Nuclear Decommissioning Authority

Annual Report and Accounts 2024/25

HC 1107

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Front cover image:
Working inside $3m^3$ boxes at Sellafield

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Overview of performance

2024/25

This overview section provides an insight into our work during 2024/25 and highlights areas of progress for this year. We have described these using our five strategic themes.

Chair's statement
Peter Hill CBE

It has been a privilege to be Chair of the NDA since my tenure began at the beginning of June 2024.

I began my own career in the mining industry, including for uranium, which has given me the critical safety, environmental and remediation perspective so useful in this current role. My experience in seismic surveys, geology, drilling, tunnelling and underground development and operations will also allow me to help steer the development of the GDF.

Combined with my senior Executive, Board and Chair experience in broader industrial, technology and infrastructure companies, I can see parallels to further increase optimisation of delivery to achieve success of the NDA's vital mission on behalf of the UK.

During my first year, I have visited a number of the NDA's sites to meet our people and to see first-hand the breadth and scale of the UK's nuclear legacy and the challenge of delivering our mission on behalf of the nation. These included understanding the treatment and management of waste at Sellafield, the decommissioning being undertaken by Nuclear Restoration Services (NRS) at the Dungeness A site in Kent, the development of the Nuclear Waste Services (NWS) Low Level Waste Repository in west Cumbria and the decommissioning work which will facilitate further land release at the NRS Harwell site in Oxfordshire.

I have enjoyed getting to know our shareholder and stakeholders – the Department for Energy Security and Net Zero (DESNZ), UK Government Investments (UKGI) and the Scottish Government; the regulators for our sites, the Office for Nuclear Regulation (ONR) and the Environment Agency (EA); our partners Atomic Weapons Establishment (AWE), the UK Atomic Energy Authority (UKAEA) and the Ministry of Defence (MOD); and my US and Canadian counterparts. I will be visiting further locations across the NDA estate and expanding my stakeholder engagement during the current year.

The importance of the mission being delivered by the NDA group in completing the nuclear lifecycle has been brought to the fore by the UK Government's focus on the nuclear sector, its clean energy strategy which features building a diverse energy sector that includes nuclear, and its strategic plan for nuclear skills. The Board has an ongoing commitment to support such wider government priorities while setting the NDA's strategic framework and direction.

The Board is also driving increased effectiveness of arrangements to provide assurance on the NDA group activities, while retaining focus on our role in overseeing strategic performance and working to ensure high standards of corporate governance. All this while importantly ensuring and promoting continued safety, security, and environmental compliance.

Of course, delivering all this valuable work is not without its challenges. The impact of the nation's fiscal environment is testing our strategic decision-making and resource allocation, as we focus on delivering high hazard reduction while bearing in mind the key factors of value for the taxpayer and affordability.

There is strong competition in the marketplace for key skills such as project management and procurement, in addition to nuclear specific skills and roles such as health physics monitors, so it is more important than ever that our group creates and protects a positive working environment to attract and retain talent. We are also very aware there is always a need to further strengthen our capability in cyber security, which is rightly a key regulatory priority for the Office of Nuclear Regulation.

The NDA brings wider benefits to the UK in sustaining thousands of skilled jobs, through the efforts of our people and through the larger supply chain, building skills for the

UK's nuclear sector of the future, delivering on our strong commitment to sustainability and working with communities to help deliver a lasting positive legacy in areas near and around our sites.

I see significant continued benefits in working as one NDA group, with this model generating increasing contributions to effectiveness and efficiency. The Board ensures when reviewing and approving the group key targets that these clear objectives are aligned with the overall mission. The NDA's work will continue well into the next century, and we must all take account of learning and experience as we monitor progress and adjust programmes accordingly.

We are streamlining and strengthening the NDA Board Committees, merging our Health, Safety and Security Committee with our Environment, Sustainability and Governance Committee, giving a greater focus on safety and security while giving more profile to sustainability issues. We are also moving to an integrated Group Remuneration Committee.

A big thank you to Evelyn Dickey and Janet Ashdown, who at the end of their tenures have now stepped down from our Board, for their valuable contribution over many years, including during the period of Covid and lockdowns. I welcomed Harriet Kemp as a Non-Executive Director and Remuneration Committee Chair during the year, and I look forward to the input of our new Non-Executive colleagues, Catriona Schmolke CBE FREng and Dr. Neil Bruce OBE CEng, who joined after the year end.

Finally I would like to extend my thanks to my other Board colleagues, David and the leadership teams across the group, as well as the NDA's stakeholders, for their support and scrutiny.

It has been a challenging but rewarding first year in the role, and I am looking forward to helping to shape the NDA group's long-term vision during the next financial year and beyond.

Peter Hill CBE
Chair, NDA

Building skills

for the UK's nuclear sector of the future

Group Chief Executive's statement
David Peattie

This has been a significant year of delivery for the NDA leading up to our 20-year anniversary. We have been consolidating and further maximising the benefits offered by working as a group and enhancing our efficiencies. The emphasis remains to provide maximum value for the UK taxpayer and support the UK Government's plan to strengthen the economy, support growth and ensure long-term financial stability.

Our mission delivery over the next five years and beyond is set out in the fifth iteration of our Strategy, which we have been developing over recent months and is now out for public consultation.

We stay focussed on delivering our mission and supporting the UK Government in delivering its Plan for Change. When land is no longer needed to support decommissioning, we work with government and our site stakeholders to support and enable projects which play an important part in the UK's goal for affordable, green and secure energy.

There is also renewed emphasis on enhancing our collective ability as a group to successfully defend against cyber threats, continually adjusting to increased threat levels. Our group-wide efforts to reduce carbon emissions have been successful to-date and remain ongoing.

During the past year we have continued our engagement with stakeholders on mission progress and listened to their views and comments through many platforms, such as our valued Site Stakeholder Groups (SSGs).

Delivering our mission

In delivering on our priority of risk and hazard reduction, we have seen significant progress with transfers of waste starting from one of the Sellafield site's oldest facilities, the Pile Fuel Cladding Silo (PFCS). The target of filling 18 boxes of waste, placing it into more secure and modern containers was successfully met. Also at Sellafield, spent nuclear fuel from the fleet currently run by EDF Energy, has been placed into a space-saving storage rack. This will increase the capacity of the storage pond so all spent fuel expected from current operational nuclear power stations can be accommodated.

The target for retrieving, packaging and transferring Intermediate Level Waste (ILW) to interim storage facilities on our Nuclear Restoration Services (NRS) sites was completed as planned. I am pleased to report that both Low Level Waste (LLW) and ILW disposal targets were met at NRS Dounreay. We have also seen visible decommissioning skyline changes on our estate, including the demolition of Sizewell A's turbine hall.

Innovation continues to deliver value. This is illustrated by the trials of new sail technology for Nuclear Transport Solution (NTS) ships to help reduce our carbon footprint, as well as new autonomous security systems at our Winfrith site in Dorset, that can reduce costs when traditional nuclear security measures are no longer necessary.

In January, we welcomed the UK Government policy decision to immobilise the UK's inventory of civil separated plutonium at Sellafield, putting the material beyond reach. It is fantastic news that we are establishing a Plutonium Ceramics Academic Hub with the Universities of Manchester and Sheffield. Following our commitment to £5 million investment over the next five years, we will see postgraduate research continue to contribute to our nationally important plutonium disposition strategy work.

As part of the ongoing search for a suitable site and a willing host community for a Geological Disposal Facility (GDF), Nuclear Waste Services (NWS) has identified some specific areas of focus within the Mid Copeland and South Copeland regions. NWS is working closely with these two communities, which are actively engaged in the siting process, while remaining open to the possibility of a new community joining the process in the future.

Creating great places to work

Health, safety and wellbeing continue to be a focus for us. Our key safety performance indicators show we are maintaining strong safety standards and making steady progress. However, we remain vigilant and are committed to a preventative, continuous improvement approach.

In addition, we have achieved many milestones on our wellbeing journey, including now having strong employee networks to support underrepresented employee groups and raise awareness of issues that are of interest to them.

We are committed to an open and respectful culture across the group and have taken decisive action to enable this including strengthening our whistleblowing policy. Evidence shows the improvements are working and we acknowledge the improvement in staff survey results over recent years, but we are never complacent and will continue to strive to ensure the NDA group is a place where everyone feels respected and empowered to raise issues, knowing that they will be acted upon appropriately.

I am pleased to report that we welcomed almost 300 graduates to the group this year and hosted another successful graduate recruitment event in Manchester. This attracted more than 11,000 applications, demonstrating how those starting out on their careers are attracted to our mission and the NDA group.

We are capitalising on the experience and talent of our existing employees and supporting opportunities for people to move more easily to work in other parts of the group.

Trusted to do more

I am proud that we continue to be trusted to do more in the NDA group. It has been another record year for the transportation of fuel from UK Advanced Gas-Cooled Reactors (AGRs) by NTS to Sellafield where it is dismantled.

The group are preparing for the decommissioning of seven AGR stations from EDF. Hunterston B in Ayrshire, the first AGR station to transfer, is due to move across to the NDA in 2026 for decommissioning by NRS.

I, NDA and DESNZ colleagues appeared before UK Parliament's Energy and Net Zero Select Committee and the Public Accounts Committee

AGR fuel arriving for reprocessing

(PAC) this year to give evidence on progress at Sellafield. We welcome their scrutiny and observations on how to drive forward improvements in performance.

The PAC published its post-hearing report in June 2025 and, as well as highlighting the challenges in decommissioning Europe's most complex site, we were pleased the Committee noted our improvements. We take such scrutiny seriously and are reviewing the report and recommendations in detail.

Thank you

I remain enormously proud of the efforts of my colleagues throughout the NDA group and all those who are helping to deliver our mission including our supply chain, our site stakeholder groups, our local MPs and Trade Union colleagues. Ours is a collective and collaborative endeavour, and we cannot succeed without the challenge and support of all.

Thank you to Peter Hill CBE, who has provided strong leadership, deep analysis and sharp judgement in his first year as Chair, and to all on our Board.

Finally, I look to the future with great optimism. The NDA mission is vital to national security, environmental protection, and the UK's clean energy future. We remain focused on safe, effective delivery, operating within our funding envelope and supporting the UK Government's Plan for Change. By prioritising strategically, planning with precision, and working smarter, we can maximise impact and continue to build trust in our ability to deliver.

D. Peattie

David Peattie FREng FNucl
Accounting Officer and
Group Chief Executive Officer
18 July 2025

Group Chief Financial Officer's review

Kate Bowyer

Overview

We successfully managed our financial risks and opportunities throughout 2024/25; however, the spending review settlement will bring significant medium-term challenges for the group.

Summary of financial performance

Commercial revenues were £1,258 million (2023/24: £992 million) due to higher income from reprocessing fuels from the UK's operational nuclear power stations, together with some additional spent fuel management income. This higher than expected income allowed additional targeted expenditure whilst remaining within our net expenditure limit.

We received funding from the UK Government of £2,887 million (2023/24: £3,005 million), within the updated supplementary estimate envelope of £3,021 million (2023/24: £3,014 million). This was lower than the previous year due to the higher income explained above. Capital investment was £2,641 million (2023/24: £2,391 million) and our resource expenditure was £1,504 million (2023/24: £1,606 million).

Statement of financial position

The group's statement of financial position is dominated by the nuclear provision: the discounted best estimate of the future costs of the decommissioning mission of £110.1 billion (2023/24: £105.3 billion). The estimate is inherently uncertain and represents one value in a credible range of potential outcomes. The principal movement was due to changes in estimated costs and anticipated realisable savings at Sellafield. Detailed disclosures are on pages 126 to 128 and in note 24 to the accounts.

Spending review

The group has responded to both phases of the UK Government's spending review. The first phase (covering 2025/26) was settled in March 2025 and the second phase (covering 2026/27 to 2029/30) was settled in June 2025. Our submissions balanced our responsibility to deliver safe, secure and value for money progress in our mission with the financial challenges faced by the UK Government and the wider public sector.

Given the long timeframe of much of our activity, we welcome the increased certainty from the longer duration of phase 2 of the spending review. The affordability challenges have led to some difficult prioritisation decisions, but we recognise the need to prioritise our spend where it will have the most impact on our decommissioning mission. This prioritisation has been achieved with close co-operation of government colleagues.

We are currently developing revised plans to determine the full implications on the scope and timing of our mission. Once complete, updates will be made to the nuclear provision. As the spending review outcome was announced after the year end, the nuclear provision at 31 March 2025 does not include any potential cost changes that may arise as a result (see note 32 to the financial statements).

Our people

The spending review has challenged many of our teams, with implications far beyond finance. I am impressed how colleagues across the group from many professional backgrounds have collaborated to achieve this crucial task for the NDA group's future. We continue to share our best talent across the group with several members taking new roles, including in our operating companies. This is a key part of our strategy, and I am proud of the team's adaptability.

Kate Bowyer
Group Chief Financial Officer

Performance against financial targets

Government funding

Our net funding limit was £3,021m and we have received

£2,887m

(2023/24: £3,005m)

+

Income

We expected an income of £1,100m and have generated

£1,258m

(2023/24: £992m)

=

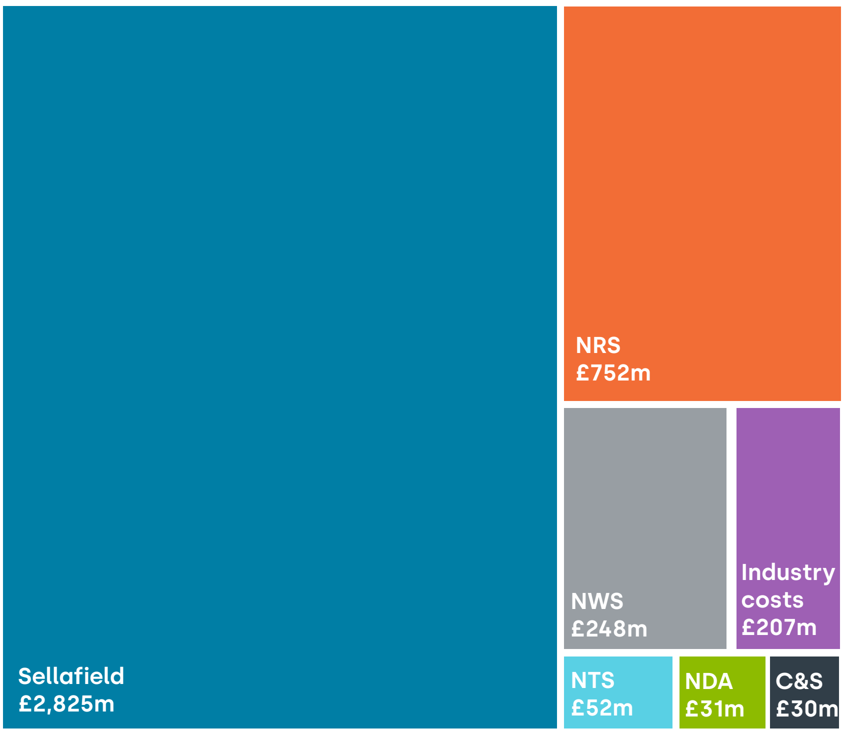
Total expenditure

We had a total expenditure limit of £4,121m and have spent

£4,145m

(2023/24: £3,997m)

During 2024/25 we spent £4,145m across the NDA group to progress the mission (£m)



Sellafield (2023/24: £2,664m)

NRS (2023/24: £743m)

Capenhurst and Springfields (2023/24: £47m)

NWS (2023/24: £231m)

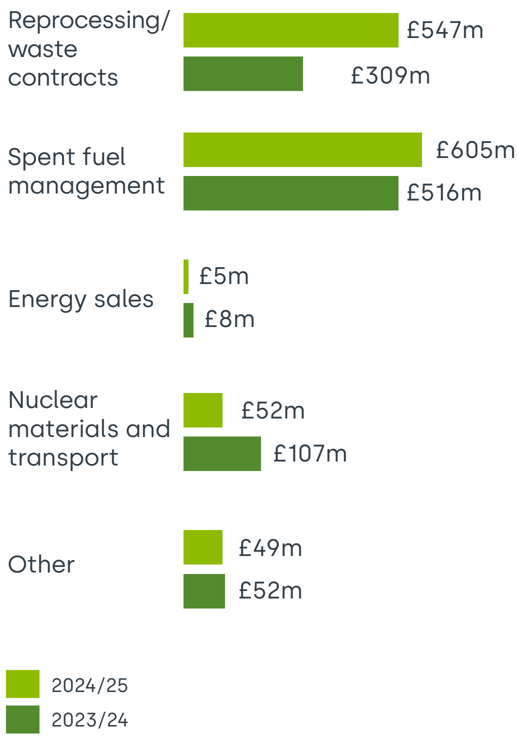
NTS (2023/24: £108m)

Industry costs (2023/24: £172m

NDA (2023/24: £32m)

Figures in the above graphics are prepared on the basis of Government financial reporting (HMT Consolidated Budgeting Guidance) which differs from the basis used to prepare the financial statements.

