



Nuclear Decommissioning Authority Annual Report and Accounts 2023/24



Nuclear Decommissioning Authority

Annual Report and Accounts 2023/24

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Front cover image: Nuclear Waste Services operator working at the Low Level Waste Repository

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Overview of performance **2023/24**

This overview section provides an insight into our work during 2023/24 and highlights areas of progress for this year. We have described these using our five strategic themes.

Chair's statement

Chris Train OBE

It has been a pleasure to be Interim Chair of the NDA for much of this year, after taking on the responsibility in September 2023. Transitioning from my role as a non-executive director has given me the opportunity to see first-hand more of the challenges faced and the impressive steps being taken to progress our unique and vital mission. Without doubt, a highlight has been meeting so many highly skilled and committed members of the workforce across the NDA group.

Focus on the nuclear sector and its future has reinforced the importance of the mission being delivered by all those who are part of the group. The Board has continued to monitor front-line decommissioning progress, ensuring and promoting the highest standards of safety, security and environmental compliance.

There continue to be challenges, including the impact of the fiscal environment with inflation leading to increased costs, and an ongoing competition for key skills such as project management and procurement that are vital to the work we do. Alongside many industries, there is also an increased threat in areas such as cyber security, with the NDA developing and growing its capability and experience. I am pleased that the NDA group is responding to these challenges and we have continued to see notable and meaningful steps taken forward to reduce high hazards and deliver on wider commitments to the UK Government, devolved administrations, regulators and other stakeholders.

At its heart the NDA is a people business, reliant on 17,000 staff and an even larger supply chain. Creating and protecting a positive working environment is critical and so the Board has welcomed the ongoing efforts to create great places to work. Just one example this year is the further development of group-wide 'speak up' arrangements. This ensures that everyone, at all levels and in every corner of the group, has a voice and a route to speak confidentially should they ever require it.

Sustaining thousands of skilled jobs is just one example of how the NDA brings wider benefits to society. Another is a strong commitment to sustainability and, as Board members and I have had the opportunity to speak with staff this year and participate in site visits and events, we have been encouraged by a very clear and strong commitment to making a positive difference.

The benefits of working as one NDA group also continue to be demonstrated. As this model matures and embeds, the Board has paid particular interest in reviewing and approving group key targets which provide suitable challenge and ensure each part of the group has clear objectives aligned to delivering the overall mission during the next year.

The NDA's work will continue well into the next century and, with programmes stretching that far into the future, it's inevitable that progress needs to be monitored and programmes need to be adjusted to take account of learning, experience and new and emerging

"A highlight has been meeting so many highly skilled and committed members of the workforce across the NDA group."



technologies. The Board has continued to provide scrutiny to these plans during the year, in particular looking at updates to the expected programme at Dounreay, to ensure it provides credible information that can inform future decisions about decommissioning.

On 1 June Peter Hill CBE began his tenure as Chair of the NDA and I would like to congratulate him on his appointment. He brings a wealth of experience to the position that will be of huge benefit to the Board and wider NDA group. I'd like to extend my thanks to my Board colleagues, David and his leadership team, and all those who have supported me during my tenure as Interim Chair and as a non-executive director on the Board.

I am delighted that my involvement with the NDA group will continue following my appointment as Chair of Sellafield Ltd, one of the NDA's subsidiary companies. The passion and commitment of those tackling Europe's largest decommissioning site at Sellafield has always been clear for me to see, so I'm looking forward to getting more involved to help shape a successful future for Sellafield and the wider NDA group.



Chris Train OBE
Interim Chair, NDA
(September 2023 – May 2024)



Peter Hill CBE appointed NDA Chair

The Department for Energy Security and Net Zero has appointed Peter Hill CBE as Chair of the NDA, effective from 1 June 2024.

Peter has wide experience in executive, non-executive and chair roles across a number of FTSE listed companies and in government. Read more on page 54.



Group Chief Executive's statement

David Peattie

This has been a significant year for the nuclear sector with heightened focus on its role supporting the UK's energy security plans and the contribution it can make to help achieve carbon net zero.

That attention has also highlighted the importance of our mission, from safely decommissioning the NDA's existing sites to preparing to take responsibility for more, while ensuring we can manage radioactive waste for our existing programme and new nuclear. Our work developing skills and providing high quality careers, supporting a vibrant supply chain and contributing to the communities in which we operate also provides real value.

We recently published an updated social impact and communities strategy and I remain proud that we're making a difference across the UK. We've invested almost £50 million of direct socio-economic funding in the last four years, leveraging millions of pounds of further investment from partners. This means we're supporting significant projects and enabling permanent and sustainable change in our site communities.

Delivering our mission

I'm pleased that this year's report contains many examples of industry-leading performance in all parts of the NDA group. However, we have seen an increase in some incident rates and we're taking the

appropriate steps to maintain focus and improve what remains strong performance. We've also seen enhanced scrutiny of our cyber security arrangements as the world adjusts to the increased threat level in this area. We have a clear strategy and continue to invest in our capability, including the development of a group cyberspace collaboration centre.

For the first time, Sellafield is removing waste from all four high hazard legacy ponds and silos. Sellafield is a complex site with unique challenges when planning and executing projects. It's important this vital work receives appropriate scrutiny, so we welcome the National Audit Office's decision to undertake a routine review of the site's high hazard and risk reduction activities. This builds on previous reports, most recently in 2018, and we're fully supporting the process.

Community engagement continues in the ongoing process to identify a suitable location for a Geological Disposal Facility. Further investigations have been undertaken to help evaluate the technical suitability of potential host communities, with Nuclear Waste Services determining that Allerdale did not have the correct geology to continue in the process. While we were disappointed to see the local authority withdraw from discussions in South Holderness, it's an example of the transparent process we're following.

"I'm pleased that this year's report contains many examples of industry-leading performance in all parts of the NDA group."



Waste disposal took a step forward with the start of final capping of historic trenches and vaults which are now full and ready for permanent closure at the Low Level Waste (LLW) Repository. We also saw 1,000 drums of waste being moved by train from Winfrith to the repository for disposal. This is an important example of our group operating model in action – with Nuclear Restoration Services, Nuclear Waste Services and Nuclear Transport Solutions working together to complete the project.

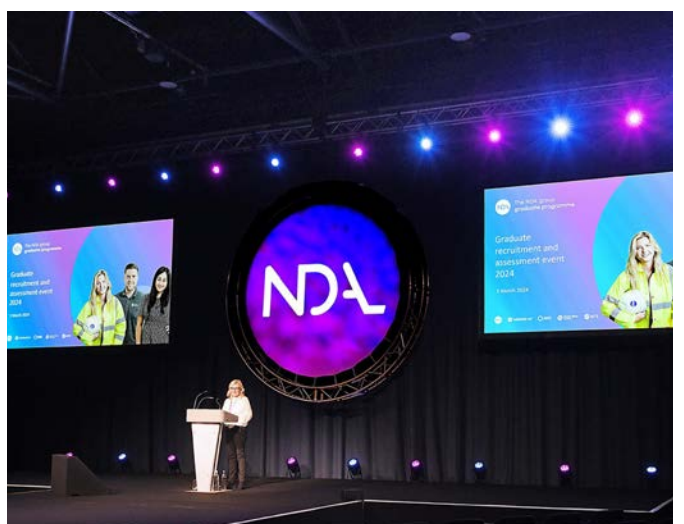
I'm encouraged to see more examples of this type of working. Our group model has been further embedded, with Magnox renamed Nuclear Restoration Services, after joining with Dounreay and in preparation for other sites joining. This completes our group's top-level structure and we're now focused on getting the most from it to provide even greater value, something which is particularly important in a difficult fiscal environment where every pound matters.

Part of the way we can deliver greater value is investing in technology and innovation, shaping the way we deliver in the future. We were delighted to showcase some of this work at a series of roadshows this year, updating established stakeholders and delivering on a commitment in our strategy to reach new audiences.

Creating great places to work

One of those audiences is our future workforce. Ensuring we have the right resources is a continued priority as we face competition for key skills. A highlight of my year was speaking to candidates for our graduate programme. More than 500 applicants took part in an assessment event in Manchester, as we double the number of opportunities in 2024 to 120.

Speaking to future employees was insightful and the importance of sustainability to them was clear. It remains a priority for us as we deliver one of the world's most important



environmental programmes and I'm delighted to publish a report this year setting out the progress we're making.

Recruitment isn't just about those starting careers. We've continued to develop our existing people, and we launched a new group careers website to attract candidates from other sectors. As part of our involvement in a sector-wide skills taskforce, we were also a founding supporter of Destination Nuclear - a national marketing campaign with a simple message, 'whatever you do, you can do nuclear'.

Within the group, we were proud to see two colleagues recognised in His Majesty the King's New Year's Honours List. Michelle Pearse, NDA Quality and Business Support Manager was awarded a British Empire Medal, while Nuclear Transport Solutions Managing Director of Shipping Peter Buchan was made a Member of the Order of the British Empire. It's well-deserved recognition for both, who are a credit to the group and sector.

Trusted to do more

As we head into the twentieth year of the NDA's existence, I'm pleased to say that we've created a platform for growth with further opportunities to use our vast skills and experience. The Vulcan site, adjacent to Dounreay, is potentially set to transfer to us for decommissioning, while preparations continue for the first advanced gas-cooled reactor site to join us. There is significant change coming and we're working hard to be ready.

Being trusted to do more isn't just about decommissioning additional sites. Nuclear Transport Solutions is undertaking pioneering work with many customers, designing transport packages for new nuclear projects and helping develop solutions to transport the next generation of atomic batteries for space exploration. Its work also extends

beyond nuclear, as it maintains contracts with companies including Tesco. It really is a fascinating time to be part of the NDA group.

Thank you

Peter Hill has recently been appointed as NDA Chair and I'd like to welcome Peter to his new position. He succeeds Ros Rivaz who completed her term as Chair in August 2023 and, on behalf of all of us at the NDA, I'd like to thank her for her leadership of the Board, her strong interest in our mission and our people, and her energy and good humour. We wish her well in her future endeavours. Between September 2023 and May 2024, Chris Train acted as Interim Chair and the Board would like to thank him for his leadership and stewardship. Chris has now stepped down from the NDA Board to become Chair of Sellafield Limited and we look forward to working with him in that role.

As ever, I also want to pay tribute to 17,000 colleagues throughout the group and all those who are delivering our mission. I continue to work closely with the UK Government, devolved administrations, and stakeholders internationally, nationally and locally in our communities. I welcome their challenge and support and am proud of all that we achieve together.



David Peattie FEng HonFNucl
Accounting Officer and
Group Chief Executive Officer
3 October 2024



HMS Vulcan, Dounreay

Financial review

Kate Bowyer, Group Chief Financial Officer

Despite continued economic uncertainty, our significant external revenue and portfolio management of costs has ensured successful control of financial risks and opportunities.

Overview

The scale and complexity involved in managing the group's finances and mitigating its risks is clear. The risks materialise in both the day to day management of our spend and balancing the longer-term risks and opportunities to ensure progress across all our sites.

Summary of financial performance

Commercial revenues remained strong at £992 million (2022/23: £1,059 million) due to higher levels of fuel deliveries from the UK's operational nuclear power stations.

Net expenditure for the year was £3,005 million (2022/23: £2,700 million), within the updated supplementary estimate envelope of £3,014 million (2022/23: £2,833 million).

Capital investment was £2,390 million (2022/23: £2,193 million) and our resource expenditure was £1,606 million (2022/23: £1,566 million).

Statement of Financial Position

The group's Statement of Financial Position is dominated by the nuclear provision: the discounted best estimate of the future costs of the decommissioning mission of £105.3 billion (2023: £124.4 billion). It is important to highlight the inherent uncertainty of this estimate and that it represents a single value in a credible range of potential outcomes. The principal movement was the reduction arising from the change of the discount rate, partly offset by changes in estimated costs and realisable savings. Detailed disclosures are on page 140 and in note 24 to the accounts.

Spending review

We are responding to the Government's recent spending review commission covering 2025/26 and future years, and are preparing our longer-term plans and mission progress reporting in advance of a settlement later in the year.

We are fully aware of our role in ensuring that every pound is spent effectively and reported transparently to ensure sustained and efficient progress.

One NDA: Formation of Nuclear Restoration Services and Nuclear Waste Services

Since the final business came under full NDA ownership in 2021, two major steps have been taken to deliver increased taxpayer value by simplifying our structure, reducing duplication, and establishing greater co-ordination between similar businesses:

- Magnox and Dounreay joined in April 2023, with Nuclear Restoration Services launched as a new combined brand in October 2023.
- Nuclear Waste Services continued its transformation by merging Radioactive Waste Management Limited and Low Level Waste Repository Limited into a single legal entity), effective April 2024.

Our people: recruiting, developing, and retaining the best finance professionals

During the year, several skilled and committed members of the team have moved to different roles within the group, including in our operating companies. Sharing of our best talent is a key part of our strategy and I am proud of the way the team have adapted to the changes.

To develop our finance leaders of the future, we have continued our graduate and apprentice programmes. I am delighted that some of the earlier intakes of graduates have chosen to continue working in full time positions across the group and I look forward to many more following in their footsteps.



Kate Bowyer
Group Chief Financial
Officer

Performance against financial targets

How **£3,997m** funding was used to deliver the NDA mission (2022/23: £3,759m)

£2,664m
Sellafield
(2022/23: £2,516m)

£743m
NRS, Sites Delivery Business,
Dounreay Delivery Business
(2022/23: £707m)

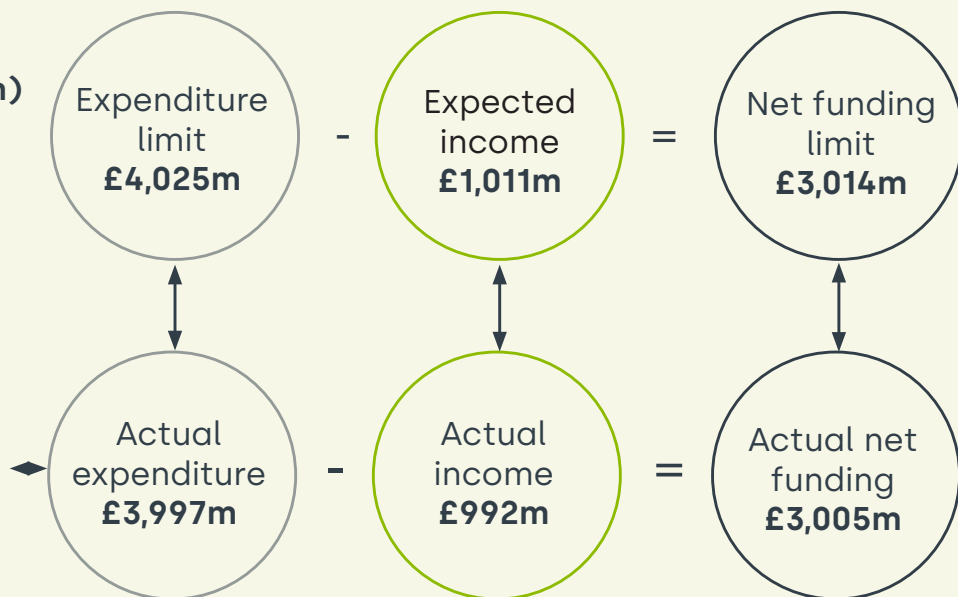
£278m
NWS, Capenhurst,
Springfields
(2022/23: £257m)

£108m
NTS
(2022/23: £65m)

Plus

£172m
Industry costs
(2022/23: £185m)

£32m
NDA running costs
(2022/23: £29m)



	2023/24	2022/23	Movement
Reprocessing/waste contracts	£309m	£413m	(£104m)
Spent fuel management	£516m	£453m	£63m
Energy sales	£8m	£9m	(£1m)
Nuclear materials and transport	£107m	£133m	(£26m)
Other	£52m	£51m	£1m
NDA income	£992m	£1,059m	(£67m)

£3,997m
Total spent in the year

(2022/23: £3,759m)

£992m
Income

(2022/23: £1,059m)

£3,005m
Net total funded by Government

(2022/23: £2,700m)

£32.2m
NDA's own running costs are 1% of overall estate budget

(2022/23: £29m)

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.

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 it 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, our old nuclear plants and facilities weren't designed to manage 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 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.

Aiming for the highest standards

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

Our work is 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 NRS for decommissioning.

The NDA group



Our group is made up of the Nuclear Decommissioning Authority (NDA), an executive non-departmental public body, and the following operating companies:

- Sellafield
- Nuclear Restoration Services
- Nuclear Waste Services
- Nuclear Transport Solutions
- Other NDA group companies include NDA Archives Ltd, NDA Properties Ltd, Rutherford Indemnity Ltd and Enerqus.

Find out more about us at nda.gov.uk



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 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)

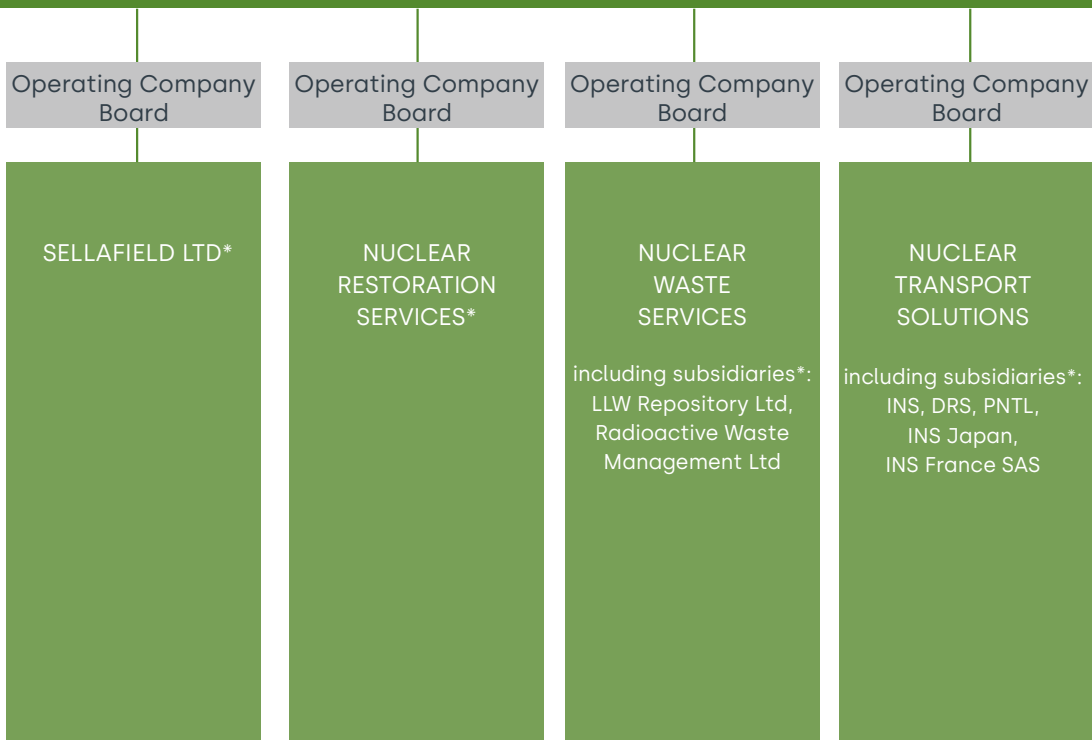
UKGI provides strategic oversight of the NDA's corporate governance and performance

NDA Board



Our mission is to decommission 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



*NDA Group for Statutory Accounts

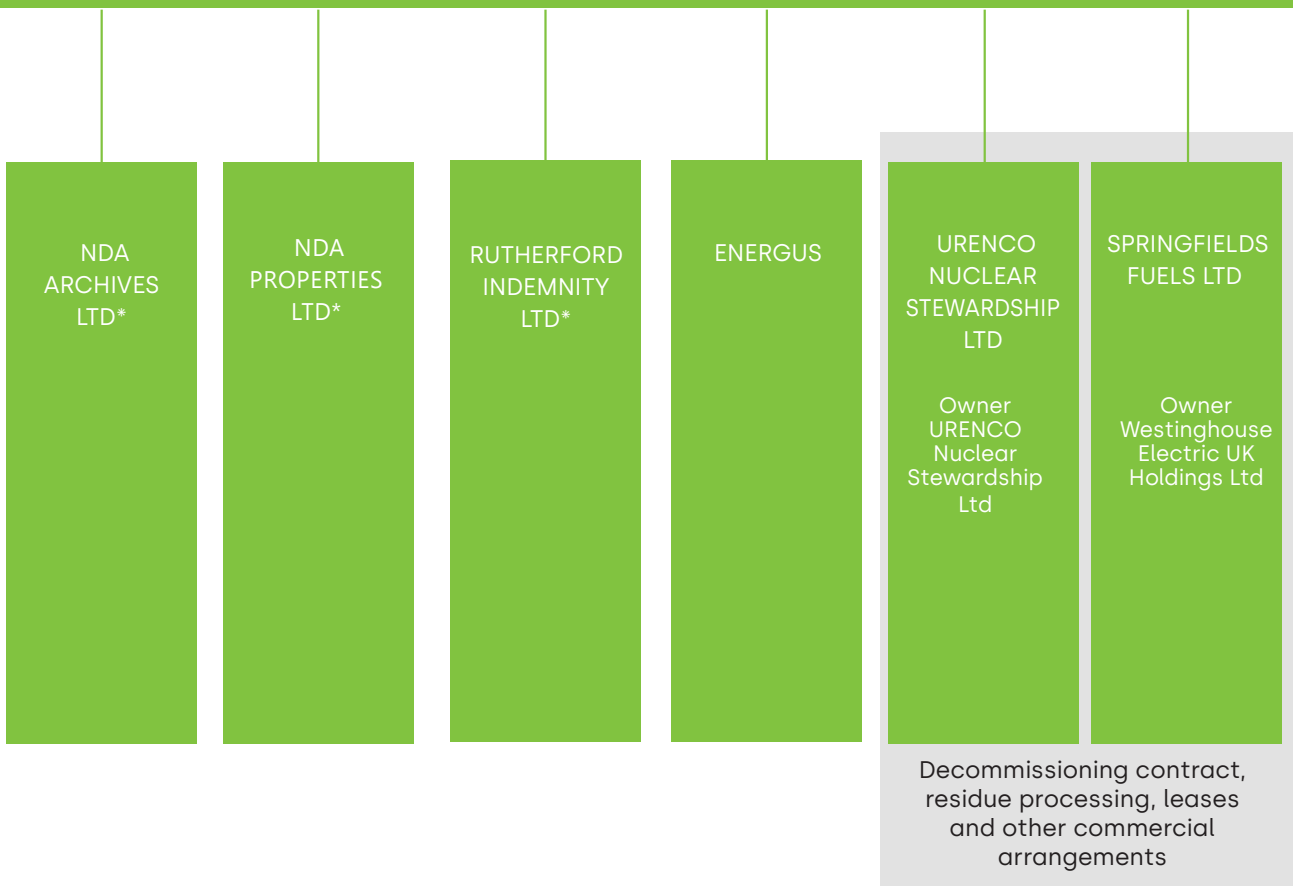
This diagram shows the group structure at 31 March 2024. On 1 April 2023 Dounreay became a division of Magnox Ltd and, in October 2023, the operating company was rebranded Nuclear Restoration Services, operating under a single operating company board.

On 1 April 2024 Low Level Waste Repository Ltd and Radioactive Waste Management Ltd became Nuclear Waste Services, a single legal entity operating under one operating company board.

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 the environmental performance to the Welsh regulator, which is a Welsh Government sponsored body.

Other businesses that support our mission



Working with our stakeholders

Working closely with our stakeholders is at the heart of how we operate. Open and transparent engagement is a critical enabler to the successful delivery of our mission and we could not make progress without the support and confidence of our stakeholders.

"The NDA can only successfully deliver its mission with a social licence to operate, which is granted through the creation of productive relationships with site communities.

Effective engagement with these communities lies at the heart of the NDA's site stakeholder groups (SSGs) and help to us to build trust on all sides, which is the lifeblood of healthy debate and challenge.

Between the NDA and the SSGs we have built valuable connections over the years to promote two-way engagement and foster open dialogue, allowing the SSGs to become a 'critical friend' to the organisation and its subsidiaries and to positively work through any issues as they arise.

The SSGs have achieved much during the 20 years since their establishment, not least helping to demystify the industry and allowing constructive comment on how the UK tackles the challenges of nuclear decommissioning."



Cllr Aled Morris-Jones
Wylfa and National SSG Forum Chair

Our partners include:

- UK Government and Parliament, devolved administrations and regulators
- Employees, workforce and trade unions
- Commercial partners
- Customers
- Local communities
- Other influencers such as Councils, non-governmental organisations and international organisations

Many of our relationships span decades, with long-standing site histories. We strongly value those connections and are committed to further deepening the relationships through richer, more meaningful discussions. We're also keen to engage new audiences recognising that our work will continue into the next century.

Reaching stakeholders

Locally

SSGs are long-established forums for open and transparent communication between communities near nuclear licensed sites, the NDA group including the site operator, and regulators. There are 14 across the UK, providing an opportunity for stakeholders to find out more about work undertaken, and allowing decision-making to be informed by the local views.

This year marks 20 years of their existence and we will conduct a review to recognise successes and explore potential changes to strengthen future effectiveness.

Regionally

In the last year, we've hosted three successful regional events in response to feedback requesting more information about how we're solving technical decommissioning challenges.



The innovation and technology roadshows in Cumbria, Glasgow and Bangor were designed in partnership with regional universities and welcomed over 200 delegates at each event. A wide range of stakeholders attended, including a younger audience to which we highlighted the range of careers available in the group.

Our virtual stakeholder summit, 'Creating meaningful conversations', covered progress delivering our mission and wider contributions to sustainability, social value, and skills.

Nationally

We were a key sponsor of the Nuclear Industry Association's (NIA) 'Week in Parliament', providing MPs with the opportunity to gain a better understanding of the contribution nuclear makes to the economy, and also partnered at an event in the Senedd, Cardiff to showcase the importance of the sector in Wales.

We're working with others to provide platforms for discussion on mission progress and issues influencing decommissioning plans. In December, approval was given to establish a Cross Party Group (CPG) of Members of the Scottish Parliament to discuss the civil nuclear sector in Scotland, with the first meeting held in March.

We're building engagement with non-governmental organisations, listening to perspectives through our jointly chaired forum meetings, and have extended our partnership with the Nuclear Institute Young Generation Network (YGN) to 2025.

Our engagement with local authorities also continues, in particular by working with Nuleaf in England and Wales, which is a nuclear decommissioning and radioactive waste management special interest group of the Local Government Association, and SCCORS in Scotland which provides advice to Scottish local authorities on radiation and radioactive waste matters.

Internationally

The NDA group operates internationally, working with a range of international partners to share experience and learning from others. From actively engaging with the International Atomic Energy Agency on behalf of the UK and chairing working groups on topics such as radioactive waste, to participating in tripartite agreements with the United States and Canada, we recognise the importance of such open dialogue.



Sustainability in the NDA

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 we continued to progress and implement the NDA's Sustainability Strategy and roadmap, embedding the approaches into different parts of the organisation and wider group.

We're committed to supporting Government aspirations to be carbon net zero. However,

sustainability is a much broader commitment to the way our work is delivered, aligned with the United Nations Sustainable Development Goals (UN SDGs).

Extensive engagement has been undertaken to understand the impact of our work and the factors that influence it. This resulted in the development of our definition for sustainability as well as identification of tangible sustainability legacies that are outlined in our Sustainability Strategy:



Our definition of sustainability

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

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

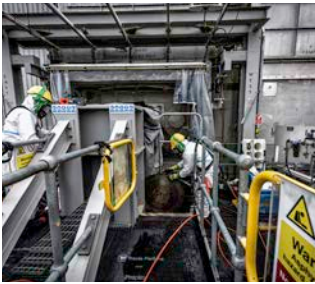


The United Nations Sustainable Development Goals (SDGs) are a blueprint for peace and prosperity, now and into the future. We are committed to delivering our mission in line with the UN SDGs.



Sustainability 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

Putting sustainability at the heart of our decision-making

Sustainability is a high priority in all parts of the NDA group. We're reporting on our sustainability work in the early part of this document and examples of the progress we're making can be found in different chapters throughout, recognising that it touches every part of our work. Case studies in the report also show the UN SDGs to which they contribute.

and challenges two years after publication of our Sustainability Strategy.

Each of the sustainability legacy areas identified in our strategy is led by a senior representative of the NDA and has its own set of associated outcomes. 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.



In addition, an NDA group Sustainability Review 2024 sets out the progress, opportunities

Governance and incentivisation

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

The group risk and assurance section of this report outlines how the Board committees work and maintain oversight, including on sustainability. Complementary to this, the NDA and our operating companies work together with clear leadership at different levels to achieve the vision. Several incentives are given to sustainability across the NDA group. One of these is the NDA's Long Term Incentive Plan, which has set incentivised targets until 2026. This year Nuclear Restoration Services and Sellafield also had sustainability targets linked to corporate incentives.

NDA purpose through the UN SDGs

The Energy Act 2004 sets out the principal and supplementary functions of the NDA, which can be aligned to 11 of the UN SDGs. This reflects the NDA group's ambition to transform nuclear legacies into opportunities for local, regional and national sustainable development.

Nevertheless, the three main sectors the NDA supports and impacts are Nuclear Medicine, Nuclear Energy and Defence. These can be directly aligned to the UN SDGs as shown to the right; three, seven and nine.

Delivering the NDA mission contributes to society and brings a sense of purpose. It helps to enable Good Health and Wellbeing, Affordable and Clean Energy, and Industry, Innovation and Infrastructure.



Taskforce for Climate Related Financial Disclosures



Taskforce for Climate Related Financial Disclosures (TCFD) provides a framework for organisations to analyse, understand, and disclose climate-related financial information.

Compliance statement

We are committed to ensuring that our business is set up to effectively identify and manage our climate related risks and opportunities.

We've reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance which interprets and adapts the framework for the UK public sector.

We've complied with the TCFD recommendations and recommendations disclosures around: governance (all recommended disclosures) metrics and targets (disclosures (b). This is in line with the central Government's TCFD-aligned disclosure implementation timetable. We plan to make disclosures for Strategy, Risk Management and Metrics and Targets disclosures (a) and (c) in future reporting periods in line with the central government implementation timetable.

TCFD Pillar: governance



Recommended disclosure

– Describe the Board's oversight of climate-related risks and opportunities
 – Describe management's role in assessing and managing risks and opportunities.

Overview of our actions


- 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.
- The Board is accountable to our sponsoring department, DESNZ, for all aspects of our company performance.
- NDA's Strategy approval is reserved to the NDA Board.
- The NDA Board has delegated to the Audit, Risk and Assurance Committee (ARAC) responsibility for reviewing the risk management framework, adequacy and effectiveness of control processes and the application of risk appetite. This includes risks and controls relevant to climate resilience. The ARAC reports after each of its meetings to the NDA Board.
- The Environmental, Sustainability and Governance Board Committee reporting to the Board, is the main overseer of climate-related risks.
- Sustainability is a new critical enabler since the publication of NDA Strategy 4 (March 2021) making it a key transformation theme for the NDA.

For the role and accountabilities of the Board, see pages 63 to 67.

For the role and accountabilities of the Audit, Risk and Assurance Committee, see pages 68 to 69.

For the role and accountabilities of the Environmental, Sustainability and Governance Board Committee, see pages 76 to 77.

TCFD Pillar: metrics and targets

	<p>Overview of our actions</p> <ul style="list-style-type: none"> • Environmental Policy Statement 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. • We have continued to use our environmental key performance indicators across the group, focusing on assets, compliance, audit progress, training, skills and experience. • We are also developing an implementation plan for BSI Publicly Available Specification (PAS) 2080: Carbon Management in Buildings and Infrastructure, the recognised good practice standard. • We're 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 total recordable incident rate data. We've reviewed these measures, made minor enhancements and believe they provide an improved picture of environmental performance. These indicators will be reviewed again with an intent to set targets for e-TRIR once sufficient evidence has been collected. • We've 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. • As part of our commitment to environmental sustainability, we participate in the Greening Government Commitments (GGC) scheme (NDA Only). GGC sets out the actions Government departments and their Partner Organisations will take to reduce their impacts on the environment. • We're committed to work to best practice in reducing operating companies emissions and setting net zero targets in line with Government climate targets. 	<p>More information and performance data for GHG and GGC can be found on pages 131 to 136.</p>
<p>Recommended disclosure</p>		
<ul style="list-style-type: none"> – Disclose the metrics used to assess climate related risks and opportunities in line with the company's strategy and risk management process – Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks – Describe the targets to manage climate-related risks and opportunities and performance against targets. 		



Site radio communication

DGF OPERATIONS CIT



DGF OPERATIONS CIT
PES MANAGER R. CRONE
CONTACT 019457 74761

NIS Limited

SYSTEM 410 SYSTEM 420

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.

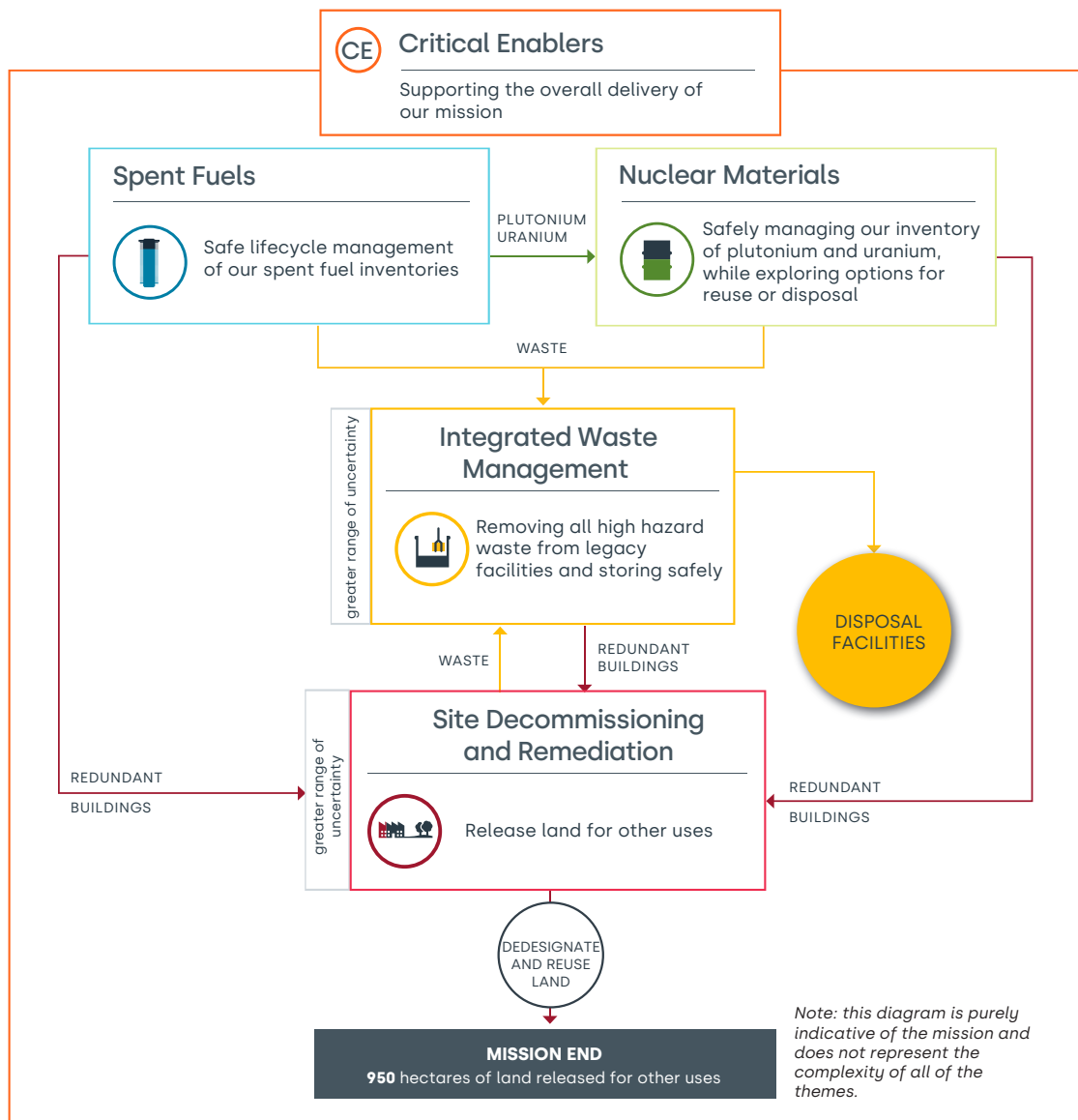
The first four relate directly to decommissioning work and are known as driving themes: Spent Fuels, Nuclear Materials, Integrated Waste Management and Site Decommissioning and Remediation.

The fifth theme, Critical Enablers, describes the important activities needed to support the

delivery of our mission. The diagram below demonstrates how they interact.

