



Nuclear Decommissioning Authority  
**Annual Report  
and Accounts 2022/23**





# Nuclear Decommissioning Authority

## Annual Report and Accounts 2022/23

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Report presented to Parliament pursuant to Section 14 (6) of the Energy Act 2004 and Accounts presented to Parliament pursuant to Section 26 (10) of the Energy Act 2004.

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Front cover image: Spot the robotic quadruped at Sellafield - an example of the range of robotic tools and innovations transforming the way decommissioning is being delivered.

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## Overview of performance 2022/23

This overview section provides an insight into our work during 2022/23 and highlights areas of progress for this year. We have described these using our five strategic themes.



## Chair's statement

### Dr Ros Rivaz

This was another year of good progress for the Nuclear Decommissioning Authority (NDA). The Board's highest priority is to progress our purpose: reducing the nuclear legacy and associated potential hazards. Nuclear safety, conventional safety and the health and wellbeing of our employees and contractors is paramount as we progress that mission.

Regarding reduction in nuclear legacy, further progress has been achieved this year, specifically with the completion of a number of strategic outcomes at Sellafield following the end of reprocessing as well as further waste management progress across the group, including at Dounreay where the first containers were sealed into the site's low level waste vaults. I am pleased to report that safety performance has improved this

year, but there is still more to do and focus must continue, taking further steps to systematically improve, including in response to regulators.

Strategic areas that have made significant progress include the arrangements for transfer of the Advanced Gas-cooled Reactor sites following completion of defueling and important steps forward with the development of Geological Disposal Facility options, including further dialogue with potential host communities.

#### Financial

Rising interest rates and inflation have had a considerable impact on the NDA as on others, including high and volatile energy costs and challenges within our supply chain. This has emphasised the need for constant attention and innovative thinking to reduce the impact on costs and progress of the mission. Any delay in delivering projects results in further deterioration of assets, and while the prioritisation of work for achieving the mission is constantly reviewed, there is awareness of the risk of sub-optimal decisions on deferral in the longer term. The Board is very aware of the financial pressure on the UK Government but welcomes its appreciation of the importance of our work.

*"The Board is committed in its support and scrutiny of the important work being done at the NDA to reduce the UK's high hazards associated with the nuclear legacy."*





## Stakeholders

During the year, I continued to meet with ministers and officials from the UK Government and devolved administrations, representing the NDA and Board. The relationship with regulators is critical and we have worked closely with the Office of Nuclear Regulation, the Environment Agency, Scottish Environmental Protection Agency and Natural Resources Wales. Regular Chair meetings with these and other bodies in the nuclear sector ensure effective and appropriate connections to progress the NDA's mission, for example with the resourcing challenge as new nuclear developments progress in the UK and beyond. Local stakeholders are extremely important in areas of existing work, future work - such as the Advanced Gas cooled Reactor transitions - and with future potential communities, for example exploring options for a Geological Disposal Facility. Our customers, both in UK and internationally, are critical to our mission.

## People

The NDA group's people are highly skilled and capable and can benefit the wider sector as well as the NDA itself. UK Government policy regarding new nuclear, and its importance in energy security and the carbon net zero commitment, shows resources to be in demand. We are pleased to have supported the UK Government's creation of Great British Nuclear, providing resources,

most notably the secondment of Gwen Parry-Jones OBE from Magnox to take the post of Interim Chief Executive Officer as of 1 May 2023. Capability and capacity of people is one of the key risks in achieving the NDA's mission. There are considerable challenges in recruiting and retaining staff in a very tight labour market, with nuclear and other high-level skills at a premium. The NDA is working hard to ensure its remuneration and wider offer to employees and potential employees is attractive and competitive.

## Environmental, social and governance

This agenda has progressed substantially in the year and the success of the first annual sustainability conference for leaders and subject matter experts was pivotal. External speakers shared best practice and inspired us on our impressive journey regarding sustainability. Meanwhile governance has enhanced further, aided by the annual Board effectiveness review, which was conducted internally this year. Opportunity areas identified were to focus on fewer and more strategic matters and to continue to build the effective use of Board sub-committees, having implemented Matters Reserved for the Board and clear Terms of Reference for Board sub-committees the previous year.

The opportunity to continue to improve the culture across the NDA group is fully recognised and significant steps have been taken again during





the year. A best-in-class 'Speak up' policy has been developed across the NDA and its subsidiary companies, with the group approach facilitating standard ways of working that were not possible when the parent body organisations were in place.

## The Board

Chris Train OBE joined us in January 2022 as an independent Non-Executive Director and leads the Projects and Programmes Board sub-committee, with Rob Holden having left at the end of his term. Volker Beckers also departed following the conclusion of his term in October 2022, and we welcomed Kathryn Cearns OBE to the Board, heading the Audit, Risk and Assurance sub-committee from 1 August 2022. Both Volker and Rob's commitment and expertise have made a lasting contribution to the performance of the NDA and we thank them most sincerely. I am pleased to say that the Board's new composition means it remains strong and fit for the challenges we face.

At the end of March we announced that Chief Financial Officer (CFO) Mel Zuydam would be departing to take up a new position in the private sector. We thank Mel for his contribution and, after a rigorous recruitment process, were delighted to appoint Kate Bowyer as CFO and Board member, taking up her role in May 2023.

My term as Chair came to an end in August 2023. I am delighted with what we have achieved during the journey and my thanks go to my Board colleagues, including the Chief Executive, and to the executive teams and wider colleagues at the NDA and subsidiary companies. This important mission will continue to develop and progress for more than a hundred years, with innovation allowing continuous challenge to both the cost and duration of the mission. I am pleased that Chris Train is taking the reins as NDA Chair on an interim basis whilst the recruitment process is underway for a permanent Chair.



## The year ahead – a strong culture to achieve our mission

The Board is committed in its support and scrutiny of the important work being done at the NDA to reduce the UK’s high hazards associated with the nuclear legacy. It recognises that the journey in relation to internal culture is critical to achieve the outcomes that must be achieved, and this subject will stay front and centre of the Board’s attention. It is resolute in its focus to continue to develop and strengthen the NDA to achieve this critical national task.

**Dr Ros Rivaz**  
NDA Chair  
31 August 2023  
(Term of office ended: 31 August 2023)



I am delighted to have been appointed Interim Chair of the NDA as of 1 September 2023. The NDA delivers a vital role on behalf of the nation and my commitment is to continue to work with the Board and wider leadership team to ensure that our values are upheld to support the safe and efficient delivery of the mission, create great places to work and enable the NDA to be trusted to do more.

As a member of the Board I have already had the opportunity to visit many sites and offices, as well as meet some of our key stakeholders. I am looking forward to the opportunity to visit more locations and meet more people to ensure that the Board is offering the right support and challenge to the organisation.

On behalf of the Board, I would like to thank Dr Ros Rivaz for her dedication and leadership as Chair and to offer our ongoing thanks to the workforce and other stakeholders for their efforts to deliver our vitally important work.

**Chris Train OBE**  
Interim NDA Chair  
12 September 2023

# Group Chief Executive Officer's statement

## David Peattie

At the NDA we want to deliver our mission safely, securely and sustainably, create great places to work and be trusted to do more on behalf of the nation. I'm clear we've made significant progress towards these ambitions in the last year.

We've operated for our first full year with all parts of the group as NDA subsidiaries, leading to greater collaboration and engagement. Phase one of creating a simpler NDA group structure was completed in April 2023 when Dounreay became a division of Magnox Ltd, further reducing complexity with fewer Boards and more streamlined governance arrangements. Staff and stakeholders across Magnox and Dounreay have been developing options for a new name and identity for Magnox Ltd, with more details due later this year. It will be an important step, recognising the company already represents much more than the original Magnox reactors and is preparing for other future missions.

*"With structural changes complete, the NDA group is now focused on getting full benefit for taxpayers and our people."*

With structural changes complete, the NDA group is now focused on getting full benefit for taxpayers and our people. We're in a strong position to do this, despite operating in an increasingly complex environment. As the Ukraine war goes on and we see continued inflationary challenges, we are very aware that our programme must be affordable. Like elsewhere, we've seen rises in energy bills and other costs but we're working hard to develop solutions that achieve value for taxpayers and ensure delivery of our mission.

### Delivering the mission

Our work is organised into 47 strategic outcomes and, with a mission that lasts well into the next century, it's not every year that you get to say one is permanently complete. So I'm particularly proud to celebrate not one, but four additional outcomes being closed out in this report as a result of reprocessing ending at Sellafield after almost six decades. This allows the team to focus fully on decommissioning and we've seen national news interest in the progress made to start waste retrievals from some of the site's most complex facilities.



Many of our plants and ageing assets are complex and challenging, meaning innovation is hugely important to our future success. Dounreay has been working with partners to develop a robot that can access areas once thought impossible and it's been recognised by Time magazine as one of its top 200 innovations of 2022. It's a true demonstration of the international impact and significance of the pioneering work being delivered by our teams. Innovation isn't just about what's possible in the future, the results are visible every day at our sites. This year Magnox's Berkeley site finalised development of a new disposal package and perfected waste retrieval techniques so that the first concrete box of intermediate level waste could be safely transferred into a purpose-built store ready for final disposal.

Thinking differently is also a theme of the first Nuclear Waste Services (NWS) Strategy. I was delighted to help launch it and mark the company's first birthday earlier this year. The team is passionate about making waste permanently safe, sooner and it's encouraging to see continued progress with their most significant project – finding a suitable site and willing community to host a Geological Disposal Facility (GDF). Geophysical investigations have been undertaken, as well as acquiring existing geological information, supporting assessments to

better understand what hosting a GDF would mean for potential host communities.

Of course, delivering the mission is about more than decommissioning sites and managing waste. It's also about doing it safely, securely and sustainably, as well as considering the legacies we leave. The health and wellbeing of our people, communities and the environment remains our highest priority. There is always more to do and, despite reporting strong safety results, we remain focused on further improvements.

We've also continued investing in community projects, from the Cumbria Community Forest to the Morlais Tidal Energy Project and Sutherland Spaceport, delivering on our Energy Act obligation to support economic growth, diversification and future employment near our sites.

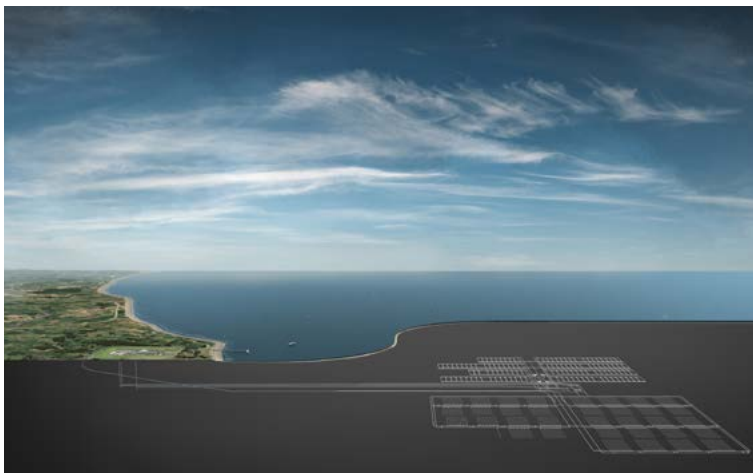
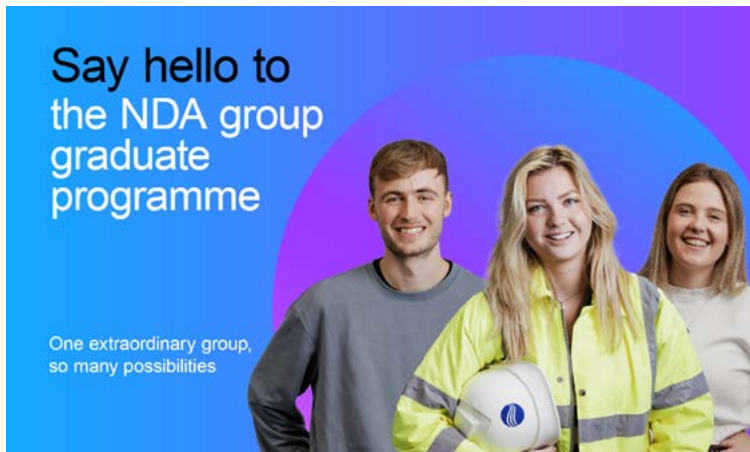
### Creating great places to work

There's a marked increase in competition for talent in our sector and wider industry, so we're prioritising efforts to make sure we have the right skills to deliver our mission. This means developing and retaining colleagues, redoubling efforts with our award-winning Leadership Academy, and attracting new people to join us.



*Pictured: Above - Berkeley's first concrete box, above right - Cumbria Community Forest. Right - Lyra, Dounreay's robot as featured in Time 100 magazine, bottom right - Morlais Tidal Energy Project*





A new NDA group graduate programme launched in 2022, taking advantage of our group model to collaborate and reach new audiences. Together with Energus and the sector-wide Nuclear Graduates programme, 6,000 people applied for roles and more than 60 graduates will join us soon.

Creating great places to work is critical for attraction and retention. It's been a focus throughout my time with the NDA and we're seeing results including Nuclear Transport Solutions launching a career returners scheme and lifting a top diversity trophy at the Northern Power Women Awards. Many parts of the group have also received Disability Confident status, with plans to reach even higher levels of the award. There's more to do, but we're committed to ensuring people are respected and included, so they can perform at their best.

## Trusted to do more

The next phase of our journey is about getting full benefit from the new, simpler way that we're structured and using it as a platform for growth, ready for future missions as we are trusted to do more.

It's an exciting time for us as preparations remain on track for Hunterston B to be the first advanced gas-cooled reactor to transfer to Magnox from EDF Energy for decommissioning when defueling completes, and we're working closely with the Ministry of Defence as the feasibility of Magnox decommissioning its Vulcan site is assessed.

More broadly, we're supporting the UK Government's Energy Security Strategy as its expert advisor for new nuclear waste management and decommissioning. New nuclear has a role to play in this strategy and we have land and expertise available that can support future developments. I welcome the creation of Great British Nuclear to co-ordinate efforts and we're already working closely with the new team.

## Accounting Officer scrutiny

At the NDA we take our accountability for the money we spend very seriously. Our end of financial year NDA Accounting Officer review process identified a management override of financial controls in determining the outcome of an employee incentive plan at Sellafield resulting



in an overpayment to staff. With the support of the Sellafield Board, we are taking steps to recover the overpayment and enhancements to Reward Governance will be implemented with lessons learned shared across the NDA Group.

## Thank you

I was particularly proud to see the results of our stakeholder survey this year, noting an increase in positive perceptions and an endorsement of NDA staff's professionalism and integrity. Thank you to those who responded and to all our stakeholders for the time they take to engage with us.

My ongoing thanks also go to my dedicated colleagues throughout the group, as well as our Board and the Governments of the UK and devolved administrations. I'd like to thank Ros Rivaz who recently completed her term as NDA Chair and welcome Chris Train who has taken on the role of interim Chair while a permanent successor is recruited. Our work is one of the most important environmental programmes in the world, protecting people and the planet. I remain confident that we have the right team and strategy to deliver our commitments on behalf of the nation.

**David Peattie** CEng HonFNucl  
Accounting Officer and  
Group Chief Executive Officer  
12 September 2023

# Financial review

## Kate Bowyer, Group Chief Financial Officer

This year has seen success in securing additional revenue to support our mission and active portfolio management across the estate to mitigate the risk from high energy costs and inflation.



I am delighted to have joined the NDA on 2 May 2023 and am looking forward to building on my predecessor's improvements to our systems and processes in support of our critical mission. 2022/23 was one of financial challenges and emerging risks, with the effects of inflation being felt in budgetary management across the NDA group. In particular the unprecedented increases in energy costs resulting from the conflict in Ukraine required constant management and forward planning.

Despite these challenges, financial risks and opportunities were managed effectively on a portfolio basis, ensuring that the Group remained within the overall funding settlement agreed with UK Government through the Supplementary Estimate process. With the support of the Group Leadership Team and working closely with UK Government, we were able to take risk-based prioritised investment decisions and maximise commercial revenues.

Commercial revenues increased by 48% to £1,059 million (2021/22: £714 million) with higher levels of fuel deliveries from the UK's operational nuclear power stations and the successful conclusion of a package of contracts for the management of wastes from overseas utilities. The high levels of inflation impacted expenditure budgets but also delivered a beneficial impact in the accounting for our long-term contract income.

Net expenditure for the year was £2,700 million (2021/22: £2,758 million), compared to the original voted net expenditure limit of £2,833 million (2021/22: £2,791 million). Capital investment was £2,193 million (2021/22: £2,024 million) and our resource expenditure was £1,566 million (2021/22: £1,448 million).

The Statement of Financial Position of the NDA group is dominated by the nuclear provision, the discounted best estimate of the future costs of the decommissioning mission, of £124.4 billion (31 March 2022: £237.0 billion).

It is important to note the inherent uncertainty around this estimate and therefore that it represents a single point in a credible range of potential outcomes. The basis is discussed on pages 133 to 135, showing that the principal movement in the year has been the change in the discount rate, along with some cost estimate changes. Detailed disclosures are given in note 24 to the accounts on pages 179 to 182.

Building on the current spending settlement from UK Government, we continue to develop our longer term financial plans and mission progress reporting in anticipation of future spending reviews.

Following the finalisation of the last two parent body organisation contracts last year the structure of the NDA Group has continued to develop, with Magnox Limited and Dounreay Site Restoration Limited joining on 1 April 2023. This provides a single legal entity which will grow in future years to deliver the decommissioning of the advanced gas-cooled reactor sites when they transition into the group.

We continue to deliver improvements to our systems and processes through a series of workstreams focused on people, reporting, controls and risk.

Reporting used by the Group Leadership Team, NDA Board and UK Government has been enhanced in the year. The approach to Counter Fraud, Bribery and Corruption has been improved through the creation of a group wide forum and the launch of compulsory training within the NDA. We are now into our third year of intake to our Finance, Audit and Risk graduate scheme and we have welcomed our first cohort of finance apprentices. This will help to ensure that we have the right skills and resources in place to support the group in its important work.

**Kate Bowyer**  
Group Chief Financial Officer



# Performance against financial targets

How **£3,759m** funding was used to deliver the NDA mission (2021/22: £3,472m)

**£2,516m**  
Sellafield  
(2021/22: £2,353m)

**£707m**  
Magnox with Dounreay  
(2021/22: £670m)

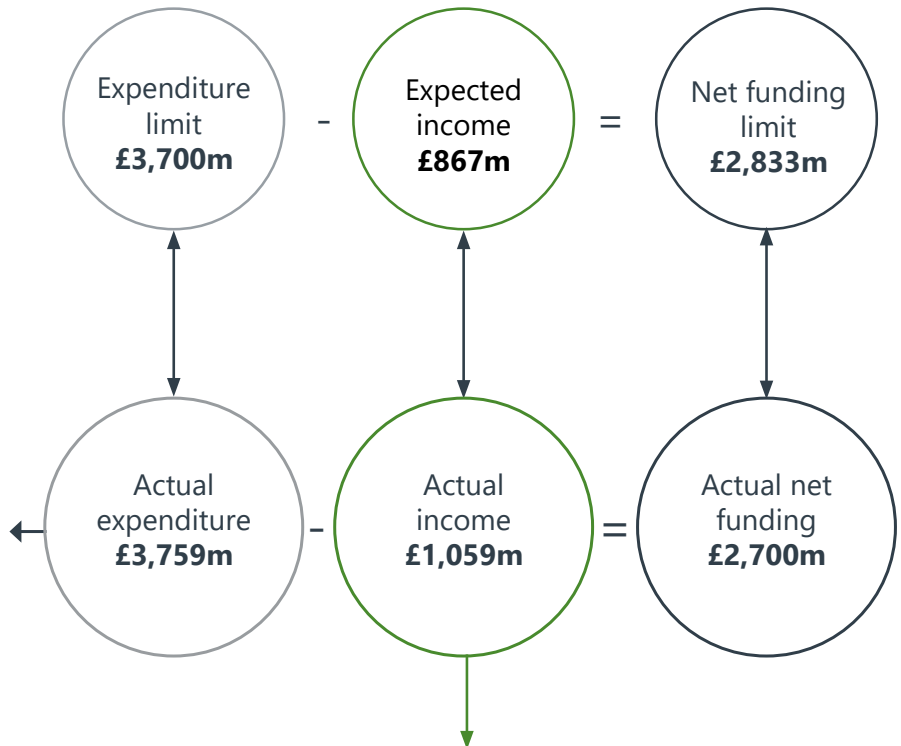
**£257m**  
NWS, Capenhurst,  
Springfields  
(2021/22: £218m)

**£65m**  
NTS  
(2021/22: £71m)

Plus

**£185m**  
Industry costs  
(2021/22: £119m)

**£29m**  
NDA running costs  
(2021/22: £36m)



## NDA actual income £1,059m

Reprocessing/waste contracts	<b>£413m</b>	(2021/22: £289m)
Spent fuel management	<b>£453m</b>	(2021/22: £254m)
Energy sales	<b>£9m</b>	(2021/22: £11m)
Nuclear materials and transport	<b>£133m</b>	(2021/22: £70m)
Other	<b>£51m</b>	(2021/22: £90m)

Figures in the above graphic are prepared on the basis of Government financial reporting (HM Consolidated Budgeting Guidance) which differs in part from the basis used to prepare the financial statements:

Accounting adjustments totalling £793 million are added to the actual expenditure figure of £3,759 million. These relate to non-cash items including amortisation, revalorisation and treatment of leases and the elimination of internal

trading transactions shown above to produce the Authority programme expenditure total of £4,551 million (see note 6 to the financial statements).

Accounting adjustments of £85 million are made to the actual income figure of £1,059 million to produce the Authority income total of £974 million shown in note 9 to the financial statements. These relate to the elimination of internal trading transactions, and a timing difference on the recognition of revenue in long term contracts.

**£3.759 billion**

A total of £3.759 billion spent in the year

(2021/22: £3.472 billion)

**£2.700 billion**

A net total of £2.700 billion funded by Government

(2021/22: £2.758 billion)

**£1.059 billion**

£1.059 billion of income

(2021/22: £0.714 billion)

**£29 million**

NDA's own running costs are 1% of overall estate budget

(2021/22: £36 million)

# The NDA and our mission

We're responsible for keeping the UK's former nuclear sites and facilities, once at the heart of supporting national defence and generating nuclear power for electricity, safe and secure, as we decommission them and overcome the challenges of managing nuclear waste. It's one of the most important environmental programmes in the world, protecting people and the planet.

Our 17,000 strong, skilled group workforce works hard on behalf of the UK, using innovation and technology to overcome the challenges of identifying and removing nuclear waste from ageing facilities, so we can store safely and permanently dispose of it. The work is complex and challenging. Dealing with all the waste, dismantling hundreds of buildings and facilities, and building a Geological Disposal Facility (GDF), to dispose of the most radioactive nuclear waste, will take decades. However, by investing today in the challenges left over from the UK's proud nuclear history, we can remove the burden for future generations and continue to deliver social and environmental benefits through our jobs, knowledge, skills, technology and social investment.

Our team is working with partners in research and industry to drive innovation, using cutting-edge technology to reduce hazards and risks, so that over time the sites can be used again for worthwhile purposes.

## Our history

The UK is a pioneer of nuclear technologies, which have been part of our lives since the 1950s. Our sites and facilities have been at the heart of delivering nuclear benefits for the UK, including national defence programmes and supplying safe, low-carbon power to UK homes, businesses, schools and hospitals, for decades.

Unlike modern day equivalents however, our old nuclear plants and facilities weren't designed for managing the nuclear waste they created, or for decommissioning. There are limited historical records on what, or how much, nuclear waste was left on some of the sites during their working lives.

Generating nuclear power today will not leave future generations with the challenges we're trying to overcome. Nuclear waste produced today is carefully managed, and following in the footsteps of other countries, a Geological Disposal Facility (GDF) will provide us with a safe way of disposing of higher active waste, permanently in England and Wales. Scotland has a distinct policy for higher activity radioactive waste which sets out a near site, near surface approach.

## How we work

How we go about our work is very important to us and we must deliver results safely, responsibly, and sustainably. Our commitment to creating environmental and social benefits builds on our long history of providing value for the UK and we want to ensure that our actions and decisions continue to have a lasting, positive impact.

## Trusted to do more

As we look forward, our work will be expanding. We have been asked to use our specialist expertise and skills, to decommission newer reactors as they reach the end of their power-generating lives. Arrangements have been agreed by the UK Government, Scottish Government and EDF Energy for the NDA group to decommission Britain’s seven advanced gas-cooled reactor (AGR) stations.

The AGRs will reach the end of their operational lives over the next 10 years and, after defueling, with the fuel being transferred to Sellafield for interim storage, will transfer to Magnox for decommissioning.



**17**

nuclear sites  
across the UK



**17,000**

employees across  
the group



**950**

hectares of  
designated  
land on nuclear  
licensed sites



**800+**

buildings to be  
demolished



## The NDA group

Our group is made up of the Nuclear Decommissioning Authority (NDA) and four key component parts: Sellafield, Magnox with Dounreay, Nuclear Waste Services and Nuclear Transport Solutions.

- **The NDA** is an executive non-departmental public body, created through the Energy Act 2004, sponsored and funded by the Department for Energy Security and Net Zero (formerly the Department for Business, Energy and Industrial Strategy). We have just over 380 permanent staff and are accountable to UK Government and Scottish Government ministers for delivery of our mission through our subsidiary companies.
  - **Sellafield** is responsible for decommissioning the UK's most complex and challenging nuclear site. 75 years ago, the Sellafield site helped to create the UK's nuclear deterrent and later became the home of the UK's first commercial nuclear power station, Calder Hall. The site houses around 85 per cent of all the UK's nuclear waste, on an area of less than two square miles. The Sellafield workforce is taking waste out of buildings as old as the site itself, looking after fuel so that nuclear power stations can continue to operate, and repackaging the country's stockpile of nuclear materials.
  - **Magnox** is responsible for the safe and secure closure of former Magnox nuclear power stations and research facilities, removing all the fuel from the stations, taking down the buildings and managing the waste. Magnox will also manage the decommissioning of seven advanced gas cooled reactor stations, as they stop generating nuclear power and progressively move over to the NDA group over the next ten years. In April 2023 Dounreay became a division of Magnox, responsible for safely and securely cleaning-up and demolishing Britain's former centre of fast reactor research and development. Because many of its facilities were once the home for experimental research, Dounreay's work requires innovation as well as great care.
  - **Nuclear Waste Services** is the UK's leading nuclear waste management organisation, focused on managing the UK's nuclear waste, safely and securely, for generations to come. This includes delivering a Geological Disposal Facility (GDF).
  - **Nuclear Transport Solutions** is our leading global provider of safe, secure and reliable nuclear transport solutions. It uses its specialist transport and logistics expertise to support our nuclear decommissioning mission and help customers and partners around the world solve their own complex challenges.
- Other NDA group companies include NDA Archives Ltd, NDA Properties Ltd, Rutherford Indemnity Ltd and Energenus. An organisational structure for the NDA group is shown on page 22 and reflects the group structure during the year.



# The NDA organisational structure



Department for Energy Security & Net Zero

## Department for Energy Security and Net Zero (DESNZ)

DESNZ is the UK Government sponsor of the NDA and sets policy and funding



UK Government Investments

## UK Government Investments (UKGI)

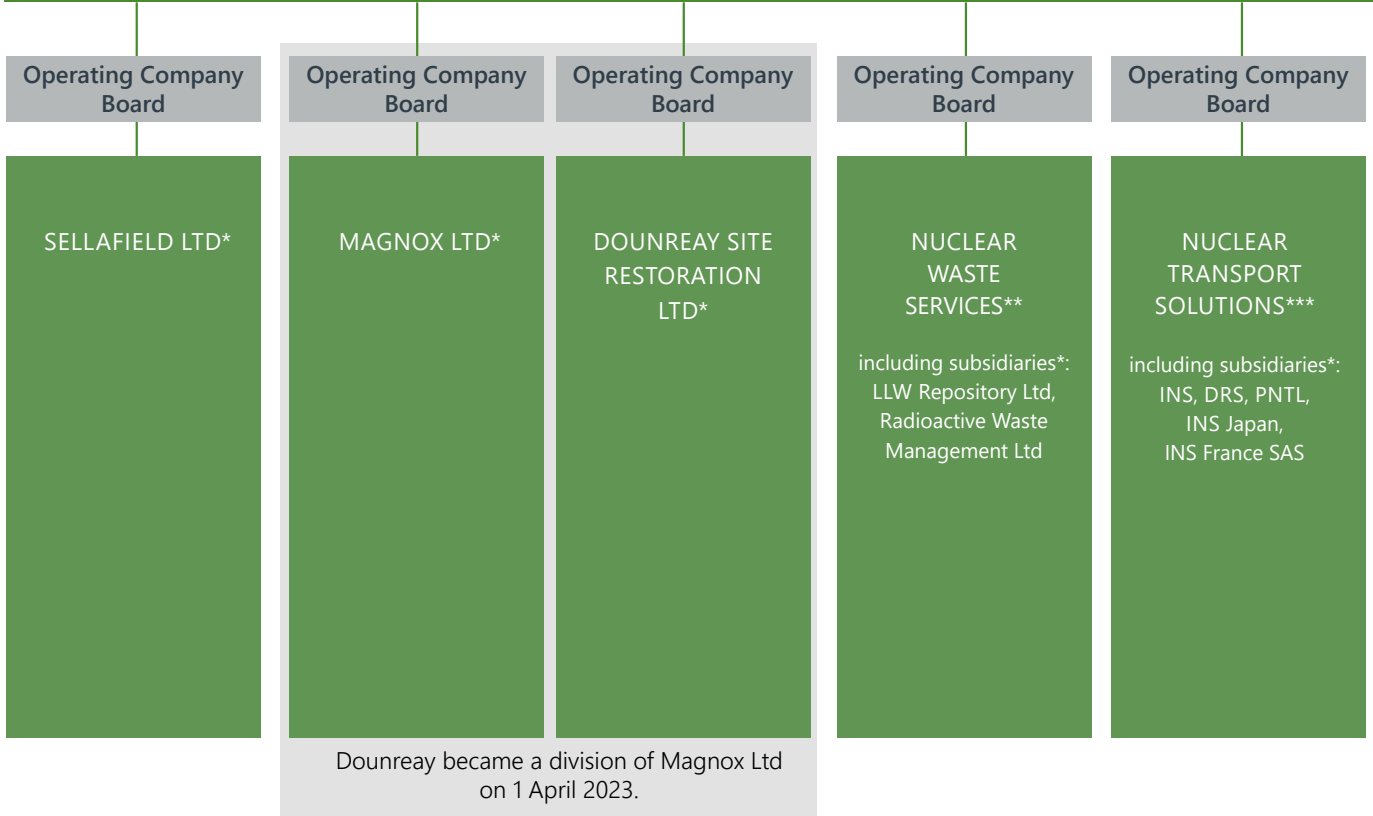
UKGI provides strategic oversight of the NDA's corporate governance and performance

NDA Board



We're charged with the mission to clean up the UK's earliest nuclear sites safely, securely and cost-effectively. Doing this with care for our people, communities and the environment is at the heart of our work.

## Operating company subsidiaries



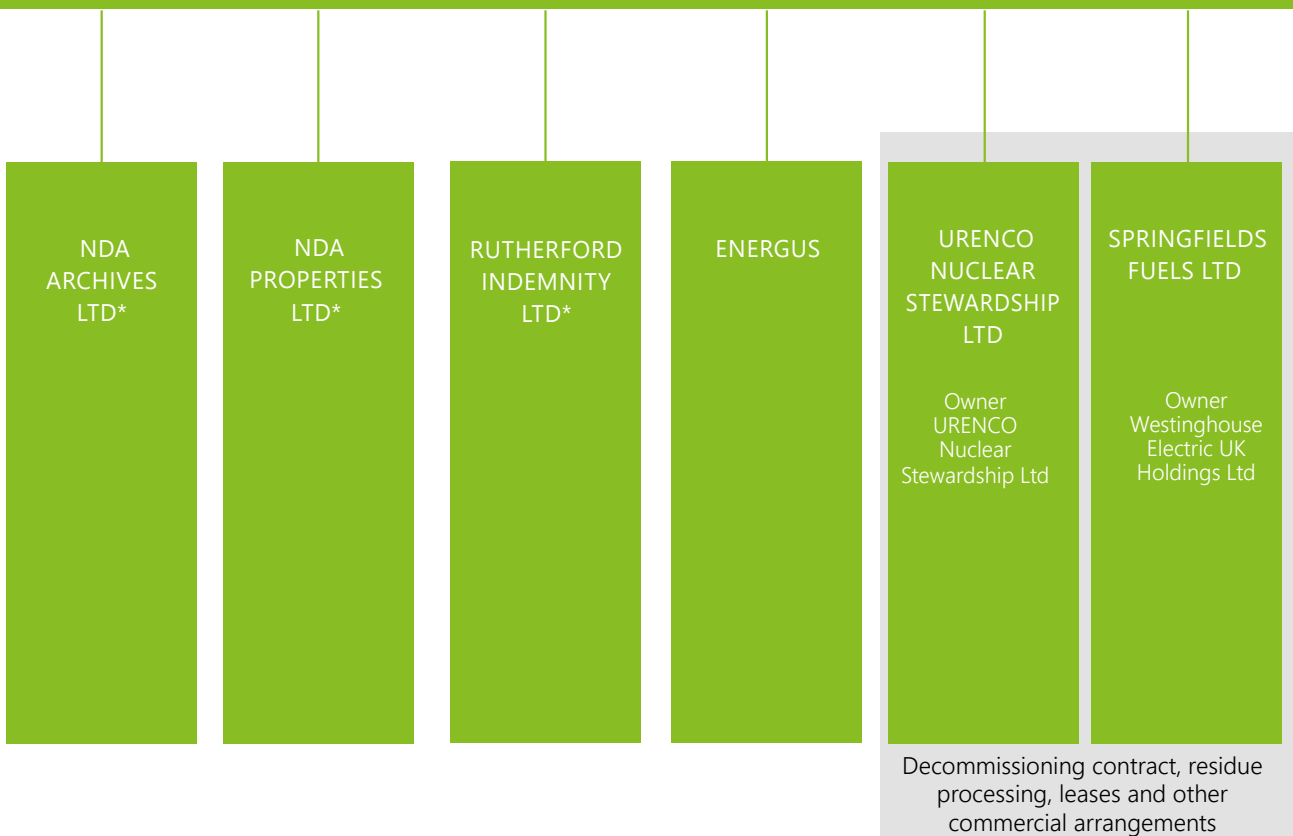
Note this diagram shows the group organisational structure during 1 April 2022 to 31 March 2023. On 1 April 2023, Dounreay became a division of Magnox Ltd operating under a single Operating Company Board.

\*NDA Group for Statutory Accounts

The Scottish Government has particular duties and responsibilities in relation to the NDA under the Energy Act 2004 and sets policy for devolved matters in relation to Scotland.

The NDA is not directly accountable to the Welsh Government or Parliament, but we have socio-economic obligations to our communities and are accountable for environmental performance to the Welsh regulator, which is a Welsh Government sponsored body.

## Other businesses that support our mission





# Sustainability in the NDA





How we go about our work is very important to us and we must deliver results safely, responsibly, and sustainably. Our commitment to creating environmental and social benefits builds on our long history of providing value for the UK and we want to ensure that our actions and decisions continue to have a lasting, positive impact.

This year work has progressed to implement the NDA's Sustainability Strategy and roadmap, embedding the approaches into different parts of the organisation and wider group.

### Sustainability as a critical enabler

Sustainability is one of the NDA's critical enablers, added for the first time as part of our 2021-2026 Strategy published 2021, with the objective to ensure that mission outcomes and the journey to deliver them are sustainable.

Sustainability is often associated with an organisation's environmental activities. The NDA group supports Government aspirations to be carbon net zero by 2050, or 2045 in Scotland. However, sustainability for us entails a much broader commitment to the way our work is delivered, aligned with the United Nations Sustainable Development Goals.

Extensive engagement has been undertaken to understand the impact of our work and the factors that influence it. This has resulted in the identification of four sustainability legacies - decommissioning, environment, socio-economics and culture.

### Progress towards sustainable outcomes

Step changes continue to be made that will bring longer-term benefits in the future. For example, the process for preparing a business case now requires sustainability considerations to be included. This ensures that sustainability is at the heart of the NDA's future decision making.

It is however recognised that there is much more to do. Last year a sustainability report was added to the Annual Report and Accounts for the first time. This year its position has moved forward in the document, but the content has been streamlined. This is a deliberate decision, intended to recognise that progress is not just being made under the banner of sustainability, but across all parts of the organisation, aligned to a common goal.

Progress towards the sustainable outcomes outlined in this report can be seen throughout all subsequent reports and case studies in this document.

**Janet Ashdown**  
Chair, Sustainability and Governance Committee



## Our definition of sustainability

To create value through nuclear decommissioning  
- at pace, affordably, with participation and creatively.

<b>At pace</b>	Keep safety and security paramount, optimise progress in decommissioning
<b>Affordably</b>	Consider the long-term value for money alongside short-term financing, optimising investment decisions
<b>With participation</b>	Seek and support the opinions, plans and aspirations of our workforce, communities and stakeholders
<b>Creatively</b>	Decommission our nuclear sites, enhancing the environment and achieving net carbon zero.

## Our approach

We want to be recognised as a leader in transforming nuclear legacies into opportunities for local, regional, national and international sustainable development.

The NDA Sustainability Strategy was published in March 2022. It followed significant engagement with key stakeholders from around the NDA group, as well as regulators, Government and community stakeholders. This followed a structured process, known as a materiality assessment, identifying areas which both represent the organisation's most significant impact on the economy, environment, and people, and equally the most significant impacts of those areas on the business.

The result was the identification of four overarching themes, known in the NDA as our legacies, setting out how the NDA could achieve the desired vision, with a roadmap of activities to get there.



More information can be found on our website <https://www.gov.uk/government/publications/the-nda-group-sustainability-strategy-2022>

## Sustainability legacies

Our sustainability roadmap identifies four legacies:

### Delivery of our mission



#### Decommissioning

- Deliver our mission safely, securely, protecting people and the environment
- Be outcomes based, high performing and innovative
- Balance pace and priority of activities to provide lifetime value for money and achieve intergenerational equity
- Be guided by sustainability criteria embedded in delivery and outcomes



#### Environmental

- Protect, remediate, and enhance the environment
- Be recognised by our stakeholders for our environmental performance
- Achieve net zero



#### Socio-economic

- Empower people and communities to create sustainable local and regional economies
- Think internationally and act locally on nuclear skills, developing the capabilities of the UK skills base to facilitate decommissioning and the wider nuclear sector
- Be a positive contributor to the national and international trade agenda



#### Cultural

- Engage openly, transparently, and authentically
- Work together to establish respectful and inclusive working environments so our people can perform at their best
- Create an impact conscious and future focused mindset
- Be trusted to deliver in a safe, responsible, and timely manner

Each legacy area is led by a senior representative of the NDA. The cultural legacy is collectively owned by a Sustainability Next Generation group. This is made up of young people from different professional backgrounds with representatives from each of the operating companies.

### Governance and incentivisation

A governance structure that reaches all levels of the NDA group is fundamental to achieving the vision.

In collaboration with the Group Leadership Team and the Sustainability Steering Group, there is clear leadership with decision making capability

in the NDA, helping to expedite progress. Across the NDA group there is the Sustainability Working Group with representatives from each operating company, and the Sustainability Next Generation group which leads the cultural legacy workstream. In addition, complementary sustainability steering and working groups drive progress within each operating company.

Several incentives are given to sustainability across the NDA group. One of these is the Long-Term Incentive Plan, setting incentivised targets until 2025, as well as incentives associated with being a beacon project.



## United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals are a blueprint for peace and prosperity, now and into the future. Many are directly related to the environment and work we do, including responsible consumption and life on land, as well people focused impacts such as gender equality and sustainable cities and communities.

The case studies on pages 35 to 53 highlight how our work contributes towards these goals.



A small number of topics are chosen each year to be NDA group beacon projects, with senior sponsorship, aiming to deliver consistent change and progress in all parts of the group. Sustainability has been a beacon project for two years in a row.

Sustainability networks across the group are actively engaged in embedding sustainability into our ways of working. There are numerous examples where the foundations are being put in place to enable an effective, joined-up consideration of sustainability in decision making. Embedding sustainability in business cases is one such example where it is becoming part of our decision making. New business case templates include such requirements with a subsequent guidance note which sets out more detail. The note incorporates the four NDA sustainability legacies; decommissioning, environmental, socio- economic and cultural, and aligns with the requirements from other external guidance, notably the HM Treasury Green Book and Procurement Policy Notes, [see fig]

## Sustainability in supply chain and procurement

### Specific activities include:

1. Procurement Policy Notes (PPN)
  - a. 06/20 Social Value incorporated into all NDA group in-scope procurements, across the following themes:
    - Fighting climate change
    - Tackling economic inequality
    - Equal opportunity
    - Wellbeing
    - Covid recovery
  - b. 06/21 Carbon reduction plans incorporated into all NDA group in-scope procurements
2. NDA group-wide Atamis procurement and supply chain platform captures PPN06/20 and PPN 06/21 adherence
3. Procurement specific sustainability guidance incorporated into NDA commercial toolkit
4. Delivery of procurement elements of NDA Social Value Beacon Project relating to PPN 06/20
5. Creation and roll-out of carbon questionnaires for incumbent suppliers and development for future invitations to tender

Fig: Business case sustainability considerations and alignment

NDA sustainability legacy	NDA value framework	HMT green book	Procurement Policy Notes (PPN)
<b>Socio-economic</b>	Socio-economic impacts	<ul style="list-style-type: none"> <li>• Productivity and employment</li> <li>• Place based impacts</li> </ul>	<b>PPN 06/20 Social Value</b> - covid 19 recovery - tackling economic recovery <b>PPN 05/21 National Procurement Policy</b> - new business/jobs/skills
<b>Environment</b>	Environment	<ul style="list-style-type: none"> <li>• Greenhouse gases</li> <li>• Natural capital</li> <li>• Climate change resilience</li> <li>• Place based impacts</li> </ul>	<b>PPN 06/21 Carbon Plans</b> - bidders for procurements >£5m must have a carbon plan <b>PPN 05/21 National Procurement Policy</b> - climate change and waste <b>PPN 06/20 Social Value</b> - fighting climate change
<b>Cultural</b>		Public Sector Equality Duty (PSID)	<b>PPN 06/20 Social Value</b> - equal opportunity - well being
<b>Decommissioning</b>	<ul style="list-style-type: none"> <li>• Enabling the mission</li> <li>• Risk and hazard reduction</li> </ul>	Place based impacts	<b>PPN 05/21 National Procurement Policy</b> - improving supplier diversity, innovation and resilience



Our strategic approach  
and themes

# Our strategic themes

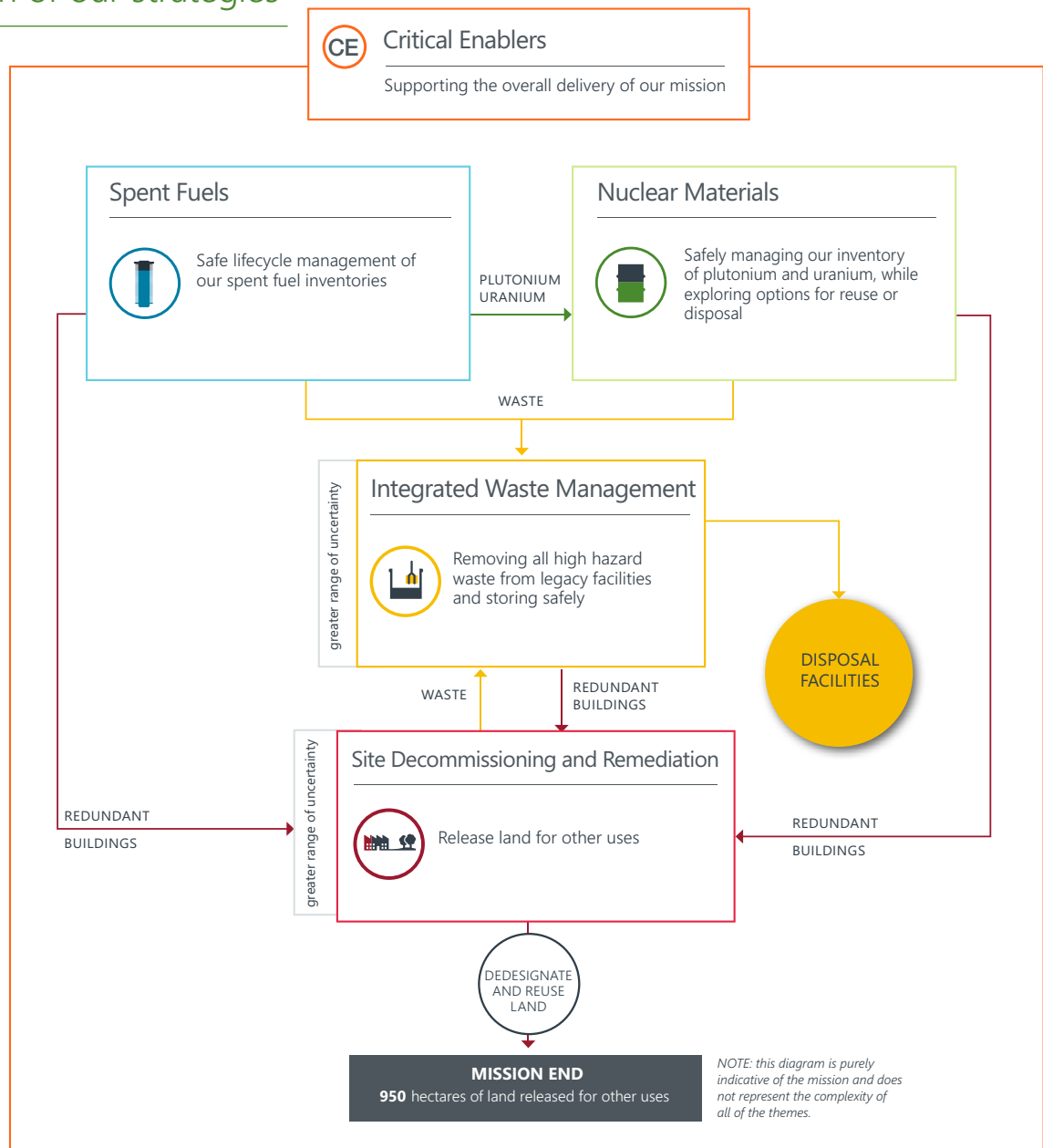
We use five strategic themes to describe all the activities needed to deliver the NDA’s mission.

The first four strategic themes, Spent Fuels, Nuclear Materials, Integrated Waste Management and Site Decommissioning and Remediation, relate directly to our clean-up and decommissioning work and are known as driving themes.

Currently, the most urgent tasks are dealing with our sites’ highest-hazard materials, spent fuel, nuclear materials and highly-radioactive wastes. Once the inventory has been removed and either securely stored or disposed of, the redundant nuclear facilities can be dismantled and demolished.

The fifth theme describes the important activities needed to support the delivery of our mission and is known as Critical Enablers. The diagram below demonstrates how they interact.

## Integration of our strategies





Our driving themes and strategic outcomes



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Across our four driving themes, we break our mission down into 47 strategic outcomes. These outcomes represent the significant pieces of work that must be achieved to deliver our mission.

In March 2021 we published our new Strategy. As a consequence, we have revised some of the detail around a number of outcomes to ensure they continue to align with our strategic approach.

Increasingly, we're building a more accurate picture of the work that has been completed across our 47 outcomes and that which is still left to do.

The percentage figures in the charts opposite show the proportion of work that has so far been completed towards the achievement of each outcome. Overall, good progress continues to be made across our mission as we safely manage our

nuclear inventory and reduce the risks associated with it.

Last year saw more spent fuel of all types placed in interim storage pending final disposal. Four more strategic outcomes have been achieved in relation to the end of reprocessing, whilst work continues with the building of new modern treatment and storage facilities to manage nuclear material and waste, ultimately working towards the final disposal of nuclear inventory and the release of land for other economic uses. The full mission progress report will be available on our website later this year.

### Case studies for 2022/23

Summaries of our 2022/23 case studies can be found on pages 35-53. To read the full case study either scan or click the QR code available on each page.

We have also included the relevant **United Nations Sustainable Development Goals**, shown on page 28, for each case study to show how our work contributes to these goals.



## Spent Fuels Strategic outcomes 1-15

Find out more by clicking  
or scanning the QR codes



Our strategy defines our approach to managing the diverse range of spent fuels for which we are responsible, which are divided into Magnox, Oxide and Exotic. Once spent fuel is removed from a reactor, it is stored in a pond or dry store until it can be dispatched to Sellafield. For more information on the types of spent fuels we manage, see our Strategy document.

The NDA's strategy has been to bring the reprocessing programme to an end. The THORP reprocessing plant and the Magnox reprocessing

plant have now closed. All remaining spent fuel will be safely stored until a permanent solution for disposal is available. The strategy for all remaining spent fuels is to place them in an interim store pending a future decision on whether to classify them as waste for disposal in a GDF. For planning purposes, we assume that all the remaining spent fuels will be disposed of in a GDF.

Our spent fuel work is separated into 15 strategic outcomes that we must deliver, outlined below.

Table 1 - Mission Progress Reporting Strategic Outcomes

		2023 % complete	Sellafield	Magnox	Dounreay	NWS	NTS	Capenhurst	Springfields
SPENT MAGNOX FUEL	1 All sites defueled	100%	✓	✓			✓		
	2 All legacy Magnox fuel retrieved	25%	✓						
	3 All Magnox fuel reprocessing completed	100%	✓						
	4 All remaining Magnox fuel in interim storage	17%	✓						
	5 All remaining Magnox fuel disposed	0%	✓			✓			
SPENT OXIDE FUEL	6 All EDF Energy oxide fuel received	61%	✓				✓		
	7 All legacy oxide fuel retrieved	100%	✓						
	8 All oxide fuel reprocessing completed	100%	✓						
	9 All remaining oxide fuel in interim storage	57%	✓						
	10 All remaining oxide fuel disposed	0%	✓			✓			
SPENT EXOTIC FUEL	11 All exotic fuel defueled	73%	✓		✓				
	12 All exotic fuel consolidated	62%	✓		✓		✓		
	13 All exotic fuel reprocessing completed	100%	✓						
	14 All remaining exotic fuel in interim storage	84%	✓						
	15 All remaining exotic fuel disposed	0%	✓			✓			

Key: NWS = Nuclear Waste Services, NTS = Nuclear Transport Solutions

✓ Denotes outcome complete ✓ Applicable to each SLC/company

# Case study - Spent Fuels

**MISSION DELIVERY** Helping us to deliver strategic outcomes:

42 43

Scan or click the QR code to expand these summaries and read full case studies about our progress.

## Magnox Reprocessing Plant completes mission



Sellafield’s Magnox Reprocessing Plant ceased operations in 2022, marking the end of an operational journey that began in 1964. The plant has played a crucial role in UK energy generation. It received and reprocessed nearly 55,000 tonnes of spent (or used) nuclear fuel from power stations across the country, and Italy and Japan.

That allowed the UK’s 11 Magnox power stations to keep low carbon electricity flowing to homes and businesses in England, Scotland, and Wales.

**Nearly 55,000 tonnes of spent nuclear fuel reprocessed**

## MOX fuel transport arrives safely in Japan



Nuclear Transport Solutions has safely completed another shipment of fuel to Japan, delivering a cargo of 16 MOX fuel assemblies to the Takahama Nuclear Power Station. The Pacific Heron and Pacific Egret vessels departed from Europe carrying the fuel assemblies, which were manufactured in France.

It’s another demonstration of the 45-year history of safe and secure transportation of nuclear materials between Europe and Japan.



**16** MOX fuel assemblies safely delivered to Japan



## Nuclear Materials Strategic outcomes 16-25

Find out more by clicking  
or scanning the QR codes



Our strategy defines our approach to dealing with the inventory of uranium and plutonium currently stored on some of our sites. These nuclear materials are by-products from different phases of the fuel cycle, either manufacturing or reprocessing.

All nuclear materials must be managed safely and securely, by either converting them into new fuel or immobilising and storing them until a permanent UK disposal facility is available. All of our plutonium is stored at Sellafield. Our

uranium is located at a number of our sites and we are continuing to consolidate it at sites which we consider are best suited to its management. For more information on the types of nuclear materials we manage, see our Strategy document.

Our nuclear materials work is separated into 10 strategic outcomes that we must deliver, outlined below.

		2023 % complete	Sellafield	Magnox	Dounreay	NWS	NTS	Capenhurst	Springfields
PLUTONIUM	16 All plutonium produced	100%	✓						
	17 All plutonium consolidated	100%	✓		✓		✓		
	18 A: All plutonium repacked in long-term storage	0%	✓						
	B: All cans not suitable for extended storage repackaged	52%	✓						
	19 All plutonium in interim storage	0%	✓						
20 All plutonium reused or disposed	0%	✓			✓				
URANICS	21 All uranium produced	100%	✓						
	22 All uranium consolidated	82%	✓	✓	✓		✓	✓	✓
	23 All uranium treated	4%						✓	✓
	24 All uranium in interim storage	61%	✓					✓	
	25 All uranium reused or disposed	3%	✓			✓		✓	

## Case study - Nuclear Materials

**MISSION DELIVERY** Helping us to deliver strategic outcomes:

19

Scan or click the QR code to expand these summaries and read full case studies about our progress.

### Uranium consolidation programme



Approx  
**70,000**  
tonnes of uranium,  
in various forms,  
have been  
generated

Approximately 70,000 tonnes of uranium, in various forms, have been generated as a legacy of the UK's civil nuclear programme which the NDA is responsible for safely managing. Currently, 81% of this uranic material has now been consolidated at the Capenhurst site in Cheshire, where it is safely stored pending a decision on future use or disposition.



## Integrated Waste Management Strategic outcomes 26-39

Find out more by clicking  
or scanning the QR codes



Our strategy considers how we manage all forms of waste arising from operating and decommissioning our sites, including waste retrieved from legacy facilities.

Managing the large quantities of radioactive waste from electricity generation, research, the early defence programme and decommissioning is one of the NDA's biggest challenges. Some of this radioactive waste is in a raw (untreated) form, some has been treated and is being interim stored and, in the case of low level waste, some has already been permanently disposed of.

Retrieving, treating and interim storing the radioactive waste from Sellafield's four legacy ponds and silo facilities is the NDA's highest priority. For more information on the types of waste we manage, see our Strategy document.

Our Integrated Waste Management (IWM) work is separated into 14 strategic outcomes that we must deliver, outlined below.

		2023 % complete	Sellafield	Magnox	Dounreay	NWS	NTS	Capenhurst	Springfields
LOW LEVEL WASTE	26 All LLW produced	8%	✓	✓	✓	✓		✓	✓
	27 All LLW treated - to enable diversion or reuse	9%	✓	✓	✓	✓	✓	✓	✓
	28 All waste suitable for disposal in NDA facilities	16%	✓	✓	✓	✓	✓	✓	✓
	29 All waste suitable for permitted landfill disposed	5%	✓	✓	✓	✓	✓	✓	✓
INTERMEDIATE LEVEL WASTE	30 All ILW produced	33%	✓	✓	✓	✓		✓	✓
	31 All legacy waste retrieved	9%	✓			✓			
	32 All ILW treated	10%	✓	✓	✓			✓	✓
	33 All ILW in interim storage	15%	✓	✓	✓			✓	✓
	34 All ILW disposed	0%	✓			✓	✓		
HIGH LEVEL WASTE	35 All HLW produced	60%	✓						
	36 All HLW treated	72%	✓				✓		
	37 All HLW waste in interim storage	81%	✓				✓		
	38 All overseas HLW exported	51%	✓				✓		
	39 All HLW disposed	0%	✓			✓			

# Case study - Integrated Waste Management

**MISSION DELIVERY** Helping us to deliver strategic outcomes:

31 33

Scan or click the QR code to expand these summaries and read full case studies about our progress.

## Geophysical surveys undertaken

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

14 LIFE BELOW WATER



Nuclear Waste Services has undertaken its first marine geophysical survey off the coast of Cumbria. This non-intrusive survey has gathered data to provide a better understanding of the deep geology and supports the search to find a suitable site for a Geological Disposal Facility (GDF). Analysis of the data collected will be shared with communities to support discussions about the potential of an area to host a GDF.