Our income was generated from:



NDA's running costs of **£31.4m** are 0.8% of the overall estate budget (2023/24: £32.2m)

The NDA and our mission

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

Our 17,500* strong, skilled group workforce, supported by a large supply chain, work hard on behalf of the UK, using innovation and technology to overcome the challenges of identifying and removing nuclear waste from ageing facilities, so we can store it safely and permanently dispose of it. The work is complex and challenging.

Dealing with all the waste, dismantling hundreds of buildings and facilities, and building a geological disposal facility (GDF) to dispose of the most radioactive nuclear waste, will take decades. However, by investing today in the challenges left over from the UK's proud nuclear history, we can remove the burden for future generations and continue to deliver social and environmental benefits through our jobs, knowledge, skills, technology and social investment. Our team is working with partners in research and industry to drive innovation, using cutting-edge technology to reduce hazards and risks, so that over time the sites can be used again for worthwhile purposes.

Our history

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

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

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

Aiming for the highest standards

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

For more information on how we assess investment decisions, see the NDA value framework.

Trusted to do more

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

The AGRs will reach the end of their operational lives over the next 10 years. The spent fuel will be transferred to Sellafield for interim storage and after defueling the sites will transfer to Nuclear Restoration Services for decommissioning.

The NDA group

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

- Sellafield
- Nuclear Restoration Services
- Nuclear Waste Services
- Nuclear Transport Solutions

Other NDA group companies include NDA Archives Ltd, NDA Properties Ltd, Rutherford Indemnity Ltd and Energus.

Find out more about us at nda.gov.uk

17
nuclear sites across the UK

17,500*
permanent employees across the group

946
hectares of designated land on nuclear licensed sites

800+
buildings to be demolished

Existing NDA group sites
1. LLW Repository
2. Sellafield
3. Hunterston A
4. Chapelcross
5. Wylfa
6. Trawsfynydd
7. Berkeley
8. Oldbury
9. Hinkley Point A
10. Dungeness A
11. Bradwell
12. Sizewell A
13. Harwell
14. Winfrith
15. Dounreay
16. Capenhurst
17. Springfields

Sites expected to transfer to the NDA group in the future

18. Hunterston B
19. Torness
20. Hartlepool
21. Dungeness B
22. Hinkley Point B
23. Heysham 1, Heysham 2
24. Vulcan

*Permanent staff

The NDA group organisational structure

Department for Energy Security & Net Zero

Department for Energy Security and Net Zero (DESNZ)

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

UK Government Investments

UK Government Investments (UKGI)

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

NDA Board

NDA

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

Operating companies

Operating Company Board	Operating Company Board	Operating Company Board	Operating Company Board
SELLAFIELD LIMITED*	NUCLEAR RESTORATION SERVICES LIMITED*	NUCLEAR WASTE SERVICES LIMITED* including subsidiary*: Radioactive Waste Management Limited	NUCLEAR TRANSPORT SOLUTIONS comprising*: INS, DRS, PNTL, INS Japan, INS France SAS

*NDA Group for statutory accounts
This diagram shows the group structure on 31 March 2025.
On 1 April 2024 LLW Repository Limited and Radioactive Waste Management Limited became Nuclear Waste Services Limited, a single legal entity operating under one operating company board.

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

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

Other businesses that support our mission

- NDA ARCHIVES LIMITED*
- NDA PROPERTIES LIMITED*
- RUTHERFORD INDEMNITY LIMITED*
- ENERGUS
- URENCO NUCLEAR STEWARDSHIP LIMITED
  Owner URENCO Nuclear Stewardship Limited
- SPRINGFIELDS FUELS LIMITED
  Owner Westinghouse Electric UK Holdings Limited

Decommissioning contract, residue processing, leases and other commercial arrangements

Working with our stakeholders

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

"The NDA can only successfully deliver its mission with a social licence to operate, which is granted through the creation of productive relationships with site communities. Effective engagement with these communities is at the core of the NDA's Site Stakeholder Groups (SSGs) and helps to us to build trust on all sides, which is the lifeblood of healthy debate and challenge.

The valuable connections we have built over 20 years have allowed the SSGs to become a 'critical friend' to the NDA group. Like all relationships, this has not been without its challenges. But we have worked positively through issues as they have arisen in a spirit of openness and dialogue.

The world has changed significantly since the NDA and SSGs were established 20 years ago. We look forward to ensuring that the SSGs continue to perform their vital function of scrutinising how the NDA group tackles the challenges of nuclear decommissioning in this new world."

Cllr Aled Morris-Jones
Wylfa and National SSG Forum Chair

Our partners include:

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

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

Reaching stakeholders

Locally

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

This year marks 20 years of the SSGs' existence. To build on their success, we have conducted a review to modernise and strengthen how the SSGs operate so that they can meet the challenges of the future. We will implement the recommendations from the review in 2025/26.

Regionally

We have continued to engage regionally throughout the year. Notably, we have supported Cumberland Council as it has developed as

a Unitary Authority, with group secondees in Cumberland Council and Enterprise Cumbria. We also attended the UK's Real Estate Investment and Infrastructure Forum with Cumbrian partners to demonstrate the breadth of our mission and attract new housing and retail development into the area.

Nationally

Our in-person stakeholder summit, held in Manchester, covered a range of issues including partnership working, building community engagement and maximising value from our mission. The summit also included an announcement by David Peattie, to provide up to £5 million over five years to finance around 20 PhDs, which will support vital work into plutonium disposition.

The 2024 General Election resulted in 11 new Members of Parliament being elected to represent constituencies in which NDA sites are located. The NDA group have met all Site MPs since the election and hosted a reception alongside Minister Lord Hunt to discuss the challenges and opportunities our work presents - both nationally and within their constituencies.

We also sponsored the Nuclear Industry Association's 'Week in Parliament' in January, organising a fringe event that welcomed over 30 Parliamentarians to gain a better understanding of how our mission contributes to economic growth and national security.

Reflecting our commitment to partnership working, the NDA group and the Scottish Government have continued to benefit from secondees to support work on mutual areas of interest, including developing Scotland's High Activity Waste Policy and strategic planning related to the future of decommissioning activity in Scotland.

Following its creation in 2023, the Cross-Party Group (CPG) of Members of the Scottish Parliament have met to discuss topics such as decommissioning in Scotland, skills, waste policy in Scotland and site end states. A CPG of members of the Welsh Senedd has also been established, meeting twice during the year.

We have continued to build engagement with non-governmental organisations, listening to different perspectives through our jointly chaired forum meetings, and have continued our partnership with the Nuclear Institute Young Generation Network, following its extension in 2023.

Our engagement with local authorities also continues, including the Nuclear Legacy Advisory Forum in England and Wales, which marks its 20th anniversary this year. We have now provided funding for an Engagement Officer to support the re-establishment of the Scottish Councils Committee on Radioactive Substances, which comprises members from all 32 local authorities in Scotland, following five years of inactivity.

Internationally

The NDA group works with a range of international partners to share experience and learn from others. In March, Sellafield Ltd and the Nuclear Energy Agency (NEA) jointly hosted a week-long workshop in Cumbria, showcasing best practice in innovative technologies such as robotics, remote technologies and artificial intelligence (AI) to support decommissioning.

Sustainability in the NDA

The NDA group is committed to creating environmental and social benefits for the UK and we aim to ensure that we have a lasting, positive impact.

We support government aspirations to be carbon net zero, however sustainability is a much broader commitment aligned with the United Nations Sustainable Development Goals (SDGs).

The UK and Devolved Governments' policy for managing radioactive substances and nuclear decommissioning (May 2024) mandates that sustainability is hardwired into our thinking and how decommissioning is carried out. The NDA group's sustainability strategy defines how sustainability is applied to our activities:

Our definition of sustainability

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

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

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

Sustainability integration and commitment

Sustainability is a core principle of our strategy, ensuring that decisions bring benefits to society whilst enhancing mission delivery. The Energy Act 2004 sets out the functions of the NDA, which directly align to 11 of the 17 SDGs. This reflects the NDA group's sustainability vision to transform nuclear legacies into opportunities for local, regional and national sustainable development.

A double materiality assessment conducted this year identified the most significant topics; those which maximise positive societal impact and enhance mission delivery, and therefore deliver value for money and promote shared prosperity for our stakeholders. These topics are aligned to many of the SDGs as shown:

3 GOOD HEALTH AND WELL-BEING	• Health, safety and wellbeing of the public and communities • Safety (including nuclear safety)
4 QUALITY EDUCATION	• Skilled people and equal opportunities
7 AFFORDABLE AND CLEAN ENERGY	• Energy management
8 DECENT WORK AND ECONOMIC GROWTH	• Business conduct and working conditions • Contribution to national and international trade (UK PLC) • Local economic contribution
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Research and development (including innovation) • Ethical, responsible and resilient supply chain
10 REDUCED INEQUALITIES	• Diversity and inclusion
11 SUSTAINABLE CITIES AND COMMUNITIES	• Community relations
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Valuing natural resources / waste management (rad and non-rad, including in-sit disposal) • Releases to the environment (rad and non-rad)
13 CLIMATE ACTION	• Impacts of climate change • Net zero
15 LIFE ON LAND	• Biodiversity, natural capital and ecosystems (including land management)
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Security (physical, cyber and digital)

Sustainability is a high priority in all parts of the NDA group with many topics aligned to our driving themes and critical enablers. Examples of the progress we're making are in different chapters throughout, recognising that it touches every part of our work. Case studies in the report also show the SDGs to which they contribute.

Governance and incentivisation

A governance structure that reaches all levels of the NDA group is fundamental to achieving the vision. The governance statement on pages 43 to 90 outlines how the Board committees work and maintain oversight, including on sustainability. Supporting this, the NDA and our operating companies work together with clear leadership at different levels to achieve the vision.

Incentives are given to sustainability across the NDA group. One of these is the NDA's Long Term Incentive Plan, which has set incentivised targets until 2026. NRS and Sellafield also have sustainability targets linked to corporate incentives.

The group published its Sustainability Report in September 2024 which sets out the progress, opportunities and challenges.

Delivering the NDA mission for UK value

The NDA supports three key sectors aligned to the following SDGs, enabling greater national and global value.

SDG 3 – Good health and wellbeing

Medical isotopes help diagnose and treat illnesses. We provide, in part, safe, secure and sustainable waste disposal for this sector.

SDG 7 – Clean and affordable energy

Our sites produced clean energy, and we now manage spent fuel from operating plants which is crucial for providing low carbon, affordable energy in the UK.

SDG 9 – Industry, innovation and infrastructure

We support the UK defence sector by safely disposing of radioactive materials, upgrading infrastructure, and providing expertise.

Taskforce for Climate Related Financial Disclosures

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

Compliance statement

The NDA reports on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance which interprets and adapts the framework for the UK public sector. The group has complied with the TCFD recommendations and recommended disclosures covering: governance, risk management, and metrics and targets. This is in line with central government's TCFD-aligned disclosure implementation timetable. The NDA plans to make disclosures for the strategy pillar in future reporting periods in line with the central government implementation timetable. While not officially a Group Strategic Risk (GSR), we recognise the importance of climate change on our group risks, so we have opted to disclose on Metrics and Targets (a) and (c) in accordance with guidance.

TCFD pillar: governance

Recommended disclosure	Overview of our actions	Further detail
– Describe the Board's oversight of climate-related risks and opportunities. – Describe management's role in assessing and managing risks and opportunities.	• Climate risks are increasingly considered in the NDA's Strategy, approval of which is reserved for the NDA Board. A dedicated section on climate risks is included in Strategy 5 which is now out for public consultation. • The NDA Board has delegated to the Audit, Risk and Assurance Committee (ARAC) responsibility for reviewing the risk management framework, adequacy and effectiveness of control processes and the application of risk appetite. This includes risks and controls relevant to climate resilience. Climate risks were discussed at four out of seven ARAC meetings during the year. After each of its meetings, the ARAC reports to the NDA Board. • The Health, Safety, Security, Sustainability and Environment (HSSSE) is the NDA Board Committee, which is the main overseer of the management of climate-related risks. Climate risks were discussed at three out of four HSSSE meetings during the year. The total number of meetings includes those held by the Environment, Sustainability and Governance Committee which merged with the HSSE Committee in January 2025 to form the HSSSE Committee. The HSSSE reports after each of its meetings to the NDA Board. • The ARAC and HSSSE have three attendees in common. • The NDA group Sustainability Steering Committee has oversight and strategic direction over climate resilience related issues, most of which are raised via the NDA group Climate Resilience Working Group (gCRWG). The Sustainability Steering Committee reports into the HSSSE Committee and discussed climate risks at all four meetings during the year. The gCRWG met nine times during the year. The operating companies and the NDA have an executive sponsor and a risk owner for climate resilience, leading and co-ordinating their own response. Information and co-ordination of these efforts across the NDA group is through the gCRWG. • The operating companies and the NDA monitor and assess climate factors in line with other risks in our risk management systems.	The role and accountabilities of the Board are outlined on pages 43 to 45. The role and accountabilities of the ARAC are outlined on pages 61 to 63. The role and accountabilities of the HSSSE Board Committee are outlined on pages 68 to 69.

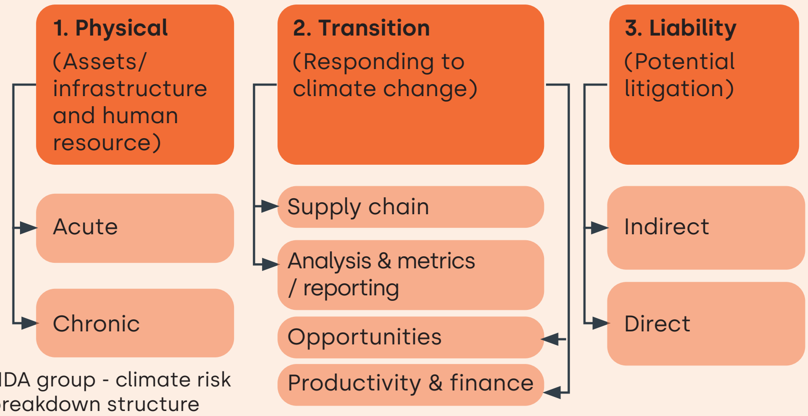
TCFD pillar: risk management

Recommended disclosure

– Describe the processes for identifying and assessing climate-related risks.
– Describe the processes for managing climate-related risks.
– Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

Overview of our actions

We have integrated climate change into our group Enterprise Risk Management framework, which can be found within the Risk Management section of this report. For 2024/25 this integration has been centred on identifying and assessing climate-related and climate change risks.
This TCFD disclosure takes consideration of the NDA group approach to climate risks.
This group approach continues the direction set in the TCFD 2023/24 report. Although the group does not recognise climate change as a Group Strategic Risk (GSR), several operating companies (Sellafield and NRS) recognise climate change as principal threats.
The next steps in climate change risk management involve continuing to mature the group's, NDA's, and operating companies' understanding of threats and opportunities presented by climate change, ultimately establishing climate change risk management as a business-as-usual practice.
Risk Identification: The NDA and operating companies individually assess their climate risk exposure using the NDA group Risk Breakdown Structure (RBS), as detailed below. We regularly monitor policy and the regulatory landscape, conduct workshops and horizon scanning to identify and describe risks.