Integration of our strategies

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



Our driving themes and strategic outcomes



Strategic outcomes:

Our strategy identifies 47 strategic outcomes that, at a very high level, cover all of the work needed to deliver our mission



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 latest Strategy and updated our 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 on the following pages 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.

The last year saw progress across a number of fronts to deliver our mission. This ranged from high hazard reduction, with key milestones at Sellafield as retrieval of waste began from ponds and silos on the site, to important critical enabler activities. This included a large focus on skills, as we supported the work of the UK Government and invested in programmes such as graduate recruitment and development.

Case studies for 2023/24

United Nations Sustainable Development Goal icons appear next to each case study show how the NDA's work is contributing to the important sustainability agenda.

UK Government and devolved administrations update radioactive substances and nuclear decommissioning policy

An updated radioactive substances and nuclear decommissioning policy for the UK was published in May 2024. It replaced a policy initially published in 1995, with many technological and sector changes during since that time.

The update encourages innovation in waste treatment techniques – from greater recycling to research into extracting isotopes from nuclear materials for use in diagnosis and treatment of cancers, with the option of disposal being the last resort. This will minimise impact on the environment and help reduce the amount of waste for disposal.

In addition to England and Wales existing long-term plans to dispose of the highest risk radioactive waste in a geological disposal facility (GDF) hundreds of metres underground, the option to use a facility closer to the surface for less hazardous radioactive waste will be considered. While a GDF is not expected to be ready until the 2050s, Near Surface Disposal could be available much sooner in England and Wales for some suitable intermediate level waste, allowing for quicker and more cost-effective decommissioning.



Spent Fuels

Strategic outcomes 1-15

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

			2024 % complete	Sellafield	NRS sites	NRS 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	58%	✓						
SPENT EXOTIC FUEL	10	All remaining oxide fuel disposed	0%	✓			✓			
	11	All exotic fuel defueled	77%	✓		✓				
	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%	✓			✓			

✓ Denotes outcome complete ✓ Applicable to each SLC/company



Spent Fuels case studies

Major projects assessed

A number of major projects at Sellafield have been subject to independent assessments in the last year.

The Sellafield Product and Residue Store Retreatment Plant (SRP) and SIXEP Continuity Plant (SCP) achieved green delivery confidence assessments from the Infrastructure and Projects Authority (IPA), while a Replacement Analytical Project (RAP) improved its position from a previous red rating to amber.

The same methodology was used by the NDA to undertake an assessment of the site's Box Encapsulation Plant Product Store, resulting in a green confidence assessment.

Richard Lennard, Head of Client for Project Delivery at Sellafield, said: "While these achievements are impressive, they don't guarantee overall success. We must remain alert and focused on consistent and systematic performance. The IPA's delivery confidence assessment is their view of the likelihood of the project delivering its objectives to time and cost – it's great to have but at the same time it's not a guarantee of future performance."



Hunterston B defueling on track



Defueling of the first reactor at Hunterston B has been completed on time and on budget. Site owner EDF Energy is aiming to have the second reactor defueled and all spent fuel off-site in preparation for the site ownership to change to the NDA group in 2026 ready for decommissioning to be undertaken.

NDA group companies are playing a leading role in supporting defueling, with Nuclear Transport Solutions transporting the spent fuel by rail to Cumbria where Sellafield is ensuring the material is safely stored ahead of final disposal in the future.





Nuclear Materials Strategic outcomes 16-25


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. Although uranium is located at a number of our sites, we are continuing to consolidate it at sites 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.

		2024 % complete	Sellafield	NRS sites	NRS 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	80%	✓						
	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%	✓			✓		✓	



**Nuclear
Materials
case study**

Consolidation of uranics

The NDA is responsible for safely managing approximately 70,000 tonnes of uranium. This is in various forms and has been generated as a legacy of the UK's civil nuclear programme.

We've made good progress in ensuring that all materials are safely stored, monitored and maintained across the NDA estate. We've continued to drive towards the transportation of the above remaining categories of material, due for consolidation from across the NDA estate to the Capenhurst site. Some materials were not able to be transported to Capenhurst in 2023/24 as targeted.





Integrated Waste Management Strategic outcomes 26-39

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 our 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 our 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.

		2024 % complete	Sellafield	NRS sites	NRS Downreay	NWS	NTS	Copenhurst	Springfields
LOW LEVEL WASTE	26 All LLW produced	8%	✓	✓	✓	✓		✓	✓
	27 All LLW treated - to enable diversion or reuse	10%	✓	✓	✓	✓	✓	✓	✓
	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	16%	✓	✓	✓			✓	✓
	34 All ILW disposed	0%	✓			✓	✓		
HIGH LEVEL WASTE	35 All HLW produced	62%	✓						
	36 All HLW treated	73%	✓				✓		
	37 All HLW waste in interim storage	82%	✓				✓		
	38 All overseas HLW exported	51%	✓				✓		
	39 All HLW disposed	0%	✓			✓			



**Integrated
Waste
Management
case studies**

i

A glovebox is a sealed container with a window and flexible gloves that allow the user to manipulate nuclear materials from the outside in a safe environment

First box of waste enters store at Sellafield

Sellafield's Box Encapsulation Plant Product Store Direct Import Facility (BEPPS-DIF) received its first box of historic nuclear waste from the site's Pile Fuel Cladding Silo in early 2024, paving the way for accelerated decommissioning of the silo.

BEPPS is a large, purpose-built, above ground store that can house intermediate level wastes safely and securely for the next hundred years. The Direct Import Facility is a later addition to the facility and allows waste to be sent directly from silo to store, accelerating clean-up of legacy.

Glovebox training facility opens

A state-of-the-art national glovebox training facility opened at Sellafield in 2023, providing a purpose-built facility to allow operators to build their skills in a safe and controlled environment.

Developed by the UK Alpha Resilience and Capability (ARC) Programme, the glovebox training facility provides a standardised approach to training, allowing learners from around the country to hone their craft more quickly and effectively.





Integrated Waste Management case studies

Drums moved to the Low Level Waste Repository for disposal

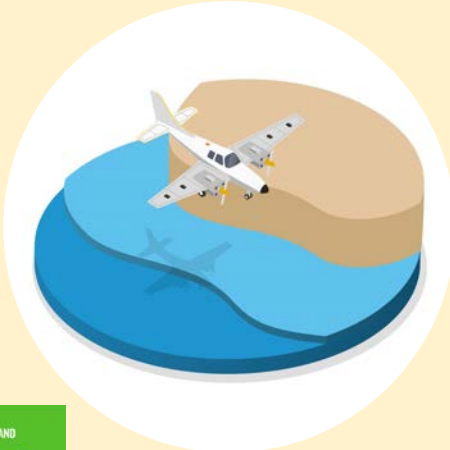
Nuclear Restoration Services, Nuclear Transport Solutions and Nuclear Waste Services, have safely and successfully transported 1,000 drums of radioactive waste from Winfrith in Dorset to the Low Level Waste Repository in Cumbria for final disposal. The waste was transported using rail instead of road, reducing carbon emissions. The project frees up the facility that had housed the material for alternative use and means better value for taxpayers, with long-term waste storage no longer needed. This demonstrates the value of collaboration across the NDA group, leading to more efficient and sustainable nuclear decommissioning and waste management solutions.

A drum from the Treated Radwaste Store (TRS) at Winfrith ready to be disposed of at the LLW Repository site in Cumbria.



Aerial surveys to support Geological Disposal Facility site search

Nuclear Waste Services has concluded a six month programme of marine aerial surveys in Mid and South Copeland, and Theddlethorpe, providing information about the presence and numbers of birds and marine wildlife in the area. Together with other environmental surveys, this will inform baseline data as part of work to understand if an area is suitable for a Geological Disposal Facility in the future, while remaining committed to environmental protection and preservation.



First retrieval of historic nuclear waste

The first retrieval of historic nuclear waste from Sellafield's Pile Fuel Cladding Silo (PFCS) was successfully achieved during summer 2023, representing a monumental step forward for Sellafield's oldest waste store and one of the most complex and difficult decommissioning challenges in the world.



The silo was built in the 1950s to store cladding from nuclear fuel used in the UK's earliest reactors. After over a decade of preparations for retrievals, operators were finally able to reach into the silo using a remote grab to remove the waste and place it into a stainless-steel box for transfer to a modern store.

Communities engaged in search for Geological Disposal Facility site

Communities have continued to be engaged and have their say about the potential of hosting a Geological Disposal Facility (GDF). Following a comprehensive and robust evaluation of information, it was concluded in September 2023 that Allerdale in Cumbria would no longer be taken further in the search for a suitable host site. This is because of a limited volume of suitable rock as well as geology in the area being unlikely to support a post closure safety case.

Separately East Riding Council voted to withdraw from the South Holderness GDF Working Group early in 2024 following a vote by council members. Engagement continues with three other communities in England about siting a GDF in their areas, two in Cumbria (Mid Copeland and South Copeland), and one in Lincolnshire near Theddlethorpe.





Site Decommissioning and Remediation Strategic outcomes 40-47

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, ownership would transfer to the new user of the land.

We're currently assessing alternatives for the final stages of decommissioning that could lead to earlier release of land, continued employment and opportunities to reuse it.

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

		2023 % complete	Sellafield	NRS sites	NRS Downreay	NWS	NTS	Capenhurst	Springfields
OPERATIONAL AND PLANNED	40	All planned new buildings operational	TBD	✓	✓	✓	✓	✓	
	41	All buildings primary function completed	40%	✓	✓	✓	✓	✓	
DECOMMISSIONING AND DEMOLITION	42	All buildings decommissioned	23%	✓	✓	✓	✓	✓	
	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	44%	✓	✓	✓	✓	✓	✓
	46	All land demonstrated as suitable for reuse	9%	✓	✓	✓	✓	✓	✓
	47	All land dedesignated or reused	9%	✓	✓	✓	✓	✓	

Site Decommissioning and Remediation case studies

Hazards reduced at Nuclear Restoration Services


Nuclear Restoration Services met an operational target to remove 7,000m² of asbestos during the year. This included a final area cleaned from Hinkley Point A site's boiler houses. Three of the four boiler houses are now cleared, removing a total surface area of approximately 55,721m² - that's the equivalent of just over eight football pitches.

In addition, at the Wylfa site, administration and ancillary buildings have been safely demolished, clearing a 1,249m² area – more than six singles tennis courts.



Power stations have boiler houses which contain steam boilers that are used to produce electricity. They are found in nuclear and non-nuclear sites but contain conventional risks such as asbestos





Site Decommissioning and Remediation case studies

First capping of historic trenches and vaults begins

Nuclear Waste Services has begun work to permanently secure nuclear waste vaults at the Low Level Waste Repository site in Cumbria.

Activity to start to cap the site's historic, and now full, trenches and vaults ready for closure started in November last year. A long-term programme is now underway to permanently close the existing vaults and trenches – and initial work on the ground has begun.

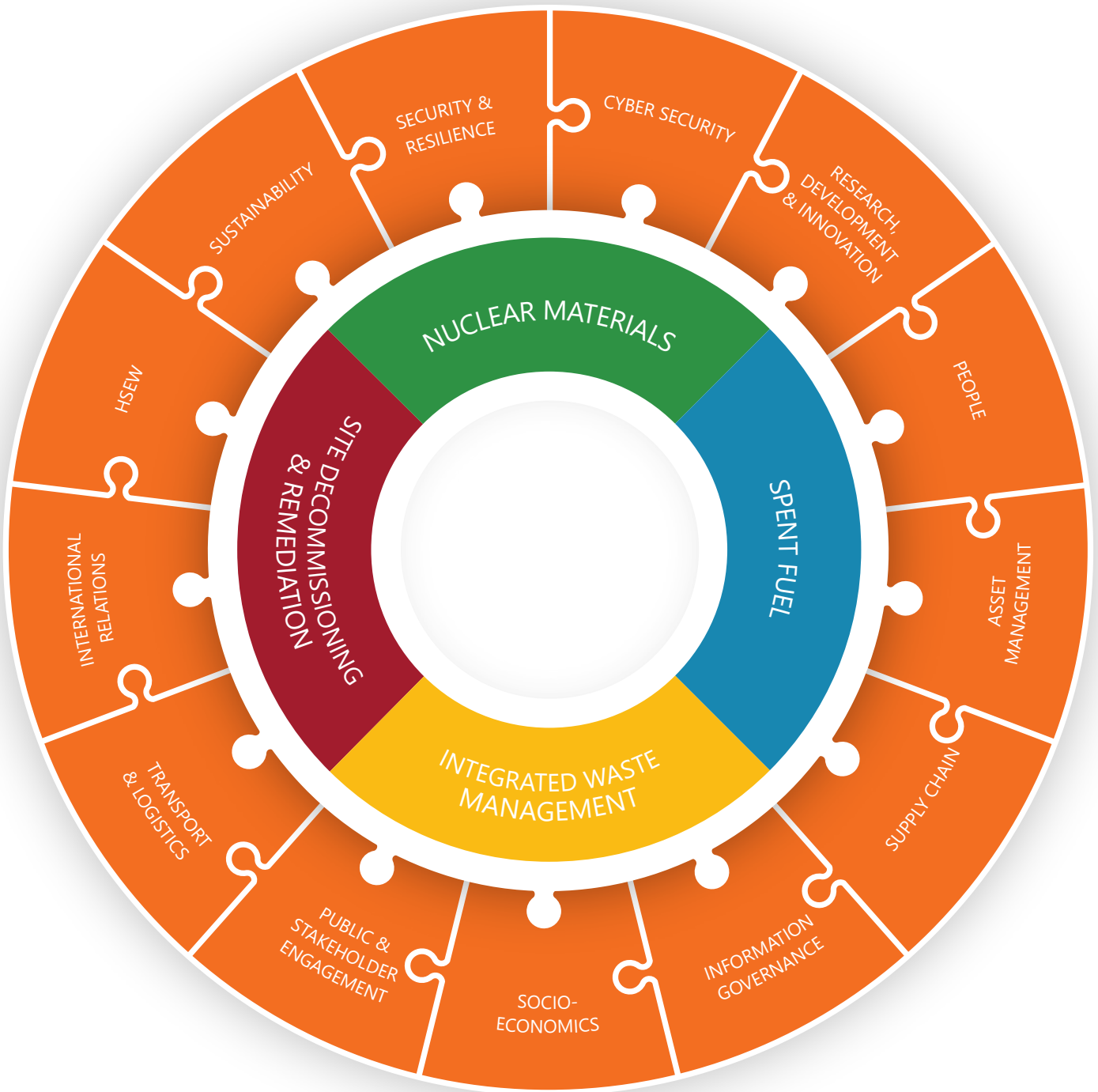
Decommissioning Trawsfynydd moves forward

Bulk retrieval of remaining Intermediate Level Waste has been completed at Trawsfynydd, with 60 boxes of waste encapsulated. Meanwhile, as the Nuclear Restoration Services lead and learn site for reactor dismantling, the procurement process has moved forward to reduce the height of the site's two reactor buildings by about a third. Scope has also been developed for reactor dismantling, including scheme design and characterisation work.

The site continues to prepare the ponds facility for demolition and has submitted an environmental permit application for the in-situ disposal of lightly contaminated ponds facility demolition waste. Finally, welfare facilities and the sewage treatment plant have been upgraded.

Our critical enablers

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



Find out more about each of our critical enablers



Critical enabler case studies

Socio-economics

New Social Impact and Communities Strategy launched

A new Social Impact and Communities Strategy has been published setting out our approach to supporting communities and maximising the social impact of our work.

The Energy Act (2004) provides us with a legal duty to have regard for the impact of our activities on communities near sites, as well as our wider responsibilities under the Social Value Act (2012).

In addition to direct economic impact, socio-economic funding is designed to help local communities grow and diversify. Over the last four years, we've invested almost £50 million of direct socio-economic funding and, by doing so, it has leveraged millions of pounds of further investment from partners.

The updated strategy takes account of the UN Sustainable Development Goals and UK socio-economic priorities, including those set out by the Just Transition Commission (Scotland) and in the Wellbeing of Future Generations (Wales) Act 2015. It informs individual social impact strategies and plans of the NDA's operating companies and has been developed in consultation with representatives from local communities.



Health, safety, environment and wellbeing

NDA partners with Hey Girls

We've partnered with social enterprise Hey Girls to provide complimentary period products to staff and help tackle period poverty across Cumbria.

The partnership is part of our drive to ensure workspaces are a welcoming, inclusive and safe place for employees and to create positive change in the community.

For every product ordered by the NDA one is also donated to community partners like local charity the Whitehaven Community Trust to support people across the region, with around 3,000 products being donated so far.

Kerry Maxwell O.B.E, Chief Executive at Whitehaven Community Trust, said: "We will be distributing the products from our Senhouse Centre in Whitehaven town centre across the community, particularly looking to support those most vulnerable including victims of domestic abuse and providing products through local foodbanks."



Sustainability

New sustainability report now available

We've published a report providing an update on our sustainability work, two years after the NDA group's sustainability strategy was implemented.

It sets out four sustainability legacies and the opportunity to contribute to global efforts, aligned with the United Nation's Sustainable Development Goals. Available on the NDA website, progress is covered relating to safety, environment, people, communities and the supply chain.

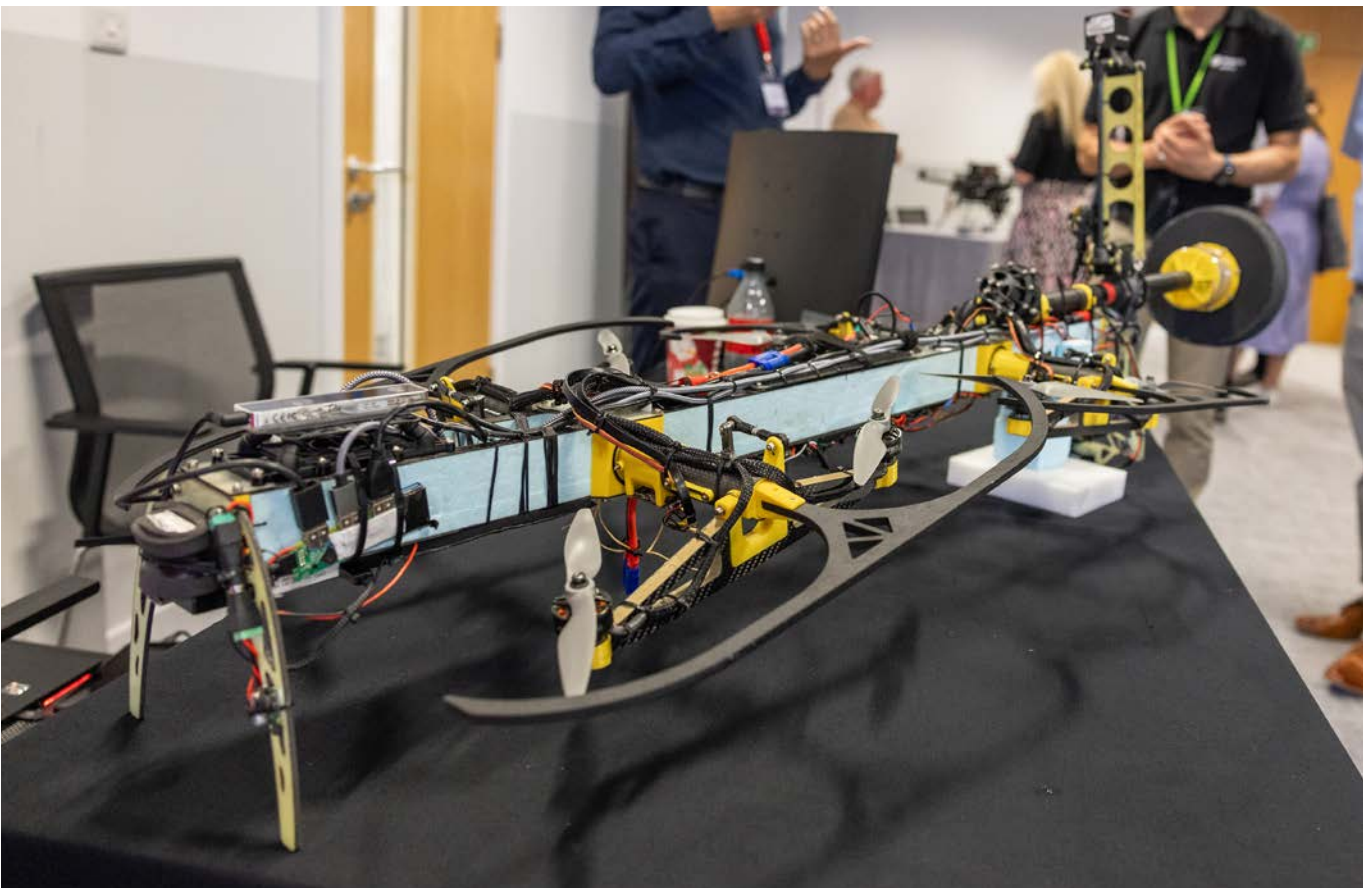


Security and resilience

Remote monitoring of sensitive sites (RMSS) competition

Around £1.5million of funding has been made available for innovations to enable the remote monitoring of legacy nuclear sites. The competition, run by the Defence and Security Accelerator (DASA), is seeking proposals for a complete Autonomous Security Alarm and Interdiction Network (ASAIN).

The system independently monitors, tracks and detects security breaches, keeping human operators away from harm while giving them the information they need to inform their response. It enables risks to be managed proportionately and delivers value for money for the taxpayer. The competition will have a six month development phase, followed by a 12 month test and evaluation phase on an NDA site.





Research, development and innovation

Robot proves itself in Dounreay radioactive area

A robot quadruped designed by Boston Dynamics, has been put to work on trials which saw it map out a four-storey evaporator cell at Dounreay which hadn't been accessed in over 20 years.

The robot, commonly known as Spot, has been collecting important radiological data for the team to use when planning the decommissioning of the facility, and to gain useful experience on how both Spot and survey equipment should be used. A team of 12 have supported the trials, including staff at Dounreay and specialist provider Createc.

A wooden mock-up of the evaporator cell entrance and temporary containment was constructed in a clean area to test the abilities of Spot and train the operators who would support it, before the work moved into the radioactive evaporator cell. Once inside, Spot collected data to give the team a complete three-dimensional map of the area and radiological data to create a full dosimetry map showing areas of higher radioactivity along with information from physical samples taken. This will enable the team to develop a radiological fingerprint and plan the decommissioning in an efficient and effective way, keeping people safe. There is significant potential to share this learning across the NDA group.

Transport and logistics

NTS begins transport solution development to help space exploration

Nuclear Transport Solutions (NTS) is developing bespoke transport solutions to help launch the next generation of atomic batteries for space exploration. The batteries, also known as radioisotope power sources, are being developed by National Nuclear Laboratory (NNL) and University of Leicester, with funding provided by the UK Space Agency and the European Space Agency.

A team of expert engineers are using years of experience and extensive knowledge of nuclear transport to ensure these revolutionary batteries, which are the first to use americium 241 as a radioactive source, reach their launch site safely and securely. The batteries work for decades, without need for maintenance over the many years in which a spacecraft could be travelling.

PEOPLE AND SKILLS



The challenge:

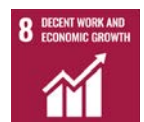
Ensuring that we have the right skills and talent to deliver our nationally important long-term decommissioning mission. Skill shortages, an increased number of opportunities within the wider energy sector and an ageing workforce are all contributing factors to why this challenge is an increasing priority for the NDA group. This means focusing efforts on attracting and retaining talent at all stages of their career from early careers to those with experience in a range of professional disciplines working in other industries and sectors.

The solution:

- More than 600 graduates took part in the NDA's first-ever large-scale graduate recruitment and assessment event at a major Manchester conference centre, with the number of graduate opportunities available across the group doubling in 2024 to more than 120. Alongside the formal assessment process, candidates heard from expert speakers, spoke to current graduates and accessed exhibitions and interactive content to find out more about decommissioning.
- A new group-wide careers website has been launched making opportunities in the NDA and all its operating companies accessible in one place to a wider, more diverse audience. Group Chief People Officer David Vineall said: "It's vital we have the right people to deliver our mission and that means attracting high quality candidates at all stages of their career. ndagroup.careers is a one stop shop for the career opportunities available with us, helping us say hello to a national audience and demonstrating that together we are one extraordinary group with so many possibilities."
- The NDA supported the creation of a National Nuclear Strategic Plan for Skills with expectations that 40,000 new jobs will need to be filled in the sector by the end of the decade. We also supported the launch of Destination Nuclear – a new national campaign to raise the profile of the nuclear industry with a message that whatever you do, you can do nuclear. In its initial launch period, it has already reached new audiences through a mix of online, billboard and radio advertising.
- We're working collaboratively across the group to ensure we create great places to work, enabling people to perform at their best and stay within the group to further their personal and professional development. Areas of focus include building career pathways, offering learning and development routes including a highly acclaimed Leadership Academy and facilitating the opportunity for colleagues to experience different parts of the NDA group in both secondments and permanent roles.

The outcome:

We're reaching new audiences and attracting people with different skills and backgrounds to deliver the NDA group's mission. There's still more to do and the NDA will continue to support the National Nuclear Strategic Plan and other initiatives to maintain focus in this area.



Asset Management

Asset management system standardised

Work has been carried out this year to standardise asset management systems across the NRS sites to help prepare for a successful handover of the EDF Advanced Gas-cooled Reactors (AGR).

The goal has been to support NRS in developing a blueprint for intelligence in asset management.

This has meant working with group colleagues to develop a full programme plan and functional specifications to give them a library of documentation and proven guidance that will support them in looking after the assets across their fleet of stations.

This should ultimately lead to improved safety, reliability and performance with all of the information available on a platform that can be adopted across the NDA group.



Cyber security

Event encourages cyber careers

We hosted Cumbria's first ever cyber security 'Capture the Flag' competition for secondary schools across Cumbria to encourage pupils to consider a career in cyber security. Students were given a showcase of cyber techniques and the career opportunities in the field available across the NDA group.

Additionally, provisions were considered to allow students of all abilities and backgrounds to attend, making the event inclusive and accessible for all attending. Students also had the opportunity to hear from cyber experts at the NDA and the Group Industrial Cyberspace Centre, as well as engage with former apprentices and graduates who started their careers in cyber in the NDA group and could talk about their own experience getting into the industry.





Supply chain

Innovation partnership established to manage asbestos waste

Two contracts have been awarded to establish an innovative partnership for the enhanced management of asbestos waste.

Nuclear Waste Services will oversee the partnership to test and develop new solutions to treat asbestos, helping to deliver efficiencies and enable more effective waste management. It is projected that the work could help realise multi-million pound cost savings.

Innovation partnerships are a new procurement approach for the NDA, harnessing the power and expertise of the supply chain from research and development through to deployment.

Information Governance

Improving privacy and data governance

We've implemented a new privacy management system to automate the Data Protection Impact Assessment (DPIA) process. Prior to this, assessments were carried out manually and were treated as stand-alone documents that weren't living or integrated effectively into the business.

The data protection team therefore wanted to increase visibility, streamline the task and share this benefit with others.

As part of the process, a new group-wide standardised assessment template was developed taking further advantage of our efforts to work as part of one NDA group. To date, more than 85 impact assessments have been undertaken, not only simplifying the process for staff, but increasing the effectiveness and reducing the potential for non-compliance with the UK General Data Protection Regulations (UK GDPR).

Contracts have been awarded to two consortia:

Veolia Nuclear UK Solutions, Cyclife UK Ltd and Waste to Glass sas

React 2 consisting of Galson Sciences, and Thermachange





Public and stakeholder engagement

Partnership extended with Young Generation Network

We've extended our partnership with the Nuclear Institute Young Generation Network to 2025. The organisations have been working together since 2020 to maximise learning opportunities for NDA group staff and engage with young people interested in working in the sector.

The partnership helps us to reach more early career nuclear professionals and hear from them directly, to understand better how to support and develop them as the future pioneers of the sector.

Successes include establishing a joint steering committee and young persons shadow boards to inform the group's work and provide novel perspectives. The organisations also hosted a series of Decommissioning Spotlights webinars which attracted over 6,000 young professionals from across the industry.



International relations

Global nuclear representatives discuss stakeholder engagement

We met American and Canadian counterparts to share best practice around how best to deliver effective stakeholder engagement around nuclear decommissioning during 2023. The trilateral partnership encourages collaboration on the successful decommissioning and remediation of legacy nuclear sites and the safe management of their radioactive waste.

Attendees at the London summit explored how each body engages with communities, regulators, NGOs, local authorities, and government. The three countries also shared best practice on how to involve younger people, ensuring that not only their voices are heard but that they are also aware of the vast opportunities available for those considering a career within the industry.



D. Peattie

David Peattie FEng HonFNUcl
 Accounting Officer and Group Chief Executive Officer
 3 October 2024

Accountability report

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



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 2023/24. 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. This is within the context that our value is not primarily financially metric driven and that our remuneration policy is in line with public sector guidance.

Our governance is under constant review with the latest Group Operating Framework (GOF) 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. With the support of DESNZ and UKGI, the NDA is focused on building on the work of the GOF to deliver more effective and efficient group governance.

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.

At the date of this report, the NDA Board is comprised of seven 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 2023 to 31 March 2024, their respective terms of office and memberships of the committees of the Board, can be found on pages 54 to 58.

Whilst recognising the unique role of the UKGI Representative on the Board, all Non-Executive Members of the Board are considered independent of the Executive and senior management. Janet Ashdown and Evelyn Dickey both reached nine year tenures in 2024. The Secretary of State for DESNZ has considered their independence and believes that they still meet these requirements. Their terms of office have been extended to 31 January 2025 to support an

effective transition as new board members are appointed.

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.

At 31 March 2024, the Board's gender balance was 50:50, with two senior board positions (Senior Independent Member and CFO) being held by women.

Board committees

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

- Audit, Risk and Assurance Committee (ARAC)
- Nominations Committee (NOMCO)
- Remuneration Committee (REMCO)
- Programmes and Projects Committee (P&PCO)
- Health, Safety, Security and Environment Committee (HSSE)
- Environmental, Sustainability and Governance Committee (ESG)

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 68 to 78.

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 Assurance and Performance Officer; Group Chief People Officer; Group Chief Commercial and Business Development Officer; Group Chief Corporate Affairs 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 59 to 61.

Representatives from our three control functions were co-opted into the ELT from April 2024 to further embed these important areas of work into all ELT decision making. The Group Chief Ethics and Compliance Officer; Group Director of Internal Audit and NDA Risk Director now attend all ELT meetings. The Group Organisation Development Director has also been co-opted into the ELT until the end of 2024/25 to support the ELT on the continued embedment of One NDA across the group.

Governance statement continued

Board members

Committee Membership

- N Nominations Committee
- H Health, Safety, Security and Environment Committee
- R Remuneration Committee
- AR Audit, Risk and Assurance Committee
- PP Programmes and Projects Committee
- S Environmental, Sustainability and Governance Committee
- Committee Chair



Peter Hill CBE
Non-Executive Chair

(From 1 June 2024)
(Term of office ends 30 November 2027)



Board skills and experience:

Peter has wide experience in executive, non-executive and chair roles across a number of FTSE listed companies and in government. Peter has been a non-executive board member of UK Trade and Investment, the Royal Air Force and an agency of the Foreign, Commonwealth and Development Office.

He has previously been Chair and a non-executive director on the Boards of a number of organisations spanning the manufacturing, research, aerospace and defence and chemicals industries amongst others. His executive career began with multinational mining groups Anglo American, Rio Tinto, BP Minerals and Consolidated Gold Fields. During this time, he held a variety of roles covering planning, operations, project management and corporate finance. He subsequently held senior management positions with FTSE 100 engineering groups BTR and Invensys and was an executive director on the Board of Costain Group plc, the then international engineering and construction company which completed major infrastructure projects worldwide.

For nine years he was the Chief Executive Officer of Laird plc, transforming it from an industrial conglomerate to a focussed international electronics company. Peter holds a BSc in Engineering and an MBA from the London Business School, he is a Chartered Engineer and a Fellow of the Institute of Materials, Minerals and Mining.

External appointments:

Peter is currently chair of Keller Group plc.



David Peattie,
FREng HonFNucl
Executive Board
Member –
Group Chief
Executive Officer and
Accounting Officer



Board skills and experience:

David was appointed Group Chief Executive Officer for the NDA in 2017, following a 33 year career in a number of technical, commercial and senior management positions in the oil and gas industry, including 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 has significant global experience of leadership in the energy, oil and gas industries, and a strong track record in tackling complex commercial and engineering challenges in the UK and internationally. Prior to taking up his role at the NDA, David was Chief Executive Officer at Fairfield Energy, where he managed the performance of North Sea assets and oversaw the start of the decommissioning project for the Dunlin Alpha Platform.

External appointments:

David is Chair of Pacific Nuclear Transport Limited, the international nuclear shipping company, partly owned by the NDA. David served a term as Patron of Women in Nuclear UK from 2020 to 2022.

David is a Fellow of the Royal Academy of Engineering, a Chartered Engineer, a Fellow of the Institute of Materials, Minerals & Mining (IOM3), and an Honorary Fellow of the Nuclear Institute.

He has personally established and funds undergraduate bursaries for Engineering students at the University of Dundee.



Kate Bowyer
Executive Board
Member-
Group Chief Financial
Officer

Board skills and experience:

Kate joined the NDA as 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

Governance statement continued



Janet Ashdown
Senior Non-Executive
Board Member
(Term of office ends: 31
January 2025)



Evelyn Dickey
Non-Executive Board
Member
(Term of office ends: 31
January 2025)



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 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 an Independent Assessor 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 Non-Executive Director and Chair of the Audit and Risk Committee of National Highways and Chair of the Press Recognition Panel. Kathryn is also a Member of the Group Audit, Risk and Assurance Committee of the Department for Transport. She serves as Lay Chair of the Audit and Risk Committee of the British Medical Association and is a Non-Executive Director and Chair of the Audit and Risk Committee of DfT OLR Holdings Ltd.



Harriet Kemp

Non-Executive Board Member

(Term of office ends: 29 February 2028)



Board skills and experience:

Harriet has experience across a wide range of Executive, Non-executive and Chair roles, across public, private and not for profit sectors. She has a background as a senior HR leader specialising in remuneration, spanning some 30 years, including working at Compass plc, Novartis and Pepsi.

External Appointments:

Harriet is a Board member and Chair of the Nominations and Remuneration Committee for the Royal Institute of Chartered Surveyors, a Trustee of Hamwic Educational Trust and a member of the School Teachers' Review Body. Harriet is also a Non-Executive Director of the Public Relations and Communications Association and Chair of the Remuneration Committee at Lady Margaret Hall at the University of Oxford.

Governance statement continued



Professor Francis Livens

Non-Executive Board Member

(Term of office ends: 30 Nov 2026)



Alex Reeves

Non-Executive Board Member and UKGI Representative



Board skills and experience:

Francis is Professor of Radiochemistry at the University of Manchester, with particular interest in plutonium and nuclear materials. He led the University's Dalton Nuclear Institute from 2016 to 2023 and is a Fellow of the Royal Society of Chemistry and a Member of the Institute of Strategic Studies.

External appointments:

Francis is Chair of the Nuclear Innovation and Research Advisory Board, providing advice to DESNZ on Advanced Nuclear Technologies.

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:

Ros Rivaz

Non-Executive Chair
(September 2020 to August 2023)

Chris Train, OBE

Interim Non-Executive Chair
(September 2023 to May 2024)

Non-Executive Member

(January 2022 to August 2023 and then June 2024)

Executive leadership team



David Peattie
Group Chief Executive
Officer and Accounting
Officer

David's full biography can be found on page 55.



Kate Bowyer
Group Chief Financial
Officer

Kate's full biography can be found on page 56.



Alan Cumming
Group Chief Assurance and
Performance 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. Executive Board Member and UKGI Representative

Governance statement continued



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. Emma is also an NDA-nominated Non- Executive Director of Nuclear Restoration Services.



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. Clive is also an NDA-nominated Non- Executive Director of Nuclear Waste Services, Nuclear Transport Solutions 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. Frank is an NDA-nominated Non- Executive Director of Nuclear Restoration Services.



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 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 previously served as Acting Group General Counsel and Company Secretary.



Paul Vallance

Group Chief Corporate Affairs 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 Alstom. 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.



Governance statement continued

Board performance

Corporate governance compliance

We apply high standards of governance and have established our own framework drawing upon the principles set out in the Corporate Governance in central government departments code of good practice, and the UK Corporate Governance Code where appropriate. We do not formally apply these codes as not all principles within them are applicable to the operations of the NDA. Where there are principles in these frameworks which are relevant and could be applied but are not, we report these exceptions to UKGI. We continuously review compliance against these governance codes and undertake exercises to ensure new regulatory or legislative changes are considered and applied where appropriate. We will look to develop a route to reporting on our compliance with the UK Corporate Governance Code in 2024/25.