**92 metre vessel undertook the surveys**

## Magnox puts first concrete box in Berkeley store

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



The Magnox team at Berkeley has safely transferred its first concrete box of radioactive waste into the site's purpose-built waste store using a brand new waste storage package and innovative waste retrieval techniques. This builds on a commitment to safe hazard reduction, which has already seen the demolition of buildings and removal of redundant equipment, including the site's 310-tonne steel boilers, all of which were sustainably recycled.

**First concrete box safely transferred into the waste store**

# Case study - Integrated Waste Management

**MISSION DELIVERY** Helping us to deliver strategic outcomes:

31 33

Scan or click the QR code to expand these summaries and read full case studies about our progress.

## First waste sealed in Dounreay waste vaults



Dounreay has started sealing waste into place in its low level waste vaults for the first time. Trials were conducted to ensure the containers could be sealed safely with grout.

The external space around the outside of the walls of the vault has been backfilled with aggregate, with enough used to fill an Olympic sized swimming pool, up to 2.5m high around the structure.

 Enough aggregate to fill an Olympic sized swimming pool

## New £250m facility gets to work at Sellafield



A Silo Maintenance Facility designed to support the retrieval of waste from two of Sellafield's most hazardous legacy facilities is now active. The facility maintains the equipment used to retrieve radioactive waste from the Magnox Swarf Storage Silo and the Pile Fuel Cladding Silo. It'll also maintain the flasks that will transport the waste from silos to modern storage facilities that are being constructed on the site.



# Case study - Integrated Waste Management

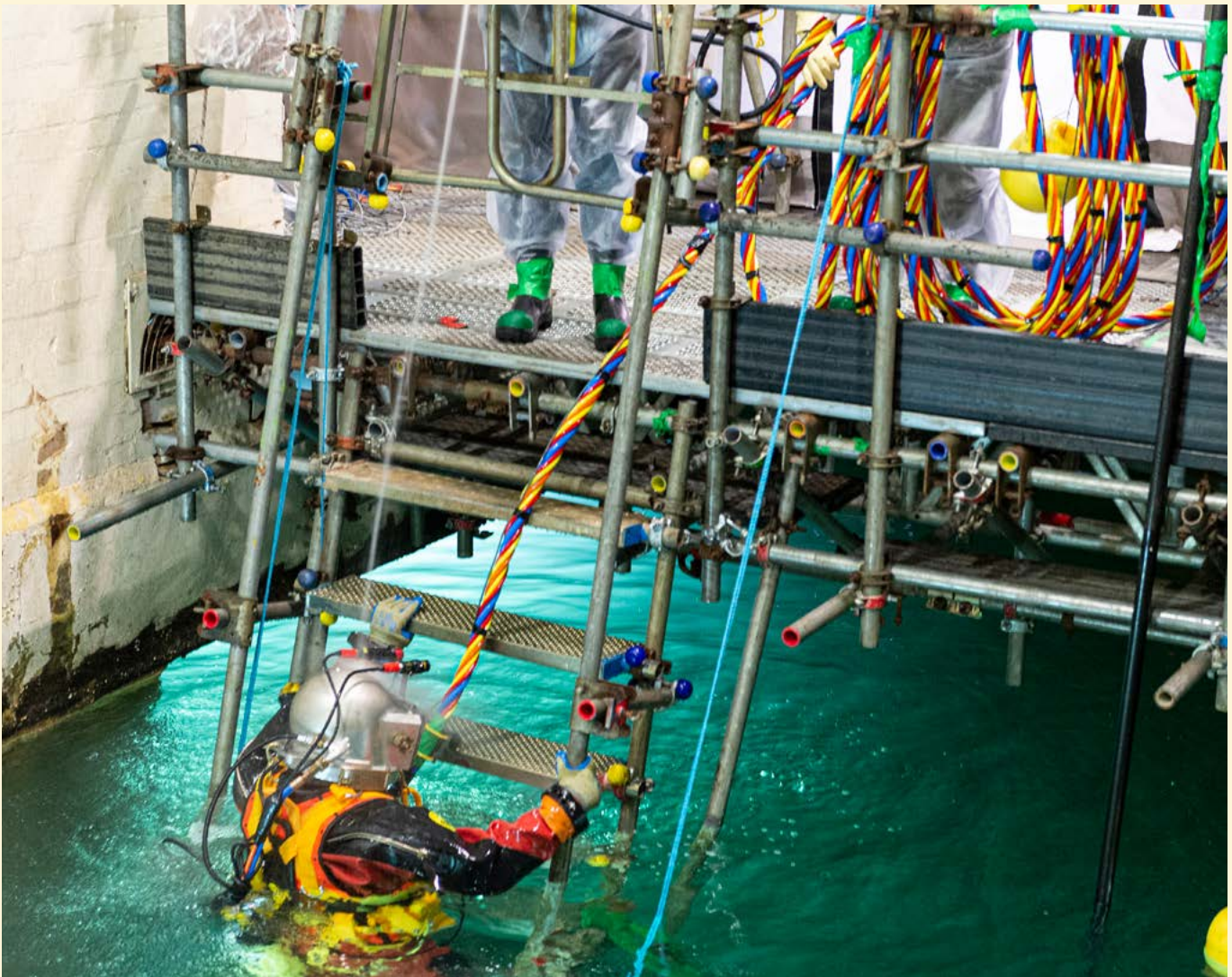
**MISSION DELIVERY** Helping us to deliver strategic outcomes:

31 33

Scan or click the QR code to expand these summaries and read full case studies about our progress.

## Sellafield makes big progress with waste retrievals

12 RESPONSIBLE CONSUMPTION AND PRODUCTION 



First humans in over **60 years** to enter the pond

Sellafield celebrated a number of firsts in progress towards clean up and decommissioning of its legacy ponds and silos, some of the most complex and difficult decommissioning challenges in the world. Summer 2022 saw the first of three retrievals machines began retrieving waste from the Magnox Swarf Storage Silo, which stored casings from used nuclear fuel rods in its water-filled chambers for over 60 years.

Meanwhile a team of specialist nuclear divers became the first humans in over six decades to enter the Pile Fuel Storage Pond (PFSP). They learned valuable lessons about how divers might contribute to the clean-up and dewatering of nuclear ponds in the future.



## Site Decommissioning and Remediation

### Strategic outcomes 40-47

Find out more by clicking or scanning the QR codes



Our strategy defines our approach to decommissioning redundant facilities and managing land quality in order that each site can be released for its next planned use.

After the buildings on our sites have been decommissioned, decontaminated and dismantled the land will be cleaned up to allow it to be released for other uses. At that point, its ownership would transfer to a new user of the land. The NDA

is currently assessing alternatives for the final stages of decommissioning that could lead to earlier release of land, continued employment or opportunities to reuse the land.

Our site decommissioning and remediation work is separated into eight strategic outcomes that we must deliver, outlined below.

		2023 % complete	Sellafield	Magnox	Dounreay	NWS	NTS	Capenhurst	Springfields
OPERATIONAL AND PLANNED	40	All planned new buildings operational	TBD	✓	✓	✓	✓	✓	
	41	All buildings primary function completed	39%	✓	✓	✓	✓	✓	
DECOMMISSIONING AND DEMOLITION	42	All buildings decommissioned	22%	✓	✓	✓	✓	✓	
	43	All buildings demolished or reused	21%	✓	✓	✓	✓	✓	
SITES	44	All land delicensed or relicensed	9%		✓	✓	✓		
	45	All land in End State - all planned physical work complete	43%	✓	✓	✓	✓	✓	✓
	46	All land demonstrated as suitable for reuse	9%	✓	✓	✓	✓	✓	✓
	47	All land dedesignated or reused	9%	✓	✓	✓	✓	✓	

## Case study - Site Decommissioning and Remediation

MISSION DELIVERY

Helping us to deliver strategic outcomes:

42 43

Scan or click the QR code to expand these summaries and read full case studies about our progress.

### Robot goes underground at Dounreay



A robot designed with help from Dounreay has been used to safely inspect hazardous environments such as ventilation ducts and feedback radiological information. Human access to these areas is currently impossible due to size and radiological risks. The robot, named Lyra, was designed following a three-year collaboration between the decommissioning team from Dounreay's Fuel Cycle Area, a consortium of universities and knowledge transfer experts and was listed in Time magazine's top 200 innovations of 2022.

### An illustration of progress in decommissioning at Trawsfynydd



Important change is coming for Magnox's Trawsfynydd site, following a decision to adopt a strategy of continuous reactor dismantling. It will create a significant opportunity to share decommissioning learning and see some major skyline change over the next few years.

Concept development work to underpin this change has now been completed focusing on developing outline technical solutions to the key challenges associated with the dismantling programme, principally reactor dismantling.

## Case study - Site Decommissioning and Remediation

MISSION  
DELIVERY

Helping us to deliver strategic outcomes:

42 43

Scan or click the QR code to expand these summaries and read full case studies about our progress.

### Construction and demolition waste recycled

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION




The NDA group is committed to delivering its mission sustainably. At Magnox, a massive 93 per cent of what it produces was recycled last year. That's enough demolition waste to fill 542 double decker buses and enough metal to make almost 60 million new drink cans.

# Our critical enablers

Our fifth strategic theme, critical enablers, covers the important activities needed to support the overall delivery of our mission.

## **Health, safety, environment and wellbeing**

Safety is, and always will be, our number one priority. Our focus is to reduce the highest hazards and risks, while ensuring safe, secure and environmentally responsible operations at our sites. It's our duty to carry out this highly complex mission safely and efficiently while ensuring people and the environment are safeguarded at all times.

We aim to be recognised as a leading environmental remediation organisation. Our environment strategy is maturing and we are working towards a low carbon future and improved environmental outcomes to ensure that our mission outcomes are delivered in an environmentally sustainable manner.

Our strategy for health and wellbeing is to provide a supportive working environment across the NDA group by actively promoting and working with our employees and trade unions (see People) to develop and implement policies and standards with employee health and wellbeing at the forefront.

## **Sustainability**

Sustainability is one of the NDA's critical enablers, added for the first time as part of our Strategy published in 2021, with the objective to ensure that mission outcomes and the journey to deliver them are sustainable. For more information on sustainability in the NDA see page 24 to 29.

## **Security and resilience**

Security is a fundamental element of all civil nuclear operations. We are committed to providing proportionate security and resilience solutions throughout the decommissioning lifecycle.

We recognise the many threats that face the NDA and its supply chain, from cyber attacks, data breaches and Information Technology (IT) system failures to extreme weather conditions, global pandemics and terrorism.

Our strategy brings the NDA operating companies together, taking a group-wide approach to security and resilience in order to improve collaborative working and, where appropriate, implement a shared approach to security arrangements.

## **Cyber security**

Our Cyber Security Strategy is well established, but requires further integration with organisational and operational planning across the whole NDA group.

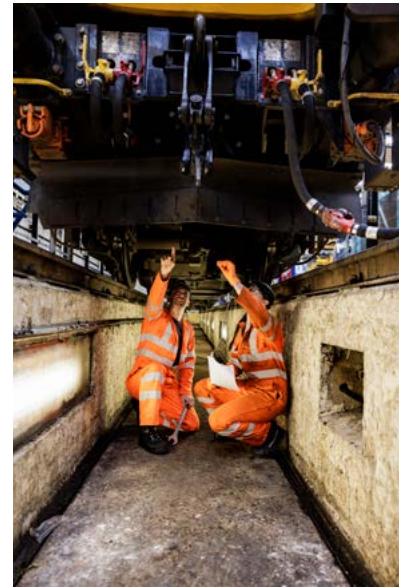
The nature of the threat continues to change and is so prevalent that we have established a group-wide programme (Cyber Security Resilience Programme) to ensure that we become an increasingly harder target for those who seek to do harm to our businesses or our sites.

We will ensure that we can collectively protect ourselves, detect cyber incidents early and have mature response and recovery plans to minimise disruption to our core mission of nuclear clean-up and environmental restoration.

## **Research, development and innovation**

Delivering our mission needs many 'never-done-before' solutions, which require significant innovative and novel engineering approaches.

Our strategy is to solve the challenging technical problems safely, while aiming to be more effective, efficient, and wherever possible, to impose less cost on the taxpayer. Research, development and innovation is essential to decommissioning our sites and is delivered in partnership with our supply chain.



## People

We strive to create great and diverse places to work so that we can retain our people, maintain our skills base and recruit into our businesses.

Our people strategy has three main focus areas: ensuring we have the right people at the right time to deliver the mission; creating the culture in which our people can thrive; and working in partnership with our recognised trade unions and the broader stakeholder community.

## Asset management

The NDA group has assets in all stages of the asset management lifecycle and we have a responsibility to secure safe, environmentally considerate and cost-effective asset management across the group.

To ensure our assets achieve this objective, we need a continually improving asset management approach informed by good practice that focuses on value for money mission delivery.

Our strategy continues to address the enduring risk that poor asset performance adversely impacts our mission. We will further develop our strategy for new and existing assets and look to obtain through-life asset management plans that fully integrate new assets into current operations.

## Supply chain

A diverse, ethical, innovative, and resilient supply chain is essential to delivering the NDA mission and provides value for money for the UK taxpayer.

With our One NDA way of working, we are now uniquely placed to identify synergies across the group and develop further collaborative procurement activities. We continue to broaden the routes to

market and our supply base for the NDA group.

A more diverse and sustainable range of suppliers with nuclear experience will provide greater resilience and access to innovative solutions for safe, secure and cost-effective decommissioning.

## Information governance

The NDA owns most of the information produced and managed by the NDA group. We collaborate with and support all businesses within the group in order to comply with statutory and regulatory obligations and realise the value of these assets to enable delivery of the NDA mission.

We have embedded a group-wide policy, procedures and guidance and delivered key centralised infrastructure consisting of an archive and long-term records management facility (Nucleus), a secure collaboration platform (the NDA Hub) and a secure private cloud.

## Socio-economics

We have a statutory responsibility to support the maintenance of sustainable local economies for communities living near NDA sites and, where possible, contribute to regional economic growth.

The NDA group's socio-economic strategy is built upon supporting sustainable incomes, resilient economies and thriving communities.

Our approach is to work locally. This means working in partnership with local authorities, constituency MPs and organisations to better understand local needs. In supporting our local communities, our primary strategy is to ensure that decisions that direct the delivery of our decommissioning mission support local sustainable



and inclusive economic growth and greater social value wherever possible.

To ensure our local communities can attract future economic activity, we prioritise support and funds for projects which are consistent with our responsibilities to the UK taxpayer. We work in partnership with others to increase the impact of our funding.

**Public and stakeholder engagement**

Open and transparent engagement is key to building support, confidence and trust among all our stakeholders and we continue to encourage two-way dialogue about strategic direction and when consulting on statutory documents.

The open dialogue we have with our stakeholders has encouraged the discussion of difficult and complex issues. We are committed to listening to and integrating a diverse range of views and giving confidence to stakeholders that their views and input will be considered fully as part of this engagement, helping to drive and influence progress in delivering the NDA’s mission. This would not be possible without the support of our stakeholders and the trust we have built with communities and local authorities close to our nuclear sites.

**Transport and logistics**

The effective delivery of the NDA mission relies on our ability to transport radioactive materials (for example, spent fuel, radioactive waste, contaminated items) and bulk materials (for example, spoil, concrete, raw materials) to, from and between our sites. In 2021, we brought together the extensive transport and logistics

expertise of our subsidiaries, INS and DRS, into a single transport division, Nuclear Transport Solutions (NTS), to support the NDA group and provide value beyond the NDA mission, both in the UK and overseas.

NTS specialises in the operational, commercial, engineering, legal and regulatory requirements that underpin nuclear transport and logistics operations.

**International relations**

The NDA’s operating environment is inherently international and the risks we manage transcend national boundaries.

The materials in our inventory have safety and security considerations on a global scale, and the policy framework in which our strategy is developed is underpinned by international standards and guidance.

The nuclear decommissioning market is growing globally and we will continue to use our experience and relationships to enhance the reputation of the UK nuclear industry, sharing our experience and skills, accessing peer reviews, and conducting joint technology development projects.



To find out more about our critical enablers please refer to our Strategy which can be found at [https:// www.gov.uk/government/publications/nuclear-decommissioning-authority-strategy-effective-from-march-2021](https://www.gov.uk/government/publications/nuclear-decommissioning-authority-strategy-effective-from-march-2021)

# Case study - Critical Enablers

Covering the important activities needed to support the overall delivery of our mission

Scan or click the QR code to expand these summaries and read full case studies about our progress.

## STAKEHOLDER ENGAGEMENT

### Stakeholder survey shows positive progress



The NDA's latest stakeholder survey showed positive progress in external views of the NDA's mission, and in its strategic approach. An independent survey of 829 stakeholders showed marked improvements in stakeholder perception of the NDA's performance, transparency and leadership. Key highlights include the percentage of stakeholders who said the NDA acts in an open and transparent manner, rising to 89% - compared to 78% previously. The percentage of people who believe the NDA is positively helping to create sustainable communities also rose to 87% from 75% in 2020.

## ENVIRONMENT

### NDA supports Cumbria Coastal Community Forest



Nuclear Waste Services and the NDA have hosted their first staff tree planting event, with 720 trees planted at Pelham House in Cumbria. Volunteers included senior leaders, apprentices, and support from Cumbria Woodlands.

The Cumbria Coastal Community Forest is a partnership project between Cumbria Woodlands and local authorities which the NDA is supporting with £200,000 of funding. Thousands of trees will be planted to bring people closer to nature and create corridors of woodlands which will enhance biodiversity and provide resilience to climate change.



# Case study - Critical Enablers

Covering the important activities needed to support the overall delivery of our mission

Scan or click the QR code to expand these summaries and read full case studies about our progress.

## SOCIO ECONOMICS

## Significant leverage achieved from socio-economic projects



Significant progress has been made on projects which have been made possible by NDA group funding and other third-party investments we have enabled. These include a £7.5 million investment in Cleator Moor’s Industrial Solutions Hub, £900,000 group investment in the Morlais Tidal Energy Project in Angelsey and £3 million investment in the Sutherland Spaceport project.

We have a unique statutory responsibility set out in the Energy Act 2004 to have regard for the impact of our activities on communities living near the group’s sites. This is done through a programme of grant funding aimed at creating opportunities for economic growth, diversification, and employment. This is in addition to the already significant nationwide economic impact of our work, as well as the efforts to deliver the maximum social value from operations.

## SUPPLY CHAIN

## Major supply chain event returns



The NDA group supply chain event, thought to be Europe’s largest decommissioning-focused networking opportunity was held last summer for the first time in three years. Around 5,000 companies make up the group’s supply chain, with almost three-quarters of UK Parliamentary constituencies home to businesses that support the mission. In the last year £1.9 billion was spent with partner companies, representing almost 55% of the NDA’s £3.5 billion budget.

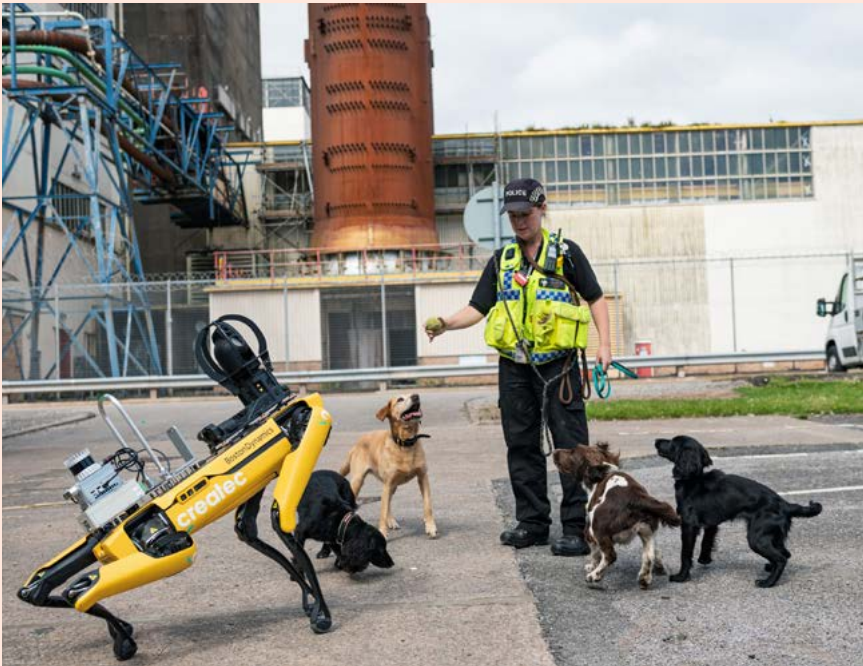
# Case study - Critical Enablers

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RESEARCH, DEVELOPMENT & INNOVATION

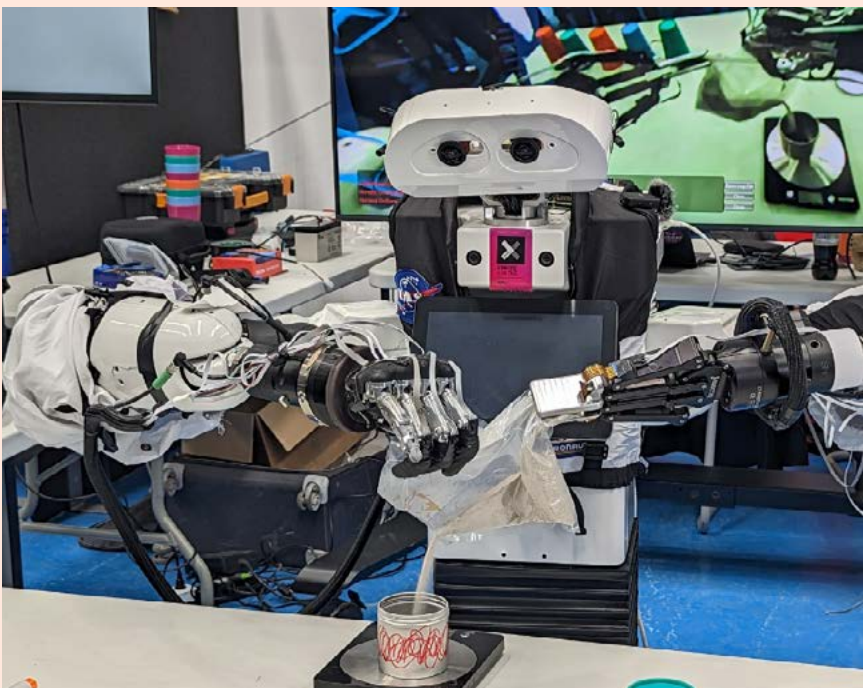
## Spot the robotic quadruped gets to work at Sellafield



Teams at Sellafield worked together on a project to understand the benefits of using Spot the robotic quadruped to inspect and clean active cells that would normally require workers to enter in air-fed protective suits. This takes humans out of the hazardous area, reducing the risks to operators who can instead focus on operating Spot remotely. The work can be done faster as Spot can work in these areas much longer, and has halved the predicted costs and significantly reduced the waste generated from protective gear.

RESEARCH, DEVELOPMENT & INNOVATION

## Contracts awarded to fund telexistence technologies



The Defence Science and Technology Laboratory (Dstl) and the NDA working in partnership with the Defence and Security Accelerator (DASA) have announced that four innovative projects have won a share of £1.3 million funding to develop cutting edge telexistence systems. Telexistence technology has the potential to give those working in hazardous environments the capability to undertake tasks without physically being present.

Collaboration across the nuclear industry and other sectors opens the door to different ideas and experiences, a wider supply chain and creates more diversity of thought to find innovative ways to deliver the mission.

## Case study - Critical Enablers

Covering the important activities needed to support the overall delivery of our mission

Scan or click the QR code to expand these summaries and read full case studies about our progress.

### PEOPLE

### NDA group graduate programmes launched



Say hello to the NDA group graduate programme

One extraordinary group, so many possibilities

A new NDA group graduate programme has been launched, bringing together all parts of the group to attract and develop new graduates to help deliver our mission.

More than 60 graduates will start a two-year programme later in the year, developing careers in professions from business and commercial to project management, engineering, science, technology and innovation.

### PEOPLE

### NTS awards and NTS' Women Returners Programme



Nuclear Transport Solutions has won 'Medium Organisation Award' at the prestigious Northern Power Women Awards. The accolade was for its support for female employees, those who identify as female and its work to attract more women into the organisation, particularly through its female-focused recruitment campaign attracting a cohort of female trainee train drivers. The business was also commended in achieving gender parity in its executive team and the launch of its Women Returners Programme, aimed at helping talented women return to the workforce.

## Case study - Critical Enablers

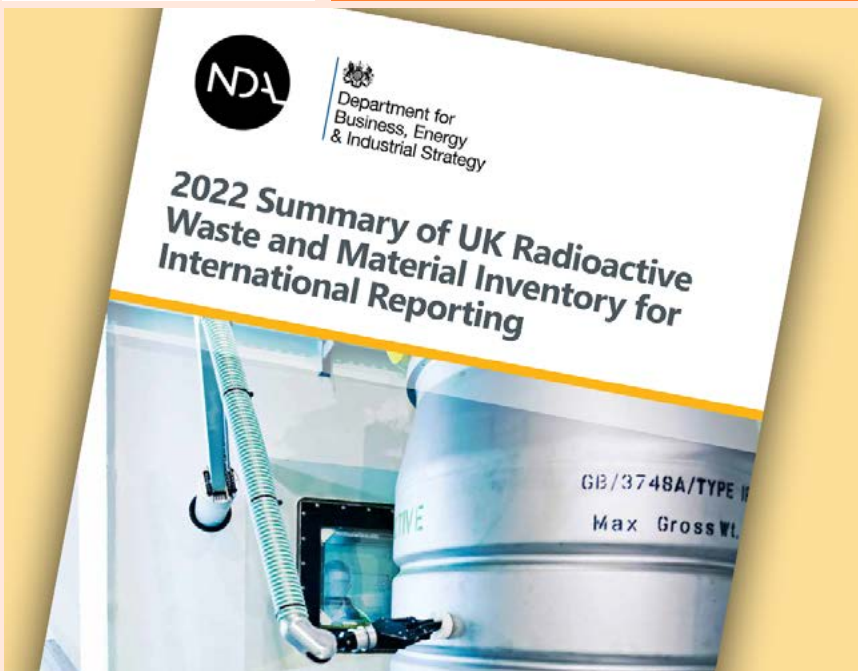
Covering the important activities needed to support the overall delivery of our mission

Scan or click the QR code to expand these summaries and read full case studies about our progress.

### INTERNATIONAL RELATIONS

## Our role on the international stage

17 PARTNERSHIPS FOR THE GOALS



The NDA's operating environment is inherently international and the risks we manage transcend national boundaries. We have a key role to play in working with our international partners to collaborate and share decommissioning expertise, but also to uphold the international standards and guidance that underpin the safety and security of the materials in our inventory.

This year has seen agreements signed with international partners and important inventory reports published that help to further our work in this area.

### INFORMATION GOVERNANCE

## Heritage panels tell nuclear story

11 SUSTAINABLE CITIES AND COMMUNITIES



New panels have been installed at the entrance to Nucleus; the Nuclear and Caithness Archives, providing visitors with information about the story of the nuclear industry with each one describing the events of a different decade.

The panels, constructed to complement the multi-award winning design of the building, have been compiled with input from NDA group companies as well as the National Nuclear Laboratory. Installation supports the NDA's Heritage Strategy which supports decision making across the group for identifying, safeguarding, and celebrating the civil nuclear industry's history.

## Case study - Critical Enablers

Covering the important activities needed to support the overall delivery of our mission

Scan or click the QR code to expand these summaries and read full case studies about our progress.

### ASSET MANAGEMENT

### Enhancing asset management processes at Dounreay



The NDA and Dounreay teams have worked with specialist companies to implement a technology not previously adopted within the group that can extract data from one of the site's ventilation stacks and send it in real time for staff to access. As well as providing better and more timely asset management information, this approach reduces any potential harm to individuals having to access facilities and reduces the risk of human error. Demonstration of this capability is shaping a concept that is now being actively pursued in other parts of the group which is not limited to ventilation stacks but can be used now in any system that already measures data.

*D. Peattie*

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**David Peattie** CEng HonFNUcl  
 Accounting Officer and Group Chief Executive Officer  
 12 September 2023



# Accountability report

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The accountability report sets out how we meet our key accountability requirements to Government. The report is divided into three sections:

The **corporate governance report** which:

- Includes details of the Board members and leadership team
- Explains the governance structures and reviews our risk management and the internal control systems

**Remuneration and people report** which:

- Discloses the remuneration of our Board members
- Highlights employee matters and details staff numbers, costs and pension arrangements

**Parliamentary accountability and audit report** which includes:

- The Parliamentary accountability disclosures, reporting on losses and special payments and remote contingent liabilities of interest to Parliament
  - The Audit report prepared by the National Audit Office setting out the Audit opinion on the annual accounts
-

# Directors' report

We are an executive non-departmental public body, established by the Energy Act 2004 to secure the decommissioning of the UK's civil nuclear legacy. Since then, our remit has been extended to include the long-term management of all the UK's radioactive waste by finding appropriate storage and disposal solutions.

## Accounts direction

These accounts have been prepared in a form directed by the Secretary of State with the approval of HM Treasury and in accordance with section 26 of the Energy Act 2004.

As permitted by the guidance for preparing Government annual report and accounts in the UK, some of the matters required to be included in the Directors' Report are disclosed elsewhere in the annual report and accounts, identifiable from the cross references provided.

## Sponsoring department

The Department for Energy Security and Net Zero (DESNZ) is the sponsoring department for the NDA. Further detail on the role of DESNZ and UK Government Investments in relation to the NDA can be found on page 62, in the Governance Statement.

## NDA Board

The Board is comprised of executive members and non-executive members (including the Chair) with the latter forming a majority. The non-executive members must comprise a Chair, appointed by the Secretary of State, and a number of other persons appointed by the Secretary of State after consultation with the Chair. The executive members must comprise a Chief Executive, appointed by the non-executive members. Whether there are to be any executive members in addition to the Chief Executive is a matter for the non-executive members. In May 2023 the Board resolved that the Group Chief Financial Officer should be an executive member of the Board. All matters presented to the Board are decided by a majority of votes of those Board members present. There is no distinction in the voting rights of the executive and non-executive members. Details of the current Board members are set out in the Governance Statement on pages 64 to 67.

## Changes to the NDA Board during the year

Volker Beckers served as a non-executive Board member during the year and stepped down on 31 October 2022 (his last term having been extended by three months from 31 July 2022). Kathryn Cearnis was appointed as a non-executive Board member on 1 August 2022. Mel Zuydam resigned as the Group Chief Financial Officer on 31 March 2023. Kate Bowyer joined us as Group Chief Financial Officer on 1 May 2023.

Outside of the 2022/23 financial year, Ros Rivaz stepped down as Chair on 31 August 2023 and Chris Train was appointed as Interim Chair from 1 September 2023.

## Directors' interests

Members of the Board must declare any personal or business interests which may, or may be perceived to, influence their individual decisions and judgments in performing their role as Board members. We maintain a register of such interests.

During the year, the Chair, Ros Rivaz, highlighted a potential conflict of interest in respect of an IT services agreement extension proposal for Sellafield due to her directorship at a different provider (Computacenter). The Board considered the matter and resolved that Ros Rivaz did not need to recuse herself from the discussion at that meeting and on other occasions of similar discussion during the year.

The other members have no personal or business interests which present material conflicts with their role as a member of the Board.



A full register of members' interests and the associated procedure for Board members to manage their interests is available at: [www.gov.uk/government/publications/nda-register-of-directors-interests](http://www.gov.uk/government/publications/nda-register-of-directors-interests)



## Auditor of the NDA

We are audited by the Comptroller and Auditor General (C&AG) in accordance with the Energy Act 2004. The audit is carried out on the C&AG's behalf by the National Audit Office (NAO). The services provided by the C&AG relate to statutory audit work for the NDA. No fees were paid to the C&AG for services other than statutory audit work.

## Pensions

NDA employees are eligible to participate in the Civil Service Pension Arrangements. A small number of employees who transferred to the NDA from INS in 2019 continue to accrue benefits in the UKAEA Combined Pension Scheme.

Group employees participate in various defined benefit pension schemes detailed in note 26 to the accounts.

Group employees also participate in various schemes which are accounted for on a defined contribution basis, with details given in note 26 to the accounts.

## Prompt payments

It is UK Government policy to pay 90% of undisputed invoices within five days, with the remainder paid within 30 days.

	2022/23	2021/22	2010/21
Invoices paid within 5 days	62%	66.1%	62.2%
Invoices paid within 30 days	93%	93.4%	90.5%

The average number of payment days from invoice date for a valid invoice is 10 days, a slight increase from 9 days in 2021/22. Performance compared with Government policy has been impacted by the implementation of a new enterprise resource planning system in the first half of the year (April 2022 to September 2022: 55% of invoices paid in 5 days and 92% in 30 days; October 2022 to March 2023: 67% invoices paid in 5 days and 94% paid in 30 days) which has introduced electronic approval workflows and has improved our linkage between purchase orders and supplier invoices. This provides a platform for improving our prompt payment performance.

## Personal data

There were six internal data breaches recorded during 2022/23, five of which were investigated and classed as minor, non-reportable incidents. One incident was initially reported to the Information Commissioner's Office; however, it was ultimately confirmed that no personal data had been compromised and therefore no further action was required.

In all cases appropriate mitigating measures were taken subsequently in order to reduce the chance of re-occurrence.

## Other disclosures

Details on how the Board has engaged with our stakeholders and discharged its section 172 duties can be found on pages 58 to 60.

Our assessment of the effectiveness of NDA controls is detailed on page 94 including the actions we are taking to learn from two events identified during the year.

Disclosures on equal opportunities, learning and development and how we engage with all staff are in the Remuneration and People Reports on pages 97 to 113.

Our environmental performance is detailed in the Health, Safety, Security, Environment and Wellbeing report on pages 114 to 129.

Details of investment in socio-economic developments, research and development and funding, counterparty and foreign exchange risk are all included in the financial statements.

## Events after the reporting period

IAS 10 requires the NDA to disclose the date on which the accounts are authorised for issue. The Accounting Officer authorised these Financial Statements on 12 September 2023. The Report of the Comptroller and Auditor General was issued on 14 September 2023 (pages 138 to 140).

On 1 April 2023 Dounreay Site Restoration Ltd combined with Magnox Ltd.

## Going concern

A full explanation of the adoption of a going concern basis of accounting appears in note 2.1 of the financial statements.



**Chris Train**  
Interim NDA Chair  
12 September 2023

## Section 172 statement

Under our obligations as an executive non-departmental public body, we adopt a best practice approach in terms of our corporate governance oversight and reporting. The Board therefore voluntarily adheres to the requirements outlined in Section 172 of the Companies Act 2006 in respect of its decision making, and reports on stakeholder considerations accordingly.

Given the nature of its work, we have a large number and wide range of stakeholders. The Board considers stakeholder engagement an essential element of its responsibilities as well as a key enabler to mission delivery. It allows us to understand issues better by obtaining stakeholders' points of view, supporting informed decision-making by the Board and creating confidence in the operation of the organisation.

We divide our stakeholders into the following broad categories:

- Government, Regulators and external authorities. This includes decision-makers with a direct or indirect impact on our ability to make decisions and allocate resources
- Employees, workforce and their representatives
- Supply chain and commercial partners
- Customers, both in the UK and internationally, contributing to the revenue generating activities of the group
- Other influencers and opinion formers including: MPs, MSPs, Welsh assembly members, County Councils, Borough Councils, civil society, Non- Governmental Organisations, local communities (including site stakeholder groups), international organisations etc.

The fair treatment of stakeholders is always a key consideration in decisions taken by the Board, although the Board acknowledge that in some

situations, stakeholders' interests will be conflicted and they may have to prioritise as appropriate. All Board members are involved in a wide range of events, such as staff meetings, engagement with Government, parliamentary meetings and site stakeholder meetings. Stakeholder engagement by the Board and executives is supported by specialists in the communications team who have a comprehensive understanding of our stakeholder network. Engagements during the year are supplemented by roadshows and an annual stakeholder summit.

Stakeholder engagement takes place through regular and structured contact, augmented by informal relationships. For example, formal decision-making in the NDA is supported by regular meetings with Government and regulators. There are a number of technical forums (Nuclear Decommissioning Policy and Strategy Group and Theme Overview Groups for example) which take input from subject matter experts, regulators, Government and other parties.

Local stakeholder engagement is built around our sites and their site stakeholder groups, multiple other standing forums and 11,000 people regularly engaged through our database. The results of our most recent stakeholder survey, conducted by Opinion Research Services during the summer of 2022, showed an increase in positive perception, and an endorsement of our

staff's professionalism and integrity. The research also highlighted areas where respondents feel we could be doing better including the challenge for us to reach a wider, more diverse set of stakeholders and inviting more communication from us around the technical challenges faced in dealing with high-hazard materials.



The full report is available at: [www.gov.uk/government/news/survey-reflects-increasingly-positive-stakeholders-view-of-nda](http://www.gov.uk/government/news/survey-reflects-increasingly-positive-stakeholders-view-of-nda)

In respect of employee engagement, there are well-established formal bargaining and consultation mechanisms in place to engage with trade union representatives. Board members also engage individually with employees, hearing from them first-hand during the Board's site visits, at employee breakfast sessions, employee conferences and at Joint Consultation Group sessions which bring together management and employee representatives.

The Board has welcomed the attendance of each of the operating company Board Chairs in rotation. Senior executives from the operating companies also frequently present items at NDA Board and committee meetings.

The NDA Group Chief Communications and Stakeholder Relations Officer attends Board meetings and provides a link to stakeholders and a specialist view of different perspectives and concerns.

In addition to stakeholder considerations, the Board also evaluates each decision against our mission and risk appetite, providing constructive

challenge where required. We set out the issues and factors we take account of in our decision making in our Value Framework. This provides a structured mechanism to consider:

- Health and safety
- Security
- Environment
- Risk/hazard reduction
- Socio-economic impacts
- Finance
- Enabling the nuclear decommissioning mission

Strategic decisions coming to the NDA Board build in these considerations systematically and they are also reflected and assured in subsequent business case approvals. The Board evaluates each decision against our mission and risk appetite, providing constructive challenge as well as support.

The NDA Board considers that it has acted in good faith in a way most likely to promote the achievement of its decommissioning mission for the benefit of the country and having regard (amongst other matters) to factors (a) to (f) S172 Companies Act 2006, in the decisions it has taken during the year ending 31 March 2023. Examples of some of these decisions are listed in the following table.

**Chris Train**  
Interim NDA Chair  
12 September 2023

## Section 172 statement continued

<p><b>Joining of Magnox and Dounreay</b> In March 2023 the Board approved the final proposal to join Magnox Limited and Dounreay Site Restoration Limited as one entity.</p>	<p><b>'One NDA' Group Operating Framework (GOF)</b> Following the successful completion of phase one of reshaping the NDA group, the Board's focus has turned to subsequent decisions associated with the implementation of the new GOF.</p>	<p><b>Early performance award payment</b> In 2022/23, the Board approved an early partial performance related payment to eligible employees under the terms of the Short-Term Incentive Plan.</p>
<p><b>Relevant stakeholders</b></p> <ul style="list-style-type: none"> <li>• Employees, workforce and their representatives</li> <li>• Supply chain and commercial partners</li> <li>• Other influencers and opinion formers, in particular: local communities and site stakeholder groups</li> <li>• Scottish Government and Regulators</li> </ul>	<p><b>Relevant stakeholders</b></p> <ul style="list-style-type: none"> <li>• Employees, workforce and their representatives</li> <li>• Regulators and other external bodies</li> </ul>	<p><b>Relevant stakeholders</b></p> <ul style="list-style-type: none"> <li>• Employees, workforce and their representatives</li> <li>• Regulators and external governors (including the Nuclear Liabilities Fund)</li> </ul>
<p><b>The Board's decision-making process</b></p> <ul style="list-style-type: none"> <li>• Since the decision taken in 2020/21 to commence with the joining, the Board has carefully monitored all activities relating to its delivery</li> <li>• The primary focus of the Board has been on the fair treatment of colleagues impacted across the group alongside community partners in the Dounreay area</li> <li>• At its meeting in November 2022, the Board received updates on the TUPE status and revised pension arrangements of those Dounreay colleagues transferring to Magnox Limited</li> <li>• During the year, the Board received reports from the employee forums established to support the process. This allowed colleagues a platform to express their views on the process as well as a medium by which they were kept informed of key developments</li> <li>• The Board scrutinised the arrangements made for asset and service transfer within the joining, ensuring the fair treatment of key partners and suppliers</li> </ul>	<p><b>The Board's decision-making process</b></p> <ul style="list-style-type: none"> <li>• During the year, the Board turned its attention to supporting the successful implementation of the new GOF which focuses primarily on people, behaviours, and ways of working</li> <li>• The Board has received and scrutinised regular reports from the GOF Working Group which have provided updates on developments and concerns and interests of key stakeholders impacted by the recent changes</li> </ul> <p>Further to feedback received, the Board examined the governance structure of the NDA and endorsed changes to the Group Leadership Team and Executive Leadership Team to support the more efficient deployment of senior staff</p> <ul style="list-style-type: none"> <li>• The Board also led the way in establishing cross-working peer groups with colleagues in the operating companies. The following have met within the year and an All-Boards event took place in July 2023: <ul style="list-style-type: none"> <li>• Board Chairs' Forum</li> <li>• Committee Chairs' Forums</li> </ul> </li> </ul>	<p><b>The Board's decision-making process</b></p> <ul style="list-style-type: none"> <li>• In consideration of the financial climate, the cost-of-living increase and associated challenges, the Board reviewed and approved an early partial payment of the 2022/23 Short-Term Incentive Plan (STIP) award to eligible colleagues in December 2022. Pending final performance against the NDA Group Key Targets, the award would have normally been paid after the close of the 2022/23 financial year</li> <li>• The Board scrutinised reports from colleagues, stakeholder groups and from our engagement with its recognised trade unions and other colleague representatives, taking their input on the best way forward</li> <li>• In approving the proposal, the Board scrutinised the payments, ensuring they sat within guaranteed STIP performance outturns as defined against our Group Key Targets forecast for the year</li> </ul>

# Statement of Accounting Officer's Responsibilities

Under Section 26 of the Energy Act 2004, the Secretary of State (with approval of HM Treasury) has directed the NDA 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 NDA and of our income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is 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 HM Treasury, 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 accounts
- Prepare the accounts on a going concern basis
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the Department for Energy Security and Net Zero (formerly Department for Business, Energy and Industrial Strategy) has appointed the Group Chief Executive Officer as Accounting Officer of the NDA.

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 NDA's assets, are set out in Managing Public Money published by the HM Treasury.

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 NDA'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.

As the Accounting Officer, I confirm that to the best of my knowledge and belief, this annual report and accounts as a whole is a fair, balanced and understandable reflection of the NDA's performance this year.



**David Peattie** CEng HonFNUcl  
Accounting Officer and  
Group Chief Executive Officer  
12 September 2023

# Governance statement

The NDA is sponsored by the Department for Energy Security and Net Zero (DESNZ). UK Government Investments (UKGI) provides strategic oversight of our corporate governance and corporate performance, working closely with and reporting directly to UK Government senior officials and providing advice to ministers. The formal arrangements between us and our sponsoring department are set out in a framework document, supported by a memorandum of understanding between DESNZ and UKGI. The Scottish Government also has an important governance role to ensure its expectations are met.

The following Governance Statement provides an insight into the corporate governance framework for the NDA and our group entities during 2022/23. The framework is used to measure our performance and effectiveness in the delivery of strategic and operational objectives.

## The NDA's Governance Framework

The NDA is a body corporate governed through the Energy Act 2004; the Government's NDA framework document; and Cabinet Office guidelines for non-departmental public bodies (NDPBs). We also draw on best practice as set out in the UK Corporate Governance Code where appropriate, reporting exceptions to UKGI. This is within the context that our value is not primarily financially metric driven and that its remuneration policy is in line with public sector guidance.

Our governance is under constant review and, as part of the new operating model, a Group Operating Framework (GOF) was published in July 2022. Developed with input from all parts of the NDA group, the GOF is a suite of co-created documents that set out how the group is organised, governed and works together.

The Energy Act 2004 requires us to prepare a strategy for carrying out our functions and to prepare an annual business plan in respect of each financial year. The strategy and annual business plan must be approved by the Secretary of State and, to the extent appropriate, by the Scottish Ministers.

Certain scopes of work require approval from DESNZ. Where work falls outside our delegated authority, we must seek approval before commencing the work and demonstrate that it is affordable, aligned to our mission and provides value for money.

## The Board

The NDA Board is responsible for all aspects of our activities and performance. It sets the strategic framework and direction for operations; is responsible for ensuring high standards of corporate governance at all times; sets the risk appetite; agrees plans against which our performance is measured; and ensures the maintenance of an appropriate control framework that provides assurances on risk assessment and the application of appropriate controls.

As at the date of this report, the NDA Board is comprised of six non-executive Board members, including the Chair, a Senior Non-Executive Member and two executive members: the Group Chief Executive Officer (CEO) and the Group Chief Financial Officer (CFO). The Group General Counsel and Company Secretary attends all Board meetings.

The names and biographies of the Board members who served during the period 1 April 2022 to 31 March 2023, their respective terms of office and memberships of the committees of the Board, can be found on pages 64 to 67.

The Chair of the Board is accountable to the Secretary of State for our activities and performance

in implementing our strategy and annual business plan, for formulating the Board's strategy for discharging our statutory functions and duties and for providing effective leadership and direction of the Board.

The Chair is supported by the Senior Non-Executive Member. The Senior Non-Executive Member leads the annual performance review of the Chair.

The Group CEO is responsible for the leadership and operational management of the NDA. As CEO they are accountable to the Board and as Accounting Officer to Parliament for: NDA activities, public funds employed, ensuring targets are met and for implementing the strategy and plans approved by the Board and DESNZ.

## Board committees

The Board is advised by, and delegates some of its responsibilities to, six committees:

- Audit and Risk Assurance Committee (A&RAC)
- Nominations Committee (NOMCO)
- Remuneration Committee (REMCO)
- Programmes and Projects Committee (P&PC)
- Health, Safety, Security and Environment Committee (HSSE)
- Sustainability and Governance Committee (S&G)

Each committee is chaired by a non-executive Board member. Membership of the committees is made up of a combination of executive and non-executive Board members as appropriate. The majority of members on the committees are always non-executive members.

The Group General Counsel and Company Secretary attends most committee meetings. Other Board members, members of the Executive Leadership Team (ELT), external advisors, representatives from the operating companies and other key stakeholders attend meetings at the invitation of the respective committee chairs.

Each committee reports directly to the Board by way of a Committee Chair's report and committee minutes are made available to all Board members as appropriate. Urgent matters are escalated by the Committee Chair to the Board as appropriate. The membership, meeting attendance records, purpose, responsibilities and key activities within the year of each committee can be found on pages 76 to 82.

## Executive Leadership Team

The Board delegates execution of strategy and day-to-day operational management of the NDA to the CEO and their ELT. The ELT comprises the: Group Chief Financial Officer; Group Chief Operations and Performance Improvements Officer; Group Chief People Officer; Group Chief Commercial and Business Development Officer; Group Chief Communications and Stakeholder Relations Officer; Group Chief of Staff and Security Officer; Group General Counsel and Company Secretary; and Group Chief Nuclear Strategy Officer. Biographies of each ELT member can be found on pages 68 to 70.

# Board members



## Dr Ros Rivaz

Non-Executive Chair  
(Term of office ended: 31 August 2023)



**Board skills and experience:**  
Ros is an experienced Board Member, having held non-Executive positions since 2013. She has wide ranging leadership experience, predominantly in highly regulated and high hazard environments in the UK and internationally. She started her career at Exxon-Mobil, before progressing to senior roles in international companies including Tate & Lyle, ICI and Diageo. Her executive career culminated as Smith & Nephew's Global Chief Operating Officer. There, Ros led work on the group's global transformation for supply chain, manufacturing, engineering and procurement. She was also responsible for regulatory matters including health, safety, environmental performance, IT and cyber-security.

**External appointments:**  
Ros is Senior Independent Director, Remuneration Committee Chair and the Designated Director for Employee Engagement for Computacenter plc. She is Senior Independent Non-Executive Director for Victrex plc as well as Lead Independent Director for Aperam S.A. She is also on the board of the community interest company Eton Community CIC.



## Chris Train OBE

Interim Non-Executive Chair  
(Term of office ends: 31 January 2025)



**Board skills and experience:**  
Chris has over 38 years' experience in the Energy, Utilities, Regulation and Infrastructure sectors. He has held chief executive, senior project management, operations and business development roles at Cadent, National Grid, Transco and Lattice. He has also sat on various European and international committees covering subjects such as regulation, commercial and infrastructure development.

**External appointments:**  
Chris is the Non-Executive Chair of South East Water Limited and Clean Power Hydrogen (CPH2). Chris is also a member of the Department for Energy Security and Net Zero (DESNZ) Hydrogen Delivery Council.

## Committee Membership

- Nominations Committee
- Health, Safety, Security and Environment Committee
- Remuneration Committee
- Audit & Risk Assurance Committee
- Programmes and Projects Committee
- Sustainability & Governance Committee
- Committee Chair





## David Peattie

Executive Board Member -  
Group Chief Executive Officer  
and Accounting Officer



### Board skills and experience:

David is a Chartered Engineer and began his career at BP. During his 33 years with the company, his roles included Head of BP Group Investor Relations, Commercial Director of BP Chemicals, Deputy Head of Global Exploration and Production, Head of BP Group Planning, and finally as Head of BP Russia where he was responsible for BP's interests in the TNK-BP joint venture as well as its businesses in the Russian Arctic and Sakhalin. He was also BP's lead director on the board of TNK-BP and Chair of its Health, Safety and Environment Committee. David was also Chief Executive of Fairfield Energy, a late-life North Sea oil and gas producer.

### External appointments:

David is Chair of Pacific Nuclear Transport Limited, the international nuclear shipping company, partly owned by the NDA. He established and personally funds a bursary at the University of Dundee. The fund provides financial support to undergraduate students in the Engineering Department of the University. In 2022, David was appointed as an Honorary Fellow of the Nuclear Institute.



## Kate Bowyer

Executive Board Member -  
Group Chief Financial  
Officer

### Board skills and experience:

Kate Bowyer joined the NDA as Group Chief Financial Officer (CFO) in May 2023 and plays a key role on our Group Leadership Team and on our Board. Kate brings a wealth of financial and leadership expertise to the role, joining from Muse Places, part of the Morgan Sindall group. In her role as Managing Director, Kate led the delivery of regeneration projects with private and public sector partners, bringing sustainable and transformational change to towns and cities across the UK. Prior to this, Kate was Chief Financial Officer of The Crown Estate, a £14 billion land and property owner and manager.

### External appointments:

None



## Janet Ashdown

Senior Non-Executive  
Board Member

(Term of office ends: 31 July 2024)



### Board skills and experience:

Janet worked for BP plc for over 30 years, holding a number of local and global positions in fuel supply, manufacturing, oil trading and retail marketing. She was a senior leader in BP, running its UK retail and commercial fuel business in her last role. Until the end of 2012, Janet was Chief Executive Officer of Harvest Energy Ltd.

### External appointments:

Janet is a Non-Executive Director and Chair of the Remuneration Committee at Victrex plc, a Non-Executive Director and Chair of the Corporate Sustainability and Remuneration Committees at RHI - Magnesita NV and is a Non-Executive Director at Stolt Nielsen.

## Board members (continued)



### Evelyn Dickey

Non-Executive Board  
Member  
(Term of office ends: 31 July 2024)



**Board skills and experience:**

Evelyn has extensive human resources experience, leading design and delivery of major change programmes, business restructuring, employee relations, resourcing, executive remuneration, organisational capability and performance management initiatives. Evelyn has worked in HR consultancy and as HR Director (HR Operations) for Boots the Chemist, before joining Severn Trent's HR function in November 2006, retiring as Director of HR in 2017.

**External appointments:**

Evelyn is a member of the independent panel for Menopause Friendly Accreditation.



### Kathryn Cearns OBE

Non-Executive Board  
Member  
(Term of office ends: 31 July 2025)



**Board skills and experience:**

A chartered accountant with extensive senior level experience in both the public and private sectors, Kathryn was Chair of the Financial Reporting Advisory Board to HM Treasury from 2010 to 2016 and was Chair of the Institute of Chartered Accountants in England and Wales (ICAEW) Financial Reporting Committee for 10 years up to the end of 2017. Her past roles include project director at the UK Accounting Standards Board and for many years she was a consultant accountant for an international law firm. Kathryn is a past Chair of the Office of Tax Simplification, past Non-executive member of Companies House and the UK Supreme Court, and a former member of the External Audit Committee of the IMF. She was also until recently a Trustee of Mencap.

**External appointments:**

Kathryn is Vice-Chair of The Property Ombudsman. She is a Senior Independent Director and Chair of the Audit and Risk Committee of National Highways and Chair of the Press Recognition Panel. Kathryn is also a Non-Executive Member of the UK Endorsement Board and is a Member of the Group Audit, Risk and Assurance Committee of the Department for Transport. She serves as a Member of the Audit and Risk Committee of the British Medical Association and is a Non-Executive Director of Emperor Design Services.

## Board members (continued)



### Professor Francis Livens

Non-Executive Board Member

(Term of office ends: 30 Nov 2026)



**Board skills and experience:**

Francis has performed numerous important advisory roles in the UK and internationally as a recognised expert in radiochemistry, in particular plutonium and nuclear materials. Francis was a Director of the Dalton Nuclear Institute from 2016 to September 2023, responsible for the coordination of nuclear research and education across The University of Manchester, where he is now a Professor of Radiochemistry. Francis is a Fellow of the Royal Society for Chemistry and Member of the Institute of Strategic Studies.

**External appointments:**

Francis is Chair of the Nuclear Innovation and Research Advisory Board as well as a member of the Office for Nuclear Regulation Independent Advisory Panel.



### Alex Reeves

Non-Executive Board Member and UKGI Representative



**Board skills and experience:**

Alex is a Director at UK Government Investments (UKGI). He currently leads on inward mergers and acquisitions and other corporate finance projects, as well as running UKGI's Non-Executive Director Forum. Alex also has oversight of the UKGI shareholder teams of the National Nuclear Laboratory. Prior to joining UKGI, Alex spent over ten years in corporate advisory and investment banking roles focused on the financial services sector, most recently in the FIG mergers and acquisitions team at Jefferies in London. Alex was a Non-Executive Director of London & Continental Railways Limited from 2018 to 2021.

**External appointments:**

Alex is a co-opted member of the Investment Committee of the Charity for Civil Servants.

## Board members who served during the year:

### Volker Beckers

Non-Executive Board Member (June 2015 to October 2022)



**Board skills and experience:**

After starting in the IT sector, Volker worked as a senior leader in RWE's regulated and non-regulated divisions internationally, grid (transmission and distribution level), retail, generation (including nuclear, conventional and renewable energy) and midstream businesses. Volker was Group Chief Executive Officer of RWE Npower plc until the end of 2012 and prior to this, its Group Chief Financial Officer from 2003 to 2009.

**External appointments:**

Volker holds non-executive roles in the public and private sector as well as academia and charities.

### Mel Zuydam

Executive Director: Group Chief Financial Officer until 31 March 2023. Mel was also a member of the Executive Leadership Team.

**Board skills and experience:**

Prior to joining the NDA, Mel worked across the private and public sector, including as a Listed Company Chief Financial Officer in Europe-wide engineering consulting group Sweco, and with organisations including Balfour Beatty, CH2M, and The Highways Agency. He was also Chief Financial Officer with private infrastructure investors, such as Singapore Sovereign Wealth Fund GIC and JP Morgan Infrastructure Fund. Mel is a member and fellow of the Institute of Chartered Accountants of England and Wales.

**External appointments:**

Mel is a trustee of Mercy Ships UK.

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## Executive leadership team



### David Peattie

Group Chief Executive Officer  
and Accounting Officer

David's full biography can be found  
on page 65



### Kate Bowyer

Group Chief Financial Officer

Kate's full biography can be found  
on page 65



### Alan Cumming

Group Chief Operations and  
Performance Improvements  
Officer

Alan joined the NDA in April 2018, and has responsibility for all operations, including health and safety. A Chartered Civil Engineer and a Chartered Structural Engineer, Alan completed his nuclear training at Massachusetts Institute of Technology in Boston and has an MBA from Strathclyde Business School in Glasgow. Before joining the NDA, Alan was Capital Projects and Engineering Director for Viridor, part of Pennon, Deputy Project Director for EDF Energy's New Build Nuclear Programme and Director of Projects for British Energy. Alan is also an NDA-nominated Non-Executive Director of Nuclear Waste Services.