NDA group - climate risk breakdown structure

Risk Analysis: Climate risks are scored, then reviewed and prioritised against the wider organisational risk landscape. This allows for understanding of the interconnectivity with other risk areas, which are heightened due to climate related impacts.
Risk Evaluation: Climate risks are evaluated against organisational objectives using risk appetite (set by the NDA Board) to prioritise responses, ensuring consistent translation between likelihood, impact scores, and risk appetite tolerances. The NDA and operating companies' principal risks are collated into a climate risk log and reviewed at the gCRWG to identify the top climate related risks.
Risk Response: We develop action plans, allocate resources, and ensure business stability with fallback plans for severe threats. Climate risk management is integrated into our Business Continuity plans to prevent mission disruption from unforeseen events. The NDA and operating companies manage specific threats within their organisations. We are currently in the process of linking climate risks to GSRs; which will be concluded in the next financial reporting period.
Monitor and Review: The NDA and operating companies individually oversee their respective climate risks, reviewing them according to the organisational governance requirements and the urgency of climate threats. The gCRWG serves as the central collaborative interface for the oversight and direction of principal climate risks, as well as a point for escalation and lessons learned.

Further detail

For more information on our risk management process see pages 71 to 83.

TCFD Pillar: metrics and targets

Recommended disclosure	Overview of our actions	Further detail
– Disclose the metrics used to assess climate-related risks and opportunities in line with the organisation's strategy and risk management process. – Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	• The NDA group pursues a number of metrics in compliance with the TCFD. • Our Environmental Policy Statement contains our carbon commitments, including that the NDA group will be carbon net zero by 2050, and will take into take account the targets of devolved administrations. We continue to work with our operating companies on the delivery of our carbon management plans and have made significant reductions in our carbon footprint. • As part of our commitment to environmental sustainability, the NDA participates in the Greening Government Commitments (GGCs) scheme. The GGCs set out the actions government departments and their partner organisations will take to reduce their impacts on the environment. • As set out in the methodology in the risk management section of this report, key climate resilience risks have been identified by each part of the NDA group. These key risks have been mapped onto the NDA's climate Risk Breakdown Structure (RBS). From this information, the four most common physical risks and five most common transition/liability risks from across the group have been identified and are displayed in the table below.	More information and performance data for GHG and GGCs is on pages 120 to 123.

Most common physical and transition/liability risks across the NDA group

Risk Type	Name	Definition
Transition / Liability	NDA group strategic uncertainty	Risks and uncertainties related to changing government and UK nuclear sector priorities over the long-timeframes inherent in decommissioning. This includes uncertainties in the nature of the mission and uncertainties inherent in climate change.
Transition / Liability	Financial / valuation	Climate change may increase the cost of business operations and decommissioning activities.
Transition / Liability	Productivity	Risks related to our ability to complete our mission in a timely manner due to disruption from transition risks
Transition / Liability	Supply chain disruptions	This category captures risks related to our supply chain, including delays and having to adapt to materials shortages, increase in cost of materials and vulnerability of niche small to medium sized businesses.
Transition / Liability	Regulatory changes	Risks related to future regulatory changes, including the potential for the need to comply with more onerous regulatory expectations.
Physical	Asset Management	Climate-related physical risks related to our assets, including climate adaptation, repair and maintenance.
Physical	Our People	Physical climate related risks related to our people.
Physical	Resilience	Climate related risks related to resilience and business continuity measures
Physical	External Infrastructure	Climate related risks related to the disruption of externally supplied infrastructure.

Our strategic approach and themes

Our strategic themes

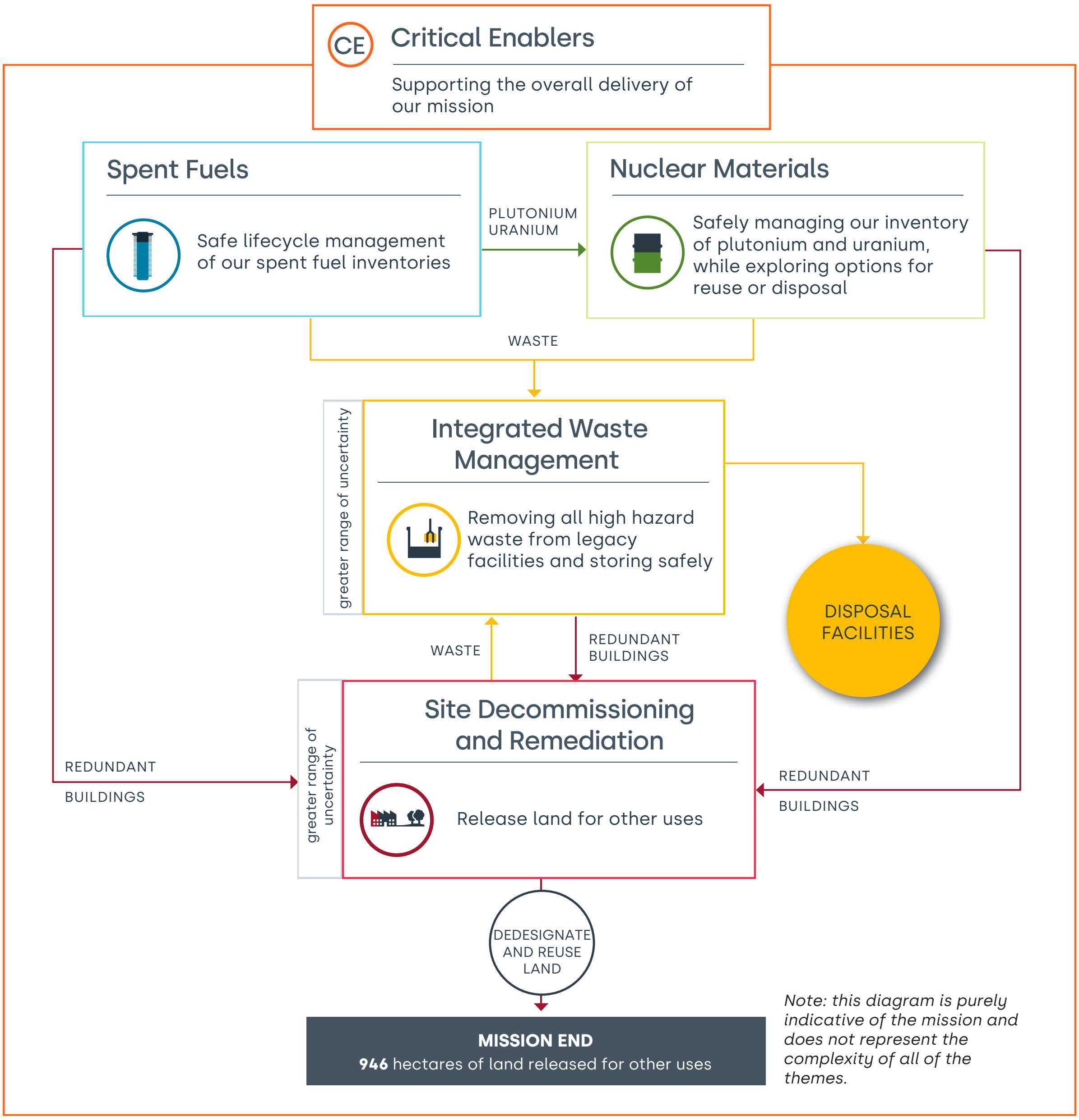
We use five strategic themes to describe all the activities needed to deliver the NDA's mission.

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

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

Integration of our strategies

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



Note: this diagram is purely indicative of the mission and does not represent the complexity of all of the themes.

Our driving themes and strategic outcomes

Strategic outcomes:

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

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

We continue to build a more accurate picture of the work that has been completed across our 47 outcomes and identify what is left to do. The percentage figures in the charts on the following pages show the proportion of work that has so far been completed towards the achievement of each outcome. Overall, good progress continues to be made across our mission as we safely manage our nuclear inventory and reduce the risks associated with it.

Case studies for 2024/25

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

Spent Fuels
Strategic outcomes 1-15

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

The reprocessing programme ended with the closure of the THORP and Magnox reprocessing plants in 2018 and 2022. All remaining spent fuel is being safely stored until a permanent solution for disposal is available. The strategy for all remaining spent fuels is to place them in an interim store pending a future decision on whether to classify them as waste for disposal in a GDF. For planning purposes, it is assumed that all the remaining spent fuels will be disposed of in a GDF.

Spent fuel work is separated into 15 strategic outcomes that must be delivered, outlined below.

Table 1 - Mission Progress Reporting Strategic Outcomes

		Strategic Outcome	2024/25 % complete	Sellafield	NRS sites	NRS Dounreay	NWS	NTS	Capenhurst	Springfields
SPENT MAGNOX FUEL	1	All sites defueled	100%	(✓)	(✓)			(✓)		
	2	All legacy Magnox fuel retrieved	25%	✓						
	3	All Magnox fuel reprocessing completed	100%	(✓)						
	4	All remaining Magnox fuel in interim storage	17%	✓						
	5	All remaining Magnox fuel disposed	0%	✓			✓			
SPENT OXIDE FUEL	6	All EDF Energy oxide fuel received	71%	✓				✓		
	7	All legacy oxide fuel retrieved	100%	(✓)						
	8	All oxide fuel reprocessing completed	100%	(✓)						
	9	All remaining oxide fuel in interim storage	68%	✓						
	10	All remaining oxide fuel disposed	0%	✓			✓			
SPENT EXOTIC FUEL	11	All exotic fuel defueled	77%	✓		✓				
	12	All exotic fuel consolidated	62%	✓		✓		✓		
	13	All exotic fuel reprocessing completed	100%	(✓)						
	14	All remaining exotic fuel in interim storage	84%	✓						
	15	All remaining exotic fuel disposed	0%	✓			✓			

(✓) Denotes outcome complete ✓ Applicable to each SLC/company

SPENT FUELS

CASE STUDY

Drying technology tackles Advanced Gas-Cooled Reactor fuel challenge

>4000t
AGR fuel in storage

The vast majority of spent oxide fuel that the NDA manages has come from the AGRs owned and operated by EDF. AGR fuel is comprised of enriched uranium dioxide pellets stacked inside stainless steel cladding tubes to form fuel pins. An AGR element is comprised of thirty-six pins held in a stainless steel frame contained in a graphite sleeve. Once discharged from the reactor, elements are transported to Sellafield site to be dismantled back into individual pins and consolidated into containers suitable for storage in the large ponds at Sellafield.

The challenge of dealing with the full lifecycle of AGR fuel is being addressed with research and development into innovative drying technologies. The NDA strategy for managing spent AGR fuel is to continue wet storage in suitable ponds at Sellafield before eventual disposal into a geological disposal facility. Prior to disposal, AGR fuel must be dried to prevent corrosion of the stainless-steel cladding and to reduce risks during packaging and transport. The research on drying will inform decisions on when and how to dry the fuel prior to disposal to ensure the long-term safety and integrity of the fuel.

Two projects are exploring vacuum drying of the fuel to evaporate water. Active trials at the UK National Nuclear Laboratory are looking at individual sensitised fuel pins – those exposed to certain conditions within the reactor meaning they are more susceptible to corrosion. This work will dry individual AGR fuel pins to determine how those with failed cladding can be dried. The other project addresses the challenge on multiple fronts and is, after 18 months, in its last state of inactive trials. The Amentum vacuum drying rig investigates how vacuum drying could be used to dry complete slotted cans, containing 108 simulated AGR fuel pins, in preparation for long-term storage. The low-pressure environment allows water to evaporate at lower temperatures, crucial for safely drying the fuel without damaging it. Painstaking measurements have been made of the volume of water removed and the time taken to do this. The next step will be to move into active trials.

Nuclear Materials
Strategic outcomes 16-25

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

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

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

Nuclear materials work is separated into 10 strategic outcomes outlined below.

			2024/25 % complete	Sellafield	NRS sites	NRS Dounreay	NWS	NTS	Capenhurst	Springfields
PLUTONIUM	16	All plutonium produced	100%	✅						
PLUTONIUM	17	All plutonium consolidated	100%	✅		✅		✅		
PLUTONIUM	18	A: All plutonium repacked in long-term storage	0%	✓						
PLUTONIUM		B: All cans not suitable for extended storage repackaged[1]	81%	✓						
PLUTONIUM	19	All plutonium in interim storage	0%	✓						
PLUTONIUM	20	All plutonium reused or disposed[2]	0%	✓			✓			
URANICS	21	All uranium produced	100%	✅						
URANICS	22	All uranium consolidated	83%	✓	✓	✓		✓	✓	✓
URANICS	23	All uranium treated	4%						✓	✓
URANICS	24	All uranium in interim storage	61%	✓					✓	
URANICS	25	All uranium reused or disposed	3%	✓			✓		✓	

On 24 January 2025 the UK Government announced a policy decision to immobilise the UK's inventory of civil separated plutonium at Sellafield. Our next Strategy is now out for public consultation and will be published by March 2026.

The following strategic objectives have been updated in the Strategy which is out for consultation:
[1] SO18 (A,B merged) – All cans not suitable for extended storage repackaged
[2] SO20 – All plutonium put beyond reach and then disposed

✅ Denotes outcome complete ✓ Applicable to each SLC/company

NUCLEAR MATERIALS
CASE STUDY

Plutonium disposition

A long-term solution for the UK's plutonium inventory is essential to dealing with the UK's nuclear legacy and leaving the environment safer for future generations. Following the UK Government's policy decision to put the plutonium beyond reach through immobilisation, we have been carrying out development work to select a preferred technology to put the material into a form suitable for long-storage and subsequently disposal in a GDF. While work continues on long term immobilisation, the NDA is ensuring the continued safe and secure storage of plutonium in the UK.

Both storage and immobilisation require highly specialised skills and capabilities in plutonium science. We are funding investment in these areas through our technology development work as well as two other initiatives: the Plutonium Ceramics Academic Hub with the Universities of Manchester and Sheffield and the Alpha Resilience Capability (ARC) Programme.

To immobilise plutonium and make it suitable for geological disposal, technologies are being developed that will immobilise plutonium as a dense and durable, ceramic product.

We are working with our delivery partners to implement this policy:

- Sellafield Ltd and NWS are assessing and optimising the manufacturing and disposability of the wasteform.
- Orano, a leader in nuclear fuel cycle technologies, investigating manufacturing of a form of ceramic material (a blend of uranium oxide and plutonium) suitable for disposal.
- The UK National Nuclear Laboratory is developing an alternative approach based on the technology of hot isostatic pressing.

Whatever technology is chosen will require a new industrial-scale manufacturing facility. Working together, NDA and Sellafield Ltd will select a preferred technology around the end of the decade and then, following government approval, begin delivery of the major build programme at Sellafield.

Integrated Waste Management
Strategic outcomes 26-39

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

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

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

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

			2024/25 % complete	Sellafield	NRS sites	NRS Dounreay	NWS	NTS	Capenhurst	Springfields
LOW LEVEL WASTE	26	All LLW produced	8%	✓	✓	✓	✓		✓	✓
LOW LEVEL WASTE	27	All LLW treated - to enable diversion or reuse	11%	✓	✓	✓	✓	✓	✓	✓
LOW LEVEL WASTE	28	All waste suitable for disposal in NDA facilities	19%	✓	✓	✓	✓	✓	✓	✓
LOW LEVEL WASTE	29	All waste suitable for permitted landfill disposed	5%	✓	✓	✓	✓	✓	✓	✓
INTERMEDIATE LEVEL WASTE	30	All ILW produced	33%	✓	✓	✓	✓		✓	✓
INTERMEDIATE LEVEL WASTE	31	All legacy waste retrieved	10%	✓			✓			
INTERMEDIATE LEVEL WASTE	32	All ILW treated	10%	✓	✓	✓			✓	✓
INTERMEDIATE LEVEL WASTE	33	All ILW in interim storage	16%	✓	✓	✓			✓	✓
INTERMEDIATE LEVEL WASTE	34	All ILW disposed	0%	✓			✓	✓		
HIGH LEVEL WASTE	35	All HLW produced	64%	✓						
HIGH LEVEL WASTE	36	All HLW treated	76%	✓				✓		
HIGH LEVEL WASTE	37	All HLW waste in interim storage	84%	✓				✓		
HIGH LEVEL WASTE	38	All overseas HLW exported	62%	✓				✓		
HIGH LEVEL WASTE	39	All HLW disposed	0%	✓			✓			

Denotes outcome complete ✓ Applicable to each SLC/company

INTEGRATED WASTE MANAGEMENT
CASE STUDY

Robust long-term storage

BEPPS capacity c.7000 packages

We are using robust long-term storage to effectively and efficiently remove immediate hazards and risks as part of our integrated approach to waste management across the NDA group.

