



Section 400 Licence Fees and Penalties Accounts

Year ended 31 March 2019

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A Section 400 Accounts

Review of 2018/19

Introduction

In these accounts, receipts collected on behalf of parliament and surrendered to the Exchequer are presented. The administrative costs of maintaining the Section 400 accounts are borne by and shown in the main corporation accounts which can be found here:

<https://www.ofcom.org.uk/about-ofcom/annual-reports-and-plans>

Background

Under Section 400 of the Communications Act 2003, Ofcom is required to collect fees and payments. The revenue collected is from five main sources:

- Wireless Telegraphy Act (WT Act) licence fees
- Government Department spectrum fees
- Financial Penalties
- Additional Payments from television and radio licensees; and
- Geographic Numbering

The Digital Economy Act 2017 introduced legislative amendments which permit Ofcom to retain sums received in connection with its functions under the WT Act. Ofcom may retain such sums to fund its general spectrum management

functions, as well to meet the costs of undertaking its other functions for which it cannot levy fees and charges.

The remaining revenue collected was passed to the UK Consolidated Fund at HM Treasury, the Department of Finance and Personnel - Northern Ireland (DFPNI) and to the Treasuries of the Isle of Man, the Bailiwick of Jersey and the Bailiwick of Guernsey under Statutory Instrument 1991, Numbers 998, 1710 and 1709 respectively, directly or via the Department for Digital, Culture, Media, and Sport (DCMS) as Ofcom's sponsoring body.

Wireless Telegraphy Act licence fees – excluding Auction receipts

In 2018/19 there were 360,468 (2017/18: 355,145) WT Act licences in issue. WT Act licences are held by a wide variety of spectrum users, from taxi companies and amateur radio providers to mobile phone operators and television and radio broadcasters.

In 2018/19 Ofcom passed £239.9m (2017/18: £252.3m) collected from WT Act licensees and the interest earned on any cash balances held to DCMS. The reduction in the 2018/19 balance is mainly due to a reduction in certain annual licence fees paid by mobile operators for the public wireless

Total receipts 2018/19 WT Act Retention Payments to the Exchequer

£1,689m

£54m

£1,619m*

*£16m to be transferred to the Exchequer in 2019/20

networks following a Court of Appeal judgement in November 2017. These fees have subsequently increased from 31 January 2019 following a revised statement on the levels of annual licence fees for 900 MHz and 1800 MHz spectrum, to be paid by mobile network operators. The revised statement can be found at:

<https://www.ofcom.org.uk/consultations-and-statements/category-2/annual-licence-fees-900-1800-mhz>

Ofcom retained £54.3m to fund its general spectrum management functions (2017/18: £19.1m). The increase in the retention is primarily due to full year retention in 2018/19, in comparison four months retention in 2017/18, as the new funding approach commenced in December 2017 (refer to Note 1 for details)

