UK SPACE AGENCY

ANNUAL REPORT & ACCOUNTS 2024 | **2025**

Boost UK prosperity, understand the universe, protect our planet and outer space.

HC 1008

Astronomy Photographer of the Year – Arctic Dragon © Carina Letelier Baeza (Chile)

UK Space Agency

Annual Report and Accounts 2024 | **2025**

FOR THE PERIOD APRIL 2024 TO MARCH 2025

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Astronomy Photographer of the Year – Misty Mountains © Bence Tóth (Hungary)

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Low earth orbit scan of a weather system. ©Ian Olio

Introduction from the **UK Space Agency Board Chair**

It is a pleasure and an honour to introduce the UK Space Agency's annual report. It shows the extraordinary mix of work which makes the Agency so distinctive.

On the one hand we are promoting research and discovery across the solar system and beyond. We help deliver the UK's contribution to the key Rosalind Franklin Mars mission, we fund investigation of possibly habitable worlds, we promote innovation in Earth Observation and back Space launch from the UK. These are some of the most exciting and significant missions we could have. But we must also discharge the classic obligations of a well-run Government Agency. We need to manage our finances prudently, ensure our staff are well treated and motivated, and deal promptly and effectively with requests from our sponsor Ministers and Department. We must ensure we operate with high standards of propriety and transparency.

The Board is very aware of its obligations to ensure the Agency meets the standards expected of us. We are pleased that financial discipline is maintained and welcome Sarah Pumfrett as the newly appointed Chair of the Agency's Audit and Risk Assurance Committee. Space activities are inherently risky, but we have to be clear what our appetite for risk is and not go beyond that. Our staff have faced a lot of change over the past year with the move to our new headquarters in Harwell, the relocation of our London office to Canary Wharf and the opening of offices across the UK. Despite these challenges it is encouraging that overall staff are reporting higher levels of job satisfaction, though there is always more to do. We recognise we need to do more to promote diversity not just at working level in the organisation but also in the Board itself. I am delighted that Fiona Rayment and David Parker, two senior Board members, are leading our new Diversity Working Group looking at how we can do better at senior levels.

Ministers have set us the twin objectives of promoting economic growth and national security. Space is a rapidly growing sector, both in the UK and around the world. We work closely with business to promote investment here in the UK. Approximately 20% of all global Venture Capital investment in Space comes to the UK. We support exciting British start-ups such as Open Cosmos as well as established players such as Surrey Satellites. Internationally mobile businesses such as OHB (Orbitale Hochtechnologie Bremen), Lockheed Martin Space, ClearSpace and Astroscale are basing more of their activities here.

We are also very aware that much space technology is potentially dual use. We work with the security community to try to link civil and security R&D more closely. It is an increasingly uncertain world and we promote bilateral links with allies and achieve more working together than we could do on our own.

This report shows the range of our work at the Space Agency. I congratulate Paul Bate and all our staff for their excellent work reported here.

Rt Hon.
Lord David Willetts
FRS, HonFREng
Chair of the
UK Space Agency Board

David Willetts

Rt Hon. Lord David Willetts
FRS, HonFREng
Chair of the UK Space Agency Board
7 July 2025

Chief Executive's **Statement**

I am pleased to publish the UK Space Agency's Annual Report and Accounts for 2024-25. The Agency has made £580.8m of funding available to the sector, and completed 87% (34) of the 39 milestones we set out to deliver at the start of the year. We took on new work during the year to support our satellite telecommunications sector and delivered within 0.3% of our forecast outturn for year-end.

This year has seen considerable change, across the UK and wider world, within and well beyond the space sector. The Labour government has a strong focus on promoting economic prosperity, delivering for citizens and removing barriers to opportunities, all of which space has a strong track record of supporting. As an Agency, this aligns well with our purpose to boost UK prosperity, understand the Universe and protect our planet and outer space.

Alongside political shifts we have seen some significant changes in the UK space sector's industrial landscape. This year two of our largest operators, Airbus and Thales Alenia Space, both reduced their UK workforces and shifted their strategic focus areas. Separately, a company that the UK Space Agency has invested in considerably over the years, Reaction Engines Limited, went into administration. While these changes reflect wider challenges in the European and global space sectors, we have also seen significant growth with new companies emerging to service emerging markets and a realisation that space data and assets underpin much of modern life.

Over the last 12 months, the Agency has supported a range of initiatives aimed at both attracting new customers and suppliers to the space sector, but also helped some of the UK's most promising and innovative companies secure private investment to continue their growth. To further anchor the sector, we also supported the development of the UK's first National Satellite Test Facility at Harwell. This will help our payload and satellite manufacturers test their technologies before sending them into space. To develop partnerships and new potential export markets, we funded projects from a variety of research and industry players to work directly with international partners, including through the joint UK-Canada £1.2 million Aqualunar Challenge to develop new lunar water purifying technologies.

Working in partnership is a key element of our success. Whether it's through the European Space Agency (ESA) or the Committee on Earth Observation Satellites (CEOS), of which the UK Space Agency recently became the Chair, we committed to working together to solve the challenges the sector and society face. Our active participation in the UN Committee on the Peaceful uses of Outer Space and the Artemis Accords Working Groups ensures that the UK is playing a role in shaping important global discussions on space policy. Through events such as the first International COSPAR Planetary Protection Week and hosting NASA's Post-ISS LEO Strategy International Workshop we are making sure we are leading the way when it comes to space sustainability and responsible behaviour in space.

Alongside our work to support the sector, we have also been going through our own internal journey, closing out our integrated transformation programme and embedding our new ways of working and organisational design across the Agency. Our People Survey results tell a positive story too, with a substantial increase in our Engagement Index score (+6 percentage points) and a continued reduction in our Bullying, Harassment and Discrimination (BHD) scores (3 and 2 percentage point decreases, respectively, for those reporting 'yes'). Leadership and Managing Change (7 percentage point increase) saw the largest increase out of the nine core themes, with the results of our transformation programme embedding into the Agency.

We've achieved a lot over the last year and overcome some significant challenges. What the Annual Report will show is that we have met these challenges as a united Agency, working together to overcome obstacles. Space really is a team sport.

Dr Paul Bate
Chief Executive and Accounting Officer
7 July 2025

Dr Paul Bate
Chief Executive and Accounting Officer

Watch a video about what the UK Space Agency does.

UK SPACE AGENCY

£133.8m secured in contracts for the UK

£96.4m returned in a single quarter

DELIVERING THE UK'S GEO-RETURN AMBITIONS

Between 2022 and 2024, the Agency boosted its geo-return from **0.93** to **0.99** – **driving growth, unlocking opportunities and strengthening UK industrial competitiveness.**

3,842 FTEs maintained in the UK space sector

Biggest quarterly improvement in ESA's history

21 training courses delivered across all 12 UK regions

1,240+ attendees from industry and academia at these courses

Our Purpose, Our Role, **Our North Star Metric**

OUR PURPOSE

Boost UK prosperity, understand the Universe, protect our planet and outer space.

Throughout our transformation, we've seen a shift in the way our people talk about the value of the UK Space Agency's work in benefitting life on Earth and across society. There is a greater realisation and greater expectations around the responsibility we hold to support businesses, universities and partners across the country to address issues that matter – from building accessible, inclusive economic growth for the whole of the UK, supporting UK organisations on space sustainability and supporting Government on national security requirements.

Meeting these expectations by delivering on our purpose is at the heart of all the decisions we make, the work we do and how we look after our people.

OUR ROLE

We've used our expertise and resources to contribute positively toward the National Space Strategy's ambition to make the UK one of the world's most innovative and attractive space economies. Our teams continue to create opportunities with greater potential and impact by focusing on:

- Catalysing investment, by deploying our funding and resources to multiply the value of non-Government contracts and private capital secured by UK space organisations to maximise the space sector's long-term growth.
- Delivering space missions and capabilities, independently and with others, that use science, technology and applications to meet national needs and help humanity to understand our Universe.
- Championing space, encouraging other sectors to use space to deliver better services, tackle the climate emergency, inspire STEM education and lifelong learning, and advocate for sustainable space activities.

Each of these elements is mutually reinforcing, with our priorities and programmes typically contributing to all three.

NORTH STAR METRIC

Maximise total investment into the UK space sector.

This is the primary metric that measures the total value of investment and revenue the Agency helps the UK space sector to raise and helps us to monitor delivery of our Purpose and Role. This will ensure we're heading in the right direction, taking into account how access to contracts and investment can drive our space sector to deliver new science, products and services, and keep pace with other nations. Further details about how we've delivered against this metric can be found in Our Performance on pages 38-43.

Our Employee **Experience**

OUR VALUES

- **We deliver with integrity.**
- **We inspire and support each other.**
- **We build a better future.**

Our Values are the principles and beliefs we work to day-to-day and are translated into the behaviours we encourage and expect of each other. In recognition of the transformation the Agency has been undergoing and the new role and purpose, the values were also updated in 2024.

These new values were developed through consultation with staff across the Agency and capture the essence of what really matters to us in how we achieve our goals. They form the final piece in the 'what' (our role), the 'why' (our purpose) and the 'how' (our values) which outline what the Agency is all about.

- **We deliver with integrity** at every level across the Agency, individually and collectively accountable for our actions and always holding ourselves, and each other, to the highest possible standards.
- We celebrate enterprising behaviour, where all our people embrace new ideas, are curious and collaborate to try things out, finding smarter ways to **inspire and support each other.**
- We have the passion and appetite to think bigger, make braver decisions and act on them with pace and confidence, with each one of us actively playing our part to shape and **build a better future** for all.

Our values set the expectations for the way we interact with each other, our partners and society. They support a culture that empowers us all to be the best we can be, and encourages each other across the Agency to help build a better place for our people and our partners. As we have approached the end of our transformation, we've remained focused on supporting our people to build resilience and navigate complex challenges.

OUR CULTURE

The Transformation Culture workstream aimed to develop and embed the culture that will enable the Agency to be an efficient, effective, and delivery-focused organisation and a great place to work, and the actions needed to sustainably embed this culture.

Having worked collaboratively with staff across the Agency to develop the new values, this year the Culture workstream has also developed 'Our Story' which brings together our purpose, role, transformation goals and values. Our Story provides a framework for using our own staff voices to explain who we are as an organisation and what we want to achieve, in different ways that inspire and unite us.

As we move into the next financial year, we know that our people are at their best when they connect their work to a greater cause. And we understand the value of bringing different people together to make these positive changes happen. We will continue to engage with our people to build a meaningful and purpose-driven culture, in which all our people can thrive.

Our **Transformation**

This financial year marked the end of our transformation programme, which has strengthened how we operate to support the space sector and deliver our purpose; boost UK prosperity, understand the Universe, protect our planet and outer space. We have established a new operating model to future-proof our organisation, improve our design and our presence across the UK.

We have achieved our transformation goals and will continue to:

- Nurture trusted space leadership. Our open, accessible and influential approach helps us partner and lead within the global space community.
- Catalyse our sector. We fuel innovation and growth in the space sector by providing easily accessible funding to businesses and learning centres of all sizes. Our effective oversight of investments and programmes ensures responsible spending and maximises the benefits of space for everyone.
- Develop our UK presence. Our state-of-the-art headquarters at the Harwell Science & Innovation Campus connects our new (London, Midlands, Scotland, and Wales) and existing regional locations, and we provide our people with the right technology to support remote working. This positions us closer to the space sector, providing high-quality workspaces which promote wellbeing and collaboration, and enhance productivity.
- Get the basics right. We have implemented organisational design changes to give us a strong foundation for the coming year. The changes are based on a new set of organisational principles and feedback from our teams. Our strong expertise and management skills, combined with streamlined processes, are enabling us to make better and more timely, informed decisions.
- Build a great place to work. We are motivated, respected, and challenged by our work, driving efficiency and effectiveness. We know our contributions are valued and make a difference.

Our people are our greatest asset and have driven our transformation over the past year, propelling us towards becoming an efficient, effective and delivery-focused organisation which is a great place to work. It is them who we must thank for making it such a success.

Paul Bate at the opening of our Edinburgh office.

The UK Space Agency's new headquarters at the Harwell Science & Innovation Campus and Space Park Leicester

Communications and Engagement

Paul Bate, CEO at the Space-Comm Expo

The UK Space Agency's Communications and Engagement team sits at the heart of the Championing Space Directorate, with a focus on influencing, informing and inspiring key audiences about the work of the Agency and the achievements of the UK space sector. We use media and digital channels, strategic engagement activity and internal communications to amplify the impact of the Agency's projects and programmes, helping to catalyse investment, promote the delivery of missions and capabilities and to champion space.

Key milestones for external communications included the launch of the ESA EarthCARE and NASA Europa Clipper missions, the progress of the three UK members of ESA's astronaut corps, including Rosemary Coogan graduating from training and John McFall becoming the first person with a physical disability to be medically cleared for a mission to the International Space Station. The team also worked closely with DSIT to support the announcement of £33 million from the Agency's National Space Innovation Programme for innovative space projects, and with the space academic community to communicate new revelations about the role of gravity in our Universe and the nature of dark energy and matter thanks to the Euclid mission. Over the course of the year, we arranged more than 160 media interviews and responded to more than 350 queries from journalists. We produced 110 videos (more than two each working week) and hit our target of surpassing 500,000 followers across our social media channels, growing our organic audience.

The team oversaw the Agency's presence at the Space Symposium 2024 in Colorado Springs, USA; Farnborough International Airshow in July 2024; International Aeronautical Congress (IAC) in Milan, Space-Comm Expo in Glasgow; and Space Tech Expo in Bremen, while leading the planning for the next UK Space Conference in July 2025.

The External Affairs team has successfully engaged stakeholders to amplify the Agency's announcements, including those outside the sector, to reach new audiences both in the UK and internationally. In 2024-25, the team held 92 stakeholder bilateral meetings and amplified the reach of 26 communications announcements through stakeholders.

In 2024-25, we secured 164 supportive public statements, such as quotes and social media posts, from stakeholders welcoming Agency activities, an average of 6.3 supportive statements per announcement. The External Affairs team also held 11 CEO Monthly Briefings, the Agency's senior stakeholder forum for leaders in the space sector, which engaged an average of 25.7 space organisations per month. We also leveraged communications opportunities with high-profile organisations, including supporting the Chatham House Space Security Conference with speakers and digital communications support.

Paul Bate speaks at Space-Comm Expo Scotland.

Effective internal communications has kept our people engaged and informed over the past year, whilst helping guide the organisation through its final phase of transformation. We have used a variety of channels to engage our staff on the Agency's journey, including 44 weekly bulletins, 56 internal events, 150 SharePoint articles and 296 Microsoft Teams posts. These activities helped increase employee engagement to 71% (an increase of 6 percentage points on 2023-24), as well as Leadership and Managing Change to 60% (an increase of 7 percentage points on 2023-24), while making the Agency a great place to work.

Below left to right: The Agency at Farnborough and our CEO's monthly briefing

Performance against the 2022-25 Corporate Plan

Our Corporate Plan describes how the UK Space Agency works across Government, the space sector, and internationally to help deliver against the National Space Strategy's ambitious goals of growing and levelling up our economy, leading inspiring space discoveries, promoting British values, protecting our national interests, and improving peoples' lives.

In setting our plan, we looked ahead to the opportunities this thriving sector holds and sought to contextualise future threats and risks posed by, for example, geopolitical uncertainty. Our focus remains on protecting our planet and outer space, understanding the Universe, and boosting UK prosperity.

2024-25 was the final year of the three-year Corporate Plan we published in 2022. In it, we declared our continuing endeavour to catalyse investment in the space sector, deliver missions and capabilities that meet UK needs, and champion space to investors, customers and the public.

Our people deliver our plan, and through our integrated transformation programme we ensure they are supported by the right processes, capabilities, structure and systems to deliver our role efficiently and effectively in thriving work environments.

We focused our resources across eight delivery priorities, which formed the basis of our resource decisions and helped us to design and grow the structure and skills we needed. These priorities were complementary to one another and demonstrated the UK's involvement in present and future space activity, its commitment to responsibly improving space technology, and the generation of compelling insight into our planet and the Universe.

Over the following pages, we describe the year's outcomes achieved from the 2024-25 Corporate Plan, whilst on page 45 you can see a breakdown of our milestone achievements.

Quantum Showcase 2024

Read our 2022-25 Corporate Plan.

Our **Priorities**

These describe the activities that we put the most resource behind to deliver our purpose and role, and our progress against each is detailed in the following pages. They formed the basis for our budget and programme plans, and the design of our operating model, and guided decisions about what to stop working on so that our time was well managed and staff wellbeing maintained.

Some actions not listed in our priorities continued to be a part of the UK Space Agency's work, where needed to comply with our legal, fiduciary, or Parliamentary duties.

Launch
Deliver the first small satellite launch from the UK in 2022, and a sustainable commercial UK launch market by 2030.

Discovery
Manage frequent national and international space missions, short and long term, that strengthen UK capability in space science and engineering, and that offer opportunities for the UK to lead global discovery.

LEO Capabilities
Use the UK's low Earth orbit assets to deliver transformative new capabilities, including in broadband, position, navigation and timing, and Earth observation.

Levelling-Up
Increase and spread space investment and jobs, by accelerating the growth of a connected network of local space clusters.

Earth Observation
Deliver a portfolio of activities that ensure long-term value-for-money access to the data we need.

Innovation
Deliver a step change in the UK's share of the fastest-growing or highest-potential commercial space markets, by managing a portfolio of investments in high risk, high reward technologies and applications, using future-focused regulation.

Sustainability
Deliver capabilities to track objects in orbit and to reduce and remove debris, lead global regulation and standard-setting to make space activities more sustainable.

Inspiration
Deliver a programme that inspires young people to pursue STEM education, attracts talent to the UK space sector, and demonstrates the benefits of space science technology and applications.

Astronomy Photographer of the Year – The Inner Dust Lanes of M104 (The Sombrero Galaxy) © Kevin Morefield (USA)

Our **Priorities**

LAUNCH

Progress for the UK's space launch sector

While successful launches are highly visible causes for celebration, set-backs are commonplace for new launch providers. The UK Space Agency has driven the development and growth of the UK launch sector, supporting space companies and spaceports as we draw closer to the UK's first vertical launch. Establishing these orbital launch capabilities is bringing jobs and investment opportunities to communities across the UK.

LAUNCHERS

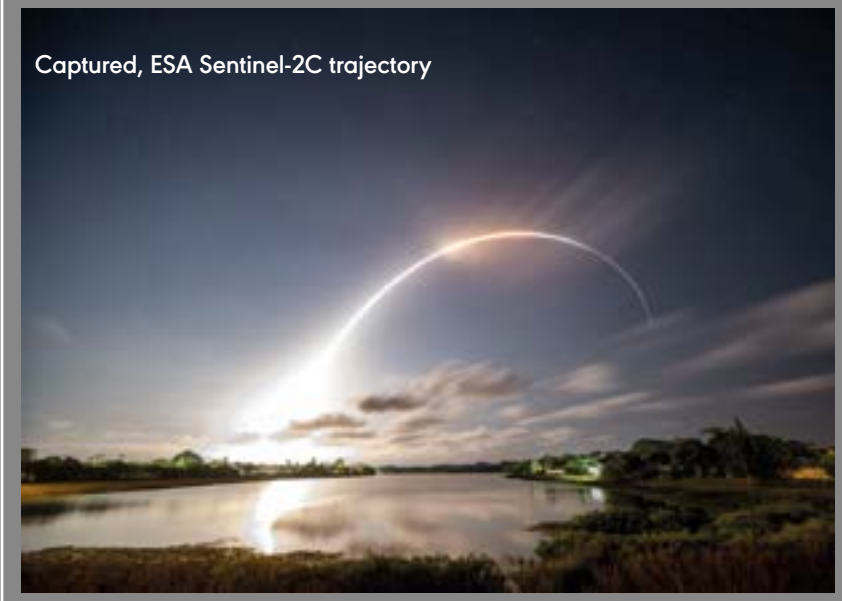
Orbital Express Launch Limited (Orbex) is continuing to manufacture and test its small launch vehicle 'Prime' with £5.5m support from UK Space Agency grant funding. In January 2025, Government provided £20m direct investment to Orbex as part of its Series D fundraising. This investment supports the ongoing development towards its first small launch from SaxaVord, as well as its plans to develop a medium-sized launch vehicle, 'Proxima'.

In January 2025 **Rocket Factory Augsburg (RFA)** was awarded the first UK vertical launch licence by the Civil Aviation Authority (CAA), in preparation for its launch attempt, which it forecasts will be this year. It is continuing testing of its small launch vehicle, 'RFA One', in advance of this first attempt. UK Space Agency provided £3m to build a launch mount at SaxaVord Spaceport enabling RFA to conduct its first engine stack fire test in August 2024. In March 2025, the Agency provided a further £1m towards the rebuilding of the mount, which was damaged in engine testing.

The UK Space Agency awarded **Lockheed Martin UK** £13.5m in 2018 to bring a US launch vehicle to launch from the UK and £9.9m to manufacture, test and launch a Small Launch Orbital Manoeuvring Vehicle (SL-OMV) to deploy cube satellites into orbit. The SL-OMV is being built by Moog UK in Reading and is expected to be completed in 2025. The launcher being developed by US company ABL Space Systems (ABL) suffered two unsuccessful test launch attempts in 2023 and 2024, leading ABL to decide to leave the commercial launch business in late 2024. Lockheed Martin is considering alternative providers to launch the SL-OMV.

These vertical launch activities follow the **first commercial launch from the UK**, which took place from Spaceport Cornwall in Newquay in January 2023. The launch was funded by the Agency providing £9.5m to Virgin Orbit and enabled the UK to be the first country in Europe to have an orbital launch attempt. Although the launch vehicle failed to reach orbit, it demonstrated the success of the UK's new regulatory and licensing regime and provided Government with valuable lessons in the development of launch capability.

International Symposium on Small Vehicle Launches and Spaceports in Harwell.



Captured, ESA Sentinel-2C trajectory

Launch
Deliver the first small satellite launch from the UK in 2022, and a sustainable commercial UK launch market by 2030.

SPACEPORTS

SaxaVord Spaceport became the first UK spaceport to be awarded a licence to conduct vertical launches by the CAA in December 2023. Following that, in recognition of progress made, the Government announced a £10m investment towards the further development of spaceport infrastructure being built in the Shetland Isles. When completed, SaxaVord intends to be a multi-use spaceport with regular missions, and has several companies in its launch pipeline, supported by the UK Government.

2024 saw the final payment of UKSA's £2.5m grant awarded to Highlands and Islands Enterprise (HIE) for the development of **Sutherland Spaceport**. The grant helped fund planning permission, build road access, and deliver power and utilities to the site. In December 2024 the launch site operator, Orbex, announced that it was pausing further construction to concentrate efforts on the development of its launch vehicles. Orbex has stated that it intends to conduct its first launches from SaxaVord Spaceport but aims to return to Sutherland Spaceport in the future.

Launch continues to be a sector of exciting opportunities as ESA is planning to launch a **European Launcher Challenge**, with interest from several UK companies. This programme will support successful commercial launch service providers capable of developing launchers to meet future ESA launch demand.

ESA Vega-C launch

EARTH OBSERVATION

Harnessing data to shape the planet's future

Earth Observation (EO) enables us to employ satellite data for economic, societal and environmental benefits. EO data provides critical insights into our biggest challenges, including national security, climate change, extreme weather events, natural disasters and resource management. It also informs public services and policy decisions, influencing everything from urban planning to insurance to agriculture.

COPERNICUS

Rejoining the Copernicus programme in 2024 was a significant development for the UK. Our return as a third-country participant means access to continuous, high-value, near real-time EO data, benefitting both the UK's academic and commercial sectors. It also reinstates our influence over mission planning and data acquisition. September 2024 saw the launch of the programme's Sentinel-1C radar satellite featuring UK-developed electronics and instruments.

With the UK's renewed participation in Copernicus, the **Earth Observation Investment Programme (EOIP)** is now winding down. Established in 2022 and managed by the UK Space Agency in its final year, EOIP successfully oversaw £229m of investments, supporting 12 domestic and 5 European projects. The interim support provided during the UK's departure from Copernicus was crucial, retaining over 330 jobs and maintaining a skilled workforce for the sector.

LEADERSHIP OF COMMITTEE ON EARTH OBSERVATION SATELLITES (CEOS)

2024 also saw the Agency take on leadership of the influential global Committee on Earth Observation Satellites (CEOS). As Chair, we have set the aim to unlock the benefits of EO for society. This means gathering the best practice of other members on Earth Observation for policy delivery, increasing uptake and use of satellite-derived EO data to benefit public services, and to inspire the next generation.

Earth Observation – Priority
Deliver a portfolio of activities that ensure long-term value-for-money access to the data we need.

CLIMATE ACTION

As part of CEOS' ongoing efforts to tackle climate change, we also delivered the Committee's statement at COP29 in November 2024. The statement outlined six key areas where satellites are advancing climate knowledge: greenhouse gas measurements, land cover and use, global temperature trends, melting polar ice and sea level rise, extreme events and ocean health. The COP summit also discussed progress on the Global Methane Pledge.

The Agency has been involved in the development of best practice guidelines for measuring methane emissions from space with NASA and NPL and we hope to get these recognised and used in the next year.

MISSIONS DEVELOPMENT

The UK continued to support the joint UK-France mission **Microcarb**. Whilst the satellite itself was in storage before its launch in summer 2025, UK industry experts were testing it to make sure all systems were working as they should and the scientists continued to develop the complex algorithms that are needed to extract the information from the data the satellite will collect about the carbon fluxes in the atmosphere.

Working alongside ESA, the UK is participating in a major climate mission with ocean and land temperature, and carbon measurements within its scope. **TRUTHS (Terrestrial Radiometry Underpinning Terrestrial and Helio Studies)** will use hyperspatial imaging to gather climate data with 10 times more accuracy than we have today. The TRUTHS programme has maintained its ambitious pace and is now anticipated as a key element of the calibration of many other missions. In early 2025, the ground segment contract – where the data is stored, managed and processed – was awarded to a UK company (Telespazio UK) for the first time, opening a new chapter in our national capabilities.

In May 2024 we were pleased to see the successful launch of **EarthCARE (Earth Clouds, Aerosols and Radiation Explorer)**, a joint European-Japanese mission to explore the role of clouds and aerosols in regulating Earth's climate. The mission's genesis was at the University of Reading, with a wide roster of UK organisations contributing to the satellite, as well as novel instrumentation on board. Deploying four cutting-edge instruments, EarthCARE should lead to more reliable climate predictions and weather forecasts.

Astronomy Photographer of the Year – Total Solar Eclipse © Gwenaël Blanck (France)

The UK Space Agency's Beth Greenaway speaking at COP29

TECHNOLOGY DEVELOPMENT AND COMMERCIALISATION

Technological developments underpin EO's advancement. In May we announced £9m in funding for early-stage technology, delivered by the **Centre for Earth Observation Instrumentation (CEOI)**. £1m has been granted to Cold Atom Interferometry Thermosphere Drag Measurement (CAITDM), a project seeking to close the gap in our understanding of the upper atmosphere. This one project could lead to many new commercial opportunities. Similarly, a small investment in a pathfinder mission with Open Cosmos has led to them securing multi-million pound export opportunities, further enhancing UK's capabilities in EO missions.

At a smaller scale but no less vital, an AI-based project has received £75k in pathfinder funding through the programme. Surrey AI Imaging Limited and Blue Sky Imaging are collaborating on an AI-powered processing unit capable of performing real-time, multi-spectral imaging data processing and analysis on board satellites and unmanned aerial vehicles. In 2024 the project demonstrated progress in their final review, showcasing AI's remarkable EO potential.

From helping farmers increase yields to ensuring businesses comply with environmental regulations, EO's applications are vast. The Agency-chaired **Space4Climate**, which celebrated its 10th anniversary in May and has grown from four to 82 members in time. The programme helps connect our climate data's potential with real needs on the ground. Growing networks, exploring new markets for climate services and developing new revenue-generating services remain key objectives for all our EO efforts.

Beth Greenaway COP29 Statement delivery on behalf of EO community.

The UK is to chair the Global Earth Observation Group

Dr Paul Bate at International Astronautical Congress in Milan.

Earth observation satellite in action

LOW EARTH ORBIT

Enhancing the UK's ability to deliver transformative new technologies in LEO

As demand for resilient, fast and far-reaching communication systems continues to grow, Low Earth Orbit (LEO) assets play an increasingly significant role. Thanks to their proximity to Earth, smaller size and relative ease of deployment compared to geostationary satellites, low orbit satellite constellations are delivering clear benefits for lives on Earth.

With faster signal speeds, broader coverage of previously hard-to-connect areas, higher bandwidth to support growing data demands and better network resiliency, LEO satellites are transforming our broadband, navigation, positioning, timing and earth observation capabilities. The UK Space Agency's **Connectivity in Low Earth Orbit (C-LEO)** programme, devised in 2023 and put into action in 2024, positions the UK at the forefront of this high-value industry.

C-LEO: A MAJOR FUNDING MILESTONE

The C-LEO initiative combines the largest amount of funding for a domestic civil UK space programme to date – up to £160m – with a new drive for efficiency, where companies can bid for two streams of funding (national and ESA), via a single application process.

The programme's objective is to future-proof the UK's competitive edge in the LEO sector by inviting proposals for emerging and innovative technology R&D. The five key technologies C-LEO seeks to advance are: on-board regenerative processing (OBP); active antennas; optical intersatellite links (OISL); networking and routing; and user terminals.

Our first call generated a large response from leading operators in the constellation market. We received 52 expressions of interest, and in late 2024 identified three bids to take through to national funding, with three further projects progressing via the ESA route.

ESA SUNRISE PUBLIC PARTNERSHIP WITH ONEWEB

Eutelsat OneWeb is a LEO satellite constellation company whose goal is to provide global, high-speed, low-latency broadband internet connectivity to areas where traditional infrastructure networks can't easily reach.

Since 2022, Eutelsat OneWeb and its large UK supply chain has made significant progress in expanding its LEO capabilities in the UK through the ESA Sunrise Programme, a public partnership between the European Space Agency and 11 partner agencies across Europe, including the the UK Space Agency. Through this partnership The Agency has invested £100m over four years, supporting Eutelsat OneWeb and its supply chain, and helping restore the company from the point of administration in 2020 to become a serious global competitor in the constellation sector. March 2023 saw the completion of OneWeb's initial constellation with 618 satellites in orbit. Then, in September 2023, OneWeb was acquired by Eutelsat, with plans to extend the constellation by a further 100 satellites by 2026.

In 2024 the company successfully demonstrated beam-hopping capability using a payload prototype from SatixFy UK on board the **JoeySat** platform, and bringing together other UK content to test in-orbit. At the same time Astroscale moved into the final phase of development for their first UK debris removal mission, **Elsa-M**, to de-orbit a Eutelsat OneWeb satellite.

Amber-2 Maritime-Domain Awarenes Satellite (MDA)

OneWeb satellite

Amber-2 Maritime Domain Awareness (MDA) Satellite

Low Earth Orbit – Priority
Use the UK's low Earth orbit assets to deliver transformative new capabilities, including in broadband, position, navigation and timing, and Earth observation.

Driving the space economy

Our LEO activities highlight the role of telecoms in the space sector, which – being so commercially driven – has long underpinned a huge proportion of the industry. LEO telecoms align with, but are only one aspect of, our wider Telecoms programme, which brings together the growing integration of satellite communications into global telecommunications networks.

CONVERGENCE OF TERRESTRIAL AND NON-TERRESTRIAL (SPACE-BASED) INFRASTRUCTURE

Working with other Government partners, we have supported the integration of non-terrestrial networks with terrestrial telecommunication networks, to provide ubiquitous connectivity for people and their machines. Projects include co-sponsoring a £5m in-orbit demonstrator for integrating future networks using 6G capabilities. We continue to develop the 5G testbed at ESA's ECSAT facility in Oxfordshire, which enables companies across Europe to test their 5G services over integrated space-based and terrestrial networks, helping to build resilient and secure networks for consumers.