This strategy is part of a long-term plan to manage and eventually treat the waste in a way that ensures safety and environmental protection and results in an immediate hazard reduction. It is being used to support Sellafield's High Hazard and Risk Reduction programme and the GDF programme.

The Magnox Swarf Storage Silo (MSSS) is a legacy facility on the Sellafield site that was built in the 1960s to store intermediate level waste (ILW), including Magnox fuel cladding, under water. It is currently assessed as one of the highest risk nuclear facilities in our estate due to the nature of the waste and the structural integrity of the ageing building.

In order to safely accelerate hazard and risk reduction, Sellafield has embarked on a programme of work to retrieve the waste and transport it to a more modern and secure storage facility on site.

Sellafield has worked to expedite the rate of retrievals from the silo, safely and securely package this waste and defer treatment of it until a later date. This means resources can be focused on the safe retrieval and storage process, allowing for the development of more advanced and effective treatment technologies in the future.

The waste is packaged in $3m^3$ boxes, made of steel with concrete liners, and then placed in a high integrity store. The process is closely monitored and regulated to ensure compliance with safety standards and to minimise environmental impact.

The waste is being stored in the Encapsulated Product Store (EPS) 3 and Box Encapsulation Plant Product Store (BEPPS) which are designed to safely contain and monitor intermediate level waste for up to 100 years. NDA operating companies apply the NDA industry guidance on interim storage of higher activity waste packages to ensure that radioactive waste is stored safely and securely. We are reviewing and updating this guidance in 2025/26.

Site Decommissioning and Remediation
Strategic outcomes 40-47

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

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

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

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

			2024/25 % complete	Sellafield	NRS sites	NRS Dounreay	NWS	NTS	Capenhurst	Springfields
OPERATIONAL AND PLANNED	40	All planned new buildings operational	TBD	✓	✓	✓	✓		✓	
	41	All buildings primary function completed	40%	✓	✓	✓	✓		✓	
DECOMMISSIONING AND DEMOLITION	42	All buildings decommissioned	23%	✓	✓	✓	✓		✓	
	43	All buildings demolished or reused	21%	✓	✓	✓	✓		✓	
SITES	44	All land delicensed or relicensed	9%		✓	✓	✓			
	45	All land in End State - all planned physical work complete	44%	✓	✓	✓	✓		✓	✓
	46	All land demonstrated as suitable for reuse	9%	✓	✓	✓	✓		✓	✓
	47	All land dedesignated or reused	9%	✓	✓	✓	✓		✓	

Denotes outcome complete ✓ Applicable to each SLC/company

SITE DECOMMISSIONING AND REMEDIATION

CASE STUDY

Alpha waste and decommissioning

Standardised approach across NDA

The decommissioning and waste management of alpha facilities present a significant challenge as the waste is particularly hazardous.

Operators must wear complex protective equipment such as air-fed suits and, unlike other types of radiation, alpha radiation is difficult to detect. These factors add complexity to dismantling tasks and associated waste management.

Many early alpha facilities represent first-of-a-kind decommissioning and waste management strategy challenges. The NDA is addressing the need for an integrated, standardised approach. Proposed actions include:

- Standardising alpha decommissioning approaches, including decommissioning safety cases and consistent radiological protection controls.
- Sharing knowledge and learning across the industry, increasing integration between our operating companies through sharing of best practice.
- Developing national plutonium-contaminated materials (PCM) treatment and storage systems. There is currently no unified national strategy, which leads to potential duplication of capabilities at various sites.

The NDA and other organisations have begun key knowledge-sharing initiatives. One of these, the Alpha Decommissioning Working Group, has proposed common standards focused on safety-case tasks.

Sellafield is setting a valuable example for other sites with an improvement plan to standardise safety cases and decommissioning controls.

Additionally, the Alpha, Resilience and Capability (ARC) programme is working on a shared knowledge management system, ensuring sites can access up-to-date information.

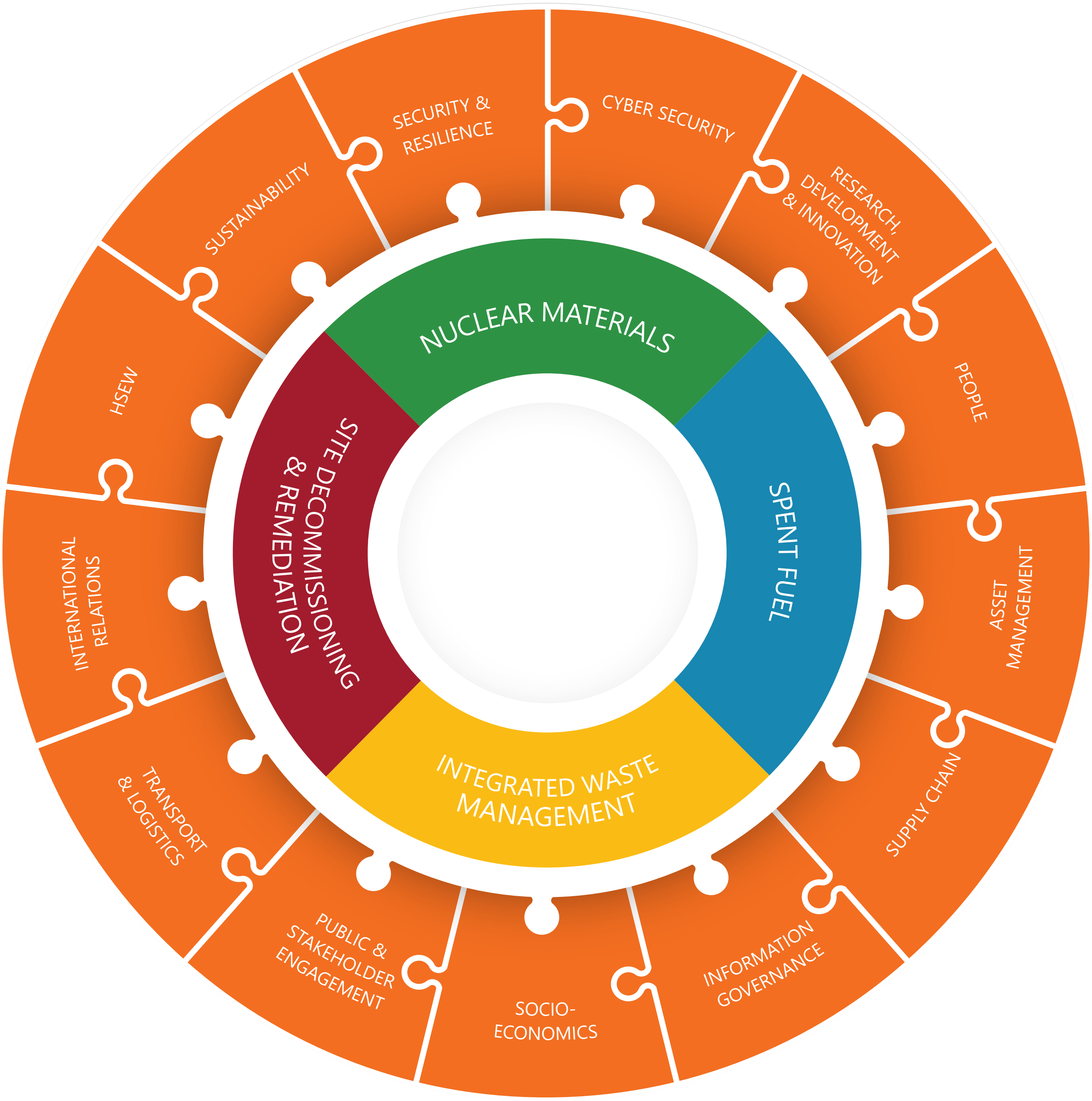
We are developing a national PCM waste treatment and storage decision calendar to enhance industry-wide understanding of timing, sequencing and prioritisation. Dounreay is developing a combined super-compaction and grouting waste treatment system for its remote-handleable intermediate level waste and PCM, which could save approximately £46 million in taxpayer funds. Sellafield is developing plans to extend the operational date of its PCM compaction facility.

Our combined work will enhance operational consistency, strengthen safety measures and increase efficiency. This will ultimately reduce costs, generating significant savings.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our critical enablers

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



Find out more about each of our critical enablers

David Peattie FREng FNucl
Accounting Officer and Group Chief Executive Officer
18 July 2025

CRITICAL ENABLER

CASE STUDY

NDA opens new specialised cyber facility

DEFENDING AS ONE

The NDA has recently opened a specialised cyber facility to accelerate collaboration across nuclear operators and the supply chain, adding to the group's growing portfolio of digital and cyber capability.

The Group Cyberspace Collaboration Centre (GCCC) will promote the sharing of knowledge on how best to adopt new technologies, such as AI and robotics, and defend against evolving threats.

It provides a space for experts in cyber, digital and engineering to come together, further enhancing our collective ability to keep us safe, secure, resilient and sustainable in cyberspace. Enabling us to work together more closely means we can defend as one, benefitting the collective security of the individual organisations we serve.

Cyber security attacks are a common and dynamic threat across all organisations, including the civil nuclear sector.

Cyber security is a key regulatory priority for the Office for Nuclear Regulation, and we are never complacent, continually investing in our expertise and our technology to further strengthen our capability.

The NDA has invested in group-wide cyber services and capabilities to ensure systems are better protected and more resilient and delivering a strong, consistent approach to common cyber security threats.

The GCCC in Cumbria will allow partners to explore how new technologies can support mission delivery and facilitate security operations, cyber exercising and training.

It's part of a number of related capabilities, including the Cyber Lab classroom at Energus, the Sellafield Engineering Centre of Excellence, the Robotics and AI Collaboration centre and a joint Cyber Security Operations facility, in Warrington.

CRITICAL ENABLER

CASE STUDY

Active demonstrator programmes - research, development and innovation

The NDA is accelerating how innovation and technology can be used to transform delivery of our mission by running groupwide technology demonstrator programmes.

Supported by the Defence and Security Accelerator (DASA), we launched an innovation competition focusing on the use of remote sensing technology for security and resilience.

Collaboration across the group during development, testing and evaluation avoids multiple similar projects, fosters shared learning and accelerates the transfer of technology and ways of working between sites.

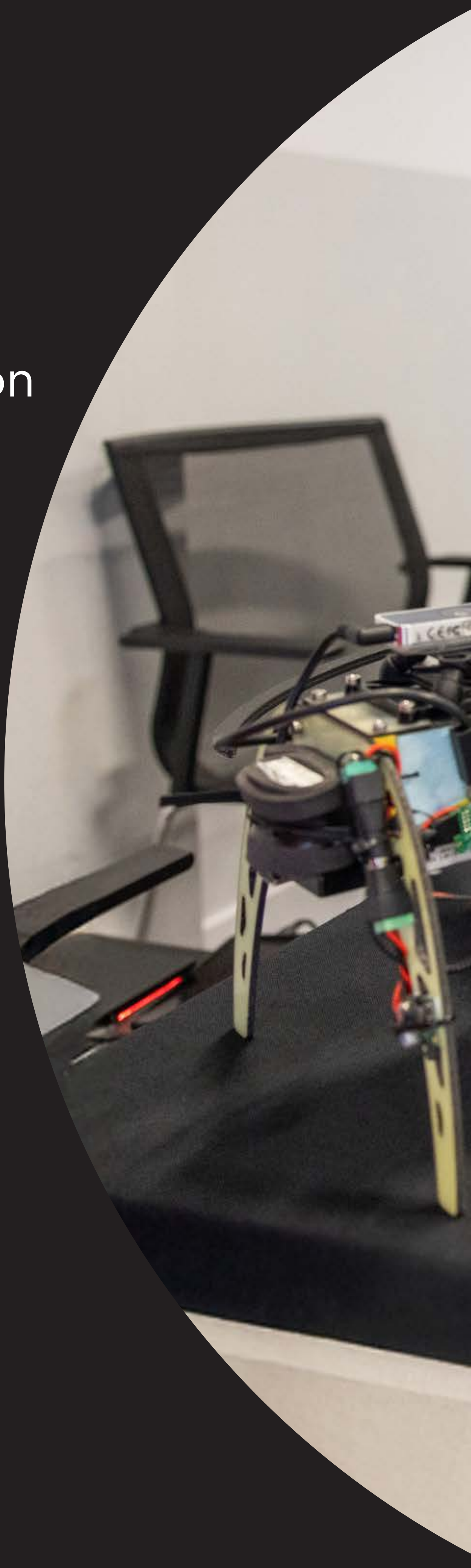
We have funded four proposals each approaching the challenge from unique angles, resulting in a diverse array of innovative autonomous security systems.

Following an initial development and integration viability phase, a 12-month trial of the four innovative security systems has been successfully launched at the NRS Winfrith site, the former nuclear reactor test site in Dorset.

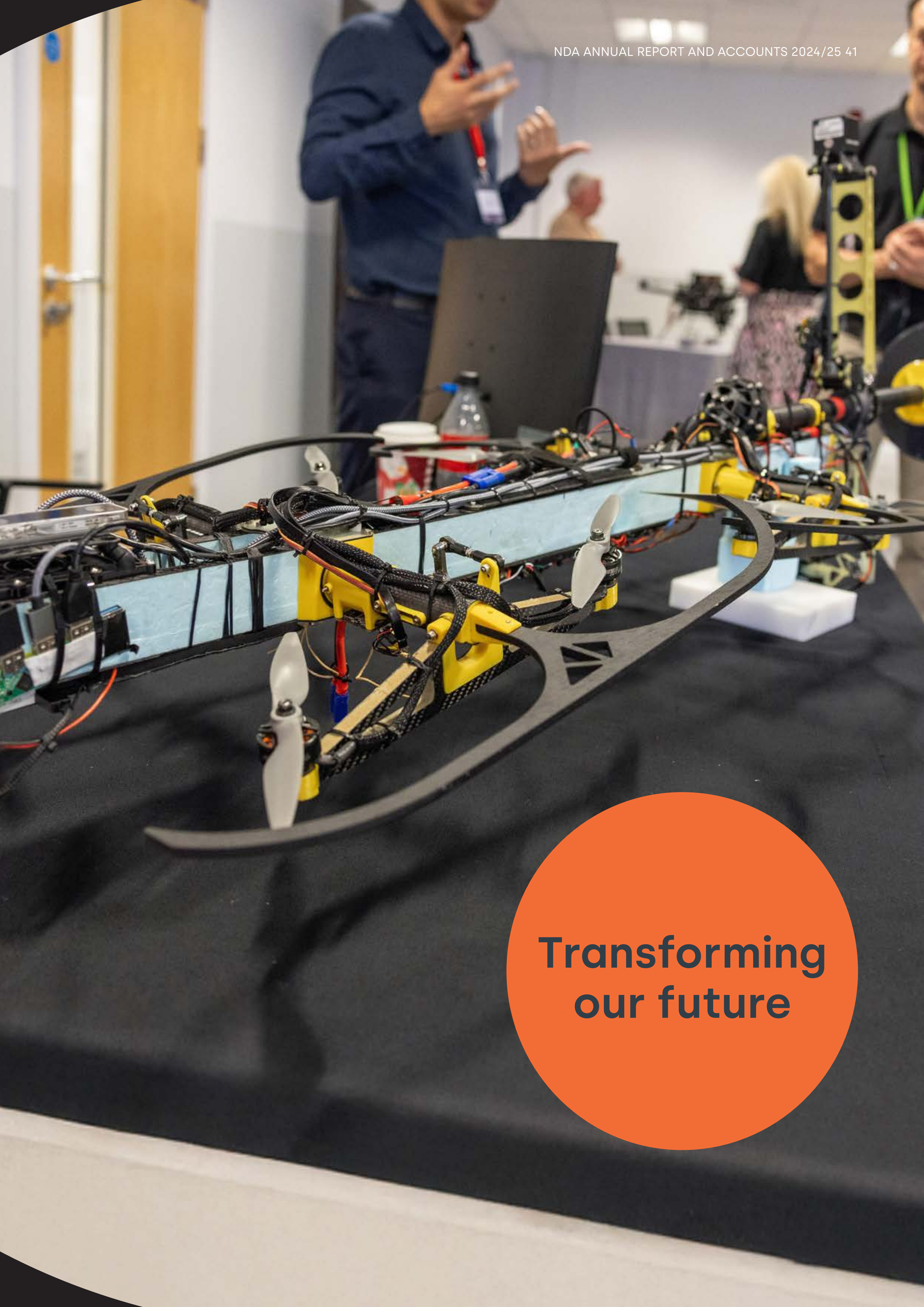
Winfrith is an ideal site for the £2 million NDA-funded trial as most of the hazardous material has been removed and, when traditional nuclear security measures are no longer proportionate, we can move quickly and reduce costs overall in the longer term.