The Board ensures that a balanced assessment of performance is reported to the DESNZ 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 the 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

68 to 78. Additional Board and committee meetings can be called as required.

Name	Role	Meetings attended (total: 11)
Peter Hill ¹	Chair	0
Chris Train ²	Interim Chair/Non-Executive Member	11
Janet Ashdown ³	Senior Non-Executive Member	10
Kathryn Cearns	Non-Executive Member	11
Evelyn Dickey	Non-Executive Member	11
Francis Livens	Non-Executive Member	11
Alex Reeves	Non-Executive Member	11
David Peattie	Group CEO (Executive Member)	11
Kate Bowyer ⁴	Group CFO (Executive Member)	10
Harriet Kemp ⁵	Non-Executive Member	0
Ros Rivaz ⁶	Chair	5

Notes:

- Peter Hill was appointed as Chair on 1 June 2024 and did not attend any meetings in the year.
- Chris Train was appointed as a Non-Executive Member of the Board on 22 January 2022. He served as Interim Chair from 1 September 2023 to 31 May 2024 and stepped down from the Board on 30 June 2024.
- Janet Ashdown was unable to attend one Board meeting in the year due to a the rescheduling of the meeting to a date that clashed with her pre-existing commitments.
- Kate Bowyer joined as Group Chief Financial Officer on 1 May 2023 and was therefore not a Board member for the first meeting of the year.
- Harriet Kemp was appointed as a Non-Executive Member on 1 September 2024 and did not attend any meetings in the year.
- Ros Rivaz stepped down from the Board on 31 August 2023 and chaired all meetings in the year prior to this date.

Governance statement continued

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 (incorporating a range of Environmental, Social and Governance expectations) governance, risk appetite, working with Government 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 ensuring robust succession plans are in place across the group for board and executive level appointments. 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, Risk and Assurance Committee.

Board performance, effectiveness review and training

The Board undertakes regular reviews 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 2023/24.

Areas for action and focus as highlighted by the 2023/24 review include:

- Improving understanding across the operating companies of the NDA's role and responsibilities and ensuring their alignment with this to enhance the NDA Board's governance, risk and assurance oversight of the group, and focus on the key priorities for the group.
- Continuing to improve the efficient and effective use of Board time by reviewing the delegations' frameworks and ensuring appropriate focus on strategic matters.
- Prioritising succession planning for the Board, its committees, and the executive with a focus on improving diversity.
- Developing a more regular schedule of engagement with regulators and government representatives as part of the Board's forward planning.

Training and professional development undertaken by Board members during the year were a mix of in-person sessions and online modules covering:

- Directors' Duties
- Anti-Bribery, Anti-Tax Evasion and Fraud Prevention and Awareness

- Revisions to the UK Corporate Governance Code
- Financial statements and the NDA's nuclear provision
- Remuneration Masterclasses
- Cyber safety and security

Magnox Inquiry, Departmental Review and Chair's Report

We have continued to make progress addressing the recommendations from the Magnox Inquiry, Departmental Review and Chair's Report and all recommendations were closed down by the end of April 2024. A final report was submitted to the NDA Board meeting in June 2024 where Members resolved to approve the closure of the Integrated Review Responses. We continue to track progress against any actions or conditions that may have arisen as part of the recommendation closures. These activities will be consistently benchmarked against any future recommendations arising from a new Chair Review, Public Body Review or any other such reviews. An internal audit review of the recommendations' governance process is taking place in Q2 of 2024/25 and will be submitted to the Audit, Risk and Assurance Committee for noting.

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 Government. A summary of the matters considered by the Board in the year are detailed in the table below. The Board also welcomed the attendance of the Chairs of each operating company 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 98 to 100 details how the

Board has engaged with stakeholders on a range of matters.

All Boards event

Board members, including Chairs, CEOs and non-executive board members, from all parts of the NDA group – NDA, Sellafield, NRS, NTS and NWS - came together in July 2023 to focus on group-wide strategy and their role in making it happen.

This was the first meeting of its kind and built on other successful cross-group Board engagements, such as the NDA Chairs' meetings and committee Chairs' meetings. The event provided an opportunity to explore and understand long term strategic opportunities across the group, as well as short term imperatives and challenges.

Themes for the day included:

- Sharing early successes from a one NDA way of working, such as the leadership academy and cyber security
- The value of alignment and collaborative working across the group, with a shared view of long-term strategy
- The importance of our people and skills
- The role of the Boards in enabling creativity, setting ambition and driving value for money

Board members came away with renewed sense of the urgency and importance of the mission and the role they could play both in their individual boards and working across the group.

Governance statement continued

Site visits

During the year, the Board has made several visits to Sellafield. Visits were also made by Board members to the following locations:

- Trawsfynydd
- Oldbury
- Dungeness A and B
- Dounreay

- Barrow Shipyard
- Crewe Railhead
- LLW Repository
- Herdus House
- Hinton House

Matters considered by the Board and some of its activities during the year are summarised in the table below:

<p>Strategy, performance and mission delivery</p>	<ul style="list-style-type: none"> • One NDA and group Strategy • Approval of Group Key Targets for 2023/24 • Review of the NDA 2024-27 Business Plan • Health and safety responsibilities of the NDA Board and Executive • Safety and performance improvement updates • Progress on the implementation of the advanced gas-cooled reactor transfer programme transaction and transfer programme decision-making calendar • Engagement with the DESNZ and other key regulators • Group subsidiary performance and activities including: <ul style="list-style-type: none"> • Magnox rebranding to Nuclear Restoration Services • Nuclear Waste Services merger, bringing together LLW Repository Ltd and Radioactive Waste Management Ltd. • Sanction matters including: <ul style="list-style-type: none"> • Business to be submitted to DESNZ for approval • Reviews of, and updates to, the sanctions and delegations process • Review of programmes and projects including: <ul style="list-style-type: none"> • Sellafield Ltd Box Encapsulation Plant • Replacement analytical project for advanced gas-cooled reactor Operating Programme • Harwell B220 Decommissioning • Magnox Swarf Storage Silo retrievals • Geological disposal facility overview and robust storage • Magnox Transfer Programme • Civil Nuclear Constabulary Operational Unit • Sellafield IT Services agreement • NRS facilities management • Dounreay Lifetime Plan • 'Trusted to do more' initiatives and a review of associated priorities • NDA Sanction Inflation Relief • Technology and innovation updates • Progress on radiation epidemiology and radiobiology research • UK Government and devolved administrations consultation on managing radioactive substances and nuclear decommissioning
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Risk and compliance	<ul style="list-style-type: none"> • Group risk areas and mitigations in line with the agreed risk appetite as part of a risk appetite workshop • Deep dives into the following group strategic risks: <ul style="list-style-type: none"> • Legal risk management • Our supply chain • Our change agenda and future mission integration • Closure of the final integrated review responses to the Magnox Inquiry, Departmental Review and Chair's Report • Group litigation matters
Culture and governance	<ul style="list-style-type: none"> • Development of the group-wide approach to 'Speak Up' and introduction of a new policy • One NDA and group culture • Group framework document review • Group mobility case studies • Diversity and Inclusion Audit Report and Inclusion Strategy • Modern Slavery Statement for financial year 2022 to 2023 • Gender pay gap • Updates to the Board and committee's Terms of Reference and Matters Reserved for the Board • Board and committees' effectiveness reviews • Regular safety and performance updates • Cyber security updates • Committee activity updates • Approval of the 2022/23 Annual Report and Accounts • Approval of key policies and governance documents including: <ul style="list-style-type: none"> • risk management policy, • risk management principles and requirements

Governance statement continued

Audit, Risk and Assurance Committee (ARAC)

The table below sets out the committee membership and attendance at scheduled meetings during 2023/24.

Name	Role	Meetings attended ¹ (total: 7)
Kathryn Cearns	Committee Chair	7
Janet Ashdown	Member	7
Alex Reeves	Member	7

Notes:

¹ Chris Train, as Interim Chair of the Board from September 2023, had a standing invitation to each ARAC meeting and joined three meetings during the year. Ros Rivaz, as Chair until September 2023, joined four meetings during the year. Other Board members, senior stakeholders and subject matter experts also joined select meetings throughout the year at the invitation of the ARAC Chair.

Message from the Committee Chair

A key focus of the Committee in 2023/24 has been monitoring and reviewing key workstreams of the Sanction and Assurance Beacon Project. This is part of the ongoing commitment to improve the sanction and assurance of major programmes and projects across the NDA group, further enhancing the maturity of the One NDA assurance model.

For the first time in 2023/24, ARAC approved the NDA Group Risk Assurance Plan and schedule which provides the structure to assess how effectively risk management is being applied across the group. The plan was developed in consultation with key stakeholders including NDA Group Assurance, NDA Sanction, Group Internal Audit, Operations and Performance Improvement, Operating Company Risk Assurance, and Group Strategic Risk owners.

In 2023/24, the Committee also received the first NDA Group System of Assurance Annual Report 2022/23. The report demonstrates a holistic picture of the system of assurance in the NDA group, meeting the NDA's obligation to DESNZ to deliver an effective and proportionate system of assurance.

The Counter Fraud, Bribery and Corruption Action Plan was approved by the Committee in June 2023, building on progress made in 2022/23 when the NDA Counter Fraud, Bribery and Corruption Strategy, Policy and Response Plan were refreshed.

In 2023/24 the Committee endorsed the new NDA Group Risk Management Policy which sets the principles, direction, and priorities of risk management for the NDA. Importantly, it demonstrates continued senior leadership commitment to risk management and is key to embedding risk management into the organisation.

As part of its risk management oversight, the Committee reviewed and approved the Group Strategic Risk deep dive schedule for the NDA Board and committees. It has also received deep dive presentations on the Group Strategic Risks it has oversight of: capability and capacity, supply chain assurance, future funding security, and cyber resilience.

As part of a phased strategic plan, the Committee has overseen the transition to the National Audit Office (NAO) of the audit of operating companies and other subsidiaries. For the first time this year, the NAO has conducted the audits of NRS and NWS; Sellafield will be included from 2024/25.

The Committee received regular reports on IR35 issues that have arisen at NRS and considered how the lessons learned should be addressed across the rest of the group, including compliance culture in relation to the IR35 rules more generally. Scrutiny of this matter will continue in 2024/25. The Committee also received a detailed presentation on the group's current approach to commercial hedging for gas and electricity and examined how it will adapt to changing market dynamics. Scrutiny of the matter will also continue in 2024/25.

As part of ongoing up-skilling and development, in June 2023 the Committee took part in a teach-in session on the 2022/23 financial statements which included information on the Nuclear Provision. The session provided incremental context for the committee during

their review of the 2022/23 accounts.

Throughout the year, the Committee has received regular reports from the Accounting Officer and on the NDA's Finance, Internal Audit, External Audit, Risk Management, Assurance, Speak Up matters and Ethics and Compliance activities and performance.

I have continued to collaborate and engage with the Chairs of the operating company ARACs to consider issues of mutual interest and to share both concerns and best practice. I have attended several of their ARAC meetings as an observer and the NDA ARAC has in turn welcomed operating company ARAC Chairs individually to its meetings. I have also encouraged the operating company ARAC chairs to observe each other's' ARAC meetings. This reciprocal arrangement will continue in 2024/25.



Kathryn Cearns

ARAC Chair

3 October 2024

Committee purpose

The ARAC 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 also oversees the effectiveness and quality of the group risk management framework and monitors risk exposure against group risk appetite.

During the year the ARAC undertook the following key activities:

Financial reporting

- Reviewed and endorsed the Annual Report and Accounts, Accounting Officer's Report and Internal Audit Report and Audit Completion Report for 2022/23

Risk management

- Approved and oversaw the Risk Assurance Plan for 2023/24
- Reviewed and approved the Group Risk Assurance activities included with the Group Integrated Assurance Plan for 2023/24

- Received and endorsed the NDA Board and Committees' risk deep dive schedule
- Received and endorsed the NDA Risk Management Policy
- Received and endorsed the NDA Group Risk Management Principles and Requirements
- Engaged on Group Strategic Risk deep dives on capability and capacity, supply chain assurance, future funding security and cyber resilience.

Internal audit

- Reviewed and endorsed the Group Internal Audit Plan for 2023/24
- Received reports from the Government Internal Audit Agency

Internal controls

- Received and reviewed the Accounting Officer's reports for the year
- Considered the findings of the Magnox IR35 Review Audit
- Reviewed and approved the publication of the NDA Gifts and Hospitality Register
- Considered and ultimately endorsed or approved select workstreams of the 2023/24 Sanction and Assurance Beacon Project
- Approved the 2023/24 annual action plan for the management of counter fraud, bribery, and corruption activity

Other matters

- Received regular reports on the performance and activities of the Internal Audit, Risk Management, Assurance and Ethics and Compliance functions.
- Reviewed and endorsed reports on the 2022/23 NDA Group Key Targets (Short Term Incentive Plan) Review
- Reviewed and endorsed reports on the outcome of the 2022/23 NDA Group Key Targets for input into the outturn of the NDA Short Term Incentive Plan (STIP)
- Considered proposed changes to group subsidiary audit processes
- Approved that the NDA would participate in and contribute to the Cabinet Office Internal Fraud Register
- Approved the closure of several Integrated Review Response recommendations assigned to it by the Board.

Governance statement continued

Nominations Committee (NOMCO)

The table below sets out the committee membership and attendance at scheduled meetings during 2023/24. Additional ad hoc meetings were held as and when required.

Name	Role	Meetings attended ⁶ (total: 3)
Peter Hill ¹	Committee Chair (from 1 June 2024)	0
Janet Ashdown ²	Member	2
Kathryn Cearns	Member	3
Evelyn Dickey	Member	3
Francis Livens	Member	3
Alex Reeves	Member	3
Harriet Kemp ³	Member	0
Members who served during the year		
Ros Rivaz ⁴	Committee Chair (until 31 August 2023)	1
Chris Train ⁵	Committee Chair (until 30 May 2024)	3

Notes:

- Peter Hill was appointed as Chair on 1 June 2024 and therefore did not attend any meetings during the year.
- Janet Ashdown was unable to attend one meeting during the year due to a prior commitment.
- Harriet Kemp was appointed as Member on 1 September 2024 and did not attend any meetings in the year.
- Ros Rivaz stepped down from the Board on 31 August 2023 and chaired one meeting during the year.
- Chris Train was appointed Interim Chair on 1 September 2023 and chaired three meetings during the year. Peter Hill was appointed as Chair from 1 June 2024 and therefore chaired no meetings during the 2023/24 year.
- The CEO, other senior stakeholders and subject matter experts also joined select meetings throughout the year at the invitation of the Committee Chair.

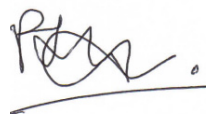
Message from the Committee Chair

A key focus of the Committee in 2023/24 has been supporting efforts to move the Group Operating Framework, launched in 2022, into the next phase by delivering more effective and efficient group governance and bringing the NDA and operating company boards closer together. Governance discussions at Board meetings during the year identified changes to the Committee's remit that will support the delivery of tangible improvements to the NDA's group governance processes, working within the existing governance structure.

In addition to this, the Committee has reviewed and made several changes to the NDA-nominated non-executive directors appointed to the operating company boards.

Attention remains on supporting the Secretary of State in ensuring effective succession planning to the Board, the NDA Executive Leadership Team, and other senior management positions in the NDA. Looking ahead to 2024/25, the Committee will oversee changes expected to the committee compositions as Janet Ashdown and Evelyn Dickey step down from their non-executive Board member positions, and new Board members are appointed.

This is my first report as Chair of the NOMCO after stepping into the role on 1 June 2024. I'd like to thank Chris Train for his leadership of the Committee over the majority of the 2023/24 year. In addition, I'd like to welcome Harriet Kemp to the Committee.



Peter Hill
NOMCO Chair
3 October 2024

Committee purpose

The primary purpose of the NOMCO is to review the size, composition, skills, experience, competency, independence, knowledge and diversity of the NDA Board and its committees and to recommend to DESNZ and UKGI any changes that are considered necessary or advisable. In doing so, 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 54 to 58.

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, based upon proposals by the CEO, the NOMCO makes recommendations to the Board on the appointment of independent NEDs to the operating company boards.

During the year the NOMCO has:

- Reviewed and approved changes to the compositions of the operating company boards including director resignations, appointments, and re-appointments.
- Overseen the now concluded recruitment process for the Sellafield Chair, and ongoing recruitment process for the NWS Chair
- Assessed and made changes to the NDA-Nominated non-executive directors on the operating company boards

- Reviewed succession plans for the NDA Board, Executive Leadership Team and senior managers
- Approved various Integrated Review Responses for closure
- Reviewed and endorsed changes to its Terms of Reference
- Reviewed and endorsed the committee's annual effectiveness review results and resulting actions
- Reviewed plans for the 2024/25 external board performance review

Governance statement continued

Remuneration Committee (REMCO)

The table below sets out the committee membership and attendance at scheduled meetings during 2023/24. Written resolutions were passed, as and when required.

Name	Role	Meetings attended ⁴ (total: 5)
Evelyn Dickey	Committee Chair	5
Kathryn Cearns	Member	5
Alex Reeves	Member	5
Janet Ashdown ¹	Member	0
Harriet Kemp ²	Member	0
Members who served during the year		
Chris Train ³	Member	5

Notes:

- 1 Janet Ashdown joined the Committee as a member from 1 July 2024 and therefore did not attend any meetings during the year.
- 2 Harriet Kemp was appointed as Member on 1 September 2024 and did not attend any meetings in the year.
- 3 Chris Train stepped down as a Board member on 30 June 2024 but attended all meetings during the year.
- 4 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

As the group has moved into the next stage of the one NDA model, the Committee has collaborated with the NDA operating company remuneration committees to drive a greater consistency of approach to incentive setting, and to embed the group reward framework as we continue to deliver value for money for the taxpayer. In addition, efforts have been made in 2023/24 to better align the cadence of performance reporting from the operating companies.

The Committee has been mindful when designing incentives of maintaining a focus

on delivering the mission whilst recognising emerging challenges such as cyber security and climate change. The Board takes a keen interest in the development of the organisation’s values, behaviours and culture and the Committee is keen to reward strong performance in these areas.

The Committee has maintained close oversight of the engagement with government on the group’s treatment under the pay remit. There is increasing pressure to attract and retain key skills as the nuclear industry continues to grow. Ensuring fair and appropriate remuneration within the government pay remit will be an ongoing challenge given the competitive market for skills.

The 2022/23 Sellafield bonus error was a key focus of the Committee in-year. We have worked with Sellafield to ensure a thorough review of the root cause and supported the implementation of an improvement plan. In addition, the Committee has reviewed the bonus processes and procedures for the other operating companies and have run Remuneration Masterclasses to strengthen overall governance and to further drive continuous improvement across the group. Finally, I’d like to welcome Harriet Kemp as a new Member of the Committee.



Evelyn Dickey
 REMCO Chair
 3 October 2024

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 2022/23
- Finalised the performance targets for the 2023/24 STIP
- Reviewed the CEO's and ELT's performance objectives for 2023/24
- Agreed the outcome and payments for the Long-Term Incentive Plan (LTIP) 2020-23 and set the targets for the LTIP 2023-26
- Received regular updates on all on-going Incentive Plans
- Monitored developments in relation to the Sellafield SEBs matter
- Received internal audit reports on Senior Pay Controls and Group Reward & Reward Governance Frameworks
- Finalised the offer to the new Group CFO and reviewed arrangements for the new Group General Counsel & Company Secretary's remuneration
- Overseen the NDA's 2023/24 pay remit submission and proposals for the application of the remit across the group
- Received updates on wider workforce remuneration matters
- Endorsed the Remuneration and People Report of the 2023/24 Annual Report and Accounts
- Reviewed and endorsed changes to its Terms of Reference
- Reviewed and endorsed the committee's annual effectiveness review results and resulting actions
- Attended Remuneration Committee Masterclasses

- Reviewed submissions to the Cabinet Office's High Earners List and High Pay Quota reports
- Received reports on legislative and regulatory developments as part of ongoing horizon-scanning activities

The NDA Remuneration and People Reports can be found on pages 105 to 122.

Governance statement continued

Health, Safety, Security and Environment Committee (HSSE)

The table below sets out the committee membership and attendance at scheduled meetings during 2023/24.

Name	Role	Meetings attended ⁵ (total: 4)
Francis Livens ¹	Committee Chair	4
Evelyn Dickey	Member	4
David Peattie	Member	4
Harriet Kemp ²	Member	0
Members who served during the year		
Janet Ashdown ³	Member	4
Chris Train ⁴	Member	4

Notes:

- Francis Livens was appointed as Committee Chair from 1 July 2024.
- Harriet Kemp was appointed as Member on 1 September 2024 and did not attend any meetings in the year.
- Janet Ashdown was Committee Chair for the entirety of the 2023/24 year. She stepped down from the Chair position on 30 June 2024 and remained a member until 31 August 2024.
- Chris Train stepped down as a Board member on 30 June 2024 but attended all meetings during the year.
- Other senior stakeholders and subject matter experts also attended meetings at the invitation of the HSSE Chair.

Message from the Committee Chair

A key focus of the Committee in-year has been on addressing an adverse trend in safety performance and culture at Sellafield and across the NDA. A nuclear safety assist was instructed, and the Committee has received frequent updates throughout the year on progress against areas identified for improvement. There has been good collaboration between the Sellafield and NDA teams who continue to support efforts.

The Committee has prioritised health and safety culture in 2023/24. The NDA's One

Wellbeing Leadership event in February shone a spotlight on the importance of psychological safety and the work the NDA has done as part of its Speak Up programme continues to support this. In January, the Committee visited Trawsfynydd and met with team members and Safety Reps to discuss working conditions on-site.

A continued focus of the Committee has been the Magnox Swarf Storage Silo leak at Sellafield. Updates have been provided to the Committee at every meeting throughout the year on progress to address the known issues.

The Committee has overseen regular reviews of key group HSSE risks. Safety performance across the group has also been benchmarked against industry comparators.

During the year, the Committee has received regular reports on security and cyber security performance across the group. Priority focus has been on the group's safeguarding and resilience given the continued heightened risk of cyber threats. The Committee has overseen the delivery of a new security assurance model, supporting the group's obligations under the Energy Act. The Committee has also reviewed initiatives intended to improve the group's supply chain security activities. We continue to engage with government and via various working groups to support information sharing and overall security and resilience capabilities across the civil nuclear industry.

The Committee has considered the role and responsibility of the NDA Board and Executive in health and safety oversight of the group following a letter received from the ONR in late 2023. In February, the Committee welcomed observers from the ONR to its meeting. The ONR gave constructive steer and feedback on the NDA group's performance and identified areas for improvement which the Committee will take forward.

This is my first report as Chair of the Committee. I'd like to welcome Harriet Kemp as a Member and thank Janet Ashdown for her leadership of the Committee during the 2023/24 year.



Francis Livens

HSSE Committee Chair
3 October 2024

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, receives reports from group businesses on events and accidents
- Receive and commission independent reports from NDA's in-house health, safety

and security resilience teams, including trend analysis and reports of work undertaken by the NDA to promote high standards and encourage collaboration

During the year, the HSSE Committee has:

- Instructed and overseen a nuclear safety assist workstream at both Sellafield and the NDA to address an adverse trend in safety performance and culture
- Reviewed and considered the implications of various letters to and from the regulators as submitted during the year.
- Reviewed the health and safety responsibilities of the NDA Executive and NDA Board
- Received updates on:
 - Workplace Transport Safety
 - Radiation Epidemiology and Radiobiology Research
 - Unmanned Autonomous Systems (UAS)
 - NDA Fire Prevention and Management Arrangements
 - Sellafield's Fire Safety Improvement activities
 - Environment Strategic Workforce planning
 - The TU/Management interactions at Dounreay
 - Cyber security at Sellafield
- Welcomed attendees from the ONR to a meeting to hear from the regulator about its perspective on NDA group performance.
- Oversaw deep dives on the following Group Strategic Risks: health, safety and wellbeing, cyber threats and asset management.
- Reviewed and endorsed changes to its Terms of Reference
- Reviewed and endorsed the committee's annual effectiveness review results and resulting actions

The full Health, Safety, Environment and Wellbeing Report can be found on pages 123 to 136.

Governance statement continued

Environmental, Sustainability and Governance Committee (ESG)

The table below sets out the committee membership and attendance at scheduled meetings during 2023/24.

Name	Role	Meetings attended ⁴ (total: 4)
Francis Livens ¹	Committee Chair	4
Harriet Kemp ²	Member	0
Evelyn Dickey	Member	4
Members who served during the year		
Janet Ashdown ³	Member	4

Notes:

- Francis Livens was appointed as Committee Chair from 1 July 2024.
- Harriet Kemp was appointed as Member on 1 September 2024 and did not attend any meetings in the year.
- Janet Ashdown was Committee Chair for the entirety of the 2023/24 year. She stepped down from the Chair position on 30 June 2024 and remained a member until 31 August 2024.
- Chris Train, as Interim Chair of the Board, had a standing invitation to each ESG meeting and joined four meetings in the year. Other Board Members, senior stakeholders and subject matter experts also joined select meetings throughout the year at the invitation of the ESG Committee Chair.

Message from the Committee Chair

Following a review of its Terms of Reference, the Committee changed its name to the 'Environmental, Sustainability and Governance Committee' in 2023/24. The aim of this was to demonstrate the Committee's oversight of the targets and cultural aspects of environmental workstreams.

During the year, the Committee has championed the adoption of sustainability into every aspect of NDA group operations. Business cases coming through the NDA Programmes and Projects Committee and NDA Board are now required to have sustainability considerations written into proposals from their initiation.

In addition, the Committee has overseen a programme of work to build sustainability requirements into our contracts and supply chain. The group's sustainability and social value focus has now been incorporated into its procurement practices.

As part of the Skills and Culture Beacon Projects in 2023/24, the Committee has reviewed and advised on the development of the NDA group Culture Balanced Scorecard to monitor culture and cultural development across the group. The Committee has also received reports on findings from the group's D&I data dashboard, allowing for progress to be mapped against the group's Inclusion Strategy goals.

The Committee has received presentations from each operating company on their respective sustainability activities and identified areas for collaboration across the group.

The Committee is proud of the NDA's sustainability and environmental achievements in the year and welcomes the publication of the first NDA Sustainability Report in Summer 2024.

This is my first report as Chair of the Committee. I'd like to welcome Harriet Kemp as a Member and thank Janet Ashdown for her leadership of the Committee during the 2023/24 year.



Francis Livens
ESG Committee Chair
3 October 2024

Committee purpose

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

During the year, the ESG Committee has:

- Monitored progress against the 2023/24 Sustainability targets
- Reviewed progress against the four key legacies of our Sustainability Roadmap
- Received updates on and reviewed progress against the Skills and Retention and Culture Beacon Projects
- Overseen activities relating to social value implementation across the NDA group
- Monitored the group's progress towards carbon net zero
- Received deep dives on sustainability programmes and activities from each of the operating companies
- Reviewed sustainability assurance and governance workstreams to ensure the integration of sustainability into business cases coming to the NDA P&PCO and Board
- Reviewed activities relating to low carbon procurement across the group
- Reviewed and approved social value focus in procurement criteria activities for the NDA
- Overseen the development of the NDA Diversity and Inclusion Dashboard
- Reviewed the NDA's 2023 staff survey results
- Reviewed our Modern Slavery and Human Trafficking Statement and recommended it to the Board for approval
- Reviewed and approved our sustainability targets for 2024/25
- Received updates on the group's Natural Capital and Biodiversity workstreams
- Discussed the climate related risks facing the group

- Overseen risk deep dives on diversity and inclusion
- Reviewed and endorsed changes to its Terms of Reference
- Reviewed and endorsed the committee's annual effectiveness review results and resulting actions

More information on sustainability in the NDA can be found on pages 23 to 25.

Governance statement continued

Programmes and Projects Committee (P&PCO)

The table below sets out the committee membership and attendance at scheduled meetings during 2023/24.

Name	Role	Meetings attended ³ (total: 8)
Janet Ashdown ¹	Committee Chair	0
Kathryn Cearns	Member	8
Francis Livens	Member	8
David Peattie	Member	8
Members who served during the year		
Chris Train ²	Committee Chair (until 30 June 2024)	8

Notes:

- 1 Janet Ashdown was appointed as Committee Chair from 1 July 2024.
- 2 Chris Train was Committee Chair for the entirety of the 2023/24 year. He stepped down as a Board member on 30 June 2024.
- 3 Other senior stakeholders and subject matter experts also attended meetings at the invitation of the P&PCO Chair.

Message from the Committee Chair

The Committee has developed its assurance oversight of major programmes and projects during the year. This has been achieved through regular assurance reporting and focused reviews pertaining to certain sanction requests.

Rolling programme updates from group Senior Responsible Owners have been introduced as part of standing reporting to the Committee. These enable the Committee to maintain ongoing effective oversight of such programmes.

We continue to work closely with our counterparts in the group operating companies. A new group P&PCO Chairs' Forum has been established and met for the first time in December 2023.

Looking ahead to 2024/25, the information received by the Committee will follow new formats developed as part of the 2023/24 Sanction and Assurance Beacon Project. This

is my first report at Chair of the Committee. I'd like to thank Chris Train for his leadership of the Committee during the 2023/24 year.



Janet Ashdown
P&PCO Chair
3 October 2024

Committee purpose

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

During the year, the P&PCO has:

- Received regular updates on major contracts, assurance, risk management and sanctions across the group
- Considered 11 sanction submissions.
- Reviewed the performance of several major strategic projects and programmes across the NDA group including:
 - Group-wide programmes such as the Programme and Performance Management Excellence Programme, developing groupwide networks in project management
 - The Programme and Projects Partners, a Sellafield initiative with delivery partners
- Reviewed evidence and approved the closure of twelve recommendations from the Integrated Review Response and Chair's Review
- Received risk deep dives on performance across the group in the areas of portfolio, programme and project management
- Facilitated progress on improving the sanctions process
- Reviewed and endorsed changes to its Terms of Reference
- Reviewed and endorsed the committee's annual effectiveness review results and resulting actions

Group risk management and assurance

Effective identification and 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 identifying, 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 practices comply with the requirements of the 5 principles set out in HMG Orange Book (Management of Risk: Principles and Concepts) and align to 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 2023/24 this was achieved by:

- Embedding and maturing our approach to risk appetite across the group.
- Initiating the roll out of our Group Risk Management System.
- Continuing to use cross group risk forums which promote open collaborative conversations where individuals are comfortable to escalate risks and concerns.
- Further developing proof of concepts using AI to deliver augmented insights and enhance our ability to identify and assess risk information.
- Strengthening our external networks to ensure we learn from and share learning across industry and government. Improved reporting on and decision making from risk assurance activity across major projects and programmes.

Governance statement continued

Risk assurance framework

The framework provides the structure for assessing how effective risk management is being 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.

A dynamic planning interface between Risk, Assurance, Internal Audit and each operating company's risk function has been continued. The diagram below is illustrative of how the "risk, control, assure" principle integrates our assurance activities.

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>Current risks Where action is required now to mitigate threats to strategic objectives or to exploit opportunities.</p> <p>Emerging risks 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"> • Appropriate risk and action ownership • Likelihood of occurrence and related impact, aligned to a group "Probability-Impact Diagram" (PID) • Control performance: the effectiveness of risk management controls • The level of risk compared to our defined "Risk Appetite" (per impact category). • Potential for further action to mitigate threats or exploit opportunities. 	<p>Assessment is made against seven key impact categories:</p> <ul style="list-style-type: none"> • Safety • Environment • Legal • Reputation • Strategic delivery • Security • Financial
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

Responsibility for monitoring	NDA Board Accountable to the Secretary of State for all aspects of the NDA's activities and performance as well as Scottish Ministers in respect of devolved areas of performance; sets the strategic framework and direction for operations and is responsible for ensuring high standards of corporate governance at all times; sets the risk appetite; agrees plans against which NDA performance is measured; and maintains an appropriate control framework that provides assurances on risk assessments and the application of appropriate controls.					Responsibility for implementing	
	Board committees						
	Audit, Risk and Assurance Committee Critically challenges and reviews the risk management framework, adequacy and effectiveness of control processes and the application of risk appetite.	Environmental, Sustainability and Governance Oversight and scrutiny of risks specific to environment, sustainability, and (non-financial) governance matters.	Programmes and Projects Oversight and scrutiny of risks specific to projects and programmes.	Health Safety Security and Environment Oversight and scrutiny of risks specific to health, safety, security and environment.	Nominations Oversight and scrutiny of risks specific to nominations.		Remuneration Oversight and scrutiny of risks specific to remuneration.
	NDA group risk Maintains the risk management framework, identifies and shares good practice and provides oversight and challenge of risk at both NDA and group level. Provides advice and assurance to the Board on risk.	Accounting Officer's Review NDA operating companies present their top risks and describe their management of them through the Accounting Officer Review process to ensure appropriate management.					
		Group Leadership Team Routine oversight and monitoring of group risks and exposure against risk appetite with onward reporting to Board committees. Ensuring the risk management framework is acted upon.					
Executive Leadership Team Routine oversight and monitoring of NDA risks and exposure against risk appetite with onward reporting to Board committees. Ensuring the risk management framework is acted upon.							
Risk owners and sponsors are responsible for ensuring strategic and group risks are understood, appropriately assessed, actively managed, reported and monitored.		Assurance and Performance function are the main point of contact/link between the NDA group and the operating companies. They provide assurance and challenge that the operating companies follow guidance set by the group and the NDA.	Group Risk Forum (GRF) Considers (key) threats and opportunities across the entirety of the NDA group, to develop collaboration and discuss risk connectivity. The GRF also considers emerging risks and potential new group risks.	NDA Risk Forum Considers (key) threats and opportunities across the NDA. Facilitates learning, knowledge enhancement and communication of risk information.			

Governance statement continued

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 effective risk management is further reinforced through the regulatory environment in which we operate which includes 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. Throughout this process, the NDA risk management team provides additional challenge and assurance of these and other risks across the group.

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 monitoring and proactive management which is co-ordinated by the NDA Group Risk Team with Group Leadership Team (GLT) sponsorship and ownership.

The table below contains:

- Our 15 group strategic risks
- Their link to our five mission themes
- The response to mitigate these risks in 2023/24
- One risk (GSR15) that has expanded its focus within the year.

During 2023/24 GSRs continue to be affected by the external environment. This includes ongoing drivers from cost inflation and material shortages, labour market dynamics, the high cost of energy, the ongoing Ukraine conflict, and funding pressures. Emerging drivers include the Middle East conflict,

UK procurement reform and competitive environment within nuclear and defence sector. 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 Board committees have reviewed ten GSR: 1, 3, 4, 5, 7, 10, 11, 13, 14, and 15. 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 of each review are recommendations to enhance the understanding of the risk, its controls and responses. These recommendations are owned by the GSR owner and tracked by the ARAC.

Risk appetite

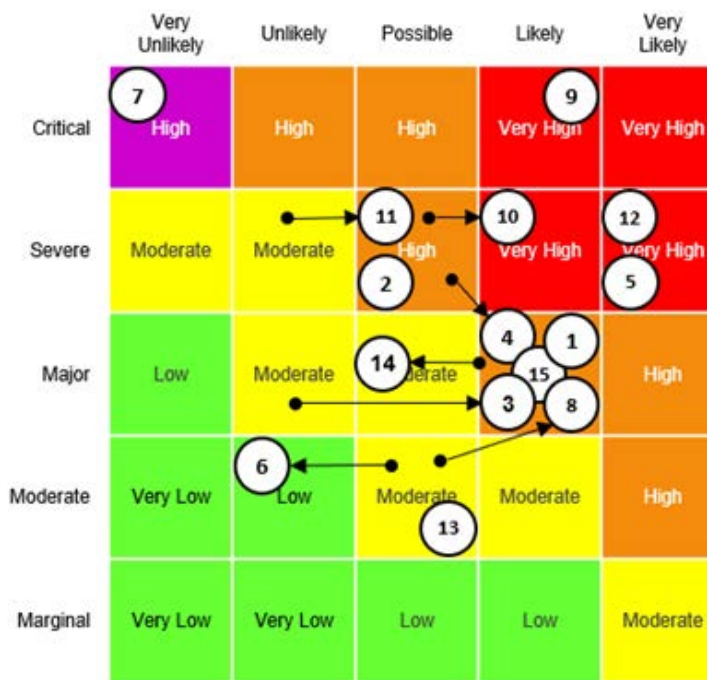
Risk appetite is an essential component of our enterprise risk management framework. It enables effective decision-making, is embedded within our Strategic Management System, and is underpinned by our Value Framework.

The NDA Board sets the risk appetite for the group by defining acceptable levels of risk that can be tolerated in pursuit of achieving NDA strategic objectives.

During 2023/24 the approach to risk appetite has been matured and embedded across the group. Governance and reporting have been improved so that key decisions will now include an assessment against risk appetite.

Strategic risk likelihood and impact diagram

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.





