the initial costs. Tangible non-current assets are carried at fair value for existing use.

The NCA proactively reviews the content of its Non-Current Asset Register (NCAR). All assets held on NCAR are subject to an annual verification exercise to include an impairment

review. The NCA operates an Impairment Review Policy. An impairment review is carried out when there is an indication of impairment for any asset, or group of assets. Impairment costs are recognised in the SOCNE.

Capital investment development programme business case reviews and approvals enabled the NCA to validate the existence, utilisation and value of assets recorded in the NCAR.

1 j) Depreciation and Amortisation

A full month's depreciation or amortisation is provided in the month following first use or availability for use and apportioned to the date of disposal. No depreciation is provided on assets under construction until they are brought into use or are available for use.

Depreciation or amortisation is provided on all non-current assets either in use or available for use on a straight-line basis to write-off the cost or valuation evenly over the asset's anticipated useful life, as follows:

Asset type	Useful economic life
Land and buildings	Land is not depreciated. Buildings are depreciated to their useful estimated residual value over the remainder of the buildings' estimated useful economic lives. The range of freehold buildings' lives at 31 March 2022 to 2050 was 1 to 30 years.
Improvements to leasehold buildings	The shorter of the duration of lease or anticipated useful economic life of improvements, subject to maximum period of 10 years.
Motor vehicles	3–9 years
Plant and equipment	5 years
Furniture and fittings	10 years
IT equipment and software	3–10 years
Intangible non-current assets – IT licences and software	5 years (or the duration of the licence)

Tangible assets are revalued annually and are reported at current cost.

1 k) Revaluation

The NCA has a policy of revaluing its non current assets (excluding freehold properties) annually by applying government-approved indices per asset type.

Freehold properties are subject to two yearly professional revaluations. A full professional valuation was carried out by Avison Young as at 31 March 2021. Property values have been updated to reflect this valuation. All freehold building assets are aligned to standard depreciation terms per building as determined by its remaining useful economic life.

Intangible assets are not revalued.

1 l) Provisions

The Legal Provision assesses the likelihood, potential risk and value of legal actions against the NCA. The provision incorporates estimates for both legal costs and compensation.

The Retirement Provision was created to provide for expected future pension obligations arising from the HM Treasury-approved exit scheme, which the NCA adopted in October 2010. The valuation, as advised by HM Treasury, includes a post-employment benefits real discount rate of -1.30%, which is applied to future years' cash flows with effect from 31 March 2022 (-0.95% from 31 March 2021).

The Dilapidation Provision assesses and values expected dilapidation costs due when the NCA vacates a leased building. The provision is based on an estimated charge for the specific sites involved and allows for the reversal of any changes to the buildings made by the NCA and the costs of redecoration.

The Onerous Lease Provision is for offices vacated by 31 March 2022 for which there is a lease obligation beyond this date. The provision takes into account known future lease breaks and lease end dates.

Dilapidation and Onerous Lease General Provisions are measured at their present value using the discount rate provided by HM Treasury as per the table below:

Nominal Rates	Short-term (1-5 years)	0.47%
	Medium-term (5-10 years)	0.70%
	Long-term (10+ years)	0.95%
Inflation	Year 1	4.0%
	Year 2	2.6%
	Into Perpetuity	2.0%

1 m) Contingent Liabilities

Contingent liabilities are disclosed in accordance with IAS 37 as applied or adapted for the public sector under the FReM. Additionally, the NCA complies with HM Treasury Guidance 'Managing Public Money', and ensures that HM Treasury and Parliamentary approval are sought where appropriate.

1 n) Recovered Assets

The criminal confiscation, civil recovery and taxation provisions under the Proceeds of Crime Act 2002 (PoCA) are utilised by the NCA to deprive criminals of their illicit profits and assets. Consequently, proceeds from recovered assets are received and paid over to the Home Office. The NCA continues to participate in the incentivisation scheme whereby the NCA and referring law enforcement agencies receive a portion of the remittances, treated as income, as an incentive to build their asset recovery capacity.

Sale proceeds from recovered assets less allowable costs, including receivers' fees deducted, are paid to the Home Office.

The NCA manages bank accounts where recovered cash is deposited. Each year end, the excess of civil recoveries over receivers' fees applied, net of any direct disposal costs, is paid over to the Home Office. For assets recovered through criminal and tax cases, the amounts are paid over quarterly.

Section 280 Subsection 3, of the Crime and Courts Act 2013 enables the Director General to meet the costs of an appointed Interim Receiver from sums received from civil recovery proceedings in a way that directly mirrors the provisions in criminal confiscation cases in Parts 2 and 4 of PoCA. The commencement date of the provision was 1 July 2005 and, thereafter, the costs of Interim Receivers and Trustees were permitted to be offset against eventual case proceeds. Assets and cash held by the NCA on behalf of third parties in relation to these activities are not included in the NCA's accounts but are separately reported in Note 17.