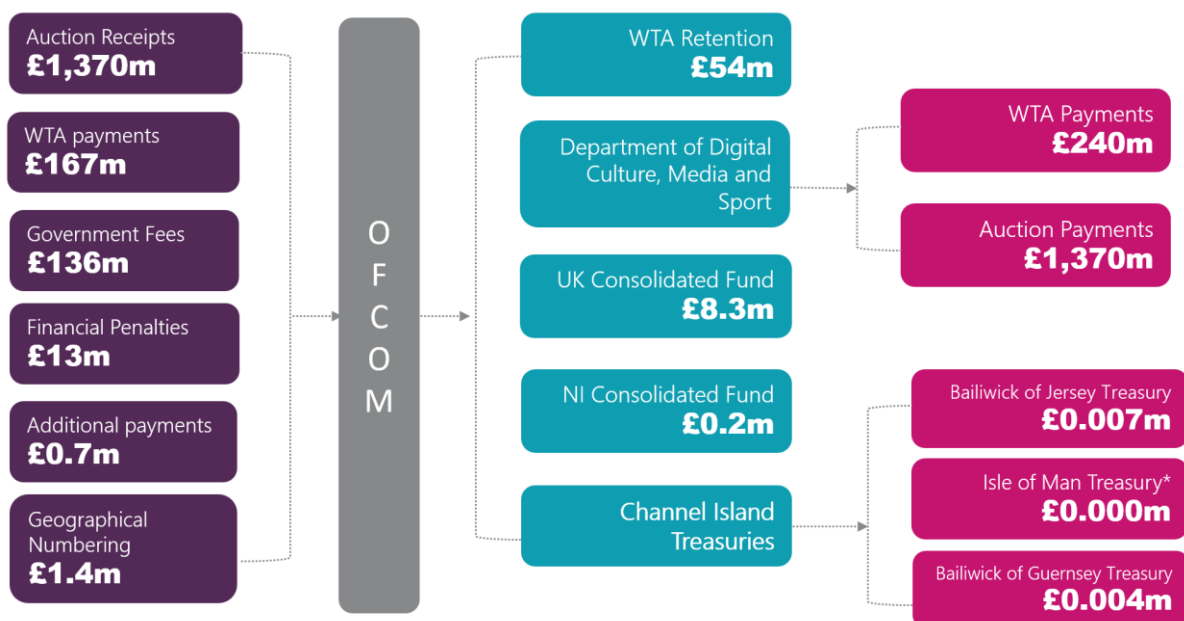
Figure 1 summarises total receipts and payments for Section 400.

Wireless Telegraphy Act licence fees – Spectrum Auction

Ofcom’s principal statutory duties under the 2003 Communications Act are to further the interests of citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition. In doing so, Ofcom has a duty to secure the optimal use of spectrum.

A total of 190 MHz of spectrum was released to Ofcom by the Ministry of Defence as part of the Government's Public-Sector Spectrum Release (PSSR) programme: 40 MHz in the 2.3 GHz band, and 150 MHz in the 3.4-3.6 GHz band. Consumer devices such as smartphones and tablets can already use 2.3 GHz spectrum, so Telefónica UK Limited, who won all the 2.3GHz spectrum in the auction, was able to increase the capacity of its 4G mobile broadband services immediately after the auction.

Figure 1: Section 400 Total Receipts and Payments



*A transfer of £201.82 was made to the Treasury of Isle of Man

We awarded the spectrum by auction because we considered that this will secure the optimal use of the spectrum, in accordance with our statutory duties. The auction consisted of five phases: the receipt of applications; qualification of bidders; principal stage, (in which bidders placed electronic bids for spectrum lots); the assignment stage, (in which bidders placed electronic bids for the frequencies in each band to which their lots would be assigned) and the license grant stage.

Bidders were required to pay deposits on application and before the start of the principal stage which commenced on the 20th March 2018, and to top up their deposits during the bidding stages as their financial exposures increased. As a result of this in last year's Section 400 Accounts at the 31st March 2018 Ofcom held deposits from the bidders, as set out in the Statement of Cash Balances and Note 6 to the accounts. At the end of the principal stage, we calculated and announced the quantities of spectrum won by each bidder, and the base prices they had to pay. At the end of the assignment stage some bidders were then required to pay additional amounts. After granting the spectrum licences on the 13th April 2018, Ofcom transferred to Government, on the 16th April 2018 the amounts bidders paid for the spectrum they had, together with one forfeited application deposit from a qualified applicant who chose not to participate in the bidding stages of the auction and interest which had accrued on deposits during the auction. Any excess deposits held were also returned to the bidders at this time.

Full details including the licences granted and the licence fees paid can be found [here](#) along with the [2.3 and 3.4 GHz band plans based on final auction results](#)

Physical and cyber security was paramount during the auction and enforced through operational readiness and security audits, robust testing, training and daily checks. A process document detailing practical aspects of the auction not covered by the regulations, provided guidance to applicants and bidders. Authorisation levels and personnel required for sign off on auction decisions were clearly documented, these included members of the Auction team; Auction Director(s); Auction Director(s) plus Legal Team; and the Senior Management Team. Internal Governance procedures were followed for approval to proceed to each stage of the award.