Governance statement continued



Mission themes



Change in risk score during the year	Effectiveness of risk mitigation
 <p>GSR1. Project, programme and portfolio management performance across the group is not performing as required, impacting mission delivery.</p>	
<p>Stable with a declining risk context. In the year, we have seen poor performance with several major projects undergoing re-sanction. Project, programme and portfolio performance continues to be a key area of scrutiny and Board and Executive focus. Mitigations and controls continue to embed and undergo continual improvement. The benefits of these measures will take time to be realised in major project performance.</p>	<p>To drive maturity improvements and embed the one NDA assurance model, the Sanction and Assurance Beacon project and Group Key Target were established in 2023/24. The focus areas were:</p> <ul style="list-style-type: none"> • developing a consistent, integrated approach to assurance across the NDA group, underpinned by refreshed processes and guidance incorporating feedback and learning from experience. • Streamlining sanction governance whilst providing increased visibility of preceding assurance and governance outcomes. • Addressing formal review recommendations and setting out future improvement plans. <p>The Project and Programme Management (PPM) Excellence Programme is now well established. Improving the robustness of the front end of projects is a continued focus with improvements noted. The benefits of these measures will take a time to be realised and continue to be actively monitored to assess effectiveness. Also, a Beacon Project has been initiated for 2024/25 ensuring group-level learning is shared and acted upon in the delivery of group projects, programmes and group contracts.</p>
 <p>GSR2. NDA is unable to complete its mission satisfactorily due to an inability to safely, securely and cost effectively manage radioactive waste</p>	
<p>Stable with a volatile external context due to Geological Disposal Facility (GDF) community engagement.</p>	<p>Actions to address adequacy of storage and the delivery of Geological Disposal Facility (GDF) are progressing in line with the plan.</p> <p>The NWS Lifetime Plan build is underway. This will provide credibility and surety of mission deliverables, including GDF. Once published, it is recognised that the revised Managing Radioactive Substances and Nuclear Decommissioning policy will support consideration of new opportunities and mitigation strategies to enable further review of this risk.</p>



Change in risk score during the year	Effectiveness of risk mitigation
 <p>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</p>	
<p>Likelihood increased due to the cumulative effect of both internal and external factors. These includes ability to attract specialist skills, ageing workforce, competitive environment within nuclear and defence sector, additional scope (GSR15) and funding challenges.</p>	<p>The NDA group-wide Beacon project in 2023/24 focused on collaborative interventions and mitigations for six key skills areas: cyber, project and programme management, technical /engineering, commercial, radiological protection, and strategic ICT/digital.</p> <p>We have launched national campaigns to increase and improve recruitment, exit surveys to understand attrition and introduced key mitigations. We have also significantly improved our approach to key skills data, including strategic workforce planning, workforce attrition data and the introduction of quantitative key risk indicators.</p>
 <p>GSR4. Existing supply chain may not have the capacity or capability to support NDA group current targets, programmes and ultimately the mission</p>	
<p>Risk score remains High (increased likelihood, decreased impact). The external threat environment continues to be volatile with ongoing global impact of geopolitical events, upcoming regulatory changes, and sustained impact of inflation.</p>	<p>Ongoing international conflicts continue to impact availability of global supplies and market prices. Whilst the impact has been minimised, the influence of global events endures. Whilst inflation is now slowing, its impact on in-flight projects remains an ongoing concern.</p> <p>Supplier vulnerability across the supply chain in the last 12 months has led to an increase of supply chain entities being monitored due to financial fragility. Long term planning of procurement and commercial activities has become increasingly necessary to enable the management of commercial risks.</p>



Governance statement continued

Change in risk score during the year	Effectiveness of risk mitigation
	<p>GSR5. Due to a change in government priorities NDA funding is not sufficient beyond the current Spending Review settlement to continue with preferred (optimised) programmes, resulting in sub-optimal mission delivery / progress, reduction in value-for-money, some scope stopped / delayed</p>
<p>Risk score remains Very High (High impact; High likelihood). The external threat environment continues to be uncertain with HMG fiscal pressures and both the scarcity and cost of resources.</p>	<p>We continue to portfolio manage threats and opportunities across the group to optimise value for money and mission delivery.</p> <p>Proactive stakeholder engagement ahead of the next spending review has commenced reinforcing the importance of the NDA mission in support of key Government energy and social policies.</p> <p>The next spending review period (2025+) will be further challenged by the forecast decline in revenue associated with Advanced Gas Reactor (AGR) fuel receipts and predicted cost increases required to progress our preferred programmes of mission delivery.</p>
	<p>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</p>
<p>Likelihood decreased due to progress of the mitigation actions.</p>	<p>Inappropriate group structures have been managed via 'group model' awareness sessions and an approach to monitor the adherence of the signed interface agreements between the NDA and operating companies.</p> <p>Stakeholder confidence has been managed through closing actions and recommendations from key reviews. This includes Integrated Review responses, Independent Review Panel recommendations and obtaining approval of the Organisation Evolution Summary.</p> <p>The formation of the Portfolio Integration Management Office provides transparency on how the NDA realises mission benefits utilising the one NDA model.</p>

Change in risk score during the year	Effectiveness of risk mitigation
 <p>GSR7. Major incident at an NDA site leading to large scale release to the environment</p>	
<p>Risk score remains High (High impact; Low likelihood) and will continue until waste retrievals of several hazardous facilities at Sellafield and NRS have been completed, or significantly progressed.</p>	<p>Mitigation of likelihood is primarily managed through asset care (GSR12 interconnectivity). Major facilities at Sellafield have seen improvement, however strategic health indicators at Sellafield and NRS coupled with group resource challenges means the risk remains unchanged.</p> <p>In the event of a major incident recovery plans form part of Emergency Management Arrangements. These have been assured at all our sites and continue to remain in a good position with some recent improvements to resourcing at both Sellafield and NRS.</p>
 <p>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</p>	
<p>Likelihood and impact increased due to a step-up in construction activity, a rise in Office for Nuclear Regulation (ONR) enforcement actions and total number of incident rates.</p> <p>Examples incident topics include; fire safety, asbestos, legionella, lifting, Dangerous Substance and Explosive Atmosphere Regulations (DSEAR) management, nuclear safety and Total Recordable Injury Rate (TRIR).</p>	<p>Understanding of the threat has improved through maturing of data assessment and risk informed assurance. The assurance focus has been workplace transport, bulk chemicals, nuclear safety phase II and fire safety. Meetings have been held with the group health and safety directors and site safety representatives with regards to addressing the adverse trend in total recordable incident rate Improvement actions are being identified.</p> <p>Improvements have been made with compliance key topics, including fire safety at Sellafield and emergency related resource.</p> <p>Health, Safety and Wellbeing working groups continue to identify and share learning. This year it has focused on learning events for significant incidents, mental wellbeing and safety culture.</p> <p>Specialist safety resources continue to be stretched, which impacts the ability to progress topic-specific improvements.</p>

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Change in risk score during the year	Effectiveness of risk mitigation
 <p>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</p>	
<p>Risk score remains Very High. This is driven by the external geopolitical tensions, specifically the conflicts in Ukraine and the Middle East, and increased likelihood of a cyber event and/or a malicious act.</p>	<p>A review of risk interconnectivity has determined that the short-to-medium term controls for an external nuclear event are now covered by GSR7, 10, 11 and 15.</p> <p>Assurance via emergency exercises provides confidence in response plans. Medium-to-long term recovery remains the focus if the threat materialised.</p> <p>In the event of an external nuclear incident, stakeholder confidence will be maintained using existing arrangements.</p>
 <p>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</p>	
<p>Cyber threats are taken very seriously. Likelihood increased as the threat environment continues to expand across all sectors and there has been increased Government and regulatory expectations.</p>	<p>We continue to invest in our people, processes and technology, working closely with UK Government, the National Cyber Security Centre (NCSC) and other key partners.</p> <p>We have moved to a group cyber services model and have improved our threat detection capabilities.</p> <p>Progress has been made on both our current resourcing and strategic cyber talent solutions via the Skills Beacon Project 2023/24.</p> <p>Our cross-group standards for the secure use of technology and our shared good practices show the benefits of being a group.</p>

Change in risk score during the year	Effectiveness of risk mitigation
 <p>GSR11. Insider / external threat leading to security breach resulting in business disruption and associated reputational impact</p>	
<p>Likelihood increased due rising geo-political tensions. The threat environment continues to be volatile.</p> <p>We have improved links to UK intelligence authorities and continue to work closely with our sponsoring department to map and manage areas of concern.</p>	<p>Risk deep dives and maturing of data and analytics have resulted in greater understanding and management of security threats. Our analysis has been cross checked by external stakeholders.</p> <p>Improved intelligence feeds and associated horizon scanning provides confidence that sufficient mitigations are applied.</p>
 <p>GSR12. NDA assets not performing as required, impacting mission delivery</p>	
<p>Risk score remains Very High. The threat environment continues to grow. Asset risk is enduring and will not change quickly; it is a priority for our regulator, executive teams and Board.</p>	<p>Asset management performance and capability across the group continue to impact mission delivery, resulting in assets being required to perform for longer.</p> <p>Delivery of Asset Management Strategy was a Group Key Target in 2023/24 and key improvement themes along with embedding group Asset Management capability will continue as a Beacon Project for 2024/25.</p> <p>Good progress was made during 2023/34 with implementation of Strategic Asset Management Plans (SAMPs) across the operating companies. They continue to be embedded during 2024/25.</p>

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Change in risk score during the year	Effectiveness of risk mitigation
	<p>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.</p>
<p>Stable but threat environment continues to be uncertain. Legal risk can be encountered at any stage of an organisation's activities.</p>	<p>Continued focused has been on ensuring adequate resource levels are maintained, ensuring legal services panels are embedded and delivering training for senior leadership. Staffing levels remain at risk of change, particularly in light of opportunities from elsewhere within the nuclear sector (GSR3). The external legal services panel has been embedded and procurement routes for further panels have been developed. Training has been delivered for Board directors' duties and for legal risk awareness across NDA functions. Senior leadership is accountable for ongoing implementation. Annual HR horizon scanning was undertaken for REMCO - the identified key emerging risk (Procurement Reform) is being addressed through a cross-group project with Commercial/ Procurement Lead and Legal Support.</p>
	<p>GSR14. The NDA group or one of its businesses does not have the knowledge, frameworks, culture, and capacity or tools to deliver D&I improvements and effectively address discrimination, bullying and harassment concerns made by employees.</p>
<p>Likelihood decreased due to continued focus on delivering the Diversity and Inclusion (D&I) strategy 2021-2025 with collaboration from operating companies.</p>	<p>An external group D&I audit highlighted strengths/ areas for improvement and led to trackable action plans across the group. 2024/25 focus areas are governance and plan quality, enhancing Diversity and Inclusion enhancing data insights, attraction of diverse talent and refresh/creation of the next five-year strategy.</p>
	<p>GSR15. Additional scope introduced across the Group may adversely impact current programmes, stretch resources and management focus, leading to adverse delivery performance</p>
<p>Risk score remains High. The scope the GSR has been expanded to reflect the external horizon and cross group impact.</p> <p>We have an improved understanding of the strategic drivers impacting Government and therefore where NDA group may be requested to support, as well as opportunities the NDA group may choose to proactively to pursue.</p>	<p>A forum has been established to review the effectiveness of risk control mechanisms to manage additional scope across the group.</p> <p>Proactive impact assessments of additional scope are undertaken to understand the effect on scarce resource (GSR3), recognising that additional scope can disproportionately impact a small number of individuals.</p>

Financial control

We have strong financial controls in place to ensure we remained within our budgetary spend for 2023/24 of £4 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.

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 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 and data transformation, information and communications technology (ICT), security and resilience and cyber security. This covers all aspects of:

- Cyber, physical and personnel security, business continuity and resilience.
- Knowledge and information management (including heritage management, intellectual property, and information risk management).
- Digital and data management.

The NDA group Chief of Staff and Security Officer has continued to provide effective leadership and management of information risks and issues arising across the group. This includes governance, assurance, and oversight of several group-wide risk reduction workstreams, all of which have delivered key benefits.

During the last year, we have:

- Published the NDA group ICT strategy and group heritage strategy.
- Drafted a group data strategy and target operating model.
- Initiated the production of a cloud environment that will host shared ICT platforms and solutions for the group.
- Improved the resilience of group-wide communications through the procurement of satellite commercial partner contract to deliver services for NDA Archives Ltd, including the running of Nucleus, the nuclear and Caithness archive.
- Improved our carbon footprint by reducing our physical (on-premises) servers and through the adoption of greener cloud alternatives.
- Matured our Artificial Intelligence (AI) capabilities, working with the supply chain, academia and our operating companies on governance, solutions, and technology platforms.
- Launched a programme with the intention to corroboratively procure IT services and implement a new IT operating model for the group.
- Led sector-wide working groups for uncrewed autonomous systems (UAS) and supply chain security. Completed phase one of the remote monitoring of sensitive sites (RMSS1), a future security systems innovation challenge in conjunction with the defence and security accelerator.
- Initiated the implementation of two group-wide shared solutions: Managed print, and room-booking, enabling mobility and the ability to 'work from anywhere' across the group.

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- Implemented a single global address list for all NDA group staff, enabling searching for, and connecting with, any person in the group.
- Continued the recruitment of the group's digital and AI graduates
- Run a digital hackathon exercise to socialise and promote group-wide digital capabilities, develop improved ways of working and encourage collaborative problem solving.
- Established an enduring group cyber services delivery model where common services are procured once.
- Further developed the Group Security Operations Capability into a protective monitoring and incident response support capability for the group.
- Ensured compliance with the relevant statutory legislation and regulatory guidance regarding management of, and access to, NDA-owned information assets.
- Evolved our approach to the provision of a group-wide digital collaboration platform (currently known as The Hub).
- Further embedded the cyber professional standard from the Chartered Institute of Information Security (CII Sec), helping organise and run the first CII Sec Nuclear Sector Hub Conference in 2023.
- Supported several international technical exchange sessions for nuclear security with the US Department of Energy and DESNZ funded international nuclear security improvements programme.
- Commenced a rolling programme of improved security assurance using the 2023 security assurance model (SAM). The SAM helps the NDA better inform the security group strategic risks and improves our overall risk mitigation processes.
- Improved our overall NDA group resilience, through dedicated quarterly emergency preparedness and business continuity sessions as part of the NDA group Security forum. Through an EPC facilitated cross-group exercise we were able to

demonstrate NDA group support to HMG departments during a national emergency, with the focus being the transition from response to recovery.

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, DESNZ 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 2022 to 31 March 2023 on 13 September 2023. 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 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 2023/24, 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 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 checks have been built into the new commercial system that was implemented across the NDA group during this reporting year 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 2023 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 by the Audit, Risk and Assurance Committee (ARAC), 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. As described in the 2022/23 Governance Statement, NDA identified an issue in the determination of the outcome of an employee incentive plan at Sellafield, which led to overpayments to staff. The issue was identified during the Accounting Officer review meeting in May 2023, after payments to staff had been actioned. The financial impact of the increased bonus was £2.1m.

A full investigation of the Sellafield incentive plan overpayment was performed and concluded that this was due to management override of financial controls. An NDA Board sponsored review was undertaken to provide an independent overview of the matter and to further consider group-wide reward governance, identify any control gaps or weaknesses in the arrangements and make recommendations for a strengthened and cohesive approach to Reward across the Group. Management actions from the review were agreed and completed, with a follow up independent review to be undertaken to ensure all identified control gaps and weaknesses have been addressed. To further prevent reoccurrence, future payments of bonuses to Sellafield staff will be made one month later than previously, allowing additional time to ensure full completion of all review and approval activities before payment is initiated.

While mindful of our duty to responsibly manage public funds, we have been working

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with stakeholders, including our trade unions, to resolve the situation. A formal request to not recover the overpayment was submitted to HM Government, which was accepted in August 2024.

During 2022/23, Group Internal Audit performed a review of compliance with the off-payroll working regulations, IR35, in Nuclear Restoration Services (NRS). The IR35 rules affect individuals providing services to end clients through an intermediary, typically a Personal Service Company, who would be considered employees for tax purposes if engaged directly. The review identified weaknesses in the processes and controls governing the identification of individuals within the scope of the legislation, with actions to address them. In addition, the review required management to perform a retrospective review of all individuals that could have fallen within the scope of IR35.

Management has finalised their review of the status of employees and have identified a number that should have been subject to IR35. NRS have kept HMRC regularly updated throughout and have made a voluntary disclosure in June 2024 to settle underpaid tax liabilities of £6.6m. An accrual for the underpayment is included in the 2023/24 financial statements. At the date of signing the financial statements NRS does not have any indication of potential penalties, if any, and therefore no provision has been made. All actions from the internal audit report are either complete or remain on track to be completed by the agreed due date.

During 2022/23, an error was identified in the accounting for deferred tax and the associated calculation of distributable reserves at Magnox Limited which resulted in overpayment of dividends to Cavendish Fluor Partnership Limited, initially assessed to be £2.8m. Having reviewed the detailed contractual terms with specialist tax advice, NDA consider the overpayment to be £1.3m. The group continues to seek recovery of

the overpayment from Cavendish Fluor Partnership.

Our focus on aligning and improving audit and advisory services across the group in support of strengthened ARAC oversight has continued. We have continued to operate a 'virtual' group internal audit function, with a hybrid approach to working together continuing, with a mix of in-person and virtual events. We have continued to seek ways to better align our approach, introduce consistency and share best practice across the function. This has resulted in more visibility group-wide of matters impacting our corporate governance, risk management and internal control.

Our ARAC 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 ARAC Chairs and members, with an increasing focus on risk, assurance and internal audit developments across the group as well hot topics and key concerns felt by our ARAC Chairs. We have also introduced a process whereby ARAC Chairs from our operating companies observe an ARAC meeting from a different part of the group, to obtain a greater understanding and visibility of the risks and challenges faced.

We held our sixth annual NDA group ARAC Conference, face-to-face in Manchester, and for the first-time invited attendees across the Assurance and Risk communities. This joint approach emphasises the continued focus on bringing into closer working all elements of our third line of defence, enabling us to collaborate, share and continue to nurture our working relationships. We had almost 100 attendees across the two days, which included group-wide ARAC Chairs and members, NDA and operating company Executives, in addition to Internal Audit, Risk and Assurance professionals.

Day one focused on external perspectives, opening with the DESNZ ARAC Chair who gave his view on hot topics and areas of concern from within our sponsoring department. Our Group Chief Financial Officer shared her own perspectives on the challenges we face, which linked into a panel session on cyber risk which followed. We also heard from a cross-Government panel including representatives from the National Audit Office, Government Internal Audit Agency (GIAA) and HM Treasury. Day two was for reflection internally, and opened with the Accounting Officer overview, followed by sessions on important topics for us, including the new Procurement Act. The event received excellent feedback, and we will continue to hold these annual events to continue to bring our third line of defence communities closer together.

In relation to Ethics and Compliance, the NDA and its operating companies have looked at opportunities to ensure we take a common approach to ethics and compliance where it is appropriate to do so. Initially, this has included developing and beginning to implement a common approach to Speak Up across the group. We have also identified and provided training to individuals from across the group to take on the role of ethics ambassadors who will help to promote an ethical culture - initially supporting the roll out of the speak up framework and provide a first point of contact for employees on matters such as how to raise a concern or what happens if they do. The NDA ARAC now receives group speak up metrics twice per year which increases the visibility of Speak Up matters and promotes learning from Speak Up concerns across the group. Serious matters are overseen by the ARAC as they occur. During 2024/25 we will roll out awareness training for all employees and a module for managers to explain their role in supporting speaking up.

Within 'business as usual', our Group Internal Audit function developed and delivered our Group Internal Audit Plan for 2023/24, designed to provide assurance over key business processes, our Group Strategic Risks and key business risks.

From 1 April 2023, the Group Internal Audit function has been responsible for the delivery of internal audit services to the newly formed NRS, resulting in internal audit services being delivered by this one team to the entire group, with the exception of Sellafield, where closer working continues to be an area of focus. This NDA group model way of working has resulted in increased efficiencies, sharing of key risk areas enabling us to flex our approach accordingly, and introduced further alignment to our Internal Audit Standards and best practice.

We have continued with a group-wide focus on key risks and controls, with the completion of four group audit theme reviews: Diversity and inclusion; procurement pipeline; digital strategy; and AGR governance. We continued with a 'one scope' and 'one team' approach to these reviews, to enable us to deliver these consistently, compare our results and highlight areas of best practice for sharing more widely. Our reward governance review, undertaken in response to the Sellafield bonus payment anomaly highlighted above, also followed this group approach, enabling us to understand the potential scale of control weaknesses in this key risk area group wide.

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 ARAC.

In line with the standard ratings of the UK GIAA, the NDA's 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

Governance statement continued

view is based on the work of internal audit, including oversight of the various assurance activities undertaken by it, its operating companies and through engagement with the internal audit functions of the businesses.

At the NDA the assigned internal audit review ratings were: 'high level of assurance' 25% and 'substantial assurance' 19%, with 56% advisory.

Across the group as a whole, internal audit review ratings were: 'no assurance' 2%, 'limited assurance' 7%, 'moderate assurance' 24%, 'high assurance' 17%, and 'substantial assurance' 14%, with 36% advisory.

The overall 'moderate' assessment is reflective of the group position and recognises that there has been a general a year on year strengthening of governance, risk management and control alignment. The focus will continue to be on the embedding of these arrangements to realise the required efficiencies and effectiveness. Careful consideration has also been given to the issues identified as part of our Reward Governance review, with this moderate assessment taking into account the seriousness with which the issue was treated and the work already undertaken and ongoing to close the control gaps identified.

One area assessed by internal audit across the group received a 'no assurance' rating this year, which related to Business Planning at Sellafield. Weaknesses were identified in key controls including the accuracy of resource data, a lack of quality assurance arrangements in relation to submission accuracy prior to endorsement, and a lack of visibility on benefits realisation.

In October 2024, Sellafield was fined £332,500 plus costs of £53,253 by the Office for Nuclear Regulation (ONR) for past non-compliance with nuclear industry security regulations for its information technology security. There is no suggestion that public safety has been

compromised, or that any vulnerabilities have been exploited, due to these issues. Sellafield has agreed a route to 'Enhanced' regulatory attention with the ONR with regard to the organisation's cyber security. Further details are shown in note 31 to the financial statements on page 200. At NRS, a number of control weaknesses were identified in the contract management and sanction process, materialising via two significant contracts being at risk of breaching their contract sanction limit. This triggered a number of immediate actions including a two week 'fact finding' exercise, commissioned by the NRS Board, to understand further details and root cause in relation to these contracts specifically. Also, three further reviews have been commissioned to understand contributing causes, the scale of the potential issue across other significant contracts, and to confirm no fraudulent activity. One of these reviews is being undertaken by NRS Internal Audit, the objective of which is to assess the design and effectiveness of the sanctioning process across the procurement and supply chain lifecycle, identify the root cause of any weaknesses and make recommendations for improvement. Weaknesses in the sanction process and the way that live contract/framework/project sanctions are monitored were raised, with supporting recommendations to be taken forward by NRS management.

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 ICT / cyber security and commercial / third party risk, with opportunities identified to further strengthen our control arrangements especially in the area of reward governance. Business operating processes, such as payroll and revenue recognition, were generally found to be robust.

We have also undertaken quarterly reviews of our socio-economic funding processes

and controls, providing a regular drumbeat of feedback to the team to remediate throughout the year. The attention on this key societal area of focus will continue in the coming year, with a group audit theme review under the Environment, Social and Governance (ESG) category to expand the approach across all of our operating companies (where applicable) and provide a group-wide view of any control weaknesses or best practice.

A significant area of focus for the group is preparedness for the transfer of AGR's to NRS. We completed an advisory review during the year which focussed on the governance arrangements around AGR defueling and the development of the Hunterston B transfer blueprint and transition arrangements. We found that there is an established governance process and reporting structures in place, and raised eight advisory findings providing suggestions for improvement moving forward as the transition and transfer programme continues to develop. We will continue to review elements of the AGR programme each year, with a differing focus to ensure we are providing the right value and independent oversight and challenge at the right time.

Finally, in line with 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.

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. As our macro environment continues to challenge

us, we will continue to respond real-time by adopting a 'risk theme' approach, allowing us to be agile to perform assurance or advisory services at the right time in the areas that matter. This will continue to enable us to provide the most value to our stakeholders, at a time when priorities and business risks are evolving continuously.

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 FEng HonFNUcl
Accounting Officer and Group Chief Executive Officer
3 October 2024

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.

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, Members of the Senedd, 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, the interests of different stakeholders will be in conflict and the Board must then make decisions on prioritisation.

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 via our database.

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 conferences and at Joint Consultation Group sessions which bring together management and employee representatives.

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

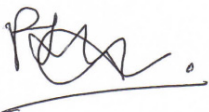
The NDA Group Chief Corporate Affairs Officer attends Board meetings and provides a link to stakeholders and a specialist view of different perspectives and concerns.

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 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 2024. Examples of some of these decisions are listed in the following table.



Peter Hill CBE
NDA Chair
3 October 2024

Section 172 statement continued

<p>Nuclear Waste Services merger In November 2023, the Board approved the merger of LLW Repository Ltd and Radioactive Waste Management Ltd to become Nuclear Waste Services.</p>	<p>Speak Up Policy roll-out The Board approved the proposed framework for a group-wide approach to Speak Up in April 2023. Our revised Speak Up policy was then published in July 2023, giving stakeholders more simplicity and clarity on how to raise concerns.</p>	<p>Group Operating Framework: Improving Group Governance Following guidance and support from the Department for Energy Security and Net Zero, the Board has reviewed and approved a plan to enhance the group's governance arrangements.</p>
<p>Relevant stakeholders</p> <ul style="list-style-type: none"> • Employees, the wider workforce, and their representatives. • Supply chain and commercial partners. • Customers, both in the UK and internationally, contributing to the revenue generating activities. • Government, regulators and external authorities. 	<p>Relevant stakeholders</p> <ul style="list-style-type: none"> • Employees, workforce and their representatives. • Supply chain and commercial partners. • Government, Regulators and external authorities. 	<p>Relevant stakeholders</p> <ul style="list-style-type: none"> • Government, Regulators and external authorities. • Employees, workforce and their representatives.
<p>The Board's decision-making process</p> <ul style="list-style-type: none"> • The purpose of the NWS merger was to create a corporate structure that supported the NWS mission to become the 'one stop shop' for nuclear waste management and disposal by enabling a fully integrated business model • The strategy for the merger was presented to the Board in July 2023 and final elements were approved in November 2023. • The Board reviewed and considered all material elements of the merger, in particular: communication and coordination with regulators; transference of ISO accreditation; transference of commercial contracts between the entities and relevant property interests; and TUPE and pension matters impacting group colleagues. 	<p>The Board's decision-making process</p> <ul style="list-style-type: none"> • The Board's priority in reviewing and approving the Speak Up policy was to move away from process and governance heavy documents and to use language that was simple and accessible to all colleagues and stakeholders across the group. • Speak Up is a group-wide initiative. All group operating companies have approved the implementation of policies developed in close alignment to the NDA's alongside respective implementation plans which are in the process of being executed. The Board has also emphasised the importance of training for the full workforce. • In developing the policy, the Board ensured engagement with key stakeholder groups including Unions and Government. • Voluntary Ethics Ambassadors will ensure ongoing engagement with colleagues across the group about the importance of speaking up and creating psychological safety. Questions about Speak Up have been included in the annual colleague survey. 	<p>The Board's decision-making process</p> <ul style="list-style-type: none"> • The Group Operating Framework launched in 2022 was to move into delivering more effective and efficient group governance by bringing the NDA and operating company boards closer together. • The Board has approved several workstreams in 2023 that will deliver tangible improvements to NDA's group governance processes, working within the existing governance structure. • It is intended that simplified governance will facilitate the drive to remove 'billions and decades' from the mission, streamline the operating model, allow for clearer reporting requirements between the NDA and its operating companies and achieve a more cohesive group approach.

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 52 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 in consultation with Scottish Ministers, 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. It was resolved in May 2023 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 54 to 58.

Changes to the NDA Board during the year

Ros Rivaz stepped down as Chair on 31 August 2023. Chris Train served as a Non-Executive Member for the beginning of the year and was appointed Interim Chair from 1 September 2023 to 31 May 2024. He then served again as a Non-Executive Member until 30 June 2024 when he stepped down from the Board. Peter Hill was announced as the NDA Board Chair Designate in April 2024 and was appointed as Chair from 1 June 2024. Harriet Kemp was appointed as a Non-Executive Member of the Board from 1 September 2024 and did not serve during the 2023/24 year.

Board Members' 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 her time on the board, the outgoing 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.

Janet Ashdown highlighted a potential conflict of interest in relation to her position as a member of the ARAC. Janet Ashdown sat on a Board with the Audit Committee Chair of Babcock International Group, the parent entity

Directors' report continued

of Cavendish Nuclear, which the NDA is in ongoing discussions with regarding a dividend matter. The ARAC considered the matter and resolved that Janet Ashdown 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

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 27 to the accounts.

Group employees also participate in various schemes which are accounted for on a defined contribution basis, with details given in note 27 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.

	2023/24	2022/23	2021/22
Invoices paid within 5 days	63%	62%	66%
Invoices paid within 30 days	94%	93%	93%

The average number of payment days from invoice date for a valid invoice for 2023/24 is 8 days. This is an improvement on 2022/23 when the figure was 10 days. The implementation of a new enterprise resource planning system in April 2022 has now had time to bed in. This introduced electronic approval workflows and has improved our linkage between purchase orders and supplier invoices, improving our prompt payment performance.

Personal data

There were six internal data breaches recorded during 2023/24, five of which were investigated and classed as minor, non-reportable incidents. One incident was initially reported to the Information Commissioner's Office; however, after considering the information provided, they decided not to take any action.

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

Other disclosures

Details on how the Board has engaged with our stakeholders and discharged the duties in Section 172 of the Companies Act 2006 can be found on pages 98 to 100.

Our assessment of the effectiveness of NDA controls is detailed on pages 93 to 97 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 People Report on pages 113 to 116.

Our environmental performance is detailed in the Health, Safety, Environment and Wellbeing report on pages 123 to 136.

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

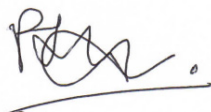
On 1 April 2024 - Magnox Ltd changed its name to Nuclear Restoration Services Ltd.

On 1 April 2024 - Low Level Waste Repository Ltd and Radioactive Waste Management Ltd merged into Nuclear Waste Services Ltd.

Since 1 April 2024 - Sellafield Ltd has pleaded guilty to charges raised by ONR in relation to information technology security offences. See note 29 (page 200) for further details.

Going concern

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



Peter Hill CBE
NDA Chair
3 October 2024

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 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.

The Board approved this Directors' Report on 3 October 2024. It is signed by:



David Peattie FREng HonFNucl
in his role as Accounting Officer and Group
Chief Executive Officer on Behalf of the NDA
Board
3 October 2024

Remuneration report

The primary role of the Remuneration Committee is to ensure that an appropriate remuneration policy which operates effectively 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 2023/24 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 and does not cover our operating companies, the one NDA way of working continues to be a focus both for us and for Government. We are pleased that both the Group Reward Framework and Reward Governance Framework have been adopted by the operating companies within their own policies. We have worked on identifying wide-ranging improvements to reward governance which will lead to greater consistency across the NDA group. The NDA will continue to work alongside the operating companies to drive greater alignment and consistency around reward.

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. Building on previous studies, some key opportunities for greater alignment have been identified and enacted and this work will continue into 2024/25.

Our approach to remuneration for the NDA in 2023/24

Base salaries

A salary increase of 4.5% for all staff was implemented in November 2023, with the Civil Service Pay Remit giving scope for more to be directed at those in more junior roles. In line with this, a salary increase of 4.5% was also paid to Executive Directors of the NDA in December 2023.

The Civil Service Pay Remit was also updated to allow for a non-consolidated sum of £1,500 to be paid to staff. The NDA implemented this for staff, but not for executives .

2023/24 NDA short-term and long-term incentive targets

Targets for the 2023/24 NDA Short-Term Incentive Plan and 2023-2026 NDA Long-Term Incentive Plan were set during the 2023/24 year. During the target setting process, the Committee continued to focus on the approach to measure selection, which we see as crucial to providing clearer alignment between performance and reward.

In setting targets, the Committee once again worked closely with the Group Chief Executive Officer, Group Chief Financial Officer and Group Chief People Officer to ensure that targets are challenging, whilst delivering taxpayer value for money as we deliver the mission. The targets look for progress in building the One NDA way of working and align with priorities set by government and the Office for Nuclear Regulation.

2023/24 incentive outcomes

In May 2024, the Committee considered the performance of the 2023/24 NDA Short-Term Incentive plan (STIP) and the 2021-2024 NDA Long-Term Incentive Plan (LTIP). The outturns of these plans are reflected in the directors' payments table on page 109.

Remuneration report continued

In considering the corporate outturn for the 2023/24 NDA STIP, the committee reviewed the audited performance against the financial year's Group Key Targets and other broader factors.

The Remuneration Committee's responsibilities include considering whether it is appropriate to exercise any discretion with regard to incentive payments. The Committee considers each year whether the formulaic outturns are an appropriate reflection of performance, taking into account where relevant evidence from the executive, and actively considers whether it is appropriate to exercise discretion upward or downward.

There were a number of additional factors that the Committee considered when determining whether this appropriately reflected performance over the 2023/2024 year. For the element that relates to Advanced Gas-Cooled Reactors, this target was missed. However, the Committee noted, there had been a very strong performance in the dismantling of assemblies of spent fuel rods and that the final performance against this target was determined by a reduction in supply, rather than the performance of the team which had performed very strongly in the execution of its role in relation to this target. As a result, the Committee was keen to reflect the contribution of management in this regard and felt it was appropriate to apply upward discretion to this target. The Committee also noted progress made on some of the group-wide safety initiatives however, overall progress on broader initiatives was slower than we would have liked, given our continued focus on safety culture. The Committee felt that a small reduction was necessary to reflect this. In light of the positive and negative discretion applied to reflect these areas, the final corporate out-turn for the 2023/24 NDA STIP was 85% of the maximum.

Similarly, the performance of the 2021-2024 NDA LTIP was carefully considered and a payment of 152% of the award value declared in line with the formulaic outcome. Payments of these awards were made in June 2024.

Group-wide incentive review

During the year the Committee, in conjunction with the operating companies also embarked on a group-wide review of the approach to incentives for executives across the NDA and its operating companies. This work is intended to drive greater collaboration between the operating companies, and to ensure that incentives drive outperformance and operate with consistency across the group. A number of changes have been implemented across the operating companies as a result of this work, which continues into 2024/2025.

Other areas of oversight

The Committee continued to support the Group Chief Executive Officer throughout 2023/2024 with oversight of reward for all NDA executive team members, in line with the Committee's Terms of Reference and in accordance with the NDA Group Reward Governance Frameworks. The Committee also plays an assurance role and, as Chair, I have worked with other Remuneration Committee Chairs from across the NDA group to ensure the Group Reward and Reward Governance Frameworks are embedded in reward practices.

The Committee also takes an oversight of reward in the NDA in general and does this via a variety of means, such as by attending meetings of the organisation's Joint Consultation Group and in other ways 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
3 October 2024

Remuneration Committee (RemCo)

Refer to pages 72 to 73 of the Governance statement.

Remuneration Policy

The NDA is focused on delivering its mission safely, securely and sustainably and, in order to do this, it's critical that we're able to attract and retain the right calibre of executives. We've also continued to see pressure in the market for the nuclear, regulatory, cyber security and programme management skills we need.

The recruitment and retention challenge is increasing 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 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.

Remuneration report continued

Long-term Incentive Plan (LTIP)	
Policy and purpose	The aim of the 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 are a mix of the previous "multiplier" approach and the "threshold", "on target" and "stretch" measurement which was adopted for the 2022-2025 plan onwards. Both approaches have a maximum LTIP outturn of 50% for the Chief Executive Officer and 40% for the Chief Financial Officer.
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 2024/25.
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 120 to 121. The Group Chief Executive Officer is provided with a cash payment in lieu of membership. There are no changes planned to this policy for 2024/25.

The Committee routinely seeks independent advice on remuneration matters to support the setting of reward levels at an appropriately competitive level. PwC acts as advisors to the Committee and also provides 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 consultation 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 2023/24, the Chair and Interim Chair received a fee of £187,500 pro rata 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 120 to 122.

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 (*)	2022/23	346,698	62,673	-	145,440	121,176	675,987
	2023/24	362,299	65,905	-	154,521	127,908	710,633
Kate Bowyer (**)	2022/23	-	-	-	-	-	-
	2023/24	246,774	10,968	94,638	84,025	-	436,405

(*) Additional benefits received were a market benefit allowance of £12,000, and a cash payment of £53,905 (2022/23: £50,673) in lieu of membership of the Civil Service Pension Plan.