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## Emma Ferguson-Gould

Group Chief Commercial and Business Development Officer

Emma became Group Commercial and Business Development Officer in February 2022. She joined from the Department of Business, Energy and Industrial Strategy, where she was the Commercial and Operations Director and a Non- Executive Director for UK Shared Business Services Ltd. Emma brings a wealth of cross-sector commercial experience obtained in both leadership and delivery roles across Whitehall and the private sector.



## Clive Nixon

Group Chief Nuclear Strategy Officer

Clive joined the NDA in 2005, after 15 years with BNFL, where he held a number of roles across research and development, technical and commercial areas. Through this he covered the full range of activities and facilities at Sellafield, including reprocessing, waste management and decommissioning. He also spent time in the US and overseas. Roles undertaken within NDA, culminating in his current appointment, have allowed him to gain a comprehensive understanding of the NDA group, the strategy and policy landscape, and provide leadership on strategy development and implementation for the group, and with DESNZ, through strong collaborative relationships. He has a BSc and MSc in Engineering and Applied Mathematics, is a graduate of the Cabinet Office Project Leadership Programme and was part of the first NDA Leadership Academy cohort. Clive is also an NDA-nominated Non-Executive Director of NTS and INS Japan.



## Frank Rainford

Group Chief of Staff and Security Officer

Frank joined the NDA in February 2017. He has responsibility for Security, Cyber, Digital, ICT and other corporate services, as well as co-ordinating group development and a one NDA way of working. Prior to joining the NDA, Frank spent three years as the executive responsible for the GE Aviation Aerostructures business in the UK and previously spent 21 years with BAE Systems and predecessor companies in the UK and Saudi Arabia, holding several senior roles including Transformation and Project Management Director. Frank studied at Lancaster University gaining an MBA and MSc in Project Management. He is also an NDA-nominated Non-Executive Director of Magnox Limited.

## Governance statement (continued)

# Executive leadership team



### Matthew Shaw

Group General Counsel and Company Secretary

Matthew joined the NDA in December 2015 from DLA Piper UK LLP where he was a Senior Associate in the litigation and regulatory team. Prior to this he was a legal advisor at the Environment Agency.

During his time with the NDA he has held a number of key roles across the NDA group, including Head of Legal and Company Secretary at Radioactive Waste Management Limited and Associate General Counsel, Strategic Transactions, and has advised on some of the NDA's most sensitive matters, including several significant pieces of litigation and some of our most important strategic corporate and commercial projects. Matthew was appointed Group General Counsel and Company Secretary on 1 September 2023 having served as Acting Group General Counsel and Company Secretary prior to this date.



### Paul Vallance

Group Chief Communications and Stakeholder Relations Officer

Paul began his career at BNFL, becoming Group Communications Director. He joined the NDA in June 2016 from Rolls-Royce, where he held a number of senior positions. Paul was part of the executive team that established Rolls-Royce's nuclear sector, which included both the civil nuclear and submarines businesses. Paul was also the customer lead for a number of Rolls-Royce's key commercial relationships. He is also an NDA nominated Non-Executive Director of Sellafield Limited.



### David Vineall

Group Chief People Officer

David has a wealth of experience within the industrial sector having held a series of senior HR leadership roles in TATA Steel in Europe, BAE Systems and GEC Alsthom. Roles have included HR Director for the TATA Steelmaking Operations in South Wales and HR Director for Shipbuilding and Support business across Glasgow and Portsmouth within BAE systems. David joined the NDA in April 2014 and plays a leading role in skills as a Board member for the Engineering Construction Industry Training Board. He is also an NDA nominated Non-Executive Director of Sellafield Limited.

### Executives in post during the year:

**Neil Harnby** - Group General Counsel and Company Secretary (until May 2023)

Neil is a senior executive lawyer, general counsel and company secretary with more than 25 years of international experience. Neil joined the NDA in October 2019 and brought a wealth of experience, from advising and working with organisations including Royal Mail and General Electric.

**Mel Zuydam** - Group Chief Financial Officer (until 31 March 2023)

Mel's full biography can be found on page 67.



## Board performance

## Governance statement (continued)

# Board performance

### Corporate governance compliance

We apply high standards of governance, operating under the principles set out in the Government Code of Corporate Governance and government guidance for an arm's length body and a body corporate. We also aim to draw on best practice as set out in the UK Corporate Governance Code (Code) where appropriate, reporting exceptions to UKGI.

We continuously review compliance against the Code and undertake horizon scanning exercises to ensure new regulatory or legislative changes are considered and applied where appropriate.

The Board ensures that a balanced assessment of performance is reported to the Department for Energy Security and Net Zero and regularly reviews the main strategic risks facing the NDA group.

All Board and committee meetings held during the year were quorate. The proceedings at all Board and committee meetings are minuted and all decisions made are recorded appropriately. The Board reviews its effectiveness and that of its committees on an annual basis. The Matters Reserved for the Board, its Terms of Reference and the Terms of Reference of each of its committees are also reviewed on an annual basis and are maintained by the Company Secretary.

Attendance at scheduled Board meetings during the year is detailed in the following table. These meetings were all hybrid meetings with the majority of the Board attending in person and remainder joining remotely. Additional ad hoc meetings were held, and written resolutions were passed, as and when required. Scheduled committee meeting attendance records can be found in the committee reports on pages 76 to 82. Additional Board and committee meetings can be called as required.

Name	Role	Meetings attended (total: 10)
Ros Rivaz <sup>1</sup>	Chair	10
Chris Train <sup>2</sup>	Interim Chair	10
Janet Ashdown <sup>3</sup>	Senior Non-Executive Member	9
Kathryn Cearns <sup>4</sup>	Non-Executive Member	7
Evelyn Dickey <sup>5</sup>	Non-Executive Member	9
Francis Livens	Non-Executive Member	10
Alex Reeves	Non-Executive Member	10
Volker Beckers <sup>6</sup>	Non-Executive Member	6
David Peattie	Group CEO (Executive Director)	10
Kate Bowyer <sup>7</sup>	Group CFO (Executive Director)	0
Mel Zuydam <sup>8</sup>	Group CFO (Executive Director)	10

#### Notes:

- 1 Ros Rivaz chaired all meetings during the year and stepped down from the Board on 31 August 2023.
- 2 Chris Train was appointed Interim Chair effective 1 September 2023. Prior to this date and for all board meetings during the year, he served as a Non-Executive Member of the Board.
- 3 Janet Ashdown was unable to attend one Board meeting in the year due to a prior commitment.
- 4 Kathryn Cearns joined the Board on 1 August 2022 and was therefore only a member for the last seven meetings of the year.
- 5 Evelyn Dickey was unable to attend one Board meeting in the year due to a prior commitment.
- 6 Volker Beckers stepped down from the Board on 31 October 2022 and was therefore not a member for the last four meetings of the year. Volker Beckers was retained as an advisor to the Board until April 2023.
- 7 Kate Bowyer joined as Group Chief Financial Officer on 1 May 2023 and therefore attended no Board meetings in 2022/23.
- 8 Mel Zuydam resigned as Group Chief Financial Officer on 31 March 2023.



## The Board's role and responsibilities

The Board has a collective responsibility for setting the strategic direction and effective management of the NDA's affairs and ensures that it complies with the requirements of the Energy Act 2004, the Framework Document, Cabinet Office guidelines for non-departmental public bodies and other statutory and contractual obligations.

The Board provides effective and proactive leadership within a robust governance framework of clearly defined internal controls and risk management processes.

In addition to proposing and monitoring performance against the NDA's strategy, the Board is accountable for the NDA's culture (including the range of ESG expectations), governance, risk appetite (working with HMG and regulators), oversight of internal control and risk management processes, ensuring effective arrangements are in place to provide assurance on operations, programmes and projects, stakeholder relationships, and succession planning for the Executive Leadership Team. The Board sets the NDA's vision, values and standards of conduct and behaviour. It is also responsible for ensuring that these and its culture are aligned, regularly assessed and monitored.

The unitary nature of the Board means that non-executive members and executive members share the same collective responsibility for decisions taken by the Board, holding the Executive Leadership Team to account and for the development of the NDA's strategy and operations.

All Board members have full and timely access to relevant information and the services of the Company Secretary to enable them to discharge their responsibilities. The Board places particular emphasis on the quality and integrity of the data submitted for its use. Critical processes and outputs fall within the control of the NDA Assurance Framework and are subject to peer review and independent review by our internal audit function which reports to the Audit and Risk Assurance Committee.

## Board performance and effectiveness review

The Board undertakes regular evaluations of its effectiveness which look at both the Board and its committees. In line with best practice, an externally facilitated review takes place every three years and an internally facilitated review every year in between. An externally facilitated review last took place over 2021, therefore an internally facilitated review was completed during 2022/23.

The key themes highlighted by the 2022/23 review include assessing the workings of the Board in order to identify areas for improved efficiency, specifically by:

- Continuing to focus upon fewer and more strategic matters
- Building on the renewed clarity of the Terms of Reference of the Board's committees to use them even more effectively
- Embedding and building upon demonstrable improvements in the governance and company secretarial support provided to the Board.

The Board also identified that a review of our Board induction and training programmes would be beneficial. Further to themes highlighted in the 2021/22 effectiveness review and to support the evolution of a one NDA way of working, the Board will also host an 'all Boards' event with the group's operating company Boards in summer 2023.

### **Magnox Inquiry, Departmental Review and Chair's Report**

Throughout the year, we have continued to make progress addressing the recommendations from the Magnox Inquiry, Departmental Review and Chair's Report to close the identified gaps and deliver evidenced, outcomes-based improvements, which have a positive impact on mission delivery. We have strengthened our governance around the closure of the Integrated Review Response (IRR) recommendations (which combines recommendation from all three reviews) and developed existing management processes. Progress is regularly scrutinised by the Board and reported to stakeholders.

## Governance statement (continued)

### Board activities in the year

At each of its meetings, the Board reviews key performance information, including reports on the NDA group's performance, operational activity, financial position, forecasts and sensitivities and delivery of its strategic direction. On a six-monthly and annual basis the Board reviews performance against the expectations set out in the annual Chair's letter from HMG. It also considers annually how the NDA measures against the provisions of the UK Corporate Governance Code. A summary of some of the matters considered by the Board in the year are detailed in the table below. The Board also welcomed the attendance of each of the Chairs of the operating company Boards in rotation.

The Board takes an active role in stakeholder relations and seeking greater engagement with the workforce. The Section 172 Statement set out on pages 58 to 60 details how the Board has engaged with stakeholders on a range of matters.

### Site visits

During the year, the Board has resumed its pre-pandemic practice of conducting visits to NDA group sites, combining these with Board meetings where possible. During 2022/23, the Board visited the following locations:

- Sellafield
- Harwell
- Bristol Hub Office
- Berkeley
- Carlisle Railhead

Visits were also made by some Board members to the following locations:

- Hinkley Point A
- Chapelcross
- Hunterston B
- Wick Archives
- Dounreay
- Springfields (WEC)
- National Nuclear Laboratory Preston

<p><b>Strategy, performance and mission delivery</b></p>	<ul style="list-style-type: none"> <li>• One NDA and development of the Group Operating Framework</li> <li>• Group Strategy</li> <li>• Approval of Group Key Targets for 2022/23</li> <li>• Review of the NDA 2023-26 Business Plan</li> <li>• Progress on the implementation of the UK Government's AGR transaction</li> <li>• Oversight of our digital and cyber strategy</li> <li>• Engagement with the Department for Energy Security and Net Zero (DESNZ) and other key regulators including focus on the DESNZ Nuclear Decommissioning and Radioactive Substances policy consultation which includes the potential for near surface disposal</li> <li>• Oversight and approval of the joining of Magnox and Dounreay Site Restoration Ltd</li> <li>• Sanction matters including:             <ul style="list-style-type: none"> <li>• Business to be submitted to DESNZ for approval</li> <li>• Infrastructure Delivery Partnerships</li> <li>• Advanced Gas-Cooled Reactor Operating Programme</li> <li>• High Integrity Stainless Steel Containers</li> </ul> </li> <li>• Improvements in performance reporting</li> <li>• 'Trusted to do more' initiatives and a review of associated priorities</li> <li>• Technology and innovation updates</li> </ul>
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<b>Risk and compliance</b>	<ul style="list-style-type: none"> <li>• Reviewing risk areas and mitigations in line with the agreed risk appetite</li> <li>• Assessment of energy security following the Russian invasion of Ukraine</li> <li>• Deep dives into the following group strategic risks: <ul style="list-style-type: none"> <li>• Legal risk management</li> <li>• Cyber risk</li> <li>• Stakeholder engagement risk</li> <li>• Supply chain risk</li> </ul> </li> <li>• Updates on the NDA's integrated review responses</li> <li>• Review of group litigation matters</li> </ul>
<b>Culture and governance</b>	<ul style="list-style-type: none"> <li>• The group's continuing response to COVID-19</li> <li>• Development of the group wide approach to 'Speak Up'</li> <li>• Review of stakeholder survey responses</li> <li>• Skills and resourcing, recruitment and retention, succession planning and project management capability</li> <li>• Approval of the Modern Slavery Statement for financial year 2021 to 2022</li> <li>• Review of Gender pay gap information as at 31 March 2022</li> <li>• Board and Committees' Effectiveness Review</li> <li>• Implementing the findings of the previous year's Board and Committees' Effectiveness Review</li> <li>• Regular safety and performance updates</li> <li>• Cyber security updates</li> <li>• Committee activity updates</li> <li>• Approval of the 2021/22 Annual Report and Accounts</li> <li>• Approval of key policies including: <ul style="list-style-type: none"> <li>• Sanctions and Delegations Policy</li> <li>• Counter Fraud, Bribery and Corruption Policy</li> </ul> </li> </ul>

# Audit and Risk Assurance Committee (A&RAC)

The table below sets out the committee membership and attendance at scheduled meetings during 2022/23. Additional ad hoc meetings were held, and written resolutions were passed, as and when required.

Name	Role	Meetings attended <sup>5</sup> (total: 5)
Kathryn Cearns <sup>1</sup>	Committee Chair (from 1 August 2022)	3
Janet Ashdown <sup>2</sup>	Member	3
Alex Reeves <sup>3</sup>	Member	4
Members who served during the year		
Volker Beckers <sup>4</sup>	Committee Chair (until 31 July 2022) Committee Member (until 31 October 2022)	3

Notes:

- 1 Kathryn Cearns was appointed A&RAC Committee Chair on 1 August 2022 and was therefore not a member for the first two meetings of the year.
- 2 Janet Ashdown was unable to attend two meetings in the year due to prior commitments.
- 3 Alex Reeves was unable to attend one meeting in the year due to a prior commitment.
- 4 Volker Beckers stepped down as a Board member on 31 October 2022 and was therefore not a member for the last two meetings of the year.
- 5 Ros Rivaz, as Chair of the Board, had a standing invitation to each A&RAC meeting and joined three meetings across the year. Other Board members, senior stakeholders and subject matter experts also joined select meetings throughout the year at the invitation of the A&RAC Chair.

## Message from the Committee Chair

This is my first year reporting as A&RAC Chair after stepping into the role in August 2022. I'd like to thank Volker Beckers for his leadership of the committee prior to this.

The main focus of the A&RAC in 2022/23 has been overseeing work to revise the group's risk appetite profile and changes to the way in which assurance is delivered across the group. The committee has recommended some key policies to the Board for approval, including the Counter Fraud, Bribery and Corruption Policy. The Committee has also overseen work to implement a group-wide approach to Speak Up.

Looking ahead to 2023/24, the A&RAC will continue to oversee and support the group-wide roll-out of Speak Up. Following a successful NDA group A&RAC conference in September 2022, I look forward to working with our A&RAC colleagues across the group and aligning on priority matters.



**Kathryn Cearns**

A&RAC Chair

12 September 2023

## Committee purpose

The A&RAC provides advice and assurance to the Board on all matters within its remit. The committee oversees audit and financial reporting, advises and reports on the plans, activities and performance of internal and external audit, and provides an assessment of assurance reliability and integrity. The committee oversees the effectiveness and quality of the group risk management framework and monitors risk exposure against group risk appetite.

## During the year the A&RAC has:

- Reviewed and endorsed the Annual Report and Accounts, Accounting Officer's Report and Internal Audit Report and Audit Completion Report for 2021/22
- Received and reviewed the Accounting Officer's reports for the year
- Overseen the work to assess and revise the group's risk appetite profile
- Overseen changes to the structure of the Assurance function
- Approved and overseen the Risk Assurance Plan for 2022/23
- Approved and overseen the Group Internal Audit Plan for 2022/23
- Received reports from the Government Internal Audit Agency
- Received group security, cyber and IT updates
- Overseen updates to the NDA's Counter Fraud, Bribery and Corruption Policy, Strategy, Incident Response Plan and Annual Action Plan
- Overseen work to implement a group wide approach to Ethics and Compliance and the development of the group's Speak Up policy and procedures
- Approved the closure of several IRR recommendations assigned to it by the Board
- Assessed supply chain security assurance
- Reviewed the committee's Terms of Reference and results of the committee's annual effectiveness review
- Engaged on two Group Strategic Risk deep dives on successful mission delivery and supply chain assurance

## Nominations Committee (NOMCO)

The table below sets out the committee membership and attendance at scheduled meetings during 2022/23. Additional ad hoc meetings were held, and written resolutions were passed, as and when required.

Name	Role	Meetings attended <sup>2</sup> (total: 2)
Ros Rivaz <sup>1</sup>	Committee Chair	2
Janet Ashdown	Member	2
Kathryn Cearns	Member (from August 2022)	2
Evelyn Dickey	Member	2
Francis Livens	Member	2
Alex Reeves	Member	2
Chris Train	Member	2
Members who served during the year		
Volker Beckers <sup>2</sup>	Member (until 31 October 2022)	0

Notes:

- 1 Ros Rivaz chaired all meetings during the year and stepped down from the Board on 31 August 2023.
- 2 Volker Beckers stepped down from the Board on 31 October 2022 and was therefore not a member for the last two meetings of the year.
- 3 The CEO, other senior stakeholders and subject matter experts also joined select meetings throughout the year at the invitation of the NOMCO Chair.

### Message from the outgoing Committee Chair

This year has seen changes to the composition of the Board and its committees with the appointment of Kathryn Cearns in August 2022 and the departure of Volker Beckers in October 2022.


The NOMCO's priority focus during this period was overseeing committee membership and succession planning. Key changes in 2022 included:

- Welcoming Chris Train to the Board following the excellent work he performed chairing an Independent Review Panel prior to his appointment
- The appointment of Kathryn Cearns as Chair of the A&RAC in August 2022 ahead of Volker Beckers' departure
- Kathryn's appointment as a member of the REMCO and P&PC
- Janet Ashdown's resignation from the P&PC to allow her to focus on the HSSE and S&G Committees, both of which she chairs.
- The appointment of Chris Train to the HSSE Committee

In consultation with the NOMCO, the Board also made changes to the NDA-nominated Non-Executive

Directors to the operating companies. In January 2023, Alan Cumming stepped down as an NDA-nominated Non-Executive of Sellafield Limited after five years on the Board. He was replaced by Paul Vallance who was appointed as an NDA-nominated non-executive of Sellafield Limited with effect from 1 March 2023.

Looking ahead to 2023/24, the NOMCO will focus on supporting succession planning activities across the group, including induction and training programmes.



**Ros Rivaz**  
Outgoing NOMCO Chair  
31 August 2023

### Committee purpose

The primary purpose of the NOMCO is to review the structure, size, composition, skills, experience, competency, independence, knowledge and diversity of the Board and its committees. We aspire to having a diverse Board in terms of gender, social and ethnic backgrounds, cognitive and personal strengths, experience, skills and knowledge. The biographical details of the current Board members can be found on pages 64 to 67.

The NOMCO considers senior appointments across the NDA group and assesses related succession planning and talent management to ensure a robust pipeline of candidates. It also recommends or considers suitable candidates for appointment to roles which are reserved for the Board to approve in the Schedule of Matters Reserved for the Board e.g. the Senior Non-Executive Board Member and the Company Secretary. In addition, upon proposals by the CEO, the NOMCO considers independent NED appointments to the NDA's Operating Company boards.

### During the year the NOMCO has:

- Reviewed NDA executive performance and succession
- Reviewed and made changes to the committee memberships
- Overseen changes to the composition of several of the operating company Boards
- Considered succession planning for key roles in the NDA's control functions, on the Group Leadership Team and on the operating company Boards
- Overseen the recruitment of a new Chief Financial Officer following a resignation and the appointment of an appropriate search firm.

## Remuneration Committee (REMCO)

The table below sets out the committee membership and attendance at scheduled meetings during 2022/23. Additional ad hoc meetings were held, and written resolutions were passed, as and when required.

Name	Role	Meetings attended <sup>5</sup> (total: 6)
Evelyn Dickey <sup>1</sup>	Committee Chair	5
Kathryn Cearns <sup>2</sup>	Member (from 22 November 2022)	3
Alex Reeves	Member	6
Chris Train <sup>3</sup>	Member	5
<b>Members who served during the year</b>		
Volker Beckers <sup>4</sup>	Member (until 31 October 2022)	3

Notes:

- 1 Evelyn Dickey was unable to attend one meeting in the year. This meeting was chaired by Alex Reeves.
- 2 Kathryn Cearns was appointed to the committee on 22 November 2022 and was therefore not a member for the first three meetings of the year.
- 3 Chris Train was unable to attend one meeting in the year due to a prior commitment.
- 4 Volker Beckers stood down as a Board member with effect from 31 October 2022 and was therefore not a member for the last two meetings of the year.
- 5 Ros Rivaz, as Chair of the Board, had a standing invitation to each REMCO meeting and joined five meetings across the year. Other Board Members, senior stakeholders and subject matter experts also joined select meetings throughout the year at the invitation of the REMCO Chair.

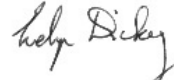
### Message from the Committee Chair

This year has seen a change in the REMCO's membership with the departure of Volker Beckers and the appointment of Kathryn Cearns. I would like to take this opportunity to thank Volker for his valuable contributions to the REMCO during his tenure and to welcome Kathryn to the committee.

In 2022/23 the committee reviewed and approved revised incentive scheme rules for both the annual bonus plan and the long-term incentive plan, refreshed the approach to target setting and considered executive performance as part of the annual appraisal process. In addition, the committee focused on concerns relating to the cost-of-living challenges impacting the wider workforce and endorsed management actions in supporting colleagues as appropriate.

Looking ahead to 2023/24, the committee will continue to ensure that performance metrics and rewards align

with the NDA strategy and mission delivery, taking account of key stakeholder perspectives and the wider workforce experience, in line with appropriate corporate governance standards.



**Evelyn Dickey**

REMCO Chair  
12 September 2023

### Committee purpose

The primary role of the REMCO is to determine the reward and governance framework for the NDA group and to set the remuneration of the NDA Executive Leadership Team. This includes setting individual salaries, setting and assessing performance targets, determining the outturn of performance related pay and arrangements for joiners and leavers.

The REMCO does not have responsibility for reward matters in the group's operating companies but has close links with their respective remuneration committees. The committee supports the Accounting Officer and Board respectively in the provision of assurance around compliance with the group Reward Framework.

### During the year the REMCO has:

- Reviewed performance at the NDA and individual executive level to determine the Short-Term Incentive Plan (STIP) awards for 2021/22
- Approved the STIP design for 2022/23 and 2023/24
- Finalised the performance targets for the 2022/23 STIP
- Reviewed the CEO's performance objectives for 2023/24 which are under development and due to be finalised shortly
- Considered the ELT's performance objectives for 2023/24
- Agreed the outcome and payments for the Long-Term Incentive Plan (LTIP) 2019-22, paid in June 2022
- Agreed the targets for the LTIP 2022-25 and approved amendments to the LTIP rules
- Commenced work to set the targets for the STIP 2023/24 and the LTIP 2023-2026 which will be finalised early in 2023/24
- Considered trends in executive remuneration and how they can best be applied across the group
- Contributed to the design of the search parameters for a new Group Chief Financial Officer following the previous CFO's resignation
- Overseen the NDA's 2022/23 pay remit submission and proposals for the application of the remit across the group

The NDA Remuneration and People Reports can be found on pages 97 to 113.

# Health, Safety, Security and Environment Committee (HSSE)

The table below sets out the committee membership and attendance at scheduled meetings during 2022/23. Additional ad hoc meetings were held, and written resolutions were passed, as and when required.

Name	Role	Meetings attended <sup>2</sup> (total: 4)
Janet Ashdown	Committee Chair	4
Evelyn Dickey	Member	4
Francis Livens	Member	4
David Peattie	Member	4
Chris Train <sup>1</sup>	Member (from 22 November 2022)	2

Notes:

- 1 Chris Train was appointed to the Committee on 22 November 2022 and was therefore not a member for the first two meetings of the year
- 2 Ros Rivaz, as Chair of the Board, had a standing invitation to each HSSE Committee meeting and joined three meetings across the year. Other senior stakeholders and subject matter experts also attended meetings at the invitation of the HSSE Chair.

## Message from the Committee Chair

I'd like to welcome Chris Train as the newest member of the HSSE Committee following his appointment in November 2022.

There have been a number of incidents within the group for which the committee has overseen deep dive reviews, including a sodium leak and subsequent fire at Dounreay and the ongoing leak to ground at the MSSS facility at Sellafield. The committee prioritised assessments of the approach taken by the operating companies in identifying the root causes of these incidents and the lessons learned.

In May 2022, the five Chairs of the group's Health and Safety Committees toured the Dungeness site and in September 2022 held a Chairs' meeting at Sellafield. This forum now meets two to three times per year to share best practice and to monitor trends across the group.

In December 2022, the committee was pleased to join the NDA group's first health, safety and wellbeing conference for colleagues. The event was extremely well attended and received excellent feedback from the delegates.

The committee would also like to congratulate the mental health and wellbeing team on once again achieving Silver status on Mind's workplace Wellbeing Index and we look forward to building on this over the coming year.



### Janet Ashdown

HSSE Committee Chair  
12 September 2023

## Committee purpose

The HSSE Committee supports the Board in discharging its responsibilities in respect of issues of health, safety (both nuclear and non-nuclear), security and environment. Security and resilience includes business associated functions such as information governance, cyber security and ICT.

The responsibility for these issues within the NDA group lies with the operating companies. In particular, the operating companies have responsibility for health, safety, security and environment on their sites. However, the Board is accountable for the performance of the whole group in line with its governance framework and, in particular, must be assured that the operating companies are discharging their responsibilities properly.

The Committee's routine business throughout the year includes to:

- Scrutinise the management of health, safety, security, environment and wellbeing risks and performance across the NDA group. Performance is benchmarked against relevant industry sectors
- From time to time, and as considered necessary, the committee receives reports from group businesses on events and accidents
- Receive and commission independent reports from NDA's in-house HSSE and security and resilience teams, including trend analysis and reports of work undertaken by the NDA to promote high standards and encourage collaboration.

## Governance statement (continued)

### **During the year, the HSSE Committee has:**

- Reviewed and considered the implications of various letters to and from the regulators as submitted during the year
- Received updates on Fire Prevention and Management arrangements
- Welcomed presentations from the Environment Agency
- Received updates and lessons learned on several health and safety and operational incidents and enforcement activity which has occurred
- Met with representatives from the operating companies to received feedback on the NDA's HSSE assurance activities
- Reviewed the NDA's Unmanned Aerial Vehicles processes and procedures
- Oversaw deep dives on the following group strategic risks: Health, safety and wellbeing, cyber threats and asset management.

The full Health, Safety, Security, Environment and Wellbeing Report can be found on pages 114 to 129.

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# Sustainability and Governance Committee (S&G)

The table below sets out the committee membership and attendance at scheduled meetings during 2022/23. Additional ad hoc meetings were held, and written resolutions were passed, as and when required.

Name	Role	Meetings attended <sup>1</sup> (total: 3)
Janet Ashdown	Committee Chair	3
Evelyn Dickey	Member	3
Francis Livens	Member	3

Notes:

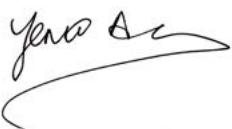
- 1 Ros Rivaz, as Chair of the Board, had a standing invitation to each S&G meeting and joined for one meeting in the year. Other Board Members, senior stakeholders and subject matter experts also joined select meetings throughout the year at the invitation of the S&G Committee Chair.

## Message from the Committee Chair

This is the S&G Committee's second year of reporting since its formation in 2021.

During the year in review, the committee focused upon supporting the sustainability and governance activities across the NDA. The committee has overseen the development of a sustainability strategy for the group, received reports on the NDA's socio-economic activities, reviewed how climate related reporting obligations may apply to the NDA group and been briefed on key developments in corporate governance. Committee members also joined colleagues for the second group-wide Sustainability Forum in March 2023, building on the success of the first in 2021.

I am proud of what the committee continues to achieve given its relatively new status and look forward to supporting the sustainability agenda and ongoing workstreams across the group in 2023/24.



**Janet Ashdown**  
S&G Committee Chair  
12 September 2023

## Committee purpose

The S&G Committee supports the Board in respect of sustainability, socio-economic and governance goals and commitments across the NDA group.

The committee's remit is to provide strategic oversight of the NDA group's management of sustainability, socio-economics and (non-financial) governance matters and, in relation to the NDA, compliance with relevant legal and regulatory requirements.

## During the year, the S&G Committee has:

- Received updates on and reviewed progress against our Sustainability and People Beacon Projects
- Reviewed progress against the four key legacies of our Sustainability Roadmap
- Received updates on our Social and People strategies
- Received presentations from the Department for Energy Security and Net Zero and the National Decommissioning Strategy and Policy Group on their stance on sustainability across the sector
- Received reports from the operating companies on their sustainability activities
- Discussed our approach to climate-related financial disclosures reporting
- Received updates on our Diversity and Inclusion policy and programmes of activity
- Reviewed our Modern Slavery Statement and recommended it to the Board for approval
- Reviewed and approved our sustainability targets for 2023/24
- Received updates on the group's Natural Capital Workstream
- Reviewed our PhD student funding programme
- Overseen risk deep dives on Diversity and Inclusion

More information on sustainability in the NDA can be found on pages 24 to 29.

## Governance statement (continued)

# Programmes and Projects Committee (P&PC)

The table below sets out the committee membership and attendance at scheduled meetings during 2022/23. Additional ad hoc meetings were held, and written resolutions were passed, as and when required.

Name	Role	Meetings attended <sup>5</sup> (total: 10)
Chris Train	Committee Chair	10
Kathryn Cearns <sup>1</sup>	Member (from 12 October 2022)	5
Francis Livens <sup>2</sup>	Member	9
David Peattie <sup>3</sup>	Member	9
<b>Members who served during the year</b>		
Janet Ashdown <sup>4</sup>	Member (until 22 November 2022)	6

Notes:

- 1 Kathryn Cearns was appointed to the committee effective from 12 October 2022 and was therefore not a member for the first five meetings of the year.
- 2 Francis Livens was unable to attend one meeting in the year due to a prior commitment.
- 3 David Peattie was unable to attend one meeting in the year due to a prior commitment.
- 4 Janet Ashdown stepped down from the committee on 22 November 2022 and was therefore not a member for the last four meetings of the year. She was unable to attend one meeting in the year due to a prior commitment.
- 5 Ros Rivaz, as Chair of the Board, had a standing invitation to each P&PC meeting and joined seven meetings across the year. Other senior stakeholders and subject matter experts also attended meetings at the invitation of the P&PC Chair.

### Message from the Committee Chair

In October 2022 we welcomed Kathryn Cearns as a member of the committee. Following Kathryn's appointment, Janet Ashdown stepped down as a member and I'd like to take this opportunity to thank Janet for her service to the committee.

This is my first full year chairing the committee. During the period in review, we have worked closely with our counterparts in the group's operating companies to further improve coordination around key business cases and sanctions coming to the Board for approval and to improve and streamline the quality of submissions coming through the system. We have undertaken a series of site visits during the

year to witness progress on critical projects being considered by the committee and have assessed on behalf of the Board some key business cases for the group. These include the electricity distribution network upgrade programme at Sellafield and the blower house demolition project at Berkeley.

I am proud of the progress made and we will look to build on this over the coming year.



**Chris Train**  
P&PC Chair  
12 September 2023

### Committee purpose

The P&PC advises the Board on, and provides additional oversight and scrutiny of, major programmes and projects within the NDA group. The P&PC supplements Board oversight, it is not intended to supplant it.

### During the year, the P&P Committee has:

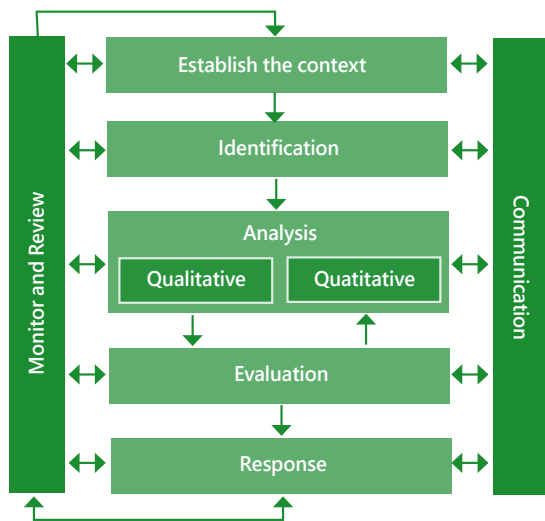
- Facilitated progress on improving the quality of business cases and the timely scheduling of sanctions
- Reviewed evidence and approved the closure of six recommendations from the Integrated Review Response
- Reviewed the performance of several major strategic projects and programmes across the NDA group including:
  - The implementation of the Government's AGR transaction
  - Group-wide programmes – a One NDA enabler
  - The Programme and Projects Partners – a Sellafield initiative with delivery partners
- Focused on skills retention and capability (in particular Senior Responsible Officers) across the NDA group
- Reviewed and monitored assurance and performance updates

# Group risk management and assurance

Effective management of risk across the NDA group enables us to achieve our mission of decommissioning the UK's nuclear legacy safely, securely, and cost-effectively.

Risk management is a key decision-making tool for the group. This allows us to proactively identify the opportunities and threats that are relevant to our business. Achievement of our strategic business objectives requires minimising and managing the impact of threats and maximising the likelihood of realising opportunities. Risks are considered proportionately when taking business decisions.

Our risk management approach is aligned to the Department for Energy Security and Net Zero risk management principles. Our risk management process aligns to that set out in the international standard ISO31000:



**Establish the context:** Policy, processes, and procedures define the internal and external criteria to be considered when identifying and managing risks.

**Risk identification:** There is a defined process to help identify, recognise, and describe threats and opportunities to strategic, portfolio, programme and project objectives.

**Risk analysis:** We assess the likelihood and impact of all risks against a risk scoring matrix, this allows for any risk to have multiple impacts. The risk score uses the biggest impact to enable prioritisation of responses.

**Risk evaluation:** NDA compare the level of risk assessed with NDA risk appetite, which is set by the NDA Board, to help risk owners prioritise their responses.

**Risk response:** Actions are identified to increase the likelihood of our opportunities and decrease the likelihood of our threats. Key controls are identified which manage the risk. Fall back plans can also be identified to reduce the severity of impact of threats.

**Monitor and review:** Reporting is structured to ensure decision makers are aware of the current risk landscape and to drive robust decision making.

**Communication:** Consultation and communication with internal and external stakeholders through all stages of our risk management lifecycle is integral to effectiveness of our risk management.

## Embedding risk management

Risk management is at the heart of our decision making through establishing a positive risk culture where open and transparent discussion of risk forms parts of everyday activities. During 2022/23 this was achieved by:

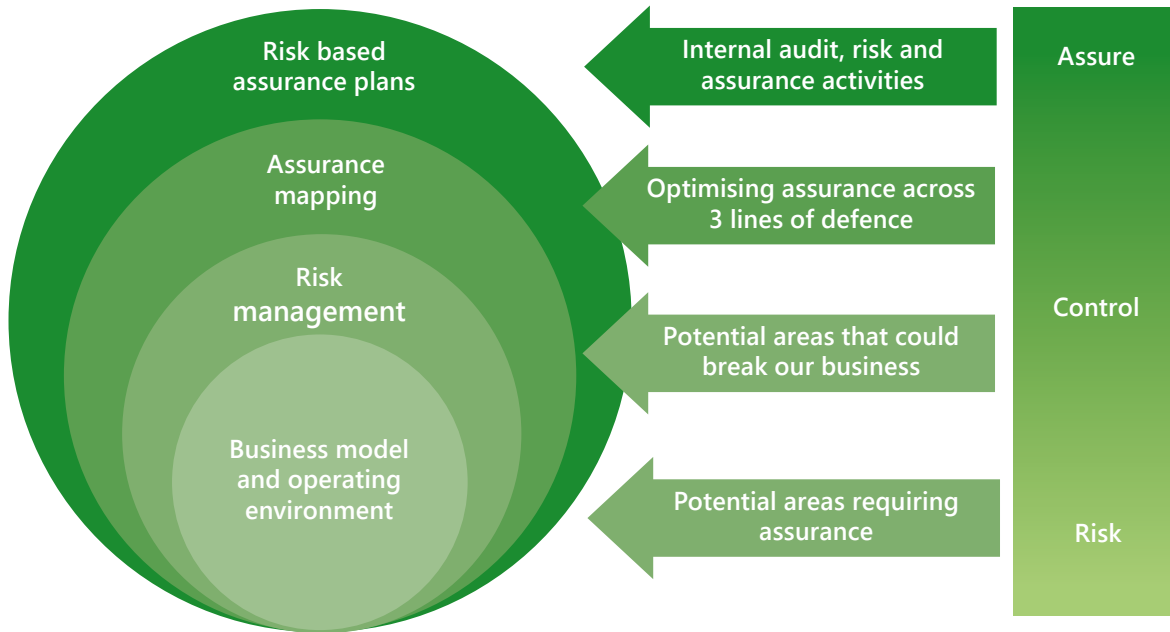
- Continuing to use cross group risk forums which promote open collaborative conversations where individuals are comfortable to escalate risks and concerns
- Developing proof of concepts using AI to deliver augmented insights and enhance our ability to identify and assess risk information
- Refreshing our risk appetite profiles and risk assessment matrix with the Board
- Ensuring that our people have the skills and knowledge to manage risks effectively through the implementation of our group-wide risk management competency framework

## Risk assurance framework

The framework provides the structure for assessing how effective risk management is undertaken across the group. It provides stakeholders with confidence that risk activities are being undertaken in a transparent, consistent and effective manner.

All processes and associated risk outputs are assured in accordance with our Three Lines of Defence (LoD) assurance model. Controls are applied to key risks, and controls effectiveness is assured on a regular basis.

## Governance statement (continued)



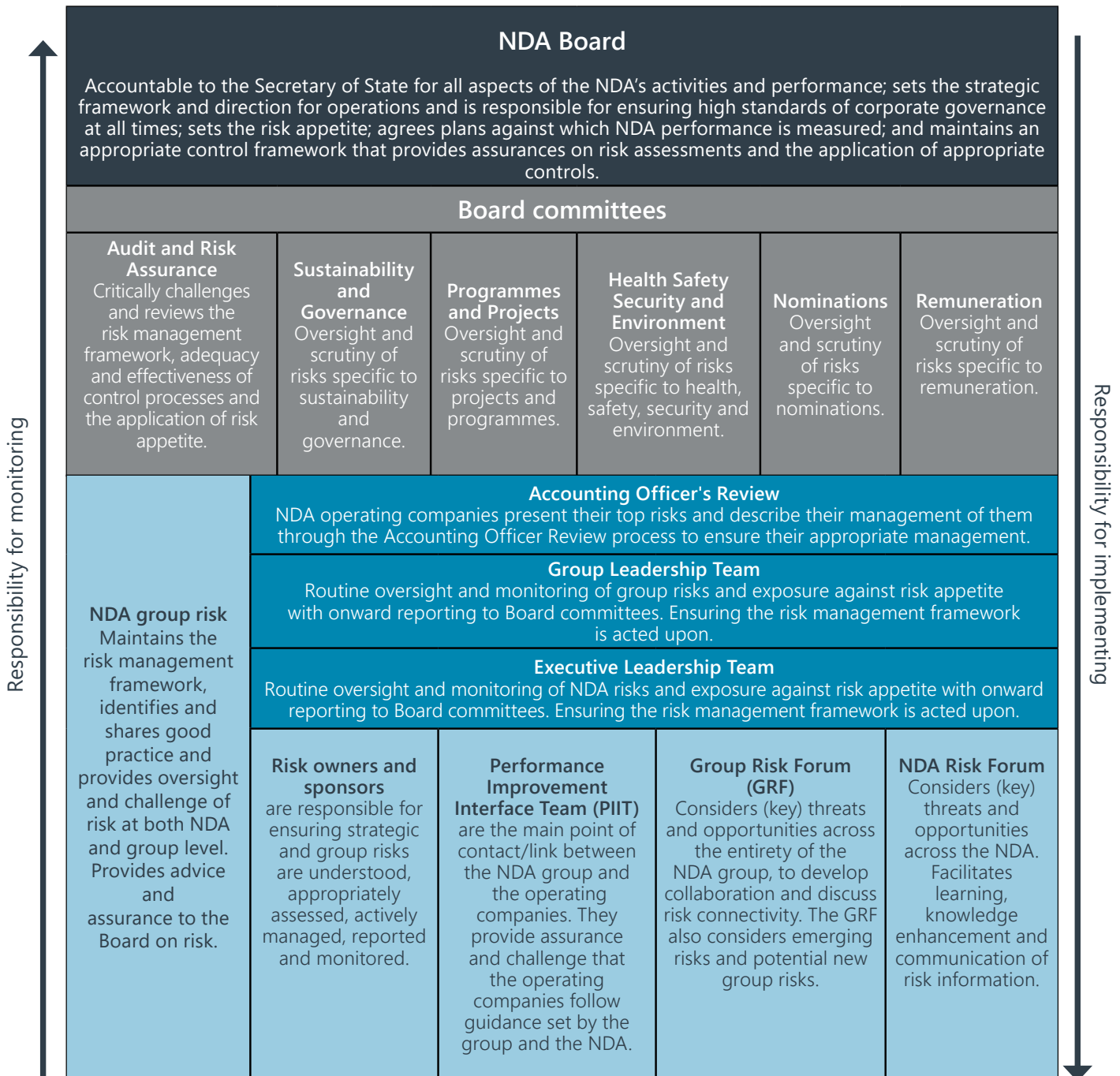
During 2022/23, the dynamic planning interface between Risk, Assurance, Internal Audit and each operating company’s risk function has been enhanced. This now includes greater alignment and risk-based prioritisation of activities and has been

developed on the principle of “risk, control and assure”. The diagram below is illustrative of how the “risk, control, assure” principle integrates our assurance activities.

## Our risk management - what we monitor

Group Strategic Risks		
Risks which could impact on the NDA group and force a fundamental change to our current strategy and impact the mission. They require pro-active management and co-ordination, with Group Leadership Team (GLT) sponsorship and ownership.		
Our risk landscape	What we assess	Our impact categories
<p><b>Current risks</b> Where action is required now to mitigate threats to strategic objectives or to exploit opportunities.</p> <p><b>Emerging risks</b> Threats or opportunities, internal or external, that may have a future impact on the group. The time between occurrence of a risk and its effect on group objectives may be slow or rapid (also known as risk velocity).</p>	<ul style="list-style-type: none"> <li>• Appropriate risk and action ownership</li> <li>• Likelihood of occurrence and related impact, aligned to a group "Probability-Impact Diagram" (PID)</li> <li>• Control performance: the effectiveness of risk management controls</li> <li>• The level of risk compared to our defined "Risk Appetite" (per impact category).</li> <li>• Potential for further action to mitigate threats or exploit opportunities.</li> </ul>	<p>Assessment is made against seven key impact categories:</p> <ul style="list-style-type: none"> <li>• Safety</li> <li>• Environment</li> <li>• Legal</li> <li>• Reputation</li> <li>• Strategic delivery</li> <li>• Security</li> <li>• Financial</li> </ul>
Business risk registers		
NDA operating companies identify threats and opportunities against their objectives. These in turn support the development of Group Strategic Risks		

## How it is monitored



## Roles and responsibilities

The Accounting Officer is accountable for the management of all NDA risks. All staff across NDA group businesses have a duty to ensure risks in their areas of responsibility are identified, managed, and reported. The requirement for risk management is further reinforced through the regulatory environment in which we operate including, for example, the need for our operating

companies to hold nuclear site licences overseen by the Office for Nuclear Regulation (ONR). The Accounting Officer Review Process examines the key risks presented by group operating companies and how these risks are being managed. Prior to, and during this process, the NDA risk management team provides additional challenge and assurance of these and other risks across the group.

# Governance statement (continued)

## Group Strategic Risks (GSRs)

The GSRs are key risks which could impact on the NDA group and force a fundamental change to the current strategy and impact the mission. They require proactive management and co-ordination by us, with Group Leadership Team (GLT) sponsorship and ownership.

The table below contains:

- Our 15 group strategic risks,
- Their link to our five mission themes and
- The response to mitigate these risks in 2022/23.

Two new risks were added in 2022/23:

- Diversity and inclusion improvements (GSR14)
- Future missions integration (GSR15)

During 2022/23 there have been a number of changes to the external environment affecting GSRs. These include cost inflation and material shortages post pandemic, labour market dynamics, rising cost of energy, the Ukraine conflict and funding pressures. In response, the GSRs were re-assessed, and the NDA group has taken measures, where applicable, to address the increased level of risk.

## Risk deep dives

There is a rolling schedule of deep dive reviews of GSRs, that examine all aspects of the risk. Each GSR has a specified review cycle, either 12, 18 or 36 months. Over the past year our Board committees have reviewed seven GSRs – 2, 3, 6, 8, 10, 12 and 14. Expertise from across the group, including non-executive directors (NEDs) and other independent advisors, provide external industry and technical good practice to the in-depth reviews of these risks.

The outcome from each review are recommendations as to how to enhance the understanding of the risk, its controls and responses. These recommendations are owned by the GSR owner and tracked by the A&RAC.

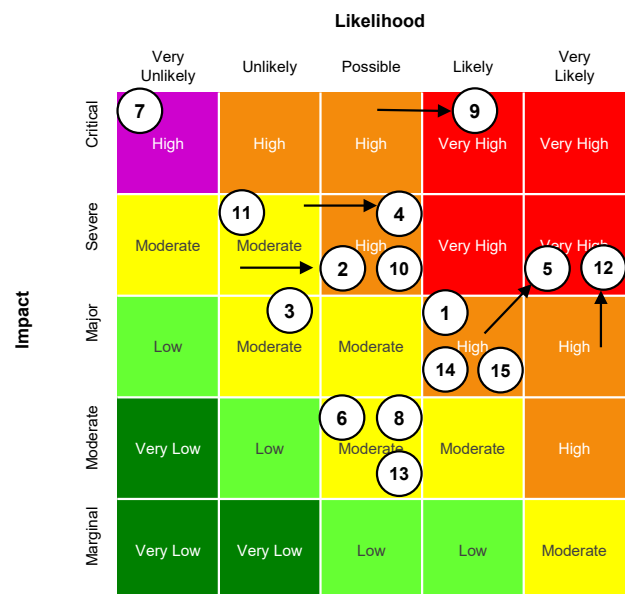
## Risk appetite

Risk appetite is a key part of our enterprise risk management framework. It defines the level of potential exposure that can be tolerated in order to deliver the NDA strategic objectives. The NDA Board sets the risk appetite for the group. This supports effective decision making and risk escalation and is embedded within our Strategic Management System and underpinned by our Value Framework.

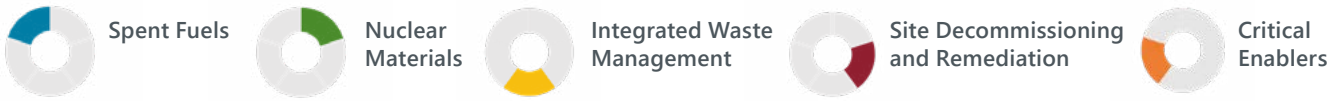
During 2022/23 the Board refreshed the appetite profiles and improvements have been proposed to our reporting and governance which now include assessments against risk appetite.

## Strategic risk likelihood and impact diagram

In April 2022, the NDA group launched the updated risk assessment matrix (likelihood/impact matrix). It was updated to provide better alignment across the NDA group and to align with external good practice. The risk heat map below illustrates the relative positioning of the GSRs and highlights the movement during the year. It shows the risk score once controls have been applied, described as 'current' score.






## Mission themes






Change in risk score during the year	Effectiveness of risk mitigation
 <p><b>GSR1. Project, programme and portfolio management performance across the group is not performing as required, impacting mission delivery</b></p>	<p>Assurance and performance monitoring tools have been further developed and applied during 2022/23 with improvements noted. An example is the Project Definition Rating Index (PDRI), this consistently benchmarks content and quality of funding requests at early project stage gates. Other tools applied include Reference Class Forecasting (RCF) and Opportunity Framing. These help validate objectives, Critical Success Factors and drivers for each project. The Project and Programme Management (PPM) Excellence initiative has been established with routine meetings involving all operating companies.</p>
<p>The application of assurance and performance management systems within the operating companies is at differing levels of maturity. This presents an opportunity to 'step-up' overall performance and potentially improve the overall risk score during 2023/24.</p>	<p>The likelihood has <b>increased</b> due to potential GDF programme delays combined with the concerns around the adequacy of storage capacity for high active waste which has led the sites to review and update lifetime plans.</p>
 <p><b>GSR2. NDA is unable to complete its mission satisfactorily due to an inability to safely, securely and cost effectively manage radioactive waste</b></p>	<p>Progress has been made this year in developing and underpinning the approach to this risk. Nuclear Waste Services maintains a holistic oversight of the risk controls, mitigations and risk indicators, with other operating companies fully engaged and providing support. A working group has been established to institute continual dialogue on the threats and opportunities associated with the risk.</p>
<p>The likelihood has <b>increased</b> due to potential GDF programme delays combined with the concerns around the adequacy of storage capacity for high active waste which has led the sites to review and update lifetime plans.</p>	<p>Increasing demand within the nuclear sector and others is affecting the NDA group's ability to recruit, retain and develop the skills needed to deliver the mission. The NDA group wide Beacon project in 2022/23 focused on strategic workforce intelligence to identify scarce, critical and high demand skills challenges. Specific focus has been on project and programme management, cyber and the launch of the NDA group graduate programme. The Beacon project 2023/24 will continue the focus on skills and add a focus on retention.</p>
 <p><b>GSR3. The NDA group has insufficient capability and capacity to deliver the mission through not having the right people with the skills at the right time and place</b></p>	<p>The renaissance in the nuclear sector and focus on energy and defence security, presents NDA group with both an opportunity and a threat. Other external threats identified include economic pressures, pension reform and Civil Service Pay Remit.</p>
<p>The renaissance in the nuclear sector and focus on energy and defence security, presents NDA group with both an opportunity and a threat. Other external threats identified include economic pressures, pension reform and Civil Service Pay Remit.</p>	<p>Increasing demand within the nuclear sector and others is affecting the NDA group's ability to recruit, retain and develop the skills needed to deliver the mission. The NDA group wide Beacon project in 2022/23 focused on strategic workforce intelligence to identify scarce, critical and high demand skills challenges. Specific focus has been on project and programme management, cyber and the launch of the NDA group graduate programme. The Beacon project 2023/24 will continue the focus on skills and add a focus on retention.</p>

## Governance statement (continued)

Change in risk score during the year	Effectiveness of risk mitigation
 <p>↑</p> <p><b>GSR4. Existing supply chain may not have the capacity or capability to support NDA group current targets, programmes and ultimately the mission</b></p>	
<p>The likelihood of supply chain failure has <b>increased</b> due to inflation, rising energy costs, commodity price escalation and raw materials shortages. Recruitment remains a threat, due to marketplace shortages and increasing salaries.</p>	<p>The delivery of a group-wide procurement system alongside additional supporting systems has improved the maturity of the commercial pipeline. This enhances the understanding of future capability and capacity needs. Work continues to address the increase in the likelihood of cyber-attacks within the supply chain and to bolster resilience in respect to cyber security.</p>
 <p>↑</p> <p><b>GSR5. Due to change in Government priorities, NDA funding is not sufficient to maintain our preferred programmes resulting in sub optimal mission delivery / progress and reduction in value for money</b></p>	
<p>The impact of fiscal pressures and high inflationary environment, including high energy costs, poses a real challenge to our funding over the spending review period. This resulted in an <b>increase</b> in both <b>likelihood and impact</b>. The next spending review period (2025+) will be further challenged by the forecast decline in revenue associated with AGR fuel receipts and anticipated cost increases required to progress our preferred programmes of mission delivery.</p>	<p>We continue to portfolio manage threats and opportunities across the group to optimise value for money and mission delivery.</p> <p>The spending review settlement allows special access to the reserve where absolute revenue values are lower than the settlement. The inflationary benefit on our payments on account, which increases our in-year revenue, will be used to mitigate any revenue shortfall instead of making requests to access the reserve if project revenue slips.</p>
 <p>→</p> <p><b>GSR6. Inappropriate group structure, ineffective relationships, or overly complex interface arrangements lead to stakeholder loss of confidence in NDA mission delivery resulting in delays to mission progress</b></p>	
<p>Stable with an improving risk context. Limited progress with planned in year mitigations.</p>	<p>The Group Operating Framework (GOF) was launched July 2022 across the NDA group in response to feedback on the need for clarity of roles, responsibilities, accountabilities, and authorities. However, there was limited progress in establishing the enabling environment including procurement and onboarding of external expertise and support. As a result, the 2022/23 Group Key Target (GKT)13 was missed. Further work is planned with refreshed Interface Agreements being rolled out in 2023/24. This is the foundation for a one NDA way of working.</p>



Change in risk score during the year	Effectiveness of risk mitigation
 <p><b>GSR7. Major incident at an NDA site leading to large scale release to the environment</b></p>	<p>The risk score is high (high impact; low probability), in light of the hazard of the facilities at Sellafield Ltd and Dounreay. A small number of facilities present this higher hazard and will do so until waste retrievals have been completed, or significantly progressed.</p> <p>Emergency Management Arrangements at all our sites have been assured and these remain in a good position; work to improve NDA's own emergency arrangements has progressed well.</p> <p>Management of critical assets remains a priority and is resourced appropriately, however management of other supporting assets is not fully resourced. There have been improvements to asset management approaches over the last year.</p>
 <p><b>GSR8. Key sources of Health, Safety and Wellbeing (HSW) risk with significant potential of loss of life, serious injury/ ill health or major property damage</b></p>	<p>Stable with an improving risk context, supported by a slight decrease in Total Reportable Incident Rate for the group.</p> <p>Sustained progress has been achieved as Health, Safety and Wellbeing working groups continue to identify and share good working practices in a number of key areas. These have included Construction and Design Management, Contractor Management, Safety Culture and Mental Wellbeing. A full review of the risk process has been undertaken and improvements identified. These will be implemented in 2023/24, including enhancing how we measure mitigation effectiveness.</p>
 <p><b>GSR9. A nuclear event external to the NDA group changes the NDA mission or has an impact on stakeholder acceptance of nuclear activities and public support necessary to continue the NDA mission</b></p>	<p>Likelihood <b>increased</b> due to the impact of the conflict in Ukraine and cyber security, specifically <b>increasing</b> likelihood of malicious acts.</p> <p>Short-to medium term mitigations have progressed well during the year. The focus is on medium-to-long term recovery if the threat materialised. We continue to ensure key stakeholders are engaged at various levels in strategic development and delivery. The results of the NDA stakeholder engagement survey published in November 2022 showed a marked improvement in stakeholders' perception of the NDA's performance, transparency and leadership.</p>

## Governance statement (continued)

Change in risk score during the year	Effectiveness of risk mitigation
 <p>→ <b>GSR10. The NDA group does not proactively deter, detect, defend against, recover from and be resilient to, cyber threats resulting in an adverse effect on delivery of the NDA mission</b></p>	
<p>The threat environment continues to grow and there has been increased HMG and regulatory expectations. We take cyber threats very seriously. By managing through continued growth in cyber capability and cross Group working, the overall threat to the mission remains stable. Additional focus over the year has been on planning and rehearsing for cyber incidents, including our cyber exercising, disaster recovery and business continuity functions.</p>	<p>We continue to deliver the nuclear sector Civil Nuclear Cyber Security Strategy and the NDA group-wide cyber strategy. This includes monitoring the cyber threat environment and working closely with UK Government and the National Cyber Security Centre (NCSC). Cyber defences were bolstered in early 2022 and focus is now on maintaining a strengthened cyber posture. The NDA group, like the UK, faces a shortage of cyber talent meaning resourcing is a key risk indicator. Building on our successful cyber apprentice and graduate programmes, the Skills Beacon Project 2023/24 is focused on strategic, long-term cyber talent solutions.</p>
 <p>→ <b>GSR11. Insider / external threat leading to security breach resulting in business disruption and associated reputational impact.</b></p>	
<p>Trends noted in 2022/23 include a changing geo-political landscape resulting in potential for impact on the supply chain. We have worked closely with our UK Government sponsoring department to map and manage areas of concern. Insider threat awareness has been a key focus, with measures implemented to further mitigate this threat.</p>	<p>Our understanding and management of security threats have matured significantly over the last year. In addition to the national intelligence management system Clue, NDA group is now aligned with the Police ACRO Criminal Records Office database to further mitigate insider threats, and we are enrolling in the Police National Database. Inclusion in Government forums also ensures we are up-to-date and aligned with emerging threats. A new security assurance model has been developed for personnel security and delivered across the group; this improves our understanding of the group-wide threats in more granular detail. Further development of the model is underway and will continue into 2023/24.</p>
 <p>↑ <b>GSR12. NDA assets not performing as required, impacting mission delivery</b></p>	
<p>There has been continued <b>deterioration</b> of assets. There have been recent events such as, a fire within Magnox Reprocessing, poor Vitrification Plant performance, Dounreay Fast Reactor rod lifts, Pile Fuel Cladding Silo crane failure and First Generation Magnox Storage Pond fire system enforcement. Asset risk is enduring and will not change quickly; it is at the top of the list for Regulator interest.</p>	<p>The Asset Management Strategy Delivery was a Group Key Target in 2022/23 and key improvement themes will continue as a GKT for 2023/24. Good progress has been made. All operating companies now have Strategic Asset Management Plans (SAMPs) in place. These are enabling a revised focus on through-life asset management plans, of which the first few demonstrators have been developed within each operating Company. The line of sight for asset performance/mission delivery for all operating companies has now matured to a level that is giving us real-time information on asset performance and opportunities to exploit.</p>

Change in risk score during the year	Effectiveness of risk mitigation
	<p><b>GSR13. NDA is subject to a range of laws, regulations, contractual obligations, policies and a governance framework with HM Government. A breach of these requirements could result in enforcement action, claims, business disruption, reputational damage and loss of stakeholder confidence.</b></p>
<p>Legal risk is enduring, ubiquitous and can be encountered at any stage of an organisation’s activities. This risk is collectively managed by the GLT and senior leaders across the group from first line management to Board level. The legal and risk practitioners all have a part to play in mitigating the risk.</p>	<p>Significant progress has been made in the last 12 months towards ensuring the legal function across the group is appropriately staffed, with new hires in NDA, Sellafield, Magnox and Nuclear Transport Solutions.</p> <p>A new external legal services panel has been embedded with feedback being provided to panel law firms on a regular basis. Initial mitigation has been led by the legal teams with senior leadership training developed and delivered. Legal risk awareness sessions have been delivered to NDA functions during the year with senior leadership now accountable for implementation.</p>
	<p><b>GSR14. The NDA group or one of its businesses does not have the knowledge, frameworks, culture, and capacity or tools to deliver D&amp;I improvements and effectively address discrimination, bullying and harassment concerns made by employees.</b></p>
<p>The risk score is high but trending towards moderate based on results from the employee engagement survey completed in 2021 and the Peakon Survey launched in October 2022.</p>	<p>A full analysis of this risk was conducted in collaboration with NDA group diversity and inclusion (D&amp;I) leads. The NDA group Inclusion Strategy has set challenging goals/targets and the operating companies’ annual review of performance is showing positive progress across all measures and commitments. The next phase embeds D&amp;I into DNA, strategies, plans and people policies which have commenced. We continue to explore opportunities to enhance delivery of goals and commitments across the group. Plans are aligning to our governance, assurance and project management reporting.</p>
	<p><b>GSR15. NDA change agenda – Magnox future missions integration will adversely impact current programme, stretch resources and management focus, leading to adverse delivery performance</b></p>
<p>The risk score is high. Capacity to deliver both Magnox current and future missions simultaneously remains a key threat for us to mitigate.</p> <p>Prioritisation of current and future missions remains important, along with the efficiencies being realised from the regeneration programme (enhancement of four key areas: simplification, strategic workforce planning, leadership and skills and infrastructure).</p>	<p>Future missions activity has increased in 2022/23 with Dounreay joining Magnox, the AGR transfer and exploration of other opportunities. Mitigating GSR15 has been effective through having a dedicated future missions team leading this portfolio of work, such that performance on the current programme has not been adversely impacted. Standard NDA and Magnox business processes are deployed to assess the viability of future mission opportunities. Focus has evolved from business development activities to programme-related aspects. Joining of Magnox and Dounreay has proceeded on-schedule, and the Hunterston B AGR blueprint has been created.</p>

## Governance statement (continued)

### Financial control

We had strong financial controls in place to ensure we remained within our budgetary spend for 2022/23 of £3.8 billion. We have well-defined delegated authorities and a clear budgetary framework. The system remains effective with no significant issues identified by internal or external audit during the year.