The systems, which are designed to autonomously detect security breaches, use cutting edge technology including unmanned ground vehicles and unmanned aerial systems to improve threat detection and response.

The insights gathered will demonstrate how the systems could be deployed elsewhere, potentially revolutionising site security operations. In addition, there are opportunities to explore how the benefits of the concepts can be shared more widely across the nuclear industry and other sectors.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Transforming our future

Accountability report

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

The **corporate governance report** which:

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

Remuneration and people report which:

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

Parliamentary accountability and audit report which includes:

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

Governance statement

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

The Governance Statement provides an insight into the corporate governance framework for the NDA and our group entities during 2024/25. The framework supports the Board in its oversight of the NDA's performance and effectiveness in the delivery of strategic and operational objectives.

The NDA's Governance Framework

The NDA is a non-departmental public body (NDPB) governed through the Energy Act 2004; the UK Government's NDA Framework Document; and Cabinet Office guidelines for NDPBs. We also comply voluntarily with the UK Corporate Governance Code which is detailed on page 54.

Our governance is under constant review with the latest Group Operating Framework (GOF) published in July 2022. Developed with input from all parts of the NDA group, the GOF is a suite of co-created documents that set out how the group is organised, governed and works together. With the support of DESNZ and UKGI, the NDA is focused on building on the work of the GOF to deliver more effective and efficient group governance.

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

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

The Board

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

At the date of this report, the NDA Board is comprised of seven Non-Executive Board Members, including the Chair and a Senior Non-Executive Member, and two Executive Members: the Group Chief Executive Officer (CEO) and the Group Chief Financial Officer (CFO). The Group General Counsel and Company Secretary also attends all Board meetings.

The names and biographies of the Board Members who served during the period 1 April 2024 to 31 March 2025, their respective terms of office and memberships of the committees of the Board, can be found on pages 46 to 50. A record of meeting attendance for the 2024/25 year can be found on page 56.

Whilst recognising the unique role of the UKGI Representative on the Board, all Non-Executive Members of the Board are considered independent of the Executive and senior management. Evelyn Dickey and Janet Ashdown both reached nine year tenures in 2024. The Secretary of State for DESNZ considered their independence and believed

Governance statement continued

that they still met this standard. Their terms of office were extended to 31 January 2025 and 31 May 2025 respectively to support an effective transition as new Board members were appointed.

The Chair of the Board is accountable to the Secretary of State for our activities and performance in implementing our strategy and annual business plan, for formulating the Board's strategy for discharging our statutory functions and duties and for providing effective leadership and direction of the Board.

The Chair is supported by the Senior Non-Executive Member. The Senior Non-Executive Member leads the annual performance review of the Chair. In preparation for Janet Ashdown's retirement from the Board on 31 May 2025, the Board approved, based on the recommendation of the Chair and Nominations Committee, that Alex Reeves would undertake the responsibilities of the Senior Non-Executive Member on an interim basis until 31 October 2025, at which point the position would be reassessed. Whilst Alex Reeves as the UKGI representative on the Board is not considered independent within the UK Corporate Governance Code definition of independence, he is considered independent of the Executive and senior management.

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

At 31 March 2025, the Board's gender balance was 50:50, with two senior board positions (Senior Non-Executive Member and CFO) being held by women.

Board committees

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

- Nominations Committee (NomCo)
- Audit, Risk and Assurance Committee (ARAC)
- Remuneration Committee (RemCo)
- Programmes and Projects Committee (P&PCo)
- Health, Safety, Security, Sustainability and Environment Committee (HSSSE)
- NDA Group Advisory Committee (GAC)

On the 1 January 2025, the Health, Safety, Security and Environment Committee (HSSE) was merged with the Environmental, Sustainability and Governance Committee (ESG) to form the Health, Safety, Security, Sustainability and Environment Committee (HSSSE). The membership of the new HSSSE Committee comprises of the members of the former HSSE and ESG committees. The Board took the decision to merge the committees to support a series of governance improvements and efficiencies. The creation of a single committee has allowed stakeholders to streamline reporting and focus on ensuring board and committee members are updated in a consistent and timely manner on key issues. While the majority of the original HSSE and ESG oversight responsibilities and remits have been incorporated into the new committee, certain elements have been redistributed to other board committees or to the Board itself.

The NDA Group Advisory Committee provides assurance and advice on a group basis to the NDA and NRS Boards to enable timely decision making in support of the programme to transition and transfer the AGR power stations from EDF. The GAC may also consider activities that enable transfer, including defueling, deconstruction strategic alignment, post-transfer funding, waste and transport matters. The GAC is chaired by the NDA P&PCo Chair and facilitated by NRS.

Each committee is chaired by a Non-Executive Board Member. Membership of the committees is made up of a combination of Executive and Non-Executive Board Members as appropriate. The majority of committee members are Non-Executive Members.

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

Each committee reports directly to the Board by way of a Committee Chair's report and committee minutes are made available to all Board Members as appropriate. Urgent matters are escalated by the Committee Chair to the Board as appropriate.

The membership and meeting attendance of each committee can be found on page 56. The purpose, responsibilities and key activities within the year of each committee can be found on pages 61 to 70.

Executive Leadership Team

The Board delegates execution of strategy and day-to-day operational management of the NDA to the Group CEO and their ELT. The ELT comprises the: Group Chief Financial Officer; Group Chief Assurance and Performance Officer; Group Chief People Officer; Group Chief Commercial and Business Development Officer; Group Chief Corporate Affairs Officer; Group Chief of Staff and Security Officer; Group General Counsel and Company Secretary and Group Chief Nuclear Strategy Officer. Biographies of each ELT member can be found on pages 51 to 53.

Representatives from our three control functions were co-opted into the ELT from April 2024 to further embed these important areas of work into all ELT decision making. The Group Chief Ethics and Compliance Officer; Group Director of Internal Audit and NDA Risk Director now attend all ELT meetings.

Governance statement continued

Board members

Committee Membership

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

Peter Hill CBE
CEng
Non-Executive Chair

(Current term of office ends 30 November 2027)

N

Board skills and experience:

Peter has wide experience in Executive, Non-Executive and Chair roles across a number of FTSE listed companies and in government. Peter has been a Non-Executive Board Member of UK Trade and Investment, the Royal Air Force and an agency of the Foreign, Commonwealth and Development Office.

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

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

External appointments:

Peter is currently chair of Synthomer plc.

Governance statement continued

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

H PP

Board skills and experience:

David was appointed Group Chief Executive Officer for the NDA in 2017, following a 33-year career in a number of technical, commercial and senior management positions in the oil and gas industry, including as Head of BP Russia, where he was responsible for BP's interests in the TNK-BP joint venture as well as its businesses in the Russian Arctic and Sakhalin. He was also BP's lead director on the Board of TNK-BP and Chair of its Health, Safety and Environment Committee.

David has significant global experience of leadership in the energy, oil and gas industries, and a strong track record in tackling complex commercial and engineering challenges in the UK and internationally. Prior to taking up his role at the NDA, David was Chief Executive Officer at Fairfield Energy, where he managed the performance of North Sea assets and oversaw the start of the decommissioning project for the Dunlin Alpha Platform. David served a term as Patron of Women in Nuclear UK from 2020 to 2022.

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

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

External appointments:

David is Chair of Pacific Nuclear Transport Limited, the international nuclear shipping company, partly owned by the NDA.

Kate Bowyer
Executive Board Member-
Group Chief Financial Officer

Board skills and experience:

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

External appointments:

None

Governance statement continued

Kathryn Cearns OBE

Non-Executive Board Member

(Current term of office ends: 31 July 2029)

N R AR PP

Harriet Kemp

Non-Executive Board Member

(Term of office ends: 29 February 2028)

N H R

Board skills and experience:

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

External appointments:

Kathryn is Chair of the Press Recognition Panel and Vice-Chair of The Property Ombudsman. She is a member of the Group Audit, Risk and Assurance Committee of the Department for Transport and is a Non-Executive Director and Chair of the Audit and Risk Committee of DfT Operator Limited. She serves as Lay Chair of the Audit and Risk Committee of the British Medical Association.

Board skills and experience:

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

External Appointments:

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

Professor Francis Livens

Non-Executive Board Member

(Term of office ends: 30 Nov 2026)

N H PP

Board skills and experience:

Francis is Professor of Radiochemistry at the University of Manchester, with particular interest in plutonium and nuclear materials. He led the University's Dalton Nuclear Institute from 2016 to 2023 and was Chair of the Nuclear Innovation and Research Advisory Board from 2020 to 2024, providing advice to DESNZ on Advanced Nuclear Technologies. Francis is a Fellow of the Royal Society of Chemistry.

External appointments:

Francis is a Senior Visiting Fellow of the UK National Nuclear Laboratory and a member of the International Institute of Strategic Studies.

Alex Reeves

Shareholder Representative Non-Executive Board Member

(Current term of office ends: 31 January 2030)

N R AR

Board skills and experience:

Alex is a Director at UK Government Investments (UKGI). While at UKGI, he has worked on a variety of corporate finance and governance projects, including advising Government as principal on transactions and investments in a wide range of sectors including aerospace, steel, nuclear, real estate and private equity portfolio sales. Alex oversees UKGI's inward M&A team, which provides corporate finance advice and negotiation support across government on transactions of national importance, and the UKGI shareholder team of the UK National Nuclear Laboratory. Prior to joining UKGI, Alex worked in corporate advisory and investment banking roles focused on the financial services sector, most recently in the FIG mergers and acquisitions team at Jefferies in London. Alex was a Non-Executive Director of London & Continental Railways Limited from 2018 to 2021, and runs UKGI's Non-Executive Director Forum.

External appointments:

Alex is a co-opted member of the Investment Committee of the Civil Service Benevolent Fund.

Directors appointed after 31 March 2025:

Dr Neil Bruce OBE
CEng MRINA
Non-Executive Board Member
(Current term of office ends: 30 November 2028)

N H AR PP

Board skills and experience:

Neil has 40 years of experience, including as a Chief Executive, Board Chair, and Non-Executive Director, in the maritime, resources, nuclear, built environment, and energy sectors. He has managed global businesses in regional markets in over 50 countries, working with public, private, and PE-backed companies. His previous roles include President and CEO of SNCL Group Inc, Executive Director and COO at AMEC plc, and various leadership and delivery positions in major projects and in industry associations.

External appointments:

Neil's current roles include Non-Executive Director at McDermott International and Sidara Groups; Executive Advisor and Visiting Professor at Robert Gordon University Aberdeen. Neil also chairs the NDA Group Advisory Committee which is facilitated by NRS.

Catriona Schmolke CBE
FREng
Non-Executive Board Member
(Current term of office ends: 30 November 2028)

N H R AR

Board skills and experience:

Catriona brings 40 years of expertise in the infrastructure sector as a hydrogeologist and engineer, with significant experience in Executive, Board Chair and Non-Executive roles. Her career has spanned numerous sectors and major programmes, including nuclear, energy, water, waste, and contaminated land. She served as the Chief Safety Security and Sustainability Officer at Jacobs from 2014 to 2020. Catriona is a former Visiting Professor of Sustainability at Newcastle University.

External appointments:

Catriona currently holds the position of Chair at Artus Air Ltd. Additionally, she serves as a Non-Executive Director and member of the Audit & Risk Committee for Scottish Water Group and is a Non-Executive Director and Chair of Programmes at the National Physical Laboratory. She is also a Non-Executive Director with NES Fircroft Ltd.

Board members who served during the year:

Chris Train, OBE
Interim Non-Executive Chair
(September 2023 to May 2024)
Non-Executive Member
(January 2022 to August 2023 and then June 2024)

Evelyn Dickey
Non-Executive Member
(March 2015 to January 2025)

Janet Ashdown
Non-Executive Member
(June 2015 to May 2025)

Executive leadership team

David Peattie
FREng FNucl
Group Chief Executive Officer and Accounting Officer

David's full biography can be found on page 47.

Kate Bowyer
Group Chief Financial Officer

Kate's full biography can be found on page 47.

Alan Cumming
Group Chief Assurance and Performance Officer

Alan joined the NDA in April 2018. He has responsibility across the Group for the assurance and performance improvement of Health, Safety and Environment, major projects and operational activities, plus leads Sustainability and R&D. A Chartered Civil Engineer and Structural Engineer, Alan completed his nuclear training at Massachusetts Institute of Technology in Boston and has an MBA from Strathclyde Business School in Glasgow. Before joining the NDA, Alan was Capital Projects and Engineering Director for Viridor (part of Pennon Group), Overall Deputy Programme Director for EDF Energy's New Build Nuclear Programme and Director of Projects for British Energy. He was previously a Non-Executive Director for Highways England and currently sits on the Nuclear Industry Association Board.

Governance statement continued

Emma Ferguson-Gould
Group Chief Commercial and Business Development Officer

Emma became Group Commercial and Business Development Officer in February 2022. She joined from the Department for Business, Energy and Industrial Strategy (now the Department for Energy Security and Net Zero (DESNZ)), where she was the Commercial and Operations Director and a Non-Executive Director for UK Shared Business Services Limited. Emma brings a wealth of cross-sector commercial experience obtained in both leadership and delivery roles across Whitehall and the private sector. Emma is also an NDA-Appointed Non-Executive Director of Nuclear Restoration Services.

Clive Nixon
Group Chief Nuclear Strategy Officer

Clive joined the NDA in 2005, after 15 years with BNFL, where he held several roles across research and development, technical and commercial areas. Through this he covered the full range of activities and facilities at Sellafield, including reprocessing, waste management and decommissioning. He also spent time in the US and overseas. Roles undertaken within NDA, culminating in his current appointment, have allowed him to gain a comprehensive understanding of the NDA group, the strategy and policy landscape, and provide leadership on strategy development, implementation, international relations and civil/defence collaboration for the group, and with DESNZ, through strong collaborative relationships. Clive is also an NDA-Appointed Non-Executive Director of Nuclear Waste Services and INS Japan, and held this role for 10 years for Nuclear Transport Solutions.

Frank Rainford
Group Chief of Staff and Security Officer

Frank joined the NDA in February 2017. He has responsibility for security, cyber, digital, ICT, information governance and other corporate services. Prior to joining the NDA, Frank spent three years as the executive responsible for the GE Aviation Aerostructures business in the UK and previously spent 21 years with BAE Systems and predecessor companies in the UK and Saudi Arabia, holding several senior roles including Transformation and Project Management Director. Frank studied at Lancaster University gaining an MBA and MSc in Project Management. Frank is an NDA-Appointed Non-Executive Director of Nuclear Restoration Services.

Matthew Shaw
Group General Counsel and Company Secretary

Matthew joined the NDA in December 2015 from DLA Piper UK LLP where he spent almost 10 years as a senior lawyer in the litigation and regulatory team. Prior to this, he was a Legal Advisor at the Environment Agency. During his time with the NDA he has held a number of key roles across the group, including Head of Legal and Company Secretary at Radioactive Waste Management Limited and Associate General Counsel, Strategic Transactions. He has advised on some of the NDA's most sensitive matters, including the GDF programme, the UK Government's decision to transfer the AGR stations to the NDA for decommissioning, the development of the NDA group and several significant pieces of litigation. Matthew was appointed Group General Counsel and Company Secretary in September 2023 having previously undertaken the role on an interim basis.

Paul Vallance
Group Chief Corporate Affairs Officer

Paul joined the NDA in June 2016 from Rolls-Royce, where he held a number of senior positions. Paul was part of the executive team that established Rolls-Royce's nuclear sector, which included both the civil nuclear and submarines businesses. Paul was also the customer lead for several of Rolls-Royce's key commercial relationships with Hitachi and Westinghouse. He began his career at BNFL, becoming Group Communications Director. Paul has executive accountability for Corporate Affairs within NDA and across the group, which plays a significant role in maintaining the NDA group's social license to operate. He is also an NDA-Appointed Non-Executive Director of Sellafield Limited and was previously an NDA-Appointed Non-Executive Director of Nuclear Restoration Services for four years.