1 o) Financial Instruments

The majority of the NCA's financial instruments are trade receivables and payables.

As the majority of the NCA's receivables are held with central government departments they are considered to be held at low credit risk.

The NCA operates a 30 day payment policy for all payables that is monitored on a monthly basis for compliance. The NCA do not hold any long-term trade payables and all balances are shown at cost.

The NCA does not operate hedge accounting, therefore the specific requirements of IFRS 9 for hedging instruments do not apply.

1 p) IFRS and Other Accounting Changes that have been issued but are not yet effective

IFRS 16 Leases was issued in January 2016 and effective from 1 January 2019. HM Treasury guidance requires IFRS 16, as adapted by FReM, is to be implemented on 1 April 2022 by UK Government bodies.

Upon implementation on 1 April 2022, the opening balance of the NCA's non-current assets is expected to increase by £106.8m as right of use assets are brought onto the NCA's non-current asset register.

As allowed by IFRS 16, the NCA adopted a practical expedient approach, 'grandfathering' leases currently recognised under IAS 17.

The following exemptions have been applied:

- i) Low value leases - defined as leases with a whole-life cost less than £5,000 at date of entering into the agreement; and
- ii) Short-term leases - defined as a lease with a term less than 12 months.

All leases were assessed for recognition for being in or out of scope of the IFRS 16 recognition criteria. When not explicitly stated in the lease, judgements were made on the following:

- i) Discount rate used to value the whole life cost of the asset. In these cases, the HM Treasury discount rate was used.
- ii) The NCA's element of 'control' of the asset to determine the right of use and therefore recognisable under IFRS 16.
- iii) Term of lease. If the lease included a 'break clause', lease end date is used.
- iv) Due to the difficulty in accurately measuring dilapidations, these continue to be recognised as a Provision and not included in the lease liability calculation.
- v) Software licenses are outside the scope of IFRS 16 and continue to be recognised under IAS 38.
- vi) Income from leases will continue to be recognised under IFRS 15 Revenue from Contracts with Customers.

2. Statement of Operating Expenditure by Operating Segment

2021-22 Description of Segment	Gross expenditure £'000	Income £'000	2021-22 Net Expenditure £'000
Change	33,492	(26,561)	6,931
Corporate Business Services	58,355	(1,295)	57,060
Corporate Finance	62,524	(19,674)	42,850
Digital, Data and Technology	81,069	(14,506)	66,563
Human Resources	14,088	-	14,088
Intelligence	191,641	(50,210)	141,431
Investigations	110,763	(22,945)	87,818
Legal	5,847	(183)	5,664
National Economic Crime Centre	46,949	(47,708)	(759)
Strategy	9,354	-	9,354
Threat Leadership	82,450	(39,849)	42,601
2021-22 Total	696,532	(222,931)	473,601

As a result of in-year reporting line changes, 2020-21 totals have been restated in line with the 2021-22 structure. The 2020-21 restated comparatives are shown in the table below:

2020-21 Description of Segment	Gross expenditure £'000	Income £'000	2020-21 Net Expenditure £'000
Change	28,486	(10,307)	18,179
Corporate Business Services	59,022	(1,760)	57,262
Corporate Finance	96,266	(56,136)	40,130
Digital, Data and Technology	85,593	(20,079)	65,514
Human Resources	15,467	(2,000)	13,467
Intelligence	178,450	(35,501)	142,949
Investigations	104,776	(18,465)	86,311
Legal	3,723	(160)	3,563
National Economic Crime Centre	31,028	(11,557)	19,471
Strategy	10,502	(350)	10,152
Threat Leadership	65,192	(52,868)	12,324
2020-21 Total	678,505	(209,183)	469,322

Description of Segments

The segmental analysis is consistent with how financial performance is reported to the NCA Board.

The underlying factors in identifying the reportable segments are driven by budget allocations, departmental priorities and financial risks. This provides the Board with decision-making information based upon sound financial reporting. It enables the determination of resource spend by entity, departmental priority and operational activity.

No segmental data is shown for assets or liabilities, as many of these costs, such as depreciation, are posted to a central cost centre within Corporate Finance. Any analysis of assets and liabilities by cost centre would not provide meaningful data and so has not been included in these accounts.

Strategy

NCA Strategy Command manages and supports the governance functions and structures of the NCA on behalf of the NCA Board and Command Team. It has responsibility for developing and disseminating the NCA's strategic positioning, in particular with government, key domestic and international partners.