At the NDA, we review updates to government functional standards and reflect in our policies where they are applicable to Arms Length Bodies. During the year we released a new Counter Fraud, Bribery and Corruption Policy reflecting Government Functional Standard GovS013 – Counter Fraud which was published in August 2021. This Policy is also designed to ensure compliance with the UK Bribery Act and we will continue to review and enhance to ensure the risks we face are appropriately addressed and mitigated.

Programmes and projects across the group are controlled through operating companies' own governance and assurance processes, overseen by their Boards.

Where a programme or project is above the delegation given to the operating company Chief Executive Officer by the NDA Accounting Officer, the NDA Group Investment Committee advises the NDA Accounting Officer to enable them to approve or endorse investment proposals. If above the NDA Accounting Officer's delegation from the the Department for Energy Security and Net Zero (DESNZ) Principal Accounting Officer, the NDA Board followed by DESNZ Projects Investment Committee and DESNZ minister will approve before being presented to HM Treasury for approval by Treasury Approval Process and Chief Secretary to the Treasury.

### Information governance

The NDA Group Chief of Staff and Security Officer has responsibility for information governance, digital transformation, information and communications technology (ICT), security and resilience and cyber security. This covers all aspects of:

- Cyber, physical and personnel security and business continuity/resilience

- Knowledge and information management (including heritage management, intellectual property and information risk management)
- Digital and data management and governance

The Security and Corporate Services team has continued to provide effective leadership and management of information risks and issues arising across the group. This includes governance, assurance and oversight of a number of group-wide risk reduction workstreams, all of which have delivered key benefits.

During the last year, we have:

- Continued to improve the resilience of group-wide communications through the procurement of satellite communications systems; these have been tested during the year and continue to be tested regularly with Government stakeholders
- Conducted weekly security and resilience-related exercises based on a range of scenarios linked to the national risk register
- Approved the NDA group digital vision and strategy, produced a digital roadmap, and are in the process of setting up a Programme Office to oversee all group digital initiatives
- Continued delivery of the Cyber Security and Resilience Programme (CSR), including starting to transition elements to an enduring group service delivery model
- Developed the pilot of a Group Security Operations Capability (GSOC) into a protective monitoring and incident response support service for the group
- Continued to develop the group's cyber apprentice and graduate scheme that supports the whole civil nuclear sector
- Developed a group data strategy and target operating model, seeking to standardise the way in which data is managed and re-used in delivery of the NDA mission
- Continued working with the Cabinet Office's Emergency Planning College to exercise cyber incidents
- Continued operations at Nucleus, the nuclear and Caithness archives, delivering a cross group long-term records and archive management solution
- Continued the reduction of our carbon footprint, by reducing our physical (on-premises) servers and through the adoption of

- greener cloud alternatives
  - Ensured continued compliance with the relevant statutory legislation and regulatory guidance regarding access to NDA-owned information assets
  - Delivered the first NDA group Heritage report to the Department for Culture, Media and Sports and commenced consultation and development of the NDA group Heritage Strategy
  - Continued to mature our ways of working through the previously implemented IT delivery capability, with improved portfolio management, new end-to-end service design and service integration process and governance structure, fully resourced architecture function, and a fully resourced IT assurance function to better assure group-wide IT investments
  - Rolled out additional Microsoft Office 365 features and other technologies in support of a hybrid working model
  - Agreed that NDA, Magnox, Dounreay, Nuclear Waste Services and Nuclear Transport Solutions will collaborate on the future procurements of commodity ICT services, with the aim to deliver these more efficiently whilst improving collaboration across the group
  - Initiated the production of a group IT strategy and group technology strategy, aiming for standardisation and common approaches to shared needs
  - Continued to evolve the group-wide digital collaboration platform (The Hub) within our secure infrastructure service (Ecosystem), promoting the effective sharing of sensitive data, knowledge and expertise
  - Completed a sector-wide cyber exercise 'Cobalt Kingfisher' and supported the delivery of the sector-wide cyber strategy
  - Adopted the cyber professional standard from the Chartered Institute of Information Security (CIIISec) and supported the launch of the new CIIISec Nuclear Sector Hub, helping cyber professionals in the sector
  - Continued to lead the sector-wide unmanned aerial vehicles working group, which included a cross sector and UK Government tabletop exercise using a modelling and simulation platform
  - Initiated a future security systems innovation challenge in conjunction with the defence and security accelerator (DASA), funding several bidders' innovative ideas that utilise artificial intelligence and robotics to deliver cost effective new security solutions that offer significant potential cost savings for security delivery during the decommissioning lifecycle
  - Supported several international technical exchange sessions for nuclear security with the US Department of Energy and Department for Energy Security and Net Zero funded international nuclear security improvements programme
  - Improved the NDA group's information security capabilities through the construction of a secure compartmentalised information facility to support AWE and Ministry of Defence decommissioning programmes
  - Developed a group wide security assurance model (SAM) with the initial personnel security maturity model now being used to inform the NDA group strategic risks associated with the insider threat.
- The NDA group Senior Information Risk Owner (SIRO) forum, comprising senior NDA staff and directors from each of our operating companies, who are responsible for managing information risk, meet regularly to provide governance of assurance programmes and audit performance reviews in the areas covered above. These assessments and reviews, in turn, provide assurance to key stakeholders including the regulatory community, the NDA Board, Department for Energy Security and Net Zero and other Government departments and agencies.
- ### Modern Slavery Act 2015
- In accordance with the Modern Slavery Act 2015, we published our Modern Slavery Statement covering the period 1 April 2021 to 31 March 2022 on 30 September 2022. The Statement reflects the progress made to tackle modern slavery during the year, as well as our commitments for the following year. We continue to take Modern Slavery extremely seriously and reaffirm our commitment to ensuring our organisation and our supply chain is free from it.
- We actively assess the risk of modern slavery within our supply chains, by targeting high risk categories of spend, and segmenting using the guidance provided by UK Government in its Modern Slavery

## Governance statement (continued)

Assessment Tool. As an organisation, we set ourselves high standards and expect the same approach from our supply chain. Our Supply Chain Charter sets out our position and expectations. We have embedded processes on the management of any suspected or reported breach of the Modern Slavery Act, these have support of the victims as the focus. In 2022/23, no new contracts were identified as being at high risk of Modern Slavery, nor did suppliers raise any issues with us.

Our commercial policies and processes are built to ensure that Modern Slavery checks are built in and considered as business-as-usual good practice throughout the commercial lifecycle. Our Commercial practitioners undertake a number of training courses to ensure they have the skills to recognise and tackle modern slavery, including training issued by the Government Commercial College. Modern Slavery has been integrated into the new Commercial system currently being implemented across the NDA group to ensure that the risks of Modern Slavery are considered and managed appropriately in every procurement undertaken.

### Effectiveness of the control environment

As Accounting Officer, I have responsibility for ensuring the System of Internal Control and its effectiveness are both sound. I am also personally accountable for safeguarding the public funds allocated to the NDA, as well as departmental assets, in line with the HM Treasury publication 'Managing Public Money'. Support for these activities is provided by the NDA internal audit function, external auditors (the National Audit Office) and other assurance functions, both within the NDA and across the group.

In accordance with HM Treasury guidance, the NDA System of Internal Control has been in place for the period commencing 1 April 2022 up to the approval date for the Annual Report and Accounts. The system is designed to manage risk to a reasonable level while complying with relevant rules and regulations.

It is impossible to eliminate all risk of failure in implementing policies, aims and objectives;

therefore, the system provides assurance of effectiveness to a level that is reasonable rather than absolute.

My Executive Leadership Team members are responsible for developing and maintaining the Internal Control Framework in their own functional areas. Oversight and challenge to the system is provided by the Board and also by the Audit and Risk Assurance Committee (A&RAC), who ensure plans are in place to address any weaknesses. Significant reliance is placed on those controls operated by businesses across the group.

A key element of the NDA Internal Control Framework is the quarterly Accounting Officer Review process which provides assurance over the performance of the operating companies. During the final quarter review, which took place in May 2023, an anomaly was identified in the determination of the outcome of an employee incentive plan at Sellafield, resulting in overpayments to staff. We believe this is due to a management override of financial controls and are undertaking a full investigation in order to respond appropriately, understand the root cause and identify any associated control weaknesses or gaps. At the point the issue was identified by the NDA the payment to staff at the operating company had already been actioned. Staff were immediately notified of the potential overpayment and an investigation into the circumstances was commissioned. Our sponsor department was notified and has been kept informed of the investigation. The Sellafield Board has resolved to recover the overpayment and will recommend an appropriate mechanism to the NDA for approval. A group-wide review of reward governance has commenced and will be progressed at pace, whilst ensuring we take the necessary time to fully understand and address the issues. The financial impact of the increased bonus was £2.1m.

During the year, balance sheet reviews at Magnox identified an error whereby incorrect accounting for deferred tax and the associated calculation of distributable reserves at Magnox Limited resulted in overpayment of dividends to Cavendish Fluor Partnership totalling £2.8m in August 2020 and November 2021. We are seeking to recover the overpayment. Whilst this is an isolated occurrence, which was immediately reported to the NDA finance

function, we are seeking to reinforce our balance sheet review process and will share lessons learned with the group.

In line with UK Government requirements, the NDA Modelling and Analysis Team tests the robustness of the end-to-end process used in developing all the group's business-critical models and spreadsheets that influence our key business decisions. We are compliant with the implementation of the MacPherson Review of Quality Assurance (QA) of Government Analytical Models and have AQuA Book compliant processes in place.

Our focus on aligning and improving audit and advisory services across the group in support of strengthened A&RAC oversight has continued.

This year, we have continued to operate a 'virtual' group internal audit function and have continued to seek ways to better align our approach, introduce consistency and share best practice. This has resulted in more visibility group-wide of matters impacting our corporate governance, risk management and internal control.

Our ethics and compliance framework has continued to evolve this year, following the implementation of the group-wide Ethics Policy and new speak up policy which focuses on the importance of speaking up about potentially illegal, unsafe or unethical behaviour or practices. We started 2022/23 with an advisory review of the current ethics and compliance landscape across the group, and developed a high-level risk map to show what each operating company considers their top ethics and compliance risks. Alongside the Ethics and Compliance function, we developed a roadmap for implementation of a target operating model, using the insights gained from the review. The A&RAC has continued to receive quarterly reports on Speak Ups received and investigations undertaken, in addition to themes, trends and lessons learned. Serious cases are reported to the A&RAC as they occur.

Our A&RAC has continued to strengthen relationships with the group's audit committees at the operating companies. We have continued to hold quarterly group-wide forums for NDA and operating company A&RAC Chairs and members, retaining a focus on emerging risks, sharing best

practice and bringing knowledge from external subject matter experts.

This year, we returned to a face-to-face format for our annual NDA group A&RAC conference, but for the first time, the event was hosted jointly by Internal Audit with our Risk function. This emphasises the continued focus on bringing our lines of defence closer together, enabling us to collaborate, share and continue to nurture our working relationships, and it was the first time the two functions across the group have been together in one place. Attendees across the two days included group-wide A&RAC Chairs, members, executives and Internal Audit and Risk professionals.

On day one we heard from our new NDA A&RAC Chair, who gave insight into what was front of mind and set the scene for the two days. We then focused externally, with a deep-dive session on net zero and cross-government priorities and risks. Day two was for reflection internally, hearing from our Group Chief Financial Officer, in addition to an A&RAC Chairs and members question and answer session.

Our group Internal Audit function developed and delivered a Group Internal Audit Plan for 2022/23, designed to provide assurance over key business processes, our Group Strategic Risks and key business risks. We have continued with a group-wide focus on key risks and controls, and completed three group audit theme reviews, across people strategy and reward, cyber security and third-party risk. Insights from these reviews are further promoting the sharing of challenges and good practices across the group. We also undertook a review of Advanced Gas-cooled Reactor (AGR) governance which, whilst delivered by the NDA Internal Audit team, required collaboration and input across the group. For the first time we have also shared resource and collaborated across Internal Audit teams, with resource from the NDA Internal Audit team providing input into a Magnox-led internal audit of their Future Missions directorate.

The findings from the internal audit reports across the group receive close attention from the Executive Leadership Team, the Group Leadership Team and the Board via the A&RAC.

In line with the standard ratings of the UK Government Internal Audit Agency, the NDA's

## Governance statement (continued)

Group Director of Internal Audit has provided an overall rating of 'moderate' to the level of assurance, meaning that there is generally a sound framework of governance, risk management and control, both within the NDA and the wider group. This view is based on the work of internal audit, including oversight of the various assurance activities undertaken by us, its operating companies and through engagement with the internal audit functions of the businesses.

At the NDA the assigned internal audit review ratings were as follows: 'moderate assurance' 25%, 'high level of assurance' 12% and 'substantial assurance' 13%, with 50% advisory.

Across the group as a whole, internal audit review ratings were as follows: 'no assurance' 3%, 'limited assurance' 9%, 'moderate assurance' 23%, 'high assurance' 14%, and 'substantial assurance' 24% with 27% advisory.

The overall 'moderate' assessment is reflective of the group position, and recognising that there has been generally a year on year strengthening of governance, risk management and control alignment. The focus should continue to be on the embedding of these arrangements in order to realise the required efficiencies and effectiveness.

Careful consideration was given to the issue emerging at the time of this report with regard to Reward governance. The moderate assessment also takes into account the seriousness with which the issue is being treated and the ongoing work to consider group-wide Reward governance and identify any control gaps/weaknesses in the current arrangements.

Two areas assessed by internal audit across the group received 'no assurance' ratings this year; these related to aspects of inventory management at Sellafield and payroll processes at Magnox. In both cases recovery projects have been initiated by management, with oversight from the A&RAC Chairs, and good progress is being made with strengthening controls. Lessons learned have also been shared across the group.

The results of our group audit theme reviews have highlighted progress made in our approaches to

monitor and manage the key risks in the areas of cyber security, reward and commercial, with opportunities to further strengthen our control arrangements. Business operating processes, including payroll, expenses and key financial controls were generally found to be robust.

A significant area of focus for the group this year has been preparedness for the transfer of AGRs to Magnox. We undertook an advisory review towards the end of the year which considered the governance arrangements around AGR defueling during 2022/23 and the development of the Hunterston B transfer blueprint.

Looking forward, and as we continue to respond to the changing risk profile as a result of being 'trusted to do more', internal audit has had and will continue to have an important role to play as an advisor and assurer to the business and to guide decision-making at the highest level. Internal audit has continued to respond to the needs of the business real-time by adopting a 'risk theme' approach. This has allowed us to be agile in performing assurance or advisory services at the right time in the areas that matter. This has enabled us to provide the most value to our stakeholders, at a time when priorities and business risks are evolving continuously, given the environment in which we are operating.

On balance, as Accounting Officer, I am therefore confident that the group-wide system of internal control operating throughout the past year is effective, and appropriate to meet the NDA's objectives, to the best of my knowledge. In reaching this conclusion, I have taken advice from the Group Director of Internal Audit and the Group Chief Ethics and Compliance Officer.



**David Peattie** CEng HonFNucl  
Accounting Officer and Group Chief Executive Officer

12 September 2023



# Remuneration report

The primary role of the Remuneration Committee is to ensure that an effective remuneration policy is in place to enable the NDA to attract, reward and incentivise executives with the right skills and expertise to successfully deliver our important mission.

I am pleased to present the 2022/23 remuneration report for the NDA, outlining the areas of activity for the committee during this financial year.

## Group-wide remuneration

Whilst this Remuneration Report is for the NDA itself, the one NDA way of working continues to be a focus for us and for Government. We continue to strengthen in this area and this year, the operating companies have supported it by starting to embed the Group Reward Framework and Reward Governance Frameworks within their own policies. An internal audit review has recently been concluded to support and further strengthen the implementation of the frameworks and we were pleased to note progress has been made across the group. The NDA and operating companies will continue to collaborate to further strengthen this.

We continue to view mobility across the group as a priority and the committee remains mindful that a coherent approach to senior reward is needed to facilitate this. We are equally aware, given their role as site licence and duty holders, that the operating companies retain responsibility for their own reward arrangements within the boundaries set by our reward governance framework. The 2021/22 senior incentive study was an important step towards identifying areas where operating against a common framework and set of principles could be created across the group and this work has continued throughout 2022/23.

## Our approach to remuneration for the NDA in 2022/23

### Base salaries

Our proposals to introduce a self-funded "capability based pay progression" system for the NDA have meant a more complex approval process with government for the 2022/2023 pay award. We were disappointed not to have been able to pay this before the end of the 2022/23 year, but worked well with government and our recognised trade union, Prospect, to obtain the requisite approvals. We were able to deliver the pay award to staff in August 2023, along with an appropriate

backdated payment. Senior executives of the NDA were also awarded a 2022/2023 increase in August 2023.

## 2022/23 incentive outcomes

We are mindful of the cost-of-living challenges being faced by many and with this in mind we were pleased to offer NDA staff an advanced payment of a portion of their annual Short-Term Incentive Plan in December 2022. This was well-received by staff at a time of uncertainty for many.

In May 2023, the committee considered the performance of the 2022/23 NDA Short-Term Incentive plan (STIP) and the 2020-2023 NDA Long-term Incentive Plan (LTIP). The outturns of these plans are reflected in the directors' payments table on page 100.

In line with the strong performance against the financial year's Group Key Targets and significant additional operational and people related achievements over the course of the year, the committee decided to declare a corporate out-turn for the 2022/23 NDA Short-Term Incentive Plan in line with the formulaic target achievement at 83% of the maximum.

Similarly, the performance of the 2020-2023 NDA Long-Term Incentive Plan was carefully considered and a payment of 144% of the award value declared in line with the target achievement.

Payments of these awards were made in June 2023.

## 2022/23 NDA Short-Term and Long-Term Incentive Targets

Targets for the 2022/23 NDA Short-Term Incentive Plan and 2022-2025 NDA Long-Term Incentive Plan were set during the 2022/23 year. In doing this the committee was particularly keen to follow through on work undertaken to simplify the target setting, which we see as crucial to a clearer alignment between performance and reward.

In setting targets this year, the committee took particular account of our NDA Strategy document and the opportunities presented by continued progress in building a one NDA way of working. The committee

## Remuneration report (continued)

worked closely with the Group Chief Executive Officer, Group Chief Financial Officer and Group Chief People Officer to ensure the strategic relevance of the targets set, to align them with the requirements of UK Government and to ensure a focus on taxpayer value for money through targets which are appropriately challenging as drivers for delivering the mission.

### Other areas of oversight

During the year, the committee continued to support the Group Chief Executive Officer by looking at reward for all NDA executive team members, in line with amendments made to the committee's Terms of Reference during 2021/22 and in accordance with the Reward Governance Frameworks. The committee also takes an oversight of reward in the NDA in general and does this by attending meetings of the organisation's Joint Consultation Group and by a variety of other means as reported elsewhere in this report in line with our commitment to section 172 of the Companies Act.

#### **Evelyn Dickey**

Chair of the Remuneration Committee  
12 September 2023

### Remuneration Committee (RemCo)

Refer to page 78 of the Governance statement.

### Remuneration Policy

Attracting and retaining the right calibre of executives remains critical for us to deliver our mission safely, securely and quickly. We have also seen a marked increase in demand in the market for the nuclear, regulatory, cyber security and programme management skills we need. This increases the recruitment and retention challenge and makes it more important than ever that we can offer competitive reward packages, whilst remaining mindful of taxpayer value for money.

In doing this, the remuneration of the executive directors consists of a base salary, performance related short and long-term incentive plans, a market benefit allowance and pension entitlements.

The following table sets out our Executive Remuneration Policy and gives highlights of how this is being operated.

Basic salary	
Policy and purpose	Salaries are set at a level required to attract and retain the right calibre of executives, reflecting the skills and experience of the individual, market reward data, scope/size of role and responsibility whilst being mindful of taxpayer value.
Operation of policy	Salaries are reviewed each year, effective 1 April, taking the above matters into account and the level of salary increases made in the wider organisation.
Short-term Incentive Plan (STIP)	
Policy and purpose	The aim of the short-term incentive plan (STIP) is to encourage improved operational and organisational performance and motivate and engage employees by delivering part of their reward package as variable pay, linked to achievement of the business operating plan and their personal objectives. Standard Malus and Clawback provisions apply under the STIP rules.
Operation of policy	Our Chief Executive Officer has an STIP up to a maximum of 50% of salary and the Group Chief Financial Officer 40%, based on achievement of corporate and personal objectives linked to the group operating plan. No changes to the STIP quanta are planned. The design of the STIP for the executive changed for the previous plan year, increasing the NDA and operating company performance elements of the STIP and reducing the personal performance element.
Long-term Incentive Plan (LTIP)	
Policy and purpose	The aim of the long-term incentive plan (LTIP) is to encourage strong and sustained performance in line with the strategy and mission, aligning executives on longer-term strategic goals and providing a motivating stake in the delivery of long-term, sustainable business success. Standard Malus and Clawback provisions apply under the LTIP rules.
Operation of policy	Eligibility for LTIP is a year-on-year decision by the Remuneration Committee, with LTIP awards being made at the start of each three-year performance period. In-flight plans use a multiplier to increase or decrease the outcome and we recently changed this to measure threshold, target and stretch outcomes against each target. This change has not affected the maximum LTIP outturn, which remains 50% for the Chief Executive Officer and 40% for the Chief Financial Officer (previously 25% and 20% with a maximum multiplier of 200%).
Benefits	
Policy and purpose	Benefits are offered to be competitive with the markets in which we compete for talent.
Operation of policy	Executive directors receive a market benefits allowance of £12,000. Note that private medical insurance is not provided, in line with our public sector status. There are no changes planned to this policy for 2023/24.
Pensions	
Policy and purpose	A pension is provided to build up a retirement income, in line with other major employers.
Operation of policy	Executive directors are eligible for membership of the Civil Service Pension arrangements in the same way as other employees, either on a 'career average' or a defined contribution basis. More details of our pension arrangements are on page 111 to 112. During the year, Mel Zuydam as the Group Chief Financial Officer, was a member of the pension scheme. The Group Chief Executive Officer is provided with a cash payment in lieu of membership. There are no changes planned to this policy for 2023/24.

## Remuneration report (continued)

The committee routinely seeks independent advice on remuneration matters to support the setting of reward levels at an appropriately competitive level. PwC act as advisors to the committee and they also provide support where required to other parts of the NDA group to obtain synergies and support consistency.

### Directors' contracts

Executive Board members, presently the Group Chief Executive Officer and Group Chief Financial Officer, are appointed by the non-executive Board members and, in the case of the Group CEO, with the approval of the Secretary of State for the Department for Energy Security and Net Zero (DESNZ) in conjunction with Scottish Ministers and in line with the Commission of Public Appointments Codes of Practice. Their service contracts have a six months' notice period. Remuneration for the executive directors is the responsibility of the NDA Board and operationally managed by the Remuneration Committee.

non-executive Board members are appointed by the Secretary of State for DESNZ in consultation with Scottish Ministers, the NDA Chair and in line with the Commission of Public Appointments Codes of Practice. Fees for the Chair and other non-executive Board members are determined by DESNZ and the non-executives are not involved in decisions relating to their own remuneration. For year 2022/23, the Chair received a fee of £187,500 and other non-executive directors were eligible to receive £40,000. The fees are fully inclusive and there are no additional payments for chairing committees and members do not receive any performance-related bonuses or pension entitlements but are reimbursed for reasonable expenses incurred in the performance of their duties.

Details of directors' remuneration and pension are shown in the table below. More details on pensions and cash equivalent transfer values are shown on pages 111 to 112. Details on the gender pay gap can be found on page 105.

### Executive Directors remuneration

This information is subject to audit.

Director	Year	Fixed pay			Variable pay****		Total remuneration £
		Salary £	Benefits £	Pension*** £	Short Term Incentive £	Long Term Incentive £	
David Peattie (*)	2021/22	336,600	62,180	-	143,055	116,325	658,160
	2022/23	346,698	62,673	-	145,440	121,176	675,987
Mel Zuydam (**)	2021/22	260,000	16,981	99,710	70,200	-	446,891
	2022/23	260,000	20,501	99,710	79,144	74,880	534,235

(\*) Additional benefits received were a market benefit of £12,000, and a cash payment of £50,673 (2021/22: £50,180) in lieu of membership of the Civil Service Pension Plan.

(\*\*) Additional benefits received were a market benefit of £12,000, and holiday pay allowance of £8,501 (2021/22: £4,981).

(\*\*\*) Details on pension arrangements are shown on pages 111 to 112.

(\*\*\*\*) Details of the NDA Short-Term and Long-Term Incentives are shown on page 99.

## Non-executive Board members remuneration

This information is subject to audit.

Non-executive Board members	Additional role (Effective date of becoming a member)	Year	Total fees £
Dr Ros Rivaz	Chair of the Nomination Committee (01.09.20 - date)	2021/22	187,500
		2022/23	187,500
Volker Beckers	Chair of the Audit and Risk Assurance Committee (01.03.15 - 31.07.22)	2021/22	40,000
		2022/23	23,333
Evelyn Dickey <sup>(1)</sup>	Chair of the Remuneration Committee (01.03.15 – date)	2021/22	30,000
		2022/23	40,000
Janet Ashdown <sup>(1)</sup>	Chair of the Safety and Security Committee (01.06.15 - date)	2021/22	30,000
		2022/23	40,000
Kathryn Cearns	Chair of the Audit and Risk Assurance Committee (01.08.22 – date)	2021/22	-
		2022/23	26,667
Francis Livens	Non-Executive Board Member (01.12.20 – date)	2021/22	40,000
		2022/23	40,000
Alex Reeves <sup>(2)</sup>	UKGI Representative Board Member (01.02.20 – date)	2021/22	-
		2022/23	-
Chris Train	Chair of the Programmes and Projects Committee (31.01.22 - date)	2021/22	9,032
		2022/23	40,000

(1) Members who decided to remain on the previous fee structure for the financial year 2021/22

(2) Did not receive any remuneration for services to the Board

## Wider workforce considerations

In setting the remuneration for the executive directors and the wider executive team, the Remuneration Committee is mindful of wider workforce considerations and seeks appropriate alignment.

Examples of this alignment are:

- Incentive targets alignment, ensuring those used for executives are the same as those used for the corporate element of the NDA employees' incentives. This alignment has been cascaded through the incentive targets for all NDA employees
- Executives and all employees are eligible for the Civil Service Pension arrangements.

## Remuneration report (continued)

### Fair pay disclosures ('Hutton' Disclosure)

This information is subject to audit.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

Additionally, for both the highest-paid director and also the organisation's workforce, the percentage change in the following must be reported:

- Salary and allowance; and
- performance pay and bonuses payable

The banded remuneration of the highest-paid director in the NDA, in the financial year 2022/23, was £675,000 - £680,000, (2021/22: £655,000 - £660,000). This was:

- 12.8 times (2021/22: 13.7 times) the remuneration of the lower quartile of the workforce, which was £52,903 (2021/22: £48,105)
- 8.5 times (2021/22: 8.8 times) the median remuneration of the workforce, which was £80,107 (2021/22: £74,461)
- 6.1 times (2021/22: 6.3 times) the remuneration of the upper quartile of the workforce, which was £111,247 (2021/22: £103,953)

The highest paid director's performance pay and bonuses increased by 2.8%, primarily due to an increase in base salary and improved performance against long-term business objectives.

The salary and allowances for the remainder of the organisation increased by 5.7% over the previous year, with an increase of 41.6% in performance pay and bonuses; this was driven by the level of recruitment in the financial year and a higher overall incentive performance outcome.

In 2022/23, zero (2021/22, zero) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from the lowest band of £25,000 - £30,000 to the highest band of £675,000 - £680,000 (2021/22 band £20,000 - £25,000 to £655,000 - £660,000).

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

	2022/23 Total £	2021/22 Total £
Band of highest paid director's total remuneration	675,000 – 680,000	655,000 – 660,000
Upper quartile total remuneration	111,247	103,953
Median total remuneration	80,107	74,461
Lower quartile total remuneration	52,903	48,105
Ratio director: Upper quartile	6.1:1	6.3:1
Ratio director: Median quartile	8.5:1	8.8:1
Ratio director: Lower quartile	12.8:1	13.7:1
Band of lowest paid employee's total remuneration	25,000 - 30,000	20,000 - 25,000

The increase in the median remuneration level of 7.6% is partially due to recruitment activity and changes arising from turnover, alongside Cabinet Office approval of a pay business case covering the 2022/23 financial year. The highest paid director received a 2.7% salary and allowances increase in 2022/23. The median pay ratio is reflective of the range of roles at the NDA; including an executive team with leadership roles across the NDA group. NDA pay, reward and progression policies balance value for money while enabling us to recruit and retain the necessary skills to deliver our mission.

	Salary	Total pay and benefits
Upper quartile	84,045	111,247
Median	63,805	80,107
Lower quartile	36,805	52,903

# People report

Our people are at the heart of the NDA group. Our objective is to enable and drive the delivery of our mission through our highly skilled people by attracting, retaining, and developing a high performing, diverse, talented and motivated workforce.

We want to create a culture in which our people can thrive, where everyone feels respected, included and able to perform at their best. The following section provides an update on the important progress we've made on our 'people' critical enabler in 2022/23.

Our NDA Strategy document outlines and underpins the objectives for the NDA group in our People Strategy workstream. It is built around three key themes:

1. Ensure we have people with the right skills, in the right roles at the right time to deliver the mission
2. Create a culture in which our people can thrive
3. Work in partnership with our recognised trade unions and the broader stakeholder community.

The one NDA way of working has enabled us to collaborate meaningfully and effectively across the NDA group on developing a strategy to create a thriving workforce for the future.

We are also continuing our commitment to the targets and objectives of UK Government's policy position. We take a leading role in skills strategy and policy for the UK nuclear sector and continue to support Government initiatives on a national, regional and local level.

**Ensure we have people with the right skills, in the right roles at the right time.**

Skills is a key priority and escalating risk for the NDA group. Ensuring that we have the right people with the right skills in the right place at the right time is a key theme of our NDA Strategy. We want to develop a coherent strategy for skills across the group. During 2022, we enhanced our approach to strategic workforce planning, enabling us to develop an aggregated view of our current workforce and future needs.

We have developed a group-wide language for skills, identifying our critical, scarce, and high demand skills, each of which could and should require a different approach to mitigating risk. Collaboration is key and approaching these challenges together is enabling us to respond more effectively, maximising benefits and delivering greater value for money.

We are facing a perfect storm of external and internal factors which are impacting on our ability to attract and retain individuals with the skills we require to deliver the mission. The UK Energy Security Strategy has created a boost for the nuclear sector which is delivering real benefit to us as nuclear becomes a more attractive career option for a wider population and more diverse candidate pools, but it is also creating real competition for people with nuclear skills and in the broader context, skills for nuclear.

In December 2022, we launched the NDA group graduate programme, bringing together all parts of the group to attract, recruit and develop graduate talent to enable us to deliver our mission.



The recruitment drive is intended to find the next generation of graduates to start in September 2023. Over 70 opportunities have been identified across the group, with a focus on critical and scarce skills, including:

- Cyber security and digital
- Commercial and business (including finance, risk, and audit)
- Project management and project controls
- Science and engineering

This is one of several ways that the NDA group is investing in early careers development. More than £30 million is invested each year in apprentices and graduates, with almost 1,000 people currently on early careers programmes across the group.

The NDA group hosted a live event during National Apprenticeship Week with over 1,400 potential apprentices registering interest. The main purpose of this event was to

## People report (continued)

demystify nuclear and showcase the range of apprenticeship and career opportunities across the group, seen through the eyes of our apprentices. We had full group participation with each apprentice talking about how they were attracted to the group and their experience to-date.

There have been significant developments in leadership and talent projects throughout 2022/23. In November 2022, we held the first NDA group Leadership Academy Conference to great success, with academy delegates leading the conversation on a range of topics including: sustainability, mobility, and inclusion. We have made a commitment to continue to invest and increase the cohorts so we can have 200 NDA group leaders either completed or on the academy programme by 2025.

The NDA group Talking Talent Programmes help create collaborative opportunities to discuss talent across the whole of the NDA group looking at the breadth and depth of career opportunities. It helps to create a common language to discuss the talent lifecycle within a function that can then inform the strategic priorities and identify opportunities to collaborate from a people, skills, and talent perspective. In flight programmes include HR, Communications, Risk, Environment, Audit, Asset management, Commercial, Legal and General Council, Cyber and Waste.

We have developed an NDA talent toolkit which involves a range of initiatives and tools to support development such as the NDA group leaders 360, The NDA group Leadership Solution and Insights. Over 1,750 people collectively have

undertaken these tools to support their individual talent journeys in 2022/23.

At executive and Board level we have secured a framework of executive search partners to assist us in recruiting the best and most diverse senior talent and non-executive directors. We have a Chief Executive Officer / HR Director talent forum three times a year and the ongoing dialogue and meaningful discussion of our people is supporting our ambitions for the NDA group.

Additionally, new opportunities have been created with the Department for Energy Security and Net Zero, Ministry of Defence and our colleagues in Japan with exciting secondment opportunities for individuals from a variety of functional areas, further supported by the Secondment Charter principles that were launched in 2022/23.

### Creating a culture in which our people can thrive.

Our diversity and inclusion (D&I) journey has continued to gain momentum this year since we launched our NDA group Inclusion Strategy 2021-2025 which is available online. This strategy builds on the positive foundations since the development of our first strategy in 2018. In this phase of our journey, we have focused on embedding D&I into our DNA and have strengthened group-wide governance through our D&I Council, and a collaborative cross-group D&I delivery group.

Our NDA group Inclusion Strategy 2025 focuses on five key themes and 2022/23 success and highlights under those themes are:

### Theme 1 - Inclusive culture and leadership

All operating companies have aligned their D&I plans to the NDA group Inclusion Strategy measures and goals. Progress is reported via our D&I Council, Sustainability and Governance Committee and NDA Board. In addition, each operating company reports their plan progress.

We have set mandatory D&I objectives for all senior leaders and delivered a group D&I leader's event with over 60 senior leaders coming together to collaborate on our priorities and explore how we can move the dial.

Our inclusive leadership workshops have been well received by 250 leaders from the group and we will continue to roll out learning for leaders in 2023/24.

Our Women's Development Leadership Programme (WDLP) has become very successful since its launch in 2021. We have partnered with Whitehall Industry Group to deliver two rolling programmes:

- The senior programme is for talented mid-career women with potential for top leadership roles
- A step up, step across (SUSA) programme is for mid-career professionals who are looking to take a step up into their first leadership role

To date 159 women have started or completed the programme.



The NDA chairs the Equality, Diversity and Inclusion Sub Committee of the Nuclear Skills Strategy Group (NSSG) to drive sector-wide improvements and has shared insights and supported industry-wide development with partners such as the Engineering Construction Industry Training Board and Women in Nuclear.

## Theme 2 - Workforce diversity

We have set ourselves some stretching diversity goals to monitor our progress as part of the strategy, against which we'll report progress. Over the next three years we want to ensure the NDA group is a best in sector inclusive employer.

We have set aspirational goals in our strategy to achieve gender balance and a diverse workforce that represents modern Britain, whilst also recognising the underlying demographics of the locations in which we operate. We recognise this is a longer-term goal and as of the September 2022 data cut our: gender balance was 29.7% women to 70.3% men, 29.8% women on boards and in senior executive roles, ethnicity 2%, disability 3% and LGBT 1.4%.

We continued to improve the data we hold about our employees and over the next two years we want to improve further, gathering D&I data in respect of attraction, talent, and mobility. Gathering this helps us to better understand the diverse make up of our employees and measure our progress against our goals and helps us understand differences between workforce groups in terms of representation and outcomes.

Nuclear Transport Solutions is partnering with 'Women Returners' and has launched its first career returners programme. The aim is

to support those who have been out of the workplace for 18 months or more to flexibly re-start their career and develop their skills and experience in an established and growing global organisation.



All operating companies and the NDA have achieved Disability Confident status level 2, and we are working towards achieving level 3 in 2023, with the NDA and Sellafield having already achieved Disability Confident Level 3 Leader status. This ensures we attract disabled talent and that our recruitment processes and workplaces are inclusive and accessible for all.

## Gender pay gap reporting

We are committed to reducing our gender pay gap by 2025 by increasing our representation of women in senior roles and women at all levels across the NDA group. Gender balance is a key area of our strategy and the NDA and operating companies have in place an annual gender balance improvement plan.

In line with our equality duties, we published our annual gender pay gap data for March 2022. Within the NDA group, the figures published at March 2023 showed the overall average gender pay gap (when weighted by employee numbers), when comparing mean pay, to be 11.7% and the average median pay gap 11.4% against an ONS national average of 14.9%.

The 2021/22 data illustrates a continuing decrease in the mean gender pay gap across the majority

of NDA group operating companies and we continue to see annual variances in our gender pay gap data for those operating companies with lower employee numbers. Changes at the bottom and top of the organisations can result in a significant percentage change in the calculations on a year-on-year basis.

We are seeing a strong focus on gender balance activities across NDA group and we are actively attracting women into our early careers, supporting women in their development and creating great places to work where women's health is talked about and supported.

## Theme 3 - Embedding inclusion through the employee lifecycle

We have a collective commitment to ensure we're aligned with leading recruitment and talent development practice. In 2021/22 an external expert organisation carried out a group-wide end to end review of our recruitment lifecycle with a focus on D&I. The report and recommendations have been adopted and we continue to embed D&I across our people processes including with new starters, hiring managers, resourcing leads / partners, D&I leads and HR teams. We use a gender decoder tool to ensure all adverts and job descriptions are appealing to all job applicants and avoid unnecessary technical jargon.

## Theme 4 - Flexibility, agility, and smarter working

We have maintained operational delivery and demonstrated the benefits of a more agile way of working through a mix of site or office based, flexible hours, and home working. New

## People report (continued)

ways of working and enhanced technology enable our teams to stay connected, and maintain work life balance. We also recognise the importance and benefit of face to face working to build relationships, promote connectivity, communication, team development and encourage collaboration and creativity.

Throughout 2022/23 we have highlighted key events from the D&I calendar including International Women's Day, Race Equality Week, Neurodiversity Celebration Week, Pride Month, National Inclusion Week, International Men's Day, Mental Health Day, World Menopause Day, and International Day of People with Disabilities. We use these events to create safe spaces to amplify our inclusion message, engage employees and promote learning through conversations. Employees often share their inspiring personal stories through blogs, videos and lived experiences, run webinars, training sessions, and 'town hall' discussions.

### Theme 5 - Respect, dignity, and employee voice

We have leveraged employee voice through our group-wide employee engagement survey launched in 2021 and feedback continues to inform our approach using 'You said, We did'.

We have continued to work closely with the trade unions and our five group-wide employee networks for gender, race, disability, LGBT+ and menopause which provide colleagues with valuable support, create development opportunities, and raise awareness of issues

and challenges. Our networks provide insights into how we need to adapt to give colleagues support. They are developing knowledge and skills year on year through our network training and development programme, coaching and professional development for network executive sponsors, co-chairs and steering group members.

We held our first ever NDA group network event in February 2023 with all 34 networks from across the group (including the operating companies) and executive sponsors represented. The Power of Networks event brought together leading external speakers and facilitators to celebrate the great work our networks do, and to help develop them. We have committed to developing a group-wide Employee Network Framework to fully leverage the benefits of our employee networks for their members, allies, and our organisation.

### Employee engagement survey

We first launched the group-wide employee engagement survey in October 2021; the survey results and employee comments provided a good base from which to identify actions and measure improvements. We have provided regular "You said, We did" communications throughout the year and launched a mini pulse survey during 2022. We undertook a further full survey in spring 2023 and plan to repeat this on an annual basis.

### Employee health and wellbeing

We continue to recognise the importance of health and wellbeing at work and we have continued to work closely with MIND and our other health partners. This has been important as we continue to emerge from the pandemic, and we adapted to an agile and flexible approach to the work within the NDA.

We took part in the Mind Workplace Index Survey, achieving a Silver Award in June 2021 which provided us with insights into areas for our ongoing future focus. We are also incorporating the recent Peakon engagement survey's wellbeing findings in our plans to ensure that our future plans continue to remain aligned. We are intending to re-enter the Mind Workplace Index awards in early 2023 at the next cycle and this will ensure we monitor and re-validate our progress.

We have developed and are introducing a new mental health and wellbeing strategy and plan and this has been supported and approved by the Group Leadership Team. We have identified the three key areas of focus for continued development: line manager's mental health and wellbeing support toolkit, core annual wellbeing campaigns focus across the whole of the NDA group and to ensure that the necessary resources are available for the mental health and wellbeing leads to support and deliver these plans.

This is being coordinated and supported via our cross NDA mental health and wellbeing delivery group and supported by our NDA executive sponsor and the Head of Mental Health and Wellbeing.

Furthermore, the 2022/23 programme of mental health and wellbeing events has commenced with a 'This is Me' video campaign starting this year's activities.

We continue to closely monitor both short-term and long-term sickness absence and have policies and support mechanisms in place. Our policies have been enhanced to support the additional pressures the pandemic and the extended period of lockdown had on our employees as we emerge into a more agile working approach across the NDA. We have also worked closely with our occupational health provider to review and improve the access to occupational support, and we are seeing the benefits of this developing relationship and we are trialling Wellness Actions Plan for individuals needing support. Our Employee Assistance Provider (EAP) continues to provide support, reflecting the commitment we have to providing a fast and efficient service that meets the needs of our employees. This service provides more options for our employees including immediate counselling support if required.

MIND continues to be an integral part of our additional support provision for our employees requiring help as an alternative option to the EAP. This is further supported by our Mental Health First Aiders across the NDA group who are supported individually by a dedicated counsellor from MIND. We are also looking to develop a Wellbeing Champion role during 2023/24.

Furthermore, MIND continues to support mental health and wellbeing sessions delivered via line manager briefings, departmental tea and talk sessions and wellbeing intranet updates. These group discussions cover various anxieties around the impact of workplace and agile working on the social/ domestic environment and individuals and their families at the NDA as the business emerges from the pandemic. Individual wellbeing coaching sessions were also provided on request.

The NDA is progressing to become a nationally recognised Menopause Accredited Employer. A Menopause Steering Group has been established with a dedicated "Meno-hub" site with access to all across the NDA. The steering group has developed a programme of events available to raise awareness and education with support from Menopause health professionals for all. The group is setting up a network of "Meno Allies" who will promote and support this work across the NDA as a whole. Practical support for colleagues through the introduction of the Peppy app has been extremely well received by staff.

For 2022/23 an average of 4.9 days per employee was lost to sickness absence. This equates to an absence rate of 2.3%. An analysis of 2022/23 total absence identifies that mental health was the biggest cause of the number of sickness absences.

We continue to work with managers on the importance of dealing with sickness absence and in particular, mental health issues, by providing educational sessions on managing sickness absence to all our managers and employees.

## Working in partnership with our recognised trade union and broader stakeholder community

The NDA group remains committed to a partnership working approach with our recognised trade unions.

During the last year the industrial and employee relations landscape has been challenging, particularly as it was set within a public sector climate of unrest. Against this backdrop our partnership approach has enabled a constructive relationship throughout the year. With our unions we have recently established an NDA-trade union group forum to foster and sustain positive engagement on issues affecting the whole NDA group. We have also restarted a pension forum which has enabled dialogue on the forthcoming pension reform.

## People report (continued)

### Employee turnover

The average length of service is five years and for the year 2022/23 turnover of permanent people was 9.7%. This compares to an average external turnover rate of 6% (as per latest CIPD survey).

The following table is subject to audit.

2022/23 Exit package cost band	Number of compulsory redundancies	Number of other agreed departures	Total number of exit packages by cost band
£0-£25,000	0	0	0
£25,001-£50,000	0	0	0
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
£150,000+	0	0	0
Total no of exit packages	0	0	0

There were no exit packages for 2021/22.

### Headcount and employee costs

#### NDA group staff costs

This information is subject to audit

NDA Group 2023	NDA Authority (a)		NDA Programme		Subsidiaries (b)		Total
	Permanently employed staff	Others	Permanently employed staff	Others	Permanently employed staff	Others	
	£m	£m	£m	£m	£m	£m	£m
Wages and salaries	17	-	19	6	962	73	1,077
Social security costs	2	-	3	-	116	-	121
Pension costs	3	-	4	-	189	-	196
Total staff costs	22	-	26	6	1,267	73	1,394

NDA Group 2022	NDA Authority (a)		NDA Programme		Subsidiaries (b)		Total
	Permanently employed staff	Others	Permanently employed staff	Others	Permanently employed staff	Others	
	£m	£m	£m	£m	£m	£m	£m
Wages and salaries	20	1	13	1	871	69	975
Social security costs	2	-	2	-	99	-	103
Pension costs	4	-	3	-	180	-	187
Total staff costs	26	1	18	1	1,150	69	1,265

a) NDA Authority people costs are included within administration expenditure (see note five to the accounts).

b) Subsidiary people costs are reported through the 'contractor and subsidiary costs' line in the Financial Statements (see note six to the accounts)

c) During 2021/22, we reviewed the allocation of resource between admin and programme to more accurately reflect roles supporting the operating companies. This resulted in 128 heads and associated costs being reclassified from admin to programme.

Group wages and salaries include the costs associated with incentive plans at operating companies. An overpayment of the incentive plan outcome at Sellafield of £2.1m was identified after the year end and although the Sellafield Board plans to recover this amount, the table above includes this incremental bonus payment. See page 94 for details.

The group participates in various pension schemes, both defined contribution and defined benefit. Further details can be found in note 26 to the Accounts.

The average number of full-time equivalent persons employed during the year as follows:  
The following table is subject to audit

<b>NDA Group</b>	<b>Permanently employed people</b>	<b>Others</b>	<b>Total 2022/23</b>	<b>Total 2021/22</b>
Directly employed - authority (Admin)	155	9	164	232
Directly employed - authority (Estate)	205	43	248	158
Directly employed - subsidiaries	15,910	1,042	16,952	16,510
<b>Total</b>	<b>16,270</b>	<b>1,094</b>	<b>17,364</b>	<b>16,900</b>

a) The total number of permanently employed people has increased this year from 13,977 last year due to the inclusion of Dounreay and LLWR as subsidiary employers.

Of the total NDA permanent and fixed term employees at the end of March 2023, the breakdown by gender is as follows:

	<b>NDA Authority</b>		<b>NDA Programme</b>		<b>Total</b>
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	
Chief Executive	1	0	0	0	1
Exec Directors excl. CEO	1	0	0	0	1
Other directors (non-Board)	8	1	1	0	10
Other employees	64	85	121	77	347
<b>Total</b>	<b>74</b>	<b>86</b>	<b>122</b>	<b>77</b>	<b>359</b>

# Notes to the Remuneration and People reports

## Tax arrangements of public sector appointees

As a public body, we adhere to IR35 regulations in deeming if any temporary roles will be captured within the legislation or deemed out of scope of the legislation. In determining this information, we use the IR35 checker provided by HMRC on gov.uk. We are required to provide information about off-payroll appointments of consultants, contractors or people employed for longer than six months. We only use these arrangements where we can't avoid them, for example to bring in unique skills, capability and experience that we do not have in-house.

We look to minimise the use of these arrangements and include contractual clauses in appointment documentation to enable us to receive assurance that the individual or their employer is managing their tax affairs appropriately. Our right to request assurance over tax obligations is made explicit to all off-payroll workers.

Our off-payroll appointments at 31 March 2023 for those individuals on more than £245 per day and lasting more than six months (up until the expected end date – not 31 March 2023) are detailed below. There were 11 new off-payroll workers in the year whose assignments lasted more than six months (between start (after 1 April 2022) up to 31 March 2023 (not end of contract)). No senior management were paid through off payroll arrangement during this reporting period.

### Off-payroll contractor engagements as at 31 March 2023, earning £245 per day or greater.

Length of appointment at 31 March 2023	No. of off payroll contractors
Less than 1 year	18
1-2 years	11
2-3 years	3
3-4 years	0
More than 4 years	0
<b>Total of existing off payroll contractors</b>	<b>32</b>

### Off-payroll contractor engagements as at 31 March 2023, earning £245 per day or greater.

Number of new engagements, between 1 April 2022 and 31 March 2023 Of which...	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	32
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
No. of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

Consultancy spend in the year was £1,203,211 (2021/22: £211,250)

## Civil Service Pensions

Pension benefits are provided through the Civil Service Pension Arrangements and executives are also eligible for these arrangements.

Since 2015, 'The Public/ Civil Servants and Others Pension Scheme' or Alpha, 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 public/ civil servants and the majority of those already in service, joined Alpha. Prior to that date, public/ civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under existing schemes - Classic, Premium, Classic Plus and nuvos are currently increased annually in line with the Pensions Increase Legislation.

Employees are automatically enrolled into Alpha on appointment to employment at the NDA. This is in

line with the auto enrolment rules of the Pensions Act 2008. They do, however, have the ability to opt out of the scheme at any time or elect to join the defined contribution, 'Partnership Pension' offered under the Civil Service Pension Arrangements.

Employers no longer have a duty to automatically enrol a new employee where they have reason to believe the employee has registered for fixed protection in relation to lifetime allowance which requires them not to participate in future pension provision. In these cases, such as the NDA Group Chief Executive Officer, a pension allowance in lieu may be considered.

A small number of employees who transferred to the NDA from INS in 2019 continue to accrue benefits in the UKAEA Combined Pension Scheme (CPS). The UKAEA CPS provides benefits on a final salary basis with a normal retirement age of 60. This is an unfunded statutory arrangement with the cost of benefits met by monies voted by Parliament each year. Pensions payable are currently increased annually in line with the Pensions Increase Legislation.

### Pension detail

Employee and employer contributions are set at the rates shown in the tables below.

Note that there are no mandatory contributions required for the 'Partnership' defined contribution scheme. The employer contributions are listed below the tables.

Annual pensionable earnings (full-time equivalent basis)	Alpha and all PCSPS Schemes 2022/23 employee contribution rates
Up to £23,100	4.60%
£23,100-£56,000	5.45%
£56,001-£150,000	7.35%
Over £150,001	8.05%

Employee membership of the schemes in the NDA is noted in the table below:

Scheme	% of employees
Alpha	96.3
Nuvos/Premium/Classic	0.0
Partnership	0.8
UKAEA (INS TUPE)	2.6
Opt out	0.3

Annual pensionable earnings (full-time equivalent basis)	Alpha and all PCSPS Schemes 2022/23 employer contribution rates
Up to £23,000	26.6%
£23,001-£45,500	27.1%
£45,501-£77,000	27.9%
Over £77,001	30.3%

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 have now switched to the Alpha pension scheme. All members who switched to Alpha have had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave Alpha. The pension figures quoted for officials show pension earned in PCSPS or Alpha – as appropriate. Where the official has benefits in both the PCSPS and Alpha the figure quoted is the combined value of their benefits in the two schemes. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Pension benefits are as follows:

- 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.
- Benefits in premium accrue at the rate of 1/60th of final pensionable earnings for each year of service. There is no automatic lump sum.
- Classic Plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium.
- In nuvos a member builds up a pension based on their 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.

## Notes to the Remuneration and People reports continued

- 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 chosen by the employee from a panel of providers. 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).

### Executive pensions

This information is subject to audit

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 State Pension Age for members of Alpha.