David Vineall
Group Chief People Officer

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

Governance statement continued

Board performance

Corporate governance compliance

We apply high standards of corporate governance and comply voluntarily with the principles and provisions set out in the 2018 UK Corporate Governance Code (the Code). The Board considered that for the year ending 31 March 2025, the NDA was fully compliant with the Code with the exception of the areas listed in the table below. These generally relate to provisions whereby, due to the NDA's status as an arm's length body and oversight by DESNZ, full compliance is not possible or the provision does not apply. The NDA will review its compliance against the 2024 UK Corporate Governance code for 2025/26.

Provision	Explanation
Board leadership and company purpose: Provision 4	Provision 4 refers to good practice in respect of adverse voting by shareholders at Annual General Meetings. This provision does not apply to the NDA given its sole member is the Secretary of State for Energy Security and Net Zero (SoS). Annual General Meetings are not held. Instead we maintain frequent contact with the Department for Energy Security and Net Zero (DESNZ) and UK Government Investments (UKGI) via various meetings with the Chair, Group CEO and other board members. The Chair and Group CEO also engage directly via the Annual Chair's Letter and communication of medium-term priorities set by DESNZ. Any dialogue with DESNZ is reported to the Board.
Composition, succession and evaluation: Provisions 17 and 18	Provision 17 and 18 refer to the role and responsibilities of the Nominations Committee in succession planning, the Board appointment process and the annual re-election of Directors. The Nominations Committee reviews the skills of the Board members, and the needs of the Board, supporting the SoS in setting the criteria for any appointments. UKGI and DESNZ lead an appointment process on behalf of the SoS for Non-Executive posts. Decisions on appointments to the Board are made by the SoS in consultation with Scottish Ministers. The Nominations Committee leads on succession planning for Executive positions, the Group CEO appointment requiring approval by the SoS in consultation with Scottish Ministers. In addition, Non-Executive Board Members are generally appointed for a fixed three-and-a-half year term. All extensions or renewals of these appointments are determined by the SoS.
Audit, Risk and Internal Control Provision 25	Provision 25 refers to the role and responsibilities of the ARAC in respect of the company's external auditor. The provision does not apply in full to the NDA as, due to its status as an arms length body, it is audited by the National Audit Office.
Remuneration: Provisions 33 and 34	Provisions 33 and 34 refer to the powers of the Remuneration Committee in setting remuneration for Board, executive and senior management roles and its alignment to workforce remuneration. The Remuneration Committee has delegated responsibility to determine the Group CEO, Group CFO and ELT remuneration only. Remuneration of the Chair and Non-Executive Board Members is set by the SoS and HM Treasury.
Remuneration: Provision 36	Provision 36 requires remuneration schemes to promote long-term shareholdings by Executive Directors in the company to align with shareholder interests. This provision does not apply to the NDA as it is not a company limited by shares and has a sole member in the SoS. NDA Executive Directors do not receive any form of company equity or cash payments based on equity values as part of their remuneration.

We also draw upon the principles set out in the corporate governance in central government departments' code of good practice. We review compliance against these governance codes and undertake exercises to ensure new regulatory or legislative changes are considered and applied where appropriate.

The Board ensures that a balanced assessment of performance is reported to DESNZ and regularly reviews the main strategic risks facing the group.

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

Attendance of members at scheduled Board and committee meetings during the year is detailed in the following table. All were hybrid meetings with the majority of the Board and committee members attending in person and the remainder joining remotely as necessary. Additional ad hoc meetings were held, and written resolutions were passed, as required. Additional Board and committee meetings are called as required.

The UK Corporate Governance Code

The UK Corporate Governance Code is a framework published by the Financial Reporting Council (FRC) that sets standards of good practice for companies. It outlines principles and provisions for various aspects of corporate governance, including Board leadership, company purpose, accountability, and remuneration.

Attendance at scheduled Board and committee meetings in 2024/25

Name	Role	Board (total: 8)	NomCo (total: 5)	RemCo (total: 5)	ARAC (total: 7)	P&PCo (total: 7)	HSSE[11] (total: 3)	ESG[11] (total: 3)	HSSSE[11] (total: 1)
Peter Hill[1]	Chair	6/6 C	4/4 C	-	-	-	-	-	-
Janet Ashdown[2]	Senior Non-Executive Member	6/8	3/5	3/3	6/7	6/6 C	2/2	2/2	-
Kathryn Cearns[3]	Non-Executive Member	8/8	5/5	5/5	7/7 C	6/7	-	-	-
Harriet Kemp[4]	Non-Executive Member	4/4	3/3	3/3 C	-	-	1/1	1/1	1/1
Francis Livens[5]	Non-Executive Member	8/8	5/5	-	-	7/7	3/3 C	3/3 C	1/1 C
Alex Reeves[6]	Non-Executive Member	8/8	5/5	5/5	7/7	-	-	-	-
David Peattie[6]	Group CEO and Accounting Officer (Executive Member)	8/8	-	-	-	6/7	3/3	-	1/1
Kate Bowyer[8]	Group CFO (Executive Member)	8/8	-	-	-	-	-	-	-
Directors appointed after 31 March 2025:									
Neil Bruce[7]	Non-Executive Member	0/0	0/0	-	0/0	0/0	0/0	-	-
Catriona Schmolke[8]	Non-Executive Member	0/0	0/0	0/0	0/0	-	0/0	-	-
Directors who served in year:									
Chris Train[9]	Interim Chair / Non-Executive Member	3/3 C	1/1	-	-	1/1	1/1	1/1	-
Evelyn Dickey[10]	Non-Executive Member	6/7	3/4	4/4	-	-	2/3	2/3	1/1

C Chair

Notes

1. Peter Hill was appointed as Chair on 1 June 2024 and was not formally a member for the first board or NomCo meetings of the year. He also joined one Board meeting and several committee meetings as an observer prior to his appointment. Peter Hill has an open invitation to attend all committee meetings.
2. Janet Ashdown was unable to attend one Board meeting in the year due to it being rearranged at short notice. Janet Ashdown's term was extended part-way through the year, and she had pre-existing commitments on the dates of certain Board, NomCo, and ARAC meetings after her extension date. Janet stepped down as a member and Chair of the ESG and HSSE committees on 1 September 2024 and therefore did not attend the last meetings in 2024. Janet was appointed as member and Chair of the P&PCo from 1 July 2024 and was therefore not a member for the first meeting of the year. Janet was appointed as a member of the RemCo in July 2024 and stepped down as member in November 2024 so was therefore not a member for the first meeting of the year, and did not attend the final two meetings of the year.
3. Kathryn Cearns was unable to attend one P&PCo meeting during the year due to a prior commitment.
4. Harriet Kemp joined the Board on 1 September 2024 and therefore was not a member for the Board and committee meetings prior to this date. Harriet was appointed Chair of the Remuneration Committee from 1 January 2025.
5. Francis Livens was appointed Chair of the HSSE and ESG committees from 1 September 2024 and subsequently became Chair of the HSSSE Committee when it was formed on 1 January 2025.
6. David Peattie was unable to attend one P&PCo meeting during the year as the date of the meeting coincided with a site tour of Sellafield by the Public Accounts Committee.
7. Neil Bruce was appointed to the board on 1 June 2025 and therefore did not attend any meetings in the 2024/25 year.
8. Catriona Schmolke was appointed to the board on 1 June 2025 and therefore did not attend any meetings in the 2024/25 year.
9. Chris Train served as Interim Chair from 1 September 2023 until 31 May 2024 and stepped down from the board on 30 June 2024. During the period he served as Interim Chair he had an open invitation to attend all committee meetings.
10. Evelyn Dickey's term was extended part-way through the year, and she had pre-existing commitments on the dates of certain board, HSSE and ESG meetings after her extension date. Evelyn Dickey stepped down from the board on 31 January 2025 and was therefore not a member for the Board and committee meetings after this date. Evelyn also served as Chair of the Remuneration Committee until 31 January 2025.
11. From 1 January 2025, the HSSE and ESG committees were merged to form the HSSSE Committee.

Governance statement continued

The Board's role and responsibilities

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

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

In addition to proposing and monitoring performance against the NDA's strategy, the Board is accountable for the NDA's culture (incorporating a range of environmental, social and governance expectations), governance, risk appetite, working with government and regulators, oversight of internal control and risk management processes, ensuring effective arrangements are in place to provide assurance on operations, programmes and projects, stakeholder relationships, and ensuring robust succession plans are in place across the group for Board and executive level appointments. The Board sets the NDA's vision, values and standards of conduct and behaviour. It is also responsible for ensuring that these and its culture are aligned, regularly assessed and monitored.

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

The Board evaluates each decision against the NDA's mission and risk appetite, providing constructive challenge where required. The issues and factors we take account of in our decision-making are set out in our Value Framework. This provides a structured mechanism to consider:

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

Strategic decisions coming to the NDA Board systematically consider these and they are also reflected and assured in subsequent business case approvals.

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

Board performance, effectiveness review and training

An externally facilitated Board effectiveness review was carried out during the year by Deloitte. The timing of this exercise was important to ensure that we captured the views of two long serving Non-Executive members whose terms expired during the first half of 2025. The review work concluded in March 2025 and was discussed in detail at a Board workshop in April 2025. At its meeting in June 2025, the Board considered the final report and agreed the actions to be undertaken in response to the recommendations which centre around the following themes:

- NDA Board Role and Strategic Focus
- NDA Board and Operating Company (OpCo) Board Relationship
- Group Approach to Governance

Governance statement continued

One provider, Deloitte, was procured in 2024/25 to facilitate board effectiveness reviews across the group to ensure a consistent approach. The high-level findings and recommendations from all OpCo effectiveness reviews will be provided to the NDA Board which will monitor the progress made by the OpCo boards against their respective recommendations. The NDA Chair will also discuss the outcome of each OpCo effectiveness review with the relevant OpCo Chair. Training and professional development undertaken by Board members during the year were a mix of in-person sessions and online modules covering:

- Financial statements and the NDA's nuclear provision
- Remuneration masterclasses
- Nuclear safety
- Carbon literacy
- Procurement reform
- Key operational and decommissioning metrics
- Briefings from the National Cyber Security Centre

Magnox Inquiry, Departmental Review and Chair's Report

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

Board activities in the year

At each of its meetings, the Board reviews key performance information, including reports on the NDA group's performance, health and safety metrics, operational activity, financial position, forecasts and sensitivities and delivery of its strategic direction. The Board also reviews performance against the expectations set out in the annual Chair's letter from the UK Government and the DESNZ medium-term priorities letter sent to the Group CEO. A summary of the matters considered by the Board in the year are detailed in the table below. The Board takes an active role in stakeholder relations and engagement with the workforce. The Section 172 Statement set out on pages 91 to 92 details how the Board has engaged with stakeholders on a range of matters.

All Boards event

Board members, including Chairs, CEOs and Non-Executive Board Members, from all parts of the NDA group – NDA, Sellafield, NRS, NTS and NWS - came together for the second All Boards event in December 2024.

The event aimed to network and welcome new appointments to the NDA group Board members. Key topics included:

- Spending Review and Future Funding Challenges: Addressing the financial constraints and opportunities.
- Group Strategy Delivery: Ensuring the successful implementation of strategic initiatives.
- Functional Excellence: Promoting efficiency and reducing duplication.

Other cross-group Board engagements during the year included the NDA Chairs' meetings and various Committee Chairs' meetings. The group's nominated Cyber Non-Executive Board Members also met for the first time in March 2025.

The Board has welcomed the attendance of the Chairs of some of the operating company boards at meetings during the year. The CEOs and other senior executives from the operating companies also frequently present at and, as required, report to the NDA Board and Committee meetings.

Site visits

During the year, visits were made by Board members to the following group locations:

- Hunterston A & B
- Sellafield
- Dounreay
- Sizewell A
- Harwell
- Barrow Marine Terminal
- Trawsfynydd
- Bradwell
- Hinton House
- Herdus House

Board members also toured the UK Atomic Energy Authority's facilities in November 2024 and, in June 2024, HSSE Committee members visited Stainless Metalcraft Limited, a key contractor to the group.

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

Strategy, performance and mission delivery	• Health and safety performance updates: statistics, trends, incidents and near misses, and wellbeing
	• Progress against the Chair's Letter 2024/25
	• Spending Review: phase one and phase two
	• Strategy 5 development
	• Strategic priorities and group action plans
	• Billions and Decades initiative
	• 'Trusted to do more' updates
	• One NDA and group Strategy
	• Approval of Group Key Targets for 2024/25
	• Progress against the Group Key Targets and Group Operating Plan
	• Review of the NDA 2025-28 Business Plan
	• Group subsidiary performance and activities including:
	  • NRS sanction process improvements including a review of NRS Dounreay's sanction position
	  • Sellafield's response to enforcement letters and relationship with the regulator
	  • Performance assessment of the group's non-operational subsidiary companies
	• Sanction matters including business to be submitted to DESNZ for approval and sanction forward plans
	• Review of programmes and projects including:
	  • Near Surface Disposal Tranche 1 (NWS)
	  • GDF Programme re-baseline, preparation for site investigation scoping, site characterisation delivery partner and key siting decisions relating to the programme's assurance and governance
	  • Advanced gas-cooled reactor transfer programme transaction including the governance and assurance process for key siting decisions
	  • NRS Facilities Management Framework
	  • Group land use assessment
	  • Plutonium disposition research and development sub-programme
	  • Sellafield's analytical services future state programme
	  • Performance improvement updates
	• Performance against the United Nation's Sustainable Development Goals
	• Technology and innovation updates
	• Artificial Intelligence deep dive
	• Engagement with DESNZ and other key regulators
	• External Public Bodies Review

Governance statement continued

Risk and compliance	• Review and re-assessment of the group strategic landscape
	• A review and refresh of the group's strategic risk landscape, including emerging risks, and deep dives into the following group strategic risks:
	  • Stakeholder structures and relationships
	  • Supply chain
	  • Cyber security and resilience
	  • Asset degradation
	• Closure of the final Integrated Review responses to the Magnox Inquiry, Departmental Review and Chair's Report
	• Group litigation matters

Culture and governance	• Implementation of the Speak Up policy
	• Speak Up reporting
	• One NDA and group culture
	• Approval of the Modern Slavery Statement for 2023/24
	• Improvements to group governance in respect of standardising director inductions, training, effectiveness reviews, skills matrices and improvements to group meeting scheduling
	• Approval of new director appointments and existing directors' term extensions to the operating company boards
	• Approval of changes to the composition of the NDA committees and arrangements for a successor to Janet Ashdown as Senior Non-Executive Board Member
	• Review of the NDA committee structure including:
	  • Improvements to NDA sanction governance process and reconfiguration of the P&PCo
	  • The merger of the HSSE and ESG committees to the HSSSE Committee
	• The formation of a Group Remuneration Committee
	• Updates to the Board and committee's Terms of Reference and Matters Reserved for the Board
	• Committee activity updates
	• External Board effectiveness review
	• Cyber security updates
	• Approval of the 2023/24 Annual Report and Accounts
	• Approval of key policies and governance documents

Governance statement continued

Audit, Risk and Assurance Committee (ARAC)

Message from the Committee Chair

This year, for the first time, the NDA has voluntarily complied with the UK Corporate Governance Code. As part of the Committee's activities, NDA's compliance against the Code provisions has been considered and is on page 54.

Throughout the year, the Committee received and reviewed reports from the Accounting Officer, CFO and on the NDA's Finance, Internal Audit, External Audit, Risk Management, Assurance, Speak Up and Ethics and Compliance activities and performance. A comprehensive list of matters considered during 2024/25 is on pages 62 to 63.

The Committee has supported further alignment of NDA's control functions – Internal Audit, Assurance and Risk Management. This was achieved by establishing annual Internal Audit and Integrated Assurance plans which ensure oversight of the Group Strategic Risks. The Committee provided feedback on a group-wide 3 Lines Model presented at the group ARAC conference in November 2024 and reviewed an assurance mapping exercise to inform future internal audit planning and risk control.

The Committee has welcomed the regular attendance of representatives from the NAO and GIAA throughout the year.