DEVELOPING TELECOMMUNICATIONS SERVICES FOR GLOBAL CONSUMERS

Development of the first dedicated 'direct-to-device' mobile network in the UK has begun with Viasat, their UK supply chain and the European Space Agency. By enabling space-based mobile connectivity, the UK is championing digital inclusion in the UK's remotest areas and across the world. The ability to use mobile services anywhere on Earth will transform enterprise and offer new services and capabilities everywhere.

GLOBAL MOBILITY

The UK Space Agency is supporting development of the next generation of mobility services, including aero connectivity and maritime tracking services. For example, we have contributed £13m of co-funding for AAC Clyde Space to transform maritime safety and sustainability through their **Inflecion** Programme, to improve maritime vessel operational efficiencies and increase security through AI powered surveillance to combat smuggling and illegal fishing.

The Viasat-led **IRIS** programme is a satellite-based data link technology enabling airspace optimisation for air-traffic control services, easing congestion and reducing delays and emissions for airlines and passengers. IRIS Global is now being deployed on EasyJet within Europe.

DEVELOPING COMMERCIAL QUANTUM TECHNOLOGIES AND APPLICATIONS

We are supporting development of the first commercial quantum key distribution networks. Once operational by the end of the decade, these services will offer protection to information exchanges from current and future attack methods in support of Critical National Infrastructure, financial users and government users. Honeywell UK is leading the ESA '**QKDSAT**' **Partnership** (Quantum Key Distribution Satellite) to develop the first commercial service while Craft Prospect is showcasing emerging quantum technologies on its ESA **OPSAT VOLT** mission.

DELIVERING SUSTAINABLE REMOTE CONNECTIVITY IN THE HARDEST-TO-REACH PLACES IN THE UK

In 2024, in coordination with the DSIT 'Very Hard to Reach' programme, we launched the first funding call to support connectivity in remote UK locations using satellite technologies. Two locations were selected (Rathlin Island, Northern Ireland and Papa Stour, Scotland), while a third programme sought a mobile multi-orbit terminal to support communities, major events and emergency responses in very remote areas. Those competitions attracted some of the highest interest across the combined telecommunications sector (terrestrial and non-terrestrial), with winning bidders due to be announced in Summer 2025.

DELIVERING CONNECTIVITY TO THE LUNAR SURFACE

The benefits of the next generation of communication technologies are not only felt on Earth, but on our nearest celestial neighbour – the Moon.

Through the ESA Moonlight programme, the UK announced £50m in funding for companies to develop communication services for the Moon. **Moonlight** is an ESA public-private partnership to launch a small satellite constellation into orbit around the Moon by 2030. This will enable reliable communication and navigation services for on-surface activities, reducing the cost of lunar missions and enabling new off-world commercial satellite operators.

The **Lunar Pathfinder** project, a precursor to the Moonlight programme, is set to launch in 2026. The Pathfinder spacecraft was designed by Surrey Satellite Technology Ltd (SSTL) and includes communication and navigation payloads to provide these services to the lunar surface using satellites for the first time.

The UK from space

Satellites to orbit the Moon by 2030

LEO Microgravity Strategy Workshop co-hosted with NASA.

Supporting innovators at every stage of their growth journey

The space sector needs to be constantly innovative, as engineers and technicians seek winning solutions to ever larger and more complex challenges. At the UK Space Agency, we continue to evolve the way we invest in the innovation needed to meet these challenges through holistic, end-to-end support for companies from concept through to commercialisation.

A coherent innovation, investment and commercialisation (IIC) approach will be core to the UKSA's ongoing ability to support UK space companies to start, grow and capture more of the wider global space economy – and contribute to UK economic expansion. We aim to catalyse innovation and accompany UK space companies for their entire investment journey, taking them from start-up to scale-up and beyond.

APPLICATIONS AND UNLOCKING SPACE

Since 2023, the Unlocking Space programme has aimed to identify barriers to growth of the UK space sector, focusing on stimulating adoption of space products and services across business, government, national security, and driving private investment.

Unlocking Space for Business (USB) has engaged more than 350 organisations including businesses in financial services, transport and logistics to help them better understand the benefits of satellite solutions. This includes the potential of emerging technologies such as AI to drive growth, enhance efficiency, improve customer retention and address environmental obligations. Over £5m of funding was awarded to support 23 new satellite solution projects and pilots working in diverse areas.

For example, **Treeconomy** was funded for a small business research feasibility study to help nature investors identify investment opportunities, conduct due diligence and meet risk-reporting requirements. The company then won USB grant funding, teaming up with UK-based Octopus Investments to embed satellite-derived insights into investment decisions around nature-based carbon projects. They have since announced a formal contract to continue working together beyond the USB grant-funded project.

Unlocking Space for Government (Civil) improves delivery of public services, focused on transport infrastructure and healthcare, while also strengthening the UK's position as a space tech leader for applications that deliver positive social, environmental and economic impact. USG's user-led design workshops bring together public bodies around shared use cases or thematic areas. The new GovBridge programme demystifies the government procurement process for space companies and helps refine their offering to better suit government requirements.

For example, collaborating with the Agency's Space Ecosystem team, USG partnered with **Northern Ireland Space** and the **Department of Agriculture, Environment and Rural Affairs** (DAERA). This funded three companies to deliver small business research initiatives worth £360k to develop satellite technology and data to protect Lough Neagh through the improved detection and monitoring of blue green algae.

The **Unlocking Space for Government (Defence)** project was set up to meet the national security and intelligence ambitions set out in the National Space Strategy, Defence Space Strategy and Space Industrial Plan. The interconnectedness of defence and civil space interests is increasing, with society now reliant on space for essential services such as communications, navigation, financial transactions, climate monitoring and EO.

One example is the £1m/five-project scheme working in partnership with DSTL. Funding of £199k for **Slipstream Engineering Design Ltd** and its Software Defined Radio (SDR) Adaptive Radio Platform (ARP) for space applications shows how Unlocking Space for National Security can fast-track novel ideas.

Unlocking Space for Investment has delivered the Business and Investor Pathway that aims to diversify the number of space investors and strengthen businesses' readiness for investment, supporting 10 businesses and 28 investors.

As part of the £12.7m space funding into the UK Innovation and Science Seed Fund (UKI2S), Future Planet Capital has evaluated over 100 space tech opportunities. This involved engaging with close to 50 space tech companies focusing on a diverse set of innovations including propulsion systems, in-orbit manufacturing and servicing, EO data and insights and space domain awareness.

The last three years have seen **space data and applications** significantly evolve the commercialisation of space – building on foundations laid down by ESA's BASS programme and now powering critical technologies and expanding exports. Both are recognised as vital economic levers at the heart of the government's growth agenda and for

Colour vision for Copernicus

Europe seen from space

Interstellar Mapping and Acceleration Probe (IMAP)

Video about Unlocking Space for Government.

Innovation – Priority
Deliver a step change in the UK's share of the fastest-growing or highest-potential commercial space markets, by managing a portfolio of investments in high risk, high reward technologies and applications, using future-focused regulation.

their potential to strengthen public services. For example, in healthcare, Skyports has developed space-based drone technology to deliver medical samples from remote areas of the Scottish Hebrides to pathology labs in less than 1.5 hours, compared to the 24 hours required previously. Downstream space innovation has also strengthened the UK's civil, maritime, cyber, financial systems and telecoms network security – as well as border control. And in clean energy, space-derived innovation has seen satellite imagery leveraged to monitor energy infrastructure, and space-enabled robotics used to support energy and utilities infrastructure deployment, operations, inspections, maintenance and decommissioning.

INNOVATION, TECHNOLOGY AND ECOSYSTEM SUPPORT

Over the last three years, we have emerged positively from the original **National Space Innovation Programme (NSIP)** and Enabling Technologies Programme (ETP) pilot, of which 41 ETP projects across optics, robotics, EO and exploration had concluded at financial year-end.

The NSIP now incorporates changes such as longer duration projects, increased levels of funding and support for any space technology application or service. The programme's well-received two-strand structure consisting of Kick Starter and Major Projects covers the entire Technology Readiness Level (TRL) spectrum. Under its first funding call it awarded 23 grants worth £33m; now successfully underway, with a second call launched in March 2025 with the aim of awarding at least another £17m.

A good example of success is SatVu, a UK SME creating a groundbreaking, satellite-based remote monitoring system using infrared cameras to deliver high-resolution thermal imaging for multiple commercial sectors. The company received £5.9m NSIP funding along with partners SSTL and KISPE, with SatVu going on to catalyse private investment of over £42.7m as a result. The company has grown from 3 to 44 staff and taken its technology from proof of concept to a space-proven capability ready for deployment at scale.

Northumbria University was awarded £4.98m by the UK Space Agency to enable its consortium to design, test and build CubeSats – small satellites that use lasers to communicate with each other. NSIP funding has since generated £14.2m in additional revenue leading to the creation of 37 jobs. It later helped to unlock a £2m capital funding award from the Office of Students and a £630k investment from Lockheed Martin UK Space. The University was also awarded £10m from the Agency's **Space Cluster Infrastructure Fund (SCIF)** towards construction costs at its North East Space Skills and Technology (NESST) Centre, unlocking a further £15m investment commitment from Lockheed Martin UK. The new centre is expected to create a further 350 jobs and bring £260m to the North East economy over the next 30 years, demonstrating how multiple UK Space Agency programmes can be combined by organisations to catalyse significant economic growth.

This past year saw the Agency continue to demonstrate its commitment to advancing innovative Space Technology through multiple channels.

The National Space Propulsion Test Facility (NSPTF) – fully booked since opening in 2021 and built with ESA UK GSTP funding – has actively supported multiple developments, including the groundbreaking FireFly lunar-landing mission launched on 2 March 2025, The main engine for FireFly's Blue Ghost lander, which powered it from Earth orbit to lunar orbit and enabled a successful descent, was designed, built and tested at the NSPTF by Nammo UK Ltd.

ESA's **Proba-3** formation-flying satellite programme, launched in December 2024, was a further GSTP success, showcasing UK expertise in spacecraft sensors and power systems.

Investments in ambitious companies such as Wayland Additive and Space Forge and composites specialist ICOMAT are typical of our strategy to grow smaller space businesses into the future.

Helping to create the right conditions for technological advancement is every bit as important as the technology itself. So, we're delighted to be leading the UK delegation for ISO space standards, as well as having advocated for the development of differentiated standards through the **European Cooperation for Space Standardization (ECSS)** that make doing space business easier for smaller companies.

Our support to develop secure supply chains for space semiconductor materials through the **Electrical, Electronic and Electromechanical Sovereignty Programme** will reduce over-reliance on Asian markets.


Firefly's Moon Lander propulsion by Nammo


Propulsion Test Facility, Westcott Space Cluster


Aqualunar Challenge, Challenge Works

Another successful year pushing space boundaries

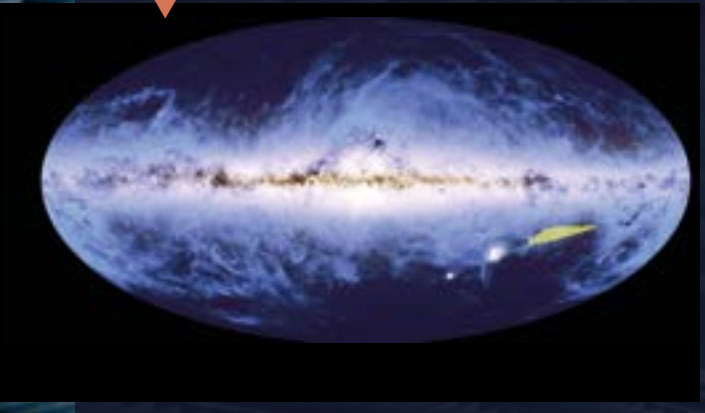
From exploring the origins of the Universe to searching for life on Mars, the UK Space Agency continues to take a lead. Our investments in ambitious international space science and exploration missions are driving jobs and skills, groundbreaking technological innovation and world-leading scientific discovery in universities and companies across the country. At the heart of our progress is productive collaboration with existing and new partners around the world.

ESA's **Euclid** mission, launched in 2023, is already delivering insights into the nature of dark energy and dark matter and their influence on the cosmos. University College London's Mullard Space Science Laboratory led the design and development of Euclid's visible light imager (VIS). A consortium of seven UK universities has contributed to sophisticated data processing.

LiteBIRD is a Japanese cosmology mission in development which aims to confirm or disprove theories around the expansion of the Universe post-Big Bang. The Japanese space agency (JAXA) sought the UK as a key technology partner on this mission. A UK university consortium led by Cardiff is making a leading contribution to the telescope optics.

ESA's record-breaking **Gaia** mission to map the Milky Way ended in January 2025. It has precision-mapped some 2 billion stars and 150,000 asteroids and identified a new type of black hole. The mission is breaking scientific publication records with over 13,000 authored to date. With the Cambridge Gaia Data Processing Centre in the front line, Gaia is expected to be the most science-prolific mission in history and its big data techniques are being adapted for other fields, such as medical imaging.

Euclid's mosaic on Gaia and Planck sky map



TO JUPITER AND GANYMEDE

ESA's **Jupiter Icy Moons Explorer (JUICE)** mission to explore Jupiter and the potential for life on its moons is well into its seven-year journey. The spacecraft carries instruments including the magnetometer, led by Imperial College London and the JANUS camera and Plasma Environment Package.

TO THE SUN

The UK is funding instruments on crucial missions for understanding more about our star so that we can better forecast space weather events and protect critical infrastructure. **Helioswarm** will study solar wind turbulence with a 'swarm' of nine mini satellites. A team at Imperial College London has been funded by the Agency to develop a mass-manufacturing process to provide all nine of Helioswarm's magnetometers.

IN LOW EARTH ORBIT

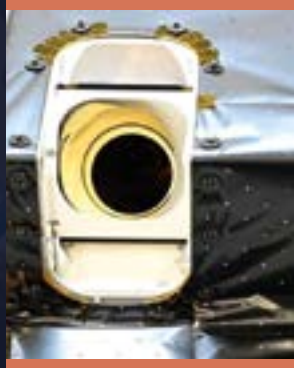
In September, the Agency hosted a LEO Microgravity Strategy Workshop on behalf of NASA. Held at the Royal Institution in London, the event brought together technical experts from Artemis Accords signatory space agencies to discuss the future of science, research, technology development and operations in low earth orbit.

UK ASTRONAUTS

Rosemary Coogan completed her basic training programme with ESA in April 2024 and is certified for spaceflight assignments. Following a dedicated feasibility study, John McFall was cleared in February 2025 to become the first person with a physical disability to take part in a mission to the International Space Station. Meganne Christian began the first of three astronaut reserve training programmes in January 2025.

Discovery – Priority
Manage frequent national and international space missions, short and long term, that strengthen UK capability in space science and engineering, and that offer opportunities for the UK to lead global discovery.

The JUICE launch



Detail of the Lunar Thermal Mapper

Meganne Christian at Space Comm Expo

Julie Black at IAC2024.

TO MARS

The **ExoMars-Rosalind Franklin Rover** is critical to the search for life on Mars. The Enfys instrument, which identifies targets for sampling and analysis passed its Critical Design Review in 2024, and will work alongside two UK funded instruments: PanCam, which serves as the rovers 'eyes' to navigate, and Raman, a spectrometer which will identify chemicals indicative of life.

TO THE MOON

Ongoing projects will further increase understanding of our closest space neighbour. Results from the Exospheric Mass Spectrometer (EMS) used on the Peregrine Ion Trap Mass Spectrometer (PITMS), despite the overall mission not reaching its objectives, are shaping developments for future missions. The UK is also providing the refuelling sub-system to ESA's ESPRIT programme which contributes to the refuelling system for the Lunar Gateway – a research centre for astronauts exploring the moon.

Nammo UK was selected to provide the main descent engines for ESA's Argonaut Lunar lander. It is modular in design so that it can be used in future larger missions with fewer development needs.

Our Moon-related work this past year also extended to helping ensure safe, peaceful and sustainable international cooperation around lunar exploration as a founder signatory of the **Artemis Accords**, building on the principles of the Outer Space Treaty. Our CEO, Paul Bate, attended an Accords Heads of Agency meeting in Milan where it was agreed that the UK, Japan and Republic of Korea would jointly lead on topics around Lunar Debris and Disposal.

Game-changing life support system for Mars missions

Water is fundamental for any permanent future crewed lunar mission. The £1.2m **Aqualunar Challenge** funded by the Agency's International Bilateral Fund, in collaboration with the Canadian Space Agency and Impact Canada, investigated ways to create reliable lunar water supplies. The winners were the SonoChem system, FRANK – Filtered Regolith Aqua Neutralisation Kit and AquaPure. Winning the Grand prize, the SonoChem system uses groundbreaking technology to purify water derived from lunar ice.

Heat and power are crucial elements of space exploration for long-term, long-distance missions. The Agency has made significant strides in **space nuclear systems** which focus on innovative radio-isotope energy technologies. The Endure programme, with an Agency contribution of €26m is developing Europe's first radio-isotope power system using Americium-241. The first system is set to launch on the Rosalind Franklin Mission in 2028, followed by another onboard 2031's Argonaut lunar lander mission. The related PuMA2 project will create national capability for Americium-241 production at the UK National Nuclear Laboratory, securing the supply of this strategic resource for the UK to power the next wave of solar system exploration missions.

The Agency is also funding studies by Rolls-Royce to establish the technical feasibility of the UK supplying nuclear fission reactors to the Artemis programme to provide reliable and continuous power for long-duration human presence on the Moon, potentially paving the way for future missions to Mars.

May 2024 marked an important milestone in UK space development with the opening of the **National Satellite Test Facility (NSTF)** at Harwell operated by STFC RAL Space – the UK's first 'one-stop shop' for testing large satellites.

ExoMars-Rosalind Franklin Mars Rover

Pulsar takes us to Mars and beyond

John McFall at the Paris Paralympics

UKSA involvement with Mars exploration Community.

SUSTAINABILITY

Sustainability – Priority
Deliver capabilities to track objects in orbit and to reduce and remove debris, lead global regulation and standard-setting to make space activities more sustainable.

Working to ensure the sustainable use of space for all

The UK Space Agency continues to deliver against multiple sustainability objectives identified in 2022 as part of our commitment to deliver capabilities to protect UK interests and satellites in orbit and reduce and remove debris. Since 2022 we have been working to ensure space remains accessible, and benefits both current and future generations. Our activities split into three pillars:

1. Preventing behaviours and operations which could be detrimental for space sustainability through development of regulations and industry standards

2. Protecting the space environment through direct action and information provision

3. Promoting awareness of, and action to, ensure space sustainability.

1. PREVENTING FURTHER HARM TO THE SPACE ENVIRONMENT

The UK Space Agency is a core member of the Inter-Agency Space Debris Coordination Committee (IADC), a global governmental forum of 13 space agencies dedicated to coordinating efforts concerning both human-made and natural debris in space. The UK has taken over chairmanship of the IADC from April 2025 to March 2026.

The UK plays a leading role internationally and continues to collaborate with space partners at UN and working group levels to address key issues including:

- Taking a leading role in the Long-Term Sustainability (LTS) Working Group at the UN Committee on Peaceful Uses of Outer Space (COPUOS) and funding related capacity building work.
- Attending the first UN Conference on Sustainable Lunar Activities by its Office for Outer Space Affairs (UNOOSA) in June 2024.
- Funding training events on publicly available Space Situational Awareness (SSA) tools with UNOOSA.

In October 2024, the UK and New Zealand signed a blueprint at the International Astronautical Congress for enabling multi-state **Active Debris Removal (ADR)** and in-orbit servicing missions. The arrangement, the first of its kind, sets out how states will handle liability issues, transparency and international responsibilities.

We also enabled development of Space Sustainability Standards in collaboration with industry to encourage companies to adopt good practice. The first two flex standards (overarching Framework and Launch) were published for consultation in April 2025 by the British Standards Institution (BSI).

In September 2024, we launched a consultation on a proposal to introduce variable liability limits for satellite operations to encourage the adoption of additional sustainability measures to reduce a mission's impact on the orbital environment.

2. PROTECTING THE SPACE ENVIRONMENT

The **National Space Operations Centre (NSpOC)**, led by the UK Space Agency and UK Space Command in partnership with UK Met Office, provides a range of protection capabilities. These include uncontrolled re-entry early warning, satellite collision avoidance, and in-space fragmentation monitoring and warning. New services that went live in 2024 include asteroid early warning, support to satellite operators undertaking collision avoidance manoeuvres, and the launch of our Monitor Space Hazards portal that will automate current and future capabilities.

NSpOC issued alerts and warnings to UK government partners, international partners and the UK space sector relating to 536 uncontrolled re-entries of space objects, 26,894 collision risks to UK satellites and 20 fragmentation incidents.

Alongside the NSpOC's tracking capability, the UK Space Agency has to date invested almost £10m in a national ADR mission. This will launch a spacecraft designed to rendezvous, dock with and then remove two defunct, 'unprepared' UK satellites. It will then safely dispose of them before returning to a safe orbit to be refuelled and reused for a potential third mission. This mission not only builds the capability for the UK to tackle high-risk space debris but also lays the foundations for the UK to lead the way in **In-orbit Servicing, Assembly and Manufacturing (ISAM)** – a market with major growth potential.

A key milestone for this ADR mission was achieved in 2024, with Astroscale and ClearSpace successfully completing Preliminary Design Reviews for respective debris-removal mission concepts – COSMIC and CLEAR. Both were subsequently contracted to further develop and derisk the key technologies required.

Astroscale's Cosmic

ClearSpace removing debris from the space environment

In support of developing the regulatory framework to enable debris removal and wider ISAM missions, the UK Space Agency participates in the cross-government Rendezvous & Proximity Operations (RPO) Sandbox as part of the UK Regulatory Review's implementation. A consortium comprising ClearSpace, Astroscale and D-Orbit is developing a hypothetical RPO mission concept to test the regulatory framework and identify policy gaps.

Alongside the ADR mission, the UK Space Agency also invested in complementary ISAM and Space Weather initiatives through ESA and National Programmes. These include:

- The deep-space Vigil mission for launch in 2031. Vigil will monitor the Sun for significant space weather threats, such as large solar flares that can damage ground and space-based critical national infrastructure. Airbus Defence & Space UK have signed a contract with ESA worth €340m to lead development of the Vigil satellite.
- ELSA-M (Astroscale) and ClearSpace-1 (Clear Space) – two ESA missions to remove space debris.
- RISE and ENCORE which are preparing potential missions to extend the life of satellites that reside in geostationary orbits.
- Upgrades to the ISAM Test Facility at Westcott to support ISAM activities and the wider UK space sector.
- Early-stage technology development via ISAM-focused projects funded through the National Space Innovation Programme (NSIP) and General Support Technology Programme (GSTP).
- Four in-orbit refuelling feasibility studies.
- A roadmap of UK ISAM capabilities and a study of the future ISAM market.

3. PROMOTING SPACE SUSTAINABILITY

To promote awareness of space sustainability and action to ensure it, the Agency has facilitated and led international discussions at numerous space sustainability events, including:

- Sponsorship since 2022 of the annual Summit for Space Sustainability hosted by Secure World Foundation.
- Hosting a global Space Sustainability event in the margins of Space Symposium 2023.
- Hosting a Space Sustainability working group at the Space Generation Congress in October 2024.
- Co-hosting the UK's first ISAM Conference in 2024.

Outcomes of these exchanges have driven valuable work to understand the impact of space activities on our environment, including atmospheric ablation – the potential environmental impact of space debris burning up in Earth's atmosphere. We acted by subsequently funding three complementary studies led by the universities of Southampton, Durham and Leeds which completed in March 2025.

These global dialogues have also driven UK-led research on orbital metrics to identify the acceptable state or threshold for the outer space environment or an agreed model or metric to measure the impact of in-space activities. A suite of studies sought to address this, including a Space Environment Sustainability Assessment presented at the UN Science & Technology Subcommittee in February 2024.

The UK Space Agency is committed to promoting safe and sustainable regulatory practice for lunar operations. We have been active in multilateral fora such as UN COPUOS and the Artemis Accords in raising important lunar sustainability issues, such as lunar post-mission disposal, heritage sites and lunar science preservation. As part of these efforts, we have been working closely with the Republic of Korea and Japan through the Artemis Accords to promote safe and responsible practices for lunar disposal by Artemis Accords member states.

Our Corporate Plan includes a commitment to champion space, including 'advocating for sustainable space activities'.

We therefore increased our education and outreach activities, visiting schools, hosting students at our Harwell campus and connecting with teachers via the National Space Academy. We exhibited and presented at high-impact events including New Scientist Live and the National Student Space Conference.

We also developed an innovative engagement plan with the arts to inform non-traditional and underserved audiences about space sustainability. This includes sponsorship of the 'Our Fragile Space' exhibition by photographer Max Alexander, displayed at various national and international venues between 2022 and 2024, and collaboration with the 'Hours' theatre company to support its production on the impact of space debris.

In September 2024 we launched an online Sustainable Space Community Hub, in collaboration with the BSI and, in November 2024, our Space Sustainability and ISAM team, jointly with AstroAgency, was one of three finalists for a Sir Arthur C. Clarke Award in the 'Education and Outreach' category for promoting UK efforts towards a potential UK ADR mission.

Robot development at ISAM Westcott Test Facility, UK

Time lapse video of ISAM yard upgrade.

Sustainability Outreach work video display.

Ray Fielding video talking about space sustainability and debris.

Boosting regional economies through closer collaboration

The UK's space sector is an increasingly interconnected ecosystem that supports both national and regional economic prosperity.

The ecosystem achieves this through strategic UK Space Agency programmes that closely align with the government's **National Space Strategy** to build national capabilities, catalyse investment and accelerate business growth pathways. It also creates supply chain opportunities through targeted critical infrastructure, ensuring economic stability and driving regional prosperity across every part of the UK. By fostering deep collaboration across academia, industry, entrepreneurs, finance and government, the UK is positioning itself as a global leader in space, while also ensuring that every region benefits from the growth and opportunities the sector offers.

At the core of this transformation is the **UK Space Cluster Network**, a crucial space sector component that strengthens the UK's competitive advantage. The Network represents the space ecosystem's ability to integrate various stakeholders, creating a cohesive and resilient system that fosters innovation, attracts investment and drives regional economic development.

The Space Agency's strategic initiatives – such as the Space Cluster Infrastructure Fund (SCIF), Ecosystem Development Programme (EDP) and UK Space Accelerator – are instrumental in advancing these objectives. These initiatives reflect the government's commitment to investing in infrastructure, enabling collaboration and accelerating commercial success, all of which support the broader goals of the National Space Strategy.

The alignment of these programmes with the cross-government agenda has been crucial for ensuring that growth is distributed across all regions of the UK, reducing economic disparities while strengthening the national space ecosystem.

INFRASTRUCTURE FUNDING

SCIF launched in 2023 and has since played a pivotal role in enhancing space capabilities and attracting private investment into underserved regions outside England's South East.

In 2024, SCIF allocated £49m, resulting in £35m of match funding and further investments, with more than 60% of the funding directed to projects outside the South East. This commitment has created a ripple effect, opening new pathways for local businesses, boosting regional economies and strengthening the UK's overall space capabilities.

One of the standout examples of this growth is iCOMAT in the South West. The company is using SCIF funding to roll out its Advanced Composites Manufacturing Enterprise (ACMA) that leverages **Rapid Tow Shearing (RTS)** technology to improve the production of composite materials for space applications. With £5m from SCIF, iCOMAT attracted an additional £16.9m ($22.5m) in private investment, driving the development of a fully automated production facility. This initiative not only supports innovation within the space sector but also provides local businesses with the opportunity to enhance their skills and engage in cutting-edge R&D. As a result, it's helping the UK lead the world in advanced composite materials for space and adjacent industries.

Further east, Magdrive Ltd. is establishing the **Disruptive Experimental Electric Propulsion Laboratory (DEEP Lab)**, a state-of-the-art facility aimed at advancing electric propulsion technologies for small satellites. SCIF's £2m investment has already unlocked £8.1m in private funding, much of it from international investors, enabling the development of next-generation propulsion systems. This initiative underscores the UK's ability to attract global capital, while fostering collaboration among small businesses, academia and large space companies.

In South Wales, Space Forge is making significant strides in microgravity research with the establishment of the world's first **Microgravity Research Centre**. Funded by SCIF, the Centre will enable the production of novel semiconductors in space – an opportunity impossible to replicate on Earth. By attracting both private and government investment, Space Forge exemplifies the UK's ability to leverage its space capabilities to create world-first technologies that support not only the space sector but also industries across the globe.

These regional investments align with the government's broader goal of ensuring that space economy benefits are felt nationwide. SCIF projects have already catalysed over £700m in projected private investment, with £30m raised in follow-up funding. The impact of these investments is expected to generate £0.5-£1bn in revenue over the next decade, further solidifying the UK's space sector as a key economic driver.

iCOMAT, Gloucester.
Magdrive, Oxfordshire

STRATEGIC PARTNERSHIPS

Collaborative efforts within the UK Space Cluster Network have enabled the formation of strategic regional partnerships like Space North and the South West Space Partnership. These collaborations leverage local expertise to build strong capabilities and attract inward investment. The North of England, for example, has become a critical space sector player, supported by government funding initiatives such as the £5m investment in the North East Space Skills and Technology Centre (NESST). This facility accelerates the development of space technologies and creates new jobs, while also serving as a model for the type of innovation encouraged by the National Space Strategy.

Government-backed programmes like the Space Technology Exploitation Programme (STEP) and Pivot Into Space have played a vital role in encouraging companies to diversify into space technologies, especially in areas like aerospace manufacturing. These programmes have directly led to the creation of new jobs and increased investment, especially in regions with strong engineering and manufacturing bases such as the Midlands and Northern Ireland.

In the North of England, the Space North partnership – that brings together Space Hub Yorkshire, Space North East and North West Space Cluster – represents a dynamic collective of over 280 space-related organisations. This collaboration is focused on building expertise in secure space communications, a critical area of growth for the UK.

With £500k invested into the partnership by the Agency in 2024, Space North is positioning itself as a hub for cutting-edge research and development in space communications, driving both regional growth and international recognition.

The Agency has also played an important role in accelerating business growth across the sector. The UK Space Agency Accelerator, now in its fifth year, has supported 158 businesses, raising £15m in both private and grant funding. These businesses have created jobs and driven innovation, demonstrating the impact of fostering entrepreneurship in a sector traditionally dominated by large firms. Additionally, the Fusion: Connect with Capital programme, aimed at helping early-stage businesses attract investment, has already seen 12 companies raise £2.7m in funding.

The UK Space Agency's Ignite Space events, held annually in key space cluster regions such as Bristol, Leeds and Leicester, have become vital platforms for connecting start-ups with investors. These events attract hundreds of participants from around the world and provide a space for collaboration and idea-sharing, aligning with the National Space Strategy's goal of fostering a thriving space economy.

The UK's space ecosystem is a strong example of how strategic investment and collaboration can drive both regional and national economic growth. As the space ecosystem continues to thrive, the competitive advantage it provides will be felt across every region, creating new opportunities for businesses, research institutions and communities nationwide.

Levelling-Up – Priority
Increase and spread space investment and jobs, by accelerating the growth of a connected network of local space clusters.

NovaSar-1, Surrey.
To Mars and beyond

Dr Paul Bate visiting NI Space.

Dr Paul Bate interviews Orbex COO John Bone.

The UK Space Agency Accelerator supports 158 businesses nationally

Targeted educational outreach delivers for young people, while supporting pathways into space sector jobs.

Engaging the next generation is fundamental to the long-term sustainability of the space sector which is why the UK Space Agency has undertaken a step change in its approach to education over the last three years. In 2022, we created a suite of differentiated, strategic programmes aimed at the entire spectrum of education – from early years up to university and also targeting mid-careers/career converters – underpinned by a significant increase in funding.