	Real increase in pension during the year 2022/23	Accrued pension at 31 March 2023	Cash equivalent transfer value (CETV) at 31 March 2022	CETV at 31 March 2023	Real increase in CETV funded by employer
	£000's	£000's	£000's	£000's	£000's
Mel Zuydam	5-7.5	20-25	222	328	72
David Peattie*	0	0	0	0	0

\* Does not participate in the Civil Service Pension arrangements – see page 100

### Cash equivalent transfer values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional

pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### Real increase in CETV

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



## Disclosures required under the Trade Union (Facility Time Publication Requirements) Regulations 2017

### Relevant union officials

Relevant union officials	Full-time equivalent employee number
4	360

### Percentage of time spent on facility time

Percentage of the working hours spent by relevant union officials, employed during the relevant period, on facility time.

Percentage of time	Number of employees
0%	-
1-50%	4
51-99%	-
100%	-

### Percentage of pay bill spent on facility time

Total cost of facility time	£79,467
Total pay bill	£47,259,606
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.2%

### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0.2%
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# Health, safety, security, environment and wellbeing report

Our number one priority is and always will be health, safety and wellbeing (HSW), while upholding environmental standards. Across the NDA group, we are committed to providing a safe and healthy environment where our employees are able to thrive at work. Nuclear safety is of paramount importance and well managed operating conditions continue to provide high standards of protection for workers, the public and the environment from potential radiation hazards.

Our focus is to reduce the highest hazards and risks, while ensuring safe, secure, responsible and environmentally sustainable operations at our sites. It's our duty to carry out this highly complex mission safely and efficiently, ensuring people and the workplace are protected at all times, whilst protecting and enhancing the environment.

We are committed to improving and protecting the mental health and wellbeing of people across the NDA group through a supportive working environment. We will continue to raise awareness of mental health issues and ensure that all our people have the knowledge, guidance and tools to look after their wellbeing and that of others. More information on our work to improve mental health and wellbeing is included in the People report on pages 106 to 107.

This section reports on the overall health, safety, environmental and wellbeing performance of the NDA and where appropriate that of our operating companies.

## Health and safety

Our primary health and safety key performance indicator (KPI) for the group is Total Recordable Incident Rate (TRIR). Performance continues to be strong at 0.30 for the year. This represents an improvement over last year's figure of 0.33.

There has been an improvement compared to 2021/22 in the number of incidents reported to The regulator under The Reporting of Injuries,

Diseases and Dangerous Occurrences Regulations (RIDDOR).

RIDDOR	2021/22	2022/23
Specified injuries	4	9
>7 day injury	18	13
Industrial diseases	5	0
Dangerous occurrences	3	2
<b>Total</b>	<b>30</b>	<b>24</b>

This includes employees and incidents to contractors working on site.

Following each RIDDOR event a comprehensive and systematic examination is undertaken to identify its root causes and to develop recommendations and actions to prevent a similar occurrence in the future.

From a regulatory perspective there were three formal Office for Nuclear Regulation interventions:

- A prosecution following a fall from height
- An improvement notice relating to the above fall from height
- An enforcement notice relating to fire alarms and protection systems.

All relate to Sellafield and more details are contained the operating company section on page 121.

Our current focus is on expanding our suite of key performance indicators to include more leading indicators to complement reactive measures such as TRIR. This allows increased proactive working with a view to preventing future incidents.

The development of the group HSW Assurance Framework continues with particular focus on sources of risk which are commonly associated with higher potential impacts. The next area of assurance for 2023/24 is workplace transport. This will result in comprehensive and consistent assurance being undertaken across the group with a view to highlighting areas for improvement and

the identification and sharing of good working practice.

Health and safety assurance has increased with focus on key potential sources of risk including working at height, fire prevention and control, management of asbestos and control of contractors.

The aim of assurance is not just to ensure the required processes are in place, but to also identify and help propagate good working practices.



Working groups are in operation with representatives from all parts of the NDA group with a view to sharing good working practice in key areas of potential risk including construction and design management, learning and sharing, demolition and workplace transport safety.

During the year, health and safety climate surveys were undertaken across the majority of the group with good results. Action plans have now been developed to continue to deliver safety culture improvements.

### Environment

We continue to deliver our environment strategy. This seeks to ensure that our mission outcomes,

and the journey to deliver them, are sustainable, improving and protecting the environment. This year our NDA group Environmental Policy Statement was issued, strengthening our environmental commitments.

The policy contains our carbon commitments, including that the NDA group will be carbon net zero by 2050, and will take into account the targets of devolved governments. We continue to work with our operating companies on the delivery of our carbon management plans and have made significant reductions in our carbon footprint over the past two years.

Following four pilots around our group we are also developing an implementation plan for BSI

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## Health, safety, security, environment and wellbeing report continued

Publicly Available Specification (PAS) 2080: Carbon Management in Buildings and Infrastructure, the recognised good practice standard, to ensure that we take a whole lifecycle carbon approach to our decisions to secure carbon reduction. We have developed and published a carbon assessment and natural capital assessment approaches in our guidance on sustainability in business cases. We will continue to refine this guidance as we develop our carbon lifecycle approach.

We have continued to use our environmental key performance indicators across the group, focusing on assets, compliance, audit progress, training, skills and experience. These indicators show a key issue across our group is around finding sufficient numbers of environmental professionals for the future. We are in the second year of tracking environmental events group-wide, including an environmental-total recordable incident rate (e-TRIR) measure aimed at tracking significant environmental events in a similar manner to conventional safety TRIR data. We have reviewed these measures, made minor enhancements and believe they provide an improved picture of environmental performance. These indicators will be reviewed again next year with an intent to set targets for e-TRIR once sufficient evidence has been collected.

Last year we reported establishing a natural capital baseline for all NDA land holdings. This has been maintained and shared across the NDA

group with a view to aiding land use planning decisions and the identification of opportunities for environmental protection and enhancement. Work is ongoing across the NDA group to improve the data in the baseline and to develop an NDA Natural Capital Improvement Plan. Over the year several practical environmental improvements have progressed including tree planting at Trawsfynydd in North Wales and in West Cumbria and installation of an Eel and Lamprey pass at a weir on the river Annan near Chapelcross, improving upstream ecological quality. Other opportunities are being progressed, such as improvements to a silt lagoon near Oldbury.

We have initiated work with our operating companies on the development of water management plans. Template plans and guidance have been developed and our operating companies are now at various stages of implementing this good practice, which will continue next year. These plans will ensure a better understanding of water use, improving the sustainability and resilience of supplies, and delivering reductions in use with the associated environmental benefits.

We have continued to assure ourselves of environmental compliance and performance across the NDA group through a range of reviews, assurance visits, environmental performance metrics and engagements.

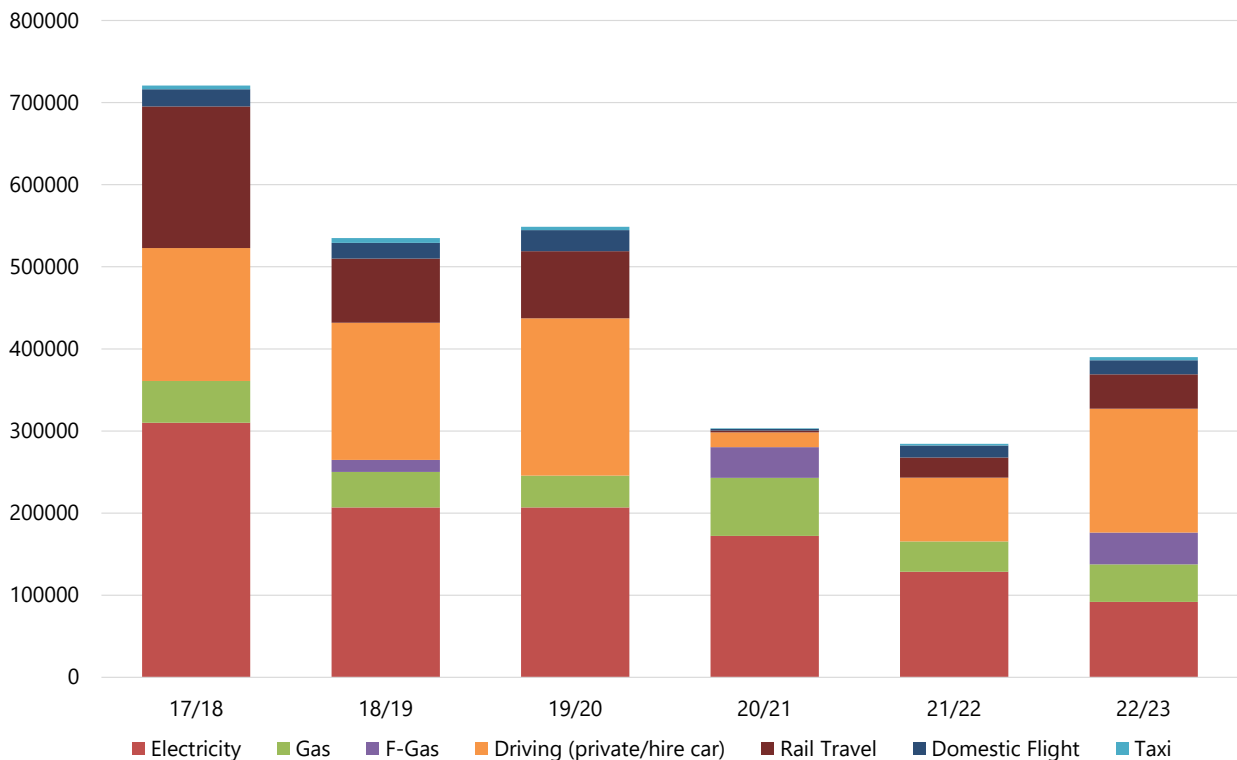
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## Greening Government Commitments (NDA only)

As part of our commitment to environmental sustainability, we participate in the Greening Government Commitments (GGC) scheme. GGC sets out the actions Government departments and their Partner Organisations will take to reduce their impacts on the environment. We have been part of GGC since the scheme's inception in 2009/10. The framework is set by the Department for Environment, Food and Rural Affairs (Defra) and we report data quarterly through the Department for Energy Security and Net Zero. The headline targets, alongside our performance this year, are given in the table below. The baseline year is 2017/18. Herdus House in Cumbria, where we have the most control, is the 'reference building' under GGC. Further information on performance is given in the following sections.

GGC target (2024/25)	2022/23 NDA performance
Reduce greenhouse gas emissions by 45%	Reduced by 46%
Reduce direct greenhouse gas emissions by 30%	Increased by 66%
Reduce greenhouse gas emissions from domestic flights by 30%	Reduced by 17%
Reduce waste generation by 15%	Reduced by 43%
At least 70% of waste to be recycled	74% recycled
Reduce landfill disposal to less than 5%	Non-recyclable waste is sent to an energy from waste plant, rather than landfill
Reduce water use by 8%	Reduced by 60%
Reduce paper use by 50%	Reduced by 64%

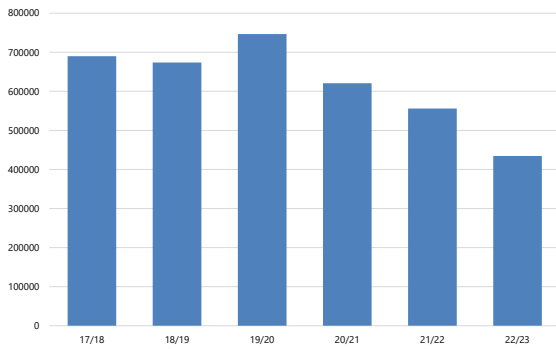
## Domestic greenhouse gas emissions for NDA



### Greenhouse gas (GHG) emissions (kgCO2e):

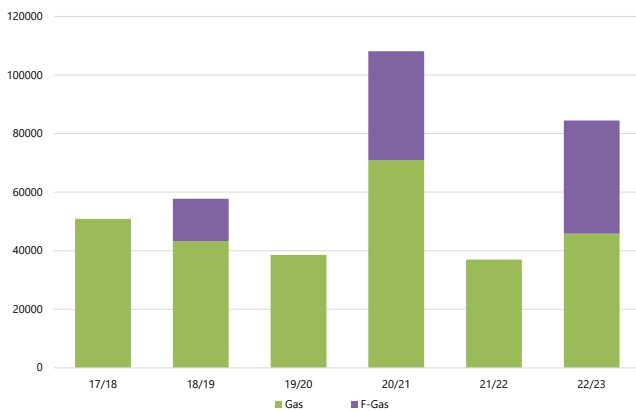
A reduction of 46% has been achieved this year against the 2024/25 target of 45%. The graph above shows that energy use and business travel are the key contributors to emissions. Performance needs to be sustained or improved to ensure the target will be met by the end of 2024/25. These aspects are considered further below.

### Electricity usage (kWh) - Herdus House



We have significantly reduced our electricity use at Herdus House (see above graph, kWh) through replacement of all lighting with more efficient LEDs, upgrading the Building Management System to automatically control heating and cooling and replacing the obsolete chiller system in the server room with a modern, more efficient system.

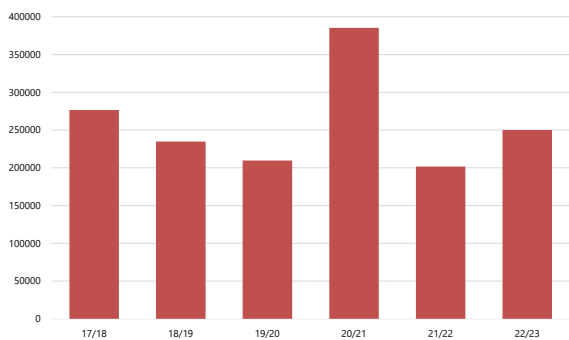
### Direct GHG emissions (kgCO2e) - Herdus House:



This year direct GHG emissions increased by 66% as shown in the above graph. The increase was largely caused by inadvertent losses of refrigerant gas from air conditioning units which are reaching their end-of-life at Herdus House. Such leaks have a big impact on GHG emissions, and we are keeping the health of these units under review.

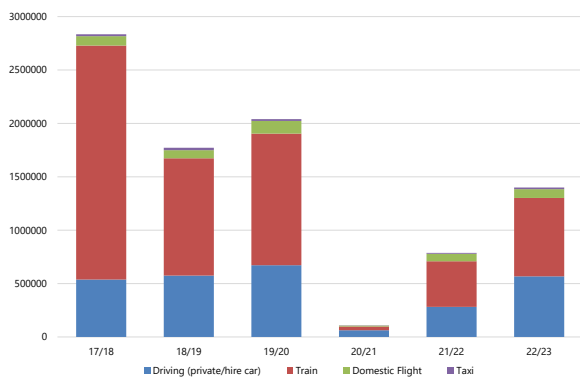
Gas use at Herdus House (as shown below, kWh) increased slightly this year, largely due to very cold weather experienced over winter.

### Gas usage (kWh) - Herdus House:



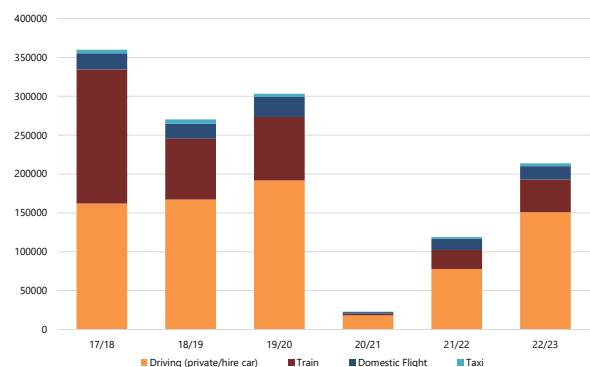
With a grant from Government under the Public Sector Decarbonisation Fund, we have now replaced the gas boilers with air source heat pumps, which are partly powered by solar panels. This means that for 2023/24 onwards, there will be no GHG emissions from burning gas.

### NDA business travel (miles):



The return from the pandemic has seen a significant increase in business travel, with people keen to reconnect. This year we updated our travel policy to encourage our people to consider low carbon choices when deciding to travel on business and, from the graph above, most business travel miles are undertaken by train, which is one of the lowest carbon modes of travel.

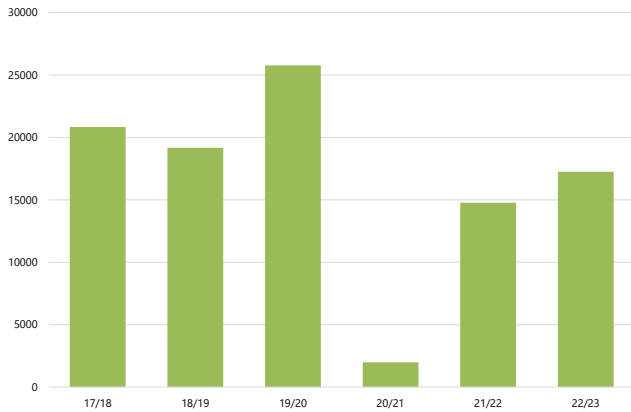
### NDA business travel emissions (kgCO2e):



However, in terms of GHG emissions, driving remains the biggest contributor.

We are seeing lower emissions vehicles offered by our hire car provider and some of our people now have electric vehicles. There is more we can do to support this transition, for example through electric vehicle charging.

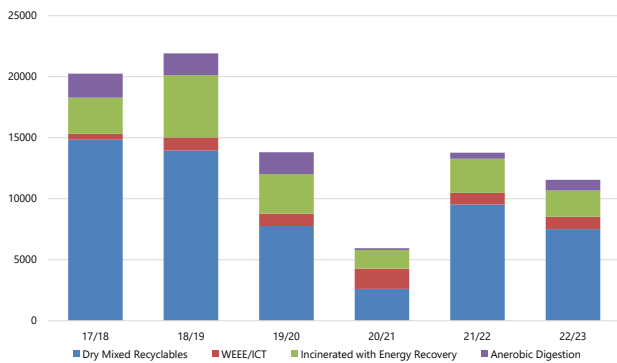
**NDA Carbon emissions from domestic flights (kgCO<sub>2</sub>e):**



We achieved a reduction of 17% against the 2024/25 target of 30%. The updated travel policy encourages people to seek alternatives to flying and executive approval is now required for all flights. We will keep the efficacy of this policy under review.

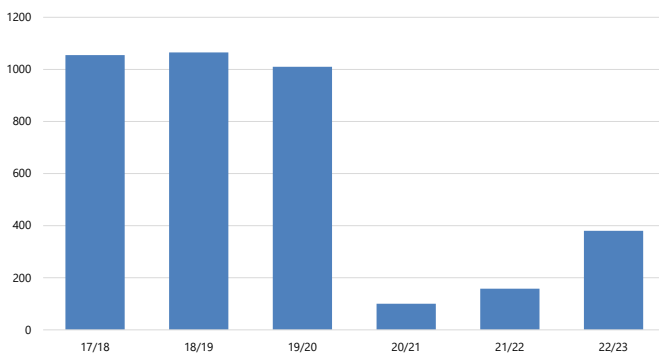
Under GGC we are also required to report on GHG emissions from short and long-haul flights, although there is no specific reduction target. In 2022/23 such flights added 142 tonnes of CO<sub>2</sub>e to the 17 tonnes of CO<sub>2</sub>e from domestic flights<sup>1</sup>. During 2022/23, the number of miles travelled was 82,416 on domestic flights and 465,214 on international flights (including short haul).

**Waste (kg) - Herdus House:**



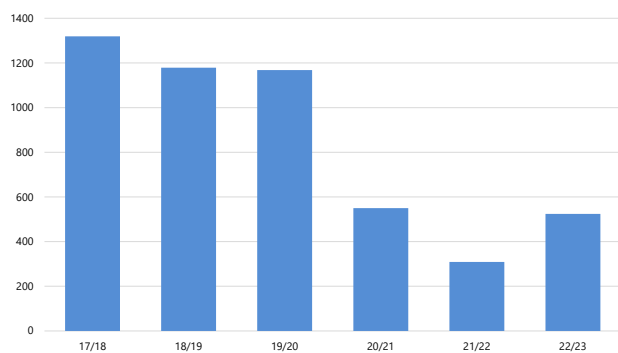
We achieved a reduction of 43% in waste generated at Herdus House against the 2024/25 target of 15% as illustrated in the graph above. One of the largest contributors to waste is paper and we achieved a 64% reduction against the 2024/25 paper use target of 50%, as illustrated below. Printing behaviours have not returned to pre-pandemic levels.

**Paper usage (A4 reams equivalent) - Herdus House:**



We had a recycling rate of 74% this year, against the 70% target. In addition, we have notable success in the removal of Consumer Single Use Plastic. For example, disposable coffee cups have been removed from the restaurant at Herdus House, along with plastic bottles and stocks of plastic stationery are being run down.

**Water usage (cubic metres) - Herdus House:**



We achieved a reduction of 64% for Herdus House against the 2024/25 target of 8% as illustrated above. This is impacted by our move to hybrid working and reduced office occupancy. However, mitigation measures such as flow restrictors in taps and reduced water use in bathrooms are already in place.

**ICT and digital:**

For the second year, our IT team has reported under the GGC Sustainable Technology Advice and Reporting (STAR) scheme. As well as providing a carbon inventory for all NDA IT equipment, objectives have been identified for example, to make more use of lower carbon cloud facilities.

<sup>1</sup> CO<sub>2</sub>e or carbon dioxide equivalent means that all greenhouse gases, including carbon dioxide, are being considered

## Health, safety, security, environment and wellbeing report continued

### Summary

Area		Actual
Greenhouse gas emissions (GGC scopes one, two and three)		390 te CO <sub>2</sub> e
Greenhouse gas emissions from direct emissions (scope one)		84 te CO <sub>2</sub> e
Greenhouse gas emissions from purchase of electricity (scope two)		92 te CO <sub>2</sub> e
Greenhouse gas emissions from domestic flights (scope three)		17 te CO <sub>2</sub> e
Greenhouse gas emissions from all domestic business travel (scope three)		214 te CO <sub>2</sub> e
Expenditure from travel within GGC scope plus international flights		£891,190
Office energy (electricity plus gas) Herdus House	Amount	684,737 kWh
	Expenditure	£96,686
Office waste, Herdus House	Generated	11.6 te
	Recycled (DMR)	7.5 te
	ICT/WEEE	1.0 te
	Incinerated (with energy recovery)	2.2 te
	Composted	0.9 te
	Expenditure	£8-12,000
Office paper, Herdus House	Amount (A4 and A3/A5 reams equivalent)	380
Water, Herdus House	Amount	524 m <sup>3</sup>
	Expenditure	£7,764

### Nature recovery plans

The GGC requirement is to develop and deliver nature recovery plans for departmental land, estates, development, and operations (aligning with the new duty in the Environment Bill). Along with our subsidiary, NDA Properties, we own over 3,000 hectares of land outside of the nuclear sites. In 2021/22 we developed a natural capital baseline of its land and assets. From this work and in collaboration with NDA Properties and NDA group, we aim to develop an environmental improvement plan. This plan will meet the requirements of the nature recovery plan where possible.

### Climate adaptation plans

The GGC requirement is to develop an organisational climate change adaptation strategy. This headline commitment is broken down into two parts:

- Departments should conduct a climate change risk assessment across their estates and operations to better understand risk and to target areas that need greater resilience
- Departments should develop a climate change adaptation action plan, including existing or planned actions in response to the risks identified. We have business continuity and resilience plans and we will review these plans in 2023/24 to ensure climate change risks are managed.

Climate change resilience and adaptation is now considered in business case development. Please see Sustainability in Business Cases and Assurance above.



# Operating company safety performance

## Sellafield Limited

During 2022/23, Sellafield Ltd reported one INES (International Nuclear Event Scale) Level 2 and one INES Level 1.

The Level 2 event was due to the identification as part of Sellafield's routine dose assessment programme that a Sellafield Ltd employee has received a radiation dose which takes them above the annual whole body dose limit set for workers. Outside of this incident all other doses received are within expected levels.

The INES Level 1 was reported due to the aggregated impact of two close-succession power losses on the Sellafield site, which occurred on 1 January 2023.

Zero Nuclear SIR (Significant Incident Reports) have been raised through the year, in comparison with two raised through 2021/22.

Sellafield employees and contractors suffered 16 RIDDOR reportable injuries through 2022/23. The majority of these injuries were related to sprains or strains, with slip, trip, fall and striking against an object.

In comparison to 2021/22 Sellafield's Total Recordable Incident Rate (TRIR) has fallen slightly, finishing at 0.34. Although this is above Sellafield's year-end target of 0.28, the long-term trend for recordable injuries is downward.

Despite the overall downward trend, Sellafield are striving to reduce their accident rates. To facilitate this improvement an integrated nuclear and conventional safety improvement plan has been produced. This has been fully endorsed by Sellafield senior management and progress is being closely tracked.

The Office for Nuclear Regulation (ONR) served an Improvement Notice on Sellafield Ltd after an incident in the previous financial year (October

2021) when a worker sustained serious injuries to his back following a fall from a scaffolding ladder while undertaking maintenance and repair work in a facility at the site.

The ONR's investigation judged there to be shortfalls with Sellafield Ltd's risk assessment for the work being carried out.

Since the Improvement Notice was served, Sellafield Ltd has reviewed its risk assessment arrangements to ensure those arrangements are suitable and sufficient for working in cells in the Magnox Reprocessing Facility.

The Improvement Notice is now closed, although ONR notified Sellafield Ltd that it would be prosecuted under Section 2 (1) of the Health and Safety at Work etc Act 1974.

The hearing took place at Carlisle Magistrates Court on 6 March 2023 and Sellafield Ltd was fined £400,000 after admitting a health and safety breach.

During November 2022, ONR served an enforcement notice on Sellafield Ltd after inspections identified shortfalls in the fire alarm and detection system at the First-Generation Magnox Storage Pond (FGMSP) facility.

The identified shortfalls led Sellafield Ltd to suspend operations at the FGMSP, introduce enhanced fire monitoring surveillance and restrict all non-essential personnel from entering the facility.

Sellafield has developed an integrated fire safety improvement plan which is working to address the shortfalls identified. In March 2023, ONR confirmed that the enforcement notice had been complied with.

Significant progress has been made with the milestones set out in Sellafield's Hazardous Chemical Improvement Plan. Adequate progress

## Operating company safety performance (continued)

has also been made against its Control of Major Accident Hazards improvement plan.

Other areas of ongoing focus for improvement are:

- Legionella risk management
- Asbestos management
- Lifting operations improvements
- Conventional health and safety compliance.

Slower than desired progress on completing asbestos related improvements has resulted in an enforcement letter being received from ONR. Sellafield is now working on understanding how it can increase the pace of delivery of the requirements.

Provision and retention of specialist resource remains a critical concern, especially in the fields of radiological protection, human factors and health, safety and environmental specialists.

### Magnox Limited

At the end of the year, the TRIR at Magnox was 0.29 after remaining reasonably constant throughout the year and below the corporate target of <0.39.

It has been identified from a number of accidents that hand injuries are a common consequence. As a result the response to the trend in injuries included delivery of a consistent message that focused on human performance tools, minimising distraction and psychological safety. These messages were communicated via safety stand downs and will continue through the psychological safety programme in line with operational excellence.

In February 2023, Magnox held an annual Significant Event Review meeting, attended by senior leaders, site personnel, safety representatives, contractors and NDA. A number of inputs and presentations were given to promote discussion in identifying fleetwide area for improvement. The resulting proposals will be recorded in Magnox's safety improvement plan for 2023/24.

Magnox continues to deliver significant nuclear and radiological hazard reduction across many fronts, including nuclear materials transfer from Harwell and intermediate level waste retrievals across a number of sites. This will remain a key focus for the next three to five years.

Magnox, along with other parts of the NDA group, agreed to take part in a research project sponsored by ONR to develop and validate a safety culture survey for the nuclear industry. The survey tool has been developed by the University of Manchester and is now undergoing testing.

### Nuclear Waste Services (NWS)

NWS was launched in January 2022, which brought together Radioactive Waste Management (RWM) Limited, Low Level Waste Repository (LLWR) Limited and the NDA's Integrated Waste Management Programme. The intention is to move to a single legal entity in the future.

Overall, NWS safety performance for 2022/23 was good, safely maintaining essential operations and successfully managing the move to living with COVID-19 arrangements. LLWR, as part of NWS, was also awarded its 17th consecutive RoSPA Gold Award.

During the year, there was one Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reportable injury due to a trip/fall of an employee leading to a reportable injury. The TRIR for NWS at end of the year was 0.14.

A conservative decision was made in May 2022 to stand down LLWR site's emergency response including the Incident Control Centre specific to the pandemic. New blended working arrangements have been implemented and have increased office utilisation, aiding the business to move back towards pre-pandemic levels.

Good progress continued right across key projects in the field including completion of the Security Enhancement Programme. Construction work has continued across the site with the ongoing Repository Development enabling works phase for

the encapsulation of LLW in former trenches and Vault 8, continuing to have no recordable injuries or incidents.

### Dounreay Site Restoration Limited (DSRL)

Dounreay's TRIR has risen from last year to 0.18 which is above the target of 0.10. There have been two RIDDOR reportable injuries.

During the year, in excess of 150 leadership tours have been undertaken, over 110 safety compliance audits have been completed and more than 300 workplace safety inspections accomplished. These and other processes identify opportunities for improvement and ensure good standards of HSW are in place.

An INES Level 1 event occurred where a pressure excursion damaged some internal components of a tank, causing the release of a small amount of caustic liquor. There were no injuries to personnel, and only minor damage to pipework and internal components.

### Nuclear Transport Solutions (NTS)

NTS, comprising Direct Rail Services Ltd (DRS) and International Nuclear Services Ltd (INS), maintained a steady safety performance throughout the year. The TRIR at the end of the year was 0.22 against a corporate target of 0.55. There were two lost time accidents and one medical treatment case.

Both NTS Rail and NTS Shipping have maintained their accredited health and safety management systems in line with ISO standard 45001. NTS Rail has also had its Safety Certificate (Office of Rail and Road) renewed for the coming year.

The new ship management company for NTS has operationally embedded well within the organisation. The number of operational incidents within NTS Rail has shown an improvement and performance is back in line with expected levels.

## Operating company safety performance (continued)

### Summary of events confirmed as INES Level 1 or higher during 2022/23

Site	Event description	Final rating and duty holders comments on the event
<b>INES Level 2 event</b>		
Sellafield Ltd	Employee received an internal (effective) dose in excess of the statutory annual (effective) dose limit of 20 mSv.	<p>Sellafield's routine internal dosimetry monitoring programme identified an unexplained positive result for one worker.</p> <p>Extensive investigation, including bioassay data analysis and a detailed review of working circumstances and facility state, concluded that the worker received an internal (effective) dose of 23.00 mSv in 2020 by inhalation of resuspended surface contamination of recently separated material.</p> <p>Additional testing found no other workers to have been affected and there was no radioactive release.</p> <p>Sellafield's investigations failed to identify the direct cause of the intake.</p>
<b>INES Level 1 events</b>		
Dounreay	A pressure excursion damaged some internal components of a tank, causing the release of a small amount of caustic liquor. There were no injuries to personnel, and only minor damage to pipework and internal components.	Dounreay undertook a site investigation and identified the contributory factors that led to the incident and identified appropriate improvements.
Sellafield	Aggregated impact of two close-succession power losses on site.	<p>As a result of a second power loss occurring whilst the site was mid-way through recovering from an initial power loss, unanticipated consequences occurred. These included migration of activity within a facility, safety case challenges and loss of access to the Sellafield Data Centre (where all drawings, logs and other operational information is stored). Emergency Instructions remained accessible throughout.</p> <p>The Sellafield Site Sentencing Authority concluded that the totality of impacts across the site meet the criteria for an INES Level 1 event.</p>

# Operating company environmental performance

Under the NDA Group Operating Framework good engagement on environmental topics is being maintained, leading to improved sharing of information and expertise across the group and the efficient targeting of common challenges.

Overall environmental performance has remained broadly level across the NDA group. However, due to 15 significant environmental events occurring in year the group e-TRIR has worsened from 0.04 to 0.08. Significant environmental events are defined as events which have or are likely to be classed as a significant breach of a permit or authorisation condition, or other legislation and/ or is likely to attract significant management, stakeholder or regulatory interest or concern. Each of the 15 significant environmental events has been assessed as having minor or no actual environmental impacts, although they are still classed as significant given the above definition.

A common theme across many of our operating companies has been the challenge of attracting and retaining sufficient competent environmental

resource. However, by year end there was an improving picture with successful recruitment and training in several areas. Recruitment processes are continuing, and interim arrangements are being identified as necessary whilst a strategic workforce planning project is progressed.

Annual environmental targets are aligned with the key themes in the Greening Government Commitments (see Sustainability): carbon, water and waste. Operating companies continue to make progress in carbon reduction. As a group we have made a 30% reduction in our scope one and two carbon footprint, which compares with a 21% reduction in 2021/22 when there was a larger pandemic impact. Conventional waste has greater visibility and there is good performance against recycling targets for most operating companies. The targets aligned to business travel are more challenging. The return from the pandemic has seen an increase in business travel as people seek to reconnect.

Operating company	Carbon base target	Carbon stretch target	Qualitative	Waste Hierarchy	Water	Travel
Sellafield						No target
Dounreay					Not met	Not met
Magnox		Not met				Not met
NTS	Not met	Not met				
NWS (LLWR)						
NWS (RWM)				Not met		
NDA Archive	Not met	Not met			No target	
NDA				Partially		Not met

Each of our operating companies and the NDA have maintained ISO 14001 certification on Environmental Management Systems.

## Sellafield Limited

Environmental performance has largely been sustained at Sellafield over the year, although some significant challenges remain, primarily related to environmental resourcing and

capacity, continued occurrence of low impact environmental events and the ongoing leak to ground at the Magnox Swarf Storage Silo (MSSS).

The site had eight significant environmental events over the year, each of which have been assessed as having minor or no actual environmental effect. These are related to late reporting of data to the Environment Agency (EA), the identification of contamination on pipework,

## Operating company environmental performance (continued)

incorrect transfer of contaminated items, holes identified in ventilation ductwork, an overflow of chemicals and exceedance of permitted limits for chlorine, discharge flows and suspended solids. These are, or have been, subject to investigation by Sellafield and the EA. Over the year the e-TRIR increased from 0.04 to 0.06, against a target of less than 0.12. Overall, at year end there are a total of 22 events under EA investigation.

Throughout the year environmental resourcing and capacity has remained a challenge, particularly in relation to aerial, liquid and solid waste management key roles in delivery areas. By year end a slightly improving picture was being seen with recruitment to address this ongoing challenge. Further action has been taken to help develop environmental capabilities, such as an Environmental Capability Week, where presentations and events were held to increase awareness and develop skills; and a monthly Environment Brief to keep capability abreast of developments. Sellafield also received a successful re-accreditation of its Environmental Graduate Development Scheme from the Institute of Environmental Management and Assessment (IEMA) as part of its three-yearly audits.

There is an ongoing leak to ground at the MSSS facility on site which has been reported as an INES Level 2 incident in a previous year. This presents no risk to the public or workforce. Both ONR and the EA are closely involved in the regulation of this complex event. The EA has previously issued a variation to the site environmental permit to include some improvement conditions relating to the leak. A warning letter and enforcement position has also been received from the EA. Sellafield continues to place a significant focus on this issue, including the progression of retrieval of waste from the facility to reduce the risk and a dedicated sub-programme to address the impacts of the leak.

Sellafield continues to work on environmental strategic health such as the identification of climate related risks in support of the delivery of

carbon management plans. A water strategy has been developed in preparation for production and implementation of more detailed water management plans aimed at better understanding water use, improving the sustainability and resilience of supplies, and delivering reductions in use with the associated environmental benefits.

Sellafield accounts for most of the NDA group's carbon emissions due to its scale and energy needs. Focus on operational improvements at the on-site combined heat and power plant plus the boiler park, has helped secure a 39% reduction in carbon emissions, enabling Sellafield to exceed its carbon targets this year.

During the year a progress report has been issued relating to the international OSPAR Treaty, detailing significant progress in preventing pollution from radioactive discharges.

A successful UK Emissions Trading Scheme verification visit by LRQA was undertaken, with no non-conformities identified.

A Biodiversity Net Gain workshop and other events have been held to better understand how Sellafield can manage and meet new legislative requirements to be implemented by November 2023. These requirements will require industrial and commercial developers to deliver 10% "biodiversity net gain" ensuring positive benefits for nature.

Sellafield issued its Discharges and Environmental Monitoring Annual Report, representing a landmark 50th year of annual reporting.

### Magnox Limited

Overall environmental performance has remained broadly level over the year, although Magnox has faced significant challenges with environmental capability and has had some low-level environmental events, some potentially linked to the capability challenges.

The company has had five significant environmental events over the year. These events have been assessed as causing minor or no actual environmental harm but are nonetheless concerning. These events have been due to failure of equipment calibration, breach of a permit sub-limit due to unexpected discharges of carbon-14 from a process, loss of small volumes of low active effluent to surface waters, use of erroneous correction factors in calculating gaseous discharges and the identification of ventilation equipment defects. These are or have been subject to investigation by Magnox and the EA or the Scottish Environment Protection Agency (SEPA). At the end of the year, the e-TRIR stood at 0.15, up from 0.06 at the start, although it had remained at 0.06 through to the mid-point of the year.

Maintenance of sufficient environmental capability has been a challenge across several Magnox sites with reliance upon singleton capability in some areas. Recruitment and development of existing staff has been progressed to address this issue with some success, although at year end challenges remain.

A project to review and improve Magnox Best Available Technique (BAT) and Best Practical Means (BPM) processes is now in the delivery phase and is intended to deliver improved processes to support environmental decisions in compliance with environmental permits across the fleet.

Magnox has focused on an ambitious plan this year of implementing the recommendations made in the energy audits undertaken last year at each of its sites. Although it fell short of meeting their own stretch targets, it has achieved notable carbon savings and plan to continue improvements in the coming year. Some early work has also been completed to understanding the status of water management planning across the fleet.

At Chapelcross planning approval has been gained by Green Energy International for the Jockstown solar farm on land adjacent to the site, bringing closer the proposal to supply the site exclusively with renewable electricity.

Magnox has engaged positively with the EA this year on joint environmental sustainability

objectives and strategic environmental outcomes with a view to working more collaboratively going forward.

During the year Magnox has initiated a series of ecology surveys across the sites with the aims of improving the natural capital/biodiversity baseline, identifying areas of high value and opportunities to enhance the local environment. These surveys are ongoing.

## Nuclear Waste Services (NWS)

NWS has now had its first full year of operations. It maintained good environmental performance across the year.

There was one significant environmental event at the LLWR site during the year. This related to low levels of tritium being released into groundwater from dewatering works in support of repository development programmes to develop a water management lagoon. Tritium levels released were two orders of magnitude below World Health Organisation (WHO) Drinking Water Standards. This event was subject to investigation, along with other more minor events at the site. At the end of the year the e-TRIR stood at 0.14, down from 0.25 at the start.

Environmental capability remained broadly adequate at NWS. In support of further developing environmental capability NWS has launched a sustainability intranet page as part of a successful sustainability week and are also rolling out a sustainability e-learning module.

NWS continues to integrate sustainability considerations into its business. In terms of carbon reduction RWM has focused this year on reducing energy demand and improving efficiency in its offices. Given that they are tenants in their accommodation, the scope for improvement is limited but it has achieved carbon targets. The longer-term focus for the organisation is to ensure the delivery of a low carbon Geological Disposal Facility. At LLWR the organisation has achieved its carbon targets this year. In the latter part of the year NWS has made good progress developing a water management plan which will move into implementation next year, delivering water use reduction. Work is progressing to combine carbon and water management plans which will evolve next year.

## Operating company environmental performance (continued)

NWS has applied to the EA for a Deposit for Recovery Environmental Permit to enable receipt of inert waste for use in site closure activities, which requires in-fill and capping material. If successful this will facilitate the effective re-use of large volumes of waste, minimising the need to import new materials with the associated environmental impacts.

Regulatory engagement has continued in preparation for potential future applications for environmental permits and a nuclear site licence in relation to a Geological Disposal Facility. Work has progressed well on an Initial Site Evaluation Template which will form the basis of any regulatory submission to the EA for borehole investigations. Regular engagement has also continued with the EA in relation to the LLWR Environmental Safety Case and repository closure.

NWS continued successful delivery of radioactive waste diversion and safe disposal where diversion isn't possible, with the associated environmental benefits such as carbon saving and metals recycling.

During the winter of 2022/23 NWS began planting around one hectare of woodland around Pelham House near Sellafield, supporting biodiversity and recreation opportunities in support of the Cumbria Coastal Community Forest.

### Dounreay Site Restoration Limited (DSRL)

Dounreay environmental performance was largely maintained, although there were environmental events during the year and resource challenges that needed to be addressed.

There were two significant environmental events in total. These related to a small maintenance-related fire in the laundry and a sodium excursion event in the Prototype Fast Reactor (PFR), although not in the reactor itself. These events have been assessed as causing minor or no environmental harm and have both been subject

to investigation by DSRL and SEPA. At the end of the year the e-TRIR stood at 0.04, the same as at the start of the year.

During the year availability of environmental capability across site was an ongoing challenge. By the end of the year, following recruitment and other resourcing strategies, the situation had significantly improved, however, some vacancies remain.

Progress has been made on review of environmental governance and on environmental improvement strategies, with a five-year strategy under development.

The organisation has achieved its carbon targets this year. Work has also started on water management plans, which will be progressed further in the coming year.

Significant work was undertaken in response to SEPA Regulatory Notice 02. This relates to concerns around standards and processes for containment, including bunds, filters, gloveboxes, fumehoods and liquid effluent filters. Work was undertaken to update processes and standards and to audit and substantiate containment across site. SEPA has reviewed work on this Notice, completed an inspection and has subsequently written to confirm its withdrawal.

### Nuclear Transport Solutions (NTS)

Environmental performance has remained good across the year.

During the year NTS successfully recruited an Environmental and Sustainability Advisor, bolstering environmental capability. NTS continues to push its lower carbon agenda, through improved locomotive efficiency and by reducing its heritage fleet. The national energy crisis has impacted the use of the bimodal trains, which has meant NTS failed to meet all its carbon targets this year but it has still made savings in both its shipping and rail fleet. Good progress has



been made on developing a water management plan aimed at reducing water use across the NTS sites, primarily through simple improvements to welfare facilities.

## Other companies and subsidiaries

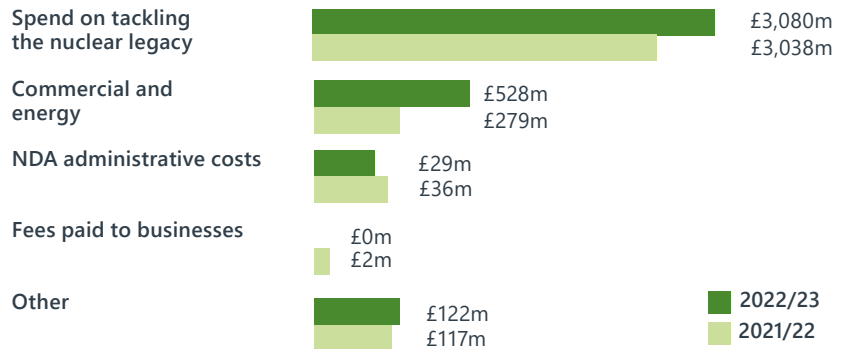
Elsewhere, there has been good environmental performance in our businesses NDA Properties Ltd, Energus and Rutherford Indemnity Ltd. NDA Archives failed to meet its carbon targets due to an unplanned failure of the biomass boiler which meant reliance on the backup oil fired heating system for an extended period. The Archive remains keen to utilise its extensive roof space for solar panels which has the potential for the facility to be largely self-powered. Energus has installed solar panels, providing a significant amount of self-generated electricity to the facility.

# Financial summary

# Financial summary 2022/23

## The NDA spend on tackling the legacy

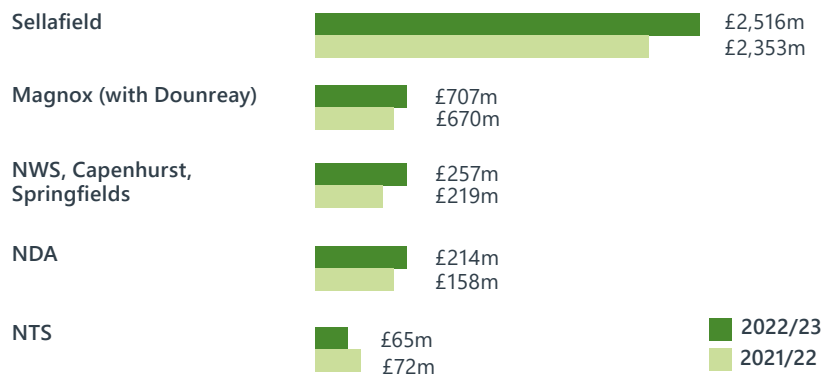
The bulk of our budget is directed towards tackling the nuclear legacy, by funding the decommissioning carried out by operating companies. The remainder funds commercial operations, industry-wide costs, and the NDA's own running costs.



## The NDA spend by division

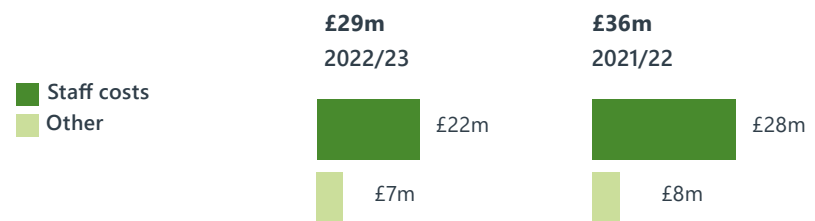
Spend in 2022/23 was £3,759 million (2021/22: £3,472m). Around 67% of this was spent at Sellafield, reflecting the priority given to the site.

Expenditure at Sellafield has increased during the NDA's existence and now stands at £2,516 million per year.



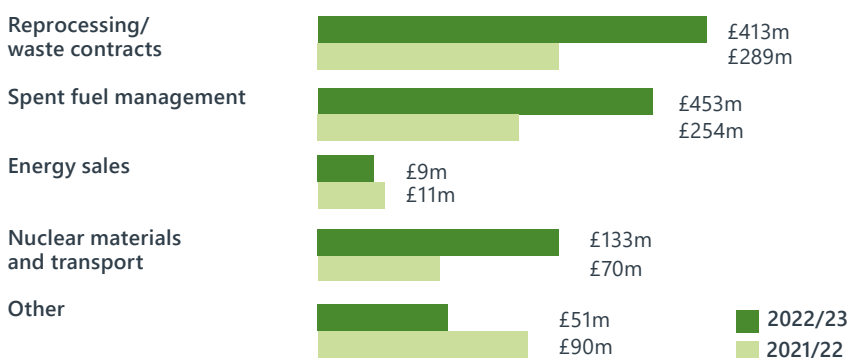
## The NDA Administrative spend

The NDA's own running costs reduced to £29 million per year, or approximately 0.8% of overall expenditure, reflecting improved allocation of resources between administration and programme activity.



## The NDA's income

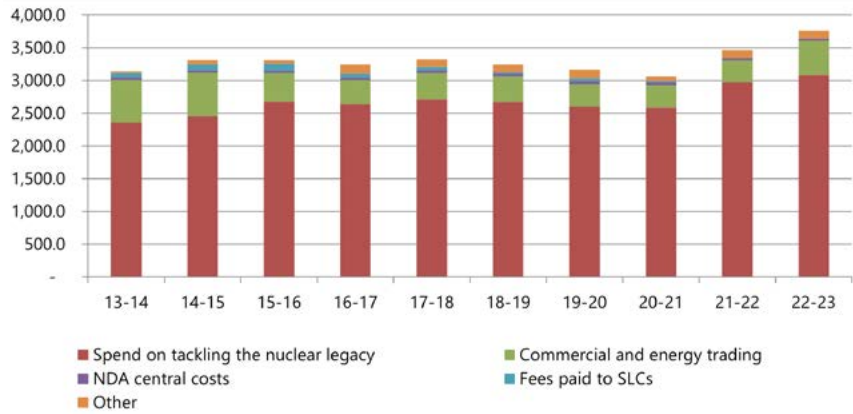
The NDA recognised income of over £1.0 billion in the year, with over £0.8 billion arising from reprocessing and management of spent fuels and waste.



Note the figures in the above, and following, graphs are prepared on the basis of Government financial reporting, which differs in part from the basis used to prepare the financial statements.

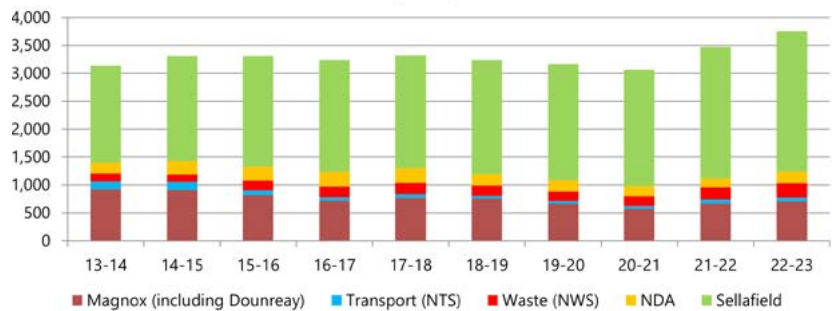
### NDA's spend on tackling the legacy

The proportion of the NDA expenditure tackling the nuclear legacy has increased since 2005, with a corresponding reduction in commercial costs as commercial operations wind down.



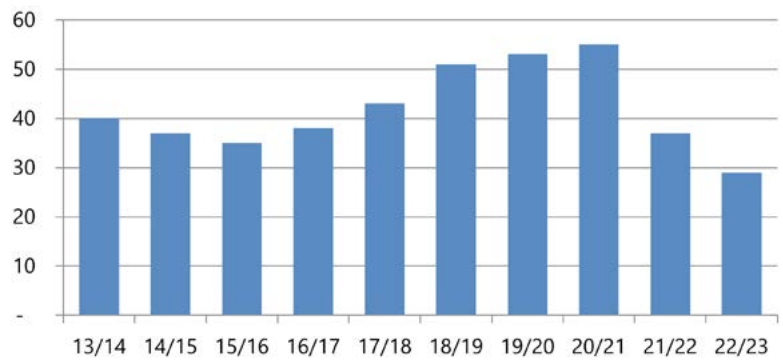
### NDA's spend by division

Sellafield has always been the NDA's largest area of spend and has been increasingly prioritised in recent years as funding has been directed towards the estate's highest hazards.



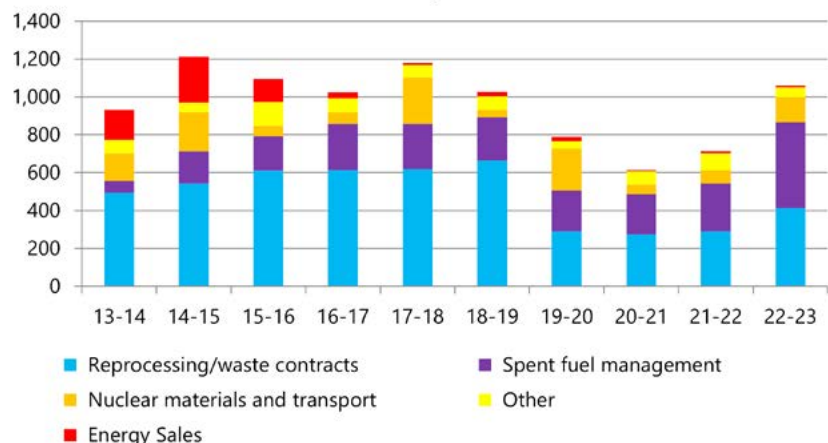
### NDA's running costs

NDA's administrative spend is now below £30 million per year



### NDA's income

Reprocessing and management of spent fuels and waste are now the dominant sources of income and have increased in recent years.



# Nuclear provision

The nuclear provision is a single point number in the Statement of Financial Position which represents the discounted estimated cost of the decommissioning mission.

The NDA management's best estimate of the future costs of the estate is based on an assumed inventory of materials, using strategies for retrieval and disposal over several decades. Each of these elements (quantity, method and time to treat) is uncertain in their own right, as is the cost of developing the necessary technology and plans to deal with these activities. The quality of the forecast becomes less certain further into the future, and acceptable standards of clean up and end states may change.

It is important to understand the basis of this estimate and the inherent uncertainty around it, and therefore that it is simply a single point in a credible range of potential outcomes.

## Changes in 2022/23 estimate

The discounted nuclear provision of the Authority at the end of 2022/23 is £124.4 billion (2021/22: £237.0 billion) as shown in the chart on the next page. The movements during the year have been:

### Release

The value released from the provision in 2022/23, reflecting in year spend of the amount provided in 2021/22, is £3.3 billion.

### Changes in price levels

Before applying changes to discount rates and the cost estimates, the Authority applied an inflationary adjustment to

the opening provision balance to update the figure to money values as at the reporting date. This is the aggregate of individual inflation impacts on each component of the estimate, producing an increase of £17.7 billion or approximately 7.5% of the opening balance value.

### Changes in discount rates

The nuclear provision is expressed in discounted terms, by applying discount rates to the underlying (undiscounted) cost estimates in order to reflect the time value of money. Information on the discounting process and the rates used are set out on page 179 in the notes to the financial statements. The Authority uses discount rates published annually in December by HM Treasury which change each year according to the government's borrowing rate and forecasted inflation at the time. The application of the rates published by HM Treasury in December 2022 resulted in a decrease of £133.6 billion in the discounted value, reflecting a change from an overall negative discount rate to an overall positive discount rate.

### Unwind of discount

The unwinding, by one year, of the discounting applied to the provision in the previous year, resulting in a decrease in the provision of £3.0 billion. This does not change the underlying (undiscounted) cost estimates.

### Cost estimate changes

The Authority reviews the cost estimates each year, reflecting changes in the site lifetime plans and other assumptions. Major changes applied in the reporting period included:

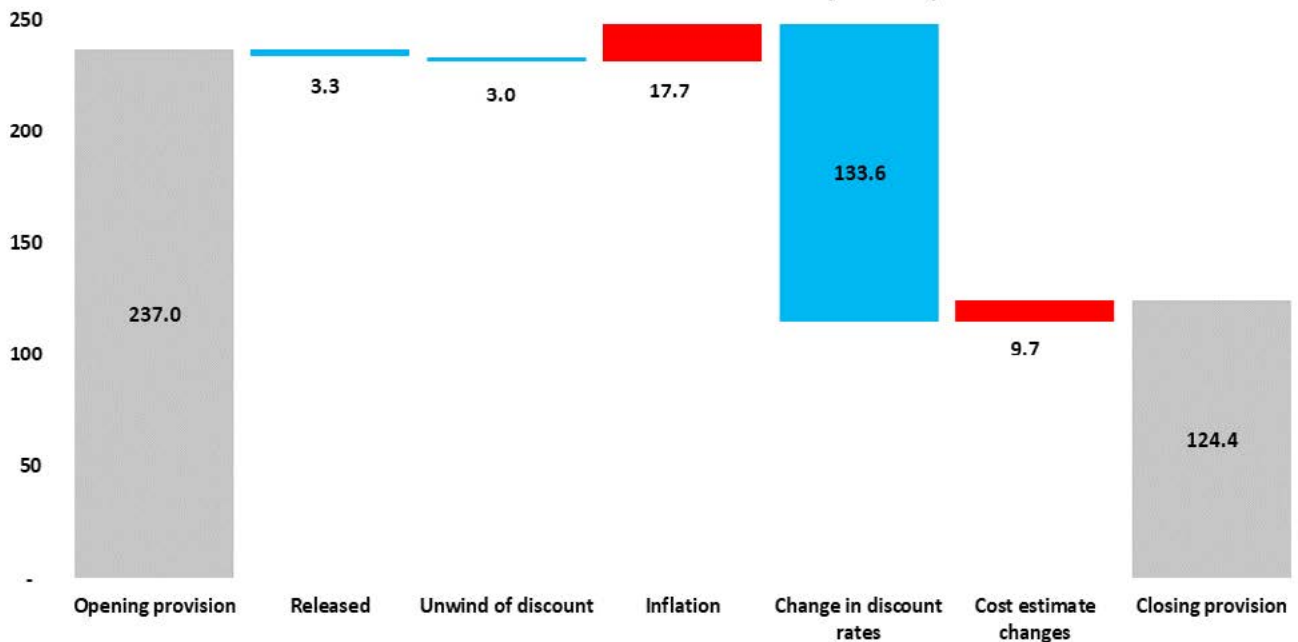
- A change in the estimate of the Magnox and Dounreay programme, reflecting updated estimates of the cost, duration and timing of the decommissioning of the sites. In particular for the Magnox sites the learnings from Trawsfynydd (the lead and learn site) has been reflected in cost estimates for other sites. The impact of the overall change (discounted) was an increase of £9.1 billion
- Updates to the Sellafield lifetime plan, reflecting multiple changes in the estimates of the cost, duration and timing of projects, operations and decommissioning on the site. The impact of this (discounted) was an increase of £0.541 billion

### Closing balance

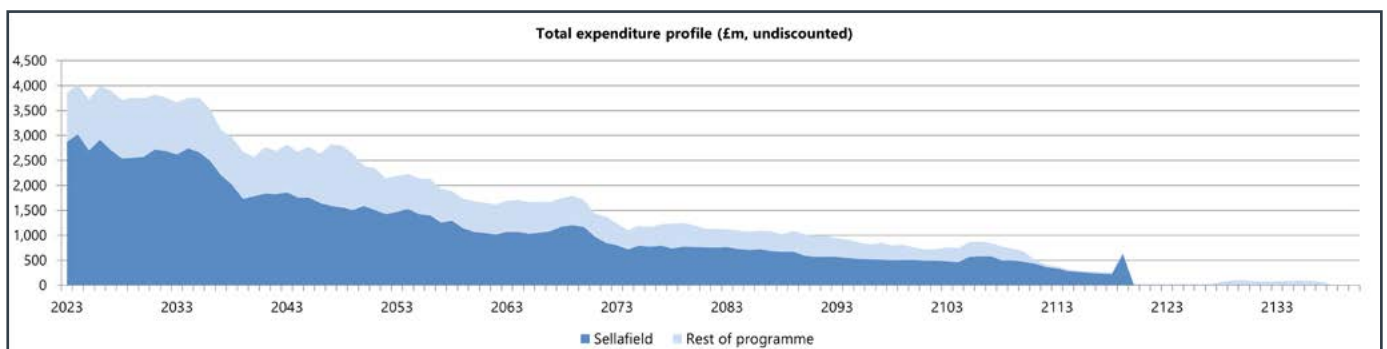
The above movements bring the 2022/23 Authority estimate to £124.4 billion discounted.