I'd like to thank my fellow ARAC members for their continued support, in particular Janet Ashdown who stepped down as member of the NDA Board and ARAC in May 2025. I'd also like to welcome Neil Bruce and Catriona Schmolke who joined the Committee in June 2025.

Kathryn Cearns

Kathryn Cearns OBE
ARAC Chair
18 July 2025

Committee purpose

The ARAC provides advice and assurance to the Board on all matters within its remit. The Committee oversees audit and financial reporting, advises and reports on the plans, activities and performance of internal and external audit, and assesses assurance, reliability and integrity. The Committee also oversees the effectiveness and quality of the group's risk management framework and monitors risk exposure against group risk appetite.

2024/25 key estimates and judgements

Supported by NAO, the Committee assessed whether suitable accounting policies have been adopted, whether management have made appropriate estimates and judgements and disclosures were balanced and fair. Note 2 to the financial statements sets out the critical accounting judgements and key sources of estimation uncertainty. The main areas of focus for the Committee are:

Valuation of the nuclear provision

The nuclear provision is the discounted best estimate of the future costs of the decommissioning mission. The Committee recognises that the provision represents one value in a credible range of potential outcomes, considered the key sources of estimation uncertainty set out in note 24 and is satisfied that the value of the provision represents management's best estimate. They are also satisfied that the financial statement disclosures provide sufficient information to understand how the provision has been calculated and the inherent uncertainty involved in making such long-term estimates. In light of the Spending Review, the Committee requested extended disclosures to indicate that revisions to plans are likely and these will result in the provision being subject to alteration once the impact is known.

Governance statement continued

Revenue recognition

The group's income is mostly from spent fuel reprocessing, receipt and management at Sellafield. The Committee considered the application of IFRS 15 and the timing of the satisfaction of performance obligations. The Committee recognises there are a small number of contracts and management has limited incentive to overstate revenue. The application of IFRS 15 to these contracts is now well understood and application remains consistent. The Committee have concluded that the group has sufficient controls and reporting to provide reasonable assurance over the group's revenue recognition, including over the potential of fraud.

Valuation of commercial balances

Commercial balances are future recoverable contract costs and payments on account. Both are subsets of either the estimated costs included in the nuclear provision or the accounting policies for revenue recognition. Therefore commercial balances are subject to the same considerations by the Committee as those described above for the nuclear provision and revenue recognition.

Valuation of group defined benefit pensions

The measurement of liabilities in the group's defined benefit pension schemes requires judgements in estimating scheme member life expectancy and scheme investment performance, which could lead to misstatement of the group's pension balances. The Committee reviewed the disclosure presented in note 27 of the financial statements and is satisfied that the required level of information is provided understand the impact on the group of its pension obligations.

Management override of controls

The Committee obtains assurance over the operation of the group's controls from multiple sources including updates from the Accounting Officer, CFO, risk, ethics and compliance, together with internal and external audit teams. The key areas of assurance are set out below. Overall, the Committee considers that it receives satisfactory assurance to conclude that the internal controls are sufficient to prepare financial statements which are free from material misstatement.

Inventories

Note 15 sets out the critical accounting judgements in relation to inventories. The Committee has reviewed the accounting policies and judgements disclosed in the financial statements and considers them to be appropriate to enable an understanding of how the group accounts for inventory.

Property, plant and equipment

The accounting policy, critical accounting judgements and key areas of estimation uncertainty in respect of property, plant and equipment are shown in note 11. The Committee has considered the accounting policies and associated disclosures and consider them to be appropriate.

During the year, the ARAC also undertook the following key activities:

Financial reporting

- Reviewed and endorsed the Annual Report and Accounts, Accounting Officer's Report and Internal Audit Report and Audit Completion Report for 2023/24.
- Reviewed the critical accounting judgements to be used in the financial statements for 2024/25.

Risk management

- Reviewed and approved the Group Risk Assurance activities included with the Group Integrated Assurance Plan for 2024/25.
- Engaged on a Group Strategic Risk deep dive on supply chain assurance.
- Received and reviewed and updated NDA Group Risk Management Maturity Assessment.

- Reviewed and endorsed a refresh of the NDA group's strategic risk landscape and deep dive plan of the group's strategic risks.
- Received and endorsed the HMT Orange Book 'Comply or Explain' statement for 2023/24 and 2024/25.

Internal audit

- Reviewed and approved the NDA group Internal Audit Plans for 2024/25 and 2025/26.
- Received reports from the Government Internal Audit Agency.
- Reviewed the outcomes from and monitored progress against the 2024/25 Internal Audit Plan.

Assurance

- Reviewed and approved the NDA Integrated Assurance Plan for 2025/26.
- Reviewed the outcomes from and monitored progress against the 2024/25 Integrated Assurance Plan.

Internal controls

- Received and reviewed reports from the Accounting Officer during the year, including Accounting Officer Regularity Matters.
- Received and reviewed reports from the Group Chief Financial Officer, which included updates on:
  - IR35 group audit investigations
  - IFRS 17 impact
  - Delegations and sanctions framework changes
  - Group statutory account filings
  - Development of minimum control standards for the group
  - Mapping of group fraud prevention procedures
- Received reports on and monitored the progress of Speak Up investigations.
- Reviewed and approved the publication of the NDA gifts and hospitality register.
- Approved the 2025/26 Counter Fraud, Bribery and Corruption Incident Response Plan.

Other matters

- Received regular reports on the performance and activities of the Internal Audit, Risk Management, Assurance and Ethics and Compliance functions.
- Reviewed and endorsed reports on the 2023/24 NDA Group Key Targets (Short-Term Incentive Plan) Review.
- Reviewed and endorsed reports on the outcome of the 2023/24 NDA Group Key Targets for input into the outturn of the NDA Short Term Incentive Plan (STIP).
- Approved changes to group subsidiary audit processes.
- Received and reviewed an assessment of the NDA's compliance against the UK Corporate Governance Code and Corporate governance in central governance departments: codes of good practice.

Governance statement continued
Nominations Committee (NOMCO)

Message from the Committee Chair

A key focus of the Committee in 2024/25 has been to support and oversee the implementation of initiatives to deliver more effective and efficient group governance pursuant to a programme of work approved by the Board. The programme has aimed to standardise certain common elements of governance between the NDA and the operating company Boards. This has included clarifying the reporting lines between the NDA Chair and the operating company Chairs, expanding the role of the Committee to oversee all senior appointments across the group and ensuring an NDA representative participates in the recruitment process for all operating company Board appointments. Work has also been undertaken to introduce common elements for all group Board members inductions and appraisals, common appointment letters for all group Board appointments, and the better sequencing of all group Board meetings. We have also migrated to one group contract for a Board portal and procured one provider for the board effectiveness reviews across the group. In response to the various workstreams, the Committee has widened its remit and responsibilities which have been reflected in an updated Terms of Reference and increased meeting cadence.

The Committee supports the Board in ensuring effective succession planning and recruitment across the group at both Board and executive level. A significant amount of the Committee's time has been spent during the year, overseeing and monitoring various changes to the composition of the operating company Boards, including key executive appointments, and considering succession plans for the other most senior management roles across the group.

During the year, the Committee actively contributed to the recruitment processes led by UKGI in respect of new NDA Board members. This included my own appointment and that of Harriet Kemp, Catriona Schmolke and Dr Neil Bruce. The Committee has been instrumental to the refreshment during the year of the NDA Board Skills Matrix which will support the Board's recommendations to DESNZ and UKGI in matters of succession planning and recruitment for the NDA Board. The matrix is also used to identify training and development requirements across the Board.

The Committee has also overseen comprehensive onboarding and induction programmes for myself, Harriet and those that are currently ongoing for Neil and Catriona. In response to the changes on the NDA Board during the year, the Committee has regularly reviewed the composition of its standing committees to ensure compliance with the constitutional requirements set out in their Terms of Reference. In addition to Harriet Kemp taking over from Evelyn Dickey as Remuneration Committee Chair, other committee membership changes during the year included Francis Livens taking over as Chair of the HSSE and ESG Committees, which in January 2025 became the combined HSSSE Committee, and Janet Ashdown joining the P&PCo as Chair. The committee membership changes that occurred post the year-end, and my interim plans for the discharge of the duties of the Senior Non-Executive Board member following Janet's retirement in May 2025, are noted earlier in this report.

During the year, Evelyn Dickey, and more recently Janet Ashdown stepped down as members of the Committee. I'd like to thank them for their valuable contributions to the Committee during their tenures. I would also like to thank my continuing fellow Committee members for their support and engagement during the year and look forward to the further contribution we will make in 2025/26 to the efficient and effective governance of the group.

Peter Hill
NOMCO Chair
18 July 2025

A full list of the Committee's members and their attendance at meetings during the year can be found on page 56.

Committee purpose

The primary purpose of the NOMCO is to review the size, composition, skills, experience, competency, independence, knowledge and diversity of the NDA Board and its committees and to recommend to DESNZ and UKGI any changes that are considered necessary or advisable. In doing so, we aspire to having a diverse Board in terms of gender, social and ethnic backgrounds, cognitive and personal strengths, experience, skills and knowledge. The biographical details of the current Board members can be found on pages 46 to 50.

The NOMCO considers senior appointments across the NDA group and assesses related succession planning and talent management to ensure a robust pipeline of candidates. It also recommends or considers suitable candidates for appointment to roles which are reserved for the Board to approve in the Schedule of Matters Reserved for the Board e.g. the Senior Non-Executive Board member and the Company Secretary. In addition, the NOMCO makes recommendations to the Board on the appointment of Non-Executive Directors to the operating company Boards.

During the year, the NOMCO has:

- Reviewed and approved changes to the compositions of the operating company boards including Director resignations, appointments and re-appointments.
- Overseen the changes to processes for the Sellafield and NWS Chair positions.
- Overseen the recruitment process for the Sellafield, NWS and NTS CEO positions.
- Assessed and made changes to the NDA-nominated Non-Executive Directors on the operating company Boards.
- Reviewed succession plans for the NDA Board, Executive Leadership Team and Senior Managers.
- Reviewed changes to the NDA Board Director induction and training programmes.
- Reviewed a revised skills matrix for the NDA Board, including data on Board composition and diversity.
- Reviewed and endorsed changes to its Terms of Reference.
- Reviewed the NDA principles for employees taking on external roles.
- Reviewed and considered group Board member time commitments and fees.
- Redefined the role and purpose of NDA-appointed Directors on the operating company boards.

Governance statement continued
Remuneration Committee (REMCO)

Message from the Committee Chair

Having joined the Committee as a member in September 2024 and assumed the role of Chair in January 2025, I would like to express my sincere thanks to Evelyn Dickey for her guidance and leadership during the first part of the financial year, and her longstanding contributions to the Committee and the NDA.

During the year the Committee reviewed the scheduling and sequencing of key remuneration governance activities across the group and made adjustments to ensure the flow of information to it at the right time and to support more effective and timely decision making. In line with recommendations made by Internal Audit, enhancements have also been made to the way in which performance against incentive targets is monitored throughout the year and the associated year-end assurance processes.

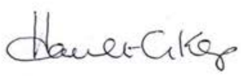
The Committee has remained focused on implementing lessons learned from the Sellafield employee incentive plan overpayment in 2022/23. Recommendations from an Internal Audit review undertaken in the financial year have been integrated into a structured action plan to enhance governance arrangements and strengthen controls. The Committee has closely monitored the action plan and the timetable for full completion.

As a Committee, we are focused on keeping up to date with changes in regulation and legislation and ensuring our compliance. We receive regular updates on people and reward related developments. During the year, in response to the requirements introduced by the 2024 UK Corporate Governance Code, we reviewed our approach on malus and clawback and associated reporting disclosures.

Over the course of the year, the Committee undertook a review of incentive arrangements across the group. This review built upon work previously undertaken to identify differences in incentive arrangements across the group with the aim of implementing opportunities for greater alignment. The focus for this year has been on simplifying the target landscape and achieving a stronger sense of operating as a group with a common framework for executive incentives, alongside the overall objective of supporting our vital skills and succession agenda by delivering the consistency required for mobility across the group, and aiding recruitment and retention through robust and consistent incentive plans, whilst continuing to deliver value for money for the taxpayer.

Aligned to this a key focus for the Committee in the year has been on the formation of a Group Remuneration Committee with responsibility for executive remuneration across the group. This proposed forum is intended to support the group's evolution by facilitating greater consistency in our approach to pay and performance management and leveraging the opportunities for greater alignment and governance of executive reward arrangements across the group.

The Committee has received regular updates on engagement with UK Government regarding the group's treatment under the pay remit. Whilst recognising the ongoing challenge of attracting and retaining talent to cater for future demand in the nuclear industry the Committee has continued its commitment to ensuring that remuneration remains fair and appropriate within the UK Government pay remit.



Harriet Kemp
REMCO Chair
18 July 2025

A full list of the Committee's members and their attendance at meetings during the year can be found on page 56.

Committee purpose

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

The REMCO does not have responsibility for reward matters in the group's operating companies but has close links with their respective remuneration committees.

The Committee supports the Accounting Officer and Board respectively in the provision of assurance around compliance with the group Reward Framework.

During the year, the REMCO has:

- Reviewed performance at the NDA and individual Executive Leadership Team level to determine the Short-Term Incentive Plan (STIP) awards for 2023/24
- Finalised the performance targets for the 2024/25 STIP
- Reviewed the Group CEO's and Executive Leadership Team's performance objectives for 2024/25
- Agreed the outcome and payments for the Long-Term Incentive Plan (LTIP) 2021-24 and set the targets for the LTIP 2024-27
- Received regular updates on all ongoing Incentive Plans
- Received Internal Audit reports on the Group Reward and Reward Governance Frameworks
- Reviewed STIP and LTIP rules in line with the amendments introduced by updated UK Corporate Governance Code 2024
- Received ongoing updates on the group-wide review into incentives arrangements
- Overseen the NDA's 2024/25 pay remit submission and proposals for the application of the remit across the group
- Received updates on wider workforce remuneration matters
- Reviewed submissions to the Cabinet Office's High Earners List and High Pay Quota reports
- Received reports on legislative and regulatory developments as part of ongoing horizon-scanning activities

The NDA Remuneration and People Reports can be found on pages 96 to 111.

Governance statement continued

Health, Safety, Security, Sustainability and Environment Committee (HSSSE)

Message from the Committee Chair

This is my first year reporting on the activities of the HSSSE Committee which was formed in January 2025 following the merger of the Health, Safety, Security and Environmental Committee (HSSE) and Environment, Sustainability and Governance Committee (ESG). The membership of the new HSSSE Committee is drawn from of the members of the former HSSE and ESG Committees.

During the year, the Committee has received direct reports from senior executives at Sellafield, Dounreay and NWS on their respective health, safety, environmental and sustainability activities. The Committee will continue to champion all efforts in support of group learning and best practice sharing.

At site visits during the year, Committee members have met with local Safety Reps, hearing first-hand from the teams about health and safety practices and culture on-site.

The Magnox Swarf Storage Silo leak at Sellafield remains a priority focus of the Committee. Updates have been provided at every meeting throughout the year on efforts to address the known issues, and the Committee will continue to monitor progress in 2025/26.

Representatives from the Environment Agency joined the HSSE Committee meeting in April 2024 and the ESG Committee meeting in October 2024 and gave valuable insight to the NDA group's performance in key operational areas.

During the year, the Committee has been developing a holistic view of the spectrum of risks - personal, process, radiological and nuclear - which face the NDA and its people, to make sure our focus is on the most significant ones.

The Committee retains a strong focus on sustainability, where the NDA's Strategy is now firmly established and the focus is on incorporating sustainability into the NDA's normal activities, including weaving it throughout our developing Strategy 5, and continuing to demonstrate the benefits of sustainability to delivery of the NDA's mission.

I'd like to thank my fellow Committee members for their support over the year and during the Committee merger, in particular Janet Ashdown for her leadership of the Committee for the first part of 2024/25, Evelyn Dickey who stepped down from the Committee in January 2025 and Harriet Kemp who joined in September 2024. I'd also like to thank Angharad Rayner, who was the NDA Health, Safety and Environment Director for much of the year, for her support.

Francis Livens
HSSSE Committee Chair
18 July 2025

A full list of the Committee's members and their attendance at meetings during the year can be found on page 56.