Committing £12m over three years, the new programmes seek to capitalise on curious young minds, provide advocacy on space and the career paths that lead towards the sector, and help people skill up in order to enter the sector. Working with partner organisations chosen for their track record in education delivery, the Agency has increased its impact on the nation's future workforce.

SPACE TO INSPIRE

Designed for our widest demographic, the Space to Inspire programme focuses on engagement through the social lives of young people and their families, introducing space in the context of everyday life, and providing a wealth of activities in local communities. This includes working with the Scouts, the UK's nationwide network of Science and Discovery Visitors Centres, working with planetaria and also through science fiction and popular books for young people, all focused on bringing the excitement and criticality of space activities to as wide an audience as possible.

SPACE TO LEARN

Space to Learn provides interventions, support, and guidance as students start to discover their interests and strengths. Mainly focused on secondary-level students through to further education, but engaging also at pre-school and primary level, the programme provides a wide gamut of activity to those undertaking qualifications and beginning to consider their career path. With a focus on interactivity, activities include full-day masterclasses, careers conferences, week-long educational camps, practical challenges, access to space sector professionals, teacher training and in-class resources.

Annual events include Mars Day and Protecting Our Planet Day, partnering with TV programmes including the BBC's *Frozen Planet II* and *Springwatch*. We've reached over a million pupils and teachers online, with webinars from NASA, ESA and UK engineers, scientists and professionals. By delivering projects that allow students to engage with real space professionals, to experience practical challenges, and even to speak directly to the International Space Station, we're helping transform space into a more achievable, attainable goal for the UK's young people.

SKILLS FOR SPACE

Skills for Space is aimed at undergraduate, post-graduate and doctorate-level students, those on non-academic pathways, and those already in mid-careers. The programme helps people get their first space sector job, encourages non-STEM graduates to consider the industry (there is an abundance of roles to be filled beyond the stereotype of rocket engineer or astronaut), and provides opportunities for people before and after they graduate.

In 2023 we delivered the space skills survey to help identify the top skills gaps in the sector. In turn, the results helped us create a brand-new training programmes fund to address these shortages. The fund has seen £2.1m go toward five new courses, with 4,533 delegates so far receiving continuing professional development.

Space debris highlighted via theatre

Inspiration – Priority
Deliver a programme that inspires young people to pursue STEM education, attracts talent to the UK space sector, and demostrates the benefits of space science technology, and applications. You can see performance metrics on pages 38-43.

HELPING FUNDING GO FURTHER

Between 2022 and 2025, the Agency committed just under £12m to these initiatives – almost seven times the budget of the previous cycle. For all three programmes, quality, impact and sustainability were goals from the start, with a requirement for projects to deliver beyond government funding. Significant second order benefits resulting from the projects include upskilled teachers, volunteers, science centre staff and Scout leaders, multi-use teaching resources, and newly recruited Space Ambassadors. Training courses developed for the programme also continue to roll out to new cohorts.

Removing barriers to access was also a major factor in the design and delivery of projects. We specifically targeted under-served regions and audiences to ensure equality of opportunity. For example, our partnership with the Jon Egging Trust (JET) engaged some of the most challenged young people in the country, and £1m of funding was provided towards 15 community projects, through our **Space for All** fund.

At the undergraduate level, traditional internships are a boon to some, but a major barrier for others. To redress the imbalance, we developed a scheme that gives 8-week long, paid summer placements to first and second-year university students. Working with the Satellite Applications Catapult, our **Spintern** programme recruited space sector organisations to offer placements for between 60-100 students, where around 70% of participants go into jobs after their placement. In future years we plan to make this scheme more accessible to those from deprived or more diverse backgrounds.

MEASURING SUCCESS

Measuring the impact of the programmes is key to their ongoing success. To do so, we developed a new metric – participant hours – giving us an overarching method to measure our reach. So far, since April 2022 the Space Agency has achieved 13 million high-quality participation hours, reported by grant recipients across more than 35 funded projects. With over 15 million hours projected overall, we've doubled our initial target of 7 million hours.

With projects that enrich classrooms, early and mid-stage career initiatives, and an approach underpinned by equality of opportunity, the Agency is building a pipeline of the curious and capable, and pathways into jobs. As we look towards 2026 and beyond, we will continue our efforts to engage students from an early age, increase the uptake of STEM subjects, fund further internships and mid-career opportunities, and improve the UK's skill base for a future-proofed workforce.

John McFall at the IAC2024.

European Astronaut Reserve Dr Meganne Christian talking.

ESA Astronaut Dr Rosemary Coogan looking back on 2024.

Spacejunk Theatre Project

Orbex space open day

SPACE: AN INTERNATIONAL TEAM SPORT

Forging global connections with The International Bilateral Fund

The UK Space Agency is a long-standing advocate of international relationships and collaboration within the space sector. In 2023, we launched our first funds dedicated to building and strengthening the UK's ties with international space partners beyond ESA member states.

The International Bilateral Fund (IBF) sets out to connect the UK with countries that share our strategic priorities, capitalising on combined expertise and resources to achieve a unified goal. Those goals can be diverse, from satellite applications to astronomy to fundamental science, and funding is available to industry, academia and research organisations. The programme aims to enhance the UK's national capabilities, meet the desire of collaborators seeking to partner with us on key projects, and help rapidly progress emerging ideas from concept stage to well along the technology readiness curve.

Backed by £20m in funding, the IBF rolled out its first phase in 2023. Supporting 30 projects with roughly £75,000 each, this initial tranche of funding saw partnerships with organisations from Canada, Australia, the US, Japan and South Korea.
In the second phase, announced in 2024, the Agency chose 11 projects to move forward based on a review and prioritisation process, with up to £13m available per project over 11 months. This phase signals the success of UK organisations in turning provisional agreements into tangible working relationships with international partners. Overall, 42 overseas organisations from 12 countries formed partnerships with UK leads.

BEYOND EUROPE

UK participation in non-ESA space missions is a central objective of the IBF, and there are several examples of funding and activity helping to secure UK roles in varied missions. These include the XCAM-led project, where the Indian Space Research Organisation has identified scientific missions which could incorporate UK equipment, and a potential link between Physical Mind London and the NASA-led Lunar Gateway programme.

COMMERCIAL POTENTIAL

With projects generally at a pre-commercialisation stage and/or research-driven in nature, it's too early to report on realised revenues. However, participants were able to provide estimates of potential future revenues. While not solely attributable to IBF, these include an estimated £46.5m between 2025-32 for one project, and an aggregate £53m in infrastructure-related revenues.

INNOVATION AND APPLICATION

The work the IBF supports will have impact beyond the projects themselves, with funding leveraged for space-based R&D opportunities with a broad variety of applications. Terrestrial applications include environmental and climate science research, agriculture, fishing and aquaculture, food and rural affairs, power generation, astronaut health, and in-situ resource utilisation.

SUPPORTING JOB GROWTH

The IBF programme supports the UK Space Agency in its drive to stimulate the economy and create jobs. The partnerships supported by the IBF are wide ranging: 30% are from industry, 28% from academia, 23% from space agencies, and 19% from public organisations, with potential for job creation across an equally wide mix of employment.

EMERGING STORIES – ACCELERATING AI

Co-funded with the Australian Space Agency (ASA), the University of Strathclyde is leading an initiative focused on 'AI for Space Operations, Safety and Sustainability'. The £1.5m project aims to accelerate space applications of AI in high-priority areas, including space object behavioural analysis, autonomous operations and long-term space sustainability. Alongside this, the project aims to lay the foundations for an Institute supporting AI for Space Sustainability.

The consortium for this project consists of several partners from industry and academia, spanning the UK, Australia, the US and Canada. Within the project team new ideas for potential projects and collaborations across the consortium have arisen, and the University is in conversations with US and Canadian partners on proposals for future collaboration.

EMERGING STORIES – PAYLOADS PAY OFF

Receiving £1.5m in funding, In-Space's Dedicated Regional Asia-Pacific Government Collaboration to Increase Overseas Exports of Novel Space Technologies project (handily shortened to DRAGON) stands out as an emerging commercial story. The project is developing payloads to be deployed on the Faraday Dragon rideshare mission. Scheduled to launch by 2027 it will be the world's first Asia-Pacific (APAC) multi-agency rideshare mission, bringing together space entities from the UK, Philippines, Singapore, Taiwan, Thailand and Vietnam. The development of these payloads has been the main objective of In-Space's (owned by BAE Systems) participation in the IBF, with the fund acting as a catalyst for new commercial relationships in the APAC region.

EUROPEAN SPACE AGENCY

Major Geo-Return improvement in two-year turnaround

In November 2022, the UK Space Agency committed approximately £1.8bn to ESA activity. This funding goes towards diverse programme lines, crossing all of our priorities. As a member of ESA, the funding we contribute is subject to certain rules, one of which – the Geographical Return rule (Geo-Return) – sets out the principle that for every Euro we invest with the ESA, we should get a Euro back in industrial contracts (minus a set percentage for overheads). Under this system, the UK has consistently operated in a deficit, limiting our ability to invest and achieve our goals.

In the second quarter of 2022, the UK was running a Geo-Return deficit of €175m. By the end of 2024, the Agency had reduced that by two thirds and achieved the status of highest performing member over the period for this measurement. In terms of real-world impact, this equates to approximately €134m in additional contracts for UK industry, with €96m secured in the final quarter of 2024 alone. Based on independent monitoring, every Euro brought back into the UK has a spillover benefit of 9.80 Euros. Using this modifier, the UK's Geo-Return now brings €1.3bn of benefits into the economy.

Lift-off for ESA's Ariane 6

Demonstrating AI at ISOM

Our **People**

We are committed to ensuring that we are an inclusive, diverse and respected Agency that is representative of the value it brings to the community. We strive every day to build a positive and respectful workplace culture so that our staff feel safe and motivated to be themselves, and are empowered to deliver our business priorities whilst fulfilling their potential.

The 2024 Civil Service People Survey (CSPS) ran from 10 September to 8 October 2024. As in previous years, we were measured as an Agency in our own right. The UK Space Agency participation rate was 77%, a decrease of 4 percentage points over the previous year, but higher than the overall Civil Service response rate of 61%, reflecting a good level of engagement from our people.

The Agency had an Employee Engagement Index (EEI) score of 71%, an increase of 6 percentage points over the previous year. The EEI is shaped by five individual questions as well as measuring responses to nine key themes as shown in the table below.

Overall, the results reflected a positive upwards trend with 5 out of 9 key theme scores improved, with significant improvement in the Leadership & Managing Change (up 7 percentage points) and Bullying & Harassment scores (down 3 percentage points). Whilst the scores are encouraging, we have further to go to achieve our ambition of creating an Agency which is a Great Place to Work for our staff.

After detailed analysis of the results, our Agency senior leadership team agreed to continue to focus on 5 identified priority areas in 2025, which are:

- Resources & Workload
- Leadership & Management
- Culture & Values
- Learning Culture
- Pay & Benefits

People Survey results	Civil Service 2024	UKSA 2024	UKSA 2023	UKSA 2022	UKSA change from 2023 +/- %	UKSA vs CS difference 2024
My work	78%	79%	80%	77%	-1	+1
Organisational objectives and purpose	83%	82%	86%	80%	-4	-1
My manager	78%	77%	78%	75%	-1	-1
My team	84%	85%	82%	84%	+3	+1
Learning and development	56%	52%	53%	44%	-1	-4
Inclusion and fair treatment	81%	81%	79%	73%	+2	-
Resources and workload	76%	72%	69%	66%	+3	-4
Pay and benefits	34%	28%	25%	25%	+3	-6
Leadership and managing change	52%	60%	53%	49%	+7	+8
EEI index	64%	71%	65%	61%	+6	+7

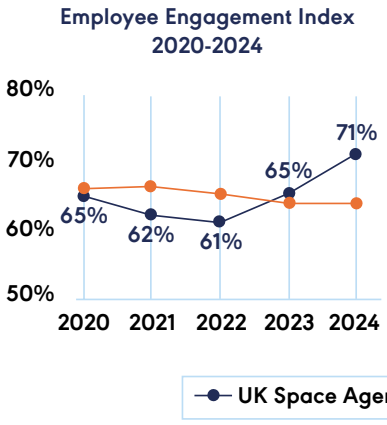
Continuing with the same priority areas in 2025 as in 2024 reflects the interconnected nature of these themes and their ability to strengthen one another. This approach also allows us to build on the positive progress seen in the People Survey results of 2023 and 2024. We are particularly looking to focus on four key insights from our 2024 results:

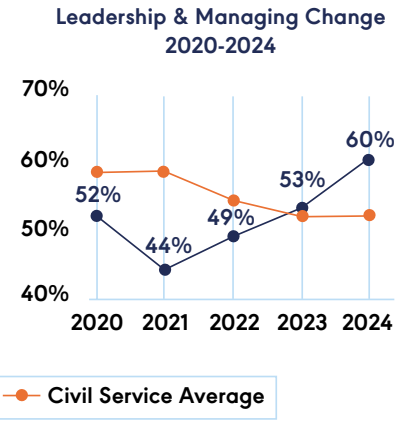
- Getting the Basics Right
- Improving Communication
- Supporting our Grade 7 Community
- Supporting Staff Living with Disabilities and Long-Term Conditions

Feedback in the People Survey highlighted that getting transformation done and doing it well was important to our people. In response, the People Survey Action Plan is now aligned with the UK Space Agency Responsible Pioneers People Strategy 2024-2029.

We are committed to fostering a safe and inclusive workplace, where everyone feels valued and respected. Bullying, Harassment, and Discrimination (BH&D) and all other forms of inappropriate behaviour have no place in our Agency. Since the 2022 Civil Service People Survey, we've made significant progress in reducing these issues. This reflects the collaborative effort between our Agency Leadership Group, the People Directorate, and initiatives like regular pulse surveys and Respect at Work.

By fostering a culture where employees feel empowered to speak up, we've achieved a 3 percentage point decrease in reported bullying and harassment (11 percentage points since 2022) and a 2 percentage point decrease in discrimination (4 percentage points since 2022). This demonstrates a crucial shift: not only do employees feel safe reporting incidents, but they can also see action being taken. While BH&D remains a priority, we're confident we're on the right track and remain committed in continuing our interventions to encourage and empower staff to report inappropriate behaviour, and in ensuring policies are in place to support people and teams to take necessary action.





UK Space Agency — Civil Service Average

Our People, our story

Our **Finances**

Over the three years of the 2022-25 corporate plan, we have held a focus on improving our financial management and this year marks the second year in a row we have met our financial target set by DSIT and HM Treasury. This financial year, we have continued to provide a diverse range of funding to the sector.

The UK Space Agency had a final Capital Departmental Expenditure Limit (CDEL) allocation for 2024-25 of £618.2m, a 1.2% increase on the corporate plan refresh published in May 2024. This uplift is due to funds received for Agency's Earth Observation Investment Package, as well as other in-year budget transfers from other government departments.

A key Agency financial objective is to outturn an underspend of less than 1% against the financial target for CDEL, which was set as the Agency's forecast position at 30 September 2024. In 2024-25, the Agency achieved the CDEL financial target with a variance of 0.3% overall. Throughout the year, the Agency is required to advise DSIT of its total forecast net expenditure for the year, in support of HM Treasury requirements to adhere as closely as possible to the forecast.

The Agency's financial objective only applies to CDEL budget lines, recognising Annual Managed Expenditure (AME) budgets are more challenging to manage. The Agency's Resource Departmental Expenditure Limit (RDEL) relates predominantly to in-year depreciation. Control totals are set for both DEL and AME, applicable to the DSIT Departmental Group, which the Agency is part of.

The final AME outturn was in line with budget; these costs arise from the difference in the fair value of forward exchange rate contracts on inception as compared to the fair value of the contracts at their settlement date or as at end of the financial year. The variance against target on RDEL relates to a write-off of a doubtful debt that materialised in the latter half of 2024-25.

The table below includes the details of the budget, financial target agreed with DSIT and outturn against each budget. There were challenges and risks materialising on individual budget lines throughout the year; however, the Agency managed the overall position well through regular reviews of forecasts and taking mitigating decisions based on them. The reported variances are the difference between outturn and budget and the agreed financial target.

The difference between the overall outturn in the table below of £659.8m and the total comprehensive net expenditure for the year as reported on the Statement of Comprehensive Net Expenditure of £637.7m relates to the net loss on disposal of cashflow hedges of £17.1m, in year asset capitalisations of £4.7m and new provisions of £163k, which have differing budgeting and accounting treatments.

Table 1: UK Space Agency's Outturn 2024-25

	2024–25				
	Budget £000	Agreed financial target £000	Outturn £000	Variance against budget £000	Variance against target £000
CDEL	618,242	618,278	616,143	(2,099)	(2,135)
RDEL	2,273	1,433	2,289	16	856
AME	44,638	27,038	41,331	(3,307)	14,293
Total 2024-25	**665,153**	**646,749**	**659,763**	**(5,390)**	**13,014**

FOREIGN EXCHANGE HEDGING IMPACT OF ESA COMMITMENTS

To aid budgetary certainty, the Agency manages a portfolio of foreign exchange forward contracts. In November 2022, at the ESA Council of Ministers meeting (CMin22), the Agency made commitments to ESA for the period 2023 to 2028, with some commitments stretching to 2030. Approval was received from HM Treasury to secure further forward contracts to cover the obligations from CMin22 up to financial year 2027-28.

In December 2023, the Agency entered forward exchange contracts for the following four years to cover existing ESA payments within its portfolio. These financial instruments are subject to significant variances; their underlying fair value measured as at 31 March 2025 resulted in a recognised notional revaluation loss of £39.5m. These non-cash movements are outside the control of management and are therefore classified as AME. No new forward foreign exchange contracts were entered into in the financial year 2024-25.

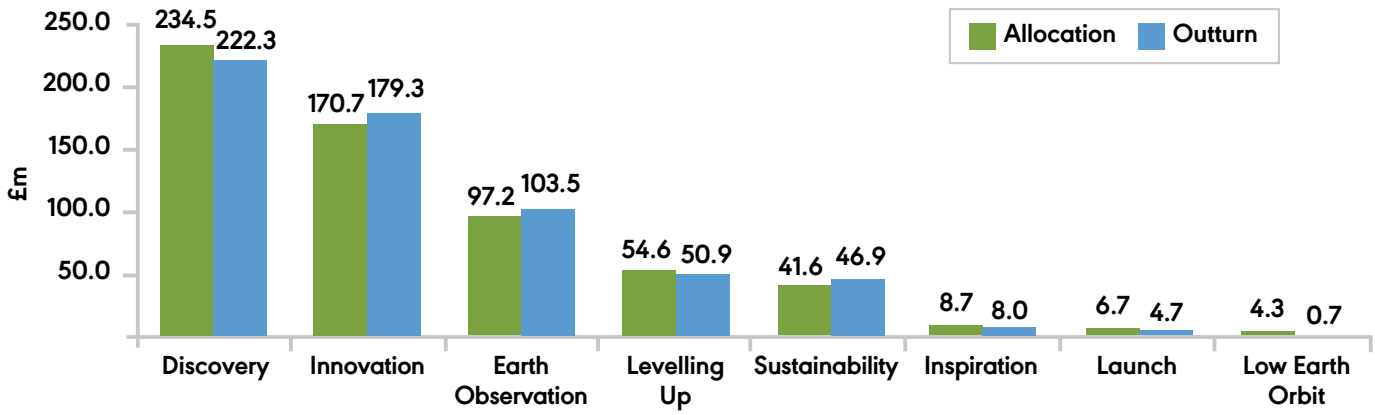
In December 2024, the Agency's contribution to ESA for the 2025 calendar year was approved by ESA's council. The value of the 2025 membership was set at a level to ensure affordability of contributions within the 2024-25 financial year; however, this created a £2.2m constructive loss on foreign exchange maturing in January 2025. The constructive loss is treated as CDEL for budgeting purposes.

More information about the forward exchange contracts can be found on page 101 in Note 9 to the Financial Statements, Other Financial Assets and Liabilities.

HOW WE SPENT OUR 2024-25 BUDGET

The chart below includes delivery costs; therefore, the figures are not directly comparable to those in the Note 4 to the Financial Statements, Total Expenditure, on page 98.

Graph 1: Our 2024-25 allocation and how we spent it (excluding depreciation and AME)



DETAILED SPENDING BREAKDOWN

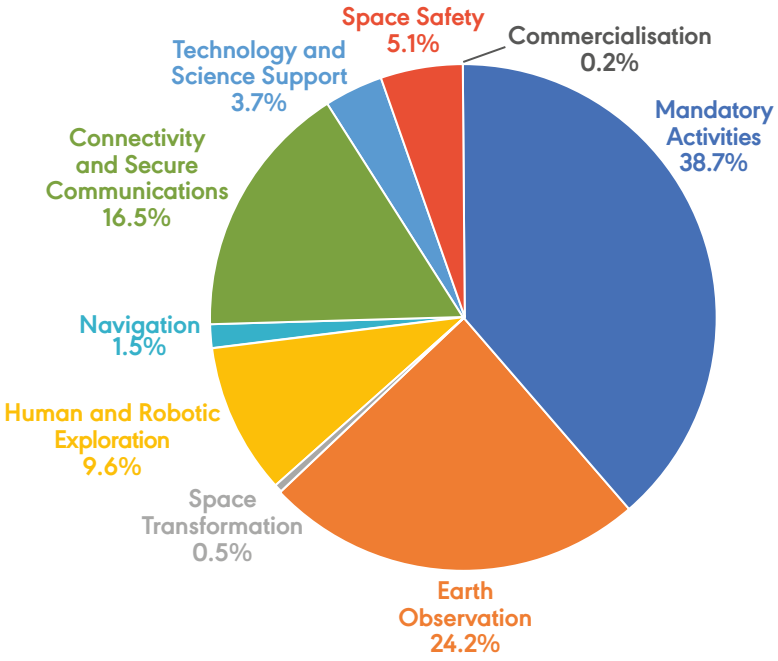
1. European Space Agency (ESA)

During 2024-25, the Agency spend on ESA was £368.0m. Subscriptions to ESA totalled £365.8m and £2.2m was due to a constructive loss on a foreign exchange transaction related to ESA membership payments.

The Agency's commitments to ESA are agreed at Council of Ministers (CMin) meetings, scheduled every two to four years. The most recent meeting was held in November 2022 (CMin22) where the UK announced it will invest £1.6bn to deliver international space programmes over the following 5 years. This investment secured UK involvement in international space missions and the development of new technologies. The next ESA Council of Ministers will take place in November 2025 (CMin25), preparation for which is currently underway within the UK Space Agency.

The current obligations to ESA extending into 2030 and including CMin22 subscriptions stood at £2.3bn and the portfolio can be summarised into the nine key categories shown opposite.

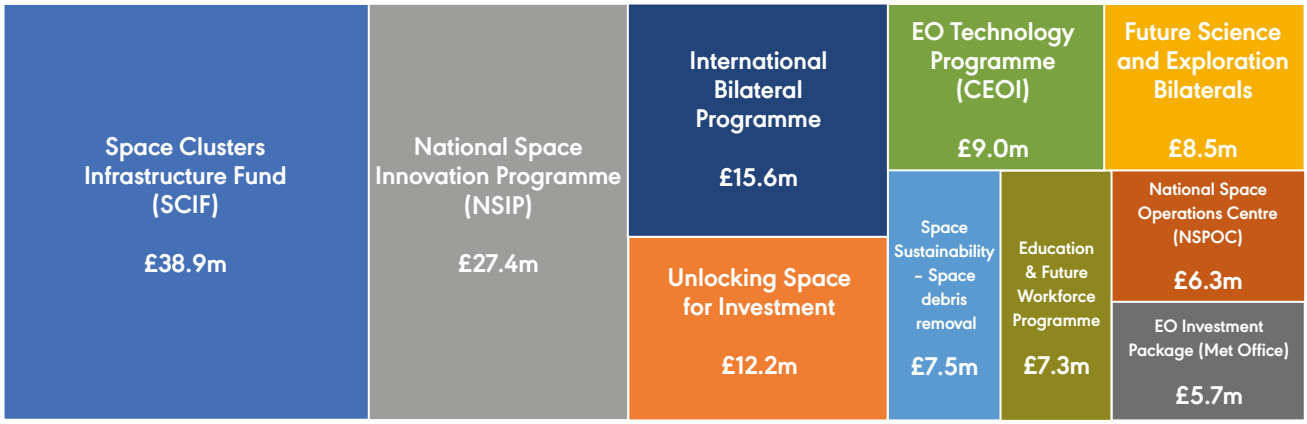
Graph 2: ESA Subscription Portfolio 2024-25



2. Non-ESA Programmes

Graph 3 details the 2024-25 outturn, split by the various programmatic expenditure carried out in 2024-25 outside the ESA subscription. Please note this chart captures the 10 largest areas of spend on UKSA activities (excluding ESA) during 2024-25. These 10 areas comprise 56% of total National Programme spend for 2024-25.

Graph 3: Programmatic spend outside the ESA subscription

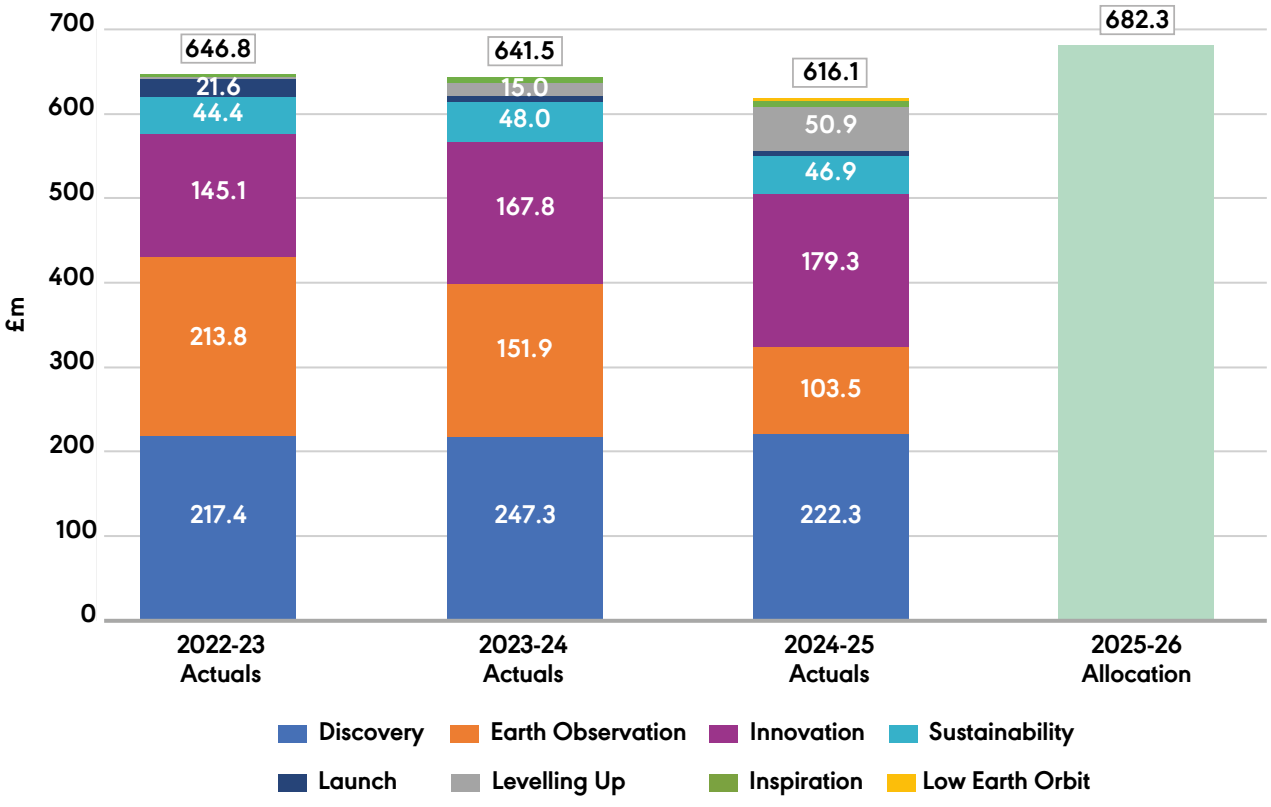


EXPENDITURE TREND

Due to the nature of space missions, expenditure on such programmes is managed across multi-year profiles. Graph 4 below shows the historic expenditure trend during the 2022-25 corporate plan period (excluding AME) and budget allocation for 2025-26 as included in the published corporate plan priorities. The Agency has seen a decrease in CDEL outturn of £25m since financial year 2023-24.

The 2025-26 budgets reflect the Corporate Plan, confirmed as part of the DSIT Phase 1 Spending Review settlement concluded in the first quarter of 2025.

Graph 4: Spending trend over the last spending review period, including the 2025-26 allocation



Our **Performance**

At the start of our corporate planning period in 2022, we introduced clear performance metrics to guide the Agency. They aimed to transform our organisation into one focused on delivering results and creating meaningful value in our sector. Metrics drive accountability, align our work with strategic goals, and foster a culture that motivates our teams, encourages innovation, promotes transparency, and ensures progress.

By 2024-25, we achieved strong results, meeting or exceeding the target in 27 metrics. This progress signifies a jump from achieving 44% of targets in 2022 to 79% this financial year.

Highlights Include:

- **Organisational Health Metrics:** Improvement in employee engagement by 10 percentage points since 2022 and instances of bullying and harassment halving.
- **North Star Metric (NSM):** The data collected demonstrates that the Agency catalysed at least £2.2 billion of investment and revenue within the sector in 2024-25.
- **Financial Success:** Improved return on investment, with a Geo-Return score of 0.99 representing €133.8 million in additional contracts for the UK space industry.
- **Stakeholder Engagement:** Exceeding Championing Space target hours for two consecutive years, with nearly 8 million engagement hours this year alone.

Table 1: Agency Metric Performance for 2024-25

Key:	Agency Total
Not on Target	4
Close to Target	3
Target Achieved	27
Non-Active	0

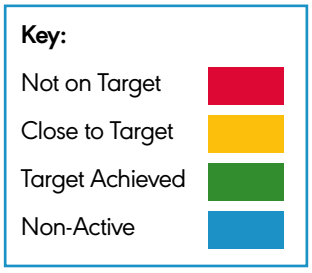


Table 2: Performance metrics categorised by RAG status and theme.

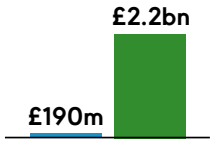
Metric RAGs	Financial Year 2022-23	Financial Year 2023-24	Financial Year 2024-25
Target Achieved	16 (47%)	23 (68%)	27 (79%)
Close to Target	3 (9%)	4 (12%)	3 (9%)
Not on Target	6 (18%)	0 (0%)	4 (12%)
Non-Active	9 (26%)	7 (21%)	0 (0%)

AGENCY-WIDE METRICS

These metrics evaluate the value that the UK Space Agency provides to our stakeholders, focusing on our efforts to empower the sector, deliver key programmes, and enhance awareness and support for space.

The Agency tracked three metrics across our portfolio to ensure we met our core role shown in the table below.

THEMES	METRICS	2022-23	2023-24	2024-25
Agency-wide	**1. North Star – Catalysing Investment** Value (contract revenue and investment) in the UK space sector attributable to UK Space Agency activity (North Star Metric).			
	2. Delivering Space Capabilities and Missions Confidence that UK Space Agency programmes aiming to deliver capabilities/missions will realise their benefits.			
	3. Championing Space Time spent participating in UK Space Agency-supported activities that aim to champion space.			

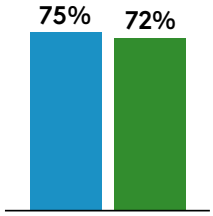


Investment catalysed
Target £190 million
Realised £2.2 billion

North Star Metric:
Introduced in 2022, the North Star Metric (NSM) quantifies the investment and revenue catalysed by the Agency in the UK space sector, serving as our principal measure of success within the corporate performance framework. Data collection for the NSM occurred in two phases:

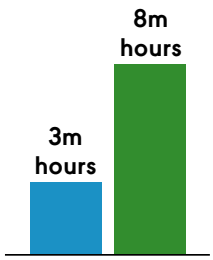
Phase 1 involved capturing historic data from 2018 to 2023, reporting that a total of £902 million had been catalysed in investment and revenue.