## Nuclear provision continued

### Movement in nuclear provision 2022-23 (£ billion)



### Total expenditure profile (£m, undiscounted)



The graph (above) shows the undiscounted expenditure profile for future years (excluding NDA administrative and other non-programme costs, and some commercial costs) from lifetime cost projections from each of the Site Licence Companies.

The expenditure profile illustrates a downward trend in expenditure over the next 50 years, following a short-term peak over the next 10 years, as sites enter into care and maintenance with subsequent increases in expenditure towards the end of site clearance programmes.

			Movements								
	2021/22 undiscounted £m	2021/22 discounted £m	Unwind of discount £m	Discount rate change £m	Released in year £m	Inflation £m	Other cost change £m	Movement discounted £m	2022/23 undiscounted £m	2022/23 discounted £m	
Sellafield	109,622	176,594	(2,266)	(100,959)	(2,382)	12,330	542	(92,734)	115,397	83,859	
Magnox*	25,132	34,363	(446)	(15,673)	(781)	3,586	9,090	(4,225)	42,059	30,139	
NWS**	14,075	25,947	(329)	(16,992)	(170)	1,818	38	(15,636)	15,275	10,312	
NTS	64	73	(1)	(16)	-	5	-	(11)	69	61	
<b>Authority</b>	<b>148,893</b>	<b>236,977</b>	<b>(3,042)</b>	<b>(133,640)</b>	<b>(3,333)</b>	<b>17,739</b>	<b>9,670</b>	<b>(112,606)</b>	<b>172,800</b>	<b>124,371</b>	
NDA group companies	24	27	-	(4)	-	1	-	(3)	26	24	
Group Provision Adjustment	(286)	(286)	-	-	-	-	286	286	-	-	
<b>NDA Group</b>	<b>148,631</b>	<b>236,718</b>	<b>(3,042)</b>	<b>(133,644)</b>	<b>(3,333)</b>	<b>17,740</b>	<b>9,956</b>	<b>(112,323)</b>	<b>172,826</b>	<b>124,395</b>	

\* Includes Dounreay

\*\* NWS with Capenhurst and Springfields

# Parliamentary accountability disclosures

The notes and disclosures in this section are subject to audit.

## Regularity of expenditure

We administer our affairs ensuring prudent and economical administration, avoidance of waste and extravagance and ensures efficient and effective use of all available resources. Adequate controls exist to ensure the propriety and regularity of our finances.

## Losses and special payments

The disclosures in this note are in accordance with 'Managing Public Money', and the purpose of this note is to report on losses and special payments of particular interest to Parliament. Total losses during the year were £28,672,256 (2022: £23,451,322).

Type of loss	2022/23 Total £	2022/23 Number of cases	2021/22 Total £	2021/22 Number of cases
Cash losses	1,733	12	-	-
Store losses	28,374,234	276,760	23,448,578	47,098
Losses of pay, allowances and superannuation	-	-	26,165	1
Fruitless payments	146,053	967	59,753	245
Constructive losses	-	-	-	-
Claims waived or abandoned	-	-	-	-
Book-keeping losses	-	-	-	-
Failure to make adequate charges	-	-	-	-
Exchange rate fluctuation losses	150,236	12	(83,164)	12
Special payments	-	-	-	-
Total	28,672,256		23,451,322	

Store losses related to obsolescence write-offs of store items on the licensed sites.

In 2022/23 the store losses included the write-off of inventory previously purchased for use and now expected to be no longer required following the conclusion of site operations and/or due to the age of the stock items of which there were no items over £300,000.

In 2021/22 the store losses included the write-off of inventory previously purchased for use

by electricity generating sites, and no longer required following the conclusion of generation activity (value £17,324,973) of which one item was valued at £791,655 and another at £789,736.

A contract loss provision in respect of potentially onerous commercial contracts to manage spent fuel and waste is included within other provisions (note 25 to accounts) and is not included in the losses disclosed above.



## Remote contingent liabilities

Remote contingent liabilities not required to be disclosed under IAS 37 but included for parliamentary reporting and accountability purposes:

a) The NDA has non-quantifiable contingent liabilities arising from indemnities given as part of the contracts for the management of the Site Licence Companies. These indemnities are in respect of the uninsurable residual risk that courts in a country which is not party to the Paris and Brussels Conventions on third party liabilities in the field of nuclear energy may accept jurisdiction to determine liability in the event of a nuclear incident.

Indemnities are provided to the previous Parent Body Organisations of Sellafield, Magnox, Dounreay and Low Level Waste Repository covering the periods in their ownership. These are not treated as contingent liabilities within the meaning of IAS 37 since the possibility of a transfer of economic benefit in settlement is considered too remote.



**David Peattie** CEng HonFNucl  
Accounting Officer and Group Chief Executive  
Officer  
12 September 2023

# The audit report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

## Opinion on financial statements

I have audited the financial statements of the Nuclear Decommissioning Authority and its Group for the year ended 31 March 2023 under the Energy Act 2004.

The financial statements comprise the Nuclear Decommissioning Authority and its Group's

- Statement of Financial Position as at 31 March 2023;
- 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 Group 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 Nuclear Decommissioning Authority and its Group's affairs as at 31 March 2023 and its net income after taxation for the year then ended; and
- have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

## Emphasis of matter – nuclear provisions

I draw attention to the disclosures made in notes 3.3(b) and 24 to the financial statements concerning the uncertainties inherent in the nuclear decommissioning provisions. As set out in these notes, given the very long timescales involved and the complexity of the plants and materials being handled, a considerable degree of uncertainty remains over the value of the liability for decommissioning nuclear sites designated by the Secretary of State. Significant changes to the liability could occur as a result of subsequent information and events which are different from the current assumptions adopted by the Authority. My opinion is not modified in respect of this matter.

## Opinion on regularity

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

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described

in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Nuclear Decommissioning Authority and its Group 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 Nuclear Decommissioning Authority and its Group'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 Nuclear Decommissioning Authority and its Group'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 report.

The going concern basis of accounting for the Nuclear Decommissioning Authority and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's 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 report, I do not express any form of assurance conclusion thereon.

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

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

I have nothing to report in this regard.

### Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Energy Act 2004.

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 Secretary of State directions made under the Energy Act 2004; and
- the information given in the Overview of Performance, the Performance Analysis and the Accountability Report 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 Nuclear Decommissioning Authority and its Group's and their environment obtained in the course of the audit, I have not identified material misstatements in the Statutory Overview of Performance, the Performance Analysis and the Accountability Report.

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

- Adequate accounting records have not been kept by the Nuclear Decommissioning Authority and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements 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 Authority and Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Nuclear Decommissioning Authority and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Energy Act 2004;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the Energy Act 2004; and
- assessing the Nuclear Decommissioning Authority and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Nuclear Decommissioning Authority and its Group will not continue to be provided in the future.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with the Energy Act 2004.

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

compliance with laws and regulations, including fraud is detailed below.

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Nuclear Decommissioning Authority and its Group's accounting policies, key performance indicators and performance incentives.
- inquired of management, the Nuclear Decommissioning Authority and its Group's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Nuclear Decommissioning Authority and its Group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Nuclear Decommissioning Authority and its Group's controls relating to the Nuclear Decommissioning Authority's compliance with the Energy Act 2004, and Managing Public Money.
- inquired of management, the Nuclear Decommissioning Authority's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussing among the engagement team including significant component audit teams and involving relevant internal and external specialists, including IT audit, nuclear, pensions, property, and legal 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 Nuclear Decommissioning Authority and its Group 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 obtained an understanding of the Nuclear Decommissioning Authority and its Group's framework of authority and other legal and regulatory frameworks in which the Nuclear Decommissioning Authority and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that

had a fundamental effect on the operations of the Nuclear Decommissioning Authority and its Group. The key laws and regulations I considered in this context included the Energy Act 2004, Managing Public Money, employment Law, pensions Legislation and tax Legislation.

## Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and significant component audit teams 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.

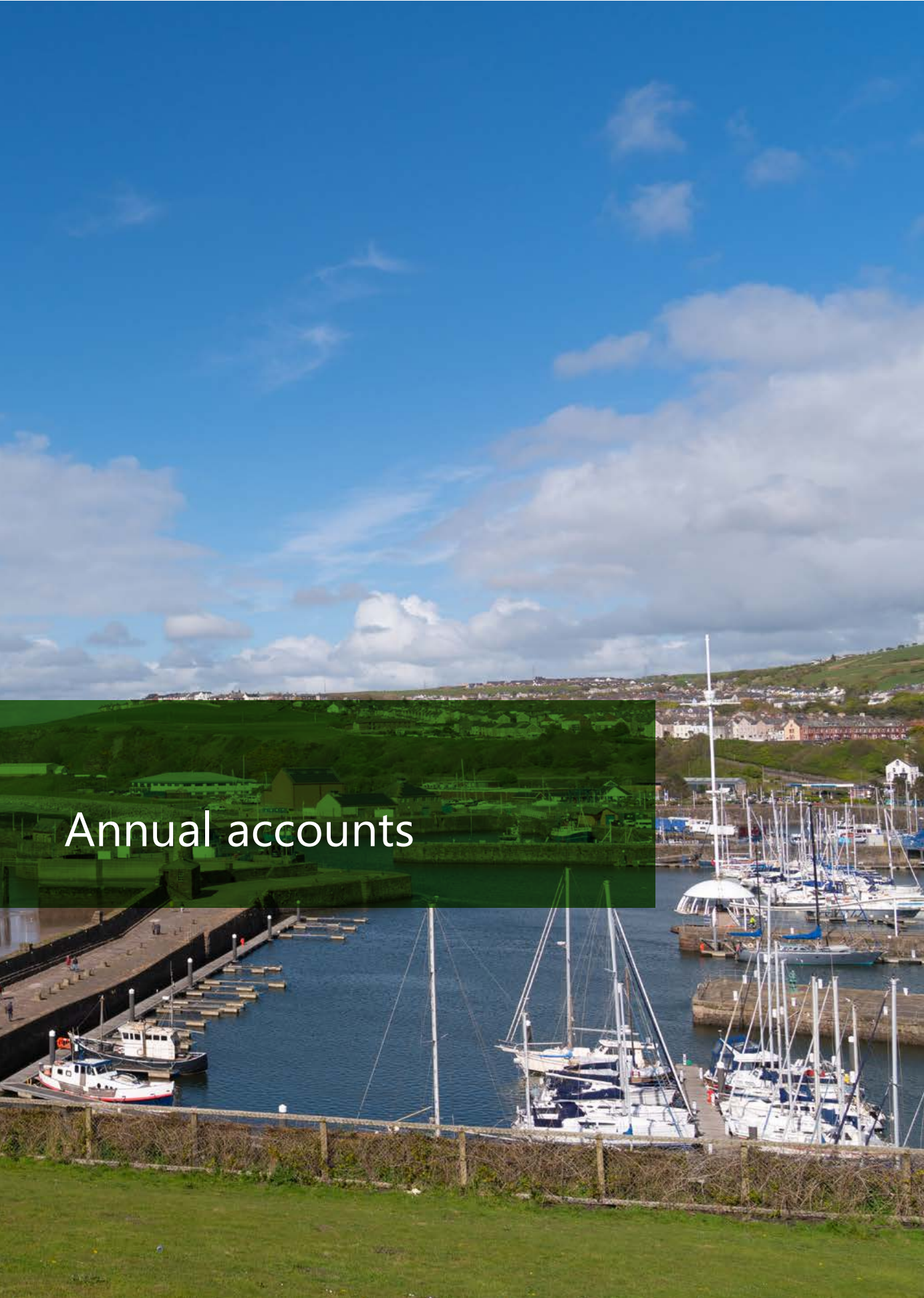
## Other auditor's responsibilities

I am 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 I identify during my audit.

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

**14 September 2023**



Annual accounts

# Annual accounts

## Statement of Comprehensive Net Expenditure

for the year ended 31 March 2023

	note	NDA Group		Authority	
		2023 £m	2022 £m	2023 £m	2022 £m
<b>Expenditure</b>					
Authority administration expenditure	5	29	36	29	36
Programme expenditure	6	4,571	3,967	4,551	3,974
Adjustments to provisions	7	(110,982)	100,356	(111,270)	99,998
Depreciation and impairment	8	94	92	50	36
		<b>(106,288)</b>	104,451	<b>(106,640)</b>	104,044
<b>Income</b>	9	<b>(1,041)</b>	(715)	<b>(974)</b>	(649)
<b>Net expenditure/(income) before interest and taxation</b>		<b>(107,329)</b>	103,736	<b>(107,614)</b>	103,395
Interest receivable	4	(4)	(29)	(2)	(1)
Interest payable	4	30	4	1	-
Net interest payable on defined benefit pension schemes	27	6	13	-	-
<b>Net expenditure/(income) before taxation</b>		<b>(107,297)</b>	103,724	<b>(107,615)</b>	103,394
Taxation	10	-	2	-	2
<b>Net expenditure/(income) after taxation for the year</b>		<b>(107,297)</b>	103,726	<b>(107,615)</b>	103,396
<b>Other comprehensive expenditure/(income):</b>					
Deficit/(surplus) arising on revaluation of property, plant and equipment	11	(1)	(8)	(3)	(1)
Net recognised (gain)/loss on defined benefit pension schemes	27	(1,045)	(377)	(17)	(4)
<b>Total comprehensive net expenditure/(income) for the year</b>		<b>(108,343)</b>	103,341	<b>(107,635)</b>	103,391

The related notes numbered 1 to 31 form part of these financial statements.

Authority refers to the balances within the NDA itself, with NDA Group balances incorporating the Authority and its subsidiaries. Details of the subsidiaries are given in note 12.

# Statement of Financial Position

as at 31 March 2023

	note	NDA Group		Authority Restated	
		2023 £m	2022 £m	2023 £m	2022 £m
Property, plant and equipment	11	525	595	255	295
Investments in subsidiaries	12	-	-	259	259
Recoverable contract costs	13	992	3,070	992	3,070
Finance lease receivables	19	43	44	69	71
Trade and other receivables	20	41	37	67	79
Defined benefit pension scheme asset	27	743	-	31	14
<b>Total non-current assets</b>		<b>2,344</b>	<b>3,746</b>	<b>1,673</b>	<b>3,788</b>
Inventories	15	53	67	13	17
Other investments	18	583	588	-	-
Finance lease receivables	19	1	1	4	4
Trade and other receivables	20	224	237	227	200
Cash and cash equivalents	21	231	109	112	26
<b>Total current assets</b>		<b>1,092</b>	<b>1,002</b>	<b>356</b>	<b>247</b>
<b>Total assets</b>		<b>3,436</b>	<b>4,748</b>	<b>2,029</b>	<b>4,035</b>
Trade and other payables	22	(1,642)	(1,339)	(1,427)	(1,266)
Finance lease payables	23	(20)	(24)	(3)	(3)
Nuclear provisions	24	(3,933)	(3,268)	(3,933)	(3,268)
Other provisions	25	(13)	(12)	(6)	(6)
<b>Total current liabilities</b>		<b>(5,608)</b>	<b>(4,643)</b>	<b>(5,369)</b>	<b>(4,543)</b>
<b>Total assets less current liabilities</b>		<b>(2,172)</b>	<b>105</b>	<b>(3,340)</b>	<b>(508)</b>
Trade and other payables	22	(1,444)	(1,633)	(1,437)	(1,470)
Finance lease payables	23	(52)	(55)	(38)	(37)
Nuclear provisions	24	(120,462)	(233,450)	(120,438)	(233,709)
Other provisions	25	(91)	(527)	(44)	(484)
Defined benefit pension scheme deficit	27	-	(280)	-	-
<b>Total non-current liabilities</b>		<b>(122,049)</b>	<b>(235,945)</b>	<b>(121,957)</b>	<b>(235,700)</b>
<b>Net liabilities</b>		<b>(124,221)</b>	<b>(235,840)</b>	<b>(125,297)</b>	<b>(236,208)</b>
<b>Taxpayers' equity</b>					
Revaluation reserve		45	44	9	6
General reserve		(124,268)	(235,886)	(125,306)	(236,214)
<b>Total taxpayers' equity</b>		<b>(124,223)</b>	<b>(235,842)</b>	<b>(125,297)</b>	<b>(236,208)</b>
Non-controlling interests	28	2	2	-	-
<b>Total equity</b>		<b>(124,221)</b>	<b>(235,840)</b>	<b>(125,297)</b>	<b>(236,208)</b>

The prior year figures have been restated following a reclassification of balances to reflect the nature of these balances more accurately within the NDA group, producing a more relevant and reliable presentation of the group's financial position. Please see note 13, 16 and 20 for further information.

The financial statements on pages 141 to 193 were approved by the Board and authorised for issue by the Accounting Officer on 12 September 2023.



David Peattie CEng HonFNUcl  
Accounting Officer and Group Chief Executive Officer. 12 September 2023

The related notes numbered 1 to 31 form part of these financial statements. Authority refers to the balances within the NDA itself, with NDA Group balances incorporating the Authority and its subsidiaries. Details of the subsidiaries are given in note 12.

# Statement of Cash Flows

## for the year ended 31 March 2023

	Note	NDA Group		Authority	
		2023 £m	2022 £m	2023 £m	2022 £m
<b>Cash flows from operating activities</b>					
Net income/(expenditure) after taxation for the year	SoCNE	<b>107,297</b>	(103,726)	<b>107,615</b>	(103,396)
Adjustments for:					
Interest receivable	4	<b>(4)</b>	(29)	<b>(2)</b>	(1)
Interest payable		<b>30</b>	4	<b>1</b>	-
Net interest payable on defined benefit pension schemes	27	<b>6</b>	13	-	-
Net of pension service costs over cash contributions paid		<b>17</b>	(9)	-	(1)
Depreciation of property, plant and equipment	11	<b>73</b>	83	<b>30</b>	27
Revaluation of property, plant and equipment	11	<b>1</b>	-	<b>1</b>	-
Impairment of property, plant and equipment	11	<b>18</b>	8	<b>18</b>	8
Revalorisation of advance payments	22	<b>710</b>	461	<b>710</b>	461
Amortisation of recoverable contract costs	13	<b>139</b>	111	<b>139</b>	111
Decrease/(increase) in inventories	15	<b>14</b>	2	<b>4</b>	(2)
Decrease/(increase) in receivables		<b>9</b>	(26)	<b>137</b>	(13)
Increase/(decrease) in payables		<b>(303)</b>	(189)	<b>(446)</b>	(186)
Increase/(decrease) in nuclear provisions impacting net expenditure		<b>(110,297)</b>	99,734	<b>(110,580)</b>	99,373
Increase/(decrease) in other provisions impacting net expenditure		<b>(822)</b>	622	<b>(827)</b>	625
<b>Net cash outflow from operating activities</b>		<b>(3,112)</b>	(2,941)	<b>(3,200)</b>	(2,994)
<b>Cash flows from investing activities</b>					
Interest received	4	<b>4</b>	29	<b>2</b>	1
Interest paid		<b>(30)</b>	(4)	<b>(1)</b>	-
Proceeds received on asset disposal		<b>1</b>	1	-	-
Purchases of property, plant and equipment	11	<b>(7)</b>	(45)	-	(14)
Disposals of property, plant and equipment		-	3	-	-
Purchase/(disposal) of investments		<b>5</b>	(41)	-	-
<b>Net cash (outflow) / inflow from investing activities</b>		<b>(27)</b>	(57)	<b>1</b>	(13)
<b>Cash flow from financing activities</b>					
Grants from parent department	SoCTE	<b>3,848</b>	3,401	<b>3,848</b>	3,401
Surrender of receipts to Consolidated Fund	SoCTE	<b>(562)</b>	(493)	<b>(562)</b>	(493)
Payments of lease liabilities		<b>(25)</b>	-	<b>(3)</b>	-
Receipts from lease assets		-	-	<b>2</b>	-
<b>Net cash inflow from financing activities</b>		<b>3,261</b>	2,908	<b>3,285</b>	2,908
Net increase/(decrease) in cash and cash equivalents		<b>122</b>	(90)	<b>86</b>	(99)
Cash and cash equivalents at beginning of period	21	<b>109</b>	199	<b>26</b>	125
<b>Cash and cash equivalents at end of period</b>		<b>231</b>	109	<b>112</b>	26



## Statement of Changes in Taxpayers' Equity

### for the year ended 31 March 2023

<b>NDA Group</b>	<b>General £m</b>	<b>Revaluation £m</b>	<b>Total £m</b>
<b>Balance at 31 March 2021</b>	(135,459)	36	(135,423)
Surplus arising on revaluation of PPE	-	8	8
Gross grants from parent department	3,401	-	3,401
Amounts surrenderable to Consolidated Fund (a)	(481)	-	(481)
Actuarial gain/(loss) on defined benefit pension schemes	377	-	377
Net income / (expenditure)	(103,724)	-	(103,724)
<b>Balance at 31 March 2022</b>	<b>(235,886)</b>	<b>44</b>	<b>(235,842)</b>
Surplus arising on revaluation of PPE	-	1	1
Gross grants from parent department	3,848	-	3,848
Amounts surrenderable to Consolidated Fund (a)	(572)	-	(572)
Actuarial gain/(loss) on defined benefit pension schemes	1,045	-	1,045
Net income / (expenditure)	107,297	-	107,297
<b>Balance at 31 March 2023</b>	<b>(124,268)</b>	<b>45</b>	<b>(124,223)</b>

<b>Authority</b>	<b>General £m</b>	<b>Revaluation £m</b>	<b>Total £m</b>
<b>Balance at 31 March 2021</b>	(135,742)	5	(135,737)
Deficit arising on revaluation of PPE	-	1	1
Gross grants from parent department	3,401	-	3,401
Amounts surrenderable to Consolidated Fund (a)	(481)	-	(481)
Actuarial gain/(loss) on defined benefit pension schemes	4	-	4
Net income / (expenditure)	(103,396)	-	(103,396)
<b>Balance at 31 March 2022</b>	<b>(236,214)</b>	<b>6</b>	<b>(236,208)</b>
Surplus arising on revaluation of PPE	-	3	3
Gross grants from parent department	3,848	-	3,848
Amounts surrenderable to Consolidated Fund (a)	(572)	-	(572)
Actuarial gain/(loss) on defined benefit pension schemes	17	-	17
Net income / (expenditure)	107,615	-	107,615
<b>Balance at 31 March 2023</b>	<b>(125,306)</b>	<b>9</b>	<b>(125,297)</b>

The revaluation reserve is used to record the increases in the fair value of property, plant and equipment carried at valuation and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in taxpayers' equity.

The general reserve is used to record the deficit or surplus arising from the Statement of Comprehensive Net Expenditure, and the deficit or surplus arising on the transfer of assets and liabilities to the NDA from other parts of the public sector.

(a) Surrender of receipts to Consolidated Fund of £572 million (2022: £481 million) included £18 million payable as at 31 March 2023 (2022: £8 million). The amount paid in cash in the year was £562 million (2022: £493 million).

# Notes to the financial statements

## for the year ended 31 March 2023

### 1. General information

The NDA is an executive non-departmental public body (NDPB) that was established on 22 July 2004 under the Energy Act 2004 and is currently sponsored by the Department for Energy Security and Net Zero (DESNZ). The NDA was created with the primary objective of overseeing and monitoring the decommissioning and clean-up of the UK's civil nuclear legacy. The Financial Review on pages 16 to 17 provides further information on the NDA's operations.

As an executive NDPB the NDA is not required to comply with the Companies Act 2006, although may comply with some requirements voluntarily.

These financial statements are presented in pounds sterling and all values are rounded to the nearest million (£m) except when otherwise indicated.

### 2. Statement of significant accounting policies

#### 2.1 Basis of preparation

These financial statements have been prepared under the accounts direction issued by the Secretary of State for Energy and Climate Change in accordance with section 26 of the Energy Act 2004. The accounts direction requires compliance with the Government Financial Reporting Manual (FRoM) and any other guidance issued by HM Treasury. The NDA has a specific direction in respect of the accounting for waste management assets on an historical cost basis. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NDA for the purpose of giving a true and fair view has been selected. The significant accounting policies adopted by the NDA are described below and within the notes to the financial statements. They have been applied consistently in dealing with items that are considered material to the financial statements, unless otherwise stated.

On 7 February 2023, the prime minister announced a major machinery of government change which redistributed the activities of several existing government departments, including BEIS, and created three new departments, the Department for Business and Trade, the Department for Digital, Science, Innovation and Technology, and the Department for Energy Security and Net Zero. NDA has been designated to DESNZ with accounting officer responsibilities formally transferred from 1 April 2023.

These financial statements have been prepared on the historical cost basis, except for the revaluation of property, plant and equipment (other than waste management assets). Investments, financial assets and financial liabilities (including

derivative financial instruments) are measured at amortised cost.

The Consolidated Statement of Financial Position at 31 March 2023 shows net liabilities of £124 billion (2022: £236 billion). This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the NDA's other sources of income, may only be met by future grants in aid from the NDA's sponsoring department, DESNZ. Under the normal conventions applying to parliamentary control over income and expenditure, such grants in aid may not be issued in advance of need. Grants in aid for 2023/24, taking into account the amounts required to meet the NDA's liabilities falling due in this year, have already been included in DESNZ's estimates, and these have been approved by Parliament. There is no reason to believe that future DESNZ sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

#### 2.2 Adoption of new and revised Standards

No new or revised standards were adopted during the current or previous year.

The following Standards have been issued but are not yet effective:

IFRS 17 Insurance Contracts

#### 2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the NDA and entities controlled by the NDA (its subsidiary undertakings) made up to 31 March each year. Control is achieved where the NDA has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

#### 2.4 Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in pounds sterling, which is the functional currency of the NDA, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual reporting entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions or at the contracted rate if the transaction is covered by a forward foreign exchange contract. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

## Notes to the financial statements continued

### 2. Statement of significant accounting policies (continued)

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the statement of net expenditure in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the Group's general reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

The turnover, assets and liabilities of the foreign operations included within these consolidated financial statements are minor in the context of the Group as a whole and therefore the potential impact of any foreign currency movements are deemed to be negligible.

#### 2.5 Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

#### 2.6 Taxation

Please see note 10 and 14 for the taxation and deferred taxation respectively.

VAT is accounted for in that amounts are shown net of VAT except:

- (i) Irrecoverable VAT is charged to profit or loss, and included under the heading relevant to the type of expenditure
- (ii) Irrecoverable VAT on the purchase of an asset is included in the capitalised purchase cost of the asset

The net amount due to, or from, HM Revenue & Customs in respect of VAT is included within payables or receivables respectively within the statement of financial position.

#### 2.7 Property, plant and equipment

Property, plant and equipment includes assets for which the legal title transferred to the Group under Transfer Scheme arrangements pursuant to the Energy Act 2004 and assets subsequently purchased directly by the Group.

Assets on designated nuclear sites where the economic element is less than £100,000 and/or is less than 10% of the overall value of the asset are not recognised as property, plant and equipment in the financial statements. These assets are used wholly or primarily to meet the Authority's decommissioning obligations, for which a liability is recognised in the nuclear provision. These assets do not generate cash inflows from commercial customers and are funded instead from Grant-in-aid. Expenditure incurred on purchasing these assets is charged to the nuclear provision and serves to reduce the Authority's long term liabilities.

See note 11 for the property, plant and equipment accounting policy.

#### 2.8 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 2.9 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

## Notes to the financial statements continued

### 2. Statement of significant accounting policies (continued)

#### 2.9 (a) Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair cost.

#### *Loans and receivables*

Finance lease receivables, trade and other receivables, and cash and cash equivalents, that have fixed or determinable payments that are not quoted in an active market, are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Other investments are measured at fair value through profit or loss.

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying value of the financial asset.

#### *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an expected credit loss provision. When a trade receivable is considered uncollectible, it is written off against the expected credit loss provision.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of net expenditure to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### *De-recognition of financial assets*

Financial assets are derecognised only when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

#### 2.9 (b) Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost.

#### *De-recognition of financial liabilities*

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled or they expire.

#### 2.9 (c) Derivative financial instruments

The NDA enters into derivative financial instruments to manage its exposure to commodity price risk and foreign exchange rate risk, including commodity contracts and forward foreign exchange contracts.

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the statement of net expenditure immediately. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### *Embedded derivatives*

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

#### 2.10 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are the Authority's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

#### 2.11 Grants from parent department

In accordance with the FReM the NDA prepares its financial statements showing grants received from the parent body as credited to the general reserve, and as financing in the statement of cash flows. Grants are received gross from the parent body and receipts are surrendered separately.

## Notes to the financial statements continued

### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the NDA's accounting policies, which are described in note 2 as well as the relevant note to the financial statements, the Authority is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying the NDA's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that management has made in the process of applying the NDA's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### 3.1 Income recognition

The Authority applied IFRS 15 at 1 April 2018, and in doing so was required to perform a number of significant accounting judgements. These judgements, the methods employed in determining them, and the associated uncertainties are described below. The judgements have been made on a prospective basis from the application date onwards, in accordance with the Authority's derogation from HM Treasury to set aside the retrospective restatement requirements of the standard.

#### 3.1 (a) The expected value of each of the contracts with customers (the transaction price)

The Authority has determined the transaction price of each contract on a prospective basis at 1 April 2018 (being the total expected price of the contract less the revenue recognised in prior periods). The transaction price of each contract comprises the total payments made on account and the total of future cash flows from the customer. In determining the latter the Authority has determined that future cash flows will not be subject to significant variation from existing contractual terms. This is on the basis that the Authority does not currently anticipate significant discounts, returns, refunds or other types of variable consideration to apply to the contracts other than the indexation of cash flows as set out in contracts as applicable. Where such indexation arises in future reporting periods, an adjustment to the contract price will be applied in that period.

#### 3.1 (b) The amounts of the transaction price of each contract to be allocated to each of the performance obligations in the contract

In recognition of the complexity of the Authority's major long term contracts, which typically do not feature standalone services with discrete prices the Authority has allocated the transaction price of each contract to the performance obligations in that contract through the estimation of the expected future cost of fulfilling each performance obligation, and subsequently allocating the transaction price in proportion to the future cost of each. In doing so the Authority determines that any difference between the price and cost of each contract (notional profit or loss) will be applied to each performance obligation in proportion to the cost of fulfilment.

The basis of determining the cost of each performance obligation requires significant judgement on future cost forecasts. These are derived from and consistent with the cost estimates used to determine the Authority's nuclear provision and subject to the same estimation uncertainties described below. Specifically in respect of the costs of fulfilling the performance obligations in the applicable contracts, the estimates rely on:

- Judgements of the continued operation of certain plants and services, the conclusion of certain works programmes, and other assumed milestones
- Judgements of the appropriate allocation of costs to individual performance obligations based on estimates of the extent of capacity, utilisation of other measure of service provision as they apply to each contract and the performance obligations therein

In accordance with the requirements of IFRS 15 the above determinations were made for existing contracts at the point of application of the standard and will not be revised for future reporting periods. Determinations will be made for new contracts at the point of inception.

#### 3.1 (c) The timing of satisfaction of performance obligations

The Authority has determined that performance obligations will be satisfied in accordance with contractually defined timescales, and in accordance with strategic assumptions implicit in the site lifetime plans. Examples of the assumed timing of satisfaction of performance obligations include that the Authority:

- Satisfied its performance obligations in respect of the receipt of spent fuel intended for reprocessing, and the reprocessing thereof, upon cessation of reprocessing operations at the Thorp plant at Sellafield and effective closure of the plant in the reporting period of 2018/19, and therefore that the transaction price allocated to these performance obligations was recognised in full in 2018/19

## Notes to the financial statements continued

### 3. Critical accounting judgements and key sources of estimation uncertainty (continued)

- Will continue to store spent fuels, waste, products and other materials in line with the respective storage periods contained in each contract, that the associated performance obligation will be satisfied over time, and therefore that the transaction price allocated to these performance obligations will be recognised as revenue evenly over the respective time periods
- Will continue to provide services for the interim storage of wastes produced by spent fuel reprocessing and the subsequent treatment of said wastes, concluding in 2026, that these performance obligations will be satisfied evenly over time, and therefore that the transaction price allocated to these performance obligations will be recognised as revenue evenly over the period to 2026. This judgement assumes and relies upon the continued availability and performance of waste treatment plants at Sellafield and a significant disruption in plant operations and/or change in duration of the remaining waste treatment programme would require the Authority to review and potentially amend its assumptions on the timing of the satisfaction of this performance obligation. For example a significant unplanned temporary halt to operations in a future reporting period may reduce the revenue recognised in that period
- Will continue to receive spent fuel which is not intended for reprocessing, and in doing so will assume title of ownership for said fuel at the point in time when it is received by the Authority, therefore that the transaction price of the contract will be allocated to a single performance obligation, and therefore that the transaction price will be recognised as revenue in proportion to the volume of spent fuel received and taken into ownership in each reporting period, relative to the total volume of spent fuel expected to be received and taken into ownership for the remainder of the duration of the contract

#### 3.1 (d) The costs to fulfil contracts with customers

The Authority has determined the remaining costs of fulfilling each contract, prospectively at the point of application, comprising the following and has applied judgements as described:

- Costs incurred prior to contract inception have been estimated in previous reporting period, and amortised in proportion to the revenue recognised in each reporting period, relative to the total revenue still to be recognised. The respective balances for each contract are defined as 'contract assets' under IFRS15 and are disclosed at note 13

- Costs expected to be incurred in fulfilling the remaining performance obligations for each contract are estimated as described above, are stated at note 13 and will be expensed in each reporting period as they arise. The balances are deemed financial assets under IAS37 and offset against costs provided in the nuclear provision at note 24.

In addition to the above, costs incurred in the acquisition of property, plant and equipment required to fulfil the contracts are capitalised, depreciated and otherwise valued, in accordance with the Authority's accounting policies and stated in total at note 11.

Further information on the application of IFRS15 is contained in note 9.

#### 3.2 Leases

The following accounting judgements have been made:

##### *Determining whether a lease exists*

Management have exercised judgement when reviewing agreements to determine whether or not a lease exists. Management have considered whether an agreement, in substance, grants the Authority the right to direct the use of the asset and allows the Authority to receive substantially all of the economic benefit of the asset.

##### *Determining the lease term of contracts with renewal and termination options*

The Authority determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease, or any periods covered by an option to terminate the lease. When the Authority has the option to extend or terminate a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice.

#### 3.3 Key Sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### 3.3 (a) Impairment of property, plant and equipment

Impairment is measured by comparing the carrying value of the asset or cash-generating unit with its recoverable amount. The NDA has therefore reviewed the asset base and all assets are reviewed for evidence of impairment. Given the ageing asset base this calculation has a degree of uncertainty within it.

The carrying amount of property, plant and equipment at the reporting date was £525 million (2022: £595 million).

## Notes to the financial statements continued

### 3. Critical accounting judgements and key sources of estimation uncertainty (continued)

#### 3.3 (b) Nuclear provisions

The nuclear provision represents the best estimate of the costs of delivering the NDA objective of decommissioning the plant and equipment on each of the designated nuclear licensed sites and returning the sites to pre-agreed end states in accordance with the published strategy. This programme of work will take until 2137. The estimates are necessarily based on assumptions of the processes and methods likely to be used to discharge the obligations, reflecting a combination of the latest technical knowledge available, the requirements of the existing regulatory regime, Government policy and commercial agreements. Given the very long timescale involved, and the complexity of the plants and material being handled, considerable uncertainty remains in the cost estimate particularly in the later years.

In preparing the estimate of the cost of decommissioning the designated sites, the NDA has focused in particular on the first 20 years, which represents £62 billion out of the total £124 billion provision (2022: £73 billion out of £237 billion). In undiscounted terms it represents £70 billion out of a total of £173 billion (2022: £64 billion out of £149 billion).

As part of the preparation of the financial statements, the principal assumptions and sensitivities for the cost estimates have again been updated and reviewed by the NDA executive and, where appropriate, updates to the estimates have been made to reflect changed circumstances and more recent knowledge. The key aspects of the basis of estimate are set out below:

#### **General**

The nuclear provision estimate for each reporting segment is based initially on the lifetime plan for each site or programme of work managed within the segment, with specific adjustments as required by the nature of each site or programme to ensure that the estimate is kept up to date and compliant with accounting requirements.

The site lifetime plans and equivalent figures are based on P50 estimates, meaning there is a 50% probability of the outcome being either under or over the estimate. While alternative bases of estimate could be used, the P50 basis is believed by management to produce a representative single point estimate for disclosure in the financial statements. Alternative calculation techniques may produce materially different results.

The nuclear provision estimate is stated in money values as at the reporting date. The site lifetime plans are stated in

mid-year money values (namely the September preceding the reporting date). The Authority applies an inflationary adjustment to produce the estimate as at the reporting date. The adjustment is based on the change in price levels specific to each component of the estimate where this is known or can be reasonably estimated.

The nuclear provision estimate is discounted using discount rates published by HM Treasury each year. The Authority applies discounting on a mid-year basis to reflect the nature of its expenditure, namely that it occurs throughout each reporting period rather than at the end of each reporting period.

#### **Sellafield**

The key activities of the Sellafield site include concluding reprocessing of spent fuels and associated waste management; retrieving and ensuring safe storage of wastes from legacy facilities; interim storage of spent fuel, wastes and other materials before transfer to the GDF; decommissioning and demolition of facilities; and site management and support activities.

The nuclear provision estimate for Sellafield is based on the site lifetime plan which is updated each year for changes in price levels, other changes in cost estimates and strategic or operational changes. The estimate reflects an estimate of future cost efficiencies to be achieved at the site in future years. The estimate also reflects cost estimate changes which have not yet been applied to the site lifetime plan but are expected to be applied in future (for example plutonium management costs, and recently agreed strategic changes which have not yet resulted in a change to the plan) and accounting changes (for example the exclusion of costs which are not NDA's direct liabilities).

#### **Magnox**

Following the conclusion of electricity generation at the Magnox sites and the successful conclusion of the defueling programme the key activities of the sites now include interim storage of wastes before transfer to the GDF; decommissioning and demolition of facilities; and site management and support activities.

The nuclear provision estimate for Magnox is based on management's preferred strategy for decommissioning the sites, in which a rolling decommissioning approach is used to clear each site in sequence, with the last site reaching final site clearance in 2110. In accordance with the Scottish Waste policy the two Magnox sites in Scotland will continue to manage waste locally after this date. For the purposes of the nuclear provision, the liability estimate for the Magnox sites is capped at 2110.

The Magnox segment includes the Dounreay site.

## Notes to the financial statements continued

### 3. Critical accounting judgements and key sources of estimation uncertainty (continued)

#### **Nuclear Waste Services**

The activities of the Nuclear Waste Services division include the planning, construction and operation of the Geological Disposal Facility (GDF), the operation of the Low Level Waste Repository (LLWR) and the management of residual liabilities at the former NDA sites of Springfields and Capenhurst. The GDF will be the permanent disposal facility for wastes which are currently held at nuclear licensed sites in England and Wales.

The nuclear provision estimate for Nuclear Waste Services is based on the lifetime cost estimate for the GDF, using generic assumptions as to the location and geological circumstances of the site (the location of which is not yet determined). The estimate also includes the costs of the LLWR which are not otherwise included in other sites' lifetime plans (namely legacy remediation and site decommissioning programmes). The estimate includes the current estimate of future programmes at the Springfields and Capenhurst sites for which NDA retains liability.

#### **Nuclear Transport Solutions**

The Nuclear Transport Solutions division manages specific liabilities for the decommissioning of assets currently used in transportation of nuclear materials. The provision estimate is based on current estimates of the future decommissioning costs arising at the end of the assets' respective operating lives.

#### **Key assumptions and uncertainties**

In preparing the best estimate of the provision required to settle the NDA obligations, it is recognised that there remains a significant degree of inherent uncertainty in the future cost estimates. Should outcomes differ from assumptions in any of the following areas, this may require a material adjustment to the carrying amount of the nuclear provision and related assets and liabilities.

Key assumptions and resulting uncertainties for the major components of the nuclear provision are set out below:

#### **General**

The following key uncertainties apply to all components of the estimate:

- potential changes in the NDA funding profile, requiring the tailoring of expenditure across the estate to ensure the right balance between addressing high risk, hazard and affordability; for example emanating from either economic conditions or changes in funding resulting from the next Government Spending Review.
- the length of time over which the necessary programme of work will be delivered – stretching out to 2137.

- interdependencies between programmes of work both within SLCs and across SLC boundaries.
- uncertainty over future Government policy positions and potential regulatory changes.
- possible technological advances which may occur which could impact the work to be undertaken to decommission and clean up the sites.

#### **Sellafield**

The nuclear provision estimate for Sellafield is based on the following key assumptions:

- The conclusion of the treatment of wastes arising from reprocessing at Sellafield by 2030
- The conclusion of the retrieval, packaging and transition to interim storage of wastes from legacy ponds and silos at Sellafield by 2046
- The safe interim storage of wastes at Sellafield and other sites until such time that waste transfers to the Geological Disposal Facility can be concluded. In some cases further treatment of wastes and other material is required before transfer to the facility.
- The availability of a Geological Disposal Facility by 2050 and the transfer of wastes to the facility for final storage by 2120
- The treatment of nuclear materials allowing for final disposition by 2120
- The estimate is based on multiple individual estimates of the costs of programmes, projects and site management which extend into the very long term. The estimate additionally assumes the achievement of efficiencies and other cost savings against these initial cost estimates, currently projected at approximately 20% of the gross initial estimate.

In addition to the above assumptions, HM Government has indicated that the preferred policy for management of plutonium is for reuse. Any final decision is conditional on business case approval for reuse of the material. Following review of the likely costs of the preferred policy, and the credible alternative of storage and disposal in the long-term, a prudent estimate of £6 billion (discounted) has been included within the provision.

The major areas of uncertainty in the estimate for Sellafield are:

- The costs of building, operating and decommissioning facilities may materially differ from those assumed in the estimate.
- The estimate assumes the future achievement of efficiencies and other cost savings which are currently uncertain.



## Notes to the financial statements continued

### 3. Critical accounting judgements and key sources of estimation uncertainty (continued)

- The date at which the Geological Disposal Facility is available to receive waste, and the rate of transfer of wastes from the sites to the facility, may increase the costs of interim storage on the sites.
- The estimate assumes the development of future technological solutions for waste management and decommissioning, the extent and timing of which are currently uncertain.
- A lack of detailed information on the design of the Legacy Ponds and Silos at Sellafield and the exact quantities and chemical composition of the historical wastes held in them, resulting in potential significant uncertainty in both the process and costs of dealing with these materials.

#### **Magnox**

The nuclear provision estimate for Magnox is based on the following key assumptions:

- The rolling decommissioning of all Magnox sites with the last site to achieve final site clearance by 2110
- The provision estimate for Magnox is curtailed at 2110, in line with the final site clearance required in NDA's current mission. On-site waste storage may continue at Scottish sites thereafter at a relatively small (before discounting) annual cost.

The major areas of uncertainty in the estimate for Magnox are:

- The availability of funding to support the rolling decommissioning approach for Magnox sites.
- The rate of progress in decommissioning of facilities and variances from the assumed cost of decommissioning.

#### **Nuclear Waste Services**

The nuclear provision estimate for the GDF is based on the following key assumptions:

- Generic assumptions as to the location and geological circumstances of the facility.
- Commencement of the construction of the facility in 2040.
- The availability of a Geological Disposal Facility by 2050 and the transfer of wastes to the facility for final storage by 2125.

The major areas of uncertainty in the estimate for GDF are:

- The achievement of the assumed operational start date of the facility (of 2050), which may also impact the estimates in other components of the nuclear provision because of the potential additional on-site storage costs.
- The costs of building and operating the facility may materially differ from those assumed in the estimate, due to factors associated with siting and geological conditions, potential delays (see note 24), as well as general variations from current cost.

## Notes to the financial statements - continued

### 4. Operating segments

For management purposes, the NDA is currently organised into various operating units, which are grouped according to activity type. The segmental analysis in the following tables present the net expenditure for each of the continuing operations.

NDA Group 2023	Sellafield £m	Magnox £m	Nuclear Waste Services £m	Nuclear Transport Solutions £m	Corporate £m	Total 2023 £m
<b>Authority administration expenditure</b>	-	-	-	-	29	29
<b>Programme expenditure</b>	<b>3,352</b>	<b>710</b>	<b>260</b>	<b>55</b>	<b>194</b>	<b>4,571</b>
Decommissioning costs charged to nuclear provision	(1,550)	(1,105)	(156)	(3)	-	(2,814)
Decommissioning costs charged to other provisions	(12)	-	(1)	2	-	(11)
Nuclear provision increase/(decrease)	(88,426)	(3,443)	(15,465)	(12)	-	(107,346)
Other provisions increase/(decrease)	(812)	-	1	-	-	(811)
<b>Adjustments to provisions</b>	<b>(90,800)</b>	<b>(4,548)</b>	<b>(15,621)</b>	<b>(13)</b>	<b>-</b>	<b>(110,982)</b>
<b>Depreciation and impairment</b>	<b>49</b>	<b>2</b>	<b>1</b>	<b>41</b>	<b>1</b>	<b>94</b>
<b>Income (a)</b>	<b>(879)</b>	<b>(15)</b>	<b>(3)</b>	<b>(134)</b>	<b>(10)</b>	<b>(1,041)</b>
<b>Interest payable</b>	<b>2</b>	<b>4</b>	<b>-</b>	<b>1</b>	<b>23</b>	<b>30</b>
<b>Interest receivable (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(3)</b>	<b>(4)</b>
<b>Net interest payable on defined benefit pension scheme</b>	<b>15</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>
<b>Net expenditure/(income) from continuing operations for the year before taxation</b>	<b>(88,261)</b>	<b>(3,856)</b>	<b>(15,363)</b>	<b>(51)</b>	<b>234</b>	<b>(107,297)</b>

(a) See note 9 for commentary on revenue from contracts.

(b) Includes net loss on investments of £19 million held by Rutherford Indemnity Limited

The basis for accounting for transactions between reportable segments is given in Note 30.

There have been no changes from the prior period to the measurement methods used to determine reported segment net expenditure.

## Notes to the financial statements - continued

### 4. Operating segments (continued)

	Sellafield	Magnox	Nuclear Waste Services	Nuclear Transport Solutions	Corporate	Total 2022
NDA Group 2022	£m	£m	£m	£m	£m	£m
<b>Authority administration expenditure</b>	-	-	-	-	36	36
<b>Programme expenditure</b>	<b>2,885</b>	<b>691</b>	<b>197</b>	<b>55</b>	<b>139</b>	<b>3,967</b>
Decommissioning costs charged to nuclear provision	(2,195)	(451)	(188)	203	-	(2,631)
Decommissioning costs charged to other provisions	(81)	-	(2)	-	-	(83)
Nuclear provision increase/(decrease)	79,643	12,179	12,559	(2,015)	-	102,366
Other provisions increase/(decrease)	706	1	(3)	-	-	704
<b>Adjustments to provisions</b>	<b>78,073</b>	<b>11,729</b>	<b>12,366</b>	<b>(1,812)</b>	-	<b>100,356</b>
<b>Depreciation and impairment</b>	40	1	1	49	1	92
<b>Income (a)</b>	(549)	(18)	(2)	(136)	(10)	(715)
<b>Interest payable</b>	2	1	-	1	-	4
<b>Interest receivable (b)</b>	-	-	-	-	(29)	(29)
<b>Net interest payable on defined benefit pension scheme</b>	15	(2)	-	-	-	13
<b>Net expenditure/(income) from continuing operations for the year before taxation</b>	<b>80,466</b>	<b>12,402</b>	<b>12,562</b>	<b>(1,843)</b>	<b>137</b>	<b>103,724</b>

(a) See note 9 for commentary on revenue from contracts.

(b) Includes net gain on investments of £29 million held by Rutherford Indemnity Limited

The basis for accounting for transactions between reportable segments is given in note 30.

There have been no changes from the prior period to the measurement methods used to determine reported segment net expenditure.

#### Geographical information

The NDA group's income is attributed to countries on the basis of the customer's location, as follows:

NDA Group	2023 £m	2022 £m
United Kingdom	823	563
Japan	129	136
Italy	70	1
Germany	15	10
Other countries	4	5
<b>Total income</b>	<b>1,041</b>	715

The group's non-current assets are primarily located or based in the United Kingdom.

## Notes to the financial statements - continued

### 5. Authority administration expenditure

<b>Authority</b>	<b>2023 £m</b>	2022 £m
Staff costs (see People Report) (a)	<b>22</b>	28
Administration costs	<b>7</b>	8
Auditors' remuneration (b)	-	-
<b>Total Authority administration expenditure</b>	<b>29</b>	36

(a) Directors' emoluments are included in the above figures and can be seen in the Remuneration Report on pages 97 to 102

(b) Auditors' remuneration represents fees payable to the NAO for the audit of the Authority and the NDA Group and amounted to £500,000 (2022: £385,000). No other remuneration has been paid to the NAO.

### 6. Programme expenditure

Contractor costs are defined as payments to contractors relating to the core NDA programme (work performed on behalf of NDA by contractors) adjusted to eliminate payments made between those contractors. Contractor costs are recognised as an expense under programme expenditure within the Statement of Comprehensive Net Expenditure, in the period to which they relate.

<b>NDA Group &amp; Authority</b>	<b>NDA Group</b>		<b>Authority</b>	
	<b>2023 £m</b>	2022 £m	<b>2023 £m</b>	2022 £m
Contractor and subsidiary costs (a) (b)	<b>3,578</b>	3,310	<b>3,566</b>	3,336
Amortisation of recoverable contract costs (see note 13)	<b>139</b>	111	<b>139</b>	111
Revalorisation of advance payments (see note 22)	<b>710</b>	461	<b>710</b>	461
Fees payable to SLCs	-	2	-	2
Trading costs	<b>3</b>	5	<b>3</b>	5
Research and development costs	<b>20</b>	23	<b>14</b>	12
Insurance	<b>4</b>	8	<b>9</b>	13
Skills and socio-economic	<b>7</b>	6	<b>7</b>	6
Release of fees previously accrued	-	(45)	-	(45)
Dividend payable to outgoing parent body	-	19	-	-
Dividend payable to minority interest	<b>1</b>	-	-	-
Information governance	<b>23</b>	15	<b>23</b>	15
Cyber security	<b>17</b>	11	<b>17</b>	11
Plutonium management strategy	<b>11</b>	8	<b>11</b>	8
Movements in inventory provisions	<b>8</b>	3	<b>8</b>	3
Group development projects	<b>10</b>	20	<b>10</b>	20
Programme support costs	<b>22</b>	10	<b>22</b>	10
Property management	<b>3</b>	2	<b>3</b>	2
Waste services	-	13	-	13
Revaluation of financial assets	<b>10</b>	-	<b>10</b>	-
NTS contract management	<b>3</b>	4	<b>3</b>	4
R&D tax credit relief	<b>(7)</b>	(15)	<b>(7)</b>	(15)
Other costs	<b>9</b>	(4)	<b>3</b>	2
<b>Total programme expenditure</b>	<b>4,571</b>	3,967	<b>4,551</b>	3,974

(a) Contractor and subsidiary costs shown are after deduction for capitalisation of £NIL million (2022: £4 million).

(b) Contractor and subsidiary costs include auditors' remuneration payable for the audit of the NDA subsidiary companies amounting to £780,000 (2022: £513,000).

## Notes to the financial statements - continued

### 7. Adjustments to provisions

NDA Group & Authority	NDA Group		Authority	
	2023 £m	2022 £m	2023 £m	2022 £m
Movement in nuclear provisions:				
Provided for in the year (see note 24)	<b>(104,379)</b>	102,447	<b>(104,376)</b>	102,447
In-year group provision adjustment (see note 24)	<b>286</b>	361	-	-
Unwind of discount (see note 24)	<b>(2,970)</b>	(81)	<b>(2,970)</b>	(81)
Release of provision (see note 24)	<b>(3,097)</b>	(2,993)	<b>(3,097)</b>	(2,993)
<b>Total movement in nuclear provisions</b>	<b>(110,160)</b>	99,734	<b>(110,443)</b>	99,373
Movement in other provisions:				
Provided for in the year (see note 25)	<b>(796)</b>	706	<b>(801)</b>	709
Release from provision (see note 25)	<b>(16)</b>	(79)	<b>(16)</b>	(79)
Unwind of discount (see note 25)	<b>(10)</b>	(5)	<b>(10)</b>	(5)
<b>Total movement in other provisions</b>	<b>(822)</b>	622	<b>(827)</b>	625
<b>Total provisions movement</b>	<b>(110,982)</b>	100,356	<b>(111,270)</b>	99,998

### 8. Depreciation and impairments

NDA Group & Authority	NDA Group		Authority	
	2023 £m	2022 £m	2023 £m	2022 £m
Depreciation of property, plant and equipment (see note 11)	<b>73</b>	83	<b>30</b>	27
Impairment of property, plant and equipment (see note 11)	<b>19</b>	8	<b>18</b>	8
Impairment of financial instruments for expected credit loss (see notes 19 and 20)	<b>1</b>	1	<b>1</b>	1
Revaluation of property, plant and equipment (see note 11)	<b>1</b>	-	<b>1</b>	-
<b>Total depreciation and impairments</b>	<b>94</b>	92	<b>50</b>	36

## Notes to the financial statements - continued

### 9. Income

#### Contracts

##### *Income recognition*

Contract income is recognised by reference to the stage of completion of the contract activity at the reporting date. Prior to the implementation of IFRS15 the Authority's accounting policy for most spent fuel reprocessing and/or waste management contracts was to measure the stage of completion according to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

In accordance with IFRS 15 the Authority has:

- Identified contracts with customers and the contract price still to be recognised at the reporting date (in accordance with the derogation that allows the Authority to set aside the requirement to retrospectively restate revenues) under each contract
- Determined the performance obligations under each contract
- Determined the relative value of each performance obligation
- Identified the appropriate basis for measuring the fulfilment of each performance obligation and therefore the recognition of revenue arising from each

Note 3 to the financial statements provides information on significant judgements performed by the Authority in applying IFRS 15, as required in order to determine:

- The expected value of each of the contracts with customers (the transaction price)
- The amounts of the transaction price of each contract to be allocated to each of the performance obligations in the contract
- The timing of satisfaction of performance obligations

The table on page 161 provides the following information:

- The extent of revenue recognised from contracts with customers
- Disaggregation of said revenue into categories that depict how the nature, timing and uncertainty of cash flows are affected by economic factors
- The aggregate amount of the transaction price allocated to the performance obligations that are wholly or partially unsatisfied
- Explanation of when the Authority expects to recognise the above transaction price as revenue

Note 13 to the financial statements provides information on recoverable contract costs, which comprise two elements:

- Historic costs incurred prior to the recognition of revenue on each relevant contract, which constitute financial assets for the purposes of IFRS15 and are

charged to the accounts (amortised) in proportion to revenue recognised in each reporting period

- An estimate of the future costs which will be incurred in fulfilling the performance obligations under each contract which are accounted for under IAS37 and constitute a subset of the costs included in the nuclear provision (and are presented as equal and opposite asset balances)

Note 22 to the financial statements provides information on payments on account, which are payments made by customers under long term contracts, in advance of the fulfilment of performance obligations. These balances are contract liabilities under IFRS15.