(**) Joined as an Executive Board Director from 2 May 2023 and remuneration and benefits for 2023/24 reflect this period (full year equivalent salary: £270,000). Additional benefits received were a market benefit allowance of £10,968 (full year equivalent benefits: £12,000).

(***) Variable pay consists of Short and Long-Term Incentive Plans. Details of the NDA Short and Long-Term Incentives are shown on pages 107 to 108.

Remuneration report continued

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 Nominations Committee (01.09.20 – 31.08.23)	2022/23	187,500
		2023/24	78,125
Chris Train	Chair of the Nominations Committee (01.09.23 – 31.05.2024) Chair of the Programmes and Projects Committee (31.01.22 – 30.06.2024)	2022/23	40,000
		2023/24	126,042
Evelyn Dickey	Chair of the Remuneration Committee (01.03.15 – current)	2022/23	40,000
		2023/24	40,000
Janet Ashdown	Chair of the Health, Safety, Security and Environment Committee (01.06.15 – 30.06.2024) Chair of the Environmental, Sustainability and Governance Committee (01.04.21 – 30.06.2024)	2022/23	40,000
		2023/24	40,000
Kathryn Cearns	Chair of the Audit, Risk and Assurance Committee (01.08.22 – current)	2022/23	26,667
		2023/24	40,000
Francis Livens	Non-Executive Board Member (01.12.20 – current)	2022/23	40,000
		2023/24	40,000
Alex Reeves ¹	UKGI Representative Board Member (01.02.20 – current)	2022/23	-
		2023/24	-

(1) 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.

- The NDA Executive Leadership Team are eligible for the LTIP, in order to ensure alignment around key strategic objectives.

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 2023/24, was £710,000 - £715,000, (2022/23: £675,000 - £680,000). This was:

- 12.7 times (2022/23: 12.8 times) the remuneration of the lower quartile of the workforce, which was £56,057 (2022/23: £52,903).
- 8.5 times (2022/23: 8.5 times) the median remuneration of the workforce, which was £83,635 (2022/23: £80,107).
- 5.8 times (2022/23: 6.1 times) the remuneration of the upper quartile of the workforce, which was £123,906 (2022/23: £111,247).

The highest paid director's performance pay and bonuses increased by 4.48%, primarily due to an increase in base salary and improved performance against long-term business objectives.

The average salary and allowances for the remainder of the organisation increased by 8.8% over the previous year, with a decrease of 4.3% in average performance pay and bonuses; this was driven by changes in the make-up of the population including leavers and the level of recruitment in the financial year, as well as a higher overall incentive performance outcome.

In 2023/24, zero (2022/23, 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 £710,000 - £715,000 (2022/23 band £25,000 - £30,000 to £675,000 - £680,000).

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.

	2023/24 Total £	2022/23 Total £
Band of highest paid director's total remuneration	710,000 – 715,000	675,000 – 680,000
Upper quartile total remuneration	123,906	111,247
Median total remuneration	83,635	80,107
Lower quartile total remuneration	56,057	52,903
Ratio director: Upper quartile	5.8:1	6.1:1
Ratio director: Median quartile	8.5:1	8.5:1
Ratio director: Lower quartile	12.7:1	12.8:1
Band of lowest paid employee's total remuneration	25,000 – 30,000	25,000 – 30,000

The increase in the median remuneration level of 5.96% is partially due to recruitment activity and changes arising from turnover, alongside Cabinet Office approval of a pay business case covering the 2023/24 financial year. The highest paid director received a 5.75% salary and allowances increase in 2023/24. 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	90,324	123,906
Median	67,095	83,635
Lower quartile	40,925	56,057



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 are creating 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 2023/24.

The NDA group's people strategy is built around three important goals:

- 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.
- 4 Operating as a group of organisations in a collaborative one NDA way has enabled us to work collectively on many aspects of our people strategy.

We continue to take a leading role in skills for the nuclear sector, most recently in the Nuclear Skills Taskforce, reinforcing our commitment to the targets and objectives of UK Government's energy policy position 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.

Ensuring that the NDA group has the right people with the rights skills in the right place at the right time is a key priority and risk and an important NDA Strategy theme.

We have developed a group-wide approach for skills and strategic workforce planning.

Collectively, we have been addressing skills challenges in: Cyber, project and programme management, radiological protection, commercial, technical and engineering, ICT and digital.

This year we launched the first ever NDA group-wide recruitment platform www.NDAgroup.careers alongside a number of group attraction campaigns, capitalising on the combined employee value proposition we offer as a group in an increasingly competitive recruitment market.

More than £45 million is invested each year by the NDA group in apprentices and graduates, with over 1,100 people currently on early careers programmes across the group.



We have established an NDA group graduate programme to run alongside those which exist in the operating companies. In March 2024, we held the largest ever nuclear graduate event in Manchester to promote our graduate opportunities, doubling the NDA group graduate programme's intake to 120, evidencing our commitment to early careers development.

Investing in our leaders continues. Building on the success of the NDA group Leadership Academy, developing our next generation of leaders, in March 2024 we launched a Future Leaders programme. This sees us taking a group approach to enhancing skills and competencies that are essential for future leaders.

People report continued

Meanwhile, our group's Talking Talent programmes are enabling a cross-group focus on talent, with discussions considering the full breadth and talent across our group.

Additionally, new opportunities for employees have been created through exciting secondments with the Department for Energy Security and Net Zero, Great British Nuclear, the Ministry of Defence and our colleagues in Japan.

Creating a culture in which our people can thrive

Growing great places to work is a priority for the NDA group. This year, we have created a management system to translate our goals into performance measures on four areas of culture. These areas are:

- leadership and purpose,
- openness and integrity,
- collaboration and helpfulness
- respect and inclusion.

This complements existing culture work in the NDA and operating companies.

Diversity and inclusion

We continue to make progress in our diversity and inclusion goals, as set out in our five-year NDA group Inclusion Strategy 2021-2025.

Progress is reported annually via our Diversity and Inclusion (D&I) Council, Environmental Sustainability and Governance Committee and the NDA Board. We have strengthened our plans and governance following the results of an internal D&I audit.

Progress in our strategy themes include:

Theme 1 - Inclusive culture and leadership

Senior leaders have mandatory D&I objectives and we prioritise learning for leaders with over 300 group-wide leaders having completed inclusive leadership training.

We're committed to closing gender gaps in

the NDA group and we offer two women's development programmes, led by the Whitehall Industry Group:

- Senior programme for talented mid-career women with potential for top leadership roles
- Step up, step across programme for mid-career professionals looking to take move into their first leadership role.

To date, 238 women have completed the programme, with 99% of participants reporting a positive impact on career progression.

We've helped to ensure that ED&I is embedded into the Nuclear Skills Taskforce's national workstreams, and the nuclear skills plan and charter.

Theme 2 - Workforce diversity

We've set ourselves stretching diversity goals, with ambitions to develop a workforce that better represents modern Britain. Recognising the demographics of the locations in which we operate, our ambitions are long term. Current diversity data (as of September 2023) was:

- 30.4% women to 69.6% men (2022: 29.7% to 70.3%) with 28.9% women on boards and in senior executive roles (2022: 29.8%)
- 1.3% from ethnic minority backgrounds (2022: 2%)
- 4.0% disclosing a disability (2022: 3.0%)
- 1.7% LGBT+ (2022: 1.4%)

Our commitment to attracting diverse talent saw our 2023 NDA group graduate programme intake cohort being made up of:

- 47% women,
- 26% from ethnic minority backgrounds,
- 13% disclosing a disability
- 18% identifying as LGBT+

Diversity data is important to achieving our D&I goals. Helping us to understand our progress, we continue to improve the data we collate, including with regard to attraction,

talent, and mobility.

To ensure we're a group of organisations that can recruit and retain disabled people and those with health conditions, all parts of the NDA group have now achieved Disability Confident status level 3 Leaders status.

We're also committed to increasing the representation of women in senior roles and at all levels across the NDA group. Gender balance is a key area of our D&I strategy and all parts of the NDA group have annual gender balance improvement plans.

In line with equality duties, we published our annual gender pay gap data for March 2023.

Within the NDA group, the figures published showed the overall average gender pay gap (when weighted by employee numbers), when comparing mean pay, to be 11.5% and the average median pay gap 12.8% against an ONS national average of 14.3%.

The 2022/23 data illustrates a decrease in the mean gender pay gap across most 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.

We continue a strong focus on gender balance activities across NDA group.

Theme 3 - Embedding inclusion through the employee lifecycle

We continue to review our attraction, recruitment and people processes to ensure they help us to attract and retain talent from all communities. We use applicant tracking systems and a gender decoder tool to ensure all adverts and job descriptions use inclusive language and avoid unnecessary technical jargon.

Theme 4 - Flexibility, agility, and smarter working

Where possible the NDA group operates agile

ways of working through a mix of site or office-based arrangements, flexible hours, and home working. New ways of working and enhanced technology enable our teams to stay connected and maintain a better work life balance.

Theme 5 - Respect, dignity, and employee voice

We encourage employee voice, giving employees opportunities to express their ideas and concerns. Working with our trade unions and group-wide employee networks are an important factor in employee voice.

The annual group employee engagement survey provides employee insights from which we can identify actions and measure improvements. We have provided regular "You said, we did" communications throughout the year and continue to develop our approach to understanding and acting on the views of our people.

Employee health and wellbeing

The health and wellbeing of our employees is a continued priority.

We have an NDA group mental health and wellbeing strategy and plan, coordinated and supported by the mental health and wellbeing delivery group and supported by our NDA executive sponsor. We continue to work closely with MIND and other health providers to look after our people.

We took part in the Mind Workplace Index Survey in 2021 and this provided us with insights for our ongoing focus. Moving forward we will align our processes to ISO 45003:2021.

We continue to monitor sickness absence and have policies and support mechanisms in place. We have worked closely with our occupational health provider to improve access to occupational support and have wellness action plans available for individuals needing support.

People report continued

Our Employee Assistance Programme provides support to employees reflecting our commitment to provide a fast and efficient service that meets the needs of our employees.

In December 2023, the NDA achieved Menopause Friendly Accreditation in recognition of the ongoing work to build an inclusive culture and support for colleagues affected by menopause. In 2024/25 a men's health programme will be launched to help men overcome common hurdles and barriers to prioritising their health, prevent poor health and deal with poor health if it becomes an issue.

For 2023/24 an average of 3.3 days per employee was lost to sickness absence. This equates to an absence rate of 1.5%. An analysis of 2023/24 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,

providing education 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 is committed to partnering with our recognised trade unions. During the year the industrial and employee relations landscape has been challenging, set within a public sector climate of unrest.

We have worked with our unions on issues affecting the NDA group as well on pension reform. This saw defined benefit pension plans in the operating companies move from a final salary to career average revalued earnings accrual, in line with other public sector pension schemes.

Employee turnover

The average length of service is five years and for the year 2023/24 turnover of permanent people was 9.9%. This compares to an average external turnover rate of 6% (as per latest CIPD survey). The following table is subject to audit.

2023/24 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	1	1
£50,001 - £100,000	0	2	2
£100,001 - £150,000	0	0	0
£150,000+	0	0	0
Total no of exit packages	0	3	3

Headcount and employee costs

NDA group staff costs

This information is subject to audit

NDA group 2024	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	16	1	22	7	1,049	57	1,152
Social security costs	2	-	3	-	121	-	126
Pension costs	3	-	5	-	194	-	202
Total staff costs	21	1	30	7	1,364	57	1,480

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

- 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).

Group wages and salaries include the costs associated with incentive plans at operating companies. An overpayment of the incentive plan outcome at Sellafield of £2.1 million was identified during the reporting period. See pages 93-94 for details.

The group participates in various pension schemes, both defined contribution and defined benefit. Further details can be found in note 27 to the Accounts.

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

NDA Group	Permanently employed people	Others	Total 2023/24	Total 2022/23
Directly employed - authority (Admin)	143	13	156	164
Directly employed - authority (Estate)	212	50	262	248
Directly employed - subsidiaries	16,313	813	17,126	16,952
Total	16,668	876	17,544	17,364

People report continued

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

	NDA Authority		NDA Programme		Total
	Male	Female	Male	Female	
Chief Executive	1	0	0	0	1
Exec Directors excl. CEO	0	1	0	0	1
Other directors (non-Board)	7	1	1	0	9
Other employees	57	79	128	81	345
Total	65	81	129	81	356

People report continued

Notes to the Remuneration and People reports

Tax arrangements of public sector appointee

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 2024 for those individuals on more than £245 per day and lasting more than six months (up until the expected end date – not 31 March 2024) are detailed below. There was 2 new off-payroll workers in the year whose assignments lasted more than six months (between start (after 1 April 2023) up to 31 March 2024 (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 2024, earning £245 per day or greater.

Length of appointment at 31 March 2024	No. of off payroll contractors
Less than 1 year	30
1-2 years	7
2-3 years	3
3-4 years	2
More than 4 years	0
Total of existing off payroll contractors	42

Off-payroll contractor engagements as at 31 March 2024, earning £245 per day or greater.

Number of new engagements, between 1 April 2023 and 31 March 2024 Of which...	30
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	30
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 £1,468,834 (2022/23: £1,203,211).

Civil Service Pensions

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

Since 2015, 'The 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.

People report continued

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 2023/24 employee contribution rates
Up to £32,000	4.60%
£32,101 - £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)	2.4
Opt out	0.0

Annual pensionable earnings (full-time equivalent basis)	Alpha and all PCSPS Schemes 2023/24 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.

- 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 an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution).

Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos and State Pension Age for members of Alpha.

Executive pensions

This information is subject to audit

	Real increase in pension during the year 2023/24 £000's	Accrued pension at 31 March 2024 £000's	Cash equivalent transfer value (CETV) at 31 March 2023 £000's	CETV at 31 March 2024 £000's	Real increase in CETV funded by employer £000's
Kate Bowyer	5 - 7.5	5 - 10	0	85	65
David Peattie*	0	0	0	0	0

* Does not participate in the Civil Service Pension arrangements - see page 108.

People report continued

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
3	363

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%	3
51-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£51,075
Total pay bill	£51,081,135
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.1%

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	0.1%
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Health, safety, environment and wellbeing report

We're committed to providing a safe and healthy environment where our employees can thrive at work. Nuclear safety is of paramount importance and professionally managed operating conditions continue to provide the highest standards of protection for workers, the public and the environment from potential radiation hazards.

Our priority 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 always protected, while protecting and enhancing the environment.

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

Through 2023/24 we've focused on cross-group assurance, with particular emphasis on nuclear safety, workplace transport, fire safety and control of bulk chemicals.

We continued our commitment to develop strong safety cultures. In 2024/25 we're adopting the Office for Nuclear Regulation's new cultural safety model and associated survey. This will facilitate assessment of organisational safety cultures and learning from others across the nuclear industry.

NDA group TRIR data

	2023/24	2022/23
Sellafield	0.37	0.32
Nuclear Transport Solutions	0.56	0.22
Nuclear Waste Services	0.26	0.14
Nuclear Restoration Services (Dounreay)	0.29	0.22
Nuclear Restoration Services (Sites)	0.32	0.36
NDA group	0.35	0.30

Our key health and safety performance indicator (KPI) for the group is Total Recordable Incident Rate (TRIR). The group TRIR for 2023/24 is 0.35, which is higher than last year's 0.30 and improving on this adverse trend is an area for attention moving forward.

The NDA's newly appointed EHS Director is committed to working with the operating companies to set a group-wide strategy to improve safety performance. Focus will include increasing face-to-face training, further developing our positive leadership culture, and improving the quality of root cause investigations.



RIDDOR is the reporting of injuries, diseases and dangerous occurrences: A law that requires an employer to report certain types of accidents, incidents and ill-health.

Across the NDA group there have been 40 events reported to the regulator under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), compared with 24 in 2022/23. This includes incidents to both employees and contractors.

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

Health, safety, environment and wellbeing report continued

Reporting of Incidents, Diseases and Dangerous Occurrences Regulations (RIDDOR)

RIDDOR	2023/24	2022/23
Specified injuries	10	9
>7-day injury	24	13
Industrial diseases	1	0
Dangerous occurrences	5	2
Total	40	24

	2023/24	2022/23
Sellafield	25	18
Nuclear Transport Solutions	2	0
Nuclear Waste Services	0	1
Nuclear Restoration Services (Dounreay)	5	3
Nuclear Restoration Services (Sites)	8	2
NDA group	40	24

There was one International Nuclear Event Scale (INES) Level 1 Anomaly at Sellafield and the leak around Magnox Swarf Storage Silo (MSSS) continues to be a significant challenge (first reported as an INES level 2 in 2019). See page 125 for more information.

There was one formal Office for Nuclear Regulation (ONR) intervention in the form of an improvement notice for Nuclear Restoration Services (NRS) at Dounreay. See page 126 for more information.

Group-wide health, safety and wellbeing related assurance provides comprehensive and consistent review across the group, with a view to highlighting areas for improvement and the identification and sharing of good working practice.

We also use working groups as an effective method for collaborating, sharing good working practice in key areas of potential risk. In the last year, areas this has included construction and design management, learning and sharing, and demolition.

Wellbeing

We are committed to improving and protecting the mental health and wellbeing of people across the NDA group through a supportive working environment. We 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, working closely with MIND and our other health partners. More information on our work to improve mental health and wellbeing during the year included in the People report on pages 115 to 116.

Environment

We continue to deliver our environment strategy, in line with our NDA group Environmental Policy Statement, including carbon commitments. Our environment strategy seeks to ensure that our mission outcomes, and the journey to deliver them, are sustainable, improving and protecting the environment.

Carbon management

We aim to support Government's aspiration to be carbon net zero by 2050, or 2045 in Scotland. Construction is an important part of our mission and the biggest contributor to our group carbon footprint. Sellafield is already an industry leader in achieving low carbon construction, but like the rest of industry, needs to find sustainable materials for the future. We're collaborating with other industries via the Infrastructure Client Group and Infrastructure Industry Innovation Partnership, to decarbonise construction now and in the future. We're embedding the good practice standard PAS 2080: carbon management in buildings and infrastructure, into our decision-making

processes and, in the shorter term, we're focusing on energy improvements.

Environmental performance

We've 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 challenge is finding enough environmental professionals for the future.

We're in the third year of tracking environmental events group-wide, including an environmental-total recordable incident rate (e-TRIR) measure aimed at tracking in an equivalent manner to conventional safety TRIR data. We have reviewed these key performance indicators, made minor enhancements, and continue to believe they provide a broad picture of our environmental performance. As further e-TRIR data is collected, the intent is to set targets for e-TRIR across the group.

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

Environmental improvement

We've previously reported the establishment of a natural capital baseline for all NDA land holdings, and we've continued to build on this baseline by developing a Natural Capital Improvement Plan (NCIP). This identifies opportunities for environmental protection and enhancement, as well as other actions we can take to improve natural capital across our land and our understanding of it. Work is ongoing across the group to improve the data in the baseline and to develop an NDA Nature Recovery Plan focused on commitments to improve nature.

By acting on our NCIP, we've improved the environmental value of our land by making some physical improvements to our estate including tree planting, invasive species removal, as well as progressing enabling works and surveys for future improvements.

We're meeting new biodiversity duty requirements that came into effect on 1 January 2024. To support our work on natural capital, we've established an effective Natural Capital Working Group including representatives from our operating companies.

Operating company summaries

Sellafield Limited

This year Sellafield closed out two regulatory level one issues. Level one issues are the highest level of regulatory issue and complex to conclude, so this achievement should not be underestimated. In addition, significant hazard reduction milestones were achieved within the Box Encapsulation Plant Produce Store – Direct Import Facility and Pile Fuel Cladding Silo.

Notwithstanding successes related to high hazard reduction, Sellafield Ltd has had two nuclear Sellafield Ltd Incident Reports (SIRs), one of which was rated as an International Nuclear Event Scale (INES) level one anomaly, and six enforcement letters have been received from ONR.

The INES event was due to an inadequate response to an unexpected (false) criticality alarm and associated shortfalls in the Prompt Evacuation Zone arrangements that the sounding of the alarm revealed. A full investigation was convened, and lessons learned.

Analysis of the injuries incurred during the year reveals that the consequential impact to the injured person has often been significant, despite many of the event triggers appearing innocuous, for example slips/trips at same level, rather than related to high hazard activities. Focus has been levelled at situational awareness and remaining 'in the moment.' Safety standdowns have taken place through the year to retain focus on personal responsibility for safety. Leadership and peer to peer observations have also been key activities to provide safety oversight and constructive challenge to help keep people safe.

Health, safety, environment and wellbeing report continued

The rate of significant near misses is higher across 2023/24 than previous comparators. Rather than react based on harm caused, Sellafield fully investigate and respond to near misses in the same way as they do to harm events.

Provision and retention of resources required for safety has remained a priority through 2023/24, with minimum safety resourcing being an ongoing area of focus through the year. Sellafield Ltd has responded by developing a strategic workforce plan to highlight the resource requirements over a five-year period, focusing primarily on operations, engineering and maintenance.

Nuclear Restoration Services (NRS) NRS Sites

The NRS annual Continuous Safety Improvement Plan (CSIP) contains actions to support a reduction in injuries going forward. Key areas being covered by the plan include focus on risk assessment, monitoring of safety controls, and culture with a well-received psychological safety programme being delivered in support of the core prevention tools.

An annual significant event review meeting, attended by senior leaders, site personnel, safety representatives, contractors and the NDA took place again this year. The session was held earlier in the year to allow better flow through of key actions to the annual CSIP.

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

Along with other parts of the group, NRS Sites 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.

NRS Dounreay

During the year, 225 leadership tours have been undertaken, 125 safety compliance audits have been completed and 379 workplace safety inspections accomplished. These and other processes identify opportunities for improvement and ensure good standards of health and safety are in place.

The site may now qualify to be a lower tier site captured under the Control of Major Hazards Regulations (COMAH), due to the accumulative nature of the rules for inventories of hazardous substances present on site. As the site is heavily regulated by the ONR, many of the site's existing controls ensure safety for onsite and offsite stakeholders, but the recognition of this qualification allows a review to ensure that the context of non-radiological hazardous substances does not compromise this or have any domino effect.

The year has included some challenges as the site team works through improving safety relating to bulk hazardous substances and ageing facilities.

The ONR has challenged Dounreay with interventions in respect of handling alkali metals, managing ageing buildings, and management of hazardous substances during the year and pushed hard for improvement plans to be delivered.

Nuclear Waste Services (NWS)

Overall, NWS safety performance for 2023/24 was good. NWS safely maintained and executed all essential operations, successfully completed a grouting campaign following a programme of significant plant enhancements, and the safe receipt and disposal of 1,068 Treated Rad Store (TRS) drum waste from Winfrith. First batches of 're-characterised drum' population were successfully dispatched to the appropriate assigned waste route for treatment and disposal. LLWR, as part of NWS,

was also awarded its 18th consecutive RoSPA Gold Award.

Heightened awareness and response to the conventional safety related risks because of the changing nature of work at the Repository site informed a programme of 'immersive and interactive safety and culture workshops' initiated in November 2023.

Nuclear Transport Solutions (NTS)

Both NTS Rail and NTS Shipping have maintained their accredited health and safety management systems in line with ISO standard 45001 and the Railway Safety Certificate requirements.

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 environmental performance

Overall environmental performance has improved this year, with the NDA group e-TRIR reducing slightly from 0.07 to 0.06. This improvement was driven by good performance at Sellafield. However, there remains significant room for improvement with 12 significant environmental events across the year, compared to 15 the previous year.

Each of the 12 significant environmental events has been assessed as having minor or no actual environmental impacts, although they are still classed as significant given the formal definition.

A common theme across our operating companies has been the challenge of attracting and retaining sufficient competent environmental resource. Recruitment processes are continuing, and interim arrangements are being identified as necessary whilst a strategic workforce planning project is progressed. The issue is most keenly felt at Sellafield and Hunterston A but is part of a wider sector challenge moving forward.

Annual environmental targets are aligned with the key themes in the Greening Government Commitments shown on page 131: carbon, water, and waste. Operating companies continue to make progress in carbon reduction. At this point in time, the group has made a 34% reduction in our scope one and two carbon footprint, which compares with a 30% reduction in 2022/23. Conventional waste has greater visibility and there is good performance against recycling targets for most operating companies. Most operating companies now have water management plans.

Each of our operating companies and the NDA have maintained ISO 14001 certification on Environmental Management Systems.



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.

Health, safety, environment and wellbeing report continued

Performance against environmental targets for 2023/24

Green = Met target Amber = Not met

	Carbon	Waste	Water	Other
Sellafield	Green	Green	Green	n/a
NRS Sites	Green	Green	n/a	Green
NRS Dounreay	Green	Green	Green	n/a
NWS	Green	n/a	Green	n/a
NTS	not yet available - awaiting confirmation later in the year			
NDA Archive	Amber	Green	n/a	n/a
NDA	Green	Amber	n/a	n/a

Sellafield Limited

Sellafield has achieved good environmental performance over the year with small numbers of significant environmental events and good progress against sustainability targets. As mentioned, 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).

Sellafield had three significant environmental events over the year. Two related to suspended solids limits being exceeded by small margins at the sewage treatment works. Investigations were completed into these events. The third event related to high pH discharges to sewer from a conditioning tank in the Box Encapsulation Plant Product Store – Direct Import Facility (BEPPS-DIF) as it entered commissioning. Discharges were halted and causes investigated.

One warning letter was received from the Environment Agency. This related to an event in November 2021 in the Site Ion Exchange Effluent Plant (SIXEP) which caused contamination on the Break Pressure Tank filters prior to the sea discharge lines. This event was thoroughly

investigated, and actions continue to be implemented to prevent reoccurrence.

At the end of the year, the e-TRIR had improved to 0.02, down from 0.05 at the start of the year, reflecting some good performance in year.

Liquid Effluent Coordinator roles and waste positions. Recruitment has proved challenging and there have been retirements of experienced staff, however recruitment is ongoing.

Across the year there have been significant efforts to improve delivery across the Environmental Case programme. A new internal wildlife intranet page has been created to support with wildlife related queries and to support awareness.

Strategy work has continued across areas such as the Carbon Management Transition Plan, Water Management Plan, Integrated Energy Strategy and Climate Change Resilience. A newly created Carbon Management Centre of Expertise was established during the year and Carbon Management Transition Plan roadshows and other communications have been used to increase awareness. Successful benchmarking visits were undertaken between BAE Systems and the Fellside Combined Heat and Power Plant at Sellafield to examine barriers, solutions and learning from experience in relation to decarbonisation.

There is an ongoing leak to the ground at the Magnox Swarf Storage Silo facility on site which has been reported as an INES level two incident in a previous year. This presents no risk to the public or workforce. Both ONR and the Environment Agency are actively involved in the regulation of this complex event. The Environment Agency has previously issued a variation to the site's environmental permit to include some improvement conditions relating to the leak, to which Sellafield has responded. 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 met all its environmental targets this year. It has achieved a waste recycling rate of more than 90%. Based on the development of its Water Management Strategy last year, it has now developed a Water Management Plan, to optimise the use of this valuable local resource. Capitalising on its carbon management transition plan, Sellafield exceeded its carbon stretch target this year.

Nuclear Restoration Services (NRS) NRS Sites

Overall environmental performance has remained broadly level over the year, although significant challenges have been faced with environmental capability and there have been some environmental events and compliance issues, some potentially linked to the capability challenges.

NRS has had four significant environmental events over the year. These events have all been assessed as causing minor or no actual environmental harm but nonetheless have been taken seriously. Three of these events have related to volume errors in bulk annual extended analysis of effluents as required under environmental permits. These events follow on from earlier regulatory interest resulting from poor performance in this area of sample analysis and reporting. Work is ongoing to drive improvements. The final event related to the discharge of slightly contaminated demineralised water to storm water systems. This event has led to learning and action to improve controls and awareness.

Two warning letters were received from environmental regulators. The first at Hunterston A related to vent duct/stack maintenance issues and significant work is ongoing to address these. The second at Dungeness A related to inadvertent discharge of active effluent to the surface water system. Although there was no environmental impact and limited potential, the event highlighted concerns around water management and maintenance which are being addressed.

At the end of the year the e-TRIR had deteriorated slightly to 0.12, compared to 0.09 at the start of the year.

Maintenance of sufficient environmental capability has remained a challenge across several NRS sites with reliance upon singleton capability in some areas. Recruitment and development of existing staff has been progressed to address this issue, along with the use of secondments, with some success, although at year end challenges remain particularly at Hunterston A.

NRS has made positive progress on biodiversity with the completion of ecological surveys and development of risk and opportunity plans for each site. Work has also focused on off-site biodiversity improvements opportunities around Trawsfynydd to offset planned on site developments and completion of further preparatory works at Oldbury to re-wet Lagoon 3 to support estuarine biodiversity on the River Severn.

A successful staff environmental engagement session was held at Dungeness A, jointly with the Environment Agency to promote the environmental agenda.

Work is ongoing to review the specification of environmentally significant plant across sites and requirements for maintenance and inspection to help ensure the condition of important environmental assets.

NRS Sites met all its environmental targets this year. Through implementing energy improvements, 800 tonnes of CO₂e have been saved against the target of 500 tonnes. A waste recycling rate of over 90% has also been achieved. Biodiversity surveys have been completed at all the NRS sites and risks and opportunities have been collated.

NRS Dounreay

Dounreay environmental performance was broadly like recent years, although there were environmental events through the year.

Health, safety, environment and wellbeing report continued

There were two significant environmental events in total. One was a breach of a drum containing reactive alkali metals in the building containing the Prototype Fast Reactor. This event attracted a warning letter from Scottish Environment Protection Agency (SEPA) following an investigation, although SEPA has since re-inspected and recorded that Dounreay has returned to compliant status. Improvements and actions continue to be implemented following investigation into this event. A related significant environmental event was also recorded in the same facility associated with identification of failures to adequately verify the condition of stored alkali metal drums and for a failure to adequately implement procedures to maintain suitable conditions for storage.

At the end of the year the e-TRIR had deteriorated slightly to 0.07, compared to 0.04 at the start of the year.

As part of Dounreay joining Magnox to form NRS during the year, and an ongoing Fit for the Future Programme, significant work is ongoing to develop new structures for improved environmental management.

Following reviews of the site's chemical inventory, a process was stood up to identify if the site needed to be a Control of Major Accident Hazards (COMAH) site. Following engagement with the Competent Authority (made up of ONR and SEPA) it was determined that the site should be a Lower Tier COMAH site and formal notification to this effect was made in October 2023, along with a parallel submission for a Hazardous Substances Consent to the Highlands Council. Work is now ongoing to implement COMAH requirements.

NRS Dounreay met most of its environmental targets this year. A waste diversion from landfill rate of 87% was achieved, which is notable, given the limited recycling facilities in Caithness. A Water Management Plan has been developed to optimise the use of this valuable natural resource. Carbon reduction was 'on target,' having just failed to meet

'stretch.' However, NRS Dounreay has now developed a carbon reduction plan linked to its new Lifetime Plan.

Nuclear Waste Services (NWS)

Significant work has been undertaken on the Low Level Waste Repository (LLWR) site, some with the potential to adversely impact the environment. Environmental performance has in general remained acceptable during this busy period with no significant adverse impact on the environment. NWS continued successful delivery of radioactive waste diversion and safe disposal where diversion is not possible, with the associated environmental benefits such as carbon saving and metals recycling.

There have however been three events to report during the year and the e-TRIR has increased to 0.39, compared to 0.14 at the start of the year. The events, all self-reported by NWS as significant were, non-compliance with the General Binding Rules for small sewage treatment plant due to ground water ingress into a septic tank, maintenance on a building without required consideration of a bat roost and sediment entering controlled water (Drigg Stream) from capping works. While all low impact, these events were all potentially avoidable.

NWS is also engaging with the Environment Agency regarding regulatory concerns associated with progress towards capping the north end of the LLWR trenches and Vault 8. Significant work is continuing to develop and prepare for implementation of the optimised design for capping. Regular engagement has also continued with the Environment Agency in relation to the LLWR Environmental Safety Case (ESC) and repository closure programme, with the next major update to the ESC due May 2026.

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, for which a host community is currently being sought.

There has been positive engagement with Natural England during the year in relation to the Drigg Dunes Site of Special Scientific Interest (SSSI) adjacent to the LLW Repository site. Work has been completed to clear some non-native plant species from the dunes to improve this important habitat. Biodiversity and ecology has been an ongoing focus with surveys and enhancements undertaken on the LLWR site and engagement with the NDA regarding land use to support net gain consideration.

NWS met its environmental targets this year. Through decommissioning and implementing energy improvements, seven tonnes of CO₂e have been saved against the target of five tonnes. A Water Management Plan has been developed which pulls together both current operational and office activities. Work on a now approved NWS Sustainability Strategy has been a priority through the year, which forms the foundation to progress sustainability including carbon reduction for the organisation.

Nuclear Transport Solutions (NTS)

Environmental performance has remained good across the year. NTS continues to push its lower carbon agenda, through improved locomotive efficiency and by reducing its heritage fleet. Additionally, NTS are undertaking ship sail trials to explore further efficiencies for its shipping fleet. The national energy crisis and cost of electricity has impacted the use of the bimodal trains.

NTS has had no significant environmental events and its e-TRIR is zero.

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 self-powered. NDA exceeded its own carbon target but failed to meet its waste recycling target (achieving 62% recycling against a target of 70%).

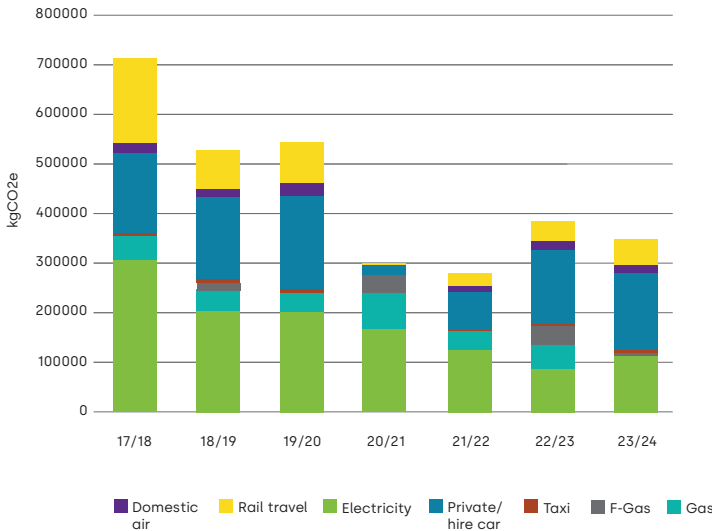
Greening Government Commitments (NDA only)

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 DESNZ. The headline targets for 2024/25 (which is the GGC target date), 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 currently the 'reference building' under GGC. Further information on performance is given in the following sections.

GGC target (2024/25)	2023/24 NDA performance
Reduce greenhouse gas emissions by 45%	Reduced by 51%
Reduce direct greenhouse gas emissions by 30%	Increased by 93%
Reduce greenhouse gas emissions from domestic flights by 30%	Reduced by 23%
Reduce waste generation by 15%	Reduced by 36%
At least 70% of waste to be recycled	62% 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 59%
Reduce paper use by 50%	Reduced by 77%

Health, safety, environment and wellbeing report continued

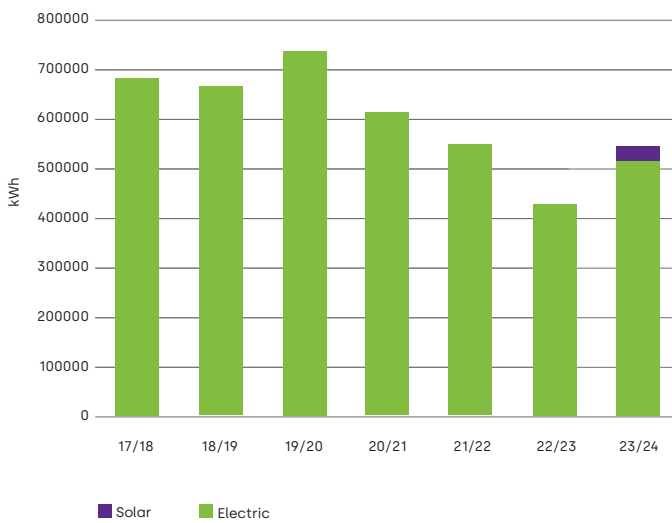
Domestic greenhouse gas emissions for NDA



A reduction of 51% has been achieved this year against the 2024/25 target of 45%. The graph shows that electricity use, and business travel are the key contributors to emissions.