Threat Leadership

Threat Leadership Command drives the national response to the SOC threat, through one NCA voice. The Command works with partners inside the NCA and externally to set the strategic direction, facilitate effective delivery of the response and ensure that we understand the impact of our activity.

Threat Leadership includes Child Sexual Abuse and Exploitation (CEOP/CSAE), Modern Slavery and Human Trafficking (MSHT), Organised Immigration Crime (OIC), Borders, Firearms and Drugs threats, and the National Cyber Crime Unit (NCCU).

National Economic Crime Centre

The National Economic Crime Centre (NECC) is a collaborative, multi-agency centre that was established to deliver a step change in the response to tackling economic crime. The NECC sets threat priorities that inform operational coordination between partners, and facilitates the exchange of data and intelligence between the public and private sectors.

The NECC aims to enhance the UK response to illicit finance, including economic crime and wealth linked to corrupt elites by leading - across the whole SOC system - an uplift in investigative capability.

The NCA receives external funding to uplift its capability to tackle illicit finance. This income is distributed across all commands in the NCA and is included under NECC in the segmental data presented above.

The NECC manages the training income and accreditation relating to the Proceeds of Crime Centre.

Intelligence

NCA Intelligence aims to utilise the enhanced intelligence picture of SOC threats to the UK and to flex the NCA, law enforcement and wider government collective resources to disrupt the threat.

It aims to achieve this by putting intelligence at the heart of the NCA and looking for new opportunities in intelligence collection. It works to develop new, and enhanced traditional, capabilities to increase the quantity and quality of intelligence available to exploit, both in the UK and abroad.

Investigations

NCA Investigations Command's aim is to protect the public from the most serious threats by disrupting and bringing to justice those SOC offenders who present the highest risk to the UK.

Corporate Finance

Corporate Finance works to plan and prioritise our resource and capital expenditure, support our investment and capability strategy, provide analysis on value for money and evaluation of options for any investment opportunity, and ensure compliance with our statutory, regulatory and corporate governance duties. Corporate Finance includes the NCA spend that is not Command specific (such as non-cash expenditure).

Corporate Business Services

Corporate Business Services comprise Finance, Commercial, Estates and Service Improvement.

The Command supports the NCA's operational activity by providing sound financial advice, and overseeing service management, maintenance of the NCA estate and the management of the NCA's fleet.

The Commercial Department is responsible for ensuring that goods and services are purchased in a legal and compliant manner, taking into consideration sustainability and environmental issues.

The Business Management Team manages the delivery of service improvement initiatives across Enabling Capabilities.

Human Resources

The NCA Human Resource Command leads on performance, workforce planning, conduct, reward, HR policies, diversity, wellbeing, complex casework, learning and development and health and safety.

Digital, Data and Technology

Digital, Data and Technology (DDaT) is responsible for creating a cutting-edge technology and information environment that connects, empowers and enhances our officers' crime-fighting capabilities.

The Command is beginning the transformation of the NCA's technology estate and technology organisation. This will underpin the NCA's wider transformation agenda while supporting day-to-day service and continuing to deliver the IT Investment Portfolio.

Legal

NCA Legal supports the Agency in leading the fight to cut SOC. The Command has four separate teams, together with a business support team, dedicated to supporting the work of the entire NCA by providing advice on a range of matters, including operational legal advice to investigators, Intelligence Collection and the Intelligence Hub; advice on the legal risk associated with the NCA's information management policies and processes; and advice to the NCA Board and corporate services on HR issues.

Change

NCA Change is made up of two areas:

The Transformation team leads delivery of the Transformation Portfolio and the Strategic Change Roadmap, which describes what the Agency must deliver to achieve its strategy.

The Change Department delivers structured and prioritised change to enable the NCA to maximise its crime-fighting capabilities in alignment with its objectives. The NCA aims to do this by promoting a change environment that provides maximum benefit for the optimum input.

3. Officer Costs

	2021-22 £'000	2020-21 £'000
Wages and salaries	264,977	254,248
Social security costs	24,872	23,006
Pension costs	57,487	52,064
Current service cost net of employee contributions	4,280	5,450
Less recoveries in respect of outward secondments	(1,125)	(986)
Total Officer Costs	350,491	333,782

Further analysis of officer costs can be found in the Staff Report on page 56.

3 a) Police Pension Scheme

The NCA operates a defined benefit Police Pension Scheme for former police officers.

The Police Pension Fund was established under the Police Pension Fund Regulations 2007 (SI 2007/1932).

As part of the scheme, the NCA accepted liability for payment of the pension benefits in respect of the officers' past service with a police force, although no transfer values were payable from a former employer in respect of this liability, as well as their pensionable service whilst employed by the NCA.