The Authority will allocate any changes in the transaction price of each contract (including but not limited to the future revalorisation of payments on account balances) to the performance obligations as defined in the initial allocation of the transaction price to performance obligations at 1 April 2018, and in proportion to the allocations made at that time. Where this results in allocation of changes in transaction price to performance obligations already satisfied at the respective reporting date, the resulting allocation to satisfied performance obligations will be recognised as revenue in that reporting period.

Variations in contract work are included to the extent that they have been agreed with the customer.

##### *Treatment of costs*

Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract income, the expected loss is recognised as an expense immediately, being an adjustment to the contract loss provision in notes 7 and 24.

For contracts in progress at the reporting date, where costs still to be incurred exceed amounts received to date, the balance is shown under non-current assets as recoverable contract costs. Where amounts received to date exceed costs still to be incurred the balance is shown under trade and other payables as payments received on account.

## Notes to the financial statements - continued

### 9. Income (continued)

	NDA Group		Authority	
	2023	2022	2023	2022
	£m	£m	£m	£m
<b>NDA Group &amp; Authority</b>				
Spent fuel reprocessing and associated waste management	(267)	(212)	(267)	(213)
Spent fuel receipt	(449)	(252)	(449)	(252)
Other contracts for waste and product storage	(76)	(71)	(76)	(71)
Storage and destorage of residues	(12)	(8)	(12)	(8)
<b>Revenue from major contracts (continuing)</b>	<b>(804)</b>	<b>(543)</b>	<b>(804)</b>	<b>(544)</b>
Legacy waste management	(68)	-	(68)	1
<b>Revenue from major contracts (non-recurring)</b>	<b>(68)</b>	<b>-</b>	<b>(68)</b>	<b>1</b>
Transportation of nuclear fuel, waste and materials	(133)	(133)	(67)	(71)
Energy trading	(9)	(11)	(9)	(11)
Sundry	(17)	(18)	(16)	(14)
Admin/non-programme	(8)	(8)	(8)	(8)
<b>Revenue from other contracts</b>	<b>(167)</b>	<b>(170)</b>	<b>(100)</b>	<b>(104)</b>
<b>Revenue from contracts with customers</b>	<b>(1,039)</b>	<b>(713)</b>	<b>(972)</b>	<b>(647)</b>
Other revenues (rental income)	(2)	(2)	(2)	(2)
<b>Total revenues</b>	<b>(1,041)</b>	<b>(715)</b>	<b>(974)</b>	<b>(649)</b>

The total revenue from contracts with customers totalled £1,039 million (2022: £713 million) of which:

- £804 million (2022: £543 million) was recognised on major contracts which will continue beyond the reporting date.
- £68 million (2022: NIL million) was recognised on non-recurring major contracts which concluded during the reporting period.
- £167 million (2022: £170 million) was recognised on other contracts.

## Notes to the financial statements - continued

### 9. Income (continued)

The Authority's major contracts with customers, the main performance obligations remaining on each contract and the factors affecting future cash flows and timing of revenue recognition can be summarised as follows:

Contract type and customer(s)	Main categories of performance obligation	Factors potentially affecting future cash flows and revenue recognition
Spent fuel reprocessing and associated waste management Customer(s): Nuclear energy producers in the UK and overseas	Storage of spent fuel not reprocessed (to 2086)	Overall contract value is materially certain, and timing of recognition is certain (corresponds directly to contracted storage period)
	Interim storage of wastes (expected to continue to 2026)	Overall contract value is materially certain. Revenue is recognised over time, and period of recognition is dependent on future performance of waste management plants
	Storage of treated wastes (to 2038 or 2086 depending on type of material)	Overall contract value is materially certain. Revenue is recognised over time, and period of recognition is dependent on future performance of waste management plants
	Storage of products (to 2086)	Overall contract value is materially certain, and timing of recognition is certain (corresponds directly to contracted storage period)
Spent fuel receipt and management Customer(s): Nuclear energy producers in the UK	Receipt of spent fuel, currently expected to continue until 2033	Overall contract value dependent on volume of spent fuel produced by customer. Timing of revenue recognition dependent on ability of customer to consign spent fuel and on ability of Authority to receive spent fuel
Other contracts for waste and product storage Customer(s): Nuclear operators in the UK, nuclear energy producers overseas	Storage of materials, last contract continuing to 2042	Overall contract value dependent on future price negotiations with customers, occurring at intervals (of one to five years) determined in individual contracts
Storage and destorage of residues Customer(s): Nuclear energy producers overseas	Storage of residues, currently expected to continue until 2028	Contract values may vary according to storage periods required by customers
	Subsequent destorage of residues, currently expected to continue until 2028	Contract values may vary according to storage periods required by customer  Timing of revenue recognition dependent on ability of Authority to destore residues and on ability of customer to receive residues
Waste substitution Customer(s): Nuclear energy producers overseas	Destorage and transportation of waste	Contract value is materially certain. Timing of revenue recognition dependent on ability of Authority to destore wastes and on ability of customer to receive wastes
Transportation of nuclear fuel, waste and materials	Transportation of nuclear fuel, waste and materials	Availability of transportation capacity and customer ability and readiness to receive nuclear fuel, waste and materials; customer demand for transportation services
Energy trading	Production of electricity and sales of gas	Performance of electricity producing plants
Sundry	Various including provision of rechargeable services to third parties	Continued demand for services
Admin/non programme	Various	Continued demand for services



## Notes to the financial statements - continued

### 9. Income (continued)

The key uncertainty in the Authority's revenue forecasts is the volume and timing of spent fuel which is received and not intended for reprocessing. There is uncertainty in the overall value of the contract because it is directly related to the volume of spent fuel produced by the customer. There is uncertainty in the timing of revenue recognition in each reporting period because revenue is recognised at the point of receipt of spent fuel, therefore the revenue recognised in each reporting period is directly related to the volume of fuel received in that reporting period. The volume of fuel received is subject to a number of uncertain external factors which are not entirely within the control of the Authority. In addition there is uncertainty in the timing and amounts of revenue arising from legacy waste management contracts.

The table shows the main types of contract, the main areas of performance obligations therein, and for each category:

- The revenue recognised in the reporting period [A]
- The revenue expected to be recognised in future reporting periods (being the aggregate amount allocated to performance obligations that are wholly or partially unsatisfied at the reporting date) [B]
- An indication of when the Authority expects to recognise the remaining contract price

Contract type	Categories of performance obligation	[A] £m	[B] £m	Of which £m:		
				2023-2028	2029-2039	2040-2087
Spent fuel reprocessing and associated waste management	Spent fuel storage	42	804	63	138	603
	Interim storage of wastes	91	239	239	-	-
	Treatment of wastes	68	179	179	-	-
	Storage of treated wastes	12	190	24	49	117
	Storage of products	54	937	100	220	617
Spent fuel receipts	Receipt of spent fuel	449	3,486	2,372	1,114	-
Other storage contracts	Storage of materials	76	1,058	361	521	176
Storage and destorage of residues	Storage	12	43	43	-	-
	Destorage	-	40	40	-	-
Waste substitution	Destorage	-	63	63	-	-
Legacy waste	Waste management	68	89	89	-	-
<b>TOTAL</b>		<b>872</b>	<b>7,128</b>	<b>3,573</b>	<b>2,042</b>	<b>1,513</b>

## Notes to the financial statements - continued

### 10. Tax

<b>NDA Group and Authority</b>	<b>2023</b>	2022
	<b>£m</b>	£m
NDA Group net expenditure before tax	<b>(107,297)</b>	103,724
Deficit on ordinary activities before tax at the UK standard rate of corporation tax of 19% (2022: 19%)	<b>20,386</b>	19,708
Effects of:		
Income and expenditure which is not taxable or tax deductible	<b>(21,063)</b>	(19,433)
Capital allowances for the year in excess of depreciation	<b>(117)</b>	118
Unutilised losses	<b>794</b>	(393)
<b>Current tax charge for the year</b>	<b>-</b>	-
Controlled foreign company tax	-	2
Deferred tax release	-	-
<b>Total tax charge/(credit)</b>	<b>-</b>	<b>2</b>

The NDA does not pay tax on any profits arising from its activities in relation to decommissioning, and similarly losses are not deductible in relation to decommissioning. Subsidiaries do not pay tax on profits arising as these are offset against the taxable losses of the NDA (note 14).

A deferred tax asset has not been recognised in respect of any non-decommissioning losses incurred by the NDA as the NDA does not anticipate taxable surpluses arising in the foreseeable future.

The NDA is liable for Controlled Foreign Company Tax on the activities of Rutherford Indemnity Limited, the NDA's wholly-owned captive insurance company based in Guernsey.

## Notes to the financial statements - continued

### 11. Property, plant and equipment

Property, plant and equipment includes assets for which the legal title transferred to the Group under Transfer Scheme arrangements pursuant to the Energy Act 2004 and assets subsequently purchased directly by the Group.

Assets on designated nuclear sites where the economic element is less than £100,000 and/or is less than 10% of the overall value of the asset are not recognised as property, plant and equipment in the financial statements. These assets are used wholly or primarily to meet the Authority's decommissioning obligations, for which a liability is recognised in the nuclear provision. These assets do not generate cash inflows from commercial customers and are funded instead from Grant-in-aid. Expenditure incurred on purchasing these assets is charged to the nuclear provision and serves to reduce the Authority's long term liabilities.

Assets on non-designated sites are only recognised where their value exceeds £10,000.

In line with the accounts direction issued by the Secretary of State for Energy and Climate Change, waste management assets which are recognised as property, plant and equipment are excluded from the FReM requirement to carry PPE at fair value due to lack of reliable and cost effective revaluation methodology. Such waste management assets are therefore carried at cost less accumulated depreciation and any impairment charges.

For property, plant and equipment carried at valuation, revaluations are currently performed on an annual basis to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. This includes assets used to support commercial activities, property located outside nuclear licensed site boundaries, and property located inside nuclear licensed site boundaries where a reliable and cost effective revaluation methodology exists. The categories of property, plant and equipment subject to revaluation are land and buildings.

Any accumulated depreciation at the date of revaluation is eliminated and the resulting net amount restated to equal the revalued amount. Any revaluation increase arising is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the

extent of the decrease previously charged. A decrease in carrying amount arising on revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

On the subsequent de-recognition of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to the general reserve.

Where economic facilities have been commissioned, the estimated cost of decommissioning the facilities is recognised, to the extent that it is recognised as a provision under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', as part of the carrying value of the asset and depreciated over the useful life of the asset. All other decommissioning costs are expensed as incurred.

Depreciation is charged so as to write off the cost or valuation of assets, other than assets under construction, to their residual values over their useful lives, using the straight-line method, on the following bases:

Land	Not depreciated
Buildings	10 to 60 years
IT equipment	3 years
Fixtures and fittings	3 to 10 years
Plant and equipment	10 to 30 years
Transport equipment	4 to 14 years

The exceptions to the above are:

- In the depreciation of certain shipping assets which is calculated on a usage, rather than straight-line, basis; and
- In the depreciation of plant and equipment for which the remaining useful commercial life of the assets is less than 10 years (such assets are depreciated over the remaining useful commercial life)

Assets under construction are not depreciated until brought in to use.

Residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

## Notes to the financial statements - continued

### 11. Property, plant and equipment (continued)

NDA Group 2023	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	Total £m
<b>Cost or valuation</b>								
At 1 April 2022	17	356	4	4,444	56	30	167	<b>5,074</b>
Revaluations (c)	-	1	-	-	-	-	-	<b>1</b>
Eliminations	-	(1)	-	-	-	-	-	<b>(1)</b>
Additions (e)	-	-	-	-	-	7	18	<b>25</b>
Other reclassifications	(7)	7	2	8	4	(14)	-	-
Disposals	-	-	-	-	(9)	-	(16)	<b>(25)</b>
Impairments (f)	-	-	-	-	-	(18)	-	<b>(18)</b>
<b>At 31 March 2023</b>	<b>10</b>	<b>363</b>	<b>6</b>	<b>4,452</b>	<b>51</b>	<b>5</b>	<b>169</b>	<b>5,056</b>
<b>Depreciation</b>								
At 1 April 2022	-	(228)	(2)	(4,145)	(28)	-	(76)	<b>(4,479)</b>
Eliminations	-	1	-	-	-	-	-	<b>1</b>
Charged in year	-	(1)	-	(40)	(2)	-	(30)	<b>(73)</b>
Disposals	-	-	-	-	7	-	13	<b>20</b>
Impairments (f)	-	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>-</b>	<b>(228)</b>	<b>(2)</b>	<b>(4,185)</b>	<b>(23)</b>	<b>-</b>	<b>(93)</b>	<b>(4,531)</b>
Net book value at 1 April 2022	17	128	2	299	28	30	91	595
<b>Net book value at 31 March 2023</b>	<b>10</b>	<b>135</b>	<b>4</b>	<b>267</b>	<b>28</b>	<b>5</b>	<b>76</b>	<b>525</b>

The net book value of plant and equipment at 31 March 2023 (£267 million) includes £108 million relating to future decommissioning costs.

NDA Group 2022	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	Total £m
<b>Cost or valuation</b>								
At 1 April 2021	15	353	5	4,442	70	29	147	<b>5,061</b>
Revaluations (c)	2	6	-	-	-	-	-	<b>8</b>
Eliminations	-	(3)	(1)	-	-	4	-	-
Additions (e)	-	-	-	1	-	8	36	<b>45</b>
Other reclassifications	-	-	-	1	2	(3)	-	-
Disposals	-	-	-	-	(16)	-	(16)	<b>(32)</b>
Impairments (f)	-	-	-	-	-	(8)	-	<b>(8)</b>
<b>At 31 March 2022</b>	<b>17</b>	<b>356</b>	<b>4</b>	<b>4,444</b>	<b>56</b>	<b>30</b>	<b>167</b>	<b>5,074</b>
<b>Depreciation</b>								
At 1 April 2021	-	(230)	(4)	(4,100)	(39)	4	(56)	<b>(4,425)</b>
Eliminations	-	3	1	-	-	(4)	-	-
Charged in year	-	(1)	-	(45)	(4)	-	(33)	<b>(83)</b>
Disposals	-	-	1	-	15	-	13	<b>29</b>
<b>At 31 March 2022</b>	<b>-</b>	<b>(228)</b>	<b>(2)</b>	<b>(4,145)</b>	<b>(28)</b>	<b>-</b>	<b>(76)</b>	<b>(4,479)</b>
Net book value at 1 April 2021	15	123	1	342	31	33	91	<b>636</b>
<b>Net book value at 31 March 2022</b>	<b>17</b>	<b>128</b>	<b>2</b>	<b>299</b>	<b>28</b>	<b>30</b>	<b>91</b>	<b>595</b>

The net book value of plant and equipment at 31 March 2022 (£299 million) includes £117 million relating to future decommissioning costs. Plant and equipment additions includes: £1 million of capitalised decommissioning costs which are off-set via release from the nuclear provision.

## Notes to the financial statements - continued

### 11. Property, plant and equipment (continued)

	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	Total £m
<b>Authority 2023</b>								
<b>Cost or valuation</b>								
At 1 April 2022	13	289	3	4,144	4	28	9	<b>4,490</b>
Revaluations (c)	-	3	-	-	-	-	-	<b>3</b>
Eliminations	-	(1)	-	-	-	-	-	<b>(1)</b>
Additions	-	-	-	-	-	-	5	<b>5</b>
Other reclassifications	(7)	7	-	10	-	(10)	-	-
Disposals	-	-	-	-	-	-	-	-
Impairments (f)	-	-	-	-	-	(18)	-	<b>(18)</b>
<b>At 31 March 2023</b>	<b>6</b>	<b>298</b>	<b>3</b>	<b>4,154</b>	<b>4</b>	<b>-</b>	<b>14</b>	<b>4,479</b>
<b>Depreciation</b>								
At 1 April 2022	-	(227)	(2)	(3,964)	(2)	-	-	<b>(4,195)</b>
Eliminations	-	1	-	-	-	-	-	<b>1</b>
Charged in year	-	(1)	-	(28)	-	-	(1)	<b>(30)</b>
Disposals	-	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>-</b>	<b>(227)</b>	<b>(2)</b>	<b>(3,992)</b>	<b>(2)</b>	<b>-</b>	<b>(1)</b>	<b>(4,224)</b>
Net book value at 1 April 2022	13	62	1	180	2	28	9	295
<b>Net book value at 31 March 2023</b>	<b>6</b>	<b>71</b>	<b>1</b>	<b>162</b>	<b>2</b>	<b>-</b>	<b>13</b>	<b>255</b>

The net book value of plant and equipment at 31 March 2023 (£162 million) includes £81 million relating to future decommissioning costs.

	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	Total £m
<b>Authority 2022</b>								
<b>Cost or valuation</b>								
At 1 April 2021	11	293	3	4,144	4	31	-	4,486
Revaluations (c)	2	(1)	-	-	-	-	-	1
Eliminations	-	(3)	-	-	-	-	-	(3)
Additions	-	-	-	-	-	5	9	14
Other reclassifications	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairments (f)	-	-	-	-	-	(8)	-	(8)
<b>At 31 March 2022</b>	<b>13</b>	<b>289</b>	<b>3</b>	<b>4,144</b>	<b>4</b>	<b>28</b>	<b>9</b>	<b>4,490</b>
<b>Depreciation</b>								
At 1 April 2021	-	(229)	(3)	(3,938)	(2)	-	1	(4,171)
Eliminations	-	3	1	-	-	-	(1)	3
Charged in year	-	(1)	-	(26)	-	-	-	(27)
Disposals	-	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>-</b>	<b>(227)</b>	<b>(2)</b>	<b>(3,964)</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>(4,195)</b>
Net book value at 1 April 2021	11	64	-	206	2	31	1	315
<b>Net book value at 31 March 2022</b>	<b>13</b>	<b>62</b>	<b>1</b>	<b>180</b>	<b>2</b>	<b>28</b>	<b>9</b>	<b>295</b>

The net book value of plant and equipment at 31 March 2022 (£180 million) includes £91 million relating to future decommissioning costs.

## Notes to the financial statements - continued

### 11. Property, plant and equipment (continued)

(a) Right of use assets included in property, plant and equipment comprise the following:

The NDA measures all right of use assets using the cost model as a proxy for fair value or current value in existing use on the basis that all leases are undertaken on an arms length basis with regular rent reviews. This means right of use asset values are regularly updated to reflect market value of the asset.

	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport £m	Total £m
<b>NDA Group 2023</b>						
Cost or valuation						
Balance at 1 April 2022	2	27	-	19	119	<b>167</b>
Additions	-	(5)	-	-	23	<b>18</b>
Disposals	-	(1)	-	-	(15)	<b>(16)</b>
<b>At 31 March 2023</b>	<b>2</b>	<b>21</b>	<b>-</b>	<b>19</b>	<b>127</b>	<b>169</b>
<b>Depreciation</b>						
At 1 April 2022	-	(5)	-	(9)	(62)	<b>(76)</b>
Depreciation expense	-	(3)	-	(2)	(24)	<b>(29)</b>
Disposals	-	1	-	-	12	<b>13</b>
<b>At 31 March 2023</b>	<b>-</b>	<b>(7)</b>	<b>-</b>	<b>(11)</b>	<b>(74)</b>	<b>(92)</b>
Net book value at 31 March 2022	2	22	-	10	57	<b>91</b>
<b>Net book value at 31 March 2023</b>	<b>2</b>	<b>14</b>	<b>-</b>	<b>8</b>	<b>53</b>	<b>77</b>
<b>NDA Group 2022</b>						
Cost or valuation						
Balance at 1 April 2021	-	12	-	16	119	<b>147</b>
Additions	2	17	-	4	13	<b>36</b>
Disposals	-	(2)	-	(1)	(13)	<b>(16)</b>
<b>At 31 March 2022</b>	<b>2</b>	<b>27</b>	<b>-</b>	<b>19</b>	<b>119</b>	<b>167</b>
<b>Depreciation</b>						
At 1 April 2021	-	(3)	-	(6)	(47)	<b>(56)</b>
Depreciation expense	-	(3)	-	(3)	(27)	<b>(33)</b>
Disposals	-	1	-	-	12	<b>13</b>
<b>At 31 March 2022</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>(9)</b>	<b>(62)</b>	<b>(76)</b>
Net book value at 31 March 2021	-	9	-	10	72	<b>91</b>
<b>Net book value at 31 March 2022</b>	<b>2</b>	<b>22</b>	<b>-</b>	<b>10</b>	<b>57</b>	<b>91</b>

## Notes to the financial statements - continued

### 11. Property, plant and equipment (continued)

(a) Right of use assets included in property, plant and equipment comprise the following:

Authority 2023	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport £m	Total £m
Cost or valuation						
Balance at 1 April 2022	-	9	-	-	-	9
Additions	-	5	-	-	-	5
Disposals	-	-	-	-	-	-
<b>At 31 March 2023</b>	-	<b>14</b>	-	-	-	<b>14</b>
<b>Depreciation</b>						
At 1 April 2022	-	-	-	-	-	-
Depreciation expense	-	(1)	-	-	-	(1)
Disposals	-	-	-	-	-	-
<b>At 31 March 2023</b>	-	<b>(1)</b>	-	-	-	<b>(1)</b>
Net book value at 31 March 2022	-	9	-	-	-	9
<b>Net book value at 31 March 2023</b>	-	<b>13</b>	-	-	-	<b>13</b>

Authority 2022	Land £m	Buildings £m	Fixtures and fittings £m	Plant and equipment £m	Transport £m	Total £m
Cost or valuation						
Balance at 1 April 2021	-	-	-	-	-	-
Additions	-	9	-	-	-	9
Disposals	-	-	-	-	-	-
<b>At 31 March 2022</b>	-	<b>9</b>	-	-	-	<b>9</b>
<b>Depreciation</b>						
At 1 April 2021	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>At 31 March 2022</b>	-	-	-	-	-	-
Net book value at 31 March 2021	-	-	-	-	-	-
<b>Net book value at 31 March 2022</b>	-	<b>9</b>	-	-	-	<b>9</b>

(b) The NDA accounts for non-waste management assets on nuclear licensed sites, which have an ongoing value in use or realisable value, in accordance with IAS 16 and the requirements of FReM. Assets outside the nuclear licensed site boundaries are revalued in accordance with FReM.

The NDA continues to require subsidiaries to maintain inventories of all property, plant and equipment held on nuclear licensed sites and which are subject to validation and audit.

(c) Land and buildings located outside the nuclear licensed site boundaries, were revalued at 31 March 2023 on the basis of existing use value or market value, as appropriate, by external qualified valuers. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (6th Edition) by Avison Young Limited Chartered Surveyors. This resulted in a revaluation movement of £1 million during the year (2022: £8 million).

(d) Contracted capital commitments relating to those economic assets expected to be subsequently capitalised, were £NIL million (2022: £5 million).

(e) Changes in the estimated future cost of decommissioning, related to commercial property, plant and equipment, are offset by matching changes in the value of the IAS 37 property, plant and equipment asset. No increase was recognised in the year (2022: £1 million increase), see note 24.

(f) Impairment charges of £18 million were made during the year on assets following a re-estimate of their commercial usage (2022: £8 million).

## Notes to the financial statements - continued

### 12. Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

<b>Authority</b>	<b>2023 £m</b>	2022 £m
<b>Cost</b>		
At 1 April	<b>259</b>	259
Additions	-	-
<b>At 31 March</b>	<b>259</b>	259
<b>Impairment</b>		
At 1 April	-	-
Reversal	-	-
<b>At 31 March</b>	<b>-</b>	<b>-</b>
Net book value at 1 April	<b>259</b>	259
<b>Net book value at 31 March</b>	<b>259</b>	259

Details of the Authority's subsidiaries at 31 March 2023 are as follows:

<b>Name</b>	<b>Country of incorporation</b>	<b>Nature of business</b>	<b>Proportion of ordinary shares held by NDA %</b>
Sellafield Limited	UK	Operation of nuclear licensed site	100
Magnox Limited	UK	Operation of nuclear licensed sites	100
Dounreay Site Restoration Limited	UK	Operation of nuclear licensed site	100
Low Level Waste Repository Limited	UK	Operation of nuclear licensed site	100
Radioactive Waste Management Limited	UK	Development of Geological Disposal Facility	100
International Nuclear Services France SAS (i)	France	Transportation of spent fuel	100
International Nuclear Services Japan KK (i)	Japan	Transportation of spent fuel	100
International Nuclear Services Limited (INS Limited)	UK	Contract management and the transportation of spent fuel, reprocessing products and waste	100
Direct Rail Services Limited	UK	Rail transport services within the UK	100
Pacific Nuclear Transport Limited (i)	UK	Transportation of spent fuel, reprocessing products and waste	72
NDA Archives Limited	UK	Operation of Nucleus – The Nuclear and Caithness Archive	100
NDA Properties Limited	UK	Property management	100
Rutherford Indemnity Limited	Guernsey	Nuclear insurance	100

(i) Ownership through International Nuclear Services Limited

The results of all of the above subsidiaries are included within these consolidated financial statements.

The NDA is a member of Energus, a company limited by guarantee registered in the UK, providing training facilities in support of the nuclear estate. NDA's liability is limited to £10.

The NDA is a member of North Highland Regeneration Fund Limited, a company limited by guarantee registered in Scotland and contributing to socio-economic development in the North Highland region. NDA's liability is limited to £100.

The NDA is a member of Energy Coast West Cumbria Limited, a company limited by guarantee registered in the UK and contributing to the economic regeneration of west Cumbria. NDA's liability is limited to £1.



## Notes to the financial statements - continued

### 13. Recoverable contract costs

The NDA Authority and Group have commercial agreements in place under which some or all of the expenditure required to settle nuclear provisions will be recovered from third parties.

Recoverable contract costs comprise costs which were incurred before the revenue recognition period of each contract and which are amortised each year in line with revenue ('Historic costs' below) and costs which typically form part of the nuclear provision, which are restated each year for unwinding of discount and other changes in estimate, and released as they occur in each year ('Future costs' below).

£137 million (2022: £155 million) of the future costs balance relates to costs which do not form part of the nuclear provisions and are offset by payments on account.

<b>NDA Group and Authority</b>	<b>2023 £m</b>	Restated 2022 £m
Recoverable contract costs:		
Gross recoverable contract costs	<b>4,461</b>	6,781
Less applicable payments received on account (note 22)	<b>(3,452)</b>	(3,307)
Less associated contract loss provisions (note 25)	<b>(17)</b>	(404)
<b>Total recoverable contract costs</b>	<b>992</b>	3,070

The movements in the gross recoverable contract costs during the year are detailed in the table below:

<b>NDA Group and Authority</b>	<b>2023</b>			Restated 2022		
	Historic costs £m	Future costs £m	Total costs £m	Historic costs £m	Future costs £m	Total costs £m
Balance as at 1 April	<b>1,303</b>	<b>5,478</b>	<b>6,781</b>	1,414	3,637	5,051
Increase/(decrease) in year (see note 24)	-	<b>(1,855)</b>	<b>(1,855)</b>	-	2,050	2,050
Unwind of discount (see note 24)	-	<b>(72)</b>	<b>(72)</b>	-	(6)	(6)
Amortisation (see note 6)	<b>(139)</b>	-	<b>(139)</b>	(111)	-	(111)
Release in year	-	<b>(254)</b>	<b>(254)</b>	-	(203)	(203)
<b>Balance as at 31 March</b>	<b>1,164</b>	<b>3,297</b>	<b>4,461</b>	1,303	5,478	6,781

The prior year figures have been restated following a reclassification of balances previously classified as trade and other receivables to reflect the nature of these balances more accurately within the NDA group, producing a more relevant and reliable presentation of the group's financial position. The value of the restatement was £155 million.

The historic costs within the above are deemed contract assets under IFRS 15.

Release in year includes £236 million of cost accounted for within the nuclear provision (see note 24) and £18 million of recoverable contract costs not accounted for in the nuclear provision.

The opening balances, amortisation in period and closing balances for each main contract type are:

<b>NDA Group and Authority</b>	Spent fuel reprocessing and associated waste management £m	Spent fuel receipt and management £m	<b>2023 Total £m</b>	Spent fuel reprocessing and associated waste management £m	Spent fuel receipt and management £m	2022 Total £m
Balance as at 1 April	808	495	<b>1,303</b>	883	531	1,414
Amortisation	(82)	(57)	<b>(139)</b>	(75)	(36)	(111)
<b>Balance as at 31 March</b>	726	438	<b>1,164</b>	808	495	1,303

Contract assets under IFRS15 are deemed financial instruments for the purposes of IFRS9 and therefore are ordinarily required to be reviewed for expected credit loss impairment. The above contract asset balances comprise costs which have been previously incurred and are now being amortised in each reporting period. They are not related to or dependent on the future payments still to be made under each contract and therefore a credit loss impairment is not required.

## Notes to the financial statements - continued

### 14. Deferred taxation

#### Deferred tax liability not recognised

There were no unrecognised deferred tax liabilities at 31 March 2023 or 31 March 2022.

#### Deferred tax assets not recognised

The following deferred tax assets have not been recognised as the NDA does not anticipate a taxable surplus arising in the foreseeable future:

NDA Group	2023 £m	2022 £m
Tax losses	2,616	1,947
Accelerated capital allowances	634	636
Intangibles	9	6
Short term timing differences	-	-
<b>Deferred tax asset at UK standard rate of Corporation Tax for 2023 of 19%</b> (2022: 19%)	<b>3,259</b>	<b>2,589</b>

### 15. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and all costs to be incurred in marketing, selling and distribution.

Reprocessed uranic material is held at nil value, pending development of long term options and cost estimates for disposition of this material, and is disclosed as a contingent liability in note 29.

	NDA Group		Authority	
	2023 £m	2022 £m	2023 £m	2022 £m
Raw materials and consumables	23	30	13	17
Work-in-progress	30	37	-	-
<b>Total inventories</b>	<b>53</b>	<b>67</b>	<b>13</b>	<b>17</b>

The cost of raw materials and consumables recognised as an expense in the year was £70 million in Authority (2022: £61 million) and £85 million in NDA Group (2022: £67 million).

Work-in-progress recognised as an expense in the year in both Authority and NDA Group was £6 million (2022: £9 million).

## Notes to the financial statements - continued

### 16. Financial instruments by category

The accounting classification of each category of financial instruments, and their carrying values, is set out in the following table:

	note	NDA Group		Authority Restated	
		2023 £m	2022 £m	2023 £m	2022 £m
Financial assets at fair value through profit or loss (FVTPL):					
Other investments	18	583	588	-	-
<b>Financial assets (FVTPL)</b>		<b>583</b>	588	-	-
Financial assets at amortised cost:					
Non-current finance lease receivable	19	43	44	69	71
Non-current trade receivables	20	-	5	-	-
Non-current other receivables	20	11	2	37	49
Current trade and other receivables (a)	20	91	110	113	85
Current finance lease receivables	19	1	1	4	4
Cash and cash equivalents	21	231	109	112	26
<b>Total financial assets at amortised cost</b>		<b>377</b>	271	<b>335</b>	235

	note	NDA Group		Authority	
		2023 £m	2022 £m	2023 £m	2022 £m
Financial liabilities at amortised cost:					
Current trade and other payables (b)	22	(821)	(607)	(686)	(624)
<b>Total financial liabilities at amortised cost</b>		<b>(821)</b>	(607)	<b>(686)</b>	(624)

- a) Prepayments and VAT are excluded.  
b) Deferred income and amounts owed to HMRC (in Note 22, other taxes and social security) are excluded

The prior year figures have been restated following a reclassification of balances previously classified as trade and other receivables to reflect the nature of these balances more accurately within the NDA group, producing a more relevant and reliable presentation of the group's financial position. The value of the restatements were £155 million of trade receivables to recoverable contract costs and £46 million from trade receivable to other receivables.

Generally, financial assets and financial liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NDA in undertaking its activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 2.9.

The group has a small number of Euro-denominated contracts which are not significant to the Financial Statements of the group. This small currency risk is nonetheless still mitigated through the use of forward currency contracts placed with the Government Banking Service. The currency risk arising from overseas operations within the group is negligible.

The group is not exposed to any significant level of interest rate risk due to the absence of any commercial borrowings in its Statement of Financial Position.

The group is exposed to a low level of price risk in respect of its sales of electricity generated by the Maentwrog plant. This risk is mitigated by the trading strategy employed which stipulates how far ahead of time energy products are purchased.

Due to the pricing structure and historical nature of reprocessing contracts, there is no significant exposure to price risk.

There is no significant exposure of the group to liquidity risk due to the nature of its funding arrangement with DESNZ. The NDA is required to place deposit deeds as collateral in respect of certain energy trading costs incurred. The collateral is included within current trade and other receivables in both the Authority and Group Statement of Financial Position. The value at the 31st March 2023 was less than £1 million (2022: less than £1 million). The risk of loss associated with these deposits is considered to be minimal.

In addition to this, a letter of credit is issued by a commercial bank on the NDA's behalf in favour of a certain supplier, with respect to energy trading costs. This does not give rise to a financial asset in the accounts of the NDA Authority or Group.

## Notes to the financial statements - continued

### 17. Financial risk management

The NDA is financed by a combination of Government funding and commercial activities, and as such is not exposed to the degree of financial risk faced by other business entities. Consequently, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. It does however experience some degree of risk due to the variability of commercial income.

The NDA applies for funding as part of the Government Spending Review. This sets the annual expenditure limit net of the NDA's commercial income, derived largely from reprocessing and spent fuel and waste management contracts. The NDA is required to prioritise and allocate funding to deliver the required programme of work within this net limit, whilst mindful of the potential vulnerability of commercial income to plant breakdown. This is achieved through the use of an extensive reporting and control mechanism, which supports a portfolio based approach to managing the opportunities and risks within both the expenditure and commercial income. The approach has enabled the NDA to consistently control net expenditure within the prescribed limits set by the funding regime.

#### Commodity price risk

Commodity price risk is the risk or uncertainty arising from possible price movements and their impact on the commercial income and therefore ultimately on the funding requirements of the NDA.

The risk to NDA in relation to electricity prices has become more significant during the reporting period and is mitigated by forward purchasing of electricity where appropriate as well as a price cap arrangement.

#### Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the NDA. This risk is managed through ongoing monitoring of the aging of receivables (for which expected credit loss impairments have been made under IFRS9). The Authority's contracts are almost entirely reprocessing and spent fuel and waste management contracts, for which the NDA is not taking on any new customers.

### 18. Other investments

	NDA Group		Authority	
	2023	2022	2023	2022
	£m	£m	£m	£m
<b>NDA Group and Authority</b>				
Bank deposits	98	91	-	-
Managed investments	485	497	-	-
<b>Total Other Investments</b>	<b>583</b>	<b>588</b>	<b>-</b>	<b>-</b>

Managed investments comprises of funds held within Rutherford Indemnity Limited in order to allow it to provide insurance for assets across the NDA estate.

### 19. Finance lease receivables

#### The NDA Group as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where a sub-lease exists an assessment of the 'right of use asset' is undertaken rather than the underlying asset.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the discounted rent receivable. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Authority's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## Notes to the financial statements - continued

### 19. Finance lease receivables (continued)

	NDA Group		Authority	
	2023	2022	2023	2022
	£m	£m	£m	£m
<b>NDA Group and Authority</b>				
Amounts receivable under finance leases:				
Not later than one year	2	2	4	4
Later than one year and not later than five years	6	6	13	14
Later than five years	167	169	192	195
	175	177	209	213
Less: unearned finance income	(129)	(130)	(134)	(136)
Present value of minimum lease payments receivable	46	47	75	77
Less: expected credit loss	(2)	(2)	(2)	(2)
<b>Present value of minimum lease payments receivable after expected credit loss</b>	<b>44</b>	<b>45</b>	<b>73</b>	<b>75</b>
Of which:				
Current	1	1	4	4
Non-current	43	44	69	71
	44	45	73	75
Amounts receivable under finance leases:				
Not later than 1 year	1	1	4	4
Later than 1 year and not later than 5 years	6	6	10	11
Later than 5 years	37	38	59	60
<b>Present value of minimum lease payments receivable</b>	<b>44</b>	<b>45</b>	<b>73</b>	<b>75</b>

The finance lease receivable relates to:

- Land and buildings of the Springfields Fuels operation which was disposed of to Westinghouse Electric UK Holdings Limited by way of a 150 year lease on 1 April 2010. The interest rate inherent in the lease was fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 3.50% per annum.
- Certain land and buildings of the Capenhurst site which were disposed of to Urenco UK Limited on 29 November 2012 by way of a combination of freehold and leasehold sales. The interest rate inherent in the lease was fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 3.50% per annum.
- The office building at Harwell is leased by the Authority and subsequently leased out to Radioactive Waste Management Limited on a back to back arrangement. This is treated as an inter-group sub-lease and is eliminated in the Group figures. The sub-lease was entered into in July 2019 on an 8 year term.
- Two office buildings leased by the Authority and subsequently leased to Sellafield Limited on a back to back arrangement with a total receivable value of £26 million (2022: £27 million). These leases are for a period of between 1 and 25 years at the transition date.

The finance lease receivable balance is secured over the assets leased. The NDA is not permitted to sell or re-pledge the collateral in the absence of default by the lessee.

The maximum exposure to credit risk of the finance lease receivable is the carrying amount. The Authority has assessed its expected credit loss on finance lease receivables as at the reporting date and determined that all amounts owed by parties outside of the NDA Group are assessed to have an expected credit loss of 5%.

## Notes to the financial statements - continued

### 20. Trade and other receivables

NDA Group and Authority	NDA Group		Authority Restated	
	2023 £m	2022 £m	2023 £m	2022 £m
<b>Non-current:</b>				
Prepayments	30	30	30	30
Trade receivables	-	5	-	-
Other receivables	11	2	37	49
<b>Total non-current trade and other receivables</b>	<b>41</b>	<b>37</b>	<b>67</b>	<b>79</b>
<b>Current:</b>				
Trade receivables	42	49	56	39
Accrued income	45	54	42	45
Other receivables	4	7	15	1
Prepayments	18	13	5	3
VAT	118	116	112	114
	<b>227</b>	<b>239</b>	<b>230</b>	<b>202</b>
Less: provision for expected credit loss	(3)	(2)	(3)	(2)
<b>Total current trade and other receivables</b>	<b>224</b>	<b>237</b>	<b>227</b>	<b>200</b>

The prior year figures have been restated following reclassification of certain balances from trade receivables to other receivables and recoverable contract costs (see note 13) to reflect the nature of these balances more accurately within the NDA group, producing a more relevant and reliable presentation of the group's financial position. The value of the restatements were £155 million of trade receivables to recoverable contract costs and £46 million from trade receivable to other receivables.

In addition to the above, non-current other receivables include lump sum payments made under early retirement arrangements to individuals working for subsidiaries who have retired early, or who have accepted early retirement, before 31 March 2023. These payments are refundable to the NDA from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age.

#### Provision for expected credit loss

The Authority has assessed its expected credit loss on trade and other receivables as at the reporting date as follows:

- Amounts owed by UK Government departments are considered to have no expected credit loss, in accordance with FReM
- Amounts owed by entities in the NDA estate (subsidiaries and site licence companies) are considered to have no expected credit loss, based on the Authority's knowledge of the financial position and future operations of each company
- Amounts owed by all other entities have been subject to a probability weighted assessment based in the outcomes of default and no default.

Amounts past due (following table) include amounts owed by government departments, other NDA estate entities and other entities considered relatively low risk by the NDA, therefore the overall expected credit loss risk for these sums is assessed as being relatively low.

The assessment of expected credit loss on trade and other receivables in the reporting period resulted in an impairment charge of £1 million, see note 8 (2022: impairment charge of £1 million).

#### Ageing of current trade receivables:

NDA Group and Authority	NDA Group		Authority Restated	
	2023 £m	2022 £m	2023 £m	2022 £m
Neither impaired or past due	27	38	26	30
<b>Past due:</b>				
Within 30 days	1	4	15	2
31 to 60 days	1	-	1	-
61 to 90 days	2	-	2	-
91 to 120 days	7	2	8	2
Over 120 days	4	5	4	5
<b>Total</b>	<b>42</b>	<b>49</b>	<b>56</b>	<b>39</b>

## Notes to the financial statements - continued

### 21. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with an original maturity of three months or less, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

	2023			2022		
	Cash £m	Cash equivalents £m	Total £m	Cash £m	Cash equivalents £m	Total £m
<b>NDA Group</b>						
Balance as at 1 April	102	7	109	191	8	199
Net change	124	(2)	122	(89)	(1)	(90)
<b>Balance as at 31 March</b>	<b>226</b>	<b>5</b>	<b>231</b>	102	7	109
<b>Balances at 31 March were held at:</b>						
Commercial banks	80	5	85	57	7	64
Government banking service	146	-	146	45	-	45
<b>Balance as at 31 March</b>	<b>226</b>	<b>5</b>	<b>231</b>	102	7	109

	2023			2022		
	Cash £m	Cash equivalents £m	Total £m	Cash £m	Cash equivalents £m	Total £m
<b>Authority</b>						
Balance as at 1 April	26	-	26	125	-	125
Net change	86	-	86	(99)	-	(99)
<b>Balance as at 31 March</b>	<b>112</b>	-	<b>112</b>	26	-	26
<b>Balances at 31 March were held at:</b>						
Commercial banks	-	-	-	-	-	-
Government banking service	112	-	112	26	-	26
<b>Balance as at 31 March</b>	<b>112</b>	-	<b>112</b>	26	-	26

## Notes to the financial statements - continued

### 22. Trade and other payables

	NDA Group		Authority Restated	
	2023 £m	2022 £m	2023 £m	2022 £m
<b>Current:</b>				
Trade payables	168	137	295	225
Receipts to surrender to Consolidated Fund	18	8	18	8
Other payables	165	31	-	1
Accruals	469	431	373	390
	<b>820</b>	607	<b>686</b>	624
Other taxes and social security	77	86	4	2
Payments received on account	740	643	735	637
Deferred income	5	3	2	3
<b>Current trade and other payables</b>	<b>1,642</b>	1,339	<b>1,427</b>	1,266
<b>Non-current:</b>				
Payments received on account	1,437	1,625	1,437	1,470
Other payables	7	8	-	-
<b>Non-current trade and other payables</b>	<b>1,444</b>	1,633	<b>1,437</b>	1,470

	NDA Group		Authority Restated	
	2023 £m	2022 £m	2023 £m	2022 £m
<b>Movements on gross payments received on account:</b>				
Balance at 1 April	5,420	5,203	5,414	5,196
Revalorisation	710	461	710	461
Cash received	279	279	277	279
Released to income	(781)	(523)	(777)	(522)
<b>Balance at 31 March</b>	<b>5,628</b>	5,420	<b>5,624</b>	5,414
Gross payments on account at 31 March	5,628	5,420	5,624	5,414
Deduction of recoverable contract costs (see note 13)	(3,452)	(3,152)	(3,452)	(3,307)
<b>Net payments received on account at 31 March</b>	<b>2,176</b>	2,268	<b>2,172</b>	2,107
Of which:				
Current	739	643	735	637
Non-current	1,437	1,625	1,437	1,470
	<b>2,176</b>	2,268	<b>2,172</b>	2,107

Trade and other payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The NDA has procedures in place to ensure that all payables are paid within the pre-agreed credit terms.

Payments received on account relate to amounts which customers have paid for the provision of services under long-term contracts. These payments will be recognised as income when the services are provided. Payments received on account are shown net after deduction of any applicable recoverable contract costs (see note 13). Payments on account not yet recognised as revenue are adjusted for inflation each year (known as revalorisation).

Payments on account balances are deemed as contract liabilities under IFRS15.



## Notes to the financial statements - continued

### 23. Finance lease payables

#### The NDA group as lessee

For any new contracts entered into on or after 1 April 2019, the Authority considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Authority assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Authority
- The Authority has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Authority has the right to direct the use of the identified asset throughout the period of use

#### Measurement and recognition of leases as a lessee

At lease commencement date, the Authority recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Authority, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Authority depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Authority also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Authority measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the group's incremental borrowing rate as dictated by HM Treasury.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

The Authority has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset

and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The lease term determined by the Authority comprises a non-cancellable period of a lease contract, periods covered by an option to extend the lease if the Authority is reasonably certain not to exercise that option. The Authority has benefitted from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

The Authority has entered into commercial leases for land and buildings; motor vehicles; locomotives / rolling stock; and plant and equipment. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a Right of Use Asset and a Lease Liability. Right of Use assets and the underlying asset class to which they relate are shown at note 11. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

The leases for land and buildings have remaining durations of between one and 25 years.

The leases for motor vehicles have durations up to a period of four years.

The leases for locomotives and rolling stock have remaining durations of between one and five years.

The leases for plant and equipment have durations up to a period of four years.

Each lease generally imposes a restriction that, unless there is a contractual right for the Authority to sublet the asset to another party, the right-of-use asset can only be used by the Authority. Leases are either non-cancellable or may only be cancelled by incurring a termination fee. The Authority is prohibited from selling or pledging the underlying leased assets as security. In general leases dictate that the authority must keep those assets in a good state of repair and return the assets in their original condition at the end of the lease allowing for normal wear and tear. Further, the Authority must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Authority has leases of land and buildings, vehicles and plant and equipment with lease terms of 12 months or less and leases of office equipment of low value. The Authority applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases as permitted by IFRS16.

## Notes to the financial statements - continued

### 23. Finance lease payables (continued)

The undiscounted maturity analysis of lease liabilities as at 31 March 2023 is as follows:

	NDA Group		Authority	
	2023 £m	2022 £m	2023 £m	2022 £m
<b>Amounts payable under finance leases</b>				
Not later than one year	21	25	4	3
Later than one year and not later than five years	45	46	12	12
Later than five years	12	15	34	32
<b>Total cash payments</b>	<b>78</b>	86	<b>50</b>	47
Less amount representing interest	<b>(6)</b>	(7)	<b>(9)</b>	(7)
<b>Present Value of lease liability</b>	<b>72</b>	79	<b>41</b>	40
Of which:				
Current	20	24	3	3
Non-current	52	55	38	37
	<b>72</b>	79	<b>41</b>	40

Depreciation charged on right-of-use assets during the year (also shown at note 11)	30	33	1	-
Expenses relating to short-term leases	(2)	(1)	-	(1)
Expenses relating to leases of low-value assets	-	-	-	-
Interest expense on leases liabilities	-	(1)	(1)	(1)
Total cash outflow for leases	<b>(31)</b>	(28)	<b>(4)</b>	(3)
of which low value or short term	<b>(2)</b>	(1)	-	(1)
Variable lease costs expensed (where not included in the ROUA and lease liability)	-	-	-	-
Income from sub-leasing	12	8	3	2
Gains/losses from sale and leaseback transactions	n/a	n/a	n/a	n/a

## Notes to the financial statements - continued

### 24. Nuclear provisions

The financial statements include provisions for the NDA's obligations in respect of nuclear liabilities, being the costs associated with the nuclear decommissioning of designated sites. These are the licensed nuclear sites designated to the NDA by the Secretary of State under powers provided by the Energy Act 2004 and operated by the SLCs. These provisions are based on the latest assessments of the processes and methods likely to be used in the future, and represent best estimates of the amount required to discharge the relevant obligations. The NDA's obligations are reviewed on a continual basis and provisions are updated accordingly.

Where some or all of the expenditure required to settle a provision is expected to be recovered from a third party, in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', the recoverable amount is treated as a non-current asset. Provision charges in the Statement of Comprehensive Net Expenditure are shown net of changes in the amount recoverable from customers. Provision changes are accounted for in the year in which they arise.

The nuclear provision and recoverable balances are expressed at current price levels and are discounted in accordance with HM Treasury guidance, which determines a nominal discount rate, and recommends (in what is termed a rebuttable presumption) an implied inflation rate based on forecasts of Consumer Price Index (CPI) inflation made by the Office of Budget Responsibility (OBR). Reporting entities are able to

select and apply an implied inflation rate which differs from the recommended rate where this can be demonstrated to be clearly more applicable to the underlying nature of the entity's cash flows.

The Authority has determined that, based on inflation experienced in its cash flows in recent years and future expectations, the implied inflation rate recommended by HM Treasury is appropriate for use in calculating its provisions.

The rates applied in the 2022/23 accounts are shown in the table below (rates per annum).

Provision movement expenditure in the Statement of Comprehensive Net Expenditure includes the adjustments necessary to unwind one year's discount and restate the liabilities to current price levels. The movement also includes the adjustments arising from the change in discount rates described above.

	Time period	Nominal discount rate %	Implied inflation rate %	Real terms discount rate %	Equivalent rate in 2021/22 %
Short term	Year 1	3.27	7.40	-4.13	-3.53
Short term	Year 2	3.27	0.60	2.67	-2.13
Short term	Years 3 - 5	3.27	2.00	1.27	-1.53
Medium term	Years 6 - 10	3.20	2.00	1.20	-1.30
Long term	Years 11 - 40	3.51	2.00	1.51	-1.05
Very long term	Years 41 onwards	3.00	2.00	1.00	-1.34

## Notes to the financial statements - continued

### 24. Nuclear provisions (continued)

	NDA Group		Authority	
	2023 £m	2022 £m	2023 £m	2022 £m
<b>NDA Group and Authority</b>				
Balance at 1 April	<b>236,718</b>	135,220	<b>236,977</b>	135,763
Provided for in the year (a), charged to:				
Statement of Comprehensive Net Expenditure (note 7)	<b>(104,379)</b>	102,447	<b>(104,376)</b>	102,447
Recoverable contract costs (b) (note 13)	<b>(1,855)</b>	2,050	<b>(1,855)</b>	2,050
Unwind of discount (c), charged to:				
Statement of Comprehensive Net Expenditure (note 7)	<b>(2,970)</b>	(81)	<b>(2,970)</b>	(81)
Recoverable contract costs (b) (note 13)	<b>(72)</b>	(6)	<b>(72)</b>	(6)
Decommissioning costs utilised in year (d) (note 7)	<b>(3,097)</b>	(2,993)	<b>(3,097)</b>	(2,993)
Recoverable contract costs released in year (b) (note 13)	<b>(236)</b>	(203)	<b>(236)</b>	(203)
In-year group provision adjustment - Sellafield Limited (e) (note 7)	<b>596</b>	129	-	-
In-year group provision adjustment - Magnox Limited (e) (note 7)	<b>(372)</b>	217	-	-
Opening group provision adjustment - Dounreay Site Restoration Limited (e)	-	(60)	-	-
In-year group provision adjustment - Dounreay Site Restoration Limited (e) (note 7)	<b>48</b>	11	-	-
Opening group provision adjustment - Low Level Waste Repository Limited (e)	-	(18)	-	-
In-year group provision adjustment - Low Level Waste Repository Limited (e) (note 7)	<b>14</b>	4	-	-
Provision changes impacting PPE (f) (note 11)	-	1	-	-
<b>Total change in provision</b>	<b>(112,323)</b>	101,498	<b>(112,606)</b>	101,214
<b>Balance at 31 March</b>	<b>124,395</b>	236,718	<b>124,371</b>	236,977
Of which:				
Current (nuclear provision)	<b>3,933</b>	3,268	<b>3,933</b>	3,268
Non-current (nuclear provision)	<b>120,462</b>	233,450	<b>120,438</b>	233,709
	<b>124,395</b>	236,718	<b>124,371</b>	236,977

(a) Changes in the cost estimates of discharging the nuclear provision (representing increase or decrease in future decommissioning costs) are charged to the adjustments to provisions in the Statement of Comprehensive Net Expenditure. This charge includes the impact of restating liabilities from March 2022 values to current price levels. The overall decrease in the provision was £112,323 million (2022: £101,498 million increase) of which the Authority estimates that £17,740 million related to changes in price levels (2022: £6,416 million).

The change in discount rates (see table on the previous page) in the current financial year produced a decrease of £133,644 million (2022: £84,046 million increase).

The undiscounted value of the nuclear provision is £172,826 million (2022: £148,631 million). The effect of applying discounting is to reduce the provision by £48,431 million (2022: increase the provision by £88,087 million). The discounted value of the nuclear provision is currently lower than the undiscounted value due to the real terms discount rates being positive (see page 179).

An increase of 0.5% in the discount rate (producing a more positive discount rate) would reduce the provision to £109,906 million (2022: £194,840 million), whilst a decrease in discount rate of 0.5% (producing a negative, or less positive, discount rate) would increase the provision to £142,688 million (2022: £293,872 million).

Critical accounting judgements and key sources of estimation uncertainty relating to the nuclear provision are outlined in note 3.

(b) The NDA has commercial agreements in place under which a portion of the expenditure required to settle certain elements of the nuclear provision are recoverable from third parties. Changes in the future cost estimates of discharging those elements of the nuclear provision are therefore matched by a change in future recoverable contract costs. In accordance with IAS 37, these recoverable amounts are not offset against the Nuclear Provision but are treated as a separate asset. The amount recoverable at 31 March 2023 (NDA group and Authority) is £3,160 million (2022: £5,323 million) – the 'future costs' balance in note 13.

(c) The discount implicit in recognising nuclear provisions is unwound over the life of the provisions, with the impact of the unwind of one years' discount shown in adjustments to provisions in the Statement of Comprehensive Net Expenditure at £2,970 million (2022: £81 million) and reflected in the change in value of the recoverable contract costs at £72 million (2022: £6 million).

## Notes to the financial statements - continued

### 24. Nuclear provisions (continued)

(d) A total of £3,333 million (2022: £3,196 million) has been released from the nuclear provision in the year to 31 March, being the amount provided for that year as at 31 March 2022, adjusted for price changes, and of which:

- £3,097 million was released to the Statement of Comprehensive Net Expenditure (2022: £2,993 million).
- £236 million was released against the recoverable contract costs balance (2022: £203 million).

The amount provided for the year is based on an estimate of the Authority's expenditure in fulfilling its decommissioning liabilities in the period. The Authority's total expenditure (described in the Financial Summary section of the Annual Report) totalled £3,759 million (2022: £3,472 million) and differs from the amount provided in the year for the following reasons:

- Certain categories of expenditure including the Authority's running costs, some commercial costs and those costs accounted for in other provisions are excluded from the nuclear provision.
- Actual expenditure on fulfilling the decommissioning liabilities in the year may differ from the initial estimate used in the provision due to variances in cost and schedule.

Further information on the Authority's financial performance in the reporting period is shown in the Financial Review on pages 16 to 17, and in the Financial Summary on pages 130 to 135. Further information on the group's progress against mission progress targets is shown on pages 30 to 44 and information on performance against activities shown on pages 194 to 210.

Expenditure on fulfilling the Authority's decommissioning liabilities includes the creation of buildings, plant and equipment for use in future periods. The Authority recognises such items as property plant and equipment where they are deemed to generate material economic benefits through their use in income generating activities. The Authority's criteria for recognition and the resulting additions of non-current assets are detailed in note 11. In the reporting period assets which generate material economic benefits were created by the Authority only at the Sellafield site.

In the reporting period expenditure on buildings, plant and equipment at the Sellafield site totalled £731 million (2022: £670 million). Expenditure of buildings, plant and equipment which met the criteria for recognition as non current assets totalled £NIL million (2022: £5 million) and is included in the additions in note 11. The remaining £731 million (2022: £665 million) was incurred on buildings, plant and equipment which were created primarily to fulfil the Authority's decommissioning liabilities. This amount was charged to the Statement of Comprehensive Net Expenditure and the estimated cost previously provided was released from the nuclear provision.

e) An adjustment for net pension deficits which are already implicitly included in the nuclear provision and so are deducted here. No deduction is made within the reporting period due to the pension scheme returning to surplus. The in-year movements to the nuclear provision balance consist of the reversal of the previous deduction.

(f) Changes in the estimated future cost of decommissioning, related to commercial property, plant and equipment, are offset by matching changes in the value of the IAS 37 property, plant and equipment asset. An increase of £NIL million was recognised in the year (2022: £1 million increase).