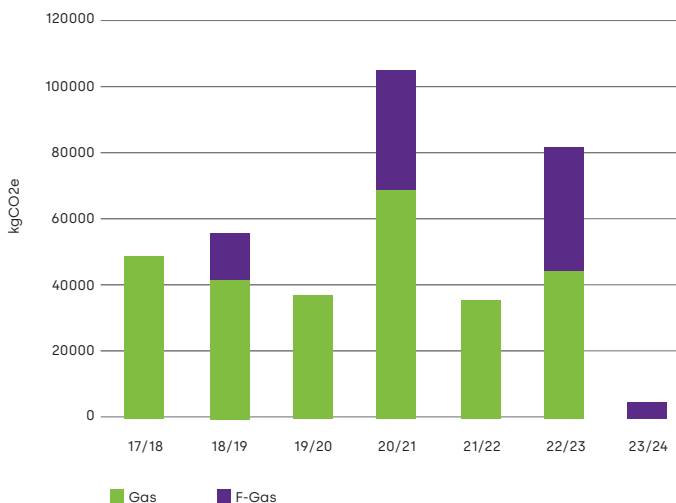
Performance needs to be sustained or improved to ensure the target will be met by the end of 2024/25. These aspects are considered further below.

Electricity usage (kWh) - Herdus House



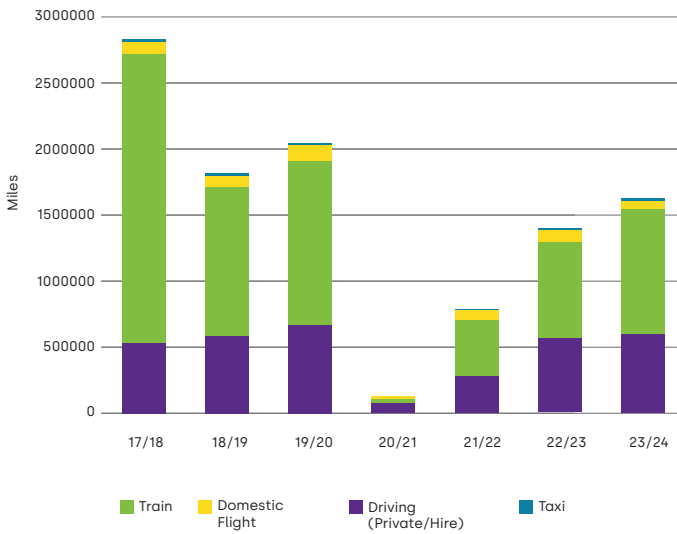
As expected, electricity use has increased at Herdus House following the replacement of gas boilers with electrically powered air source heat pumps at the end of 2022/23. To further reduce our carbon emissions, photovoltaic roof top solar was installed on our Herdus House office. This has enabled the removal of the gas boilers from the building, reducing overall carbon emissions.

Direct emissions – Herdus House



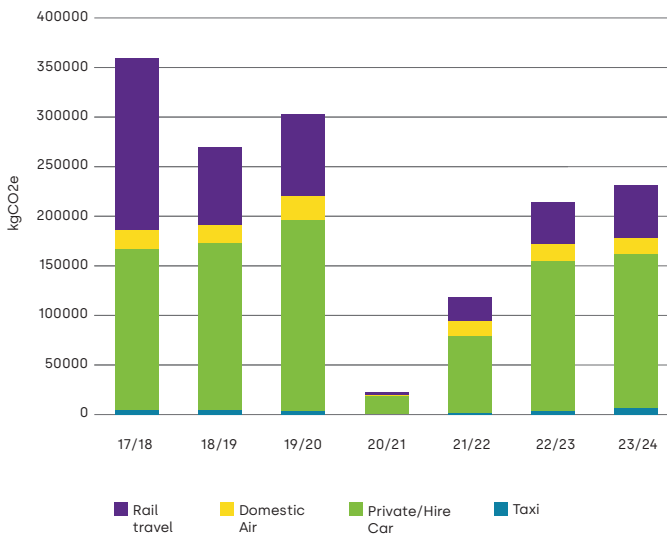
We achieved a reduction of 93% against the 2024/25 target of 30% due to the removal of gas boilers at Herdus House. There was a small inadvertent loss of refrigerant gas (F-gas) from air conditioning units which are reaching their end-of-life at Herdus House. Such leaks have a significant impact on GHG (greenhouse gas) emissions, and we continue to monitor these units closely.

NDA business travel (miles)



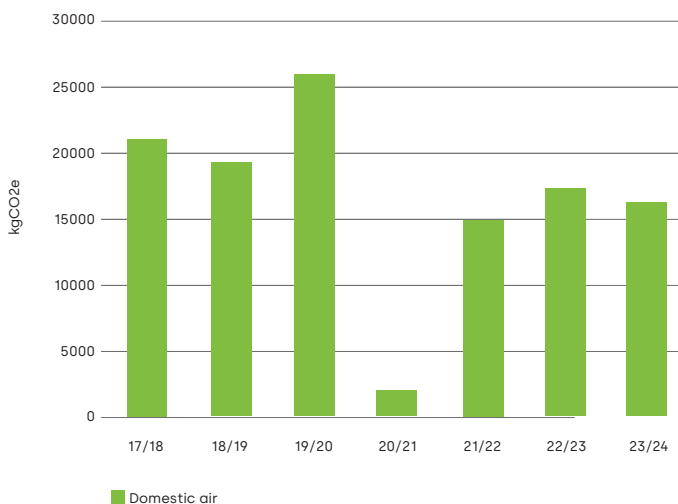
We have a dispersed workforce and sites across the UK which necessitates business travel. There was an increase this year, although most travel was undertaken by train, which is one of the lowest carbon modes of travel. In terms of GHG emissions, driving remains the biggest contributor.

NDA business travel emissions



Most business travel driving is in private diesel fuelled vehicles. However, we're seeing lower emissions vehicles offered by our hire car provider (small petrol and mild hybrid vehicles). Electric vehicles make up a small amount of our business driving.

NDA carbon emissions from domestic flights

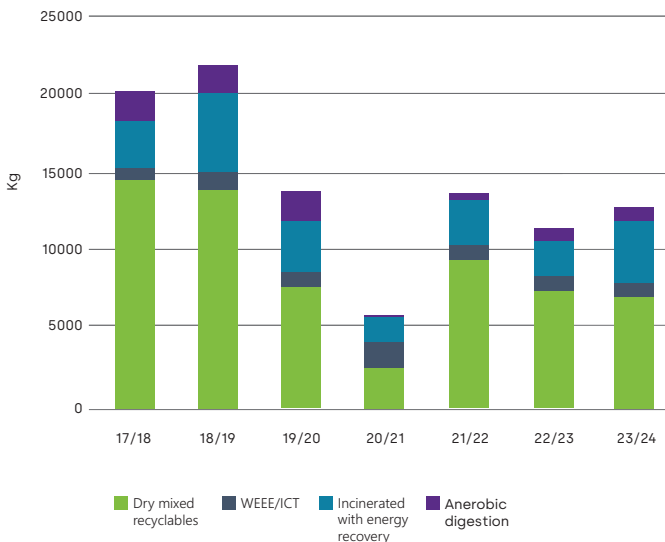


We achieved a reduction of 23% against the 2024/25 target of 30%. Our travel policy encourages people to seek alternatives to flying and executive approval is now required for all flights. Most flights are associated with travel to Dounreay in Caithness. Sustained improvement will be required to meet the GGC target.

Under GGC we're also required to report on GHG emissions from short and long-haul flights, although there is no specific reduction target. In 2023/24 such flights added 235 tonnes of CO2e to the 16 tonnes of CO2e from domestic flights. During 2023/24, the number of miles travelled was 62,219 miles on domestic flights and 534,239 on international flights (including short haul). Many international flights are linked to our work in Japan.

Health, safety, environment and wellbeing report continued

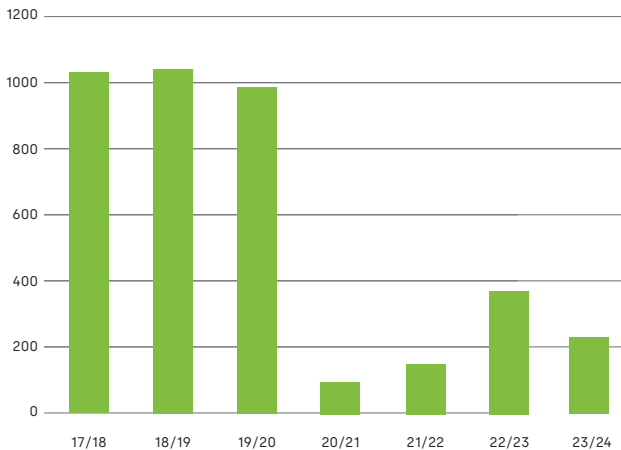
Waste - Herdus House



We achieved a reduction of 36% in waste generated at Herdus House against the 2024/25 target of 15%. There was an increase this year due to refurbishment projects at Herdus House. We achieved a 62% waste recycling rate against the GGC 2024/25 target of 70%. Standard office recycling facilities are available at Herdus House, but further work is required in the coming year to improve the recycling rate, including optimising the available data.

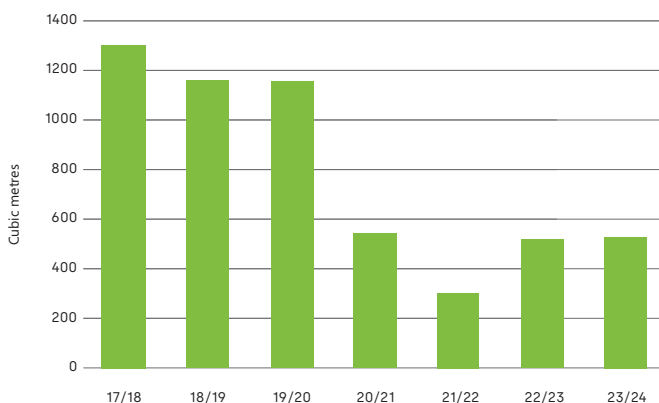
In addition, we continue to have success in the removal of consumer single use plastic. For example, disposable coffee cups have been removed from the restaurant at Herdus House, along with plastic bottles and stocks of plastic stationery are being run down.

Paper usage (A4 reams equivalent) - Herdus House



We achieved a 77% reduction in paper use at Herdus House, compared to a 2024/25 target of 50%. Behaviours have consistently improved, and the target is likely to be met.

Water usage - Herdus House



We achieved a reduction of 59% 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

The NDA remains steadfast in its commitment to reporting under the GGC Sustainable Technology Advice and Reporting (STAR) scheme, concurrently embarking on a strategic shift from on-premises to cloud-based platforms for IT service delivery. This transition has been facilitated by the onboarding of a key new supplier in 2023, spearheading the establishment of a cloud-based strategy and facilitating implementations and migrations to cloud services. The initial phase of this initiative, extending into 2025, focuses on migrating key internal systems away from on-premises hosting.

Furthermore, these efforts are aligned with the NDA's sustainability objectives, including the

reduction of travel through the implementation of agile services and platforms, and collaboration with low carbon suppliers. In the past year we were able to retire 19 on-premises applications. By the end of 2025, it is anticipated that approximately 75% of on-premises applications will have transitioned to cloud-based solutions, with the remainder scheduled for completion by end 2026. This work continues and is being constantly reviewed and updated. These initiatives ongoingly support the NDA's commitment to sustainability, embedding environmentally conscious ICT practices, minimising e-waste, and avoiding landfill contributions within its business operations.

Sustainability metrics

Area		Actual
Greenhouse gas emissions (GGC scopes one, two and three)		353 te CO ₂ e
Greenhouse gas emissions from direct emissions (scope one)		5 te CO ₂ e
Greenhouse gas emissions from purchase of electricity (scope two)		116 te CO ₂ e
Greenhouse gas emissions from domestic flights (scope three)		16 te CO ₂ e
Greenhouse gas emissions from all domestic business travel (scope three)		231 te CO ₂ e
Expenditure from travel within GGC scope plus international flights		£1,140,177
Office energy (electricity plus gas) Herdus House	Amount	517,950 kWh
	Expenditure	£105,972
Office waste, Herdus House	Generated	12.9 te
	Recycled (DMR)	7.1 te
	ICT/WEEE	0.9 te
	Incinerated (with energy recovery)	3.9 te
	Composted	0.9 te
	Expenditure	£12,000
Office paper, Herdus House	Amount (A4 and A3/A5 reams equivalent)	240
Water, Herdus House	Amount	537m ³
	Expenditure	£4,882

Health, safety, environment and wellbeing report continued

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) before April 2025. 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 all our land and assets. In 2022/23 we developed a NCIP and in 2023/24 we further updated this. Building on this work and in collaboration with NDA Properties and NDA group, we have started to develop a Nature Recovery Plan which will meet the GGC requirement and make relevant commitments for action to improve nature on and around our land.

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 2024/25 to ensure climate change risks are managed.

Climate change resilience and adaptation is now considered in business case development.

Sustainability in supply chain and procurement

We work with supply chain partners and embed sustainability requirements in the contracts we award. We've issued Procurement Policy Notes (PPN) that cover sustainability:

- a. PPN 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. PPN 06/21 Carbon reduction plans incorporated into all NDA group in-scope procurements
 1. NDA group-wide Atamis procurement and supply chain platform captures PPN06/20 and PPN 06/21 adherence
 2. Procurement specific sustainability guidance incorporated into NDA commercial toolkit
 3. Delivery of procurement elements of NDA Social Value Beacon Project relating to PPN 06/20
 4. Creation and roll-out of carbon questionnaires for incumbent suppliers and development for future invitations to tender.

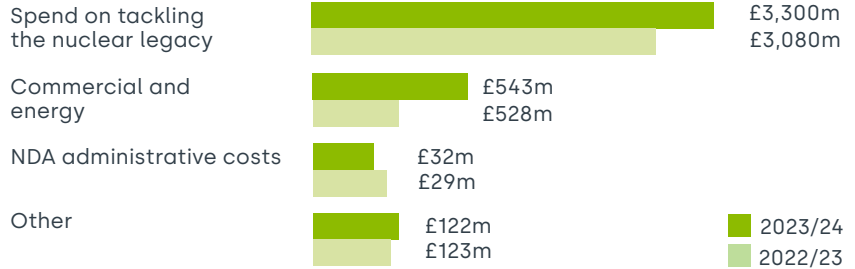
Food and catering services at our Herdus House and Hinton House offices are procured from Baxter Storey, via a Facilities Management Contract with Mitie.

Financial Summary 2023/24

Financial Summary 2023/24

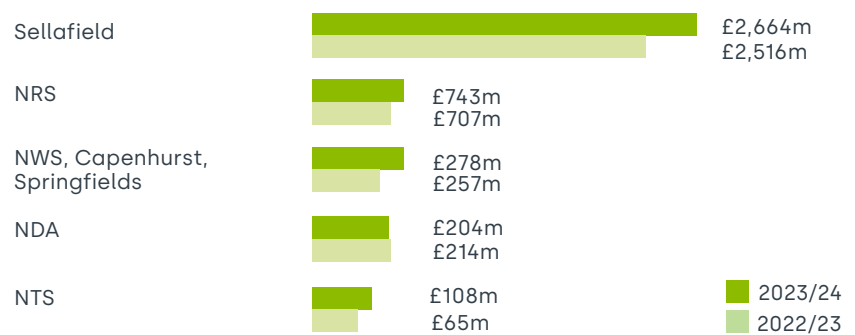
NDA spend on tackling the legacy

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.



NDA spend by division

Spend in 2023/24 was £3,997 million (2022/23: £3,759 million). Around 67% of this was spent at Sellafield, reflecting the relative size, importance, and priority given to the site. Expenditure at Sellafield has increased during the NDA's existence and now stands at £2,664 million per year.



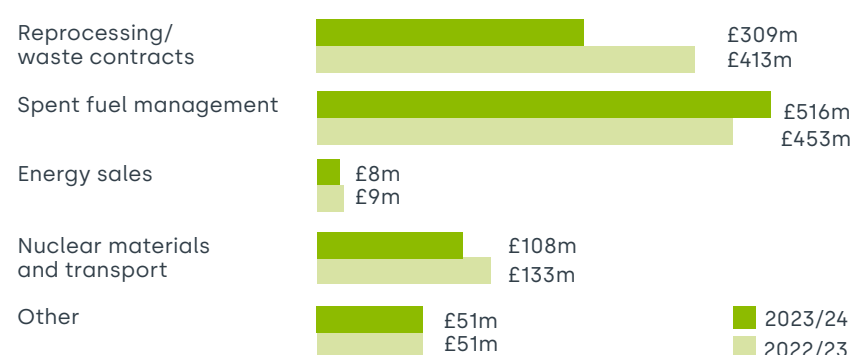
NDA administrative spend

The NDA's own running costs were £32 million per year, or approximately 0.8% (2022/23: 0.8%) of overall expenditure.



NDA's income

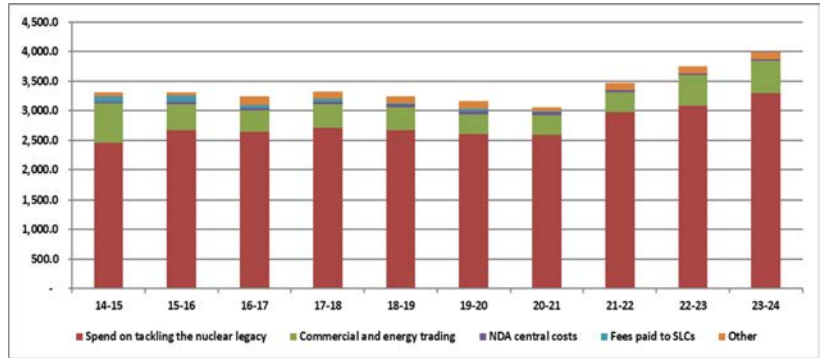
The NDA recognised income of £992 million in the year, with nearly £825 million arising from reprocessing and management of spent fuels and waste



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.

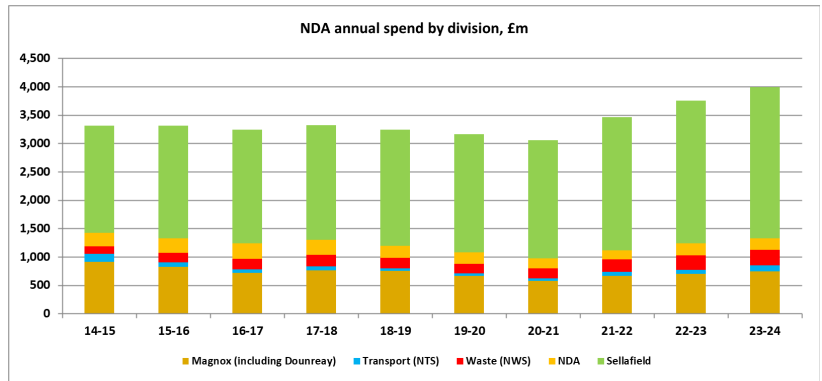
NDA spend on tackling the legacy

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.



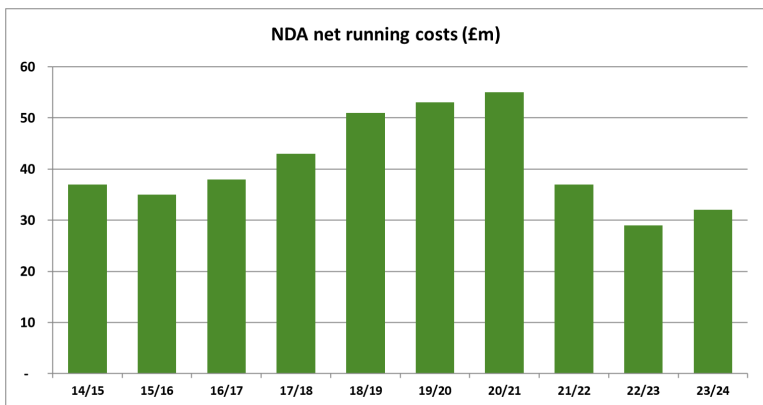
NDA spend by division

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.



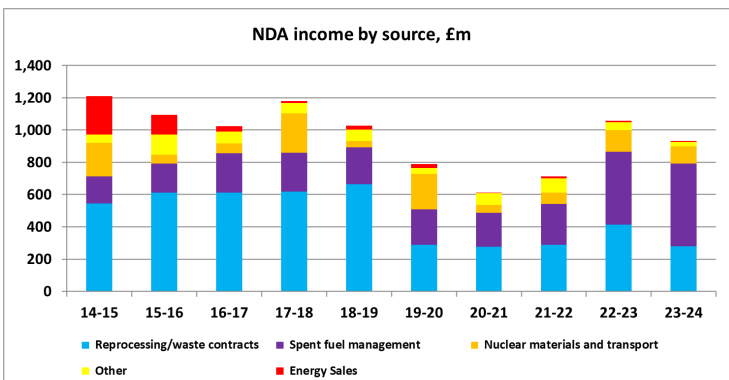
NDA administrative spend

NDA's administrative spend is now approximately £32 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 2023/24 estimate

The discounted nuclear provision of the Authority at the end of 2023/24 was £105.3 billion (2022/23: £124.4 billion) as shown in the chart. The movements during the year were:

Release

The provision reduces each year in line with the amount spent on delivering the mission. In

2023/24 the value released from the provision was £4.0 billion.

Changes in price levels

Before applying changes to discount rates and the cost estimates, an inflationary adjustment is applied to the opening provision to update it to money values at the reporting date. This is the aggregate of the individual inflation impacts on each component of the estimate, producing an increase of £6.5 billion (5.2% of the opening balance).

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 185 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 2023 resulted in a decrease of £32.9 billion in the discounted provision value (2022: £133.6 billion decrease).

An explanation of discounting is provided in the box below.



What is discounting and how does it affect the NDA's nuclear provision?

One of the key factors influencing the stated value of the NDA's nuclear provision is the "discounting" of the NDA's future expected expenditure to a present value. This recognises the time value of money, and enables us to put a value on these outgoings in today's terms and at a high level it tells us how much it might cost to settle these obligations at the reporting date (31 March). The discount rates used are determined each year by HM Treasury, and reflect HM Government's current borrowing rates combined with future expectations for inflation. Due to the very long term nature of NDA's mission, the nuclear provision is very sensitive to changes in the discount rates, particularly the long- and very long-term rates. Depending on the assumptions made by HM Treasury each year the discount rates can either be positive (which assumes that £1 in the future is worth less than £1 now) or negative (which assumes that £1 in the future is worth more than £1 now). The discount rates are currently positive, and therefore the discounted value of the nuclear provision is less than the undiscounted value. Further information about HM Treasury's discount rates can be found in note 24 of the accounts.

Unwind of discount

This is due to the unwinding, by one year, of the discounting applied to the provision in the previous year. During 2023/24 this resulted in an increase in the provision of £1.4 billion. This does not change the underlying (undiscounted) cost estimates.

Cost estimate changes

Cost estimates are reviewed annually to reflect changes in the site lifetime plans and other assumptions. Major changes applied in the reporting period included:

- Following the change in the estimate of the Magnox and Dounreay programme in 2022/23, further refinements of the long term estimate resulted in an increase of the discounted provision by £0.8bn.
- The nuclear provision assumes the achievement of efficiencies and other cost savings at Sellafield which reduce the initial lifetime cost estimate. The review of savings was performed in 2021 (in turn based on estimates which had been implicit in the nuclear provision calculation since 2011) and was updated annually for the impact of inflation and discount rates. The review considered the impact on the likely savings of changes to working practices, scope, costs and timings which have occurred since the last corporate plan, including the impact of the Covid-19 pandemic. Whilst management remains committed to maximising opportunities to deliver significant savings over the lifetime of the decommissioning mission, it is recognised that further work is required to refine the estimates to meet the criteria

for inclusion in the nuclear provision. Specifically, plans underpinning estimated long-term savings from Sellafield's Enterprise Change Model (ECM) were not as developed as management had expected them to be in 2023-24. At this stage of development, management had expected information underpinning ECMs to be more detailed given proximity to realising the benefits of the savings. As a result, the estimate of discounted savings recognised in the nuclear provision calculation has been reduced from £12.7 billion to £5.9 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. This increased the discounted provision by £2.3 billion.

Closing balance

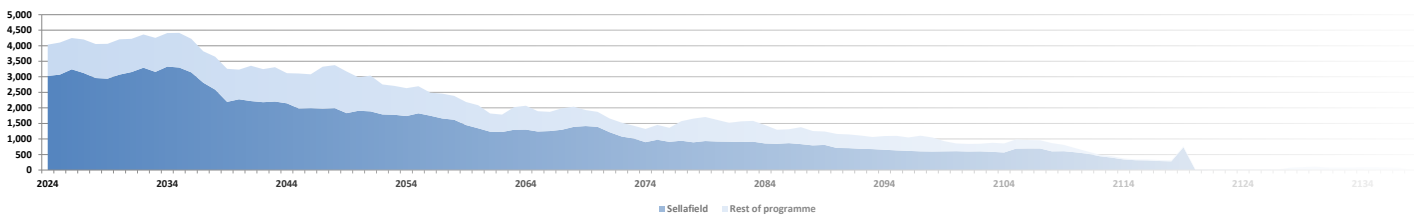
The above movements result in a closing 2023/24 discounted provision estimate of £105.3 billion.

Nuclear provision continued

Movement in nuclear provision



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.

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 £4,015,421 (2023: £28,672,256).

Type of loss	2023/24 Total £	2023/24 Number of cases	2022/23 Total £	2022/23 Number of cases
Cash losses	-	-	1,733	12
Store losses	3,213,980	38,635	28,374,234	276,760
Fruitless payments	301,551	2,293	146,053	967
Book-keeping losses	40,793	2	-	-
Exchange rate fluctuation losses	81,890	1	150,236	12
Total	3,638,214	40,931	28,672,256	277,751
Special payments	377,207	1-5	-	-

In 2023/24 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. Also included in store losses is one item over £300,000. This related to a supplier who entered administration from which £10 million of inventory was recovered however a further £1.3 million was irrecoverable and subsequently written-off.

In 2023/24 special payments were made totaling £377,207 relating to employment matters - relevant Data Protection Act considerations have been applied.

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 FEng HonFNucl
Accounting Officer and Group Chief Executive
Officer
3 October 2024

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 2024 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 2024;
- 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 2024 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 requires 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 information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. 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 and its/their environment obtained in the course of the audit, I have not identified material misstatements in the 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 statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Energy Act 2004;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions directions issued 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.
- inquired of management, the Nuclear Decommissioning Authority'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, 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;
- discussed with the engagement team including significant component audit teams and the relevant internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments, assessing whether the judgements on estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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 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 operate. 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, Risk, and Assurance Committee and in-house legal counsel concerning actual and

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

Gareth Davies **4 October 2024**
Comptroller and Auditor General
 National Audit Office
 157-197 Buckingham Palace Road
 Victoria
 London
 SW1W 9SP

Annual accounts

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Note	GROUP		AUTHORITY	
		2024	2023	2024	2023
		£m	£m	£m	£m
Expenditure					
Authority administration expenditure	5	32	29	32	29
Programme expenditure	6	4,285	4,571	4,301	4,551
Adjustments to provisions	7	(18,760)	(110,982)	(18,757)	(111,270)
Depreciation and impairment	8	85	94	26	50
		(14,358)	(106,288)	(14,398)	(106,640)
Income	9	(1,010)	(1,041)	(933)	(974)
Net income before interest and taxation		(15,368)	(107,329)	(15,331)	(107,614)
Interest receivable	4	(48)	(4)	(4)	(2)
Interest payable	4	4	22	1	1
Net interest payable / (receivable) on defined benefit pension scheme	27	(44)	6	(2)	-
Net income before taxation		(15,456)	(107,305)	(15,336)	(107,615)
Taxation	10	6	8	3	-
Net income after taxation for the year		(15,450)	(107,297)	(15,333)	(107,615)
Attributable to:					
NDA Group		(15,449)	(107,297)	(15,333)	(107,615)
Non-controlling interest		(1)	-	-	-
Other comprehensive expenditure/(income):					
Deficit/(surplus) arising on revaluation of property, plant and equipment	11	1	(1)	-	(3)
Net recognised (gain)/loss on defined benefit pension scheme	27	312	(1,153)	17	(17)
Total comprehensive net income for the year		(15,137)	(108,451)	(15,316)	(107,635)
Attributable to:					
NDA Group		(15,136)	(108,451)	(15,316)	(107,635)
Non-controlling interest	28	(1)	-	-	-

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.

The prior year figures have been restated following a reclassification of taxation to better reflect the corporation tax payable on research and development tax credits within the NDA group, producing a more relevant and reliable presentation of the group's financial position. This has resulted in a prior year adjustment to the group taxation figure of £8 million line. See note 10 for more details.

The prior year figure for net recognised (gain)/loss on defined benefit pension scheme has been restated to recognise surpluses previously derecognised (see note 27 for more details).

Statement of Financial Position as at 31 March 2024

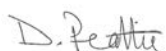
	Note	GROUP			AUTHORITY	
		2024	RESTATED 2023	RESTATED 1 April 2022	2024	2023
		£m	£m	£m	£m	£m
Property, plant and equipment	11	451	525	595	232	255
Intangible assets	11	1	-	-	-	-
Investments in subsidiaries	12	-	-	-	259	259
Recoverable contract costs	13	582	992	3,070	582	992
Finance lease receivables	19	43	43	44	67	69
Trade and other receivables	20	44	41	37	68	67
Defined benefit pension scheme asset	27	674	926	-	16	31
Total non-current assets		1,795	2,527	3,746	1,224	1,673
Inventories	15	23	53	67	13	13
Other investments	18	496	583	588	-	-
Finance lease receivables	19	1	1	1	3	4
Trade and other receivables	20	290	245	237	253	227
Cash and cash equivalents	21	396	231	109	146	112
Total current assets		1,206	1,113	1,002	415	356
Total assets		3,001	3,640	4,748	1,639	2,029
Trade and other payables	22	(1,812)	(1,663)	(1,339)	(1,627)	(1,427)
Finance lease payables	23	(21)	(20)	(24)	(3)	(3)
Nuclear provisions	24	(4,021)	(3,933)	(3,268)	(4,021)	(3,933)
Other provisions	25	(7)	(13)	(12)	(6)	(6)
Total current liabilities		(5,861)	(5,629)	(4,643)	(5,657)	(5,369)
Total assets less current liabilities		(2,860)	(1,989)	105	(4,018)	(3,340)
Trade and other payables	22	(1,270)	(1,444)	(1,633)	(1,261)	(1,437)
Finance lease payables	23	(53)	(52)	(55)	(37)	(38)
Nuclear provisions	24	(101,235)	(120,462)	(233,450)	(101,229)	(120,438)
Other provisions	25	(89)	(91)	(527)	(40)	(44)
Defined benefit pension scheme deficit	27	-	-	(205)	-	-
Total non-current liabilities		(102,647)	(122,049)	(235,870)	(102,567)	(121,957)
Net liabilities		(105,507)	(124,038)	(235,765)	(106,585)	(125,297)
Taxpayers' equity						
Revaluation reserve		44	45	44	9	9
General reserve		(105,553)	(124,085)	(235,811)	(106,595)	(125,306)
Total taxpayers' equity		(105,509)	(124,040)	(235,767)	(106,586)	(125,297)
Non-controlling interests	28	3	2	2	-	-
Total equity		(105,506)	(124,038)	(235,765)	(106,586)	(125,297)

The prior year figures have been restated following a reclassification of £21 million between payables and receivables to better reflect the nature of these balances within the NDA group, producing a more relevant and reliable presentation of the group's financial position. Please see note 20 (Trade and other receivables) and note 22 (Trade and other payables) for further information.

The prior year figure for defined benefit pension scheme asset has been restated to allow the recognition of surpluses previously derecognised (see note 27 for more details).

The financial statements on pages 148 to 200 were approved by the Board and authorised for issue by the Accounting Officer on 3 October 2024.

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.



David Peattie FREng HonFNucl
Accounting Officer and Group Chief Executive Officer
3 October 2024.

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Statement of Cash Flows for the year ended 31 March 2024

	Note	NDA Group		Authority	
		2024	RESTATED 2023	2024	RESTATED 2023
		£m	£m	£m	£m
Cash flows from operating activities					
Net income after taxation for the year	SoCNE	15,450	107,297	15,333	107,615
Adjustments for:					
Interest receivable	4	(48)	(4)	(4)	(2)
Interest payable		4	22	1	1
Tax Expense		6	8	3	-
Net interest payable on defined benefit pension schemes	27	(44)	6	(2)	-
Net of pension service costs over cash contributions paid		(15)	17	-	-
Depreciation of property, plant and equipment	11	85	73	26	30
Revaluation of property, plant and equipment	11	(1)	1	-	1
Impairment of property, plant and equipment	11	-	18	-	18
Unrealised Gains / Losses on investment		18	(27)	-	-
Revalorisation of advance payments	22	236	710	236	710
Amortisation of recoverable contract costs	13	116	139	116	139
Decrease in inventories	15	30	14	-	4
Decrease/(increase) in receivables		(48)	9	(25)	137
Decrease in payables		(452)	(309)	(407)	(446)
Decrease in tax payable		(6)	(3)	(1)	-
Decrease in nuclear provisions impacting net expenditure		(18,748)	(110,297)	(18,749)	(110,580)
Decrease in other provisions impacting net expenditure		(11)	(822)	(8)	(827)
Net cash outflow from operating expenditure		(3,428)	(3,148)	(3,481)	(3,200)
Cash flows from investing activities					
Interest received		30	14	4	2
Interest paid		(4)	(4)	(1)	(1)
Proceeds received on asset disposal		1	1	-	-
Purchases of property, plant and equipment	11	(7)	(7)	-	-
Purchase of investments		86	5	-	-
Net cash (outflow)/inflow from investing activities		106	9	3	1
Cash flows from financing activities					
Grants from parent department	SoCTE	3,911	3,848	3,911	3,848
Surrender of receipts to Consolidated Fund	SoCTE	(398)	(562)	(398)	(562)
Payments of lease liabilities		(26)	(25)	(3)	(3)
Receipts from lease assets		-	-	2	2
Net cash inflow from financing activities		3,487	3,261	3,512	3,285
Net increase in cash and cash equivalents		165	122	34	86
Cash and cash equivalents at the beginning of the period	21	231	109	112	26
Cash and cash equivalents at the end of the period	21	396	231	146	112

The prior year figures have been restated following a reclassification of taxation 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 cashflow for NDA Group and Authority have been restated to improve the visibility of tax paid within the year.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

NDA Group		General RESTATED £m	Revaluation £m	Total RESTATED £m
Balance at 31 March 2022		(235,886)	44	(235,842)
Impact of Restatement	27	75	-	75
Balance at 31 March 2022 - Restated		(235,811)	44	(235,767)
Surplus arising on revaluation of PPE	11	-	1	1
Gross grants from parent department		3,848	-	3,848
Amounts surrenderable to Consolidated Fund (a)		(572)	-	(572)
Actuarial gain on defined benefit pension schemes - Restated	27	1,153	-	1,153
Net income	SoCNE	107,297	-	107,297
Balance at 31 March 2023 - Restated		(124,085)	45	(124,040)
Deficit arising on revaluation of PPE	11	-	(1)	(1)
Gross grants from parent department		3,911	-	3,911
Amounts surrenderable to Consolidated Fund (a)		(516)	-	(516)
Actuarial loss on defined benefit pension schemes	27	(312)	-	(312)
Net income	SoCNE	15,449	-	15,449
Balance at 31 March 2024		(105,553)	44	(105,509)

The balance at 31st March 2022 and the prior year figure for actuarial gain on defined benefit pension schemes have been restated to allow the recognition of surpluses previously derecognised (see note 27 for more details).

Authority		General £m	Revaluation £m	Total £m
Balance at 31 March 2022		(236,214)	6	(236,208)
Surplus arising on revaluation of PPE	11	-	3	3
Gross grants from parent department		3,848	-	3,848
Amounts surrenderable to Consolidated Fund (a)		(572)	-	(572)
Actuarial gain on defined benefit pension schemes	27	17	-	17
Net income	SoCNE	107,615	-	107,615
Balance at 31 March 2023		(125,306)	9	(125,297)
Gross grants from parent department		3,911	-	3,911
Amounts surrenderable to Consolidated Fund (a)		(516)	-	(516)
Actuarial loss on defined benefit pension schemes	27	(17)	-	(17)
Net income	SoCNE	15,333	-	15,333
Balance at 31 March 2024		(106,595)	9	(106,586)

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 £516 million (2023: £572 million) included £136 million payable as at 31 March 2024 (2023: £18 million payable). The amount paid in cash in the year was £398 million (2023: £562 million).

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Notes to the financial statements for the year ended 31 March 2024

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 14 to 15 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 (FReM) 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 FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the 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 the Department for Business Energy and Industrial Strategy (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 (DESNZ). 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 and derivative financial instruments are measured at fair value. Other financial assets and financial liabilities are measured at amortised cost, as detailed in note 16.

The consolidated statement of financial position at 31 March 2024 shows net liabilities of £106 billion (2023: £124 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 2024/25, 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
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries Without Public Accountability

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. 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 Taxation

See notes 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.