Government Department spectrum fees

Under Section 163 of the Communications Act, Ofcom receives fees for spectrum use from certain Government departments. These include Ministry of Defence, Department for Transport, Department for Business, Energy and Industrial Strategy and the Home Office. The fees are agreed with the departments by HM Treasury as part of the spending review settlements. These receipts are not Wireless Telegraphy Act payments but are in all respects treated in the same manner with cash received from commercial licensees.

Additional Payments

Television

Holders of the Channel 3 and Channel 5 television licences and the national radio

and additional services licences are required to make an annual fixed payment (known as cash bids).

In 2018/19 Ofcom received £0.2m (2017/18: £0.2m) in additional payments from TV broadcasters.

In February 2014, Ofcom announced that it had renewed the Channel 3 and Channel 5 licences for a further ten years from 1 January 2015. Ofcom determined that the financial terms for each licence in the renewed period would be set an annual cash bid of £10,000 and a 0% percentage of (broadcasters') qualifying revenue (PQR). The cash bid amount will increase by RPI each year. Details of the financial terms can be found on the Ofcom website at:

<http://stakeholders.ofcom.org.uk/broadcasting/tv/c3-c5-financial-terms>

Radio

National radio licensees (Classic FM, Absolute Radio and Talk Sport) are required to pay cash bid of £10,000 annually.

In February 2017 Ofcom awarded the additional service licence by auction to INRIX UK Ltd. As part of the licence condition, the licensee is required to pay a fee based on a PQR in addition to the annual cash bid payment. Details of the financial terms can be found on the Ofcom website at:

https://www.ofcom.org.uk/_data/assets/pdf_file/0034/97756/Additional-Services-Licence-Statement.pdf

In 2018/19 Ofcom received £0.5m (2017/18: £0.7m) in additional payments from Radio broadcasters.

Financial Penalties

Under the Communications Act 2003 and the Broadcasting Act 1990 and 1996, Ofcom has the power to issue a penalty to individuals and organisations for breaches of a code or licence terms.

During 2018/19, Ofcom issued penalties totaling £13.5m (2017/18: £11.5m).

Penalties totaling £13.4m (2017/18: £54.3m) were collected in 2018/19. The £42.3m BT penalty paid in April 2017, resulted in a higher balance in 2017/18.

In 2018/19, Ofcom issue a penalty to Virgin Media for £7.0m and £0.03m for the contravention of Section 96C and Section 139A of the Communications Act, respectively. Virgin Media has since appealed this penalty and Ofcom are currently retaining this amount, until a decision has been reached.

A list of penalties imposed during 2018/19 is published on Ofcom's website and can be found at:

https://www.ofcom.org.uk/_data/assets/pdf_file/0024/113874/financial-penalties-2018-19.pdf

Penalties collected in 2018/19

£13.4m

99%

Incurred by
Networks &
Services

1%

Incurred by TV
and Radio

Section 400 Licence Fees and Penalties do not form part of Ofcom's reported revenue, and all receipts on the face of these accounts were excluded from revenue in Ofcom's Financial Statements. All monies were passed to UK Consolidated Fund at HM Treasury and, where appropriate, to the DFPNI, and the Treasuries of the Isle of Man, Jersey and Guernsey.

Geographic Telephone Numbers

Ofcom has a duty under section 63(1) of the Communications Act 2003 to secure that the best use is made of numbers and to encourage efficiency and innovation for that purpose. Ofcom's power to charge for the allocation of geographic numbers is based principally on section 58(1)(g) of the Act and is implemented by way of requirements in the General Condition relating to the allocation, adoption and use of telephone numbers (General Condition B1).

In April 2013 Ofcom launched a pilot scheme to charge communications providers ('CPs') for geographic numbers allocated to them by Ofcom in 30 specified area codes experiencing the greatest number scarcity.

The pilot scheme is currently under review. Charging for geographic numbers under the current scheme will continue until any changes are made because of our review.

The annual charging year runs from 1 April to 31 March and invoices are generated one year in arrears. In 2018/19 Ofcom collected £1.4m (2017/18: £1.4m).