Pension benefits were paid from the NCA resources as they fell due. In the year ending 31 March 2022, £28.66m was paid to pensioners (2020-21: £28.99m).

Officers in the 1987 pension scheme make contributions of 14.25% to 15.05% of salary (according to salary threshold), those joining the 2006 scheme pay 11.00% to 12.75% and

those in the 2015 scheme pay 12.44% to 13.78%. The schemes have different accrual rates and retirement ages. Pensions paid in the reporting period were charged against the Pension liability. The NCA incurred the cost of employer contributions in the reporting period totalling £1.90m (2020-21: £1.91m). The employee's contribution is set nationally by the Home Office and is subject to revaluation by the Government Actuary's Department (GAD) during 2021-22.

In order to comply with the Government Financial Reporting Manual and Accounts Guidance, the NCA was required to provide in these accounts for the full value of the expected future pensions liabilities of the officers. Since 2010-11 the Government Actuary's Department (GAD) has valued contingent injury awards in accordance with IAS 19. The NCA commissioned GAD to value the scheme liabilities as at 31 March 2022. The full provision for pension liabilities at 31 March 2022 of £1,101.55m (2020-21: £995.37m) is based on the assumptions and information set out below.

Pension Liabilities

	2021-22 £'000	2020-21 £'000
Present value of liabilities	1,101,551	995,373
Net pension liabilities	1,101,551	995,373

The main assumptions used by the GAD were as follows:

	2021-22 % pa	2020-21 % pa
Discount rate	1.55	1.25
Inflation assumption*	2.90	2.22
Rate of increase in salaries	4.15	3.72
Rate of increase in pensions	2.90	2.22
Rate of CARE revaluation	4.15	3.47

* As a result of potential increase in rate of inflation (RPI) in future years as a result of inflationary pressures, RPI in 2022-23 is likely to result in a larger than normal increase in liability and corresponding increase in members' pension benefits from 2022-23 onwards. The value of the impact is not known at this stage.

The net scheme assets at 31 March 2022 are as follows:

Re-measurements of net defined liability/(asset) for the year	2021-22	2020-21
Direct Recruits Scheme	£'000	£'000
Experience (losses)/gains	(49,620)	9,160
Effect of changes in demographic and financial assumptions	(67,800)	(74,830)
Re-measurements of net defined liability	(117,420)	(65,670)

The re-measurement of net defined (liability)/asset calculated by the GAD has been reflected in the Statement of Financial Position (Pension Reserve).

The results of any actuarial valuation are inherently uncertain because of the assumptions that must be made. In recognition of this uncertainty, the approximate effects on the actuarial liability as at 31 March 2022 of changes to the main actuarial assumptions are set out below:

Change in Assumptions	Approximate Effect on total liability	
	%	£'000
Rate of Return		
i. Rate of discounting scheme liabilities: +0.5% a year	(9)	(99,000)
ii. Rate of increase in salaries: +0.5% a year	0.0	2,000
iii. Rate of increase in pensions/deferred revaluation: +0.5% a year	9.0	101,000
Pensioner Mortality		
iv. Life expectancy: Pensioners living (on average) one year longer	3.5	38,000

It is not yet known the impact Covid-19 will have on mortality assumptions going forward. Assumptions used to value the provisions were not adjusted due to Covid-19 impact, however, future year's provision liability may be affected by potential changes in mortality rate as a result of Covid-19 impact.

The change in the pension liabilities resulting from operating and finance costs have been charged to the SOCNE. This charge is reduced by the contributions receivable in the year from the active members.

Changes in Pension Assets and Liabilities for the year by Scheme:

	2021-22 Total £'000	2020-21 Total £'000
Operating cost:		
Current service cost net of employee contributions	4,280	5,450
Past service cost	-	-
Finance cost:		
Interest on pension liabilities	12,300	16,640
Expected return on employer assets	-	-
Net Return	16,580	22,090
Actuarial gain/(loss)		
Experience (loss)/gain on pension liabilities	(49,620)	9,160
Changes in demographic & financial assumptions	(67,800)	(74,830)
Total Actuarial Loss charged to Pension Reserve	(117,420)	(65,670)

Movement in Pension Liabilities during the year

	2021-22 Total £'000	2020-21 Total £'000
Net liabilities at start of year	995,373	935,743
Current and past service cost	5,118	6,310
Pensions paid in the year	(28,660)	(28,990)
Pension transfers-in	-	-
Net finance charge	12,300	16,640
Re-measurement of the net defined benefit liability	117,420	65,670
Net liabilities at end of year	1,101,551	995,373