2.6 Property, plant and equipment

See note 11 for the property, plant and equipment accounting policy.

2.7 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.

2.8 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.

2.8 (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.

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The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating 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.

2.8 (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.

2.8 (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. Where purchase of the underlying good is deemed to be solely for NDA's own use, it is not treated as a derivative financial instrument.

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.

2.9 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.

2.10 Grants from parent department

In accordance with the FRem the NDA prepares its financial statements showing grants received from the parent department as credited to the general reserve, and as financing in the statement of cash flows. Grants are received gross from the parent department and receipts are surrendered separately.

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
- 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 2027, 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 2027. 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

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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 IFRS 15 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 IFRS 15 is contained in note 9.

3.2 Accounting for property, plant and equipment

The following accounting judgements have been made:

Management have exercised judgement in determining the treatment of property, plant and equipment purchased or created primarily for the purposes of decommissioning and other work not funded from commercial income. Such items are not accounted for as property, plant and equipment on the Statement of Financial Position and are instead expensed in the reporting period in the Statement of Comprehensive Net Expenditure, with a corresponding release from the Nuclear Provision in the same reporting period. Management determines the categorisation of different types of property, plant and equipment according to the accounting policy set out in note 11.

3.3 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.

3.4 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.

3.4 (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 £451 million (2023: £525 million).

3.4(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 focussed in particular on the first 20 years, which represents £63 billion out of the total £105 billion provision (2023: £62 billion out of £124 billion). In undiscounted terms it represents £74 billion out of a total of £185 billion (2023: £70 billion out of £173 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 incorporates 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).

In addition, the nuclear provision assumes the achievement of efficiencies and other cost savings at Sellafield which reduce the initial lifetime cost estimate of £79 billion (discounted) by £6 billion to the £73 billion included in the provision for Sellafield. The savings are anticipated to be delivered by a number of efficiency and productivity initiatives at Sellafield across the life of its mission, with initiatives currently at early stages and expected to achieve maturity from 2027 onwards.

Management have prepared their estimate of the expected savings based upon their current understanding of the activities to be undertaken, however it is recognised that successful delivery of these savings is contingent upon a number of factors, including business case approvals, improvements in staff productivity, and the required activities being in line with management's current scope and cost estimates. Although these plans initially demonstrated considerable opportunities for savings, which remain the target for operational delivery, management expected further evolution of these detailed plans to support these in 2023-24. Changes in estimated savings will be identified and included in the provision as management develop and refine more detailed plans to deliver the savings between now and 2027.

Based upon the facts currently available, management concludes that this represents their best estimate of the likely decommissioning costs at the date of signing these financial statements.

Nuclear Restoration Services

Following the conclusion of electricity generation at the former 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 Nuclear Restoration

Annual accounts continued

Services 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 former 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 former Magnox sites is capped at 2110.

The Nuclear Restoration Services segment includes the Dounreay site.

Nuclear Waste Services

The activities of Nuclear Waste Services 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 2038
- 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 9% 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.
- 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

Nuclear Restoration Services

The nuclear provision estimate for Nuclear Restoration Services is based on the following key assumptions:

- The rolling decommissioning of all former Magnox sites with the last site to achieve final site clearance by 2110
- The provision estimate for Nuclear Restoration Services 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 Nuclear Restoration Services are:

- The availability of funding to support the rolling decommissioning approach for former 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 estimates.

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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 2024	Sellafield £m	Nuclear Restoration Services £m	Nuclear Waste Services £m	Nuclear Transport Solutions £m	Corporate £m	Total 2024 £m
Authority administration expenditure	-	-	-	-	32	32
Programme expenditure	2,994	728	258	59	246	4,285
Decommissioning costs charged to nuclear provisions	(2,571)	(855)	(162)	(4)	-	(3,592)
Decommissioning costs charged to other provisions	(14)	-	(1)	-	-	(15)
Nuclear provisions increase/(decrease)	(7,392)	(5,189)	(2,579)	4	-	(15,156)
Other provisions increase/(decrease)	3	-	-	-	-	3
Adjustments to provisions	(9,974)	(6,044)	(2,742)	-	-	(18,760)
Depreciation and Impairment	26	1	1	56	1	85
Income (a)	(799)	(12)	(2)	(184)	(13)	(1,010)
Interest payable	1	-	-	1	2	4
Interest receivable (b)	-	-	-	(5)	(43)	(48)
Net interest payable / (receivable) on defined benefit pension scheme	(23)	(18)	-	(1)	(2)	(44)
Net expenditure/(income) from continuing operations for the year before taxation	(7,775)	(5,345)	(2,485)	(74)	223	(15,456)

(a) See note 9 for commentary on revenue from contracts.

(b) Includes net return on investments of £39 million held by Rutherford Indemnity Limited

The basis for accounting for transactions between reportable segments is given in note 30.

NDA Group 2023						RESTATED
	Sellafield £m	Nuclear Restoration Services £m	Nuclear Waste Services £m	Nuclear Transport Solutions £m	Corporate £m	Total 2023 £m
Authority administration expenditure	-	-	-	-	29	29
Programme expenditure	3,352	710	260	55	194	4,571
Decommissioning costs charged to nuclear provisions	(1,550)	(1,105)	(156)	(3)	-	(2,814)
Decommissioning costs charged to other provisions	(12)	-	(1)	2	-	(11)
Nuclear provisions increase/(decrease)	(88,426)	(3,443)	(15,465)	(12)	-	(107,346)
Other provisions increase/(decrease)	(812)	-	1	-	-	(811)
Adjustments to provisions	(90,800)	(4,548)	(15,621)	(13)	-	(110,982)
Depreciation and Impairment	49	2	1	41	1	94
Income (a)	(879)	(15)	(3)	(134)	(10)	(1,041)
Interest payable (b)	-	-	-	1	21	22
Interest receivable	-	-	-	(1)	(3)	(4)
Net interest payable / (receivable) on defined benefit pension scheme	15	(9)	-	-	-	6
Net expenditure/(income) from continuing operations for the year before taxation	(88,263)	(3,860)	(15,363)	(51)	232	(107,305)

The prior year figures have been restated following a reclassification of taxation 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.

(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.

Geographical information

The NDA Group's income is attributed to countries on the basis of the customer's location, as follows:

	2024 £m	2023 £m
NDA Group		
United Kingdom	816	823
Japan	163	129
Italy	2	70
Germany	21	15
Other countries	8	4
Total income	1,010	1,041

The Group's non-current assets are primarily located or based in the United Kingdom.

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5. Authority administration expenditure

Authority	2024	2023
	£m	£m
Staff costs (see Remuneration Report) (a)	22	22
Administration costs	9	7
Auditors' remuneration (b)	1	-
Total Authority administration expenditure	32	29

(a) Directors' emoluments are included in the above figures and can be seen in the Remuneration Report on pages 109 to 110.

(b) Auditors' remuneration represents fees payable to the NAO for the audit of the Authority and the NDA Group and amounted to £650,000 (2023: £500,000). No remuneration has been paid to the NAO other than the audit fees for the Authority and, where applicable, its subsidiaries (see note 6).

6. Programme expenditure

Contractor costs

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.

	NDA Group		Authority	
	2024	2023	2024	2023
	£m	£m	£m	£m
Contractor and subsidiary costs (a)	3,791	3,578	3,810	3,566
Amortisation of recoverable contract costs (see note 13)	116	139	116	139
Revalorisation of advance payments (see note 22)	236	710	236	710
Trading costs	3	3	3	3
Research and development costs	17	20	13	14
Insurance	5	4	9	9
Skills & socio-economic	9	7	9	7
Dividend payable to minority interest	-	1	-	-
Information governance	20	23	20	23
Cyber Security	14	17	14	17
Plutonium management strategy	12	11	12	11
Movements in inventory provisions	11	8	11	8
Group development projects	14	10	14	10
Programme support costs	28	22	28	22
Property management	4	3	4	3
Business Support	5	-	5	-
Revaluation of financial asset	-	10	-	10
NTS contract management	3	3	3	3
R&D tax credit relief	(14)	(7)	(14)	(7)
Other costs	11	9	8	3
Total programme expenditure	4,285	4,571	4,301	4,551

(a) Contractor and subsidiary costs include auditors' remuneration payable for the audit of the NDA subsidiary companies amounting to £808,000 (2023: £780,000) of which approximately £254,000 is payable to the NAO (2023: Nil).

7. Adjustments to Provisions

	NDA Group		Authority	
	2024	2023	2024	2023
	£m	£m	£m	£m
Movement in nuclear provisions:				
Provided for in the year (see note 24)	(16,523)	(104,379)	(16,523)	(104,376)
In-year group provision adjustment (see note 24)	-	286	-	-
Unwind of discount (see note 24)	1,361	(2,970)	1,361	(2,970)
Release from provisions (see note 24)	(3,588)	(3,097)	(3,588)	(3,097)
Total movement in nuclear provisions	(18,750)	(110,160)	(18,750)	(110,443)
Movement in other provisions:				
Provided for in the year (see note 25)	1	(796)	4	(801)
Release from provisions (see note 25)	(12)	(16)	(12)	(16)
Unwind of discount (see note 25)	1	(10)	1	(10)
Total movement in other provisions	(10)	(822)	(7)	(827)
Total provisions movement	(18,760)	(110,982)	(18,757)	(111,270)

8. Depreciation and impairments

	NDA Group		Authority	
	2024	2023	2024	2023
	£m	£m	£m	£m
Depreciation of property, plant and equipment (see note 11)	85	73	26	30
Impairment of property, plant and equipment (see note 11)	-	19	-	18
Impairment of financial instruments for expected credit loss (see notes 19 and 20)	-	1	-	1
Revaluation of property, plant and equipment (see note 11)		1	-	1
Total depreciation and impairments	85	94	26	50

Annual accounts 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 166 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 revaluation 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 25.

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.

	NDA Group		Authority	
	2024	2023	2024	2023
	£m	£m	£m	£m
Spent fuel reprocessing and associated waste management	(182)	(267)	(182)	(267)
Spent fuel receipt	(513)	(449)	(513)	(449)
Other contracts for waste and product storage	(83)	(76)	(83)	(76)
Storage and destorage of residues	(15)	(12)	(15)	(12)
Revenue from major contracts (continuing)	(793)	(804)	(793)	(804)
Legacy waste management	-	(68)	-	(68)
Revenue from major contracts (non-recurring)	-	(68)	-	(68)
Transportation of nuclear fuel, waste and materials	(183)	(133)	(108)	(67)
Energy Trading	(8)	(9)	(8)	(9)
Sundry	(14)	(17)	(12)	(16)
Admin/non programme	(10)	(8)	(10)	(8)
Revenue from other contracts	(215)	(167)	(138)	(100)
Revenue from contracts with customers	(1,008)	(1,039)	(931)	(972)
Other revenues (rental income)	(2)	(2)	(2)	(2)
Total revenues	(1,010)	(1,041)	(933)	(974)

Revenue from contracts with customers totalled £1,008 million (2023: £1,039 million) of which:

- £793 million (2023: £804 million) was recognised on major contracts which will continue beyond the reporting date
- £Nil (2023: £68 million) was recognised on non-recurring major contracts which concluded during the reporting period
- £215 million (2023: £167 million) was recognised on other contracts

Revenue from transportation of nuclear fuel, waste and materials included non-recurring income arising from the transfer of ownership of transportation equipment

Annual accounts 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	Factors potentially affecting future cash flows and
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, and treatment, of wastes (expected to continue to 2027)	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
	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 wastes	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

A 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.

Another key uncertainty in the Authority's revenue recognition arises from the measurement of performance obligation relating to treatment of wastes on spent fuel reprocessing contracts. In particular, judgement is required to assess the remaining time period involved in the conclusion of obligations relating to the making available of high level waste residues to customers. In the reporting period the authority revised its expected end point for this performance obligation from 2026 to 2027 reflecting the recent performance of the plants involved in fulfilling the performance obligation. The impact of this change in assumption is to recognise income over 4 years instead of 3 years and therefore had an impact on the revenue recognised in the reporting period of approximately £45 million.

The table below 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:		
				2024-2029	2030-2040	2041-2087
Spent fuel reprocessing and associated waste management	Spent fuel storage	25	813	65	142	606
	Interim storage of wastes	65	184	184	-	-
	Treatment of wastes	49	138	138	-	-
	Storage of treated wastes	8	191	24	49	118
	Storage of products	35	943	103	226	614
Spent fuel receipts	Receipt of spent fuel	513	3,137	2,404	733	-
Other storage contracts	Storage of materials	83	1,320	466	662	192
Storage and destorage of residues	Storage	15	68	53	15	-
	Destorage	-	42	41	1	-
Waste substitution	Destorage	-	65	65	-	-
Legacy waste	Waste management	-	89	89	-	-
Total		793	6,990	3,632	1,828	1,530

10. Tax

NDA Group & Authority	RESTATED	
	2024 £m	2023 £m
NDA Group net expenditure before tax	(15,456)	(107,297)
Deficit on ordinary activities before tax at the UK standard rate of corporation tax of 25% (2023: 19%)	(3,862)	20,386
Effects of:		
Corporation tax payable on RDEC claims	4	6
Income and expenditure which is not taxable or tax deductible	3,370	(21,063)
Capital allowances for the year in excess of depreciation	(156)	(117)
Deferred tax movement	-	2
Unutilised losses	647	794
Current tax charge for the year	3	8
Controlled foreign company tax	3	-
Total tax charge/(credit)	6	8

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, NDA's wholly-owned captive insurance company based in Guernsey.

The prior year figures have been restated following a reclassification of taxation 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. This has resulted in a prior year adjustment of £8 million.

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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 40 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.

	Land	Buildings	Fixtures & fittings	Plant & equipment	Transport equipment	Assets under construction	Right of Use assets	Total
	£m	£m	£m	£m	£m	£m	£m	£m
NDA Group 2024								
Cost or Valuation								
At 1 April 2023	10	363	6	4,452	51	5	169	5,056
Revaluations (c)	1	(2)	-	-	-	-	-	(1)
Eliminations	-	-	-	(18)	-	-	-	(18)
Additions	-	-	-	-	-	4	30	34
Other reclassifications	-	-	-	-	1	(4)	-	(3)
Disposals	-	-	-	-	(12)	-	(29)	(41)
At 31 March 2024	11	361	6	4,434	40	5	170	5,027
Depreciation								
At 1 April 2023	-	(228)	(2)	(4,185)	(23)	-	(93)	(4,531)
Charged in year	-	(1)	-	(50)	(3)	-	(31)	(85)
Disposals	-	-	-	-	11	-	29	40
At 31 March 2024	-	(229)	(2)	(4,235)	(15)	-	(95)	(4,576)
Net book value at 31 March 2023	10	135	4	267	28	5	76	525
Net book value at 31 March 2024	11	132	4	199	25	5	75	451

The net book value of plant and equipment at 31 March 2024 (£199 million) includes £80 million relating to future decommissioning costs.

	Land	Buildings	Fixtures & fittings	Plant & equipment	Transport equipment	Assets under construction	Right of Use assets	Total
	£m	£m	£m	£m	£m	£m	£m	£m
NDA Group 2023								
Cost or Valuation								
At 1 April 2022	17	356	4	4,444	56	30	167	5,074
Revaluations (c)	-	1	-	-	-	-	-	1
Eliminations	-	(1)	-	-	-	-	-	(1)
Additions (d)	-	-	-	-	-	7	18	25
Other reclassifications	(7)	7	2	8	4	(14)	-	-
Disposals	-	-	-	-	(9)	-	(16)	(25)
Impairments (e)	-	-	-	-	-	(18)	-	(18)
At 31 March 2023	10	363	6	4,452	51	5	169	5,056
Depreciation								
At 1 April 2022	-	(228)	(2)	(4,145)	(28)	-	(76)	(4,479)
Eliminations	-	1	-	-	-	-	-	1
Charged in year	-	(1)	-	(40)	(2)	-	(30)	(73)
Disposals	-	-	-	-	7	-	13	20
At 31 March 2023	-	(228)	(2)	(4,185)	(23)	-	(93)	(4,531)
Net book value at 31 March 2022	17	128	2	299	28	30	91	595
Net book value at 31 March 2023	10	135	4	267	28	5	76	525

The net book value of plant and equipment at 31 March 2023 (£267 million) includes £108 million relating to future decommissioning costs.

Annual accounts continued

11. Property, plant and equipment continued

	Land	Buildings	Fixtures & fittings	Plant & equipment	Transport equipment	Assets under construction	Right of Use assets (a)	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Authority 2024								
Cost or Valuation								
At 1 April 2023	6	298	3	4,154	4	-	14	4,479
Revaluations (c)	2	(1)	-	(1)	-	-	-	-
Eliminations	-	-	(1)	(1)	-	-	-	(2)
Additions	-	-	-	-	-	-	2	2
At 31 March 2024	8	297	2	4,152	4	-	16	4,479
Depreciation								
At 1 April 2023	-	(227)	(2)	(3,992)	(2)	-	(1)	(4,224)
Eliminations	-	-	-	3	-	-	-	3
Charged in year	-	-	-	(25)	-	-	(1)	(26)
At 31 March 2024	-	(227)	(2)	(4,014)	(2)	-	(2)	(4,247)
Net book value at 31 March 2023	6	71	1	162	2	-	13	255
Net book value at 31 March 2024	8	70	-	138	2	-	14	232

The net book value of plant and equipment at 31 March 2024 (£138 million) includes £73 million relating to future decommissioning costs.

	Land	Buildings	Fixtures & fittings	Plant & equipment	Transport equipment	Assets under construction	Right of Use assets (a)	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Authority 2023								
Cost or Valuation								
At 1 April 2022	13	289	3	4,144	4	28	9	4,490
Revaluations (c)	-	3	-	-	-	-	-	3
Eliminations	-	(1)	-	-	-	-	-	(1)
Additions	-	-	-	-	-	-	5	5
Other reclassifications	(7)	7	-	10	-	(10)	-	-
Impairments (e)	-	-	-	-	-	(18)	-	(18)
At 31 March 2023	6	298	3	4,154	4	-	14	4,479
Depreciation								
At 1 April 2022	-	(227)	(2)	(3,964)	(2)	-	-	(4,195)
Eliminations	-	1	-	-	-	-	-	1
Charged in year	-	(1)	-	(28)	-	-	(1)	(30)
At 31 March 2023	-	(227)	(2)	(3,992)	(2)	-	(1)	(4,224)
Net book value at 31 March 2022	13	62	1	180	2	28	9	295
Net book value at 31 March 2023	6	71	1	162	2	-	13	255

The net book value of plant and equipment at 31 March 2023 (£162 million) includes £81 million relating to future decommissioning costs.

(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	Buildings	Plant & Fixtures & fittings	equipmen t	Transport	Total
	£m	£m	£m	£m	£m	£m
NDA Group 2024						
Cost or Valuation						
At 1 April 2023	2	21	-	19	127	169
Additions	2	5	-	5	18	30
Disposals	-	(2)	-	-	(27)	(29)
At 31 March 2024	4	24	-	24	118	170
Depreciation						
At 1 April 2023	-	(7)	-	(11)	(75)	(93)
Depreciation expense	(1)	(4)	-	(3)	(23)	(31)
Disposals	-	2	-	-	27	29
At 31 March 2024	(1)	(9)	-	(14)	(71)	(95)
Net book value at 31 March 2023	2	14	-	8	52	76
Net book value at 31 March 2024	3	15	-	10	47	75
	Land	Buildings	Plant & Fixtures & fittings	equipmen t	Transport	Total
	£m	£m	£m	£m	£m	£m
NDA Group 2023						
Cost or Valuation						
At 1 April 2022	2	27	-	19	119	167
Additions	-	(5)	-	-	23	18
Disposals	-	(1)	-	-	(15)	(16)
At 31 March 2023	2	21	-	19	127	169
Depreciation						
At 1 April 2022	-	(5)	-	(9)	(62)	(76)
Depreciation expense	-	(3)	-	(2)	(25)	(30)
Disposals	-	1	-	-	12	13
At 31 March 2023	-	(7)	-	(11)	(75)	(93)
Net book value at 31 March 2022	2	22	-	10	57	91
Net book value at 31 March 2023	2	14	-	8	52	76

Annual accounts continued

11. Property, plant and equipment continued

(a) Right of Use assets included in Property, Plant and Equipment comprise the following: (continued)

	Land	Buildings	Fixtures & fittings	Plant & equipment	Transport	Total
	£m	£m	£m	£m	£m	£m
Authority 2024						
Cost or Valuation						
At 1 April 2023	-	14	-	-	-	14
Additions	-	2	-	-	-	2
At 31 March 2024	-	16	-	-	-	16
Depreciation						
At 1 April 2023	-	(1)	-	-	-	(1)
Depreciation expense	-	(1)	-	-	-	(1)
At 31 March 2024	-	(2)	-	-	-	(2)
Net book value at 31 March 2023	-	13	-	-	-	13
Net book value at 31 March 2024	-	14	-	-	-	14
	Land	Buildings	Fixtures & fittings	Plant & equipment	Transport	Total
	£m	£m	£m	£m	£m	£m
Authority 2023						
Cost or Valuation						
At 1 April 2022	-	9	-	-	-	9
Additions	-	5	-	-	-	5
At 31 March 2023	-	14	-	-	-	14
Depreciation						
At 1 April 2022	-	-	-	-	-	-
Depreciation expense	-	(1)	-	-	-	(1)
At 31 March 2023	-	(1)	-	-	-	(1)
Net book value at 31 March 2022	-	9	-	-	-	9
Net book value at 31 March 2023	-	13	-	-	-	13

(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 2024 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 Ltd Chartered Surveyors.

This resulted in a revaluation movement of £-1 million during the year (2023: £1 million).

(d) 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 (2023: Nil), see note 24.

(e) Impairment charges of £Nil million were made during the year on assets following a re-estimate of the extent their commercial usage (2023: £18 million).

(f) Eliminations on group plant and equipment includes £17 million relating to capitalised decommissioning resulting in a corresponding reduction in the nuclear provision (see note 24).

11. Property, Plant and Equipment continued

Intangible assets

During the year ending 31 March 2024 an intangible asset of £1 million was created capitalising the development costs for waste transport containers in INS Limited.

12. Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

Investments in subsidiaries as at 31 March 2024 was £259m (2023: £259m). There were no additions or impairment in the year (2023: Nil)

Details of the Authority's subsidiaries at 31 March 2024 are as follows:

Name	Country of incorporation	Nature of business	Proportion of ordinary shares held by NDA %
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
Direct Rail Services Limited	UK	Rail transport services within the UK	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	100
Pacific Nuclear Transport Limited (i)	UK	Transportation of spent fuel, reprocessing products and waste	72
NDA Properties Limited (ii)	UK	Property management	100
Rutherford Indemnity Limited	Guernsey	Nuclear insurance	100
NDA Archives Limited (ii)	UK	Operation of Nucleus - The Nuclear and Caithness Archive	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 Energas, 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 and Energy Coast West Cumbria (Workspace) Limited. These companies are limited by guarantee, registered in the UK and contribute to the economic

regeneration of west Cumbria. NDA's liability is limited to £1 for each company.

(ii) Subsidiary audit exemption

NDA Properties Limited and NDA Archives Limited are subsidiaries controlled and consolidated by the Group where the directors have taken the exemption from having an audit of their financial statements for the year ended 31 March 2024. This exemption is taken in accordance with Section 479A of the Companies Act. To facilitate the adoption of this exemption, NDA, the parent of the subsidiaries concerned, has undertaken to provide a guarantee under Section 479C of the Companies Act 2006 in respect of those subsidiaries. Strict criteria must be met for this exemption to be taken and the exemption has been agreed to by the directors of those subsidiary entities.

Annual accounts 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).

£73 million (2023: £137 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.

NDA Group and Authority	2024	2023
	£m	£m
Recoverable contract costs:		
Gross recoverable contract costs	3,911	4,461
less applicable payments received on account (note 22)	(3,315)	(3,452)
less associated contract loss provisions (note 25)	(14)	(17)
Total recoverable contract costs	582	992

The movements in the gross recoverable contract costs during the year are detailed in the table below:

NDA Group and Authority	2024			2023		
	Historic Costs	Future Costs	Total Costs	Historic Costs	Future Costs	Total Costs
	£m	£m	£m	£m	£m	£m
Balance at 1 April	1,164	3,297	4,461	1,303	5,478	6,781
Increase/(decrease) in year (see note 24)	-	(33)	(33)	-	(1,855)	(1,855)
Unwind of discount (see note 24)	-	29	29	-	(72)	(72)
Amortisation (see note 6)	(116)	-	(116)	(139)	-	(139)
Release in year	-	(432)	(432)	-	(254)	(254)
Balance at 31 March	1,048	2,861	3,909	1,164	3,297	4,461

The historic costs within the above are deemed contract assets under IFRS15.

Release in year includes £368 million of cost accounted for within the nuclear provision (see note 24) and £64 million of recoverable contract costs relating to movements in payments on account.

The opening balances, amortisation in period and closing balances for each main contract type are:

NDA Group and Authority	Spent fuel reprocessing and associated waste management			Spent fuel reprocessing and associated waste management		
	Spent fuel receipt and management	Spent fuel receipt and management	2024 Total	Spent fuel receipt and management	Spent fuel receipt and management	2023 Total
	£m	£m	£m	£m	£m	£m
Balance at 1 April	726	438	1,164	808	495	1,303
Amortisation	(54)	(62)	(116)	(82)	(57)	(139)
Balance at 31 March	672	376	1,048	726	438	1,164

Contract assets under IFRS 15 are deemed financial instruments for the purposes of IFRS 9 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.

14. Deferred taxation

Deferred tax liability not recognised

There were no unrecognised deferred tax liabilities at 31 March 2024 or 31 March 2023.

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	2024	2023
	£m	£m
Tax losses	3,927	2,616
Accelerated capital allowances	846	634
Intangibles	9	9
Deferred tax asset at UK standard rate of Corporation Tax for 2024 of 25% (2023: 19%)	4,782	3,259

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.

Inventory held for the purpose of fulfilling commercial contracts is held at cost. Inventory held for decommissioning purposes is fully provided for and held at nil value, representing its negligible realisable value.

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	
	2024	2023	2024	2023
	£m	£m	£m	£m
Raw materials & consumables	23	23	13	13
Work-in-progress	-	30	-	-
Total inventories	23	53	13	13

The cost of raw materials and consumables recognised as an expense in the year was £167 million in Authority (2023: £70 million) and £168 million in NDA Group (2023: £85 million).

Work-in-progress recognised as an expense in the year in both Authority and NDA Group was £30 million (2023: £6 million).

Annual accounts 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	
		2024 £m	2023 £m	2024 £m	2023 £m
Financial assets at fair value through profit or loss (FVTPL):					
Other investments	18	496	583	-	-
Financial assets (FVTPL)		496	583	-	-
Financial Assets at Amortised Cost:					
Non-current finance lease receivable	19	43	43	67	69
Non-current other receivables	20	14	11	38	37
Current trade and other receivables (a)	20	116	91	116	113
Current finance lease receivables	19	1	1	3	4
Cash and cash equivalents	21	396	231	146	112
Total financial assets at amortised cost		570	377	370	335
Financial liabilities at amortised cost:					
Current trade and other payables (b)	22	(959)	(821)	(861)	(686)
Total financial liabilities at amortised cost		(959)	(821)	(861)	(686)

a) Prepayments and VAT are excluded.

b) Deferred income and amounts owed to HMRC (in note 22, other taxes and social security) are excluded.

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 2.8.

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, which is mitigated by the trading strategy employed. The Group is exposed to price risk in respect of purchases of electricity and gas which is mitigated by purchasing arrangements which limit the Groups exposure. 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 2024 was less than £1 million (2023: 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.

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 and gas prices continues to be significant and is mitigated by forward purchasing of electricity where appropriate as well as a price cap arrangement. Electricity and gas purchased through these arrangements are deemed to be for NDA's own use and therefore does not fall within the scope of IFRS9.

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 NDA is not taking on any new customers.

18. Other investments

	NDA Group		Authority	
	2024	2023	2024	2023
	£m	£m	£m	£m
Bank deposits	92	98	-	-
Managed investments	404	485	-	-
	496	583	-	-

Managed investments comprises of funds held within Rutherford Indemnity Limited in order to allow it to provide insurance for assets and activities across the NDA estate.

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19. Finance lease receivables

	NDA Group		Authority	
	2024	2023	2024	2023
	£m	£m	£m	£m
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	12	13
Later than five years	166	167	189	192
	174	175	205	209
Less: unearned finance income	(128)	(129)	(132)	(134)
Present value of minimum lease payments receivable	46	46	73	75
Less: expected credit loss	(2)	(2)	(2)	(2)
Present value of minimum lease payments receivable after expected credit loss	44	44	71	73
of which:				
Current	1	1	3	4
Non-Current	43	43	67	69
	44	44	70	73
Amounts receivable under finance leases:				
Not later than one year	1	1	3	4
Later than one year and not later than five years	6	6	10	10
Later than five years	37	37	57	59
Present value of minimum lease payments receivable	44	44	70	73

The finance lease receivable relates to:

a) 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; and

b) Certain land and buildings of the Capenhurst site which were disposed of to Urenco UK Ltd 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.

c) Two office buildings at Harwell which are leased by the Authority and subsequently leased out to Radioactive Waste Management on a back to back arrangement. This is treated as an inter-group sub-lease and is eliminated in the Group figures. The sublease was entered into in July 2019 on an 8 year term.

d) Two office buildings leased by the Authority and subsequently leased to Sellafeld Limited on a back to back arrangement with a total receivable value of £25 million (2023: £26 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%.

20. Trade and other receivables

	NDA Group		Authority	
	2024	2023	2024	2023
	£m	£m	£m	£m
Non-Current:				
Prepayments	30	30	30	30
Other receivables	14	11	38	37
Non-current trade and other receivables	44	41	68	67
Current:				
Trade receivables	56	42	54	56
Accrued income	54	45	54	42
Other receivables	6	4	8	15
Prepayments	42	39	7	5
VAT	136	118	135	112
	294	248	258	230
Less: provision for expected credit loss	(4)	(3)	(5)	(3)
Current trade and other receivables	290	245	253	227

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 2024. 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.

The prior year figures have been restated by £21 million following a reclassification of prepayments (£5 million) and holiday pay accruals (£26 million) 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.

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 less than £1 million, see note 8 (2023: impairment charge of £1 million).

Annual accounts continued

20. Trade and other receivables continued

Ageing of current trade receivables:

	NDA Group		Authority	
	2024	2023	2024	2023
	£m	£m	£m	£m
NDA Group and Authority				
Neither impaired nor past due	31	27	25	26
Past due:				
within 30 days	4	1	5	15
31 to 60 days	2	1	3	1
61 to 90 days	7	2	8	2
91 to 120 days	-	7	1	8
Over 120 days	13	4	13	4
Total	57	42	55	56

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.

	2024			2023		
	Cash	Cash	Total	Cash	Cash	Total
	£m	Equivalents	£m	£m	Equivalents	£m
NDA Group						
Balance at 1 April	226	5	231	102	7	109
Net change	43	122	165	124	(2)	122
Balance at 31 March	269	127	396	226	5	231
Balances at 31 March were held at:						
Commercial banks	101	127	228	80	5	85
Government banking service	168	-	168	146	-	146
	269	127	396	226	5	231
	Cash	Cash	Total	Cash	Cash	Total
	£m	Equivalents	£m	£m	Equivalents	£m
Authority						
Balance at 1 April	112	-	112	26	-	26
Net change	34	-	34	86	-	86
Balance at 31 March	146	-	146	112	-	112
Balances at 31 March were held at:						
Commercial banks	3	-	3	-	-	-
Government banking service	143	-	143	112	-	112
	146	-	146	112	-	112

22. Trade and other payables

	NDA Group		Authority	
	2024	Restated 2023	2024	2023
	£m	£m	£m	£m
Current:				
Trade payables	152	163	358	295
Receipts to surrender to Consolidated Fund	136	18	136	18
Other payables	93	165	-	-
Accruals	578	495	367	373
	959	841	861	686
Other taxes and social security	84	77	3	4
Payments received on account	762	740	758	735
Deferred income	7	5	5	2
Current trade and other payables	1,812	1,663	1,627	1,427
Non-Current:				
Payments received on account	1,261	1,437	1,261	1,437
Other payables	9	7	-	-
Non-current trade and other payables	1,270	1,444	1,261	1,437

The prior year figures have been restated by £21 million following a reclassification of prepayments (£5 million) and holiday pay accruals (£26 million) 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.

Movement on gross payments received on account	NDA Group		Authority	
	2024	2023	2024	2023
	£m	£m	£m	£m
Balance at 1 April per accounts	5,628	5,420	5,624	5,414
Revalorisation	236	710	236	710
Cash received	265	279	265	277
Released to income	(791)	(781)	(791)	(777)
Balance at 31 March	5,338	5,628	5,334	5,624
Gross payments received on account at 31 March	5,338	5,628	5,334	5,624
Deduction of recoverable contract costs (see note 13)	(3,315)	(3,452)	(3,315)	(3,452)
Net payments received on account at 31 March	2,023	2,176	2,019	2,172
of which:				
Current	762	739	758	735
Non-current	1,261	1,437	1,261	1,437
	2,023	2,176	2,019	2,172

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 contract liabilities under IFRS15.

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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 an 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 non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Authority is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Authority is reasonably certain not to exercise that option. The Authority has benefited 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 1 and 25 years.

The leases for motor vehicles have durations up to a period of 4 years.

The leases for locomotives and rolling stock have remaining durations of between 1 and 5 years.

The leases for Plant and equipment have durations up to a period of 4 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 IFRS 16.

23. Finance lease payables continued

The undiscounted maturity analysis of lease liabilities as at 31 March 2024 is as follows:

	NDA Group		Authority	
	2024	2023	2024	2023
	£m	£m	£m	£m
Amounts payable under finance leases:				
Not later than one year	22	21	4	4
Later than one year and not later than five years	45	45	13	12
Later than five years	16	12	31	34
Total cash payments	83	78	48	50
Less amount representing interest	(9)	(6)	(8)	(9)
Present Value of lease liability	74	72	40	41
of which:				
Current	21	20	3	3
Non-Current	53	52	37	38
	74	72	40	41
Depreciation charged on right of use assets during the year (also shown at note 11)	31	30	1	1
Expenses relating to short-term leases	(1)	(2)	-	-
Expenses relating to leases of low-value assets	-	-	-	-
Interest expense on lease liabilities	(2)	-	(1)	(1)
Total cash outflow for leases	(32)	(31)	(5)	(4)
of which low value or short term	(1)	(2)	-	-
Variable lease costs expensed (where not included in the ROUA and lease liability)	-	-	-	-
Income from sub-leasing	3	12	3	3
Gains /losses from sale and leaseback transactions	n/a	n/a	n/a	n/a

Annual accounts 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 2023/24 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.

		Nominal discount	Implied inflation rate %	Real terms discount rate %	Equivalent rate in 2022/23 %
Short term (year 1)		4.26	3.60	0.66	-4.13
Short term (year 2)		4.26	1.80	2.46	2.67
Short term (years 3 - 5)		4.26	2.00	2.26	1.27
Medium term (years 6 - 10)		4.03	2.00	2.03	1.20
Long term (years 11 - 40)		4.72	2.00	2.72	1.51
Very long term (years 41 onwards)		4.40	2.00	2.40	1.00

	NDA Group		Authority	
	2024	2023	2024	2023
	£m	£m	£m	£m
Balance at 1 April	124,395	236,718	124,371	236,977
Provided in year (a), charged to:				
Statement of Comprehensive Net Expenditure (note 7)	(16,523)	(104,379)	(16,523)	(104,376)
Recoverable contract costs (b) (note 13)	(33)	(1,855)	(32)	(1,855)
Unwind of discount (c), charged to				
Statement of Comprehensive Net Expenditure (note 7)	1,361	(2,970)	1,361	(2,970)
Recoverable contract costs (b) (note 13)	29	(72)	29	(72)
Decommissioning costs utilised in year (d) (note 7)	(3,588)	(3,097)	(3,588)	(3,097)
Recoverable contract costs released in year (b) (note 13)	(368)	(236)	(368)	(236)
In-year group provision adjustment - Sellafield Limited (e) (note 7)	-	596	-	-
In-year group provision adjustment - Magnox Limited (e) (note 7)	-	(372)	-	-
In-year group provision adjustment - Dounreay Site Restoration Limited (e) (note 7)	-	48	-	-
In-year group provision adjustment - Low level Waste Repository Limited (e) (note 7)	-	14	-	-
Provision changes impacting PPE (f) (note 11)	(17)	-	-	-
Total change in provision	(19,139)	(112,323)	(19,121)	(112,606)
Balance at 31 March	105,256	124,395	105,250	124,371
of which:				
Current (nuclear provision)	4,021	3,933	4,021	3,933
Non-current (nuclear provision)	101,235	120,462	101,229	120,438
	105,256	124,395	105,250	124,371

(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 2023 values to current price levels. The overall decrease in the provision was £19,139 million (2023: £112,323 million decrease) of which the Authority estimates that an increase of £6,481 million related to changes in price levels (2023: £17,740 million), approximately 5.2% of the opening balance value.