Phase 2 expanded the scope to include more programmes and to report on the amount of investment catalysed and revenue generated on an annual basis. Our data shows that Agency activity to date has catalysed investment and revenue of at least £2.2 billion within the sector in 2024-25. It is important to note these figures currently offer only a partial view, as data from some legacy programmes remains unavailable. Nevertheless, this success underscores our determination to drive growth and innovation within the UK space industry.



% of programmes on course to deliver benefit
Target 75%+
Realised 72%

Delivering Space Capabilities and Missions:
This metric evaluates our confidence in realising benefits across the parts of our portfolio which deliver missions and capabilities. Priorities and Agency funding to March 2030 are being determined through the Spending Review and subsequent DSIT business planning, with the metric shifting from green to amber as a result. However, the rollout of a new Target Operating Model and a longer-term budget from 2026-27 is expected to ensure clarity and support sustained programme delivery.



Engagement hours championing space
Target 3 million hours
Realised 8 million hours

Championing Space:
A growing UK space sector depends on strong public, investor and customer support. To ensure that the Agency has influence across a range of audiences, in 2022, we began monitoring the time stakeholders spent in events designed to build their engagement. Since the start of monitoring, Agency programmes enabled 20 million hours of interaction with industry and the wider public. Highlights include our Education & Future Workforce programme with 13.5 million interaction hours and our Space to Learn initiative reaching 40,000 students across 750 schools.

PRIORITY-LEVEL DELIVERY

These metrics assess our effectiveness in achieving our priorities and reflect the activities to which we have dedicated the most resources in support of the sector. They underpin our budget and programme plans and assist us in designing the necessary structure, skills and operating model.

THEMES	METRICS	2022-23	2023-24	2024-25
Launch	**4. North Star Metric** Contract revenue and investment in the UK space sector attributable to UK Space Agency activity.			
	5. Improvement in TRL Average annual improvement in Technological Readiness Level for UK Space Agency-supported projects.			
	6. Pathfinder Launches Completion of UK Space Agency-supported pathfinder launches.			
	7. Engagement Hours Hours participants spend in activities that champion space.			
Innovation	**8. North Star Metric** Contract revenue and investment in the UK space sector attributable to UK Space Agency activity.			
	9. Improvement in TRL Average annual improvement in Technological Readiness Level for UK Space Agency-supported projects.			
	10. Engagement Hours Hours participants spend in activities that champion space.			
EO	**11. North Star Metric** Contract revenue and investment in the UK space sector attributable to UK Space Agency activity.			
	12. Improvement in TRL Average annual improvement in Technological Readiness Level for UK Space Agency-supported projects.			
	13. EO capability and benefits derived from space technology Employment created by non-ESA programmes from UKSA investment.			
	14. Engagement Hours Hours participants spend in activities that champion space.			
LEO	**15. Completion of LEO mandate scoping** Completion of Lower Earth Orbit mandate scoping exercise.			

Each metric is assigned a status by metric leads as per the key below.

Key: Not on Target | Close to Target | Target Achieved | Non-Active

PRIORITY-LEVEL DELIVERY

THEMES	METRICS	2022-23	2023-24	2024-25
Sustainability	**16. North Star Metric** Contract revenue and investment in the UK space sector attributable to UK Space Agency activity.			
	17. Improvement in TRL Average annual improvement in Technological Readiness Level for UK Space Agency-supported projects.			
	18. UK-licensed satellite operators receiving timely warnings of orbit events. Proportion of UK-licensed satellite operators receiving the UK's independent and timely warnings of orbital events.			
	19. Engagement Hours Hours participants spend in activities that champion space.			
Discovery	**20. Number of leading UK roles in UKSA-supported discovery activities** Number of leading UK roles in UKSA-supported discovery activities.			
	21. Engagement Hours Hours participants spend in activities that champion space.			
Levelling Up	**22. North Star Metric** Contract revenue and investment in the UK space sector attributable to UK Space Agency activity.			
	23. Engagement Hours Hours participants spend in activities that champion space.			
Inspiration	**24. Engagement Hours** Hours participants spend in activities that champion space.			

These metrics show our programmes delivering tangible benefits, with technology improvements and supported jobs meeting expectations, and UK Space Agency funding catalysing investment across the sector. However, three targets were missed, primarily in the Launch Programme. Challenges arose following consortium changes and withdrawals, delaying pathfinder launches. Despite these hurdles, the Agency remains committed to achieving the UK's launch ambitions, with SaxaVord's first launch planned for 2025-26. The delays also affected one of our educational initiatives, resulting in unmet engagement hours targets. Additionally, the rating for the proportion of UK-licensed satellite operators receiving orbital event warnings shifted from Green to Amber, reflecting more ambitious targets set this year.

Although our Sustainability Priority did not meet its target for catalysing investment and generating revenue, it is important to highlight that we greatly exceeded our overall investment target. Not every project catalyses investment or revenue at the same pace, reflecting the diverse nature of our projects and their unique impacts within the sector. Moving forward, we will use the data we have collected to create more accurate forecasts for our programmes, helping to ensure that we are effectively meeting the needs of the sector.

ORGANISATIONAL HEALTH

The effective delivery of our Priorities is anchored in two essential areas: ensuring the wellbeing of our staff and upholding financial responsibility. To make certain that our organisation remains steadfast in its commitment to these principles, we set ambitious metrics in this area:

THEMES	METRICS	2022-23	2023-24	2024-25
Organisational health	**25. Forecast outturn budget spend within target margin** Forecast outturn budget spend within +0/-1% of agreed target.			
	26. Staff engagement within UK Space Agency Employee Engagement Index within the UK Space Agency (provided through the Annual Civil Service People Survey).			
	27. Bullying and harassment in UK Space Agency Decreasing bullying and harassment at UK Space Agency, based on staff feedback in the Civil Service People Survey.			
	28. Discrimination in UK Space Agency Reducing discrimination and harassment in UK Space Agency, based on staff feedback in the Civil Service People Survey.			
	29. UK Geo-Return The metric tracks UK industry contracts versus UK Space Agency's ESA contribution, with quarterly reports assessing progress and forecasts.			
	30. Staff Engagement - Confidence that Action will be taken Assessing whether senior managers at UK Space Agency will take action based on the results of the People survey.			

Our Corporate Plan placed a strong emphasis on prioritising staff wellbeing and development, recognising these elements as crucial to achieving organisational excellence and success across the sector.

Over the past three years, the 2024 People Survey demonstrated tangible progress, with employee engagement rising by 10 percentage points, from 61% in 2022 to 71% in 2024, now standing 7 percentage points above the Civil Service average. Reports of bullying and harassment halved to within 1 percentage point of the Civil Service average, while improvements in resource and workload scores, up by 6 percentage points, indicate enhanced ability to manage demands effectively.

Furthermore, the Agency significantly enhanced its financial management practices, meeting ambitious targets set for managing public funds. Notable achievements include winning an additional €134 million in contracts for the UK Space Sector from ESA, and maintaining budget forecasts within target for the past two consecutive financial years after exceeding it in 2022.

TRANSFORMATION

Since its launch in 2022, the Agency's Integrated Transformation Programme (ITP) delivered significant progress across its three-year span, concluding this year as a critical enabler of our ambition to become a delivery-focused organisation and an exceptional place to work.

THEMES	METRICS	2022-23	2023-24	2024-25
Transformation	**31. Discovery Phase Delivery** Successfully completing the Discovery phase of the Integrated Transformation Programme (ITP) within the stipulated time, cost, and quality parameters.			
	32. UK Space Agency staff confidence in charge Strengthening staff trust in the Agency's leadership and its management of change processes.			
	33. Deliver financial benefits Benefits realisation of Integrated Transformation Programme.			
	34. Designing and implementing a new organisational structure Developing and instituting a new framework for UK Space Agency through the integrated Transformation Programme (ITP), including Tier 1 and 2 organisational structures.			

The programme drove significant improvements, including a comprehensive organisational redesign through the new Target Operating Model (TOM) to enhance delivery efficiency. We have streamlined processes and boosted operational effectiveness.

Key achievements include achieving our metrics on Discovery phase delivery and designing and implementing a new organisational structure, and increasing staff confidence in change delivery from 49% in 2022 to 60% in 2024.

The delivery of financial benefits from ITP metric shows red but this is to be expected as the transformation programme was still underway in the year covered by this report. Beginning from next year we will see financial savings due to reduced salary bill and consultancy costs, these are forecast to reach a total of £38.5 million by 2031-32.

Each metric is assigned a status by metric leads as per the key below.

Key: Not on Target | Close to Target | Target Achieved | Non-Active

Corporate Plan **Milestones 2024-25**

Our Corporate Plan, published in July 2022, set out the key delivery milestones the UK Space Agency aimed to achieve across each financial year from 2022 to 2025. Following the Corporate Plan Refresh in November 2023, we updated the list of milestones and adjusted the delivery timelines for the remaining years.

In 2022-23, we planned 32 milestones and successfully completed 23, achieving a 72% completion rate. In 2023-24, the number of planned milestones rose to 65, with 51 completed, increasing the completion rate to 78%. In 2024-25, there were 39 planned milestones and 34 completed, reaching a completion rate of 87%.

While some milestones are dependent upon external partners, such as the European Space Agency (ESA), and are therefore outside of the Agency's direct control, they remain an important way of demonstrating the UK Space Agency's significant contribution to the national space sector.

PRIORITY	MILESTONES IN 2024-25 CORPORATE PLAN	Completed?
Discovery	Flight model of UK-built Front End Electronics unit delivered to European Space Agency (ESA) for PLATO mission	YES
Discovery	Completion of Provisional Design Review for the first European Large Logistics Lander (EL3) mission	NO - Externally cancelled
Discovery	Scheduled release of initial data from ESA EUCLID telescope	NO - Delayed to October 2025
Discovery	UK astronaut mission research and development grants placed (subject to commercial sponsorship)	NO - Externally placed on hold
Discovery	Delivery of UK built flight model for Soft X-Ray Imager instrument (SMILE Mission)	YES
Discovery	Completion of Critical Design Review for Enfys instrument	YES
EO	ESA Earth Explorer-12 (EE12) candidates selected for Phase 0 feasibility study	YES
EO	Completion of Centre for Earth Observation Instrumentation projects	YES
EO	MicroCarb Solar Induced Fluorescence (SIF) processor development and testing complete	YES
EO	ESA Ground Segment tender agreed for prime company procurement (ESA TRUTHS mission)	YES
EO	UK Space Agency support concluded for successful InCubed projects to enable allocation of ESA funding	YES
EO	UK Space Agency formally accepts Chair role for Committee of Earth Observation Satellites	YES
Innovation	Launch of ARTES funding calls for Scylight, 5G, and General themes	YES
Innovation	Publication of monitoring and evaluation findings for NSIP	YES
Innovation	Completion of Gateway 0 review for NSIP Call 1 projects (Kick Starter, Major Projects)	YES
Innovation	Completion of NSIP down-select projects	YES
Innovation	Completion of ETP projects (calls 1-4)	YES
Innovation	Unlocking Space for Investment implementation of business and investor pathway	YES
Innovation	Moonlight – Assessment and award of the partnership call	YES
Innovation	Unlocking Space for Business project funding call opened	YES
Innovation	Deadline for first and second round BASS Kickstart applications	YES
Innovation	Completion of GSTP evaluation panels	YES
Inspiration	Completion of International Bilateral Fund Phase 2 projects	YES
Innovation	Completion of NSPTF reviews	YES
Innovation	Collect Space Technology road-mapping submissions from industry	YES
Inspiration	Completion of funded Inspire, Learn and Skills for Space projects	YES
Inspiration	Publication of Monitoring and Evaluation findings for UK's ESA CMIN22 Investment	YES
Launch	Sutherland Spaceport Construction Complete (Initial Operating Capacity)	NO – Paused
Launch	Small Launch Orbital Manoeuvring Vehicle (SL-OMV) construction complete	NO – Delayed to June 2025
Launch	UK Space Agency activity completed to prepare for Rocket Factory Augsburg ONE launch	YES
Levelling Up	Publication of monitoring and evaluation findings for Space Ecosystem Development	YES
Levelling Up	Completion of Space Cluster development projects funded through Space Ecosystem Development programme	YES
Levelling Up	Entrepreneur support calls released for UK Space Agency Accelerator programme	YES
Levelling Up	Completion of Space Clusters Infrastructure Fund (SCIF) projects	YES
LEO	Grant agreements signed for Connectivity in Low Earth Orbit (C-LEO) programme call	YES
Sustainability	Start of Phase One for NSPoC	YES
Sustainability	Completion of design review of ADR technology	YES
Sustainability	In Orbit Servicing and Manufacturing (IOSM) research study complete	YES
Sustainability	In Orbit Servicing and Manufacturing test facility (Westcott) upgrades complete	YES

Sustainability Report

Greening Government Commitments

The Greening Government Commitments (GGCs) provide a framework for government departments to reduce their impacts on the environment. The current framework is for 2021-25, with these targets to be achieved by March 2025.

Overall GGC performance targets by March 2025	
Overall emissions	**62% reduction**
Direct emissions	**30% reduction**
Domestic flights	**reduce emissions by 30%**
Overall waste	**15% reduction**
Landfill	**reduce to less than 5% of overall waste**
Recycling	**increase to 70% of overall waste**
Paper use	**reduce by 50%**

Emissions scopes for public sector reporting

The GHG Protocol introduces three scopes, as follows:

- **Scope 1:** Direct GHG emissions – These occur from sources owned or controlled by the organisation. Examples include emissions as a result of combustion in boilers owned or controlled by the organisation and emissions from organisation-owned fleet vehicles.

- **Scope 2:** Energy indirect emissions – As a result of electricity consumed which is supplied by another party, for example, electricity supply in buildings or outstations. Government has advised that this should also include other purchased indirect emission sources such as heat, steam and cooling.

- **Scope 3:** Other indirect GHG emissions – All other emissions which occur as a consequence of activity, but which are not owned or controlled by the accounting entity. This includes, for example, emissions:
  - as a result of staff travel by means not owned or controlled by the organisation (e.g. public transport or commercial airlines). It should be noted that this includes the requirement to include international air and rail travel in line with GGC;
  - resulting from work done on the organisation's behalf by its supply chain;
  - embodied in assets (i.e. as a result of raw materials extraction, manufacturing and transportation);
  - the emissions associated with the use of an organisation's products and services.

Water, Waste and Energy

During the 2024-25 reporting period, we opened a number of new office locations around the UK. Whilst we do not have complete annual data for all locations, we have stated the data in Table 1 as a total for all locations combined. Therefore, this cannot be directly compared to the data reported for 2023-24. It must also be noted that the UK Space Agency are tenants in all our locations and the Agency does not own or lease any building in its entirety. The Agency reports energy, water and waste data as a percentage of the building we occupy based on floor space. Where the landlord is currently unable to supply the data for the building, we have indicated in Table 1 opposite.

Waste

Our landlords are responsible for waste collection and are committed to more environmentally friendly methods of disposal such as EfW (Energy from Waste). EfW is a facility where non-recyclable waste is burned, with the resulting steam powering a turbine, which generates electricity. Some EfW plants are also able to provide direct heating for local properties. The waste going to an EfW would otherwise have been disposed of in a landfill site.

We continue to encourage colleagues to reduce the amount of waste produced. To align with the new waste management regulations, we have introduced food waste caddies in our dedicated kitchen area, for the collection of food scraps and biodegradable waste, ensuring that organic materials are diverted from landfill and processed through environmentally friendly methods such as composting or anaerobic digestion. This initiative complements our broader efforts to reduce waste and promote sustainability across all operational levels.

Water & Energy

We continued to urge our landlords to invest in water-reduction techniques and to consider newer energy technologies as they become available.

Table 1. Energy usage

	2024-25 (6 locations)	2023-24 (2 locations)
Apportioned kWh electricity	301,027	214,710
Apportioned kWh gas	90,596	170,423
Apportioned m^3 water	959	529
Apportioned general waste tonnes	3	2
Disposal route for general waste	EfW	EfW
Apportioned recycled waste tonnes	5	6
Apportioned compost waste tonnes	0	0
Apportioned single use plastics	7	Data not available
% of waste sent to reuse schemes	65%	Data not available

Consumer single-use plastic and re-use schemes

As an organisation, we do not provide any catering services of our own; our staff use services provided by landlords or retail outlets nearby. We supply reuseable crockery in our Head Office kitchenette for employees who bring food from home and where facilities exist for making beverages. Therefore, we have no requirement to purchase single-use plastics. We also encourage our landlords to use environmentally friendly products in their services where they are provided.

In line with our commitment to sustainability, specialist recycling facilities are utilised at the Quad Two office in Harwell for coffee pods and pouches. These materials are processed through dedicated recycling schemes to ensure their components are repurposed effectively, reducing environmental impact. This initiative highlights our continued efforts to adopt eco-friendly waste solutions.

Paper Usage

Our paper usage has decreased by a third since last year, reflecting continued encouragement to only print when necessary. Improvements in our office estate, including available technology has reduced the need for printed papers.

Table 2. Paper reams

Size:	2024-25	2023-24
A3	0	0
A4	30	90
A5	0	0
Total	**30**	**90**

Travel

Our sponsor department (DSIT) has updated its sustainable business travel policy which has been adopted by the Agency. This policy encourages colleagues only to travel when necessary for business, and to travel by train rather than aircraft where possible.

With our new office locations across the UK, we expected that domestic travel would be more widely used.

Table 3. Emissions produced in tonnes CO_2e (Rounded up)

RAIL	2024-25	2023-24
UK National	39	28
Eurostar	<1	<1
Underground	<1	<1
AIR		
Domestic	11	29
Short-haul	19	44
Long-haul	396	238
Other International	48	239
ROAD		
Small petrol	6	Data not available
Other petrol	2	
Small diesel	<1	
Hybrid	<1	

Note: 2023-24 Annual Report stated UK National rail CO^2 figure as 25 tonnes. More detailed reporting has since been made available and this table reflects the accurate figure.

Sustainability Report

Climate change adaptation strategy

2024-25 was a year of continued transition for the UK Space Agency, with the completion of the ITP, and in particular, significant changes to our geographical footprint as we opened new offices in support of our commitment to wider government priorities and our ambition to be accessible to the Space community right across the UK.

The Space Agency does not yet have a singular climate adaptation strategy. This is a priority activity for the 2025-26 financial year.

Task Force on Climate-Related Financial Disclosures (TCFD)

Progress towards complying with Phase 2 TCFD requirements has been hampered this financial year by a lack of resource and the Agency is not compliant with Phase 2 TCFD requirements. Here is a summary of the UK Space Agency's position across the TCFD pillars:

- **Governance** – Whilst the UK Space Agency has taken steps to strengthen its governance and has a good underlying risk appetite statement and risk management framework, there is further development required to ensure Governance boards give greater consideration and scrutiny to climate-related risks and opportunities.

- **Risk Management** – With the exception of the climate change adaptation report (available via the QR code below) the Agency has not made significant progress in identifying, assessing or mitigating climate-change related risks.

- **Metrics and Targets** – Although the Agency already has well established procedures for capturing and reporting climate-related metrics, such as those for the Government Greening Commitments and carbon emissions reporting, these are not currently used to assess climate-related risks/opportunities, and we do not set or routinely assess performance against sustainability targets.

The UK Space Agency has not yet established whether climate change adaption is a principal risk. Early work has been conducted to assess whether Critical National Infrastructure is at risk from climate change, but evidence is currently insufficient to draw robust conclusions. The detail of that work is available via the QR code below.

The UK Space Agency is aiming to ensure it is compliant with Phase 3 TCFD requirements at the end of the 2025-26 financial year. To make the necessary progress required for compliance, the Agency expects to undertake the following actions (noting these are not exhaustive):

- By the end of September, the Agency will complete recruitment of specialist skills to support effective implementation of TCFD requirements and create a climate change adaption strategy.

- By the end of 2025, the Agency will, where required, revise the roles and responsibilities for each of the Agency's governance boards and committees in relation to climate change adaptation and sustainability.

- By the end of 2025-26, the Agency will develop improved environmental sustainability reporting, establishing effective metrics and robust processes to set and monitor progress against targets.

- Throughout the year, but with a particular push in Q3, we will support teams to identify and embed consideration of climate-change related risks and opportunities.

Nature recovery plan

The aim of the nature recovery plan is to protect, and where possible enhance the biodiversity on our estate. Our landlords have produced nature recovery plans for some of our locations and we have signed up to participate in those where they exist.

Sustainable construction

Sustainable and energy efficient buildings continued to be central to our locations strategy, which was completed in 2024-25.

The Agency undertook no construction in 2024-25, as all of our office locations are in shared buildings; however, substantial fit-out work was delivered at our new headquarters in the Quad Two building at Harwell to transform our premises from a bare-bones new build to a fully functional high-quality office environment.

Building upon the new offices in Cardiff and Leicester that opened in Q4 of 2023-24, new offices were opened in Harwell, Edinburgh and London. Each of the new office locations are highly rated in terms of energy efficiency and sustainability and are a substantial and demonstrable improvement on our previous office locations. For the fit-out of Edinburgh and our new London office, desktop hardware and furniture were reused from the closure of 10 Victoria Street wherever possible.

Reducing environmental impacts from ICT and Digital

UK Space Agency Technology is supplied and supported by Integrated Corporate Services (ICS), formerly BEIS Digital, which is now part of the Department of Energy Security and Net Zero (DESNZ). The Agency follows the approach of our sponsor department, DSIT, and sources any bespoke equipment from approved Government suppliers. Disposals are also conducted through recycling companies that recover and reuse components.

Sustainable procurement

The Agency continues to align to Procurement Policy Notes on sustainable procurement practices such as tackling modern slavery and carbon reduction plans. The revised UK Space Agency commercial strategy for 2025-28 seeks to further embed sustainable procurement processes through the alignment to the Greening Government Commitments and continuation of the flexible framework. Teams are encouraged to address a minimum of 4 of the criteria within all procurements, to ensure alignment to the commitments.

Sustainability continues to be built into requirements, such as circular principles for finite resources and the use of sustainable products in service delivery, such as the facilities contract for our headquarters. Over the next 12 months the Agency will seek to further embed the organisational maturity themes to support the wider government commitments.

Dr. Paul Bate
Chief Executive and Accounting Officer
7 July 2025

Climate Change Adaptation Report.

Accountability Report

Astronomy Photographer of the Year – Ancestral Rocks © Andrea Curzi (Italy)

Directors' Report

Legal Status
The Agency is an executive agency of the Department for Science, Innovation and Technology (DSIT) and does not have a separate legal status outside of DSIT; to enter contracts, delegated powers are conferred on the Agency by the Permanent Secretary. In the event of a contract being entered into, the Agency is a 'Contracting Authority' on behalf of the Secretary of State for DSIT, which is the 'Authority.'

UK Space Agency Leadership
The current composition of the UK Space Agency Board is outlined on pages 52 to 57. An overview of the Agency's governance structure and list of board and committee members with their attendance for the period covering 1 April 2024 to 31 March 2025 can be found in the Governance Statement from page 60. The register of interests for board and committees is published online, available at the QR code shown below.

Personal Data-related incidents
GDPR training and awareness are key to supporting improved knowledge of data protection amongst staff, setting high standards for privacy and promoting a positive attitude and personal accountability for data protection across the Agency. All Agency staff and contractors are required to complete and pass mandatory biennial UK GDPR e-learning. Training completion is monitored and reported at senior level. Ongoing procedural and process improvements on how the Agency captures and manages personal data, such as new and refreshed policies, streamlined processes for reporting and monitoring data breaches, and clearer privacy notices, continue to reduce the compliance risk in this area.

No personal data breaches were assessed to have met the Information Commissioner's Office's (ICO) reporting requirements in 2024-25. One complaint was lodged with the ICO, resulting in recommendations which were incorporated into ongoing improvement activity.

Register of Board Members' interests.

Chris White-Horne at the Farnborough Airshow.

Paul Bate at the Farnborough airshow

Our Leadership

NON-EXECUTIVE MEMBERS

The UK Space Agency Board has continued to provide strategic leadership for the Agency in delivering its objectives through scrutiny, advice and challenge provided by the Board's non-executive members.

The Rt Hon. Lord David Willetts FRS, HonFREng – Chair
Lord Willetts was appointed Chair of the UK Space Agency Board in April 2022. Lord Willetts is also Chair of the Government's Regulatory Innovation Office and President of the Resolution Foundation. He served as the Member of Parliament for Havant (1992-2015), as Minister for Universities and Science (2010-2014) and previously worked at HM Treasury and the No. 10 Policy Unit. He has held a range of Chair and Board positions across the space and science sector, including at Surrey Satellites. He was a member of the ESA Expert Group on the Future of Space in Europe, as well as the Space Advisory Board of the EU's External Action Service. He currently sits on the Advisory Council of the European Space Policy Institute and chairs the Foundation for Science and Technology.

Sarah Pumfrett FCCA, CMIIA, SIRM – ARAC Chair
Sarah was appointed to chair the Audit & Risk Assurance Committee from October 2024. She is a Chartered Certified Accountant, Chartered Internal Auditor and Specialist Member of the Institute of Risk Management and has served terms as a panel/committee member with both ACCA and IIA. Following an extensive executive career within internal audit and business risk assurance spanning both public and private sectors, she currently chairs the Audit, Risk & Assurance Committees of both the Agriculture & Horticulture Development Board and Disclosure Scotland and is an external member of the Audit & Risk Committee of the Scottish Fiscal Commission. She previously served as ARAC Chair and Director of Livestock Information Ltd and Director of Aberdeen Heat and Power Company Ltd.

Professor David Parker FRAeS
David was appointed in May 2024. His 35 years in the space industry encompasses industry, government and the European Space Agency where he was its Director of Human and Robotic Exploration. His career began at British Aerospace, in studies of small launchers and new missions such as XMM Newton and Rosetta. Later, in a business development role, he won LISA Pathfinder, Aeolus and ExoMars for UK industry. Joining the Research Councils (PPARC, later STFC) in 2004 he helped create the UK Space Agency and was its Chief Executive from 2013 to 2016. He holds a BSc in Aeronautics and Astronautics and a PhD sponsored by NASA's Langley Research Center. The 2019 recipient of the Royal Aeronautical Society's Geoffrey Pardoe award for long and valued service to the space sector, he currently consults for ESA and is a Visiting Professor at the University of Southampton.

Peter Watkins CB, CBE
Peter was appointed in June 2021 after over three decades in government service working on defence and national security issues. From April 2014 to November 2018, he was the Director-General in the Ministry of Defence (MOD) responsible for strategic defence policy and planning, covering key multilateral and bilateral defence relationships as well as space, cyber and prosperity. Peter has several affiliations to universities and think-tanks, including as a Visiting Professor at King's College London and as an Associate Fellow of Chatham House. He is a Member of the Council (and of the Audit Committee) of Cranfield University.

Dr Kevin Shaw
Kevin was appointed in June 2021. With 34 years of military service, Kevin brings experience in senior leadership and building effective teams. With expertise in space technology, satellite operations and exploitation of space-derived data, he considers himself a well-rounded space systems engineer. More recently, he has delivered major change programmes for Defence. Kevin now supports MOD's space community, advising the teams delivering MOD's next-generation satellite communications programme. Kevin is a Chartered Company Director, advising organisations on security and multi-disciplinary resilience of critical infrastructure. He also mentors boards in the third sector and is a STEM Ambassador.

Dr Fiona Rayment OBE, FREng
Fiona was appointed in June 2021. Throughout her career she has actively engaged in the development of technical and business strategies and led on effective stakeholder engagement with government and commercial entities. Fiona enjoys a plural career through several non-executive director, trustee and advisory roles and is the current President of the Nuclear Institute. Fiona has chaired and participated on a variety of boards and advisory committees nationally and internationally. She was awarded an OBE in the 2017 Queen's Birthday Honours and Chevalier of the Legion d'Honneur from the French Republic in 2019.

Stuart Martin FRAeS FInstP
Stuart was appointed in May 2024. He is an experienced space industry executive with a distinguished career working in the space sector. He started out at the European Space Operations Centre (ESOC) in Germany, and then spent many years working for UK-based Logica (now CGI), undertaking engineering and leadership roles on programmes including Meteosat, Ariane 4/5, EGNOS, Skynet and Galileo. In 2013, having led Logica's global space portfolio for 7 years, and a workforce of 500 people, Stuart left Logica to become founding CEO of the Satellite Applications Catapult, a new R&D centre set up to foster the growth of the UK satellite applications industry. After stepping down in late 2023, he is now a Visiting Professor at Imperial College, Chair of the Board of Trustees at the National Space Centre, and undertakes a variety of non-executive and advisory roles in the sector.

EXECUTIVE COMMITTEE MEMBERS

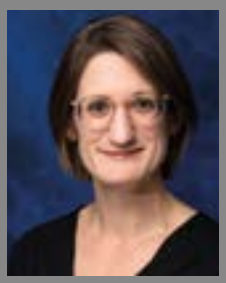
Our Executive team provides day-to-day leadership and management, ensuring the Agency operates efficiently and effectively by setting the Agency's strategic direction, championing organisational culture, and monitoring and improving the overall performance of the Agency.

Dr Paul Bate, Chief Executive
Paul has been CEO of the UK Space Agency since September 2021. He leads a team of over 300 to boost UK prosperity, understand the Universe, and protect our planet and outer space. Prior to space, Paul ran global sales at Babylon Health, which floated on the New York Stock Exchange in 2021, and built a consultancy business. Paul was David Cameron's senior health adviser in Downing Street and led on health targets and finances in Tony Blair's Delivery Unit. Paul holds a PhD in Particle Physics.

Annelies Look and Chris White-Horne, Chief Delivery Officers and Deputy Chief Executives (Job share)
Annelies and Chris share the role of Chief Delivery Officer and Deputy Chief Executive at the UK Space Agency. Both have extensive experience in transformation and project delivery, having jointly led the Rail Transformation Programme at the Department for Transport.

Annelies has spent the majority of her career in the Ministry of Defence specialising in transformation, capital and digital project delivery stepping out of the civil service for 2 years in 2016 to be the KPMG UK P3M lead in Aerospace & Defence. Annelies was the Programme Director for COVID-19 Testing and Build Director for the COVID-19 Managed Quarantine Service in the Department for Health and Social Care. Annelies is a Chartered Engineer and Chartered Project Professional.

Chris, on the other hand, has a 25-year career in defence and aviation, with roles including Programme Director for the Typhoon aircraft in Munich and diplomat in Washington DC. He is also involved in music education and governance as a trombone teacher, trustee of a youth music charity, and Non-Executive Director of a multi-academy school trust.



Claire Barcham, Corporate Services Director
Claire is Corporate Services Director at the UK Space Agency. She provides strategic advice to Agency teams and leads work to plan, manage and report on Agency performance and risk. She oversees central functions and services, including analysis; assurance; corporate security; digital, data and technology; and portfolio management. Claire joined the UK Space Agency in 2016, leading work to develop the UK's first satellite launch capability. She joined the Agency's senior leadership team in 2018, first as Commercial Space Director and then Strategy Director. Claire has also led strategy and policy for the Department of Health, Home Office and HM Revenue & Customs. Claire graduated from Nottingham University and trained as a solicitor at Baker & McKenzie LLP.