Service Cost

	2021-22 Total £'000	2020-21 Total £'000
Current service cost (net of employee contributions)	4,280	5,450
Costs covered by employee contributions	838	860
Past service cost	-	-
Total Service Costs	5,118	6,310

4. Expenditure

	2021-22 Total £'000	2020-21 Total £'000
IT & Communications	92,985	86,042
Other Operational Costs	51,211	53,471
Supplies & Services	45,658	46,743
Estate	41,787	44,353
Travel & Subsistence	10,100	5,196
Training & Recruitment	8,288	4,882
Research and Development Expenditure	6,822	6,073
Transport	6,754	5,735
Capital Grant Expenditure	6,343	4,930
Grants	5,175	1,225
Legal Costs	2,457	3,337
Conferences & Hospitality	1,160	415
Non-Current Assets Write Off	(3)	(22)
(Surplus)/loss on disposal of non-current assets	(158)	(102)
	278,579	262,278
Non-cash items:		
Notional expenditure covered by donations	367	327
Auditor's remuneration and expenses	150	143
Revaluation Loss on non-current assets	6	825
Non-Pay Provision expenses	(830)	307
Other operating expenditure	278,272	263,880
Depreciation and amortisation	55,469	61,507
Impairment	(1)	2,696
Total expenditure	333,740	328,083

5. Income

	2021-22 £'000	2020-21 £'000
Revenue from Contracts with Customers:		
Specific Operational funding	180,612	174,952
Recovery costs from public bodies	13,993	14,043
Assets Recovered Incentivisation Scheme (ARIS)	12,435	4,333
Overhead recharge	5,611	5,901
Other revenue from contracts with customers	1,852	1,363
Rental income	1,264	1,556
	215,767	202,148
Other operating income:		
Police Service of Scotland	5,212	5,212
Police Service of Northern Ireland	1,391	1,391
Donations and other operating income	560	432
	7,163	7,035
Total Income	222,930	209,183



6. Property, Plant and Equipment

	Buildings £'000	Land £'000	Improvements to leasehold buildings £'000	Motor vehicles £'000	IT hardware £'000	Plant and machinery £'000	Furniture and fittings £'000	Payments on account and assets under construction £'000	Total £'000
Cost or valuation									
At 1 April 2021	42,349	6,782	141,922	41,382	173,973	45,725	11,243	8,591	471,967
Additions	909	-	2,329	5,626	17,016	8,993	144	2,540	37,557
Disposals	-	-	-	(2,480)	-	-	-	-	(2,480)
Impairments and write offs	-	-	-	-	-	-	-	-	-
Transfers & Reclassifications	-	-	550	4,202	2,742	170	69	(7,733)	-
Revaluations	-	-	1,940	329	438	937	433	-	4,077
At 31 March 2022	43,258	6,782	146,741	49,059	194,169	55,825	11,889	3,398	511,121
Depreciation									
At 1 April 2021	(30,443)	-	(115,241)	(31,801)	(120,850)	(38,602)	(8,097)	-	(345,034)
Charge in year	(676)	-	(6,017)	(2,992)	(16,876)	(2,512)	(538)	-	(29,611)
Disposals	-	-	-	2,142	-	-	-	-	2,142
Impairments and write-offs	-	-	-	-	-	-	-	-	-
Transfers & Reclassifications	-	-	-	-	-	-	-	-	-
Revaluation	-	-	(1,655)	(160)	(212)	(513)	(205)	-	(2,745)
At 31 March 2022	(31,119)	-	(122,913)	(32,811)	(137,938)	(41,627)	(8,840)	-	(375,248)
Carrying amount at 31 March 2021	11,905	6,782	26,681	9,582	53,123	7,123	3,146	8,591	126,933
Carrying amount 31 March 2022	12,139	6,782	23,828	16,248	56,231	14,198	3,049	3,398	135,873

All assets were owned by the NCA.