The change in discount rates (see table on previous page) in the current financial year produced a decrease of £32,852 million (2023: £133,644 million decrease).

The undiscounted value of the nuclear provision is £198,898 million (2023: £172,826 million). The effect of applying discounting is to reduce the provision by £93,642 million (2023: reduce the provision by £48,431 million). The discounted value of the nuclear provision is currently lower than the undiscounted value due to the real terms discount rates being generally positive (see page 184).

An increase of 0.5% in the discount rate (producing a more positive, discount rate) would reduce the provision by £10,259 million to £94,997 million (2023: Reduction of £14,489 million to £109,906 million), whilst a decrease in discount rate of 0.5% (producing a negative, or less positive, discount rate) would increase the provision by £11,068 million to £116,324 million (2023: Increase of £18,293 million to £142,688 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 2024 (NDA Group and Authority) is £2,789 million (2023: £3,160 million) – the 'future costs' balance in note 13.

(c) The discount implicit in recognising nuclear provisions is unwound over the life of the provisions,

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24. Nuclear provisions continued

with the impact of the unwind of one years' discount shown in adjustments to provisions in the Statement of Comprehensive Net Expenditure at £1,361 million (2023: £2,970 million) and reflected in the change in value of the recoverable contract costs at £29 million (2023: £72 million).

(d) A total of £3,956 million (2023: £3,333 million) has been released from the nuclear provision in the year to 31 March 2024, being the provision for that year reported at 31 March 2023, adjusted for price changes, and of which:

- £3,588 million was released to the Statement of Comprehensive Net Expenditure (2023: £3,097 million).
- £368 million was released against the recoverable contract costs balance (2023: £236 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 £3,995 million (2023: £3,759 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 14 to 15, and in the Financial Summary on pages 138 to 139. Further information on the Group's progress against mission progress targets is shown on pages 30 to 50 and information on performance against group key targets and key activities shown on pages 202 to 203.

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 £863 million (2023: £731 million), all of which was incurred on buildings, plant and equipment which were created primarily to fulfil the Authority's decommissioning liabilities, and therefore did not meet the criteria for recognition as property plant and equipment as set out in note 11. This amount was charged to the Statement of Comprehensive Net Expenditure and the estimated cost previously provided was released from the nuclear provision.

(e) Adjustments were made in periods prior to 2023 for net pension deficits which were implicitly included in the nuclear provision and so were deducted here. No deduction was made within the prior reporting period due to the pension scheme being in surplus and this continues to be the case in the current year. The prior-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 £17 million was recognised in the year (2023: £Nil million).

Movements in the discounted nuclear provision for each segment of the NDA Group nuclear provision are as follows:

NDA Group	Sellafield	NRS	NWS	NTS	2024 Total
	£m	£m	£m	£m	£m
Opening balance	83,860	30,141	10,309	85	124,395
Unwind of discount	945	320	124	1	1,390
Released in year	(2,939)	(855)	(162)	-	(3,956)
Discount rate change	(21,329)	(8,359)	(3,158)	(6)	(32,852)
Inflation	3,893	2,100	484	4	6,481
Changes in cost estimate	9,093	750	(27)	(18)	9,798
Closing balance	73,523	24,097	7,570	66	105,256

Changes in cost estimate refers to the net impact of changes in the site lifetime plans and other assumptions arising from the Authority's annual review of assumptions.

Major changes applied in the reporting period included:

- a further change in the estimate of the cost of decommissioning Magnox sites by NRS, reflecting current assumptions on the timing and duration of each site's decommissioning activity.
- 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. This includes updates to the timing and value of the likely realisable savings following the commencement of activity to prepare the new Sellafield 20-year corporate plan outlined on page 141.

Movements in the undiscounted nuclear provision for each segment of the NDA Group nuclear provision are as follows:

NDA Group	Sellafield	NRS	NWS	NTS	2024 Total
	£m	£m	£m	£m	£m
Opening balance	115,398	42,059	15,274	95	172,826
Net movements	20,110	5,454	523	(15)	26,072
Closing balance	135,508	47,513	15,797	80	198,898

Analysis of expected timing of discounted cashflows for the NDA Group nuclear provision is as follows:

NDA Group	Sellafield	NRS	NWS	NTS	2024 Total	2023 Total
	£m	£m	£m	£m	£m	£m
Within 1 year	3,018	830	171	-	4,019	3,933
2-5 years	11,684	3,142	816	3	15,645	15,255
6-20 years	31,601	8,723	3,222	63	43,609	43,180
21-50 years	20,740	8,589	2,388	-	31,717	40,775
After 50 years	6,480	2,813	973	-	10,266	21,252
Total NDA Group	73,523	24,097	7,570	66	105,256	124,395
Deduction in respect of pension deficit					-	-
Total NDA Group					105,256	124,395

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24. Nuclear provisions continued

Sensitivity

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 below, which are illustrative estimates of potential upper and lower outcomes, but which do not measure the probability associated with those outcomes.

	Sellafield	NRS	NWS	NTS
	£m	£m	£m	£m
Increase	40,832	2,409	9,109	3
Reduction	(6,805)	(2,409)	(1,688)	(6)

The key sensitivities are as follows:

- 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 £6,805 million reduction against the current estimate, to a £40,832 million increase.
- The programme of work carried out by Nuclear Restoration Services 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 £2,409 million.
- 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 £1,503 million to an increase of £9,016 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 52). 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 £185 million to an increase of £93 million.

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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 120). 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 on pages 120 to 121.

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 2020 and details can be found in the resource accounts of the Cabinet Office: Civil Superannuation at <https://www.civilservicepensionscheme.org.uk/knowledge-centre/resources/resource-accounts/>. The next actuarial valuation is due as at 31 March 2024. 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 Ltd (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 £74 million (2023: £63 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 asset 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.

Sellafield and GPS SLC sections of the CNPP

Sellafield Limited participates in the Sellafield and GPS SLC sections of the CNPP defined benefit (final salary) funded pension schemes. 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 a 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 schemes are sectionalised and individual sections cannot be liable for any other sections' obligations under the rules of the schemes;
- There is no agreed allocation of any surplus or deficit should a participating employer withdraw from the schemes or on wind up. In such an event the participating employer's obligations would be subject to negotiation with the scheme trustee in light of the funding position of the scheme at that time;
- The aggregate average duration of the CNPP obligation is 18 years (2023: 19 years), although this differs slightly by section. For those sections within NDA Authority, the aggregate average duration is 15 years (2023: 16 years).
- The aggregate average duration of the Magnox Electric Group section of the Electricity Supply Pension Scheme obligation is 14 years (2023: 14 years).

In relation to the Merchant Navy schemes, whilst the schemes are sectionalised they operate on a "last man 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

Annual accounts continued

27. Retirement benefit schemes continued

average duration of the Merchant Navy schemes obligations is 12 years (2023: 12 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 2024 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. The scheme actuaries regularly review actual experience of the scheme membership against the actuarial assumptions underlying the valuation of the liabilities and carry out detailed analysis when setting appropriate scheme specific mortality assumptions.

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.

NDA Group**Employee benefit obligations**

The amounts recognised in the Statement of Financial Position are as follows:

	2024	2023
		RESTATED
	£m	£m
Benefit obligations	4,826	4,595
Fair value of scheme assets	(5,500)	(5,536)
Asset in schemes	(674)	(941)
Unrecognised asset under IAS19 para 64b	-	15
Net asset recognised in schemes	(674)	(926)

Statement of Comprehensive Net Expenditure

The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2024	2023
		RESTATED
	£m	£m
Current service cost	112	200
Past service cost	1	-
Net interest on net defined benefit (DB) assets / liabilities	(44)	6
Net cost in SOCNE	69	206
Actuarial (gain)/loss	327	(1,162)
Movement in unrecognised asset under IAS19 para 64b	(15)	9
Actuarial loss / (gain) recognised in OCE	312	(1,153)

Changes in the present value of the defined benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:

	2024	2023
	£m	£m
Opening defined benefit obligation	4,595	7,019
Current service cost	112	200
Past service cost	-	-
Net interest on scheme liabilities	211	184
Employee contributions	17	18
Actuarial (gain)/loss	98	(2,584)
Benefits paid	(207)	(242)
Closing defined benefit obligation	4,826	4,595

Changes in the fair value of the scheme assets are as follows:

	2024	2023
	£m	£m
Opening fair value of scheme assets	5,536	6,820
Interest income on scheme assets	255	178
Actuarial loss	(229)	(1,422)
Employer contributions	128	184
Employee contributions	17	18
Benefits paid	(207)	(242)
Closing fair value of scheme assets	5,500	5,536

Annual accounts continued

27. Retirement benefit schemes continued

Changes in the value of unrecognised assets under IAS19 para 64b are as follows:	2024	2023
		RESTATED
	£m	£m
Opening value of unrecognised assets	15	6
Movement in unrecognised assets	(15)	9
Closing value of unrecognised assets	-	15
Estimated expected employer contributions over the next financial year are as follows:	2024	2023
	£m	£m
Contributions including deficit repair payments	123	135
The major categories of plan assets as a percentage of total scheme assets are as follows:	2024	2023
	%	%
Equities	26	23
Property	12	13
Fixed interest gilts	-	-
Index linked gilts	13	11
Corporate bonds	6	6
Hedge funds	-	-
Credit investment	15	14
LDI Fund	17	19
Other growth assets	10	11
Cash / other	1	3
Total	100	100
Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):	2024	2023
Discount rate	4.70% - 4.75%	4.65%
Future salary increases *	2.75% - 3.25%	2.95% - 3.25%
Rate of increase of pensions in payment	3.05% - 3.20%	3.10% - 3.25%
Rate of increase of pensions in deferment	2.75% - 3.25%	2.65% - 3.25%
Retail Price Inflation	3.10% - 3.25%	3.10% - 3.25%
Life expectancy for a male pensioner aged 65 (in years)	21.2	21.8
Life expectancy for a male pensioner currently aged 45 from age 65 (in years)	22.2	22.8

*for those schemes with members accruing benefits future salary increases for 2024 are assumed to be between 2.75% and 3.25% in the first year, and then between 2.75% and 3.25% thereafter.

Mortality assumption

2024

MNOPF: S3PA (heavy for female spouses), 107% weighting for normal health members and male spouses, 88% for female, CMI 2022 projections with a long term improvement rate of 1.8% p.a.

MNRPF: S3PA (Heavy) with a weighting of 101% for members and male spouses and S3DA with a weighting of 114% for female spouses, CMI 2022 projections with a long-term trend of 1.6% p.a.

Magnox Electric: 100%(pensioner)/105% (non-pensioner) of the S3PMA/S3PFA_M tables with CMI_2022 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.

2023

MNOPF: S3PA (heavy for females spouses), CMI 2021, 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.

	2024	2023
	£'000	£'000
Experience adjustments on plan liabilities	(247)	(182)
Experience adjustments on plan assets	(229)	(1,423)

Sensitivity analysis

Change to	Change in assumption	Impact on DB obligation at	
		31.03.24	31.03.24
Discount rate	Increase by 0.5%	-7.4%	Decrease by 0.5% 8.1%
Rate of salary increase	Increase by 0.5%	1.9%	Decrease by 0.5% -1.8%
Rate of price inflation	Increase by 0.5%	8.0%	Decrease by 0.5% -7.3%
Rate of mortality	Increase by 1 year	3.2%	

Authority

Employee benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:

	2024	2023
	£m	£m
Benefit obligations	101	90
Fair value of scheme assets	(117)	(121)
Net asset recognised in schemes	(16)	(31)

Statement of Comprehensive Net Expenditure

The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2024	2023
	£m	£m
Net interest on net defined benefit assets / liabilities	(2)	-
Net cost in SOCNE	(2)	-
Actuarial (gain)/loss	17	(17)
Actuarial (gain)/loss recognised in OCE	17	(17)

Annual accounts continued

27. Retirement benefit schemes continued

Changes in the present value of the defined benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:

	2024	2023
	£m	£m
Opening defined benefit obligation	90	143
Net interest on scheme liabilities	4	4
Actuarial (gain)/loss	11	(52)
Benefits paid	(4)	(5)
Closing defined benefit obligation	101	90

Changes in the fair value of the scheme assets are as follows:

	2024	2023
	£m	£m
Opening fair value of scheme assets	121	157
Interest income on scheme assets	6	4
Actuarial loss	(6)	(35)
Benefits paid	(4)	(5)
Closing fair value of scheme assets	117	121

There are no estimated expected employer contributions, or deficit repair payments over the next financial year

The major categories of plan assets as a percentage of total scheme assets are as follows:

	2024	2023
	%	%
Equities	32	33
Property	8	10
Index linked gilts	37	33
Corporate bonds	11	12
Credit investments	11	11
Cash	1	1
Total	100	100

Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):

	2024	2023
Discount rate	4.75%	4.65%
Future salary increases	-	0.00%
Rate of increase of pensions in payment	3.10% - 3.20%	3.10% - 3.20%
Rate of increase of pensions in deferment	2.75% - 3.20%	2.75% - 3.20%
Retail Price Inflation	3.20%	3.20%
Life expectancy for a male pensioner aged 65 (in years)	20.7	21.3
Life expectancy for a male pensioner currently aged 45 from age 65 (in years)	22.0	22.6

Mortality assumption

2024

Nirex and Closed: 110% S3P SAPS CMI22 projections, 1.25% trend

2023

Nirex and Closed: 110% S3P SAPS CMI21 projections, 1.25% trend

	2024	2023
	£m	£m
Experience adjustments on plan liabilities	(16)	(6)
Experience adjustments on plan assets	(6)	(35)

Sensitivity analysis

Change to	Change in assumption	Impact on DB obligation at 31.03.24	Change in assumption	Impact on DB obligation at 31.03.24
Discount rate	Increase by 0.5%	-6.4%	Decrease by 0.5%	7.1%
Rate of salary increase	Increase by 0.5%	0.0%	Decrease by 0.5%	0.0%
Rate of price inflation	Increase by 0.5%	7.1%	Decrease by 0.5%	-6.4%
Rate of mortality	Increase by 1 year	1.8%		

Prior year restatement

Group companies participate in the GPS SLC and GPS DRS sections of the CNPP. Both sections have a defined benefit pension net surplus for accounting purposes. In 2022, the Group determined the impact of IFRIC 14 after obtaining independent legal advice which concluded that the Group did not have an unconditional right to a refund from the scheme. Accordingly, the Group derecognised a net defined benefit pension surplus for accounting purposes at 31 March 2023 of £183m.

In June 2024, a further review concluded that the original independent legal advice provided in 2022 was

incorrect and the Group does have an unconditional right to a refund assuming the gradual settlement of the scheme liabilities over time until all members have left the scheme. As such, the net defined benefit pension surplus for accounting purposes was understated in the prior period financial statements. This has been corrected by recognising the defined benefit pension surplus for accounting purposes of £75m in opening taxpayer's equity at 1 April 2022, with a corresponding increase in defined benefit pension scheme assets.

Annual accounts continued

27. Retirement benefit schemes continued

The effect of the adjustment on the Group Statement of Financial Position at 31 March 2023 is summarised below:

	Previously reported 2023 £m	Restatement impact £m	RESTATED 2023 £m
Defined benefit pension scheme asset	743	183	926
Total non-current assets	2,344	183	2,527
Total assets	3,457	183	3,640
Total assets less current liabilities	(2,172)	183	(1,989)
Net liabilities	(124,221)	183	(124,038)
General reserve	(124,268)	183	(124,085)
Total taxpayers' equity	(124,223)	183	(124,040)
Total equity	(124,221)	183	(124,038)

The effect of the adjustment on the Group Statement of Comprehensive Net Expenditure for the year ended 31 March 2023 is summarised below:

	Previously reported 2023 £m	Restatement impact £m	RESTATED 2023 £m
Net recognised (gain)/loss on defined benefit pension scheme	(1,045)	(108)	(1,153)
Total comprehensive net income for the year	(108,343)	(108)	(108,451)

The effect of the adjustment on the Group Statement of Changes in Taxpayers' equity for the year ended 31 March 2023 is summarised below:

	Previously reported General Reserve 2023 £m	Restatement impact £m	RESTATED 2023 £m
Balance at 31 March 2022	(235,886)	75	235,811
Actuarial gain on defined benefit pension schemes	1,045	108	1,153
Balance at 31 March 2023	(124,268)	183	(124,085)

The effect of the adjustment on the Group Statement of Financial Position at 1 April 2022 is summarised below:

	Previously reported 1 April 2022	Restatement impact	RESTATED 1 April 2022
	£m	£m	£m
Defined benefit pension scheme deficit	(280)	75	(205)
Total non-current liabilities	(235,945)	75	(235,870)
Net liabilities	(235,840)	75	(235,765)
Taxpayers' equity			
General reserve	(235,886)	75	(235,811)
Total taxpayers' equity	(235,842)	75	(235,767)
Non-controlling interests	2	-	2
Total equity	(235,840)	75	(235,765)

28. Non controlling interests

	2024	2023
	£m	£m
NDA Group		
At 1 April	2	2
Change in equity of non-controlling interests during year	1	-
At 31 March	3	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 2024 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 the 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, HM Government and EDF Energy entered into new decommissioning arrangements for seven Advanced Gas-cooled Reactor (AGR) stations in which HM Government has directed NDA to take on the future ownership of the stations for decommissioning. The work will be undertaken by the NDA subsidiary Nuclear Restoration Services Ltd. 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 EDF Energy, as the current owner of the stations at £17,780 million (undiscounted) in its most recently published financial statements.

Annual accounts continued

30. Related parties

Government bodies

	Sales of goods to parent		Purchase of goods from parent		Amounts owed by parent		Amounts owed to parent	
	2024	2023	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m	£m	£m
Sellafield Limited	(2,660)	(2,527)	12	25	61	49	475	466
Magnox Limited	(540)	(504)	4	3	5	3	109	93
Dounreay Site Restoration Limited	(205)	(207)	1	1	2	1	38	32
Low Level Waste Repository Limited	(117)	(109)	1	-	-	-	27	24
Direct Rail Services Limited	(41)	(36)	1	1	7	8	-	-
International Nuclear Services Limited	(111)	(70)	2	1	1	1	3	3
NDA Properties Limited	(1)	(11)	-	-	28	28	34	35
Pacific Nuclear Transport Limited	-	-	1	1	-	-	-	-
Radioactive Waste Management Limited	(112)	(105)	2	3	9	17	1	1
NDA Archives Limited	(6)	(6)	2	2	36	37	1	1
	(3,793)	(3,575)	26	37	149	144	688	655

The prior year figures have been restated to incorporate lease balances held by the Authority with Group entities.

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 Limited 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 2025.

Authority

Short-term employee benefits	
Post-employment benefits	
Other long-term benefits	

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.

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 2024 the balance owing was £13 million (2023: £14 million).

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 109 to 110.

	2024	2023
	£'000	£'000
	4,935	4,546
	432	435
	1,017	1,907
	6,384	6,888

For 2023/24, post-employment benefits were calculated based on employer pension contributions made in the year for key management. This is due to accrued pension benefits for directors not being available for 2023/24 due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

31. Events after the reporting period

- The Accounting Officer authorised these Financial Statements on 3 October 2024. The Report of the Comptroller and Auditor General was issued on 4 October 2024 (page 144-147).
- On 1 April 2024 - Magnox Ltd changed its name to Nuclear Restoration Services Ltd.
- On 1 April 2024 - Low Level Waste Repository Ltd and Radioactive Waste Management Ltd merged into Nuclear Waste Services Ltd.
- Since 1 April 2024 – Sellafield Ltd has pleaded guilty to charges brought by the ONR in relation to information technology security offences during a four-year period between 2019 and early 2023 and been fined £332,500 plus £53,253 costs. There is no suggestion that public safety has been compromised, or that any vulnerabilities have been exploited, due to these issues.

Performance analysis

The following section provides a summary as to how each of the organisations in the NDA group has performed in 2023/24 against the key activities and milestones set out in our 2023-26 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 2023/24 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 2023/24

During 2023/24 we had 16 Group Key Targets. These cover group-wide targets and targets specific to our individual businesses.

Status		Number of targets
Completed	Target achieved	15
Missed	Target missed	1

Status	Operating company	Strategic outcomes	Target description	Year end status	Commentary
1	Sellafield	6, 9	Receive and dismantle assemblies of spent fuel rods from EDF's Advanced Gas-cooled Reactors (AGRs) for consolidation and long-term storage in a single modern pond.	Missed	Dismantling has been impacted during the year due to insufficient fuel deliveries from EDF.
2	Sellafield	36, 37	Reduce stocks of high level waste by vitrification (forming glass), move medium active waste flasks and filter flasks to storage facilities.	Completed	
3	Sellafield	31	Retrieve intermediate level waste from the Magnox Swarf Storage Silo (MSSS) and transfer to more modern storage facilities.	Completed	
4	Magnox	30, 32, 33	Retrieve intermediate level waste from legacy stores and transfer to more modern storage facilities.	Completed	
5	Dounreay	11, 26, 27, 28	A) Dispose of legacy bagged waste. B) Grouting of waste storage containers ready for disposal. C) Remove fuel stuck in Dounreay Fast Reactor for long-term storage. D) Deliver preparatory work for the retrieval of waste from the shaft and silo.	Completed	
6	Sellafield	19, 32, 33	Deliver this year's plan for three major construction projects - SIXEP Continuity Plant (SCP), Sellafield Product and Residue Store Retreatment Plant (SRP) and Box Encapsulation Plant (BEP).	Completed	
7	Sellafield	CE	Deliver Programme and Project Partners (PPP) excellence activities - resource management, supply chain performance, opportunity realisation and benefits management.	Completed	
8	Magnox	30, 32, 33, 40, 42, 43	Deliver this year's milestones for high priority construction and decommissioning projects across the Magnox sites.	Completed	

Status	Operating company	Strategic outcomes	Target description	Year end status	Commentary
9	Dounreay	12, 28, 22, 34, 42	Deliver this year's milestones for high priority construction and decommissioning projects at Dounreay.	Completed	
10	NWS	28	Install drainage on the southern trench cap at the Low-Level Waste Repository, submit contract for LLWR southern trench membrane replacement project to NDA for approval and update NWS's lifetime plan.	Completed	
11	NDA group	CE	Develop asset management and continuous improvement capability across the group.	Completed	
12	NDA group	CE	Deliver activities to help us to identify, plan, measure and track benefits from cross-group programmes.	Completed	
13	NDA group	CE	Beacon Project: Deliver actions to address key challenges in the areas of skills, attraction and retention across the group.	Completed	
14	NDA group	CE	Beacon Project: Deliver improvements to sanction and assurance processes across the group.	Completed	
15	NDA group	CE	Beacon Project: Measure and identify actions to improve organisational culture across the group.	Completed	
16	NDA group	CE	Deliver activities to agree future ownership arrangements for the Vulcan Naval Reactor Test Establishment site, located next to our Dounreay site.	Completed	

Performance analysis continued

Business Plan activities 2023-26

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).

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2023/24	0
On schedule	The activity is on track to be completed to schedule	44
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 2023/24 and has been missed	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	0

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 2023/24.	2
On schedule	The activity is on track to be completed to schedule.	27
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	7
Missed	The activity was due for completion during the financial year 2023/24 and has been missed.	1
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	0

The activities that have been completed, missed or deferred during 2023/24 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Spent Fuels				
Continue to retrieve fuels from First Generation Magnox Storage Pond (FGMSP)	3,4	2023-2026	Behind Schedule	FGMSP initiated a recovery plan at the end of 2022 to address several themes including deterioration in retrievals performance. This plan is still in flight.
Implement a strategy for all of the fuel and fuel bearing materials in the Fuel Handling Plant	4	2023-2024	Completed	
Integrated Waste Management				
Support risk reduction from Legacy Ponds through continued removal of fuel and waste from the facilities	31	2023-2026	Behind Schedule	FGMSP initiated a recovery plan at the end of 2022. This plan is still in flight. The Pile Fuel Storage Pond performance has been lower than expected in recent years however bulk fuel removal is now complete.
Commence retrievals from Pile Fuel Cladding Silo (PFCS)	31	2023-2026	Completed	
Support the NDA's strategy by continuing the programmes to receive and treat waste materials from Harwell and AWE Aldermaston	32	2023-2026	Behind Schedule	Sellafield has fully supported receipts from Harwell and AWE, however the year end target has not been met due to issues at AWE.
Continue the programme to repatriate overseas-owned vitrified waste to its country of origin	38	2023-2026	Behind Schedule	Sellafield has met commitments, however, the returns programme is driven by customer demand and extends to 2029 minimum.
Support risk reduction through the continued vitrification of highly active liquor	36	2023-2026	Behind Schedule	A throughput and impact assessment paper has been through the Sellafield's governance. This paper reflected the extension to the highly active liquor programme into 2039 (including completion of post operational clean-out liquor washout).

Performance analysis continued

Sellafield Limited

Key activities	Strategic outcome	Timescale	Status	Commentary
Site Decommissioning and Remediation				
Commence post operational clean-out (POCO) of Magnox Reprocessing Plant	42	2023-2024	Missed	POCO to commence May 2024.
Critical enablers				
Continue with improvements to the site utilities infrastructure		2023-2026	Behind Schedule	Resources have been allocated to address and rectify priority issues associated with key assets/Infrastructure. Senior Responsible Owner and new Programme structure in place which is accountable for the delivery of new capabilities required to support and enable delivery of Sellafield's mission.
Continue the programme to ensure the analytical services capability is available to support the mission		2023-2026	Behind Schedule	During March 2024, Sellafield took the decision to bring the Replacement Analytic Project to a strategic pause, and alternative options are now being investigated.

Nuclear Restoration Services (NRS)



Magnox Ltd was renamed Nuclear Restoration Services Ltd in 2024. The operating company is structured into two delivery businesses – the Sites Delivery Business, which includes the 12 sites previously known as Magnox, and the Dounreay Delivery Business.

NRS Sites Delivery Business

NRS Sites Delivery Business is responsible for decommissioning, restoring and remediating 12 nuclear sites across the UK: Berkeley, Bradwell, Chapelcross, Dungeness A, Harwell, Hinkley Point A, Hunterston A, Oldbury, Sizewell A, Trawsfynydd, Winfrith and Wylfa. The businesses unit also has one hydroelectric power station, Maentwrog.

Summary of corporate performance:

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2023/24.	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 2023/24 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	0	3	1	0	1
Bradwell (in care and maintenance)	0	1	0	0	0
Chapelcross	0	4	1	0	0
Dungeness A	0	5	0	0	0
Harwell	0	8	0	0	0
Hinkley Point A	0	4	0	0	0
Hunterston A	0	6	0	0	0
Oldbury	0	6	0	0	0
Sizewell A	0	5	0	0	0
Trawsfynydd	1	3	0	0	0
Winfrith	1	4	0	0	0
Wylfa	1	4	0	0	0

Performance analysis continued

NRS

The activities that have been completed, missed or deferred during 2023/24 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Integrated Waste Management				
Berkeley - Continue to progress activities to retrieve, treat and store ILW wastes	31, 32, 33	2023-2026	Behind Schedule	Currently reviewing throughput to optimise schedule.
Site Decommissioning and Remediation				
Berkeley – Commence the deplant and demolition of the Caesium Removal Plant	42, 43	2023-2026	Deferred	Re-scheduled due to constrained funding.
Chapelcross – Prepare and execute land remediation of the cooling tower basins	46	2023-2025	Behind Schedule	Strategy changes have extended the project end date.
Trawsfynydd – Continue and complete reactor height reduction enabling activities	42	2023-2026	Completed	
Winfrith – Continue SGHWR decommissioning, including the completion of the construction and installation of the core segmentation equipment	42	2023-2026	Completed	
Wylfa – Continue and complete asbestos removal from the de-aerator floor of the turbine hall	42	2023-2024	Completed	

NRS Dounreay Delivery Business

NRS Dounreay Delivery Business is responsible for decommissioning the Dounreay site. It also operates a Low Level Waste (LLW) disposal facility to deal with waste from the site.

Summary of operating company performance:

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2023/24.	1
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.	1
Missed	The activity was due for completion during the financial year 2023/24 and has been missed.	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	2

The activities that have been completed, missed or deferred during 2023/24 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Integrated Waste Management				
Complete construction of Dounreay Cementation Plant (DCP) Store Extension	32	2023-2024	Behind Schedule	Behind schedule due to operational issues and subsequent commercial resolution between NRS Dounreay and awarded contractor.
PFR Raffinate Immobilisation Complete	32	2023-2025	Deferred	Deferred in line with latest progress on reactor vessel residual sodium treatment.
Site Decommissioning and Remediation				
PFR - complete reactor vessel residual sodium treatment operations - turn reactor vessel atmosphere from nitrogen to air	42	2023-2026	Deferred	Deferred to align with Lifetime Plan Site priorities.
NDA and regulatory permissioning in support of the Interim End State definition and arrangements for Dounreay	44	2023-2026	Completed	

Performance analysis continued

Nuclear Waste Services (NWS)



The NWS vision is to make nuclear waste permanently safe, sooner and its mission is to become the 'one-stop shop' for the management of nuclear waste in the UK.

Summary of operating company performance:

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2023/24.	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.	0
Missed	The activity was due for completion during the financial year 2023/24 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 2023/24 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Integrated Waste Management				
Establish an innovation partnership for asbestos	34-39	2023-2026	Completed	
Delivery of thermal treatment of Plutonium Contaminated Material - design and build	34-39	2023-2026	Deferred	Sellafield has identified an approach and will be the lead technology developer.
Site Decommissioning and Remediation				
PFR - complete reactor vessel residual sodium treatment operations - turn reactor vessel atmosphere from nitrogen to air	44,45,47	2023-2026	Completed	
Complete enabling works for phased construction of the final capping for trenches 1 to 7 and Vault 8	41	2023-2026	Completed	

Nuclear Transport Solutions (NTS)



Nuclear Transport Solutions (NTS) provides the NDA group with specialist transport and logistics capabilities. The operating company brings together the expertise of 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.

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.

Summary of operating company performance:

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2023/24.	0
On schedule	The activity is on track to be completed to schedule.	10
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 2023/24 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 2023/24 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Integrated Waste Management				
Continue to deliver important international transports of vitrified High Level Waste (HLW) and conditioned Intermediate Level Waste (ILW)	36, 37	2023-2026	Deferred	Next Japanese HLW shipment planned to take place in FY2026. Deferred by customer. German HLW shipments on schedule.

Performance analysis continued

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.

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2023/24.	2
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.	0
Missed	The activity was due for completion during the financial year 2023/24 and has been missed.	1
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	1

The activities that have been completed, missed or deferred during 2023/24 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Critical enablers				
Re-competition of the commercial partner contract	-	2023-2024	Missed	The current schedule forecasts an award date of Q1 2024/25, contract commencement on 1 July 2024 and service commencement on 1 January 2025.
Continuing development of the Hub and Spokes delivery model – centralised inventory and management with dispersed, off-site storage where appropriate	-	2023-2024	Completed	
Working with stakeholders to continue the development and implementation of the NDA's heritage strategy	-	2023-2024	Completed	
Sellafield offsite collection sift completed and ready for accession	-	2023-2025	Deferred	Due to an increased scope, and decreased funding the completion date is now 2028/29.

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.

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2023/24.	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 2023/24 and has been missed.	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	0

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.

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2023/24.	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 2023/24 and has been missed.	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	0

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.

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2023/24.	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 2023/24 and has been missed.	0
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	0

Performance analysis continued

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 ability 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.

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2023/24.	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 2023/24 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 2023/24 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Site Decommissioning and Remediation				
Continue decommissioning of the Magnox Island	42, 43	2023-2026	Behind Schedule	Progress delayed due to a number of factors, including the discovery of asbestos during pre-demolition surveys.

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.

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2023/24.	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 2023/24 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 2023/24 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Site Decommissioning and Remediation				
Continue decommissioning of key facilities	41, 42, 43, 47	2023-2025	Behind Schedule	UNS experienced delays on one of the key decommissioning projects, which arose due to a number of factors, including difficulties remediating a substantial area of concrete floor/foundations. An estimated completion date is Q3 2026/27.



David Peattie FEng HonFNUcl
 Accounting Officer and Group Chief Executive Officer
 3 October 2024

Glossary and abbreviations

ARAC	Audit, Risk and Assurance Committee	M&A	Mergers and Acquisitions
AGR	Advanced Gas-cooled Reactor	MOX	Mixed Oxide Fuel
BEP	Box Encapsulation Plant	MSSS	Magnox Swarf Storage Silo
C&AG	Comptroller and Auditor General	NAO	National Audit Office
CETV	Cash Equivalent Transfer Value	NDA	Nuclear Decommissioning Authority
CEO	Chief Executive Officer	NDPB	Non-Departmental Public Body
CFO	Chief Financial Officer	NED	Non-Executive Board Director
CPS	Combined Pension Scheme	NOMCO	Nominations Committee
DESNZ	Department for Energy Security and Net Zero	NRS	Nuclear Restoration Services
DRS	Direct Rail Services Ltd	NTS	Nuclear Transport Solutions
DSRL	Dounreay Site Restoration Ltd	NWS	Nuclear Waste Services
EA	Environment Agency	OHI	Organisational Health Index
EAP	Employee Assistance Programme	ONR	Office for Nuclear Regulation
ED&I	Equality, Diversity and Inclusion	OpCo	Operating Company
ESG	Environmental, Sustainability and Governance Committee	P&PC	Programmes and Projects Committee
FGMSP	First Generation Magnox Storage Pond	PAC	Public Accounts Committee
GDF	Geological Disposal Facility	PBO	Parent Body Organisation
GLT	Group Leadership Team	PCSPS	Principal Civil Service Pension Scheme
GSR	Group Strategic Risks	PFCS	Pile Fuel Cladding Silo
HAL	Highly Active Liquor	PFSP	Pile Fuel Storage Pond
HLW	High Level Waste	PNTL	Pacific Nuclear Transport Ltd
HMG	Her / His Majesty's Government	PPP	Programme and Projects Partners
HSE	Health and Safety Executive	R&D	Research and Development
HSSE	Health, Safety, Security and Environment Committee	REMCO	Remuneration Committee
IAS	International Accounting Standards	RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
ICT	Information Communications Technology	RWM	Radioactive Waste Management Ltd
IFF	Integrated Financial Framework	SEP	Silo Emptying Plant
IFRS	International Financial Reporting Standards	SEPA	Scottish Environment Protection Agency
ILW	Intermediate Level Waste	SFL	Springfields Fuels Ltd
INES	International Nuclear and Radiological Event Scale	SGHWR	Steam Generating Heavy Water Reactor
INS	International Nuclear Services Ltd	SIRO	Senior Information Risk Owner
IWM	Integrated Waste Management	SLC	Site Licence Company
JCG	Joint Consultation Group	SME	Small and Medium-sized Enterprises
LLW	Low Level Waste	STEM	Science, Technology, Engineering and Mathematics
LLWR	Low Level Waste Repository Ltd	STIP	Short-Term Incentive Plan
LTIP	Long-Term Incentive Plan	THORP	Thermal Oxide Reprocessing Plant
		TRIR	Total Recordable Incident Rate
		UKGI	UK Government Investments

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, NRS, NWS, NTS, 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, NRS, NTS, NWS, NDA Archives, NDA Properties and Rutherford Indemnity.
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**
(www.gov.uk/nda)
- **Department for Energy Security and Net Zero**
(www.gov.uk/government/organisations/department-for-energy-security-and-net-zero)
- **Sellafield Ltd**
(www.gov.uk/government/organisations/sellafield-ltd)
- **Nuclear Restoration Services**
(www.gov.uk/government/organisations/nuclear-restoration-services)
- **Nuclear Waste Services**
(<https://www.gov.uk/government/organisations/nuclear-waste-services>)
- **Nuclear Transport Solutions**
(<https://nucleartransportsolutions.com/>)
- **Capenhurst Nuclear Services Ltd**
(<https://www.urengo.com/>)
- **Springfields Fuels Ltd**
(<https://www.westinghousenuclear.com/>)

Useful documentation

- The NDA group Sustainability Strategy 2022 - GOV.UK (www.gov.uk/nda)
- NDA's response to the Magnox Inquiry and Departmental review (www.gov.uk/nda)
- NDA Strategy - March 2021 (www.gov.uk/nda)
- NDA Business Plan 2023 to 2026 and NDA Business Plan 2024 to 2027 (www.gov.uk/nda)
- NDA Mid-Year Performance Report 2023 to 2024 (www.gov.uk/nda)
- NDA Research and Development 5 year plan: 2019 to 2024 (www.gov.uk/nda)
- NDA Corporate Centre: gender pay gap report, 2022/23 (www.gov.uk/nda)
- Register of Director's Interests and associated procedure (www.gov.uk/nda)

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