Professor Anu Ojha OBE, Championing Space Director
Anu is a member of the UK Space Agency's Executive Committee. With a career that spans founding the UK National Space Academy and directing the UK National Space Centre, he has also held an honorary professorship since 2016 in the School of Physics and Astronomy at the University of Leicester. His extensive contributions include co-investigating nuclear power applications for space exploration, analysing data from major ESA (European Space Agency) missions including SOHO, Rosetta and ExoMars and leading ISS space-based education programmes including the Astro Academy Principia experiment suite conducted in space by British astronaut Tim Peake. Over the last 10 years he has been pivotal in developing UKSA, STFC (the UK's main Research Council for high energy physics and astronomy) and ESA's space strategies, led capacity-building and space science partnership programmes with international space agencies and supported the UK Ministry of Defence's Space Directorate and wider UK physics programmes through a six-year term as a member of STFC Council. His work encompasses international relations, the UK's ESA commitments, skills and future workforce development, parliamentary affairs, stakeholder relationships, communications and also advancing space science, exploration and satellite applications through his ongoing role in the UK's academic sector.

Dr Craig Brown, Investment Director
Craig joined in December 2022 as the Agency's Investment Director and is responsible for our innovation and Levelling-Up priorities, forging strong relationships with space investors, suppliers and customers to create opportunities to bring new investment and revenue into the sector. Craig leads the delivery of a number of Agency programmes across both the national and ESA portfolio, and has responsibility for the Agency's Commercial team. Prior to joining the Agency, Craig worked at SatixFy UK, where he helped grow the company from an SME to a public firm, spent five years as Innovation Lead for Space at Innovate UK, and six years at Airbus Defence and Space. Craig holds a PhD from Leicester University.

Evan Haselwood, Director of Finance
Evan joined the UK Space Agency as Director of Finance in July 2024. He is a Chartered Management Accountant with over a decade of experience building award-winning finance teams across the public sector. Evan started his career in the NHS, before joining the Civil Service in 2020 at Companies House. His career to date has focused on organisational transformation and financial turnaround.

Joanna Paterson, People Director
Joanna joined the Agency in June 2022 as Head of HR Strategy and was acting People Director from October 2024-March 2025, looking after all aspects of HR including operations, strategy and business partnering. She is a Chartered Member of the CIPD, but started her civil service career in operational delivery in DWP. She has also worked in the Home Office, Cabinet Office and the Department for International Trade. Joanna was appointed People Director in October 2024, and left the Agency on 1st April 2025 on loan to the Department for Energy Security and Net Zero.

Edmund Knollys, Head of HR Operations and People Services
Edmund joined the Agency in February 2022 as Head of HR Operations and now leads our People Team, responsible for all aspects of employment, employee life cycle (including recruitment, pay and reward), engagement and experience, and learning and development. He is a Chartered Fellow of the CIPD and has worked in the Civil Service for over 30 years, mostly in HR policy, business partnering and change management roles. After qualifying as an HR professional while working in the Metropolitan Police, Edmund has worked in various departments including HM Revenue & Customs, the Department for International Development and the National Probation Directorate. Edmund acted as Interim People Director from May to October 2024.

DELIVERY BOARD MEMBERS

The Delivery Board is a sub-committee of ExCo and has delegated responsibility for detailed financial scrutiny and people resourcing, along with its role to oversee the Agency's portfolio. Its membership comprises the Executive Committee on the preceding page, plus the Directors shown here.

Julie Black, Missions and Capabilities Director for Space Science, Space Exploration and Discovery
Julie is the UK Space Agency's Director for Space Science and Space Exploration, leading the UK's participation in a rolling pipeline of competitively selected science and exploration missions.

Julie began her career in automotive engineering, delivering whole vehicle R&D and innovation projects for Lotus Engineering Consultancy across Europe, Asia and the US. Moving into the public sector, Julie has specialised in government major project delivery across education, central banking, energy regulation and law enforcement sectors. Julie is the UK Space Agency's Head of Profession for Project Delivery.

Matthew Archer, Launch and ISAM Director, and Security, Information and Risk Officer (SIRO)
Matthew is Director of Launch, ISAM and Space Sustainability at the UK Space Agency, responsible for achieving the first small satellite launch from Europe and helping the UK become the leading provider of commercial small satellite launch services in Europe by 2030.

Since joining the UK Space Agency in January 2018, Matt has worked as Commercial Space Director, where he was responsible for delivering HM Government's ambition of creating a safe and sustainable commercial market for small satellite launch in the UK by 2030, including enabling the first launch from Europe. Matt has also worked as Head of EU Exit where he was responsible for all negotiations and preparations for EU withdrawal and subsequently led the UK Space Agency's advice on OneWeb's acquisition. Before 2018 Matt undertook a range of strategy, policy and delivery roles in HM Revenue & Customs.

Matt graduated from Southampton University having studied Economics.

Harshbir Sangha MBE, Missions and Capabilities Director for EO, Space Security & Resilience, PNT and NSpOC
Harshbir leads on Earth Observation, Position, Navigation and Timing (PNT) and Space Security and Resilience, including National Space Operations Centre and safety and security of space critical national infrastructure. Prior to this, Harshbir was 'Director of Growth' at the Agency, where he helped create the business environment that enabled growth of capabilities required to meet the UK's space ambitions. During his 20+ years career as a civil servant, Harshbir has worked on a range of social, science and research policies and programmes. He is a strong advocate of equality, diversity & inclusion. For his services to promoting diversity and inclusion in the Civil Service, Harshbir was awarded an MBE (Member of the Order of the British Empire) in 2016. Harshbir is also a Fellow of the Royal Society for Arts, Manufactures and Commerce (RSA).

LEAVERS

Catherine Banks, Interim Finance Director
Catherine left the agency on 9 July 2024.

Chloe Sowter, People Director
Chloe left the Agency on 23 September 2024.

Keira Shepperson, Interim ARAC Chair
Keira finished her term on 31 July 2024.

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, the Secretary of State with the consent of HM Treasury has directed the Agency 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 UK Space Agency and of its 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 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 financial statements;
- prepare the financial statements on a going-concern basis; and
- confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements.

The Department for Science, Innovation and Technology (DSIT) has appointed the Chief Executive as Accounting Officer of the Agency. 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 safeguarding the Agency'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 Agency's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

I also confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable, and that I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced and understandable.

Dr Paul Bate
Chief Executive and Accounting Officer
7 July 2025

Astronomy Photographer of the Year – The Blue Details of M45: The Pleiades © Sándor Biliczki (Hungary)

Audit Committee **Chair Report**

I am delighted to have assumed the role of ARAC Chair in October 2024, building on the commendable efforts of my predecessors, Keira Shepperson (until 31 July 2024) and Kevin Shaw (until 17 October 2024); to whom I owe thanks both for the exceptional quality of handover, and his continued service on ARAC.

The Committee refreshed its Terms of Reference in August 2024, reaffirming its oversight responsibilities for the Agency's risk management and assurance framework, internal and external audits, and financial reporting. Enhanced responsibilities introduced included oversight of climate risk and counter-fraud measures, and a defined role in endorsing the Annual Report and Accounts.

I have continued my predecessors' thorough evaluation of the Agency's internal processes, focusing on the efficacy of controls, risk management, and maturity of assurance, and presented regular progress updates on identified concerns to UK Space Agency Board through the ARAC Chair's report.

The relationship between GIAA, ARAC and management was constructive, with agreed action plans to address identified deficiencies, and progress monitoring overseen by ARAC. Looking ahead to 2025-26, in recognition of our maturing control framework, I adopted a risk-based internal audit strategy, prioritising fewer audits with greater test depth in relation to our key risks.

The Comptroller and Auditor General's opinion for 2024-25 is available on page 82.

Throughout the year, the Committee received regular financial updates, highlighting notable improvements in forecasting accuracy and financial risk management maturity. These advancements were achieved through implementation of three-point estimation techniques and year-to-date accruals. The Agency demonstrated strong budgetary control, remaining within 1% of the allocated envelope. Despite 2025-26 budget notification very close to financial year commencement, our teams managed risk exposure by undertaking 2025-26 financial planning in close collaboration with DSIT; thereby solidifying strong relationships with our sponsoring department. Future resourcing uncertainty underlay several new UKSA risks this year, with reports to ARAC detailing proportionate internal spending controls and ongoing communications with delivery partners to effectively temper outcomes. The Agency ensured it met its legal spending commitments by delaying some investment decisions. ARAC endorsed the updated Risk Appetite Statement, which incorporated the new mandatory Task Force on Climate-related Financial Disclosures (TCFD) with a medium risk appetite. The Committee oversaw strengthened risk monitoring and conducted deep dives into areas of elevated risk or strategic interest, such as Spending Review commitments, workforce resourcing and GIAA audit recommendations. While audit-related performance remained consistent with the previous year, we recognised improvement was needed on agreeing realistic timescales for completing audit recommendations and requested better visibility around prioritisation and resource allocation to address overdue actions.

Significant progress was noted in compliance monitoring and controls assurance with an enhanced Integrated Assurance Map (IAM) and refined Director's Annual Assurance Statement of Internal Control (DAASIC) process, introducing stringent requirements for supporting evidence. While the Agency achieved high compliance with functional standards, our Continuous Improvement Assessment approach to the Functional Standards' 'Good, Better, Best' generated a targeted maturity improvement plan.

The Committee regularly reviewed the Senior Information Risk Owner (SIRO) dashboard. Highlights included nearly 100% completion of staff mandatory training and full compliance by the final quarter on security controls. Cybersecurity remains a key focus, requiring close collaboration with DSIT.

In summer 2024, ARAC endorsed the Counter-Fraud Strategy with satisfactory progress made on addressing GIAA Counter-Fraud audit recommendations from 2023-24 including self-assessment against the Public Sector Fraud Authority (PSFA) Counter Fraud Functional Standard.

I am satisfied that the Agency is appropriately addressing issues and following guidance from ARAC to enhance its risk, assurance, and financial management capabilities.

Sarah J Pumfrett

Sarah Pumfrett
Chair of the Audit and Risk Assurance Committee (ARAC)
7 July 2025

Governance Statement

CORPORATE GOVERNANCE

This statement sets out the governance, risk management and internal control arrangements for the UK Space Agency.

It refers to the financial year 1 April 2024 to 31 March 2025 and up to the approval date of the Annual Report and Accounts. I am supported in my role as Accounting Officer by a governance framework which includes the Agency's boards, committees and senior management.

In forming my assessment, I have examined:

- The Board and Executive Committee's assessment of the management of material risk.
- The policies and procedures in place impacting our risk governance framework.
- The work of internal audit and programme assurance, and opinions expressed by external audit.
- The inputs from the Audit and Risk Assurance Committee (ARAC).
- The assessments of my individual directors in the Director's Annual Assurance Statements of Internal Control (DAASIC).

GOVERNANCE STRUCTURE

The Agency is accountable to Parliament for the funds it expends through the Agency's sponsor department, DSIT. Parliament monitors and influences the Agency through its Select Committees and the Parliamentary Ombudsman.

The Agency's working relationship and lines of accountability with DSIT are defined in its Framework Document, Corporate Plan, Allocation Letter(s), and Letter(s) of Delegated Authority made to the Chief Executive as Accounting Officer. These documents are subject to periodic review, the Corporate Plan setting out the strategy and activities the UK Space Agency delivers.

The Agency is also held to account through regular performance reviews with the DSIT sponsor team. These reviews help ensure active engagement and a transparent relationship with the sponsor department.

The diagram opposite shows the governance structure of the Agency, its formal accountability hierarchy, and reporting relationships, which are also set out in the Framework Document.

The governance structure enables efficient and effective decision making and management of activities. Internally, the Executive Committee and Delivery Board have complementary responsibilities: the Executive Committee is responsible for the Agency's performance, strategy and culture, while the Delivery Board is responsible for overseeing the prioritisation and progress of the portfolio that comprises all UK Space Agency delivery initiatives, whilst ensuring their alignment with the Corporate Plan.

In January 2025, the Agency initiated an internal governance framework review, aiming to better structure the reporting of the Agency's activities in line with its new Target Operating Model. This will lead to a new governance framework, with additional bodies and updated terms of reference effective from 2025-26. DSIT also initiated a review of the Agency's Framework Document in March 2025.

UK Space Agency Board

The UK Space Agency Board's purpose is to support the long-term success of the UK Space Agency, ensuring its strategic aims and objectives are aligned to those set by the Responsible Minister and that leadership and resources are in place to meet these aims, and to challenge and support management performance. It is an advisory board, providing strategic guidance to the Chief Executive and the senior executive team, advising Ministers and the Sponsor Department as to whether the Agency is equipped to perform its functions and deliver its strategy. The Board regularly discusses reports provided by DSIT, the Agency's Chief Executive, and ARAC. It discusses corporate governance and Agency development, including Civil Service People Survey results and the Agency's Integrated Transformation Programme. The Board has specific responsibility for agreeing the Agency's Corporate Plan, describing its business and resourcing plans each year including its key performance indicators and budget allocations.

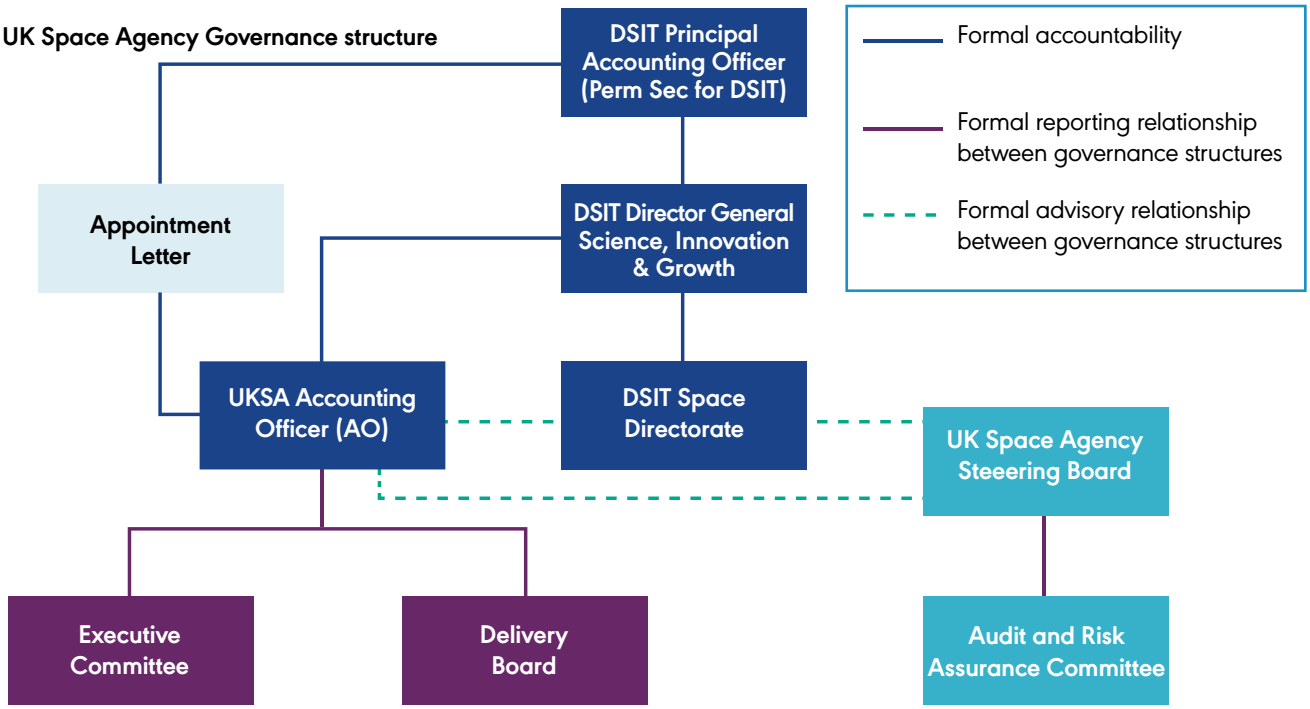
Further responsibilities and details on the role of the Board and its membership are set out in the terms of reference, available on the Agency's website, alongside a summary of topics.

Two new non-executive members with valuable space sector experience, David Parker and Stuart Martin, were appointed to the Board in May 2024, through the DSIT public appointments process. Later, in October, Sarah Pumfrett started her term as non-executive member of the Board and chair of ARAC, bringing specialist finance, audit and risk experience. In October 2024, the Secretary of State for Science, Innovation and Technology confirmed Lord David Willetts' reappointment as chair of the Board for a further three years, effective from 1 April 2025.

During 2024-25, the UK Space Agency Board met four times. All meetings were quorate, and attendance figures are shown in the table on the next page. All non-executive members of the Board received a full induction on appointment and were appointed according to Civil Service good practice. Non-executives each have an annual appraisal regarding their contribution to the Board's responsibilities and any areas for development.

Following the externally facilitated Board Effectiveness Review in April 2023 and an additional internal review completed in May 2024, the Agency addressed outstanding recommendations for continuous improvement, including the recruitment of three non-executive members to enhance the range of skills represented on the Board and to strengthen its overall effectiveness. One recommendation, focusing on diversity and skills within the Board, led to the establishment of the Board Diversity Working Group in February 2025. This group was established to guide the Board on best practice for promoting diversity and inclusivity in culture, values, and practices, while delivering actionable recommendations to foster broader representation of thought and skills within Board membership, aligning with wider societal diversity whilst never losing focus on the integrity of Board competence to deliver our objectives.

UK Space Agency Governance structure



Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) supports the Chief Executive in their role as Accounting Officer. The Committee's functions are to ensure propriety and accountability of public funds through monitoring and promoting financial reporting and discipline, and to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control. The Chair of the Committee reports to the UK Space Agency Board.

The Committee met five times during 2024-25. All meetings were quorate, and attendance figures are shown in the table below. Standing attendees include a DSIT representative, the Chief Executive, the Deputy Chief Executive, the Finance Director, the Agency's Senior Information Risk Owner (SIRO) and the Corporate Services Director. Meetings are also attended by representatives from the Government Internal Audit Agency (GIAA) and the National Audit Office (NAO).

ARAC regularly reviews the Corporate Risk Register, Agency financial position, assurance report, SIRO report, NAO External Audit Plan, GIAA Internal Audit Plan, and progress against actions arising from internal audit reports. Key discussions in 2024-25 included risk deep dives on the Agency's long-term financial commitments, workforce resourcing, and GIAA audit recommendations, and progress to mature the Agency's corporate risk management and assurance capability, including reviewing its Integrated Assurance Map, Director's Annual Assurance Statement of Internal Control (DAASIC) process and compliance with functional standards. Members of the Committee have a good understanding of the objectives and priorities of the organisation.

The ARAC terms of reference were refreshed in August 2024, to define responsibilities and better align their structure with the UK Space Agency Board terms of reference and Chartered Governance Institute guidelines, encompassing the assurance needs of the Board and the Accounting Officer, oversight of financial reporting, and engagement with the NAO and GIAA.

In 2024, ARAC underwent several membership changes. Keira Shepperson concluded her term as Interim Chair on 31 July and was succeeded by Kevin Shaw, who served until 17 October. To maintain the Committee's quorum and experience, Peter Watkins, a UKSA Board member, joined ARAC on an interim basis from 1 August. On 18 October, following the completion of the public appointments process, Sarah Pumfrett formally assumed the role of ARAC Chair.

Members and attendees of both the UK Space Agency Board and ARAC are requested to declare any conflicts of interest in relation to the business of each meeting. Declarations of interest are also requested annually, and members are expected to proactively declare any conflicts arising in year from changes to their personal circumstances.

Board and committee meetings attendance

Board/Committee Member	UK Space Agency Board	Audit & Risk Assurance Committee
Lord David Willetts (Chair)	4 / 4	N / A
Keira Shepperson (ARAC Chair up to 31 July)	1 / 1	2 / 2
Sarah Pumfrett (ARAC Chair from 18 October)	2 / 2	1 / 2
Fiona Rayment (NEM)	2 / 4	N / A
Kevin Shaw (NEM)	4 / 4	5 / 5
Peter Watkins (NEM)	3 / 4	3 / 5
David Parker	4 / 4	N / A
Stuart Martin	3 / 4	N / A
Paul Bate (Chief Executive)	4 / 4	3 / 5[1]
Evan Haselwood (Executive)	3 / 3	4 / 4[1]
DSIT Representative	4 / 4	5 / 5[1]

1. Only Non-Executives are formal members of ARAC. Others noted here are standing attendees.

INTERNAL COMMITTEES

Executive Committee

The Executive Committee (ExCo) provides strategic leadership of the Agency through effective and timely decisions on the Agency's strategic and corporate matters, supporting the Chief Executive in their Accounting Officer duties. The Committee's main responsibilities are to set the overall strategic direction for the Agency, to monitor and improve the overall performance of the Agency, to champion the Agency's people agenda to promote the right culture across the organisation, and to shape the approach of the Integrated Transformation Programme, to ensure it delivers the benefits envisaged beyond its completion on 31 March 2025. ExCo is responsible for making fundamental and overarching decisions to support the Agency on topics that have an impact on its long-term governance, operation and reputation, and for which ExCo has collective accountability.

The Committee usually convenes bi-monthly for formal meetings and quarterly for informal strategy meetings. ExCo formally met seven times in 2024-25. In months without a formal ExCo meeting, the Agency's performance report was shared by correspondence with the Committee for approval, and to escalate any immediate issues for attention.

In May 2024, ExCo updated its terms of reference, delegating finance oversight and people resource prioritisation at portfolio level to the Delivery Board, while retaining oversight and monitoring of financial performance at corporate level through its standing finance report.

Later in October 2024, ExCo formally stood up the Design Authority Board, to oversee the Agency's Target Operating Model and organisational design, ensuring configuration control so that changes align with the overall design.

During 2024, ExCo discussed key topics such as the development of a new set of long-term plans to inform DSIT policy priorities, the 2024 Spending Review, the 2024 Civil Service People Survey results, and the 2025-26 Corporate Plan including new performance metrics aligned to ministerial outcomes.

On 21 January 2025, Annelies Look and Chris White-Horne were appointed to temporarily support the DSIT Space Directorate during the Space Director's extended leave, reporting to the Director General for Science, Innovation and Growth. They have split their time between leading the Space Directorate and continuing their roles as Deputy Chief Executives and Chief Delivery Officers at the Agency. Their Agency responsibilities, including Delivery Board leadership and the Integrated Transformation Programme, remained unchanged during this period. They have declared conflicts of interest and mitigations, which have been agreed by DSIT and the Agency.

Executive Committee attendance

Executive Committee Member	Meetings attended
Paul Bate (Chief Executive & Chair of ExCo)	7 / 7
Annelies Look (Chief Delivery Officer – Jobshare)	7 / 7
Chris White-Horne (Chief Delivery Officer – Jobshare)	4 / 7
Claire Barcham	7 / 7
Craig Brown	5 / 7
Anu Ojha	7 / 7
Chloe Sowter[1]	0 / 0
Evan Haselwood (July - March)[2]	6 / 6
Edmund Knollys (May - October)	2 / 2
Joanna Paterson (October - March)	5 / 5

Footnotes:
1. Chloe Sowter left the Agency on 23 September 2024. She did not attend any meetings in the year.
2. Evan Haselwood joined the Agency on 1 July 2024

Delivery Board

The purpose of the Delivery Board is to define and manage the Agency's portfolio of work and ensure its successful delivery. It focuses on the delivery of the strategic priorities set out in the Corporate Plan and their associated risks, milestones, metrics and benefits. The Delivery Board delegates governance of activities to the responsible and accountable owners and their Programme and/or Project Boards. The Delivery Board is the escalation point for these Programme and Project Boards.

In September 2024, the Delivery Board changed the cadence of bi-monthly to monthly meetings, and met a total of 11 times in 2024-25. In months without a formal meeting, the Agency's performance report was shared by correspondence with the Board for approval, and to raise awareness of any immediate issues.

At each meeting the Delivery Board reviewed the Agency's portfolio progress and performance indicators, including risks and issues, delivery against milestones as set out in the corporate plan, as well as resource allocation and financial performance.

RISK MANAGEMENT

The Chief Executive Officer, supported by senior management, provided leadership and articulated their continued commitment to risk management through the organisational risk management framework.

Risk is managed in line with the Agency's Risk Management Policy and Risk Management Process Guide. These documents were approved by the Executive Committee, endorsed by ARAC and audited by GIAA in 2022.

The Agency's current Risk Appetite Statement published in January 2024, was developed to align with both the Departmental Risk Appetite set out in DSIT and the principles outlined in HM Treasury's Orange Book. This has subsequently been reviewed and updated twice during 2024-25.

The first update incorporated climate change as a risk category, while the second assessed continued alignment with DSIT in March 2025 and introduced sub-categories for fraud within the supply chain. The risk appetite format will be updated in 2025-26 to align with the Government Finance Function's format.

Corporate risks were managed by a dedicated Agency Risk Manager, alongside Risk Owners. The full corporate risk log is reviewed at bi-monthly ExCo meetings alongside proposals for new corporate risks and key insight into escalations. The corporate risk log was also reported to both the UK Space Agency Board and ARAC on a quarterly basis.

ARAC reviewed the overall assurance and risk management processes, as well as corporate risks, at every meeting. To ensure that key risks were being mitigated effectively, ARAC commissioned in-depth reviews into key risks, including acute risks such as cyber-attacks and longer-term, chronic risks.

Agency executives were responsible for managing risks at the directorate level, covering both project delivery and day-to-day operations. Each directorate maintains its own risk register and conducts reviews on a regular basis. The risk management framework aligns with the 'three lines of defence' model of our overarching assurance framework.

In 2024-25, the Agency continued to embed this framework to ensure that employees follow a single process for identifying and managing risks that may threaten delivery of services and achievement of objectives. This framework aligns with the main principles of HM Treasury's Orange Book.

UK SPACE AGENCY RISK APPETITE BY CATEGORY OF RISK

Primary risk category	Secondary risk category	Risk Appetite
Strategic Delivery	-	High
	Governance	Low
	Change	High
	Delivery Outcomes	High
Financial Exposure	-	Medium
	Budget	Low
	Fraud and Compliance	Very Low
Policy	-	Medium
	Policy instability	High
Operations	-	Medium
	Process failures	Medium
	Current Business-Critical Technology	Low
	Future Technology	Medium
	Delivery Partners	Medium
Climate Related Risk – UKSA Operations	-	Medium
Climate Related Risk – Space	-	Medium
Commercial	-	Medium
	Supply chain fraud	Low
	Defining and sourcing requirements	Medium
People and Culture	-	Medium
	People	Low
	Culture	Medium
Safety and Security	Health and Safety	Low
	Security	Low
	Information	Low
Reputation	-	Medium
	Codes of Conduct	Low
Legal Compliance		Very Low
Legal Challenge		Medium

Principal Risks

The corporate risk register considers a full cross-section of risks to the organisation. The Agency's most significant principal risks in 2024-25, including strategic, reputational, financial and operational risks, and risks to the achievement of the organisation's objectives and external threats, were:

TITLE	EVENT
Staff skills and capacity to deliver the best outcomes. Owner: Edmund Knollys.	The Agency experiences high staff turnover or critical skill gaps, or technological advancement outpaces current staff capabilities.
Effective protection of staff, visitors and assets. Owner: Claire Barcham	The Agency fails to follow adequate protocols and procedures to manage staff, visitors and assets in a safe and secure way.
Effective management of finances. Owner: Evan Haselwood	The Agency fails to manage its finances well.
Commercial relationships to deliver the best outcomes. Owner: Craig Brown.	The Agency fails to source and manage its commercial relationships well.
Interventions that deliver the best outcomes. Owners: Chris White-Horne, Annelies Look.	The Agency's interventions and investments fail to achieve policy outcomes.
UK space sector response to opportunities. Owner: Craig Brown.	The UK space sector does not capitalise on opportunities provided by the Agency.
Geopolitical factors affecting UK opportunities. Owner: Anu Ojha.	Geopolitical factors change the opportunities available to the UK to benefit from space.
Disruption to Agency activities. Owner: Claire Barcham.	The Agency's planned activities are disrupted in response to a space-related incident, emergency or crisis.
International Partnerships. Owner: Anu Ojha.	International organisations funded by UKSA do not sufficiently meet the UK's national interest.

The Civil Service Code

REGULARITY AND PROPRIETY

The Agency is committed to establishing and applying appropriate regularity and propriety standards, including embedding appropriate culture and behaviours, and does not tolerate any form of fraud, bribery or corruption. The Agency's key components in this regard are:

- Counter-fraud policy
- Anti-corruption and bribery policy and arrangements
- Gifts and hospitality policy
- Whistleblowing policy
- Conflict of interest policy

Counter-Fraud

The Agency remains committed to creating a transparent environment and has a policy framework in place covering counter fraud (incorporating bribery and corruption) and whistleblowing. These policies provide guidance to staff and are regularly reviewed for relevance and clarity.

There is a focus on further maturing the Counter Fraud Strategy, Risk and Response Plan alongside the Counter Fraud action plan. In addition to continuous improvement, changes have been made to address the recommendations put forward by GIAA in 2023-24 on the Agency's management of fraud risk.

The Public Sector Fraud Authority (PSFA) completed a review of the Agency's compliance with the Counter Fraud Functional Standard Gov013 in 2024-25. PSFA also provided an assurance review of the Agency's fraud risk assessments. In both reviews, PSFA rated the Agency as 'In Development' overall. The recommendations from these assessments will be added to the Agency's 2025-26 Counter Fraud Action Plan.

Counter-fraud continues to be promoted within the agency including raising awareness via internal communications, and the availability of training. This includes annual mandatory training provided by the Civil Service Learning platform for all staff and additional training tailored for line managers.

Anti-Corruption and Bribery

The Civil Service Code states that civil servants must not accept gifts or hospitality or receive other benefits from anyone which might reasonably be seen to compromise their personal judgement or integrity.

The Agency has continued working with DSIT to maintain standards and implement best practice. The Agency fully adopted the DSIT policy on gifts, hospitality, bribery and corruption. The Agency maintains a Gifts and Hospitality register to record on a quarterly basis all gifts and hospitality and any reciprocal gifts received. No cases of bribery or corruption were identified within the Agency in 2024-25.

Conflict of Interest

All staff must comply with the Civil Service Code and DSIT standards of conduct. Any outside employment, business interests and financial interests or political activities must be declared and approved by a Director. The Agency's executives and non-executive members are required to provide declarations of private, professional and commercial interests, which are maintained on a register of interests. At each Board meeting, members are reminded to declare any potential conflicts of interest related to the business of the meeting.

The Agency maintains a central register of declared conflicts of interest for all staff. In 2025-26, the aim is to develop a digital application for reporting conflicts of interest across the Agency.

Whistleblowing and Raising Concern Policy

The Agency adopts the principles of the DSIT Whistleblowing and Raising a Concern Policy, while adhering to an internal escalation process. In 2021-22 the Agency launched a whistleblowing hotline, which is monitored by trained personnel and can be used by all staff to report a concern under the policy. The Agency makes every effort to ensure that the policy and associated guidance is made available to all staff. In 2024-25, there were no incidents of whistleblowing.

Business Appointment Rules

The Business Appointment Rules (BAR) are included in the Agency's leavers' checklist for the processing of any member of staff leaving the Civil Service. Any applications are processed and managed within the Agency's HR Operations team. There have been no applications received during 2024-25.

The Agency complies with the BAR and is transparent in the advice provided on individual applications for senior staff. It also operates under DSIT's BAR policy and guidance.

DSIT Business Appointment Rules and Guidance

Science and Technology Act 1965

HM Treasury approval must be sought for all grants issued under the Science and Technology Act 1965. During the year, HM Treasury approval was not obtained for a proportion of these grants due to applying the same methodology adopted in 2023-24. In 2025-26 approval is being sought for all future grants falling within the scope of the Act to ensure complete regularity of spend. Further information can be found in the Parliamentary Accountability and Audit report on page 80.

ASSURANCE

The Agency's assurance function has undergone restructuring and was combined with other functions to create the Corporate Risk, Assurance and Audit team. Through this new structure, the assurance function evaluates and assesses different sources of assurance across the 'three lines of defence' model and ensures the Agency maintains a sound system of governance and internal control. The Agency assurance model is structured as follows:

1. **Integrated Assurance mapping** – this aligns to Orange Book and Government Finance Function best practice and provides an Agency-wide assurance of compliance with HM Treasury, Cabinet Office, legal and regulatory frameworks and internal policies.
2. **The Director's Annual Assurance Statement of Internal Control** – an annual exercise that records assurance evidence for compliance and successful application of the Agency's internal control framework by Directors and their staff. Their records are then assessed by Agency subject matter experts, who provide further insight into how controls are managed, and provide their own assessment. Each record is moderated by the Agency Assurance Manager and insights reported to ExCo and ARAC.