	Buildings £'000	Land £'000	Improvements to leasehold buildings £'000	Motor vehicles £'000	IT hardware £'000	Plant and machinery £'000	Furniture and fittings £'000	Payments on account and assets under construction £'000	Total £'000
Cost or valuation									
At 1 April 2020	41,292	6,782	136,960	41,376	152,854	42,745	10,271	11,474	443,754
Additions	907	-	2,677	1,582	18,872	2,835	499	8,135	35,507
Disposals	-	-	-	(1,561)	-	-	-	-	(1,561)
Impairments and write-offs	25	-	(40)	-	(3,927)	(178)	-	-	(4,120)
Transfers (internal)	52	-	4,476	-	6,167	323	-	(11,018)	-
Revaluations	73	-	(2,151)	(15)	7	-	473	-	(1,613)
At 31 March 2021	42,349	6,782	141,922	41,382	173,973	45,725	11,243	8,591	471,967
Depreciation									
At 1 April 2020	(29,515)	-	(107,762)	(30,273)	(100,229)	(35,546)	(7,312)	-	(310,637)
Charged in year	(626)	-	(9,683)	(2,953)	(22,844)	(3,118)	(518)	-	(39,742)
Disposals	-	-	-	1,417	-	-	-	-	1,417
Impairments and write-offs	(25)	-	5	-	2,225	62	3	-	2,270
Transfers	-	-	-	-	-	-	-	-	-
Revaluations	(278)	-	2,199	9	(2)	-	(270)	-	1,658
At 31 March 2021	(30,444)	-	(115,241)	(31,800)	(120,850)	(38,602)	(8,097)	-	(345,034)
Carrying amount at 31 March 2020	11,777	6,782	29,198	11,103	52,625	7,199	2,959	11,474	133,117
Net book value at 31 March 2021	11,905	6,782	26,681	9,582	53,123	7,123	3,146	8,591	126,933

All assets were owned by the NCA.

7. Intangible Assets

	Purchased software £'000	Payments on account and assets under construction £'000	Total £'000
Cost or valuation			
At 1 April 2021	188,724	29,200	217,924
Additions	35,814	16,196	52,010
Impairments	-	-	-
Transfers	19,751	(19,751)	-
At 31 March 2022	244,289	25,645	269,934
Amortisation			
At 1 April 2021	(107,771)	-	(107,771)
Charged in year	(25,858)	-	(25,858)
Impairments	(1)	-	(1)
At 31 March 2022	(133,630)	-	(133,630)
Carrying amount at 31 March 2021	80,953	29,200	110,153
Carrying amount at 31 March 2022	110,659	25,645	136,304

All intangible assets were owned by the NCA

	Purchased software £'000	Payments on account and assets under construction £'000	Total £'000
Cost or valuation			
At 1 April 2020	140,743	19,775	160,518
Additions	40,937	21,210	62,147
Disposals	(4,741)	-	(4,741)
Transfers	11,785	(11,785)	-
At 31 March 2021	188,724	29,200	217,924
Amortisation			
At 1 April 2020	(89,909)	-	(89,909)
Charge in year	(21,765)	-	(21,765)
Disposals	-	-	-
Impairments	3,903	-	3,903
At 31 March 2021	(107,771)	-	(107,771)
Carrying amount at 31 March 2020	50,834	19,775	70,609
Carrying amount at 31 March 2021	80,953	29,200	110,153

8. Financial Instruments

As the cash requirements of the NCA are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the NCA's expected purchase and usage requirements and the NCA is therefore usually exposed to little credit, liquidity or market risk.

9. Cash and Cash Equivalents

	2021-22	2020-21
	£'000	£'000
Balance at 1 April 2021	13,287	7,941
Net change in cash and cash equivalents balances	31,070	5,346
Balance at 31 March 2022	44,357	13,287
The following balances at 31 March were held at:		
Commercial banks and cash in hand	4,735	4,391
Balance held with Government Banking Service	39,622	8,896
Balance at 31 March 2022	44,357	13,287

The NCA operated a number of bank accounts and cash imprest accounts during the year. The NCA does not draw down funds from HM Treasury in advance of need.

The UK accounts operated some commercial accounts under a pooling arrangement that allowed some accounts to be overdrawn, as long as the main NCA account was in credit to cover the overdrawn balances. Cash and cash equivalent balances held at 31 March 2022 were converted to sterling at the prevailing spot rate.

Bank interest of less than £1k was received during the year on bank balances (2020-21: less than £1k).

10. Trade Receivables, Financial and Other Assets

	2021-22	2020-21
	£'000	£'000
Amounts falling due within one year:		
Contract Assets*	117,554	93,133
Prepayments	21,766	16,109
Other receivables	2,616	1,993
Trade receivables	2,306	21,708
	144,242	132,943

* Accrued income is shown within Contract Assets in accordance with IFRS 15 Revenue from Contracts with Customers.

11. Trade Payables and Other Current Liabilities

	2021-22 £'000	2020-21 £'000
Amounts falling due within one year:		
Accruals	65,913	54,589
Amounts issued from the Consolidated Fund for supply but not spent at year end	44,357	13,287
Trade Payables	8,620	21,463
Other Payables	1,922	1,772
Contract Liabilities	1,642	2,395
Other Tax and Social Security	850	969
	123,304	94,475
Amounts falling due after than one year:		
Other payables ^	1,430	1,710
	1,430	1,710

^ Other payables relate to the elements of the rent discount that fall due after more than one year.