Forward look: Impact in 2019/20

Auction

Ofcom are currently preparing to award 200 MHz of spectrum: 80 MHz in the 700 MHz band and 120 MHz in the 3.6-3.8 GHz band. The frequencies in both these bands are likely to be used by phone networks to meet the increasing demand for mobile broadband services, and to invest in deploying technical advances, including 5G, the next generation of mobile technologies.

Our main objectives in this award are to improve mobile coverage, ensure efficient allocation of the frequencies, sustain strong competition in mobile markets, and ensure the timely availability of spectrum.

Financial Penalties

In August 2018 Ofcom imposed a financial penalty of £50m on Royal Mail for a serious breach of competition law, after the company abused its dominant position by discriminating against its only major competitor delivering letters. Royal Mail has appealed both the unlawfulness finding and the penalty. In accordance with the Competition Act 1998, the obligation to pay the penalty is effectively suspended pending the determination of the appeal. In November 2018, Ofcom imposed a financial penalty of £7m on Virgin Media for overcharging customers who ended their contracts early, in breach of Ofcom's general conditions. Virgin Media has appealed both the breach finding and the penalty. Virgin Media has paid the penalty, which Ofcom currently retains pending the determination of the appeal.

B Accountability

Governance

The Section 400 accounts share the same governance structure as Ofcom's main accounts. The Ofcom Board leads the organisation and its core activities. The Board meets regularly and is provided with regular strategic updates and reports on Ofcom's operational and policy activities.

The Board is responsible for ensuring that proper records are maintained, which disclose with reasonable accuracy, at any time, the financial position of Ofcom, and enable it to ensure that the Statement of Accounts complies with the Communications Act 2003.

In addition, the Board is responsible for safeguarding Ofcom's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Full details on Ofcom's Board and full governance structure can be found in the main accounts.

Statement of Ofcom's Responsibilities with respect to the Financial Statements

Under Section 400(4) of the Communications Act 2003 Ofcom is required to prepare a statement of accounts for each financial year in respect of the Licence Fees and Penalties listed in Section 400(1), and the payment of such receipts to the Consolidated Funds of the United Kingdom and Northern Ireland respectively. The accounts also show payments to the Treasury of the Bailiwick of Jersey, the Treasury of the Bailiwick of Guernsey, and the Treasury of the Isle of Man.

The accounts are prepared on a cash receipt and payment basis and must properly present the receipts and payments for the financial year, and the cash balances held at the beginning and end of the year.

As the senior full time official of Ofcom, the Chief Executive is the Accounting Officer for these accounts. Her relevant responsibilities as Accounting Officer include responsibility for the propriety and regularity of the public finances for which she is responsible and for the keeping of proper records. The Chief Executive has specific responsibilities for ensuring that the terms of the Framework Document issued by the Secretaries of State are complied with.

Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Office of Communications Section 400 Fees and Penalties Account for the year ended 31 March 2019 under the Communications Act 2003. The financial statements comprise: the Receipts and Payments Account, Statement of Cash Balances and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

In my opinion:

- the financial statements properly present the receipts and payments of the Office of Communications for the year ended 31 March 2019; and
- the financial statements have been properly prepared in accordance with the Communications Act 2003 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the receipts and payments 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) 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 2016. I am independent of the Office of Communications in accordance with the ethical requirements that are relevant to my audit and 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.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Ofcom's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Communications Act 2003.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of Communications' internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of Communications' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required

to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

I am required to obtain evidence sufficient to give reasonable assurance that the receipts and payments 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.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the Review of 2018/19, other than other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and 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, 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 information given in the Review of 2018/19 for the financial year for which the financial statements are prepared is consistent with the financial statements and have been prepared in accordance with the applicable legal requirements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanation I required for my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Date June 2019

Comptroller and Auditor General
National Audit Office

157-197 Buckingham Palace Road
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London
SW1W 9SP