The Agency has assessed its assurance levels for 2024-25 as **moderate**. During 2024-25, it made significant progress to strengthen assurance in several control areas. Improved digital tools, training and guidance have made it easier for staff to declare their gifts and hospitality, manage their budgets, record their working time and complete their mandatory courses. Further tools are in development.

The change from last year's substantial rating reflects the Agency's greater insight into improvements needed in its counter-fraud, travel and subsistence, information management and grant management controls. Work is in train to strengthen assurance in these areas throughout 2025-26.

INTERNAL AUDIT

Internal audit is provided independently by GIAA and reports annually to the Accounting Officer. The internal audit assurance programme is managed by GIAA and developed annually in consultation with ExCo and ARAC. Internal audit recommendations are also tracked internally by the Corporate Risk, Assurance and Audit team.

During 2024-25, GIAA undertook 7 audits and 2 advisory assessments (Integrated Transformation Programme: Critical Friend review and 'Cross Government Procurement Regulations'). Two audits were rescheduled due to changes in the internal priorities. The Agency takes all audit recommendations seriously and SMART action plans to address the recommendations were developed with routine tracking and reporting of progress to the Senior Leadership Team and ARAC. The audit team also conducts an annual review of recommendation implementation to report progress. Our 2024–25 audit opinion noted issues with the Agency's closure of audit recommendations within their target dates. This is an area the Agency is working to improve and have created stronger internal tracking processes and regular reports to ExCo.

No misappropriation, or risk of misappropriation, of funds was identified by GIAA as part of any of these audits. Overall, the Agency received a moderate assurance rating from GIAA in its audit conclusion.

NATIONAL AUDIT OFFICE

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the Civil Service. It helps Parliament hold government to account and uses its insights to help people who manage and govern public bodies improve public services.

The NAO is the Agency's external auditor. Please refer to the Certificate and Report of the Comptroller and Auditor General on page 82 for any matters the NAO has reported on in 2024-25.

In 2024-25, the NAO undertook a value for money review jointly of the Agency and DSIT Space Directorate. Its report, entitled 'The National Space Strategy and the role of the UK Space Agency' carries a total of 8 recommendations and a SMART action plan has been developed to address recommendations.

GRANT ASSURANCE

The Agency's grant policy was refreshed through the Integrated Transformation Programme, to address issues raised by stakeholders identified through a request for information. The development of a new grant manager handbook sought to standardise grant award and management across the Agency. The Agency developed standard assessment criteria to ensure all grants had a similar award requirement. These changes have ensured a more robust and harmonised approach to grant awards throughout the Agency.

The revised policy and handbook align to wider government policy and functional standards. The policy and handbook are carefully structured to ensure compliance through a revised approach to direct awards, better due diligence, fraud risk assessments, improved assurance processes and monitoring and evaluation.

The Agency has worked with DSIT and legal advisers to introduce changes to its grant funding agreements, reducing many of the regular queries the Agency receives from grant applicants. Agency staff continue to enrol on, and attend, the grant 'licence to operate' training, with more teams gaining the accreditation. Recent assurance reviews identified areas for improvement in the management of grants, which were reported to ExCo and ARAC. Improvement plans to ensure better compliance across the Agency were implemented.

COMMERCIAL AND PROCUREMENT

The Agency's procurement policy ensures compliance with the Public Contract Regulations 2015 and other applicable legislation. With the launch of the Procurement Act 2023, the Agency's Commercial Team have looked to implement a revised policy to ensure compliance with the new Act. This updated policy is currently being rolled out. During the transition period, support mechanisms have been developed to ensure that all relevant legislation is adhered to across the Agency's contract portfolio.

The Commercial Team triage all contract requirements, selecting the most appropriate route to market and ensuring that value for money is considered at the outset, from scoping the statement of work through to delivering the business case. All contract amendments follow a robust change control process to ensure alignment with legislation. All direct award contracts must comply with the direct award process, with the Commercial Team approving the selected route to market. Through completion of the Commercial Continuous Improvement Assessment Programme (CCIAF), the Agency has identified several areas within commercial delivery where performance can be improved and are actively working to address these in accordance with the CCIAF mechanism.

Contracts continue to be managed by programme staff, with support from the Commercial Team. This includes providing guidance on contract management topics such as tiering, contract management plans, and obligations matrices. Delivery of milestones are tracked by contract managers, ensuring outputs remain aligned with contractual requirements.

Updates to commercial policies are continuously monitored and their implications are incorporated into the Agency's policy & procurement processes, such as the updates to the National Procurement Policy Statement (NPPS) and Procurement Policy Notices (PPNs).

Assurance activities continue to monitor compliance with policy and wider legislation. Any instances of commercial non-compliance are addressed through policy improvements or additional scrutiny measures.

HEALTH AND SAFETY

The Agency's Health and Safety Policy outlines its overall approach to health and safety, ensuring that all levels of the organisation understand their responsibilities and that risks are identified and managed appropriately.

The Agency conducts risk assessments to proactively address potential hazards and implement control measures to mitigate risks, ensuring employee engagement through the support of trade union representatives. All Agency employees and contractors are required to complete mandatory annual e-learning training in Health and Safety, with additional training in First Aid at Work, Mental Health First Aid and Fire Warden duties also available.

Display Screen Equipment (DSE) training, guidance and assessments are available to all employees to reduce risk and promote safe working practices in both office and home environments. Assistive technology is also provided to support employees with disabilities. Free eyesight tests and glasses are available for employees who require them for DSE use. During 2024-25, there were no reportable injuries within the Agency under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

PUBLIC SECTOR EQUALITY DUTY

The Public Sector Equality Duty requires public bodies to consider how their policies or decisions affect people who are protected under the Equality Act 2010. Specifically, it requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between persons who share a protected characteristic and persons who do not share it.

The Agency is making positive strides on EDI and, as part of the Cabinet Office Inclusive Practice Heads of Diversity/ Diversity Leads Working Group, has access to up-to-date guidance and initiatives.

INFORMATION MANAGEMENT

The Agency launched strategies for Data Quality, Information Governance and Corporate Technology during 2024 to support the intended digital outcomes of the Agency's Integrated Transformation Programme, steer specific improvements and advancements in these areas, and meet future agency needs.

The Information Governance Strategy provides a foundation to drive improvements in data protection, information and

records management, and was informed by the findings of an internal review which identified compliance risks against certain elements of UK GDPR. The corrective measures that the strategy implements were reviewed by GIAA who validated the approach. Significant progress has been made on these within the year, including the production of new policies and processes for management of personal data in accordance with cross-government standards and frameworks, a full refresh of the Record of Processing Activities, and improved internal information risk identification and reporting.

INFORMATION SECURITY

The Agency Security Advisor and Chief Digital Information Officer work collaboratively with Government Security and the UK National Technical Authorities to strengthen Agency systems against the threat of cyber-attack and improve its resilience to known vulnerabilities and attack methods in support of the Government Cyber Security Strategy: 2022-2030.

The Agency maintains a security culture through mandatory annual e-learning for all staff in security and data protection, with emphasis on classifying and sharing information correctly, identifying phishing emails and smishing texts, social engineering, asset protection and reporting incidents. Additionally, all new staff undergo individual security inductions on joining the Agency.

The Government Security Group noted in the Agency's 2024 Departmental Security Health Check (DSHC) that "UKSA has MET the GovS 007 Security Functional Standard and performs strongly when compared to the overall average (Government) DSHC scores".

FREEDOM OF INFORMATION AND ENVIRONMENTAL REGULATIONS

As with all public bodies, the Agency has obligations to deal with requests for information under the Freedom of Information (FOI) Act 2000 and the Environmental Information Regulations 2004. We have a dedicated team responsible for managing FOI requests, providing support to colleagues, and ensuring responses adhere to the relevant legislation. Clearance procedures are in place and overseen by the responsible Director or deputy in their absence.

In 2024-25, we responded to 51 FOI requests, 49 of which were answered within the 20-working day statutory time limit. We have therefore responded to 96% of enquiries within the statutory deadline. One overdue FOI was not identified in time, as the request was embedded in a chain of emails sent to another Agency team; one sentence constituted an FOI request, which was identified when the team asked for legal advice. One FOI response exceeded the initial 20-working day statutory deadline but was extended in line with Section 10(3) of the Freedom of Information Act to allow for public interest test considerations. The request was responded to within the permitted extended timeframe.

BUSINESS CONTINUITY AND DISASTER RECOVERY

The Agency has a bespoke Business Continuity Plan (BCP), which continues to be regularly reviewed and updated. A major revision was completed to reflect the new office locations operated by the Agency.

Throughout the period, the Business Continuity Team has engaged with landlords at the new sites, to ensure both parties understand each other's business continuity arrangements. During the reporting period, the business continuity infrastructure was successfully used to ensure staff safety, such as during the civil unrest in summer 2024, where information on areas of disruption was shared and disseminated, and during Storm Darragh, where Police and Met Office travel advisories and building closure information were shared with colleagues.

Our text-based warning system is tested on a six-monthly basis, with the last successful test occurring during June 2025.

PAYMENT POLICY

It is government policy to pay 90% of undisputed and valid invoices from small and medium enterprises within five days and for 100% of all undisputed and valid invoices to be paid within 30 days.

During 2024-25, UKSBS processed 4,006 invoices (3,623 in 2023-24) on behalf of the Agency, with 81.30% of payments made within five working days of receiving an invoice (80.10% in 2023-24) and 95.98% paid within 30 days (95.86% in 2023-24). In line with guidance published by the Cabinet Office, the prompt payment calculation includes supplier invoices and individual Government Procurement Card transactions.

The Agency has identified issues attributable to our purchase to pay system and will deliver an improvement plan by restructuring the process through a new payment application.

PROJECT DELIVERY

The UK Space Agency Project Delivery Profession comprises over 100 members, representing approximately one-third of the workforce. Members have access to digital tools, technical guidance and career development support, including the Government Online Skills Tool and Infrastructure and Projects Authority accreditation. The Agency recently became a Corporate Partner with the Association for Project Management (APM), which has enhanced the profession by providing valuable resources.

Additionally, the profession hosts a monthly Project Delivery Forum, featuring external speakers and internal presentations on delivery within the Agency. This platform, along with APM resources, fosters knowledge sharing, collaboration and advocacy for excellence in project delivery. By leveraging these tools, the UK Space Agency is not only strengthening internal capabilities but contributing to the advancement of project management as a discipline, ensuring alignment with industry standards and emerging trends.

ACCOUNTING OFFICER'S CONCLUSION

As Chief Executive, I am assured that the Agency has appropriate levels of internal control and governance to manage the business, consistent with my responsibilities as the Accounting Officer, alongside identified areas for improvements. I have been provided with evidence of:

- board and committee effectiveness in managing risks, finance and operational performance
- the policies in place impacting on risks such as counter-fraud, bribery and whistleblowing
- the work of internal audit, which in 2024-25 awarded the Agency an overall moderate assurance opinion
- the assessments of my individual directors in the DAASIC providing an overall rating of moderate.

My review has identified the following internal control and governance improvements that the Agency will address during 2025-26:

- Mature the embedding of improved data and information management policies, as outlined by GIAA, to ensure the Agency complies with our legal obligations and GDPR and Information Management requirements.
- Ensure that counter-fraud improvements are implemented and provide adequate protection to our Agency and public money.
- Ensure a robust approach to compliance risk management, particularly to internal policies and controls.

I am confident from the evidence provided by my Finance Director and the assurance from the external auditors that the accounts for the year ended 31 March 2025 are a true and fair reflection of the organisation and accord with Treasury guidance. I conclude that the Agency has satisfactory governance and risk management systems in place to safeguard public money.

Dr. Paul Bate
Chief Executive and Accounting Officer
7 July 2025

Remuneration and Staff Report

SENIOR CIVIL SERVICE REMUNERATION POLICY

Remuneration Policy

The remuneration arrangements for Senior Civil Servants (SCS) are set by the Prime Minister following independent advice from the Senior Salaries Review Body (SSRB).

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found via the QR code below.

Review Body on Senior Salaries.

Performance and reward

The Senior Civil Service pay system consists of relative performance assessments. The highest performing individuals in DSIT and its Arm's Length Bodies were awarded a non-consolidated performance reward for their performance against objectives in 2023-24 which was paid in 2024-25.

In 2024-25, government departments continued to have discretion to make in-year non-consolidated award payments to recognise outstanding contribution. These performance awards varied in amount within an overall cost envelope of 3.3% of the departmental SCS pay budget (2023-24: 3.3%).

Pay increases for SCS in 2024 were 5% across the board, with increases of £1,000 to the pay range minima for SCS Pay Bands 1-3.

Further information about the performance and reward arrangements for Senior Civil Servants can be found via the QR code below.

Senior Civil Service Performance Management and reward.

Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit based on fair and open competition. The Recruitment Principles published by the Civil Service Commission also specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. The notice period for all Senior Civil Servants covered by this report is in line with the Civil Service terms and conditions.

Further information about the work of the Civil Service Commission can be found via the QR code below.

Civil Service Commission.

AUDITED INFORMATION

Salary and pension entitlements

The following table shows the remuneration of Executive Committee (ExCo) members during 2024-25, including the details of their salary and pension entitlements. All ExCo members are Senior Civil Servants. Please note that 2023-24 numbers have been restated to include accrued pension benefits which were unavailable when the accounts were certified in the prior year.

Table 1: Remuneration of Executive Committee members 2024-25

Name	Salary[i] in bands of £5,000		Performance reward payments[ii] in bands of £5,000		Pension benefits[iii] to nearest £1,000		Single total figure of remuneration in bands of £5,000	
	2024-25	2023-24	**2024-25**	2023-24	**2024-25**	2023-24	**2024-25**	2023-24
Current ExCo Members								
Chief Executive Officer								
Paul Bate	**160-165**	160-165	**10-15**	-	**71**	61	**245-250**	220-225
ExCo Members								
Claire Barcham	**85-90**	80-85	**0-5**	0-5	**35**	33	**125-130**	120-125
Craig Brown	**95-100**	90-95	**5-10**	-	**39**	37	**145-150**	130-135
Evan Haselwood (from 01.07.24)	**55-60 (75-80)**	Not in post	**0-5**	Not in post	**23**	Not in post	**80-85 (100-105)**	Not in post
Annelies Look	**100-105**	55-60 (95-100)	**0-5**	-	**82**	4	**185-190**	60-65 (100-105)
Anu Ojha	**105-110**	85-90 (100-105)	**0-5**	0-5	**41**	35	**145-150**	125-130 (135-40)
Joanna Paterson (14.10.24 - 31.03.25)	**35-40 (75-80)**	Not in post	**0-5**	Not in post	**44**	Not in post	**75-80 (120-125)**	Not in post
Chris White-Horne	**100-105**	55-60 (95-100)	**0-5**	-	**76**	29	**175-180**	85-90 (125-130)
Previous ExCo Members								
Ian Annett (to 31.08.23)	**Not in post**	50-55 (125-130)	**Not in post**	0-5	**Not in post**	-	**Not in post**	50-55 (125-130)
Edmund Knollys (22.05.24 - 13.10.24)	**30-35 (70-75)**	Not in post	**0-5**	Not in post	**6**	Not in post	**35-40 (75-80)**	Not in post
Chloe Sowter (to 23.09.24)	**10-15**	85-90	**0-5**	0-5	**-8**	35	**5-10**	125-130

Notes:

(i) Performance rewards are non-consolidated payments.

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

(iii) Where Executive Committee members temporarily covered a vacancy, or, joined or left the Agency part way through a financial year, the date this took effect is below their name. In addition, their Full Year Equivalent salary is included below their in-year salary.

(iv) Officials covered in this table were members of the Executive Committee during 2024-25. All other executive directors are standing attendees who hold no voting rights and, on that basis, are therefore not included in the above table.

Salary

Salary includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowances or payments to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Agency and thus recorded in these accounts. The payment of legitimate expenses is not part of the salary.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Agency and treated by HM Revenue and Customs as a taxable emolument. No Senior Civil Servant covered by this report received any benefits in kind during the year.

Bonuses

Bonuses are non-consolidated award payments, based on performance levels attained and are made as part of the appraisal process. The bonuses reported in 2024-25 relate to performance in 2023-24 and the comparative bonuses reported for 2023-24 relate to performance in 2022-23.

Single total figure of remuneration

Single total figure of remuneration includes salary, non-consolidated performance-related pay, benefits in kind, compensation payments and pension benefits accrued during the reporting period. It does not include severance payments; employer pension contributions; the cash equivalent transfer value of pensions; and the payment of legitimate expenses.

Fair pay disclosure

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. Total remuneration includes full year equivalent salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. Figures are shown in the table below:

	2024-25	2023-24	Change
Band of Highest Paid Director's Total Remuneration	**£175 - 180k**	£160 - 165k	9.2%
25th percentile total remuneration	**£42,635**	£43,216	-1.3%
25th percentile pay ratio	**4.16**	3.76	10.6%
25th percentile salary component of total remuneration	**£42,409**	£42,014	0.9%
Median total remuneration of the workforce	**£55,311**	£50,644	9.2%
Median pay ratio	**3.21**	3.21	0.0%
Median salary component of total remuneration	**£54,936**	£48,757	12.7%
75th percentile total remuneration	**£62,397**	£62,295	0.2%
75th percentile pay ratio	**2.84**	2.61	8.8%
75th percentile salary component of total remuneration	**£61,910**	£59,947	3.3%

There was a 9.2% increase in both median total remuneration and the total remuneration of the highest paid director for 2024-25. There was a 100% increase in performance pay for the highest paid director, as no bonuses were awarded in the previous year. The median pay ratio is consistent with the pay, reward, and progression policies in the Agency. In 2024-25 the pay ratio has increased for both the 25th and 75th percentile due to the increase in the total remuneration of the highest paid director. The average percentage change from the previous financial year in respect of the employees of the entity taken as a whole was a 2.2% increase.

In 2024-25, no employee received remuneration in excess of the highest-paid director (2023-24: no employee). Remuneration in the Agency ranged from £27,642 to £178,571 (2023-24: £28,750 to £162,295).

PENSION BENEFITS

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – **classic**, **premium** and **classic plus** provide benefits on a final salary basis, whilst **nuvos** provides benefits on a career average basis. 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. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and **alpha** are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the **partnership** pension account.

In **alpha**, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to **alpha** from the PCSPS 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 accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or **alpha** – as appropriate. Where a member has benefits in both the PCSPS and **alpha**, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to **alpha**. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the "McCloud judgment").

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of **alpha** from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the **alpha** scheme for the period from 1 April 2015 to 31 March 2022. The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Master trust. 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).

Further details about the Civil Service pension arrangements can be found via the QR code shown.

Civil Service Pension Arrangements.

Table 2: Pension benefits of Executive Committee members 2024-25[i]. All Executive Committee Members are SCS.
Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Name	Accrued pension at pension age as at 31.03.2025 and (if applicable) related lump sum in bands of £5,000	Pension increase in real terms and (if applicable) related lump sum at pension age in bands of £2,500	CETV at 31.03.2025 to the nearest £1,000	CETV at 31.03.2024 to the nearest £1,000	Real increase in the CETV as funded by the employer, to the nearest £1,000	Employer contribution to partnership pension account to the nearest £100
Paul Bate	45-50	2.5-5	658	554	46	-
Claire Barcham	25-30	0-2.5	369	318	17	-
Craig Brown	5-10	0-2.5	66	35	21	-
Evan Haselwood (from 01.07.24)	5-10	0-2.5	92	76	10	
Annelies Look (from 01.09.23)	40-45 plus a lump sum of 95-100	2.5-5 plus a lump sum of 5-7.5	793	697	63	-
Anu Ojha	0-5	0-2.5	71	32	30	-
Joanna Paterson (14.10.24 - 31.03.25)	30-35 plus a lump sum of 50-55	0-2.5 plus a lump sum of 2.5-5	633	589	39	
Chris White-Horne (from 01.09.23)	45-50 plus a lump sum of 70-75	2.5-5 plus a lump sum of 2.5-5	898	784	66	-
Edmund Knollys (22.05.24 - 13.10.24)	30-35 plus a lump sum of 25-30	0-2.5 plus a lump sum of 0	731	708	3	-
Chloe Sowter (to 23.09.24)	20-25	0	250	235	-6	-

Notes: (i) The pension figures quoted show pension earned in PCSPS and CSOPS (alpha) as appropriate. Where the official has benefits in both the PCSPS and CSOPS the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.

Real increase in pension and lump sum

Real increase in pension and lump sum represents the increase in the value of the pension over the year after considering the effect of inflation.

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 pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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 that is 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 arrangement) and uses common market valuation factors for the start and end of the period.

Remuneration of UK Space Agency Board and Audit Committee Non-Executive Members

Appointments to the Agency's Board and Audit Committee are made by DSIT Ministers, in accordance with the Commissioner for Public Appointments' Code of Practice for Ministerial Appointments to Partner Organisations.

In line with the other governance bodies within the DSIT family of partner organisations, the Agency's non-executive members receive an honorarium and are reimbursed for any legitimate expenses incurred on behalf of the Agency, which are included in the table below. Their remuneration is subject to tax deductions at source and is reported on an accruals basis. Where non-executive members joined or left the Agency part way through a financial year, their full-time yearly equivalent is included below their in-year salary.

Please note that prior year figures have been restated to include taxable expenses that were previously excluded from the reported amounts.

Table 3: Remuneration of UK Space Agency Board and Audit Committee Non-Executive Members 2024-25

Non-Executive Member	Position	Period of Appointment	Honoraria	
			2024–25 £000	2023–24 £000
Lord David Willetts	Chair of UK Space Agency Board	April 2022 - March 2028	**25-30**	20-25
Sarah Pumfrett	Chair of Audit and Risk Assurance Committee	October 2024 - October 2027	**5-10 (15-20)**	-
Kevin Shaw	Non-Executive Board and Audit Committee member	June 2021 - May 2026	**5-10**	5-10
Peter Watkins	Non-Executive Board and interim Audit Committee member	June 2021 - May 2026	**5-10**	5-10
Fiona Rayment	Non-Executive Board member	June 2021 - May 2027	**5-10**	5-10
Stuart Martin	Non-Executive Board member	May 2024 - May 2027	**5-10 (5-10)**	-
David Parker	Non-Executive Board member	May 2024 - May 2027	**5-10 (5-10)**	-
Keira Shepperson[(i)]	Interim Chair of Audit Committee	May 2018 - July 2024	**-**	-

Notes:

(i) Keira Shepperson is an employee at the British Business Bank. She was not remunerated for her work as honorarium is not payable to members who are civil servants, employees of the UK Space Agency or full-time employees of organisations whose funds are derived from Votes of Parliament.

STAFF REPORT

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as 'Alpha' – are unfunded multi-employer defined benefit schemes in which the UK Space Agency is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office; scan the QR code below.

For 2024-25, employers' contributions of £4,771,565 were payable to the CSOPS (2023-24: £3,961,043) at 28.97% of pensionable earnings. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024-25 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £29,894 (2023-24: £37,897) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £1,323 (2023-24: £1,456), 0.5% of pensionable pay, were payable to the CSOPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the balance sheet date were £Nil. Contributions prepaid at that date were £Nil.

No members of staff retired early on ill-health grounds (2023-24: none).

During 2024-25 one employee left the Agency and received a payment of £100,001-£150,000 under the Civil Service Compensation Scheme efficiency terms (2023-24: none). No redundancy costs were paid in 2024-25 and 2023-24.

Table 4: Analysis of staff costs and average number of persons

The Agency has continued to grow in order to deliver on its projects and programmes which is reflected in the tables below.

	2024-25			2023-24		
	Permanently employed £000	**Other £000**	**Total £000**	Permanently employed £000	Other £000	Total £000
Wages and salaries	17,263	-	17,263	15,222	-	15,222
Social security costs	1,972	-	1,972	1,740	-	1,740
Other pension costs	4,801	-	4,801	3,982	-	3,982
Subtotal	**24,036**	**-**	**24,036**	**20,944**	**-**	**20,944**
Add cost of inwards secondments/loans	-	273	273	-	83	83
Less recoveries in respect of outward secondments/loans	-	(44)	(44)	-	(175)	(175)
Total staff costs	**24,036**	**229**	**24,265**	**20,944**	**(92)**	**20,852**
	FTE	**FTE**	**FTE**	FTE	FTE	FTE
Average number of persons employed[(i)(ii)]	**305.2**	**2.4**	**307.6**	**309.3**	**1.4**	**310.7**

Notes:

(i) There have on average been 2.0 FTE outward secondees during the year (2023-24: 2.4 FTE) when the Agency's staff have been seconded to other organisations.

(ii) There have been on average 2.4 FTE inward secondees (2023-24: 1.4 FTE).

Civil Superannuation Resource accounts.

Unaudited information on recruitment policies

Recruitment position for UK Space Agency – 2024-25

Number of recruitment campaigns run in 2024-25			57	
Total number of applicants:			3,083	
Potential posts available:	63		Total posts filled: 49	
	UKSA Internal on Promotion:	UKSA Internal on Lateral Transfer:	From OGDs:	External:
	-	11	10	28
Time to hire:				
On average we fill our posts within:	64 working days			
The average target for Civil Service to fill is:	87 working days			

Notes: figures provided by GRS (Government Recruitment Service) - some of the campaigns/posts available relate to duplicate campaigns which initially were not successful.

Off-payroll engagements

The tables below present data on our off-payroll engagements.

Highly paid off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater.	
Number of existing engagements as of 31 March 2025	18
Of those < 1 year (1 April 2023 to 31 March 2025)	11
Between 1 and 2 years (1 April 2022 to 31 March 2024)	6
Between 2 and 3 years (1 April 2021 to 31 March 2023)	1
Between 3 and 4 years (1 April 2020 to 31 March 2022)	-
4 or more years (earliest date to 31 March 2021)	-

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater at UK Space Agency	
No, of all off-payroll workers engaged during the year ended 31 March 2025	23
Of which, not subject to off-payroll legislation	-
Of which, subject to off-payroll legislation and determined as in-scope of IR35	23
Of which, subject to off-payroll legislation and determined as out-of-scope of IR35	-
No. of engagements reassessed for compliance or assurance purposes during the year	-
Of which: Number of engagements that saw a change to IR35 status following review	-

For any off-payroll engagements of board member and/or senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025 at UK Space Agency	
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	-
Total No. of individuals on payroll and off-payroll that have been deemed "board members and/or senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements	16

Consultancy costs of £2,358k were incurred during 2024-25 (2023-24: £12,647k).
The cost of contingent labour during the year was £4,378k (2023-24: £5,731k).

Remuneration policy

The remuneration policy adopted by the UK Space Agency is in line with the DSIT departmental policy. The Agency implemented the 2024 pay award in line with the increases approved. This was effective from 1 August 2024. The DSIT 2024 pay award gave the majority of staff a 5% increase with revalorisation of the pay ranges (2023 pay award: 4.5%).

The Agency operates an In-Year Award Scheme which is a cash and non-cash bonus scheme for individual payments recommended by line managers and colleagues for specific projects or outstanding pieces of work. These are managed by Directors and awarded quarterly following directorate panels. These payments are non-consolidated and the maximum amount available is capped to 0.9% of the total annual pay bill (excluding SCS pay).

Staff composition

The internal Workforce Resourcing Group plays a key part in ensuring that the Agency has both the capacity and capability to deliver the aims and objectives of the Agency.

We have continued to source specialist skills where necessary to support frontline delivery and fill business critical posts whilst maintaining the Agency's headcount at a sustainable level.

UK Space Agency grades	2024-25		2023-24	
	Actual number	% of workforce	Actual number	% of workforce
Administrative Assistants and Administrative Officers	1	0.31	1	0.32
Executive Officers	8	2.48	8	2.57
Higher Executive Officers and Senior Executive Officers	151	46.75	155	49.84
Grade 7/6	152	47.05	137	44.05
Senior Civil Servants	11	3.41	10	3.22

Equality, diversity and inclusion

The Agency is fully committed to having a truly diverse workforce and a culture of openness and inclusivity to help us deliver better outcomes for the community we serve. Our aim is to mainstream into business as usual the delivery of equality, diversity and inclusion and our refreshed wellbeing standards through delivery of our new Responsible Pioneers People Strategy.

In delivering our People Strategy we will harness the power of difference to enhance our culture, where diverse perspectives are welcomed and encouraged so that our people can thrive and continue to make the Agency a great place to work.

We have a dedicated Employee Experience Team focusing on delivery of our wide ranging equality, diversity and inclusion agenda for the whole Agency. As members of the Cross Government Heads of Diversity and Diversity Leads Group we are committed to being at the forefront of initiatives and best practice creating a forward thinking, diverse and truly inclusive UK Space Agency.

Over 2024-25 we have continued to focus on initiatives to support our people. We have delivered IT and Building Accessibility Audits to drive compliance with legislative requirements and to build a supportive environment where our people can thrive, feeding into our ambitious Integrated Transformation Programme across the entire estate. We have also secured membership of the Disability Confident employer scheme to improve how we recruit, retain and develop people with disabilities.

We continue to build on our Respect at Work Campaign and have rolled out our successful Respect at Work and Wellbeing Speaker Series; a series of webinars covering issues our colleagues have told us they want support with.

We have also delivered a comprehensive programme of wellbeing initiatives and services. This included an Agency-wide conversation following the civil disturbances across the UK in the summer of 2024. Our trained teams of Respect at Work First Responders and Mental Health First Aiders provide signposting to the support options we have available to all our colleagues.

We have active Staff Networks led by proactive and dedicated Chairs and SCS Champions who are committed to influencing policy for the better and in support of colleagues. Together they support engagement and knowledge sharing of staff experiences and provide invaluable insights so the Agency is seen and experienced as a visibly inclusive employer.

We participated fully in National Inclusion Week and Speak Up Week; led by our CEO, Paul Bate, and supported by our SCS, Staff Networks and Unions demonstrating clear leadership and support for our colleagues.

The Agency additionally holds a corporate membership to Women in Aerospace which is dedicated to expanding women's opportunities for leadership and increasing their visibility in the aerospace community worldwide.

As we move forward we will continue to collaborate closely with all our stakeholders, to help advance staff skills and capability in delivering our continued commitment to equality, diversity and inclusion and wellbeing in their teams for the benefit of all.

Information on the results from the latest Civil Service People Survey is included in the 'Our People' section of the performance report on page 32.

Workforce Statistics	2024–25		2023–24	
	Actual number	**% of workforce**	Actual number	% of workforce
Gender Male	175	54.18	167	53.7
Gender Female	148	45.82	144	46.3
Working Pattern Full-time	297	91.95	289	92.93
Working Pattern Part-time	26	8.05	22	7.07
Disability Yes	32	9.91	32	10.29
Disability No	131	40.55	131	42.12
Disability Prefer Not to Say/Undisclosed	160	49.54	148	47.59
Ethnicity White – English	132	40.87	140	45.02
Ethnicity White – Irish	5	1.55	< 10	< 3
Ethnicity White – Welsh	11	3.41	< 10	< 3
Ethnicity White – Scottish	8	2.48	< 10	< 3
Ethnicity Black – African	1	0.31	< 10	< 3
Ethnicity Black – Black, Black Scottish, Black British	3	0.93	< 10	< 3
Ethnicity Asian – Indian	11	3.41	< 10	< 3
Ethnicity Asian – Bangladeshi	3	0.93	< 10	< 3
Ethnicity Asian – Pakistani	2	0.61	< 10	< 3
Ethnicity White and Black Caribbean	3	0.93	< 10	< 3
Ethnicity Other White Background	16	4.95	15	4.82
Ethnicity Other Asian Background	12	3.72	< 10	< 3
Ethnicity Mixed – Any other mixed background	7	2.16	< 10	< 3
Ethnicity Prefer Not to Say/Unknown	109	33.74	98	31.51

Workforce diversity (Executive Committee only)	**2024–25** % declared	2023–24 % declared
Black and ethnic minorities	12.5	20
Women	37.5	40
Disabled	25	10
Working pattern – part-time	25	20

Sickness absence

In the 12-month period April 2024 to March 2025 the average working days lost though recorded sickness absence was 8.14 days per employee. In the same period April 2023 to March 2024 average working days lost through recorded sickness absence was 8.82 days per employee.