12. Provisions for Liabilities and Charges

	Legal Provision £'000	Retirement Provision £'000	Dilapidation Provision £'000	Onerous Lease Provision £'000	Total 2021-22 Provision £'000	Total 2020-21 Provision £'000
Balance at 1 April 2021	1,340	3,876	9,541	127	14,884	14,319
Provided in the year	575	-	-	-	575	3,334
Provisions not required written back *	(78)	-	(396)	115	(359)	(1,421)
Provisions utilised in the year **	(138)	(148)	(172)	(228)	(686)	(1,746)
Borrowing costs (unwinding of discounts)	-	314	(525)	18	(193)	398
Balance at 31 March 2022	1,699	4,042	8,448	32	14,221	14,884

*Provisions not required written back is a credit to AME. This occurs when the provision is reviewed and confirmed to be overstated.

**Provisions utilised in the year are a charge to DEL and reflect expenditure incurred that offset in part or in total the original provision.

12.1 Analysis of Expected Timing of Discounted Flows

The provisions are anticipated to crystallise as follows:

	Legal Provision £'000	Retirement Provision £'000	Dilapidations Provision £'000	Onerous Lease Provision £'000	Total 2021-22 Provision £'000	Total 2020-21 Provision £'000
Not later than one year	1,699	148	1,077	32	2,956	2,636
Later than one year and not later than five years	-	734	4,862	-	5,596	6,256
Later than five years	-	3,160	2,509	-	5,669	5,992
Balance at 31 March 2022	1,699	4,042	8,448	32	14,221	14,884

13. Contingent Liabilities

Litigation

The NCA had a small number of claims from employees, members of the public and suppliers that could result in compensation payments being made upon tribunal or court judgment or settlement. The probability of the claims that proceed to a hearing being successful is considered less than 50% and it is considered that disclosing any amounts would be prejudicial to the litigation process.

14. Leases

Commitments under Leases

The NCA was committed to pay for the following operating lease rentals in future financial years:

	2021-22 £'000	2020-21 £'000
Obligations under operating leases comprise:		
Buildings:		
Not later than one year	17,852	17,494
Later than one year and not later than five years	49,379	60,836
Later than five years	36,229	35,573
Total	103,460	113,903

15. Capital and Other Commitments

Other Financial Commitments

The NCA has entered into non-cancellable contracts for the provision of information technology, communication services and facilities management. The payments to which the NCA is committed are as follows:

	2021-22 £'000	2020-21 £'000
Other financial commitments:		
Not later than one year	14,843	25,480
Later than one year and not later than five years	9,777	23,975
Later than five years	-	-
Total	24,620	49,455

16. Related-Party Transactions

The NCA undertook a number of transactions with Government Departments and other Government bodies.

No minister, Board member, key manager or other related party has undertaken any material transactions with the NCA during the year.

17. Third-Party Assets

Seized property is that which is appropriated by the NCA and other law enforcement bodies but which may still be liable to be returned. Seized property held by the NCA as at 31 March 2022 consisted of £59.79m (2020-21: £40.07m) in cash, motor vehicles and other valuables suspected of being derived from criminal activity.

These are not the NCA's assets and are not included in the financial statements:

	2021-22 £'000	2020-21 £'000
Third party assets:		
Monies	25,876	33,256
Physical assets	7,021	6,815
Cryptocurrency*	26,894	-
Total	59,791	40,071

*Cryptocurrency is valued using a Coinbase rate of exchange available on 31 March 2022. By its nature, the value of cryptocurrency is highly volatile and subject to unpredictable valuation movements.

18. Recovered Assets

The NCA currently manages bank accounts where recovered assets are deposited. Each year-end, the excess of civil recoveries over receivers' fees applied net of any direct disposal costs is paid over to the Home Office. For assets recovered through Criminal and Tax cases the amounts are paid over quarterly. The figures presented below are net of direct costs.

	2021-22	2020-21
	£'000	£'000
Recovered assets receipts for the year ended 31 March 2022:		
- Civil	8,571	7,422
- Criminal	140	81
- Tax	382	367
	9,093	7,870
Recovered assets receipts 1 April - 31 March 2022:		
Asset recoveries applied against receivers' fees (see below)	-	-
Net recovered receipts		
Receipts paid to the Home Office for the year ended 31 March 2022	(6,720)	(7,178)
Recovered asset proceeds held at 31 March 2022	2,373	692

The NCA pays to the Home Office, quarterly in arrears, recovered asset receipts net of estimated receivership and enforcement costs. A final payment for £2.3m is due from the monies held in the separately identified third party bank accounts, and will be paid to the Home office by June 2022.