C Financial Statements

RECEIPTS AND PAYMENTS ACCOUNTS

Year ended 31 March 2019

	Notes	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Payments under the Wireless Telegraphy Act		166,856	188,746
Fees received from Government Departments	3	135,792	81,373
Interest Received		36	16
WT Act Auction Receipts	2B	1,369,979	-
Interest Received on Auction Receipts		375	-
Total Spectrum Fee Payments received		1,673,038	270,135
Additional Payments by licensees		701	897
Net Additional Payments by licensees		701	897
Financial Penalties	5	13,395	54,294
Geographic Numbering receipts		1,420	1,359
Total Receipts for the year		1,688,554	326,685
WT Act Payments to DCMS	2A	(239,942)	(252,253)
WT Act Auction Payments to DCMS	2B	(1,370,354)	-
WTA Act Receipts Retention (s.401)	4	(54,305)	(19,081)
Payments to the United Kingdom Consolidated Fund		(8,282)	(55,218)
Payments to the Northern Ireland Consolidated Fund		(200)	(1,597)
Payments to the Treasury of the Isle of Man		(0)	(71)
Payments to the Treasury of the Bailiwick of Jersey		(7)	(88)
Payments to the Treasury of the Bailiwick of Guernsey		(4)	(58)
Net Payments to Consolidated Funds and Treasuries		(8,493)	(57,032)
Total Payments for the year		(1,673,094)	(328,366)
(Deficit)/Excess of Receipts over Payments for the year		15,460	(1,681)

STATEMENT OF CASH BALANCES

Year ended 31 March 2019

	Notes	31 March 2019 £000	31 March 2018 £000
Balance at beginning of the year		1,497,003	8,444
Additional auction deposits received in the year		239,279	-
Refund to auction bidders	2B	(359,540)	-
Auction proceeds transferred to DCMS		(1,369,979)	-
Excess/(Deficit) of receipts over payments for the year		15,460	(1,681)
Spectrum Auction Deposits	2B	-	1,490,240
TOTAL CASH BALANCE		22,223	1,497,003
CASH BALANCE OWED TO			
UK Department of Digital Culture, Media and Sport		10,856	1,970
Consolidated Funds and Treasuries		7,027	4
Amount to be retained by Ofcom (April)		4,340	4,789
	6	22,223	6,763

The Notes on pages **12 to 15** form part of these accounts.

Sharon White
Chief Executive
Office of Communications

Date: June 2019

D ANNEX

Notes to the Accounts

For the year ended 31 March 2019

1. Basis of Accounting

These accounts are prepared on a receipts and payments basis in accordance with the provisions of Section 400(4) of the Communications Act 2003. They also show the amounts paid to the Treasury of the Isle of Man, the Treasury of the Bailiwick of Jersey, and the Treasury of the Bailiwick of Guernsey under Statutory Instrument 1991, Nos. 998, 1710, and 1709 respectively.

2. Payments under the Wireless Telegraphy Act 1998

Section 400(2) of the Communications Act requires that, subject to any refunds and the retention of funds to cover costs as described in Note 5, all amounts from the list in Section 400(1) paid to Ofcom, including payments under the Wireless Telegraphy Act 1998 (c.6), should be passed to the appropriate Consolidated Fund. The exception to this is Wireless Telegraphy Act receipts, which are paid to DCMS, as directed by the Treasury in accordance with its powers under the Government Resources and Accounts Act 2000 and the annual Appropriation Act.

2a. WT Act licence fees

In the period of these accounts, Ofcom passed £239.9m (2017/18: £252.3m) collected from WT Act licensees and the interest earned on any cash balances held to DCMS. The reduction in the 2018/19 balance is mainly due to a reduction in certain annual licence fees paid by mobile operators for the public wireless networks following a Court of Appeal judgement in November 2017.

2b. Wireless Telegraphy Act - Licence Fees received from the Auction of spectrum

Ofcom awarded the license for the 2.3 GHz band, and 3.4-3.6 GHz band through an auction for a total of £1,370.0m in 2018/19 (2017/18: nil). It received a further £0.4m (2017/18: nil) of interest on deposits during the auction. A total of £1,370.4m (2017/18: nil) was transferred to Government on 16 April 2018 once the licences were issued. Excess deposits of £0.4m (2017/18: nil) were returned to bidders. The table below provides details of the winning bidders and the prices they paid for licences. It does not include a non-refundable deposit of £0.1m from a bidder.