Staff Turnover Data

The agency monitors turnover rates in line with Cabinet Office guidelines to ensure an appropriate level of turnover is maintained. The turnover figure is calculated as the number of leavers within the reporting period divided by the average of staff in post over the period. UKSA's staff turnover rate for 2024-25 was 14.8% (2023-24: 15.2%).

Trade Union Facility Time

Organisations are required to publish trade union facility time data in accordance with The Trade Union (Facility Time Publication Requirements) Regulations 2017 (SI 2017/328). 2 employees were trade union officials during the year, where these employees spent 1-50% of their working hours on facility time.

The total cost of trade union facility time of £59,202 represents 0.25% of the total pay bill of £24,036,000. None of the facility time was spent on paid trade union activities.

Parliamentary Accountability and Audit

These pages present information about the Agency that is useful to readers for accountability and decision-making purposes that is not covered elsewhere in the report.

Our Chief Executive is personally accountable to Parliament for our performance. Our financial statements are subject to audit by the Comptroller and Auditor General, who heads up the National Audit Office and is responsible for scrutinising public spending and safeguarding the interests of taxpayers on behalf of Parliament. The Comptroller and Auditor General's audit certification is presented on page 82.

SCIENCE AND TECHNOLOGY ACT 1965

The Science and Technology Act 1965 governs responsibility and powers in respect of scientific esearch. HM Treasury approval must be obtained for all grants issued under the Act. The value of grants falling within the scope of the Act for the year 2024-25 is £163.2m (2023-24: £108.2m). Historically, HM Treasury issued DSIT delegated authority for approval of grants governed by the Act, where these were below £20m. However, HM Treasury does not have authority under the Act to delegate its approval to others. In order to correct this administrative misunderstanding, during 2023-24 and 2024-25, retrospective approval was sought from HM Treasury for £154.2m (2023-24: £96.3m) of this spend. The residual amount of £9.0m (2023-24: £11.9m) relates to grants issued which did not conform to the authorities that govern these transactions and is therefore considered irregular. In 2025-26, HM Treasury approval is being obtained for all future grants and thus all spend governed by the Act will be regular in nature.

LOSSES AND SPECIAL PAYMENTS (AUDITED)

During the reporting period, the Agency incurred notional losses of £17,124k (2023-24: £7,025k) which represent total cumulative unrealised losses for the 6 disposed contracts previously recognised in the revaluation reserve and removed on completion. More information can be found in Note 4 and Note 9 to the Financial Statements, Total operating expenditure and Other financial assets/ liabilities, on pages 98 and 101 respectively. In relation to hedges, another loss incurred during the year is £2,186k in foreign exchange loss. This occurred following completion of a forward contract and subsequently entering a buy back arrangement with the Bank of England to sell surplus foreign currency. This loss arose due to changes in ESA commitments from the time the forward contract was entered into to its maturity.

In addition, there was a loss of £397k for early termination fees in relation to a lease for a property owned by Government Property Agency. This is due to transition to a new office location in London as part of the Cabinet Office 'Plan for London' initiative.

Finally, there was an £840k loss arising from writing off a debt following the debtor entering into administration during the year. The debt arose due to claw back of grant funding.

There were no special payments in the period.

REMOTE CONTINGENT LIABILITIES (AUDITED)

Under the UN Space Treaties (the Outer Space Treaty) and the Convention on International Liability for Damage Caused by Space Objects (the 'Liability Convention'), the UK Government is ultimately liable to pay compensation to third parties for damage caused by its space objects. For damage arising on the surface of the earth, or to an aircraft in flight the liability is absolute (meaning that the claimant is not required to prove fault), whereas damage arising in space is a fault-based regime.

To manage the risk to the Government, the Outer Space Act 1986 (which regulates spaceflight activities carried out by UK entities overseas) and the Space Industry Act 2018 (which regulates spaceflight activities in the UK) requires licensees to indemnify HM Government against any claims made by third parties against HM Government. Limits of operator liability are to be included as licence conditions in all licences issued under both Acts. This limit is set to a standard €60m under both Acts but can be more.

The UK Space Agency and DSIT hold the contingent liability arising from satellite operations and procuring a launch under both the Space Industry Act and the Outer Space Act. In the event that a contingent liability crystallises, the UK Space Agency will in the first instance assess whether it can meet the level of claim. If this is not the case, it is expected that the sponsor department, DSIT, will fund this liability. The Department for Transport holds the contingent liability for launch activities taking place from the UK.

These requirements are currently under review as part of a wider Government consultation on orbital liabilities and insurance. The new proposal aims to apply a variable approach to setting operator limits of liability for satellite operations with a focus on the sustainability of the missions (Scan the QR code for more information). The Government response to the consultation is yet to be published.

The UK Government is therefore exposed to a potential liability for third-party costs which are not recoverable from the licensee. It is not possible to definitively quantify the extent of the contingent liability given the uncertainty around the nature and extent of any damage and that the risk of crystallisation is considered to be remote (less than 1%). For accounting purposes and to reflect the current limits of operator liability, a maximum potential exposure has been set at £1m.

CROWN DEPENDENCIES AND OVERSEAS TERRITORIES (CDOTs)

In conjunction with the contingent liabilities stemming from the Space Industry Act 2018 and the Outer Space Act 1986, a contingent liability relevant to the Crown Dependencies and Overseas Territories (CDOTs) also exists for historic and extant licences issued under the Outer Space Act 1986. This pertains to scenarios where the UK Government has agreed to address any claims directed at a CDOT concerning licensed activities within that jurisdiction for licences issued through the Civil Aviation Authority or by the jurisdiction itself. For any claims made against a licensee , in the first instance the authorities of these jurisdictions must cover any losses in excess of the operator's limit of liability, with the UK Government covering any losses which cannot be accommodated by those authorities, to prevent destabilisation of their economies. This contingent liability is accounted for by UK Space Agency on behalf of the UK Government as per the arrangements above. The liability agreements between the UK government and each CDOT is different for each CDOT. The UK Space Agency is actively collaborating with the CDOTs to ensure their regulatory frameworks and insurance provisions continue to effectively mitigate the risk of this contingent liability being realised. As above, the liability remains unquantifiable, but a reasonable worst-case loss could be anticipated.

Consultation on Orbital Liabilities, Insurance, Charging and Space Sustainability.

Dr. Paul Bate
Chief Executive and Accounting Officer
7 July 2025

Godrevy lighthouse, Cornwall

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

OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of the UK Space Agency for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise the UK Space Agency's

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the UK Space Agency's affairs as at 31 March 2025 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

OPINION ON REGULARITY

In my opinion, in all material respects, the 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 (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the UK Space Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, I have concluded that the UK Space Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the UK Space Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

OTHER INFORMATION

The other information comprises information included in the Performance Report and Accountability Report but does not include the financial statements and my auditor's certificate and 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 certificate, 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 HM Treasury directions issued under the Government Resources and Accounts Act 2000.

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

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

MATTERS ON WHICH I REPORT BY EXCEPTION

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

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 UK Space Agency 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 ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

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

- maintaining proper accounting records;
- 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 a records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- the C&AG with unrestricted access to persons within the UK Space Agency 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 and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the UK Space Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the UK Space Agency will not continue to be provided in the future.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the UK Space Agency's accounting policies and performance incentives.

- inquired of management, UK Space Agency's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the UK Space Agency'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 UK Space Agency's controls relating to the UK Space Agency's compliance with the Government Resources and Accounts Act 2000, the Science and Technology Act 1965 and Managing Public Money;

- inquired of management, UK Space Agency'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 regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the UK Space Agency for fraud and identified the greatest potential for fraud in the following areas: 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 UK Space Agency's framework of authority and other legal and regulatory frameworks in which the UK Space Agency operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the UK Space Agency. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, the Science and Technology Act 1965 and relevant employment law 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 and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;

- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and

- 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 a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

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.

REPORT

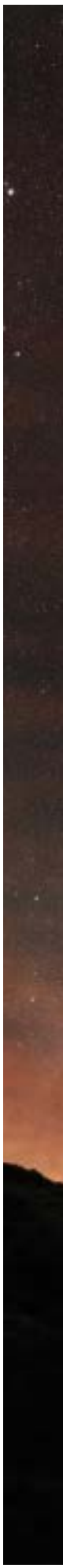
I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

9 July 2025

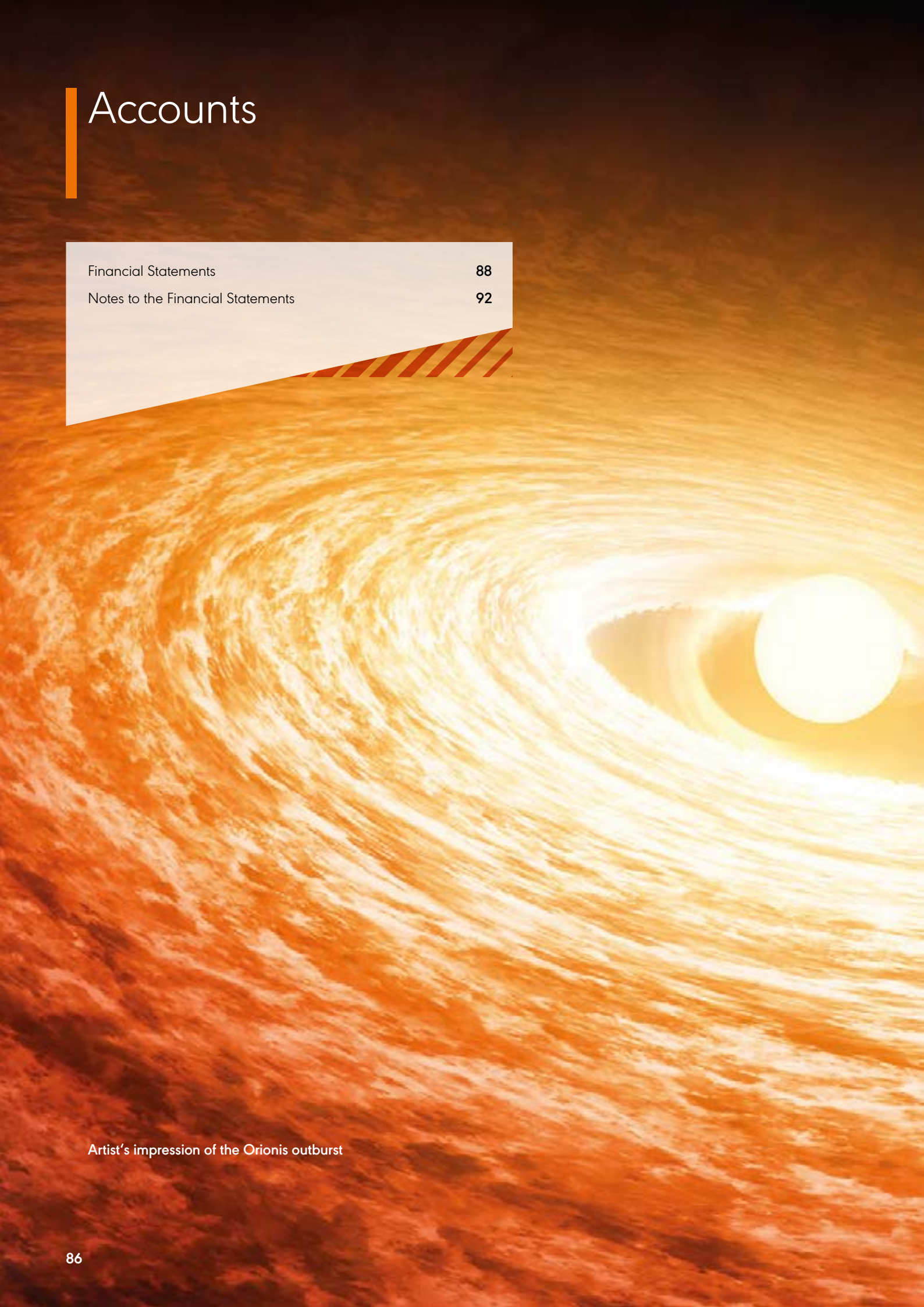
National Audit Office
157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP.

The Auditor's Responsibilities for the Audit.



Astronomy Photographer of the Year – Observations at Night © Jakob Sahner (Germany)

Accounts



Artist's impression of the Orionis outburst

Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

	Note	2024-25	2023-24
		£000	£000
Income from operating activities	5	(2,894)	(1,086)
Total operating income		**(2,894)**	**(1,086)**
Staff costs	3	24,265	20,852
International subscriptions, grants and other funding	4	552,590	588,415
Technical contracts and contract management	4	24,352	21,818
Depreciation and impairment	6, 7 & 8	1,448	1,453
Finance lease interest – unwinding of discount		281	63
Other operating expenditure	4	15,260	10,803
Total operating expenditure		**618,196**	**643,404**
Net operating expenditure		**615,302**	**642,318**
Other comprehensive net expenditure			
Items which will not be reclassified to net operating costs			
Net (loss)/gain released on the disposal of cash flow hedges[i]	9	(17,124)	(7,025)
Items which may be reclassified subsequently to net operating costs:			
Net loss/(gain) on revaluation of cash flow hedges[ii]	9	39,531	45,014
Total comprehensive net expenditure for the year ended 31 March		**637,709**	**680,307**

Notes:

(i) The reported losses on disposal of cash flow hedges are notional losses which represent the total cumulative unrealised losses for the disposed contracts previously recognised in the revaluation reserve. More information can be found in Note 4 - Total operating expenditure and Note 9 - Other financial assets and liabilities

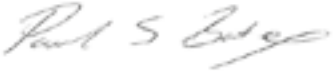
(ii) The reported losses on revaluation of forward exchange contracts in 2024-25 are notional losses caused by a decrease in the fair value of the contracts held at 31 March 2025 compared to the fair value of contracts initial value on inception. The UK Space Agency abides by the HM Treasury and DSIT group rules relating to hedging. More information can be found in Note 9 - Other financial assets and liabilities.

The notes on pages 92 to 106 form part of these financial statements.

Statement of Financial Position as at 31 March 2025

	Note	31 March 2025	31 March 2024
		£000	£000
Non-current assets			
Right of use assets	6	5,566	2,102
Tangible assets	8	3,298	3,591
Total non-current assets		**8,864**	**5,693**
Current assets			
Trade & other receivables	10	45,242	61,931
Cash & cash equivalents	11	27,556	25,532
Total current assets		**72,798**	**87,463**
Total assets		**81,662**	**93,156**
Current liabilities			
Trade & other payables	12	(85,754)	(51,502)
Lease liabilities	15	(957)	(472)
Other financial liabilities	9	(20,852)	(8,970)
Total current liabilities		**(107,563)**	**(60,944)**
Total assets less current liabilities		**(25,901)**	**32,212**
Non-current liabilities			
Lease liabilities	15	(4,523)	(1,701)
Provisions	16	(548)	(385)
Other financial liabilities	9	(31,123)	(20,598)
Total non-current liabilities		**(36,194)**	**(22,684)**
Total assets less total liabilities		**(62,095)**	**9,528**
Taxpayers' equity and other reserves			
General fund		(13,116)	36,100
Revaluation reserve		(48,979)	(26,572)
Total equity		**(62,095)**	**9,528**

The notes on pages 92 to 106 form part of these financial statements.



Dr. Paul Bate
Chief Executive and Accounting Officer
7 July 2025

Statement of Cash Flows for the year ended 31 March 2025

	Note	2024–25	2023–24
		£000	£000
Cash flows from operating activities			
Net operating expenditure for the year	SoCNE	(615,302)	(642,318)
Adjustment for non cash transactions - depreciation and impairment	6, 7 & 8	1,448	1,453
Adjustments for non cash transactions - auditor's remuneration	4	86	70
Adjustments for non cash transactions - other		(3)	53
Decrease in trade and other receivables	10	16,689	3,808
Increase in trade and other payables	12	34,252	9,996
Interest on lease liabilities	SoCNE	281	63
Net cash outflow from operating activities		**(562,549)**	**(626,875)**
Cash flows from investing activities			
Capital expenditure	8	-	(628)
Net cash outflow from investing activities		**-**	**(628)**
Cash flows from financing activities			
Net parliamentary funding - drawn down	SoCTE	566,000	633,000
Payment of lease liabilities		(1,427)	(577)
Net cash flow from financing activities		**564,573**	**632,423**
Net increase in cash and cash equivalents in the period		**2,024**	**4,920**
Cash and cash equivalents at the beginning of the period	11	**25,532**	**20,612**
Cash and cash equivalents at the end of the period	11	**27,556**	**25,532**

The notes on pages 92 to 106 form part of these financial statements.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

2024-25	General fund[i]	Revaluation reserve[ii]	Total
	£000	£000	£000
Balance at 1 April 2024	36,100	(26,572)	9,528
Net Parliamentary Funding - drawn down	566,000	-	566,000
Net operating expenditure for the year	(615,302)	-	(615,302)
Non-cash adjustments:			
Non-cash charges - auditor's remuneration	86	-	86
Movements in reserves:			
Additions	-	-	-
Disposals	-	17,124	17,124
Revaluations[iii]		(39,531)	(39,531)
Balance at 31 March 2025	**(13,116)**	**(48,979)**	**(62,095)**

2023–24	General fund[i]	Revaluation reserve[ii]	Total
	£000	£000	£000
Balance at 1 April 2023	45,348	11,417	56,765
Net Parliamentary Funding - drawn down	633,000	-	633,000
Net operating expenditure for the year	(642,318)	-	(62,318)
Non-cash adjustments:			
Non-cash charges - auditor's remuneration	70	-	70
Movements in reserves:			
Additions	-	(1,798)	(1,798)
Disposals	-	7,025	7,025
Revaluations	-	(43,216)	(43,216)
Balance at 31 March 2024	**36,100**	**(26,572)**	**9,528**

Notes:

(i) The general fund is used to support the ongoing operations of the Agency and represents the investment made by the Agency or sponsor department.

(ii) The Revaluation reserve represents the increase in value of tangible assets of £2,996k in 2022-23 (for more information see Note 8) and the balance represents the net decrease in value of financial derivatives in relation to the cashflow hedge instruments (see note 9).

(iii) Revaluations include movement on cash flow hedges (on initiation and at year end).

The notes on pages 92 to 106 form part of these financial statements.

Notes to the Financial Statements

1. Statement of Accounting Policies

1.1 Basis of accounting

Following the machinery of government changes announced in 2023, the UK Space Agency (UKSA) is now an executive agency of the Department for Science, Innovation and Technology (DSIT). The transition of accounting officer responsibilities to DSIT was completed on 1 April 2023.

These financial statements have been prepared in accordance with the 2024-25 Government Financial Reporting Manual (FReM), as set out in a statutory Accounts Direction issued pursuant to section 7(2) of the Government Resources and Accounts Act 2000.

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 UK Space Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency are described below. They have been applied consistently in dealing with items that are considered material in relation to the accounts.

1.2 Going concern

The financial statements cover the activities of the UK Space Agency and are prepared on a going concern basis. In line with the 2024-25 FReM guidance on IAS 1 interpretation of going concern for the public sector non-trading entity, The Directors have assessed the financial position as at 31 March 2025 and note a significant shift from the net asset position reported in the previous year to a net liability position. This change is primarily driven by the timing of expenditure at the end of the government spending review period. A number of schemes are reaching the final stages of their delivery cycle, resulting in higher accrued costs due to larger milestone payments falling towards the end of project lifecycles. This has temporarily impacted the balance sheet but does not indicate any underlying financial or operational concern. The Directors are confident that sufficient funding and resources are in place to meet all obligations as they fall due and, given the anticipated continuation of the statutory basis for the Agency's services, consider the going concern basis of preparation to be appropriate, with no reason to doubt the Agency's continued existence for 2025-26 and beyond.

The UK Space Agency is an Executive Agency of the Department for Science, Innovation and Technology (DSIT), and the Department has agreed the 2025-26 budget for the Agency. Moreover, the Department's estimates and forward plans include provision for the Agency's continuation beyond 2025-26. It has therefore been considered appropriate to prepare these accounts on a going concern basis.

1.3 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of financial assets and financial liabilities.

1.4 Presentational currency

The financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds (£'000). The functional currency of the Agency is pounds sterling.

1.5 Intangible non-current assets

Intangible non-current assets are capitalised if they are intended for use on a continuing basis and their original carrying value, on an individual or asset pool basis, exceeds the capitalisation threshold of £10,000. Where there is an active market, the valuation is derived from the active market. Where there is no active market, intangible non-current assets are valued at depreciated replacement cost as Agency's intangible non-current assets are not income-generating and do not therefore have value in use. They are amortised on a straight-line basis over the following periods:

Patents, licences and royalties	7-15 years

1.6 Tangible non-current assets

Tangible non-current assets are capitalised if they are intended for use on a continuing basis and their original carrying value, on an individual or asset pool basis, exceeds the capitalisation threshold of £10,000. Where there is an active market, the valuation is derived from the active market. Where there is no active market, tangible non-current assets are valued at depreciated replacement cost. They are depreciated on a straight-line basis over the following periods:

Plant and machinery	4-24 years

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash is held with the Government Banking Service and the credit risk is therefore assessed as low.

1.8 Financial instruments

The Agency recognises and measures financial instruments in accordance with IFRS 9 Financial Instruments as interpreted by the FReM for public sector.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Agency becomes a party to the contractual provisions of an instrument.

The fair value of financial instruments is determined by reference to quoted market prices where an active market exists for the trade of these instruments. The fair value of financial instruments which are not traded in an active market is determined using generally accepted valuation techniques, including estimated discounted cash flows.

Financial assets are de-recognised when the rights to receive future cash flows have expired or are transferred and the Agency has transferred substantially all the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.8.1 Financial assets

In accordance with IFRS 9 Financial Instruments, the Agency classifies financial assets into the following categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVTPL).

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The impairment model is forward looking and is based on expected credit loss (ECL) model which applies to the following financial assets:

- Financial assets measured at amortised cost;
- Trade receivables, contract assets and lease receivables.

1.8.2 Financial liabilities

In accordance with IFRS 9 Financial Instruments, the Agency classifies financial liabilities as either:

- Amortised cost, or
- Fair value through profit or loss (FVTPL).

Financial liabilities are measured at amortised cost unless either:

- The financial liability is held for trading (i.e. it is held with principal purpose of selling or repurchasing it in the near term), therefore it must be measured at FVTPL; or
- The Agency elects to measure the financial liability at FVTPL.

1.9 Hedge accounting under IFRS 9 Financial Instruments

Derivative financial instruments comprise forward exchange contracts held to hedge the Agency's exposure to foreign currency risk. They are designated as cash flow hedges. The effective portion of change in the fair value is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Net Expenditure. Amounts accumulated in equity are recycled to the Statement of Comprehensive Net Expenditure in the periods when the hedged item affects the Statement of Comprehensive Net Expenditure.

Financial instruments held to hedge foreign currency risk exposures are designated as cash flow hedges if the criteria for applying cash flow hedge accounting under IFRS 9 are met. If the criteria are not met, such as when a forecast transaction is no longer expected to occur, the forward contract is accounted for as a financial instrument held for trading purposes and any cumulative gain or loss that was reported in taxpayer's equity is immediately transferred to the Statement of Comprehensive Net Expenditure.

The Agency does not hold or issue derivative financial instruments for trading purposes.

1.10 Operating income

Operating income is income that relates directly to the operating activities of the Agency as well as income generated from Agency assets and is measured at the fair value of consideration received or receivable and is shown net of trade discounts; value added tax and other taxes. It comprises, principally, statutory licence fees for activities covered by the Outer Space Act (OSA) 1986; co-funding income from other public sector bodies; grant funding from the EU; income from the hiring out of Agency assets and charges for services provided, on a full cost basis, to external customers. Operating income is recorded in accordance with IFRS 15.

1.11 Grants payable and receivable

Grants payable are recognised in the period in which the grant recipient carries out the activity that creates an entitlement to grant. Recognition of entitlement varies according to the details of individual schemes and the terms of the offers made. Unpaid and unclaimed grants are charged to the Statement of Comprehensive Net Expenditure on the basis of estimates of claims not received and are included in accruals in the Statement of Financial Position.

1.12 Contributions to UK Innovations & Science Seed Fund (UKI2S)

The UK Space Agency (UKSA) recognises contributions to the UK Innovation and Science Seed Fund (UKI2S) as an expense, reflecting the nature of the funding as support for research and development activities within the space sector. As a Limited Partner in the UKI2S Space Sub-Fund, UKSA's contributions are designed to be evergreen, continually reinvested to foster innovation and growth. These contributions, which are non-recoverable upon exit from the partnership, are expensed in line with the signed partnership agreement, ensuring transparency and alignment with our commitment to advancing the UK's space industry.

1.13 Ownership of equipment purchased by research grant

Equipment that has been purchased by an Institution with research grant funds supplied by the Agency belongs to that Institution. Through the Conditions of Grant applied to funded institutions, the Agency reserves the right to determine how such equipment shall be disposed of and how any disposal proceeds are to be utilised. Such equipment is excluded from these financial statements.

1.14 Insurance

As an Executive Agency of the Department for Science, Innovation and Technology (DSIT), the Agency, along with other public bodies of the Departmental group, do not generally insure. Insurance will only be obtained on items which, with the agreement of the Department, require it due to the risks involved. Insurance premiums are charged to the Statement of Comprehensive Net Expenditure. Staff travelling overseas on business are covered by the Department's insurance policy for any medical costs incurred abroad, but are expected to take out their own travel insurance policy to cover any loss or damage to personal property. Claims directly related to business property are considered under DSIT expenses policy guidelines.

1.15 Foreign exchange

Transactions that are denominated in a foreign currency are translated into pounds sterling at the rate of exchange prevailing on the date of each transaction unless covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated at the rates of exchange ruling at that date. These translation differences are recognised in the Statement of Comprehensive Net Expenditure.

1.16 Pensions

The Agency's staff are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and Civil Servants And Others Pension Scheme (CSOPS) as described in the Remuneration and Staff Report. Defined benefit schemes are unfunded. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS and CSOPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS/CSOPS. In respect of the defined contribution elements of the Schemes, the Agency recognises the contributions payable for the year.

Contributions to the defined benefit pension scheme are charged to the Statement of Comprehensive Net Expenditure in accordance with actuarial recommendations so as to spread the cost of the pensions over the employees' expected working lives. Further details of the pension schemes can be found on the Civil Service Pensions website; scan the QR code on page 76.

1.17 Employee benefits

In accordance with IAS 19 Employee Benefits, the Agency is required to recognise short-term employee benefits when an employee has rendered service in exchange for those benefits. Included in the financial statements is an accrual for the outstanding employee holiday entitlement at 31 March each year on an undiscounted basis.

1.18 Taxation

The Agency, as an Executive Agency of DSIT, is exempt from income and corporation tax by way of its Crown exemption.

Value Added Tax (VAT) is accounted for in the financial statements, in that amounts are shown net of VAT except:

- irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure, and included under the relevant expenditure heading;
- irrecoverable VAT on the purchase of an asset is included in additions.

The net amount due to, or from, HM Revenue and Customs in respect of VAT is included within other receivables and payables in the Statement of Financial Position.

1.19 Leases

IFRS 16 requires recognition of assets and liabilities for all leases in the Statement of Financial Position (SoFP), with exemption given to low value leases and short-term leases, i.e. those with lease terms of less than 12 months. The standard results in the recognition of a right-of-use asset, representing a right to use the underlying leased asset and a lease liability, representing an obligation to make lease payments.

1.19.1 Agency as lessee

The definition of a contract is expanded under the FReM definition to include intra-UK government agreements where non-performance may not be enforceable by law. This includes, for example, the Memorandum of Terms of Occupation (MOTO) agreements.

Measurement of right-of-use asset on transition

On initial application, the right-of-use asset is measured at an amount equal to the lease liability.

Measurement of lease liability on transition

On initial application, the lease liability is measured at the present value of the remaining lease payments using the HM Treasury discount rate where interest rates implicit in the lease cannot be readily determined.

Measurement of right-of-use assets

Initial measurement

At the commencement date, the Agency measures the right-of-use asset at cost, which comprises:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs incurred
- An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease terms and conditions.

Subsequent measurement

Right-of-use assets are subsequently measured in line with the cost model for IFRS 16 which is used as a proxy for valuation except where:

- A longer-term contract which lacks clauses for the reassessment of lease payments in response to fluctuations in market conditions.
- There is a significant period of time between these assessments
- The valuation of the underlying asset is likely to fluctuate significantly due to changes in market prices.

Depreciation of right-of-use assets
Right-of-use assets are depreciated on a straight-line basis from commencement date to the end of the lease term or the end of the asset's useful economic life, whichever is shorter.

Impairment of right-of-use assets

The Agency applies IAS 36 'Impairment of Assets' to determine whether a right-of-use asset is impaired and to account for any impairment loss identified.

Measurement of lease liabilities

Initial measurement
At the commencement date, the Agency measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are discounted using the HM Treasury discount rate where interest rates implicit in the lease cannot be readily determined.

At the commencement date, lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the term not paid at the commencement date:

- Fixed payments, including any in-substance fixed payments less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date, for example, payments linked to a consumer price index or a benchmark interest rate
- Amounts expected to be payable by the Agency under a residual value guarantee
- The exercise price of a purchase option if the Agency is reasonably certain to exercise that option
- Payments of penalties for terminating the lease if the lease term reflects the Agency exercising the option to terminate the lease and the Agency is reasonably certain to exercise this option.

Subsequent measurement
The lease liability is remeasured to reflect changes to the lease payments. The Agency remeasures the lease liability by discounting the revised lease payments using a revised discount rate if there is a change in:

- Lease term
- The Agency's assessment of an option to purchase the underlying asset, assessed considering events and circumstances in the context of a purchase option. The Agency determines the revised lease payments to reflect the change in amounts payable under the purchase option
- Amounts expected to be payable by the Agency under a residual value guarantee
- Future lease payments resulting from a change in the index or rate used to determine these future lease payments, including a change to reflect changes in market rental rates following a market rent review. The Agency remeasures the lease liability to reflect those revised lease payments only when there is a change in the cash flows (this will be when the adjustment to the lease payments takes effect).

The amount of remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset, where there is a balance on the right-of-use asset. However, if the carrying amount of the right-of-use asset is £nil and there is a further reduction in the measurement of the lease liability, the Agency recognises the remaining amount of the remeasurement of the lease liability in the Statement of Comprehensive Net Expenditure.

1.19.2 Agency as lessor

Classification
The Agency classifies leases where it is lessor as either an operating lease or a finance lease. The Agency classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. If it does not, then the lease is classified as an operating lease.

Finance leases: recognition and measurement
At the commencement date, the Agency recognises assets held under a finance lease within the Statement of Financial Position and presents them as a receivable at an amount equal to the net investment in the lease using the interest rate implicit in the lease to measure the net investment in the lease. Initial direct costs are included in the net investment in the lease. Finance lease income is allocated over the lease term so as to reflect a constant periodic rate of return on the Agency's net investment outstanding in respect of the leases.

Operating leases: recognition and measurement
The Agency recognises lease payments from operating leases as income on a straight-line basis. The Agency recognises costs, including depreciation incurred in earning the lease income as an expense. Initial direct costs incurred in obtaining the operating lease are added to the carrying amount of the underlying asset and these are expensed over the lease term on the same straight-line basis as the rental income.