The civil and tax figures quoted above differ from the NCA's reported performance against the Home Office civil and tax recovery target in the annual report as a result of the deduction of allowable costs and cases under appeal in the above figures.

The "criminal" receipts figure quoted above relates to the NCA's ongoing responsibility to enforce payment against criminal confiscation orders obtained in previous years by the Assets Recovery Agency (ARA) or where the NCA has obtained a confiscation order in connection with an investigation commenced by the ARA. It is by its nature a small and diminishing amount. All other existing confiscation orders obtained by NCA and new confiscation orders unconnected with ARA, obtained since the ARA and NCA merger, continue to be enforced by the courts. This figure has no relationship to the value of new confiscation orders obtained by the NCA for the year 1 April 2021 to 31 March 2022; nor to the value of receipts banked by the courts in fulfilment of confiscation orders obtained by the NCA from 1 April 2021 to 31 March 2022 and previous years.

19. Forfeiture and Confiscation Orders

Receipts paid to the Home Office during the year in fulfilment of cash forfeiture orders obtained in the period 1 April 2021 to 31 March 2022 and previous years are set out below. It should be noted that the time-lag created by the 30 day appeal period which follows all cash forfeiture orders and the normal business delays in processing forfeited cash through to the Home Office means that the amount paid to the Home Office in any given financial year will not correspond precisely to the stated value of new cash forfeiture orders obtained over the same period.

	2021-22	2020-21
	£'000	£'000
Forfeiture and confiscation monies paid over	18,247	14,810

20. Events After the Reporting Period

In accordance with the requirements of IAS 10 Events After the Reporting Period, post-Statement of Financial Position events are considered up to the date on which the Accounts are authorised for issue by Graeme Biggar (Accounting Officer). This is interpreted as the same date as the Certificate and Report of the Comptroller and Auditor General.



Annex A - Regulatory Reporting

Core Tables

The following tables have been produced to support the NCA Annual Report and Accounts. They are designed to allow users to review financial performance over previous periods. These tables are consistent in their presentation across Government Departments and allow users to make comparisons.

Table 1: Total Departmental Spending

	2017-18 Outturn £'000	2018-19 Outturn £'000	2019-20 Outturn £'000	2020-21 Outturn £'000	2021-22 Outturn £'000
Resource DEL					
NCA	452,080	462,242	485,008	498,230	503,420
Total Resource DEL	452,080	462,242	485,008	498,230	503,420
Of which:					
Pay	230,420	257,196	290,769	333,782	350,491
Depreciation	50,882	57,066	56,674	64,195	55,468
Resource AME					
NCA	24,682	26,139	40,538	21,571	13,850
Total Resource AME	24,682	26,139	40,538	21,571	13,850
Total Resource Outturn	476,762	488,381	525,546	519,801	517,270
of which:					
Depreciation	50,882	57,066	56,674	64,195	55,468
Capital DEL					
NCA	41,360	51,932	63,625	46,929	45,403
Total Capital DEL	41,360	51,932	63,625	46,929	45,403
Of which:					
Capital expenditure of fixed assets net of sales	48,040	60,027	86,034	108,656	102,732
Income from sales of assets & other grants	(6,680)	(8,095)	(22,409)	(61,727)	(57,329)
Total Capital Outturn	41,360	51,932	63,625	46,929	45,403
Total Departmental Spending	476,762	488,381	525,546	519,801	517,270
Of which:					
Total DEL	452,080	462,242	485,008	498,230	503,420
Total AME	24,682	26,139	40,538	21,571	13,850

Total Resource DEL increased in 2021-22 to reflect growing in-year pressures on the NCA's operations.

Total Resource AME decreased in 2021-22 due to a less than expected impact from change in discount rates applied to the valuation of the Police Pension liability.

Capital DEL net expenditure decreased by £1.53m in 2021-22 due to increase funding received from external funding providers operating on a cost recovery basis, and re-prioritisation of the NCA's Transformation Portfolio.

For explanations on the variances between 2021-22 and 2020-21, please refer back to the sections on the Statement of Parliamentary Supply, and the underlying variances in the Financial Statements in Part 3 of this report.

Table 2: Administration Costs for the NCA

	2017-18	2018-19	2019-20	2020-21	2021-22
	Outturn	Outturn	Outturn	Outturn	Outturn
	£'000	£'000	£'000	£'000	£'000
Resource DEL					
NCA	29,959	30,361	36,408	36,513	35,212
Total Admin Outturn	29,959	30,361	36,408	36,513	35,212
Of which:					
Expenditure	29,959	30,361	36,408	36,513	35,343
Income	-	-	-	-	(131)
Total Admin Outturn	29,959	30,361	36,408	36,513	35,212



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