Winning bidders to whom licence granted	Frequencies	Total base price £'000	Additional prices £'000	Licence fees paid £'000
EE Limited	3540 – 3580 MHz	302,592	1,002	303,594
Hutchison 3G UK Limited	3460 – 3480 MHz	151,296	13,133	164,429
Telefonica UK Limited	2350 – 2390 Mhz	205,896	N/A	205,896
	3500 – 3540 Mhz	317,720	-	317,720
Vodafone Limited	3410 – 3460 Mhz	378,240	-	378,240

3. Fees Received from Government Departments

During the period under review, invoices totaling £106m were issued and £135.8m paid (2017/18: £81.4m) by Government departments. The payments received include an 2017/18 invoice of £29.8m which was received in April 2018 and subsequently transferred to DCMS. The total fees received have been included in these accounts, although this is not specifically required by Section 400 of the Communications Act.

4. Sums Retained from Wireless Telegraphy Act Payments

Under Section 401 of the Communications Act, Ofcom has the power, subject to Treasury approval, to make a statement of principles under which any or all the amounts collected under the Wireless Telegraphy Act, can be retained to offset the costs of carrying out the spectrum functions detailed in subsection 401(4) of the Act.

4a. WT Act Licence Fees Retention

The Digital Economy Act 2017 introduced legislative amendments which permit Ofcom to retain sums received in connection with its functions under the Wireless Telegraphy Act. A total of £54.3m (2017/18: £23.9m) was retained to fund its general spectrum management functions. A further £4.3m was retained from March 2019 Wireless Telegraphy Act receipts relating to April 2019.

	31 March 2019 £'000	31 March 2018 £'000
Spectrum Management	52,320	23,187
Orphan expenditure (inc. Nuisance Calls)	1,985	683
Total Wireless Telegraphy Act receipts retained	54,305	23,870

The Statement of Principles underpinning this new funding model can be found at:
https://www.ofcom.org.uk/data/assets/pdf_file/0017/107702/statement-principles-wta.pdf

4b. Grant in Aid Received:

During the year under review, grants totalling £68.8m (2017/18: £118.5m) were received from DCMS under the legislative powers referred to in Note 2, to cover the costs of Spectrum Clearance and Awards Programme. A full disclosure of Income can be found in the Ofcom main accounts.

A statement of the net spectrum fees payable by DCMS to the Consolidated Fund is given below:

	31 March 2019 £'000	31 March 2018 £'000
Spectrum Fees Transferred		
Wireless Telegraphy Act Cash Transferred to DCMS	104,150	170,880
WT Act Auction Receipts transferred to DCMS	1,370,354	-
Fees received from Government Departments	135,792	81,373
Total spectrum fees transferred by Ofcom	1,610,296	252,253
Grant in Aid in respect of related Costs		
Spectrum Clearance and Awards	(68,840)	(84,546)
Spectrum Management & Orphan Expenditure	-	(33,916)
Total Spectrum Grants received by Ofcom from DCMS	(68,840)	(118,462)

5. Financial Penalties

Penalties received in the year were as follows:

	31 March 2019 £'000	31 March 2018 £'000
Sector		
Broadcasting TV	8	245
Radio	9	9
Networks & Services	13,378	54,040
	13,395	54,294

During 2018/19, Ofcom issued penalties totaling £13.5m (2017/18: £11.5m), and collected penalties totaling £13.4m (2017/18: £54.3m). Details of all the penalties issued in 2018/19 can be found on the Ofcom website at:

https://www.ofcom.org.uk/_data/assets/pdf_file/0024/113874/financial-penalties-2018-19.pdf

6. Balance at End of the Financial Year

The cash balance of £22.2m (2017/18: £6.8m) at the end of the year excluding spectrum auction deposits from bidders relates to:

Wireless Telegraphy Act fees of £10.9m (transferred to DCMS in April 2019); Ofcom's retention amount to fund relevant expenditure in April 2019 of £4.3m; Geographical Numbering of £0.002m (transferred to Consolidated Funds in April 2019) and Penalties amounting to £7.0m which has been appealed, therefore Ofcom are currently retaining this amount, until a decision has been reached, as agreed with HM Treasury.