1.20 Contingent liabilities
The Agency discloses contingent liabilities in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Should a contingent liability crystallise, UKSA is to fund the obligation using agency budgets initially. In the event that UKSA's funds are insufficient, it is expected that the sponsor department, DSIT, will fund this liability.

1.21 Provisions
A provision is recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation (legal or constructive) that can be reliably measured and which results from a past event. Where the time value of money is material the provision is measured at present value using discount rates prescribed by HM Treasury. No provision presented in these financial statements has been discounted as the impact of the time value of money was deemed to be immaterial.

1.22 Reporting by operating segment
Under HM Treasury guidance in the FReM, the UK Space Agency is expected to meet the requirements of IFRS 8 Operating Segments to report information concerning operating segments where the criteria under IFRS 8 are met.

Although the Agency considers that its activities contribute to an overall mission within the same business environment; nevertheless, there are separable operating segments on a geographical basis, namely National and International. See Note 2 Statement of operating costs by operating segment for further details.

1.23 Estimation techniques used and key judgements
The preparation of the Agency's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying value of the asset or liability. Where applicable, these uncertainties are disclosed in the notes to the financial statements. Areas which the UKSA believes require the most critical accounting judgements and estimates are:

- Provisions for liabilities and charges;
- Accruals for grants payable.

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Accounting Policies, 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.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are fluctuations in the fair value of financial assets/liabilities measured using forward market exchange rates (see Note 9 Other financial assets and liabilities for further information).

1.24 Changes in accounting policies
There have been no changes in accounting policies in the current period.

1.25 Changes to International Financial Reporting Standards (IFRS) and 2023-24 Financial Reporting Manual (FReM)

1.25.1 Changes to IFRS
The following new standards will be adopted by the Agency in full, from the application date in the FReM, unless the requirements are adapted in the FReM:

IFRS 17 Insurance Contracts
IFRS 17 Insurance Contracts becomes effective, as adapted and interpreted in the 2025-26 FReM, for accounting periods commencing on or after 1 April 2025, unless an entity has elected to adopt IFRS 17 earlier, with the permission from the relevant authority. It requires a discounted cash flow approach to measuring insurance liabilities. The Agency has assessed the impact of IFRS 17 adoption and determined that it does not issue any insurance contracts as defined by the standard. Consequently, IFRS 17 is not expected to have a material impact on the Agency's financial statements.

The Agency does not expect any other new, or revised standard, or interpretation to have a material impact.

1.25.2 Changes to the FReM
There were no changes adopted in the 2024-25 FReM.

2. Statement of operating costs by operating segment

The Agency has two main geographical segments namely, international and national, and it is on this basis that reportable segments have been identified.

Funding is received from DSIT to cover the cost of international subscriptions to the European Space Agency and the remainder of its programme work at a national level. National programme work includes being responsible for delivering aspects of specific project work in the UK as well as funding universities and companies to undertake various research and development activities.

The activities across both segments are reported on a monthly basis to the Executive Committee and Delivery Board. This is done through a management accounts framework that scrutinises budgetary constraints and ensures alignment with the allocated funding. This is further analysed at a directorate level enabling full financial control to be maintained.

The segments are separate for decision making purposes and there are no transactions between the two segments.

There have been no changes in segmental identification since the previous reporting period.

Statement of Financial Position analysis by segment is not reported to the Executive Committee and Delivery Board and, therefore, in accordance with IFRS 8 Operating Segments, is not disclosed in these financial statements.

	2024–25			2023–24		
	National segment	**International segment**	**Total**	National segment	International segment	Total
	£000	**£000**	**£000**	£000	£000	£000
Gross expenditure	247,369	370,827	**618,196**	157,224	486,180	**643,404**
Income	(2,894)		**(2,894)**	(1,086)		**(1,086)**
Net operating costs	**244,475**	**370,827**	**615,302**	**156,138**	**486,180**	**642,318**

Description of segments

The national segment mainly consists of expenditure on work undertaken within the UK either by the means of funding to research institutions or companies or expenditure on major national programmes.

The international segment mainly consists of expenditure with the European Space Agency in the form of subscriptions which are used to fund, along with subscriptions from other national governments, its various space programmes.

Central administrative and operational costs are reported under the national segment reflecting the way they are reported to the Executive Committee and Delivery Board.

3. Staff costs

	2024–25	2023–24
	£000	£000
Wages and salaries	17,263	15,222
Social security costs	1,972	1,740
Other pension costs	4,801	3,982
Subtotal	**24,036**	**20,944**
Add cost of inward secondments	273	83
Less recoveries in respect of outward secondments	(44)	(175)
Total staff costs	**24,265**	**20,852**

Further analysis of staff costs, average number of persons employed and other relevant disclosures can be found in the Remuneration and Staff Report.

4. Total operating expenditure[i]	Note	2024-25 £000	2024-25 £000
International subscriptions			
European Space Agency	(ii)	348,695	475,429
Recognised loss/(gain) on forward exchange contracts		17,124	7,025
Net loss/(gain) on foreign exchange spot rate (non-hedge)		2,133	(227)
Total ESA subscriptions		**367,952**	**482,227**
Other international subscriptions		272	39
Other international grants & payments			
French Space Agreement (CNES) bilateral agreements		655	2,136
ESA mandatory tax adjustment	(iii)	1,638	1,501
Other		310	276
National grants and other funding			
Space Clusters Infrastructure Fund		39,722	6,249
Academic grants	(iv)	33,716	30,807
National Space Innovation Programme		27,144	8,072
International Bilateral Programme		15,408	5,640
Earth Observation Technology Programme		9,046	4,695
Future Science Bilaterals Programme		8,431	5,821
New Education and Skills Engagement Programme		6,827	2,551
Other national programme grants and funding	(v)	6,372	5,876
Space Debris Removal		6,177	4,482
Earth Observation Investment Package (EOIP)		5,432	-
Unlocking Space Programme		4,960	1,593
Contribution to UK Innovation & Science Seed Fund LP (UKI2S)	(vi)	4,700	7,936
Spectrum charges		4,297	4,297
Space Enterprise Ecosystem Development **		3,253	3,120
Centre for earth observation instrumentation (CEOI)		2,541	2,171
Spaceflight Programme		2,245	3,555
Satellite Methane Data		1,436	5,437
National Space Technology Programme		56	-66
Total subscriptions, grants and other funding		**552,590**	**588,415**
Technical contracts and contract management	(vii)	**24,352**	**21,818**
Other operating expenditure			
Accommodation		5,705	856
Temporary staff costs		4,378	5,731
Travel and subsistence		1,686	1,452
Conferences and education		1,071	783
Payments for departmental shared services	(viii)	789	1,112
Training and other staff costs		388	908
Auditors remuneration - notional charges (external)	(ix)	86	70
Other		1,157	(109)
Total operational costs		**15,260**	**10,803**
Total operating expenditure		**592,202**	**621,036**

* *2023-24 figures have been re-presented to include Unlocking Space Programme, Centre for earth observation instrumentation (CEOI) and Earth Observation Investment Package (EOIP) as the accounts now disclose them separately.*

** *Local Growth Programme has been renamed to Space Enterprise Ecosystem Development.*

Notes:

(i) Total operating expenditure disclosed in SoCNE also includes staff costs as per Note 3, depreciation as per Note 6 Right of Use assets and Note 8 Tangible assets, impairment as per Note 7 and interest element of lease payments.

(ii) The Agency pays an annual subscription to ESA in Euros. To manage our budgets effectively, the Agency entered into forward exchange contracts with the Bank of England to hedge about 90% of its total commitments to ESA between June 2023 and January 2028.

(iii) The Agency is liable in accordance with Article 42 of the Coordinated Organisation's Pension Scheme Rules, for the amount of tax adjustment applicable to pensions borne by the Member State in which the recipient is subject to taxes on income. The 2024-25 tax liability of £1,638k (2023-24: £1,501k) relates to tax of the recipients in the United Kingdom for the European Space Agency.

(iv) Prior to the creation of the Agency the responsibility for provision of academic research grants was undertaken by the Science Technology and Facilities Council (STFC), now part of UK Research and Innovation (UKRI). Since 1 April 2011, such grants are the responsibility of the Agency. Due to the ongoing nature of some of the grants and the expertise that UKRI have in this area it has been agreed that UKRI would continue to maintain the process and make any necessary payments, recharging the Agency for the costs of such grants. The cost of maintaining and processing these payments is minimal and UKRI has agreed to undertake this activity on a nil cost basis. Therefore there is no charge for this activity to the Agency.

(v) The UK Innovation & Science Seed Fund LP (UKI2S) is an independently managed capital venture fund backed by government, which was established to invest in technologies developed from publicly funded research. UKSA is a limited partner in the fund and has contributed £4.7m in 2024-25 (2023-24: £7.9m).

(vi) Other National Programme Grants and Funding saw a slight increase from £5,876k to £6,372k. This rise in expenditure is due to the expansion of existing ones.

(vii) Technical contracts and contract management witnessed an increase in the year to £24,352k. Key contributors to this figure include the National Space Operations Centre (NSpOC) at £7.4m, Integrated Transformation Programme at £3.9m and the Unlocking Space Programme at £2.5m. Additionally, there were investments in Telecoms at £2.1m, Space Sustainability Initiatives at £1.2m, alongside the Accelerating Business programme at £0.9m. These investments are indicative of our Agency's strategic focus on enhancing the UK's space industry infrastructure and ensuring its sustainable development.

(viii) Payments for departmental shared services include the costs of centrally provided information technology and legal advice. From 1 April 2017 legal services are provided by the Government Legal Department via an SLA with DSIT. The overall charge for legal advice costs in 2024-25 was £353k (2023-24: £164k).

(ix) No remuneration was paid to the external auditors in respect of non-audit work in 2024-25 or 2023-24.

5. Income from operating activities

	Note	2024–25	2023–24
		£000	£000
Other Income	(i) (ii)	2,894	1,086
Total		**2,894**	**1,086**

Note:

(i) Other Income is mainly due to fees charged for use of Westcott Facility (£338k) and contribution to the National Space Operations Centre (£2,579k).

(ii) UKSA was formerly responsible for the collection of licensing fees under the Outer Space Act 1986. In 2023-24 the UK Civil Aviation Authority (CAA) took over the role of issuing licenses for space activities, however, UKSA retained the activity of collecting income on CAA's behalf. The invoiced value attributable to this in 2024-25 and payable to CAA was £110,500 (2023-24: £182,000). There is no income reported in UKSA financial statements from these fees.

6. Right of use assets

	2024-25			2023-24		
	Land	Buildings	Total	Land	Buildings	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation:						
Balance at 1 April	646	2,760	**3,406**	646	2,644	**3,290**
Additions	-	4,930	**4,930**	-	919	**919**
Remeasurement	-	-	**-**	-	17	**17**
Disposals	-	(1.732)	**(1,732)**	-	(820)	**(820)**
Balance at 31 March	**646**	**5,958**	**6,604**	**646**	**2,760**	**3,406**
Depreciation:						
Balance at 1 April	(129)	(1,175)	**(1,304)**	(86)	(1,108)	**(1,194)**
Charged in year	(43)	(1,112)	**(1,155)**	(43)	(515)	**(558)**
Disposals	-	1,421	**1,421**	-	448	**448**
Balance at 31 March	**(172)**	**(866)**	**(1,038)**	**(129)**	**(1,175)**	**(1,304)**
Carrying amount at 31 March	**474**	**5,092**	**5,566**	**517**	**1,585**	**2,102**

Note: The key right of use asset additions in the year are associated with the new lease agreements as discussed in Lease Liabilities note 15.

7. Intangible assets

	2024–25	2023–24
	£000	£000
Patents, licences and royalties[i]		
Cost or valuation		
Balance at 1 April	-	600
Additions	-	-
Impairment	-	(600)
Balance at 31 March	**-**	**-**
Amortisation		
Balance at 1 April	-	-
Charged in year	-	-
Balance at 31 March	**-**	**-**
Carrying value at 31 March	**-**	**-**
Asset financing:		
Owned	-	-
Carrying value at 31 March	**-**	**-**

Note:

(i) In 2020-21, the Agency acquired specialist software intended for operational use within the Spaced-Based Positioning Navigation and Timing Programme. In 2023-24, following a comprehensive impairment review in line with IAS 36, it was determined that the software would not be brought into operational use. As a result, this intangible asset was fully impaired and written off in 2023-24.

8. Tangible assets

	2024-25			2023-24		
	Plant and Machinery	Assets Under Construction	Total	Plant and Machinery	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
Balance at 1 April	3,729	304	**4,033**	3,462	-	**3,462**
Additions (i)	-	-	**-**	324	304	**628**
Revaluations (ii)	-	-	**-**	-	-	**-**
Disposals	-	-	**-**	(57)	-	**(57)**
Balance at 31 March	**3,729**	**304**	**4,033**	3,729	304	**4,033**
Amortisation						
Balance at 1 April	(442)	-	**(442)**	(148)	-	**(148)**
Charged in year	(293)	-	**(293)**	(295)	-	**(295)**
Disposals	-	-	**-**	1	-	**1**
Balance at 31 March	**(735)**	**-**	**(735)**	(442)	-	**(442)**
Carrying value at 31 March	**2,994**	**304**	**3,298**	3,287	304	**3,591**
Asset financing:						
Owned	2,994	304	**3,298**	3,287	304	3,591
Carrying value at 31 March	**2,994**	**304**	**3,298**	3,287	304	**3,591**

Note:

The net book value of tangible assets includes a life-size replica of the first rocket launched from UK soil, an optical telescope with ancillary equipment for satellite tracking in geostationary orbit, and the Westcott National Space Propulsion Test Facility.

9. Other financial assets/liabilities

Historically, the UK Space Agency had a number of derivative contracts that were designated as cashflow hedges to better plan currency fluctuations in relation to international subscriptions commitments payable to the European Space Agency (ESA) in Euros. These contracts were revalued at each year end based on the future forward market rates, as provided by the Bank of England, at that time. Any such revaluations at the year end therefore reflected unrealised gains and losses at that time.

The UK Space Agency uses forward exchange contracts as part of a balanced portfolio of hedges designed to control foreign currency risk in line with the level of risk appetite adopted by the Executive Committee. The Agency is fully compliant with the DSIT departmental hedging policy, which forbids using financial instruments for speculative purposes. Forward exchange contracts may be placed with the Bank of England where the expected cost at the current exchange rate represents at least 2% of the total budget or the value of the transaction is greater than £2,000,000. The only form of hedging foreign currency risk allowed within the DSIT family of partner organisations is the use of forward exchange contracts so as to provide a greater budgetary certainty and therefore plan the future expenditure more effectively.

During the year, the Agency did not enter into any forward exchange contracts (2023-24: 15) to hedge 90% of existing international subscriptions commitments payable to ESA between June 2023 and January 2028. During the reporting period, six forward contracts reached maturity and were disposed of accordingly. As at 31 March 2025, there were 12 such contracts remaining.

		2024–25	2023–24
		£000	£000
Balance at 1 April		(29,568)	8,421
Additions (contracts purchased in year)		-	(1,798)
Disposals (contracts settled in year)	(i)	17,124	7,025
Revaluation movement	(ii)	(39,531)	(43,216)
Balance at 31 March		**(51,975)**	**(29,568)**
Non-current other financial liabilities		(31,123)	(20,598)
Current financial liabilities		(20,852)	(8,970)
Total other financial liabilities		**(51,975)**	**(29,568)**
Total net other financial assets and liabilities		**(51,975)**	**(29,568)**
Net change in value of cash flow hedges impacting reserves	(iii)	**(22,407)**	**(37,989)**

Notes:

(i) The disposal value arose through the completion of six forward exchange contracts with settlement dates falling in the reporting period. This notional value represents the total cumulative unrealised loss/(gain) for each of these contracts previously recognised in the revaluation reserve and removed on completion.

(ii) Revaluation movement represents the difference in the fair value of the contracts on inception as compared to the fair value of the contracts at their settlement date. The GBP to EUR forward rate moved from 1.166 to 1.190 during the period from inception, on 1 December 2023, and year end. This revaluation has resulted in an increase in the financial liability from £29,569k at the beginning of the year to £51,976k by the end of the year, primarily driven by the adverse revaluation of the hedging instrument amounting to £39,531k.

(iii) Further information on the reported change in the value of cash flow hedges can be found in the Statement of Changes in Taxpayers' Equity on page 91 under the Revaluation Reserve disclosures.

Cashflow hedge contracts

The hedge contract is designed to allow for cash flow planning and enables effective budgeting to align with the comprehensive spending reviews which are normally undertaken by the government every three years. The hedge contract is not designed to protect against currency risk which will result in an unrealised gain or loss arising each year end when hedges are revalued. On completion of the contract, there will be either an opportunity gained or lost resulting from the movement in the exchange rate. As this is outside management control, and in line with the HM Treasury's Consolidated Budgeting Guidance 2024-25, these gains and losses are only recognised under the resource annually managed expenditure (RAME) budgetary category.

During the reporting period, the Agency maintained a total hedge portfolio of 18 forward exchange contracts, six of which matured during the year.

The fair value of forward exchange contracts is determined by comparing the contractually agreed cost on creation of the contract with the fair value of the contract translated at the future forward market rate provided by the Bank of England at close of trading on 31 March 2025 for the relevant forward exchange contracts' settlement dates. These are indicative rates only, and therefore in accordance with IFRS 13 Fair Value Measurements, the valuation inputs are classified as Level 2.

The fair value measurement is categorised into three levels based on the observability and significance of the inputs used in the valuation technique, as per IFRS 13.The following table presents the UKSA's financial instruments measured at fair value at 31 March 2025:

Level	Type of Financial Instrument	Fair Value at 31 March 2025	Valuation Technique	Significant Observable Inputs
2	Forward Exchange Contracts	£51,976k	Market Approach	Forward Market Rates

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The UK Space Agency does not issue any loans, apart from staff loans, and does not have any outstanding loans. Any staff loans in issue are not material and do not present any credit risk to the organisation.

Liquidity

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. In common with other government agencies, the future financing of its liabilities is to be met by future funding from the parent department, namely the Department for Science, Innovation and Technology, which receives its funding by means of Supply, voted annually by Parliament. There is no reason to believe that future approvals will not be forthcoming, therefore, on this basis the UK Space Agency is not exposed to liquidity risks.

Market risk

Foreign currency risk

The UK Space Agency's exposure to foreign currency risk during the year was significant, though this was considerably mitigated by the use of cashflow hedge contracts. The expenditure on international subscriptions to the European Space Agency, in Euros, was made in three instalments during the year. The Agency aims to manage a portfolio of forward contracts to purchase Euros at approximately 80% of the annual subscription payable to ESA during a calendar year thereby fixing the exchange rate to be used. Depending on the movement of exchange rates and risk appetite, this percentage (coverage) can fluctuate by 10%. The remaining 10-30% is translated at the prevailing spot rate.

The Agency also has limited transactional currency exposure arising from occasional payments made in currencies other than sterling and through reimbursing foreign travel and subsistence costs for staff travelling to international bodies. Such transactions are translated at the prevailing spot rate and the amounts involved are not material.

Interest rate risk

The UK Space Agency does not invest or access funds from commercial sources. The UK Space Agency does not have any loans or contracts that are subject to interest rate fluctuation and is not subject to any interest rate risk.

The UK Space Agency does not participate in any market reliant activities and is not subject to market risk.

10. Trade receivables and other current assets

		31 March 2025	31 March 2024
Trade and other receivables less than one year		**£000**	£000
Trade receivables		761	423
Other receivables		94	61
Prepayments & accrued income	(i)	43,713	60,769
VAT		674	678
Total		**45,242**	**61,931**

Note:
(i) Prepayments and accrued income include a prepayment made to the European Space Agency of £43,490k (2023-24: £60,276k).

11. Cash and cash equivalents

	31 March 2025	31 March 2024
	£000	£000
Balance at 1 April	25,532	20,612
Net change in cash and cash equivalents	2,024	4,920
Balance at 31 March	**27,556**	**25,532**
The following balances at 31 March were held at:		
Government Banking Service	**27,556**	**25,532**

Note:
Cash balances at the Government Banking Service were held in sterling. No interest is earned on cash balances held at the Govermnent Banking Service.

12. Trade payables and other current liabilities

		31 March 2025	31 March 2024
		£000	£000
Trade payables		2,599	1,273
Other payables		1,330	1,152
Accruals	(i)	81,218	48,533
Contract liabilities	(ii)	190	186
Deferred income	(iii)	417	358
Total		**85,754**	**51,502**

Notes:
(i) Accruals include accrued expenditure in respect of Space Clusters Infrastructure Fund of £22,815k (2023-24: £5,895k); National Programme (via UKRI) of £12,243k (2023-24: £13,268k); NSIP of £10,910k (2023-24: £3,808k); International Bilateral Programme of £7,664 (2023-24: £250k); Unlocking Space Programme of £6,117k (2023-24: £1,153k); Launch Programme of £3,649k (2023-24: £3,785k); Future Science and Exploration Bilaterals £2,528k (2023-24: £1,130k); Space Debris Removal of £2,508k (2023-24: £1,491k); Earth Observation Investment Package of £2,020k (2023-24: nil); Space Ecosystem Development £1,224k (2023-24: £1,403k). The remaining balance of £9,540k is made up of other programmatic and operating expenditure accruals, including goods received not invoiced and the accrual in respect of untaken staff annual leave.
(ii) In accordance with IFRS 15, contract liabilities of £190k were recognised with regards to Outer Space Act licence fees received in 2023-24 for licences not yet issued as at 31 March 2025 (2023-24: £186k).
(iii) Deferred income balance relates to funding received from the EU in respect of ongoing EU funded programmes in which the Agency continues to participate.

13. Capital commitments

There were no capital commitments as at 31 March 2025 (2023-24: none).

14. Other financial commitments

14.1 International subscriptions commitments

The UK Space Agency's commitments are primarily due to its obligations to ESA under CMin22. The last ESA Council of Ministers meeting took place in November 2022 (CMin22) and covered obligations to ESA for the period 2023 to 2028, with some commitments extending to 2030. They were the following payments to which the Agency was committed as at the reporting period.

	31 March 2025	31 March 2024
ESA	**£000**	£000
Not later than one year	327,213	426,970
Later than one year and not later than five years	1,229,423	1,601,015
Later than five years	123,096	155,630
Total	**1,679,732**	**2,183,615**

14.2 Grants commitments

	31 March 2025	31 March 2024
	£000	£000
Not later than one year		
Enabling Technologies Programme	15,238	3,668
Academic Grant Commitments	11,545	6,729
Connectivity - Low Earth Orbit	5,583	-
Exploration National Programme	917	3,562
Spaceflight Programme	402	4,091
Inspiration Programme	19	1,829
Space Science	-	7,428
International Bilateral Fund	-	3,090
Space Cluster Development	-	2,637
Science and Exploration Bilaterals	-	938
Helioswarm	-	689
Space Academic Network	-	109
Space Universities Network	-	99
Exploration (Mars Science)	-	26
Sub-total	**33,704**	**34,895**
Later than one year and not later than five years		
Connectivity - Low Earth Orbit	6,877	-
Enabling Technologies Programme	3,618	-
Academic Grant Commitments	3,359	-
Space Cluster Development	204	1,095
Exploration (Mars Science)	-	27
	14,058	**1,122**
Total	**47,762**	**36,017**

15. Lease liabilities

See note 1 Accounting Policies for further information.

Total future minimum lease payments are given in the table below:

	31 March 2025	31 March 2024
	£000	£000
Land:		
Not later than one year	47	47
Later than one year and not later than five years	190	190
Later than five years	282	330
Sub-total	**519**	**567**
Less interest element	(27)	(32)
Present value of obligations	**492**	**535**
Buildings:		
Not later than one year	1,149	480
Later than one year and not later than five years	3,298	703
Later than five years	1,563	884
Sub-total	**6,010**	**2,067**
Less interest element	(1,022)	(429)
Present value of obligations	**4,988**	**1,638**
Total present value of obligations	**5,480**	**2,173**
Of which:		
Current	957	472
Non-current	4,523	1,701

Notes:
In 2024-25 interest charged to the SOCNE was £281k (2023-24: £63k) and capital repayments made under leases as reported on the SoCF is £1,427k (2023-24: £577k).

Land:

Westcott

In March 2021, the Agency entered into a lease agreement with BNP Paribas Depository Services for the land at Westcott site for a lease term of 15 years, with an early surrender option in March 2028.

Buildings:

Harwell

In May 2024, the Agency entered into a lease agreement with the Harwell Science and Innovation Campus General Partner Limited for head office accommodation at the Harwell Science and Innovation Campus. The lease commenced on 15 May 2024 for a term of 5 years.

Space Park Leicester

In January 2024, the Agency entered into a lease agreement with the University of Leicester for office accommodation and/or training room for science and technology research purposes at the Space Park Leicester. The lease commenced on 1 January 2024 and is due to expire on 31 December 2034.

Government Property Agency

In May 2024, the Agency entered into a lease agreement with the Government Property Agency (GPA) for office accommodation at Queen Elizabeth House, Edinburgh. The lease commenced on 1 May 2024 for a term of 20 years.

In October 2024, the Agency entered into a lease agreement with the Government Property Agency (GPA) for office accommodation at 10 South Colonnade, Canary Wharf, London. The lease commenced on 1 October 2024 for a term of 8 years.

In February 2024, the Agency entered into a lease agreement with the Government Property Agency (GPA) for office accommodation at Tŷ William Morgan House, Cardiff. The lease commenced on 19 February 2024 for a term of 10 years.

In September 2019, the Agency entered into an additional lease agreement with the Government Property Agency (GPA) for office accommodation at 10 Victoria Street, London. The lease commenced on 30 September 2019 and was due to expire on 18 February 2026. As per the recent agreement or MOTO, the lease has been surrendered early, effective 31 March 2025, allowing GPA to assume occupancy from 1 April 2025. Consequently, the UKSA has de-recognised the right-of-use asset and corresponding lease liability, therefore no future payments are recognised in the current year. However, a termination fee of £397k is payable to GPA to cover all rent and costs for a further six months after the date of vacation. If GPA is able to relet the property between April and September 2025, the UKSA's liability will be reduced accordingly.

16. Provisions for liabilities and charges

Dilapidations[i]	2024-25 £000	2023-24 £000
Balance at 1 April	385	385
Provided in the year	163	-
Provisions not required written back	-	-
Provisions utilised in the year	-	-
Balance at 31 March	**548**	**385**

Note:

(i) In 2013-14, the UK Space Agency entered into a lease agreement with NATS (En Route) Plc (NERL) for office accommodation at the NATS Swanwick Control Centre. At the end of the lease term in December 2030 or in the event of an early surrender of the lease, the Landlord (NERL) had the contractual right to enforce the Agency to pay for costs of dilapidations which as at 31 March 2021 were estimated at £770k. In 2020-21, the Agency entered into a Memorandum of Terms of Occupation with the Ministry of Defence (MoD) for these premises. MoD agreed to equally share the costs of dilapidations, therefore the provision was reduced accordingly. In 2022-23, the Agency surrendered the lease and the MoD entered into a lease with NERL occupying the space in its current condition. The Agency entered into a Memorandum of Understanding with the MoD to honour the existing agreement to share the costs of dilapidations when MoD either surrenders the lease or the lease term ends.

(ii) The amount provided in year relates to estimated dilapidation costs for 10 South Colonnade, Canary Wharf, in line with the Agency's lease agreement for office accommodation with the Government Property Agency.

(iii) There were no identified contingent liabilities in 2024-25 (2023-24: none).

17. Related party transactions

During 2024-25, the UK Space Agency was an Executive Agency of the Department for Science, Innovation and Technology (DSIT) and DSIT is regarded as a related party with which the Agency had various material transactions. The back-office function for processing national grants continues to be outsourced to UKRI, which is also recognised as a related party, an entity for which DSIT is regarded as the sponsor department. Additionally, UKSA has made contributions to the UK Innovation and Science Seed Fund (UKI2S) Space Sub-Fund, a partnership aimed at supporting early-stage space companies. The UKSA's contribution as a Limited Partner in this fund, is regarded as a related party transaction due to the indirect relationship through DSIT and UK Research and Innovation (UKRI). Employee benefits received by Agency's key management personnel are disclosed in the Remuneration and Staff Report on page 72. In addition, the UK Space Agency made the following aggregated payments to third parties where the Agency's directors and non-executive members are also senior members of staff:

Name	Position with related party	Description of transactions	Value of transactions £000
Paul Bate	National Space Centre – Trustee	Programme expenditure	1,131
Anu Ojha	University of Leicester – Teaching	Programme expenditure	12,163
Lord David Willetts	King's College London – Visiting Professor	Programme expenditure	50
	European Space Policy Institute (ESP) – Advisory Council Member	Programme expenditure	10
Kevin Shaw	Ministry of Defence – Consultant	Programme expenditure	1,692
Peter Watkins	King's College London – Advisory Board and Visiting Professor	Programme expenditure	As above
	Ministry of Defence – Consultant	Programme expenditure	As above
	QinetiQ – Occasional Advisor	Programme expenditure	564
	RAND Europe – Member of Council and Advisory Work	Programme expenditure	859
David Parker	European Space Agency (ESA) – ECSAT Development Manager	Programme expenditure	351,576
Stuart Martin	National Space Centre – Chair of Board of Trustees	Programme expenditure	As above
	Imperial College London – Visiting Professor	Programme expenditure	380
	Astroscale – Advisor	Programme expenditure	3,792

18. Events after the reporting period

There have been no events between the Statement of Financial Position date and the date the accounts were authorised for issue requiring an adjustment to the financial statements. The date the accounts were authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

Glossary

AME	Annually Managed Expenditure
ARAC	Audit and Risk Assurance Committee
ARTES	Advanced Research in Telecommunications Systems Programme
BCM	Business Continuity Management
CAA	Civil Aviation Authority
CEOS	Committee on Earth Observation Satellites
CETV	Cash Equivalent Transfer Values
C-LEO	Connectivity in Low Earth Orbit
CMin	(ESA) Council of Ministers
COP	Conference of the Parties (to the United Nations Framework Convention on Climate Change)
COSPAR	Committee on Space Research
CSOPS	(Public Service) Civil Service and Others Pension Scheme
DAASIC	Director's Annual Assurance Statements of Internal Control
DEL	Departmental Expenditure Limits
DSIT	Department for Science, Innovation and Technology
DSTL	Defence Science and Technology Laboratory
ECSAT	European Centre for Satellite Applications and Telecommunications
EO	Earth Observation
EOIP	Earth Observation Investment Programme
ESA	European Space Agency
EU	European Union
FTE	Full-time equivalent
GHG	Greenhouse Gases
GIAA	Government Internal Audit Agency
GSTP	General Support Technology Programme
IIC	Innovation, investment and commercialisation
ISAM	In-orbit Servicing, Assembly and Manufacturing
ISS	International Space Station
JAXA	Japanese Aerospace Exploration Agency
JUICE	Jupiter Icy Moons Explorer
JWST	James Webb Space Telescope
LEO	Low Earth Orbit
NAO	National Audit Office
NASA	National Aeronautics and Space Administration
NSIP	National Space Innovation Programme
NSpOC	National Space Operations Centre
NSPTF	National Space Propulsion Test Facility
OSS	Oxford Space Systems
PCSPS	Principal Civil Service Pension Scheme
PNT	Positioning, Navigation and Timing
SCIF	Space Cluster Infrastructure Fund
SCS	Senior Civil Service
SIRO	Security, Information and Risk Officer
SLA	Service Level Agreement
SL-OMV	Small Launch Orbital Manoeuvring Vehicle
SME	Small and Medium-sized Enterprise
SPINtern	Space Placements in Industry intern
STEM	Science, technology, engineering, and mathematics
STFC	Science and Technology Facilities Council
TFCD	Taskforce for Climate-related Financial Disclosures
TRUTHS	Terrestrial Radiometry Underpinning Terrestrial and Helio Studies
UN COPUOS	United Nations Committee on the Peaceful Use of Outer Space
UN	United Nations

Notes

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