## Notes to the financial statements - continued

### 24. Nuclear provisions (continued)

Analysis of expected timing of discounted cash flows for the NDA Group nuclear provision is as follows:

	Sellafield £m	Magnox £m	NWS £m	NTS £m	2023 Total £m	2022 Total £m
<b>NDA Group</b>						
Within 1 year	2,929	843	161	-	<b>3,933</b>	3,265
2–5 years	11,066	3,472	707	10	<b>15,255</b>	15,203
6–20 years	30,048	9,553	3,504	75	<b>43,180</b>	54,382
21–50 years	26,072	11,273	3,430	-	<b>40,775</b>	77,380
After 50 years	13,745	5,000	2,507	-	<b>21,252</b>	86,774
	<b>83,860</b>	<b>30,141</b>	<b>10,309</b>	<b>85</b>	<b>124,395</b>	237,004
<b>Deduction in respect of pension deficits (e)</b>					-	(286)
<b>Total NDA Group</b>					<b>124,395</b>	236,718
<b>Sensitivity:</b>						
Increase	59,726	3,014	15,886	3		
Reduction	(9,954)	(3,014)	(2,855)	(6)		

The NDA calculates its provision based on management's best estimate of the future costs of the decommissioning programme, which is expected to take until 2137 to complete. The NDA also considers credible risks and opportunities which may increase or decrease the cost estimate, but which are deemed less probable than the best estimate. These are the basis of the sensitivities identified above, and the key sensitivities are as follows:

- Waste activities cover the Geological Disposal Facility (GDF), the Low Level Waste Repository, and activities at the Springfields and Capenhurst sites with the key sensitivities being in the timing and costs of constructing and operating the GDF, which have sensitivities ranging from a reduction of £2,629 million to an increase of £15,773 million dependent on the location and construction requirements of the facility. The current planned date for the facility to receive waste is 2050. NDA has identified a risk that the construction and opening of the facility may be delayed beyond 2050 (see the Governance Statement on page 62). A delay to this date may increase the cost of the facility itself, along with the cost of interim storage of waste at sites across the NDA estate. A delay of a small number of years is considered to be within the overall tolerance of the estimate for GDF construction and waste transfer, and is not considered to have a material impact on the provision estimate.

Sensitivities for the other elements of waste activities range from a reduction of £226 million to an increase of £113 million.

- Sellafield represents activities associated with operation of the site, reprocessing and eventual decommissioning, and includes all site overheads. Principal sensitivities are around the cost of delivering the plan, particularly the costs of new construction, decommissioning and post operational clean out (POCO) work in the long-term (beyond the next twenty years). The potential costs range from a £9,954 million reduction against the current estimate, to a £59,726 million increase.
- The programme of work at the Magnox sites and Dounreay includes a combination of hazard reduction, a Care and Maintenance period (at certain sites) followed by final site clearance. The current cost estimate represents managements assessment of the most probable estimate of the required duration and cost of decommissioning and long-term management of the sites. A 10% variation in the cost estimate would increase or decrease costs by £3,014 million.

## Notes to the financial statements - continued

### 25. Other provisions

	Restructuring (a) 2023	Contract loss (b) 2023	Other (c) 2023	Total 2023	Restructuring 2022	Contract loss 2022	Other 2022	Total 2022
	£m	£m	£m	£m	£m	£m	£m	£m
<b>NDA Group</b>								
<b>Balance at 1 April</b>	<b>57</b>	<b>837</b>	<b>49</b>	<b>943</b>	67	202	52	321
Provided in year	(1)	(800)	5	(796)	(2)	711	(3)	706
Released in year	(6)	(10)	-	(16)	(7)	(72)	-	(79)
Unwind of discount	-	(10)	-	(10)	(1)	(4)	-	(5)
<b>Balance at 31 March</b>	<b>50</b>	<b>17</b>	<b>54</b>	<b>121</b>	57	837	49	943
Amount deducted from recoverable contract costs (note 13)	-	(17)	-	(17)	-	(404)	-	(404)
<b>Net balance at 31 March</b>	<b>50</b>	<b>-</b>	<b>54</b>	<b>104</b>	57	433	49	539
of which:								
Current				<b>13</b>				12
Non-current				<b>91</b>				527
				<b>104</b>				539
	Restructuring (a) 2023	Contract loss (b) 2023	Other (c) 2023	Total 2023	Restructuring 2022	Contract loss 2022	Other 2022	Total 2022
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Authority</b>								
Balance at 1 April	57	837	-	894	67	202	-	269
Provided in year	(1)	(800)	-	(801)	(2)	711	-	709
Released in year	(6)	(10)	-	(16)	(7)	(72)	-	(79)
Unwind of discount	-	(10)	-	(10)	(1)	(4)	-	(5)
<b>Balance at 31 March</b>	<b>50</b>	<b>17</b>	<b>-</b>	<b>67</b>	57	837	-	894
Amount deducted from recoverable contract costs (note 13)	-	(17)	-	(17)	-	(404)	-	(404)
<b>Net balance at 31 March</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>50</b>	57	433	-	490
of which:								
Current				<b>6</b>				6
Non-current				<b>44</b>				484
				<b>50</b>				490

(a) Restructuring provisions have been recognised to cover continuing annual payments to be made under early retirement arrangements to individuals working for subsidiaries who retired early, or had accepted early retirement, before 31 March 2023. These payments include those made to the date at which the recipients would have reached normal retirement age, and those which continue for the remainder of the recipients' lives. The provision is calculated using UK life expectancy estimates published by the Office of National Statistics and is subject to the uncertainty inherent in those estimates. A variance from the life expectancy estimate of one year would increase or decrease the future cash flows by approximately £5 million (discounted). Lump sums paid to individuals on retirement are held as receivables (included in Note 20), since they are refundable to the NDA from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age.

(b) Contract loss provisions have been recognised to cover the anticipated shortfall between total income and total expenditure on relevant long-term contracts. The above balances are shown net after deduction from any applicable recoverable contract costs (see note 13). The amount provided in the year for the contract loss provision relates to changes in estimates of the costs of existing contracts.

(c) Includes provisions for potential insurance claims and maintenance requirements.

### 26. Other financial commitments

The Authority has entered into various contracts (which are not leases, PFI contracts or other service concession arrangements) with early exit cost and / or minimum notice periods. Future payments to which the Authority is committed total £4 million and are as follows:

Authority	2023
Not later than one year	4
Later than one year and not later than five years	-
Later than 5 years	-

## Notes to the financial statements - continued

### 27. Retirement benefit schemes

The NDA group has a range of pension schemes including both defined contribution and defined benefit plans.

#### Defined contribution schemes

For defined contribution schemes the amount charged to operating costs is the contributions payable in the year. NDA and RWM employees have pension benefits 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, details are described on page 110). Prior to that date, NDA and RWM employees participated in the Principal Civil Service Pension Scheme (PCSPS). Further information on the PCSPS and Alpha pension schemes can be found within the notes to the Remuneration and People Report on pages 110 to 112.

Both Alpha and the PCSPS are unfunded multi-employer defined benefit schemes in which the NDA and RWM are unable to identify their share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016 and details can be found in the resource accounts of the Cabinet Office: Civil Superannuation at <http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>. The next actuarial valuation has not yet been completed. In accordance with guidance issued by HM Treasury, the Civil Service pension arrangements are accounted for as a defined contribution scheme in these financial statements.

Direct Rail Services Limited (DRS), International Nuclear Services Limited (INS), Sellafield Limited, Dounreay Site Restoration Limited (DSRL), LLW Repository Limited (LLWR) and Magnox Limited employees joining after the closure date of their respective defined benefit scheme (see below) participate on a defined contribution basis in the Combined Nuclear Pension Plan (CNPP).

A small number of employees transferred to the NDA from INS in 2018 and continue to accrue benefits in the United Kingdom Atomic Energy Authority (UKAEA) Combined Pension Scheme. The NDA is unable to identify their share of the underlying assets and liabilities and NDA's participation in the UKAEA Combined Pension Scheme is accounted for as if they were defined contribution schemes, as permitted under IAS 19.

INS employees participate in the UKAEA Combined Pension Scheme, the CNPP and the Magnox Electric Group section of the Electricity Supply Pension Scheme. Participation in these schemes is in sections with other employers and INS is unable to identify its share of the underlying assets and liabilities. Consequently INS's participation in these schemes is accounted for as if they were defined contribution schemes, as permitted under IAS 19. INS's contributions to these schemes are assessed as part of regular actuarial valuations of those schemes and will vary in line with the funding position of the relevant scheme. Pacific Nuclear Transport Limited (PNTL) participates in the following industry wide defined contribution schemes:

- The ENSIGN Retirement Plan; and
- The Merchant Navy Ratings' Group Personal Pension Plan (MNRGPPP)

The National Employment Savings Trust (NEST) is an auto enrolment scheme set up by the Government. There is a small number of NDA Group employees who have exhausted their participation in their respective pension schemes and have been auto enrolled into NEST.

The total cost charged to expenditure of £63 million (2022: £33 million) represents contributions payable to these schemes by the group at rates specified in the rules of the schemes. No contributions were outstanding at this or the previous year end.

#### Defined benefit schemes

The group participates in various pension schemes which are accounted for as defined benefit schemes.

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of scheme assets, together with any adjustments for unrecognised past service costs. Any amounts recoverable from third parties are recognised as separate assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in operating costs to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the benefits become vested. The interest cost and the expected return on assets are shown as a net amount of interest costs.

Pension scheme assets are recognised to the extent that they are recoverable and pension scheme liabilities are recognised to the extent that they reflect a constructive or legal obligation.

#### GPS DRS section of the CNPP

DRS participates in the GPS DRS section of the CNPP, a defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all DRS employees until 31 March 2008 when it was closed to new entrants.

#### Nirex section of the CNPP

The Nirex section of the CNPP is a defined benefit (final salary) funded pension scheme. The Nirex section was closed to new entrants on 1 April 2007 and has no active members.

#### Closed section of the CNPP

On the disposal of the Springfields Fuels operation the NDA took over direct responsibility of the pension liability within the Springfields Fuels section of the CNPP on 1 April 2010. The Closed section (formerly the Springfields Fuels Section) of the CNPP is a defined benefit (final salary) funded pension scheme. The Closed section was closed to new entrants and further accrual on 31 March 2010.



## Notes to the financial statements - continued

### 27. Retirement benefit schemes (continued)

#### Sellafield and GPS SLC sections of the CNPP

Sellafield Limited participates in the Sellafield and GPS SLC sections of the CNPP, a defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all Sellafield Limited employees up to 24 November 2008 when it was closed to new entrants.

#### Magnox section of the CNPP and Magnox Electric Group section of the Electricity Supply Pension Scheme

Magnox Limited participates in the Magnox and GPS SLC sections of the CNPP and the SLC section of the Magnox Electric Group section of the Electricity Supply Pension Scheme which is defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all Magnox Limited employees up to 26 June 2007 (or 1 November 2009 for former employees of Research Sites Restoration Limited) when it was closed to new entrants.

#### LLWR section of the CNPP

LLW Repository Limited participates in the LLWR section of the CNPP which is defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all LLW Repository Limited employees up to 1 April 2008 when it was closed to new entrants.

#### DSRL section of the CNPP

DSRL participates in the DSRL section of the CNPP which is defined benefit (final salary) funded pension scheme. The defined benefit structure was available to all DSRL employees up to 1 November 2009 when it was closed to new entrants.

#### Merchant Navy Officers Pension Fund (MNOFF)

PNTL employees participate in the Merchant Navy Officers Pension Fund (MNOFF). The MNOFF is an industry wide defined benefit (final salary) funded pension scheme. The scheme was closed on 1 November 1996. All costs relating to 'Pacific' vessels are recoverable under contract from customers and hence a recoverable amount is recognised to offset the related pension scheme deficit.

#### Merchant Navy Ratings Pension Fund (MNRPF)

PNTL employees participate in the Merchant Navy Ratings Pension Fund (MNRPF). The MNRPF is an industry wide defined benefit (final salary) funded pension scheme. The scheme was closed on 31 May 2001. The liabilities of the scheme have been capped at the level of benefits accrued to employees at the closure date, subject to adjustment for future actuarial valuations. All costs relating to 'Pacific' vessels are recoverable under contract from customers and hence a recoverable amount is recognised to offset the related pension scheme deficit. In relation to the CNPP and Magnox Electric Group section of the Electricity Supply Pension Scheme it is noted that:

- the scheme is sectionalised and individual sections cannot be liable for any other sections' obligations under the rules of the scheme
- there is no agreed allocation of any surplus or deficit should a participating employer withdraw from the scheme or on wind up. In such an event the participating employer's obligations would be subject to negotiation with the scheme trustees in light of the funding position of the scheme at that time
- The aggregate average duration of the CNPP obligation

is 19 years (2022: 25 years), although this differs slightly by section. For those sections within NDA Authority, the aggregate average duration is 16 years (2022: 20 years).

- The aggregate average duration of the Magnox Electric Group section of the electricity supply pension scheme obligation is 14 years (2022: 16 years).

In relation to the Merchant Navy schemes, whilst the schemes are sectionalised they operate on a 'last person standing' basis such that a participating employer can become liable for part of the obligations of another participating employer should that employer withdraw from the scheme with underfunded obligations. The average duration of the Merchant Navy schemes obligations is 12 years (2022: 13 years).

Actuarial valuations for the various defined benefit schemes referred to above are performed on a triennial basis with 'roll forward' valuations performed in intervening years. Accordingly the relevant valuations have been updated at 31 March 2023 by independent actuaries using assumptions that are consistent with the requirements of IAS 19 and the results of those calculations have been incorporated in the figures below. Investments have been valued for this purpose at fair value.

#### Risks associated with the group's defined benefit schemes

The defined benefit schemes expose the Group to a number of risks such as:

##### *Changes in bond yields*

Pension liabilities are calculated using discount rates linked to bond yields which are subject to volatility. In order to mitigate this risk the schemes hold a proportion of their assets in bonds, which provide a hedge against falling bond yields.

##### *Investment risk*

Some asset classes such as equities, which are expected to provide higher returns over the long term, are subject to short term volatility and may lead to deficits if assets underperform the discount rate used to calculate future liabilities. The allocation to such assets is monitored to ensure it remains appropriate given the schemes' long-term objectives.

##### *Inflation risk*

Since most of the scheme liabilities are indexed in line with price inflation, higher than assumed levels of inflation will increase the liabilities. In order to mitigate this risk the schemes hold a proportion of their assets in index-linked bonds.

##### *Longevity risk*

Increases in life expectancy will result in an increase in liabilities.

##### *Other risks*

There are a number of other risks involved in sponsoring defined benefit schemes including operational risks and legislative risks. The scheme trustees regularly assess these risks as part of their ongoing governance process.

The Merchant Navy Ratings Pension Fund Trustee became aware in 2018 of legal uncertainties relating to the ill-health early retirement benefits payable from the fund since the early 1990s. It is possible that the issue could result in significant additional benefit liabilities for the fund. The Trustee is seeking directions from the Court. No allowance has been made for the potential liabilities that could possibly arise.

## Notes to the financial statements - continued

### 27. Retirement benefit schemes (continued)

#### NDA Group

##### Employee benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:

	2023 £m	2022 £m
Benefit obligations	4,595	7,019
Fair value of scheme assets	(5,536)	(6,820)
<b>(Asset) / deficit in schemes</b>	<b>(941)</b>	199
Unrecognised asset under IAS 19 para 64b	198	81
Receivable from third parties	-	-
<b>Net (asset) / deficit recognised in schemes</b>	<b>(743)</b>	280

#### Statement of Comprehensive Net Expenditure

The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2023 £m	2022 £m
Current service cost	200	207
Past service cost	-	-
Net interest on net defined benefit (DB) assets/liabilities	6	13
<b>Net cost in SoCNE</b>	<b>206</b>	220
Actuarial (gain)/loss	(1,162)	(450)
Movement in unrecognised asset under IAS 19 para 64b	117	73
Receivable from third parties	-	-
<b>Actuarial (gain)/loss recognised in OCE</b>	<b>(1,045)</b>	(377)

#### Changes in the present value of the defined benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:

	2023 £m	2022 £m
Opening defined benefit obligation	7,019	6,745
Acquisition of Dounreay Site Restoration Limited	-	196
Acquisition of Low Level Waste Repository Limited	-	52
Current service cost	200	207
Past service cost	-	-
Net interest on scheme liabilities	184	140
Employee contributions	18	18
Actuarial (gain)/loss	(2,584)	(112)
Benefits paid	(242)	(227)
<b>Closing defined benefit obligation</b>	<b>4,595</b>	7,019

## Notes to the financial statements - continued

### 27. Retirement benefit schemes (continued)

#### Changes in the fair value of the scheme assets are as follows:

	2023 £m	2022 £m
Opening fair value of scheme assets	6,820	6,177
Acquisition of Dounreay Site Restoration Limited	-	136
Acquisition of Low Level Waste Repository Limited	-	34
Interest income on scheme assets	178	127
Actuarial gain/(loss)	(1,422)	338
Employer contributions	184	217
Employee contributions	18	18
Benefits paid	(242)	(227)
<b>Closing fair value of scheme assets</b>	<b>5,536</b>	<b>6,820</b>

#### Changes in the value of unrecognised assets under IAS 19 para 64b are as follows:

	2023 £m	2022 £m
Opening value of unrecognised assets	81	8
Movement in unrecognised assets	117	73
<b>Closing value of unrecognised assets</b>	<b>198</b>	<b>81</b>

#### Estimated expected employer contributions over the next financial year are as follows:

	2023 £m	2022 £m
Contributions including deficit repair payments	135	136

#### The major categories of plan assets as a percentage of total scheme assets are as follows:

	2023 %	2022 %
Equities	23	22
Property	13	11
Fixed interest gilts	-	-
Index linked gilts	11	10
Corporate bonds	6	6
Hedge funds	-	-
Credit investment	14	19
LDI fund	19	20
Other growth assets	11	9
Cash/other	3	3
<b>Total</b>	<b>100</b>	<b>100</b>

#### Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):

	2023	2022
Discount rate	4.65%	2.60%-2.65%
Future salary increases*	2.95%-3.25%	3.30%-3.90%
Rate of increase of pensions in payment	3.10%-3.25%	3.45%-3.80%
Rate of increase of pensions in deferment	2.65%-3.25%	3.20%-3.80%
Retail Price Inflation	3.10%-3.25%	3.45%-3.80%
Life expectancy for a male pensioner aged 65 (in years)	21.8	21.8
Life expectancy for a male non-pensioner currently aged 45 from age 65 (in years)	22.8	22.8

\*for those schemes with members accruing benefits future salary increases for 2023 are assumed to be between 2.95% and 3.25% in the first year, and then between 2.95% and 3.50% thereafter.

## Notes to the financial statements - continued

### 27. Retirement benefit schemes (continued)

#### Mortality assumption

##### 2023

MNOPF: S3PA (S3PA-H for female spouses), CMI 2020, long term rate of 1.8% p.a., 107% weighting for normal health members and male spouses, 88% for female spouses

MNRPF: S2IA, CMI 2021, long term rate of 1.6% p.a. (weighting 84% for normal health male members, 96% for female spouses)

Magnox Electric: 100%(pensioner)/105% (non-pensioner) of the S3PMA/S3PFA\_M tables with CMI 2021 projections (SK=7.0, A=0.5) and a long term rate of improvement of 1.0% p.a.

All others: 110% S3P SAPS base tables, CMI 2021 projections with a long term trend of 1.25% p.a.

##### 2022

MNOPF: S3PA (S3PA-H for female spouses), CMI 2020, long term rate of 1.8% p.a., 107% weighting for normal health members and male spouses, 88% for female spouses

MNRPF: S2IA, CMI 2020, long term rate of 1.6% p.a. (weighting 84% for normal health male members, 96% for female spouses)

Magnox Electric: 95%(pensioner)/100% (non-pensioner) of the S2PXA tables with CMI 2020 projections (SK=7.0, A=0.5) and a long term rate of improvement of 1.0% p.a.

All others: 110% S3P SAPS base tables, CMI 2020 projections with a long term trend of 1.25% p.a.

	<b>2023</b>	2022
	<b>£m</b>	£m
Experience adjustments on plan liabilities	<b>(182)</b>	29
Experience adjustments on plan assets	<b>(1,423)</b>	338

#### Sensitivity analysis

Change to	Change in assumption	Impact on DB obligation as at 31.03.23	Change in assumption	Impact on DB obligation as at 31.03.23
Discount rate	Increase by 0.5%	-8.0%	Decrease by 0.5%	8.5%
Rate of salary increase	Increase by 0.5%	1.5%	Decrease by 0.5%	-1.5%
Rate of price inflation	Increase by 0.5%	8.4%	Decrease by 0.5%	-7.7%
Rate of mortality	Increase by 1 year	3.6%		

## Notes to the financial statements - continued

### 27. Retirement benefit schemes (continued)

#### Authority

##### Employee benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:

	2023 £m	2022 £m
Benefit obligations	90	143
Fair value of scheme assets	(121)	(157)
(Asset)/deficit in schemes	(31)	(14)
Receivable from third parties	-	-
<b>Net (asset)/deficit recognised in schemes</b>	<b>(31)</b>	<b>(14)</b>

##### Statement of Comprehensive Net Expenditure

The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2023 £m	2022 £m
Current service cost	-	-
Net interest on net defined benefit assets / liabilities	-	-
<b>Net cost in SoCNE</b>	<b>-</b>	<b>-</b>
Actuarial (gain)/loss	(17)	(4)
Receivable from third parties	-	-
<b>Actuarial (gain)/loss recognised in OCE</b>	<b>(17)</b>	<b>(4)</b>

##### Changes in the present value of the defined benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:

	2023 £m	2022 £m
Opening defined benefit obligation	143	143
Net interest on scheme liabilities	4	3
Actuarial (gain)/loss	(52)	1
Benefits paid	(5)	(4)
<b>Closing defined benefit obligation</b>	<b>90</b>	<b>143</b>

Changes in the fair value of the scheme assets are as follows:

	2023 £m	2022 £m
Opening fair value of scheme assets	157	152
Interest income on scheme assets	4	3
Employer contributions	-	1
Actuarial gain/(loss)	(35)	5
Benefits paid	(5)	(4)
<b>Closing fair value of scheme assets</b>	<b>121</b>	<b>157</b>

Estimated expected employer contributions over the next financial year are as follows:

	2023 £m	2022 £m
<b>Contributions including deficit repair payments</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements - continued

### 27. Retirement benefit schemes (continued)

The major categories of plan assets as a percentage of total scheme assets are as follows:

	2023 %	2022 %
Equities	33	35
Property	10	8
Fixed interest gilts	-	-
Index linked gilts	33	34
Corporate bonds	12	10
Credit investments	11	11
Cash	1	2
<b>Total</b>	<b>100</b>	<b>100</b>

Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):

	2023	2022
Discount rate	4.65%	2.65%
Future salary increases	0.00%	0.00%
Rate of increase of pensions in payment	3.10% - 3.20%	3.60%-3.65%
Rate of increase of pensions in deferment	2.75% - 3.20%	3.20%-3.65%
Retail Price Inflation	3.20%	3.65%-3.80%
Life expectancy for a male pensioner aged 65 (in years)	21.3	21.2
Life expectancy for a male non pensioner currently aged 45 from age 65 (in years)	22.6	22.6

#### Mortality assumption

##### 2023

Nirex and Closed: 110% S3P SAPS CMI21 projections, 1.25% trend

##### 2022

Nirex and Closed: 110% S2P SAPS CMI20 projections, 1.25% trend

	2023 £m	2022 £m
Experience adjustments on plan liabilities	(6)	(2)
Experience adjustments on plan assets	(35)	5

#### Sensitivity analysis

Change to	Change in assumption	Impact on DB obligation as at 31.03.23	Change in assumption	Impact on DB obligation as at 31.03.23
Discount rate	Increase by 0.5%	-8.2%	Decrease 0.5%	9.0%
Rate of salary increase	Increase by 0.5%	0.0%	Decrease by 0.5%	0.0%
Rate of price inflation	Increase by 0.5%	9.0%	Decrease by 0.5%	-8.2%
Rate of mortality	Increase by 1 year	3.2%		

## Notes to the financial statements - continued

### 28. Non-controlling interests

<b>NDA Group</b>	<b>2023</b>	2022
	<b>£m</b>	£m
At 1 April	<b>2</b>	2
Change in equity of non-controlling interests during year	-	-
<b>At 31 March</b>	<b>2</b>	2

### 29. Contingent liabilities

#### Indemnities

Under the transfer scheme of 1 April 2005, the NDA assumes responsibility for all occurrences relating to the designated nuclear sites that took place up to that date.

a) At 31 March 2023 the NDA held inventories of reprocessed uranic material. These materials are currently held at nil value, due to uncertainty over their future use, which may result in as-yet-unquantified liabilities for the NDA.

b) Whilst not the lead employer, the NDA is the lead organisation and has ultimate responsibility for certain nuclear industry pension schemes, including the Combined Nuclear Pension Plan, the Magnox section of the ESPS, and the GPS Pension Scheme. Provisions for known deficits are included within nuclear provision. However, movements in financial markets may adversely impact the actuarial valuations of the schemes, resulting in an increase in scheme deficits and consequent increase in the nuclear provision.

c) In previous reporting periods the Authority maintained a provision for the settlement of health claims payable to former employees in the civil nuclear industry. Claims have reduced to a non-material level in recent years and the future level of remaining claims is expected to be non-material and not able to be accurately forecast. The Authority has therefore discontinued accounting for the provision but recognises the resulting contingent liability.

#### International Carrier Bond

During 2014/2015 the NDA procured a US Bond on behalf of their subsidiary, International Nuclear Services Limited, in order to meet US law in respect of vessels calling at US ports for commercial purposes. This Bond is required to ensure that all duties, taxes and fees owed to the Federal Government are paid. The Bond would therefore only be called on in the case of non-payment of any of the above, and the total cost would not be expected to exceed \$100,000.

#### Advanced Gas-cooled Reactor (AGR)

On 23 June 2021 the NDA, Government and EDF Energy entered into new decommissioning arrangements for seven Advanced Gas-cooled Reactor (AGR) stations in which Government has directed NDA to take on the future ownership of the stations for decommissioning. The work will be undertaken by the NDA subsidiary Magnox Limited. The NDA will recognise the estimated future liability in its financial statements for each of the stations at the respective points at which NDA takes ownership. The completion and timing of the transfer of ownership is currently uncertain and contingent on the fulfilment of a number of conditions by the parties involved. The NDA therefore recognises a contingent liability for the future decommissioning costs of the stations. This has been estimated by the current owner of the stations at £18,515 million (undiscounted) in its most recently published financial statements.

## Notes to the financial statements - continued

### 30. Related parties

#### Government bodies

The NDA is an Executive non departmental government body. For the reporting period NDA was sponsored by BEIS, which is regarded as a related party. From 1 April 2023, NDA has been designated to DESNZ, please see note 2.1. During the year, the NDA has had various material transactions with the parent body and with other entities for which the parent body is regarded as the responsible department. The NDA receives grant financing from the parent body.

In the course of its normal business the NDA enters into transactions with Government owned banks. In addition, the NDA has a small number of material transactions with other Government departments and other central Government bodies.

#### Directors' transactions

During the year, payments of £9,287 were made to a former director, V.Beckers for advice to the Board after October 2022. No further material transactions were undertaken between Board members, key managers or other related parties and the NDA.

#### Related party transactions

During the year, Group companies entered into the following transactions with related parties:

	Sales of goods to parent		Purchase of goods from parent		Amounts owed by related parties		Amounts owed to related parties	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Sellafield Limited	(2,527)	(2,357)	25	17	19	19	466	405
Magnox Limited	(504)	(466)	3	2	2	3	93	86
Dounreay Site Restoration Limited	(207)	(205)	1	1	-	-	32	32
Low Level Waste Repository Limited	(109)	(68)	-	-	-	-	24	22
Direct Rail Services Limited	(36)	(32)	1	1	8	8	-	-
INS Limited	(70)	(76)	1	3	1	155	3	-
INS France SAS	-	-	-	-	-	-	-	-
INS Japan KK	-	-	-	-	-	-	-	-
NDA Properties Limited	(11)	(1)	-	-	28	39	-	-
Pacific Nuclear Transport Limited	-	-	1	1	-	-	-	-
Rutherford Indemnity Limited	-	-	-	-	-	-	-	-
Radioactive Waste Management Limited	(105)	(80)	3	4	15	1	1	2
NDA Archives Limited	(6)	(6)	2	2	-	-	1	1
	<b>(3,575)</b>	<b>(3,291)</b>	<b>37</b>	<b>31</b>	<b>73</b>	<b>225</b>	<b>620</b>	<b>548</b>

Sales of goods to related parties were made at arm's length prices. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

#### Loans to related parties

Amounts owed by Direct Rail Services includes a loan of £7 million which is interest bearing at a fixed percentage above Bank of England base rate. The loan is not repayable until at least 2024.

Amounts owed by NDA Properties Limited includes a loan of £20 million which is interest bearing at a fixed rate, repayable in instalments over twenty five years to 2038. At 31 March 2023 the balance owing was £14 million (2022: £15 million).



## Notes to the financial statements - continued

### 30. Related parties (continued)

#### Key management compensation

Key management includes executive and non-executive directors together with those members of senior management who form part of the executive team. The compensation paid or payable to key management for employee services is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual directors is provided in the audited part of the Remuneration Report on pages 97 to 102.

<b>Authority</b>	<b>2023 £'000</b>	2022 £'000
Short-term employee benefits	<b>4,546</b>	4,718
Post-employment benefits	<b>435</b>	472
Other long-term benefits	<b>1,907</b>	1,476
<b>Total key management compensations</b>	<b>6,888</b>	6,666

Volker Beckers stepped down from the Board in October 2022 and was retained as an advisor to the Board until April 2023. Payments totalling £9,287 were paid covering this period in which he was no longer a non-executive director.

### 31. Events after the reporting period

- IAS 10 requires the NDA to disclose the date on which the accounts are authorised for issue. The Accounting Officer authorised these Financial Statements on 12 September 2023. The Report of the Comptroller and Auditor General was issued on 14 September 2023 (pages 138 to 140.)
- On 1 April 2023 Downreay Site Restoration Ltd combined with Magnox Ltd.



Performance analysis

The following section provides a summary as to how each of the organisations in the NDA group has performed in 2022/23 against the key activities and milestones set out in our 2022-25 Business Plan. The performance of Urenco Nuclear Stewardship Ltd and Springfields Fuels Ltd is also included due to their role in decommissioning our sites at Capenhurst and Springfields.

The 'golden thread' from the NDA's 47 strategic outcomes to each of these key activities and milestones is also shown.

In addition to the activities set out in the NDA Business Plan, the top tier of targets for the group to achieve in 2022/23 are reflected in our Group Key Targets.

Progress against these targets is reported to the NDA Board and UK Government on a monthly basis.



## Performance analysis continued

# NDA Group Key Targets 2022/23

During 2022/23 we had 21 Group Key Targets. These cover group-wide targets, targets specific to our individual businesses and targets specific to the NDA.

Status		Number of targets
Complete	Target achieved	17
Missed	Target missed	4

Status	Operating company	Strategic outcomes	Priority target/detail	Year end status	Commentary
1	Sellafield	31 36 18 B	Combined operational throughput	Missed	Declared missed as three out of the four operational areas included in this target have not achieved their 'threshold' year end target – Legacy Ponds, Waste Vitrification Plant and Special Nuclear Materials (SNM) Store 17 emptying. The fourth area, SNM Type 1 Overpack, has achieved stretch target
2	Sellafield	31	Magnox Swarf Storage Silo (MSSS) waste retrievals	Complete	
3	Sellafield	31	Pile Fuel Cladding Silo (PFCS) commence retrieval operations and demonstrate the end-to-end process	Missed	Declared missed due to the requirement for additional recovery testing within BEPPS/DIF, this facility will not be in a position to receive any exports from PFCS until later in the year
4	Sellafield	3 4	Magnox Fuel Reprocessing Exit Strategy	Complete	
5	Sellafield		Acceleration of Programme and Project Partners (PPP)	Complete	
6	Sellafield	19 33	Schedule Adherence - SCP, SRP & BEP	Complete	
7	Magnox	31 32 33 42	Projects Delivery (Waste and Decommissioning)	Complete	
8	Magnox	31 32 33	ILW retrievals	Complete	
9	Dounreay	41	Installation of the Water Vapour Nitrogen system	Complete	
10	Dounreay	33	Dounreay Cementation Plant Store Extension	Complete	
11	NWS	34 39	Community Partnerships and Seismic Work	Complete	
12	NTS	CE	Deliver Mixed Oxide (MOX8) fuel	Complete	
13	NDA	CE	Embedding the Group Operating Framework (GOF)	Missed	Declared missed due to one out of five sub-measures being missed, issue a Group Leadership Team approved One NDA phase 2 vision and plan, due to a delay in procurement and onboarding of Q5 Partners

Status	Operating company	Strategic outcomes	Priority target/detail	Year end status	Commentary
14	NDA	20	Deliver Strategic Outline Case (SOC) for Pu Disposition	Complete	
15	NDA	CE	Delivery of Group Asset Management Strategy	Complete	
16	NDA group	CE	Sustainability	Complete	
17	NDA group	CE	Social value	Complete	
18	NDA group	CE	Survey response	Missed	Declared missed based on results of survey of NDA employees. Although the response rate increased by 3% points to 94% (achieving the stretch attainment level for this sub-target), the overall engagement score remained the same at 6.8
19	NDA group	CE	Skills agenda	Complete	
20	NDA	CE	Delivery of the Inclusion Strategy	Complete	
21	NDA / Magnox	6 9	Advanced Gas-Cooled Reactor (AGR) Defueling receipts and Seamless Transfer	Complete	

## Performance analysis - Business Plan activities 2022-25

# NDA



The NDA is an executive non-departmental public body created by the Energy Act 2004 to lead the clean-up and decommissioning work at the NDA's 17 sites on behalf of government. NDA is sponsored and funded by the Department for Energy Security and Net Zero (DESNZ), formerly the Department for Business, Energy and Industrial Strategy (BEIS).

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2022/23	0
On schedule	The activity is on track to be completed to schedule	39
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	0
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	0

All activities remain on schedule to be completed during 2023-25.

## Performance analysis - Site Licence Companies

# Sellafield Limited



Sellafield Ltd is an NDA subsidiary, responsible for operating and decommissioning Europe's largest and most complex nuclear site. This includes cleaning up nuclear facilities and safeguarding nuclear fuel, materials and waste.

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2022/23	3
On schedule	The activity is on track to be completed to schedule	22
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	4
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	3
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	0

The activities that have been completed, missed or deferred during 2022/23 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
<b>Spent Fuels</b>				
Complete the capability to export all fuel for interim storage	2	2022-2023	Missed	Impacted by the Self-Shielded Box (SSB) skip clash recovery work. The requirements to complete active commissioning is now forecast to be complete in 2023/24
Complete Magnox reprocessing and continued interim storage in FHP for any remnant fuel	3 4	2022-2023	Complete	
<b>Integrated Waste Management</b>				
Magnox Swarf Storage Silo (MSSS) - commence retrievals	31	2022-2023	Complete	
Pile Fuel Cladding Silo (PFCS) - first box of waste from early retrievals delivered to store	31	2022-2023	Missed	The failure of the Waste Retrievals Crane has delayed this activity. Commencement of waste Retrievals and export to store is currently planned for 2023/24
<b>Site Decommissioning and Remediation</b>				
Complete decommissioning and demolition of the upper diffuser section of the Windscale Pile Chimney Number 1	42 43	2022-2023	Complete	
Commence post operational clean-out (POCO) of Magnox Reprocessing Plant	42	2022-2023	Missed	The date for transition from Spent Fuel Management into Remediation (and subsequently POCO start) has been moved to 2024 due to operational issues

## Performance analysis - Site Licence Companies

# Magnox Limited



Magnox is an NDA subsidiary, responsible for 12 nuclear sites across the UK: Berkeley, Bradwell, Chapelcross, Dungeness A, Harwell, Hinkley Point A, Hunterston A, Oldbury, Sizewell A, Trawsfynydd, Winfrith and Wylfa. Magnox also generates electricity at the Maentwrog hydroelectric plant.

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2022/23	0
On schedule	The activity is on track to be completed to schedule	23
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	0
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	0

Summary of site performance:

Site	Status				
	Completed	On schedule	Behind schedule	Missed	Deferred
Berkeley	-	3	-	-	1
Bradwell (in care and maintenance)	-	1	-	-	-
Chapelcross	1	3	1	-	1
Dungeness A	-	5	-	-	-
Harwell	-	6	-	-	1
Hinkley Point A	1	4	-	-	1
Hunterston A	-	6	-	-	-
Oldbury	-	6	-	-	-
Sizewell A	-	5	-	-	-
Trawsfynydd	-	3	-	1	-
Winfrith	-	3	1	-	1
Wylfa	1	3	1	-	-

The activities that have been achieved, missed or deferred during 2022/23 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
<b>Integrated Waste Management</b>				
<b>Chapelcross</b> Complete design and build of ILW Encapsulation facility	31 32	2022-2023	Complete	
<b>Hinkley Point A</b> Complete design and build of ILW Encapsulation facility	31 32	2022-2023	Complete	



Key activities	Strategic outcome	Timescale	Status	Commentary
<b>Site Decommissioning and Remediation</b>				
<b>Berkeley</b> Commence the deplant and demolition of the Caesium Removal Plant	42 43	2022-2025	Deferred	Funding has been redirected onto higher priority projects, resulting in this work being deferred. Due to commence 2025/26
<b>Chapelcross</b> Commence and progress Turbine Hall asbestos removal	42	2022-2025	Deferred	Funding has been redirected onto higher priority projects, resulting in this work being deferred. Due to commence 2025/26
<b>Harwell</b> Continue decommissioning, demolition, land remediation, reinstatement and delicensing of the Liquid Effluent Treatment Plant (LETP)	42	2022-2025	Deferred	Funding has been redirected onto higher priority projects, resulting in this work being deferred. The next phase of work has been deferred and is expected to commence in 2024
<b>Hinkley Point A</b> Commence the decommissioning of the Active Effluent Treatment facilities	42	2022-2025	Deferred	Funding and the limited resources have been redirected onto higher priority projects, resulting in this work being deferred
<b>Trawsfynydd</b> Continue and complete Reactor Height Reduction enabling activities	42	2022-2023	Missed	Baseline extended due to additional scope when aligned to the contractor programme
<b>Winfrith</b> Commence and progress the removal of the discharge pipelines	42	2022-2025	Deferred	Deferred to commence 24/25 in order to optioneer and develop the strategy
<b>Wylfa</b> Continue and complete asbestos removal from the De-aerator floor of the Turbine Hall	42	2022-2023	Complete	

## Performance analysis - Site Licence Companies

# Dounreay



Dounreay in the north of Scotland was operated by Dounreay Site Restoration Limited during the period of this report. On 1 April 2023 it became a division of Magnox Ltd.

### Summary of operating company performance

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2022/23	0
On schedule	The activity is on track to be completed to schedule	6
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	0
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	1
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	4

The activities that have been completed, missed or deferred during 2022/23 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
<b>Integrated Waste Management</b>				
Complete design and build of D3110 Waste Treatment Plant	28	2023-2024	Deferred	Deferred until resource becomes available from priority projects
Complete construction of Dounreay Cementation Plant (DCP) Store Extension Construction	32	2022-2023	Missed	Project delays stemming from pandemic restrictions, contractor resource issues and weather conditions limiting lifting activities
<b>Site Decommissioning and Remediation</b>				
Dounreay Material Test Reactor Building Complex Decontamination Complete	42	2023-2024	Deferred	Resource redeployed to site priorities
PFR - Complete Reactor Vessel Residual Sodium Treatment Operations - Turn Reactor Vessel atmosphere from nitrogen to air	42	2022-2023	Deferred	Prior project over run / resource capability
Dounreay Material Test Reactor Structures demolished	43	2023-2024	Deferred	Resource redeployed to site priorities

# Nuclear Waste Services



Nuclear Waste Services (NWS) launched in January 2022. This new organisation brings together the long-established expertise of site operator Low Level Waste Repository Limited (LLWR), Geological Disposal Facility (GDF) developer Radioactive Waste Management (RWM) Limited and the NDA's Integrated Waste Management Programme. The NWS vision is to make nuclear waste permanently safe as soon as possible. It is focused on managing UK nuclear waste safely, innovatively, and sustainably, while driving value for money.

NWS is not a legal entity but provides strategic oversight over the operation and development of these businesses through a management board governance structure. The legal entities of LLWR and RWM will endure, although the intention is to move to a single legal entity operating under the NWS brand at an appropriate point in the future.

## Summary of operating company performance

Status		Scheduled activities	
		LLWR	RWM
Completed	The activity has been completed during the financial year 2022/23	3	0
On schedule	The activity is on track to be completed to schedule	13	6
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	1	1
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	0	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	0	0

The activities that have been completed, missed or deferred during 2022/23 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
<b>Integrated Waste Management</b>				
LLWR - Type B packaging capability to support NDA and Ministry of Defence customers	33	2022-2025	Complete	
<b>Site Decommissioning and Remediation</b>				
LLWR - Enabling works for phased construction of the final cap for trenches 1 to 7 and Vault 8	41	2022-2025	Complete	
<b>Critical Enablers</b>				
LLWR - Manage the existing LLWR Management and Operations contract through to completion and transition to new ownership arrangements	CE	2022-2025	Complete	

## Performance analysis - Site Licence Companies

# Nuclear Transport Solutions



Nuclear Transport Solutions (NTS) provides the NDA group with specialist transport and logistics capabilities.

Delivering our mission relies on being able to transport radioactive materials and other freight safely and sustainably. NTS supports this by transporting spent nuclear fuel from UK power stations to Sellafield, returning reprocessed products to customers overseas, and providing packaging and licensing solutions to the NDA group.

It also generates revenue through commercial opportunities in the UK and overseas – offsetting the cost of delivering decommissioning and clean-up work at the UK's oldest nuclear sites.

NTS operates Direct Rail Services (DRS) and Pacific Nuclear Transport Limited (PNTL) to deliver rail and shipping services for customers, building on decades of experience of providing safe, secure and reliable transport solutions.

### Summary of operating company performance

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2022/23	0
On schedule	The activity is on track to be completed to schedule	12
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	0
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	0

There were no activities planned for completion during 2022/23 however all activities remain on schedule to be completed during 2023-25.

## Performance analysis - Other businesses that support the NDA mission

# NDA Archives Limited

NDA Archives is an NDA subsidiary, responsible for Nucleus (the Nuclear and Caithness Archives) and related operational activities across the NDA group. The Nucleus facility is currently operated by a commercial partner and provides the centre of excellence for long-term records management, archive services, digital preservation and heritage management.

### Summary of performance

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2022/23	1
On schedule	The activity is on track to be completed to schedule	3
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	2
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	1

The activities that have been completed, missed or deferred during 2022/23 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
<b>Critical Enablers</b>				
Continuing development of the Hub and Spokes delivery model – centralised inventory and management with dispersed, off-site storage where appropriate	CE	2022-2023	Complete	
Re-competition of the commercial partner contract	CE	2022-2023	Deferred	Competition process taking longer than originally expected and will now be completed in 2023/24

## Performance analysis - Other businesses that support the NDA mission

# NDA Properties Limited

NDA Properties Ltd is an NDA subsidiary, holding and managing the majority of the non-nuclear property assets within the NDA group.

### Summary of performance

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2022/23	0
On schedule	The activity is on track to be completed to schedule	4
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	0
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	0

There were no activities planned for completion during 2022/23 however all activities remain on schedule to be completed during 2023-25.


# Rutherford Indemnity Limited

Rutherford Indemnity Ltd provides insurance cover for the NDA group. The company is a wholly-owned subsidiary, managed for the NDA by Marsh Management Services Guernsey Limited, and has no direct employees.

## Summary of performance

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2022/23	1
On schedule	The activity is on track to be completed to schedule	4
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	0
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	0

The activities that have been completed, missed or deferred during 2022/23 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
<b>Critical Enablers</b>				
Participate in joint tender with NDA for insurance broker services that support the group insurance strategy and the Rutherford reinsurance placement	 CE	2022-2023	Complete	

## Performance analysis - Other businesses that support the NDA mission

# Energus

# ENERGUS.

Energus is an NDA subsidiary offering conference and events facilities and a range of training, education and business support services geared to providing and enhancing skills within both the local and national nuclear workforce.

### Summary of performance

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2022/23	0
On schedule	The activity is on track to be completed to schedule	6
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	0
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	0

There were no activities planned for completion during 2022/23 however all activities remain on schedule to be completed during 2023-25.



# Springfields Fuels Limited

Springfields is a nuclear fuel manufacturing site and is located near Preston in Lancashire. The site is operated by Springfields Fuels Limited (SFL) and is used to manufacture a range of fuel products for UK and international customers, the processing of historic uranic residues and decommissioning of redundant facilities.

From April 2010, the NDA permanently transferred ownership of the company to Westinghouse Electric including the freedom to invest for the future under the terms of a new 150-year lease. SFL is contracted to provide decommissioning and clean-up services to the NDA to address historic liabilities.

## Summary of performance

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2022/23	1
On schedule	The activity is on track to be completed to schedule	1
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	1
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	0

The activities that have been completed, missed or deferred during 2022/23 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
<b>Site Decommissioning and Remediation</b>				
Complete post operational clean out of the Residues Recovery Plant	41	2022-2023	Complete	

## Performance analysis - Other businesses that support the NDA mission

# Capenhurst

The NDA Capenhurst site is located near Ellesmere Port in Cheshire.

In 2012, the site was transferred to URENCO, owners of the adjacent licensed site, and was amalgamated into a single nuclear licensed site. As part of this transfer, URENCO established Urenco Nuclear Stewardship (UNS), formerly known as Capenhurst Nuclear Services, to provide responsible management of uranic materials and carry out remediation work on behalf of the NDA.

UNS manages a large proportion of the NDA's uranic inventory and also provides broader decommissioning and demolition works for redundant facilities, in order to reduce liability and optimise space utilisation on site.

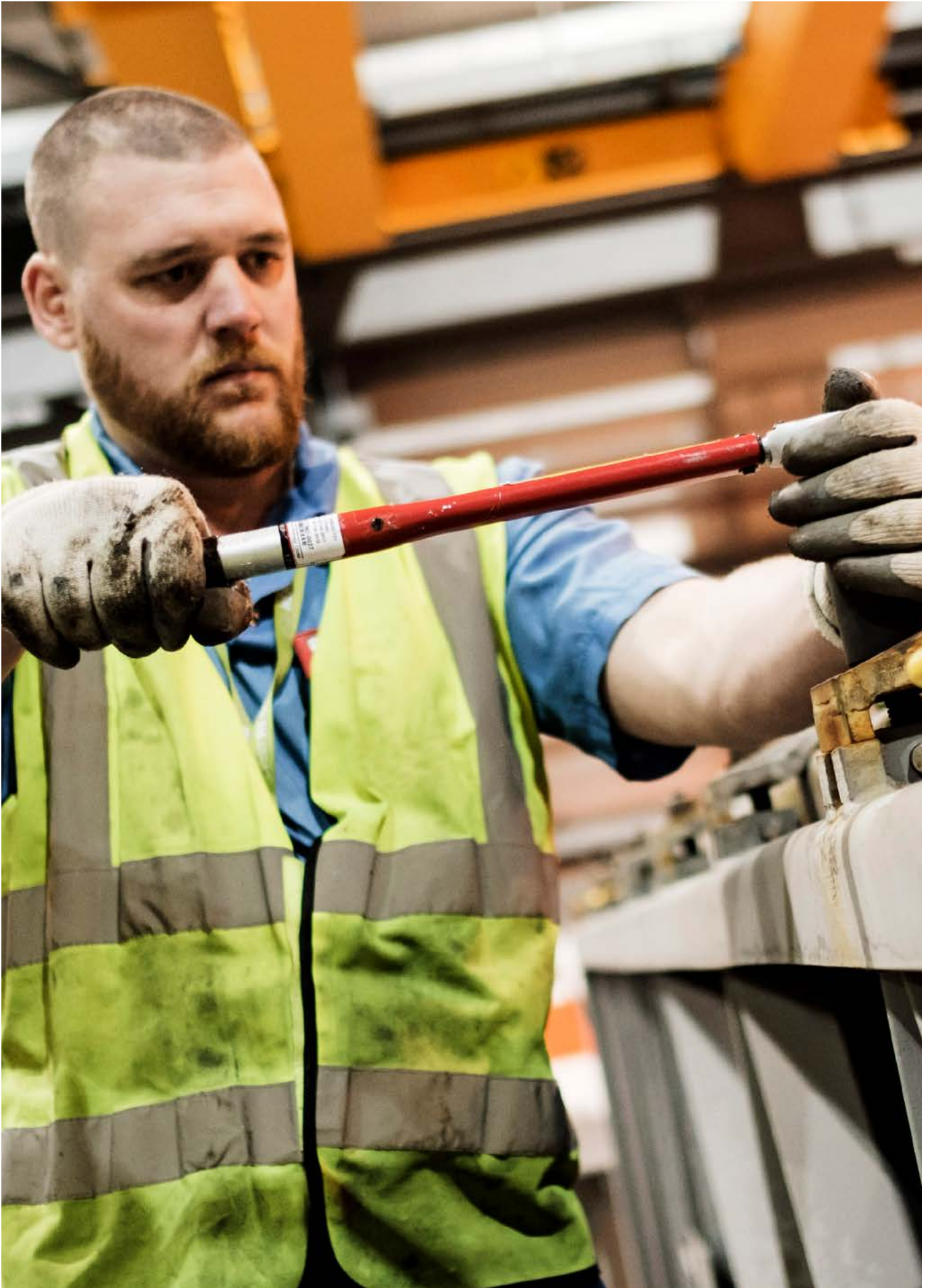
### Summary of performance

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2022/23	0
On schedule	The activity is on track to be completed to schedule	1
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	1
Missed	The activity was due for completion during the financial year 2022/23 and has been missed	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	0

There were no activities planned for completion during 2022/23 however all activities remain on schedule to be completed during 2023-25.



**David Peattie** CEng HonFNUcl  
Accounting Officer and Group Chief Executive Officer  
12 September 2023



# Glossary and abbreviations

A&RAC	Audit and Risk Assurance Committee	NOMCO	Nominations Committee
AGR	Advanced Gas-cooled Reactor	NTS	Nuclear Transport Solutions
BEIS	Department for Business Energy and Industrial Strategy	OHI	Organisational Health Index
BEP	Box Encapsulation Plant	ONR	Office for Nuclear Regulation
C&AG	Comptroller and Auditor General	OpCo	Operating Company
CETV	Cash Equivalent Transfer Value	P&PC	Programmes and Projects Committee
CEO	Chief Executive Officer	PAC	Public Accounts Committee
CFO	Chief Financial Officer	PBO	Parent Body Organisation
CPS	Combined Pension Scheme	PCSPS	Principal Civil Service Pension Scheme
DESNZ	Department for Energy Security and Net Zero	PFCS	Pile Fuel Cladding Silo
DRS	Direct Rail Services Ltd	PFSP	Pile Fuel Storage Pond
DSRL	Dounreay Site Restoration Ltd	PNTL	Pacific Nuclear Transport Ltd
EA	Environment Agency	PPP	Programme and Projects Partners
EAP	Employee Assistance Programme	R&D	Research and Development
ED&I	Equality, Diversity and Inclusion	REMCO	Remuneration Committee
FGMSP	First Generation Magnox Storage Pond	RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
GDF	Geological Disposal Facility	RWM	Radioactive Waste Management Ltd
GLT	Group Leadership Team	SEP	Silo Emptying Plant
GSR	Group Strategic Risks	SEPA	Scottish Environment Protection Agency
HAL	Highly Active Liquor	SFL	Springfields Fuels Ltd
HLW	High Level Waste	SGHWR	Steam Generating Heavy Water Reactor
HMG	Her / His Majesty's Government	SIRO	Senior Information Risk Owner
HSE	Health and Safety Executive	SLC	Site Licence Company
HSSE	Health, Safety, Security and Environment Committee	SME	Small and Medium-sized Enterprises
IAS	International Accounting Standards	STEM	Science, Technology, Engineering and Mathematics
ICT	Information Communications Technology	STIP	Short-Term Incentive Plan
IFF	Integrated Financial Framework	THORP	Thermal Oxide Reprocessing Plant
IFRS	International Financial Reporting Standards	TRIR	Total Recordable Incident Rate
ILW	Intermediate Level Waste	UKGI	UK Government Investments
INES	International Nuclear and Radiological Event Scale		
INS	International Nuclear Services Ltd		
IWM	Integrated Waste Management		
JCG	Joint Consultation Group		
LLW	Low Level Waste		
LLWR	Low Level Waste Repository Ltd		
LTIP	Long-Term Incentive Plan		
M&A	Mergers and Acquisitions		
MOX	Mixed Oxide Fuel		
MSSS	Magnox Swarf Storage Silo		
NAO	National Audit Office		
NDA	Nuclear Decommissioning Authority		
NDPB	Non-Departmental Public Body		
NED	Non-Executive Board Director		

Care and maintenance	When a Magnox reactor site is kept in a state of Care and Maintenance, it is made safe for a planned period of quiescence, after which decommissioning activities will commence.	NDA estate	The businesses that support the NDA mission – Sellafield, Magnox, DSRL, LLWR, DRS, INS, RWM, NDA Archives, NDA Properties, Rutherford Indemnity, Energus, Springfield's Fuels Ltd and URENCO Nuclear Stewardship Ltd.
End state	Condition of a nuclear site (including the land, structures and infrastructure) following completion of decommissioning and clean-up activities, and any controls to be applied during its subsequent use.	NDA group	This is the group of businesses included in the statutory accounts. These are NDA, Sellafield, Magnox, DSRL, LLWR, INS (including subsidiaries PNTL, INS Japan, INS France SAS), DRS, RWM, NDA Archives, NDA Properties and Rutherford Indemnity. LLWR and RWM have combined to become Nuclear Waste Services (NWS).
Interim state	An interim state describes the condition of a site or facility (including land) at specific points en-route to the site end state. It is a natural milestone or decision point in the decommissioning and remediation programme that typically represents a significant reduction in risk or hazard. An interim state does not automatically infer a period of quiescence; it can be followed by continuous or deferred decommissioning.	One NDA	A way of working more effectively and efficiently to maximise the opportunities within the group of businesses.
Interim end state	An interim end state is a specific type of interim state. It marks the end of all physical works. No more active remediation will take place to achieve the site end state, i.e. further remediation will be passive for example as a consequence of radioactive decay or natural attenuation of contamination.		
NDA authority	This is used to describe the Executive Non-Departmental Public Body created under the Energy Act and the performance of which is reported in this document.		

# Useful links and documentation

- Nuclear Decommissioning Authority (<https://www.gov.uk/government/organisations/nuclear-decommissioning-authority>)
- Department for Energy Security and Net Zero (<https://www.gov.uk/government/organisations/department-for-energy-security-and-net-zero>)
- Sellafield Ltd ([www.gov.uk/government/organisations/sellafield-ltd](http://www.gov.uk/government/organisations/sellafield-ltd))
- Magnox Ltd ([www.gov.uk/government/organisations/magnox-ltd](http://www.gov.uk/government/organisations/magnox-ltd))
- Dounreay ([www.gov.uk/government/organisations/dounreay](http://www.gov.uk/government/organisations/dounreay))
- Capenhurst Nuclear Services Ltd (<https://www.urencocom/>)
- Springfields Fuels Ltd (<https://www.westinghousenuclear.com/>)
- Nuclear Waste Services (<https://www.gov.uk/government/organisations/nuclear-waste-services>)
- Nuclear Transport Solutions (<https://nucleartransportsolutions.com/>)

## Useful documentation

- The NDA group Sustainability Strategy 2022 - GOV.UK ([www.gov.uk/nda](http://www.gov.uk/nda))
  - NDA's response to the Magnox Inquiry and Departmental review ([www.gov.uk/nda](http://www.gov.uk/nda))
  - NDA Strategy - March 2021 ([www.gov.uk/nda](http://www.gov.uk/nda))
  - NDA Business Plan 2022 to 2025 and NDA Business Plan 2023 to 2026 ([www.gov.uk/nda](http://www.gov.uk/nda))
  - NDA Mid-Year Performance Report 2022 to 2023 ([www.gov.uk/nda](http://www.gov.uk/nda))
  - NDA Research and Development 5 year plan: 2019 to 2024 ([www.gov.uk/nda](http://www.gov.uk/nda))
  - NDA Corporate Centre: gender pay gap report, 2021/22 ([www.gov.uk/nda](http://www.gov.uk/nda))
  - Register of Director's Interests and associated procedure ([www.gov.uk/nda](http://www.gov.uk/nda))
-

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