Committee purpose

The HSSSE Committee supports the Board in discharging its responsibilities in respect of issues of health, safety (both nuclear and non-nuclear), physical, asset and personnel security. The Committee also provides strategic oversight of the NDA group's management of environmental, sustainability and socio-economic matters in relation to compliance with relevant legal and regulatory requirements.

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

The Committee's routine business throughout the year, including matters overseen by the HSSE and ESG committees ahead of the merger, includes:

- Scrutinising the management of health, safety, security, sustainability, socio-economic, environmental and wellbeing risks and performance across the NDA group. Performance is benchmarked against relevant industry sectors.
- From time to time, and as considered necessary, receiving reports from group businesses on events and accidents.
- Receiving and commissioning independent reports from NDA's in-house health, safety and security resilience teams, including trend analysis and reports of work undertaken by the NDA to promote high standards and encourage collaboration.

During the year, the HSSSE Committee has:

- Received updates on and maintained oversight of nuclear safety improvement at Sellafield, and its sustainability initiatives.
- Received updates on health, safety and environmental performance and activities at Dounreay.
- Received and considered a deep dive assessment on the Geological Disposal Facility's sustainability considerations.
- Received standing updates on the status of the Magnox Swarf Storage Silo leak at Sellafield and maintained oversight of the actions being taken to address the matter.
- Reviewed and considered the implications and status of correspondence with the regulators as submitted during the year.
- Welcomed representatives from the Environment Agency to select HSSE and ESG committee meetings to hear from the regulator about its perspective on NDA group performance.
- Oversaw deep dives on the following Group Strategic Risks: health, safety and wellbeing, major incident at an NDA site.
- Reviewed and endorsed the NDA's Modern Slavery and Human Trafficking Statement
- Reviewed and endorsed its new Terms of Reference
- Reviewed progress against the recommended actions from the Committee's 2023/24 effectiveness review

In addition, the Committee has received updates on:

- Progress against carbon targets.
- Nuclear safeguards.
- Radiation metrics.
- Unmanned Autonomous Systems (UAS).
- Security assurance models.
- Root Cause Investigator Training.
- Learnings from the 2024 NDA group Health and Safety at Work Conference.
- Health, safety, security, sustainability and environmental considerations in Strategy 5.
- The NDA Wellbeing Strategy launch.
- NDA Gender Balance improvement plans.
- The Group Graduate Programme.
- Group Employee Networks.
- Progress against the Skills Beacon Project.
- Employee engagement and survey response updates.
- Social value implementation across the NDA group.
- Progress against the 2024/25 sustainability targets.
- Performance against the UN Sustainable Development Goals and double materiality considerations.
- Natural capital and biodiversity.
- Climate resilience and associated gap analysis.
- Progress against the group's sustainability roadmap including its nuclear decommissioning legacy.

The full Health, Safety, Environment and Wellbeing Report can be found on pages 112 to 123.

Governance statement continued

Programmes and Projects Committee (P&PCo)

Message from the Committee Chair

Performance across our projects has improved in the year with a stronger focus on gaining greater consistency and learning across the group's portfolio of projects. We have three projects at Sellafield over £1bn on the Government Major Projects Portfolio (GMPP), and all have received "Green" ratings from the Infrastructure and Projects Authority (IPA). This recognises the progress made over the past five years on improving the inception, capability, capacity and control of our programmes and projects. It continues to be work in progress, and the Committee will continue to monitor the effectiveness of the next phase of improvements.

This financial year was the first in which research and development has been considered within the Committee's remit. Research and development (formerly referred to as technology and innovation) is a vital component of the NDA's plan to deliver its mission in a timely and cost-effective way. The Committee will continue to receive regular reports on successes, challenges and opportunities in the area. This builds on previous years' focus on asset management and the interfacing of the projects with the existing plants and facilities.

The Committee plays a crucial role in the governance of sanction requests and in the year it has considered and scrutinised business cases enabling critical work on the Geological Disposal Facility, plutonium disposition and major contractual frameworks for delivery at Sellafield. In line with wider governance improvement plans initiated during the financial year, the Committee has focused on enhancing the effectiveness and efficiency of governance in areas within its remit. This has included changes to its remit designed to simplify control, governance and sanction of major projects whilst protecting the robust scrutiny provided by the NDA.

The Committee has received rolling programme and project updates from across the Group, in line with its central purpose to oversee Major Programme and Project delivery. These updates include regular reports from group Senior Responsible Owners outlining the performance of mission critical activities.

2025/26 offers an opportunity to further enhance the NDA's oversight of programme and project performance, streamline sanction governance, and achieve further improvements in risk and performance assurance reporting throughout the project lifecycle.

On behalf of my fellow Committee members, Kathryn Cearns and David Peattie, I'd like to thank Chris Train and Janet Ashdown who led the Committee over the 2024/25 financial year and welcome Neil Bruce who was appointed as Chair of the Committee on 1 June 2025.

Francis Livens
P&PCo Member
18 July 2025

A full list of the Committee's members and their attendance at meetings during the year can be found on page 56.

Committee purpose

The P&PCo ensures enhanced oversight and scrutiny of major programmes and projects within the NDA group. It oversees and ensures delivery of current programmes and projects and considers sanction requests for proposed future activities.

During the year, the P&PCO has:

- Received regular updates on major contracts, assurance, risk management and sanctions across the group.
- Considered seven sanction request submissions.
- Reviewed the performance of several major strategic programmes and projects across the NDA group including:
  - Delivery at Dounreay
  - The SIXEP programme
  - Alpha remediation at Sellafield
  - Manufactured Products
- Received a risk deep dive on performance across the group on Integrated Waste Management.
- Overseen progress on improvements made to group project management by the P3M Excellence Programme.
- Reviewed and endorsed changes to its Terms of Reference.

Group risk management and assurance

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

We view risk management as playing a key role in the overall success and stability of the entire NDA group. Our proactive and collaborative approach to identifying risks (both opportunities and threats) helps the NDA make informed decisions on business strategy and threat mitigation.

Our risk management process is aligned to the Department for Energy Security and Net Zero risk management principles, and we comply with the requirements of the five principles set out within the HMG Orange Book (Management of Risk: Principles and Concepts).

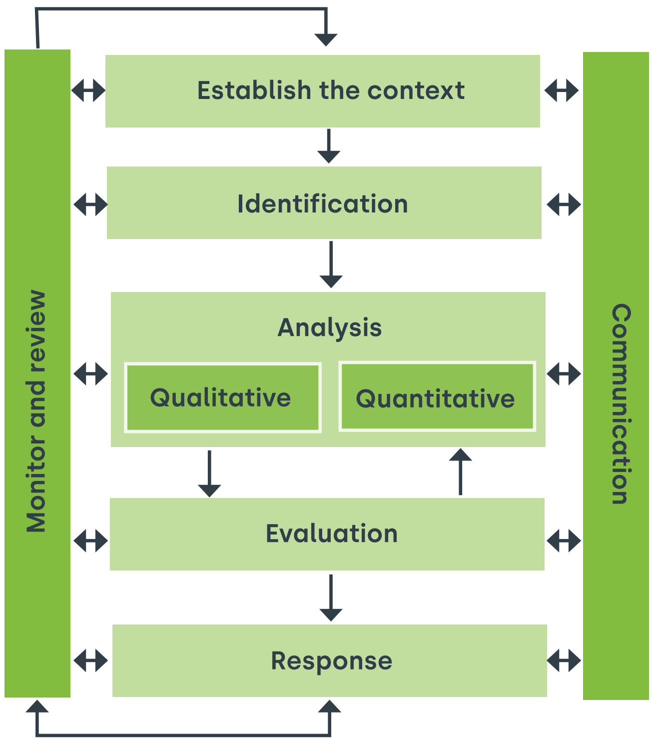
These principles align to the international standard ISO31000 (Risk Management) which are:

1. **Establishing context:** Using our NDA mission goals and Group Strategic Risks (GSRs) as a basis, policies and procedures have been developed within the NDA to define the criteria for identifying and managing risks, both internal and external.
2. **Risk identification:** There is a structured process developed to proactively recognise and consistently describe key threats to achieving the NDA mission objectives.
3. **Risk analysis:** Risks are assessed using a developed scoring matrix that considers not only likelihood, but also the most significant impacts should they occur.
4. **Risk evaluation:** Risks are compared against risk appetite (set by the NDA Board) to prioritise required escalation effectively.
5. **Risk response:** A risk control framework ensures effective action planning is undertaken to maximise efficiency while minimising threats.
6. **Monitor and review:** Key risks are regularly monitored and reported to ensure NDA decision-makers stay informed of key risk exposures.
7. **Communication:** Regular engagement with relevant stakeholders is undertaken throughout the risk management lifecycle to ensure accountability and effectiveness.

Embedding risk management

Risk management is at the heart of our decision making through establishing a positive risk culture where open and transparent discussion of risk forms parts of everyday activities. During 2024/25, this was achieved by:

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



Governance statement continued

To help drive a positive risk culture within the NDA, the following activities have been undertaken during the year:

- **Development and integration of a group-wide risk management information system.** This system (called OneRisk) will ensure group-wide consistency in the identification and response to key risk exposures. This system will also help maintain consistent risk reporting across group-wide activities.
- **Enhancement of cross-group risk forums to promote and embed collaboration.** Recognising regular discussion and collaboration is essential to fully understand group-wide risk exposures, the NDA has established cross group forums between our risk professionals (including Heads of Risk and Risk Champions) to share key risk information and experiences.
- **Increased use of Artificial Intelligence (AI) for better risk insights.** Recognising risk trends and conducting proactive and efficient horizon scanning are essential components of effective risk management. As such, the NDA is currently developing an AI tool that collates media information and provides up to date analysis on trending topics that may affect the NDA.
- **The development of a group-wide risk controls framework.** Recognising the importance of understanding our key risk controls dependencies, the NDA is currently undertaking an exercise to collate, evaluate and present current key risk control information from across the group.

The group-wide risk maturity exercise identified key improvement areas and demonstrated notable progress. Strong leadership and assurance practices, aligned with meeting NAO's guidelines, ensured risk remained a priority in NDA discussions. Enhanced collaboration among key functions fostered an integrated approach and there were substantial improvements in embedding risk appetite. There was also recognition for successful group collaboration via the Heads of Risk network. The rollout of OneRisk, during 2024/25, within the NDA marked significant progress in consistent risk reporting, supported by active functional engagement.

Achievement of our strategic business objectives requires identifying, minimising, and managing the impact of threats and maximising the likelihood of realising opportunities. Risks are considered proportionately when taking business decisions.

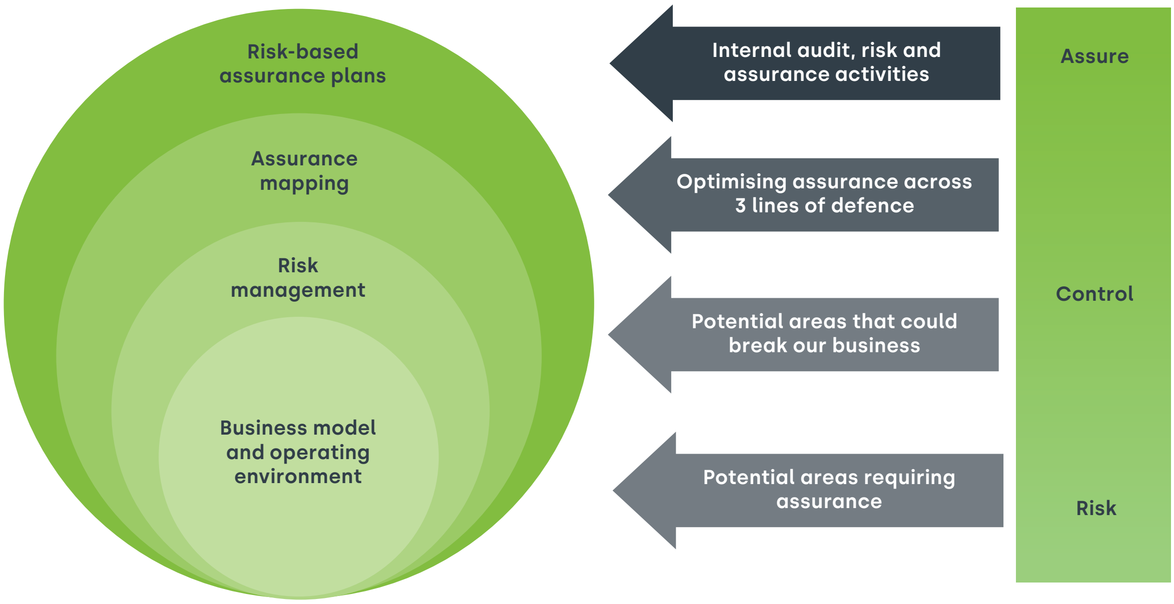
Risk assurance

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

Currently being refined, the risk assurance framework aims to provide assurance that risks are being managed effectively and that the existing risk management processes are both implemented and functioning as intended.

Risk assurance is conducted with various tools and techniques, namely, deep dives and risk assurance tools. All processes and associated risk outputs are assured in accordance with our Three Lines of Defence assurance model. Controls are applied to key risks, and controls effectiveness is assured on a regular basis. Tools and processes being utilised will be supplemented with guidance notes.

The diagram overleaf is illustrative of how the "risk, control, assure" principle integrates our assurance activities.



A dynamic planning interface between Risk, Assurance, Internal Audit and each operating company's risk function has continued. Assurance and Internal Audit have developed a comprehensive mapping of planned assurance and audit activities to the Group Strategic Risks (GSRs) which supports a risk-informed, integrated assurance plan. All outputs from planned assurance activities are also mapped to GSRs to reflect a full circle assurance map.

What we monitor

Group Strategic Risks (GSRs)

Risks which could impact on the NDA group and force a fundamental change to our current strategy and impact the mission. They require pro-active management and co-ordination, with Group Leadership Team (GLT) sponsorship and ownership.

	What we assess	Our impact categories
Current risks Where action is required now to mitigate threats to strategic objectives or to exploit opportunities. Emerging risks Threats or opportunities, internal or external, that may have a future impact on the group. The time between occurrence of a risk and its effect on group objectives may be slow or rapid (also known as risk velocity).	• Appropriate risk and action ownership. • Likelihood of occurrence and related impact, aligned to a group "Probability-Impact Diagram" (PID). • Control performance: the effectiveness of risk management controls. • The level of risk compared to our defined "Risk Appetite" (per impact category). • Potential for further action to mitigate threats or exploit opportunities.	Assessment is made against seven key impact categories: • Safety • Environment • Legal • Reputation • Strategic delivery • Security • Financial

Business risk registers

NDA and its operating companies identify threats and opportunities against their objectives. These in turn support the development of GSRs

Governance statement continued

How we monitor

Responsibility for monitoring

Responsibility for implementing

NDA Board

Accountable to the Secretary of State for all aspects of the NDA's activities and performance; sets the strategic framework and direction for operations and is responsible for ensuring high standards of corporate governance at all times; sets the risk appetite; agrees plans against which NDA performance is measured; oversight and scrutiny of priority GSRs; and maintains an appropriate control framework that provides assurances on risk assessments and the application of appropriate controls.

Board committees

Audit, Risk and Assurance (ARAC) Critically challenges and reviews the risk management framework, adequacy and effectiveness of control processes and the application of risk appetite.

Programmes and Projects Oversight and scrutiny of risks specific to projects and programmes.

Health, Safety, Security, Sustainability and Environment Oversight and scrutiny of risks specific to health, safety, security, sustainability and environment.

Nominations Oversight and scrutiny of risks specific to nominations.

Remuneration Oversight and scrutiny of risks specific to remuneration.

NDA group risk Maintains the risk management framework, identifies and shares good practice and provides oversight and challenge of risk at both NDA and group level.

Provides advice and assurance to the Board on risk.

Accounting Officer's Review NDA operating companies present their top risks and describe their management of them through the Accounting Officer Review process to ensure their appropriate management.

Group Leadership Team Routine oversight and monitoring of group risks and exposure against risk appetite with onward reporting to Board committees. Ensuring the risk management framework is acted upon.

Executive Leadership Team Routine oversight and monitoring of NDA risks and exposure against risk appetite with onward reporting to Board committees. Ensuring the risk management framework is acted upon.

Risk Sponsors and Owners Responsible for ensuring strategic and group risks are understood, appropriately assessed, actively managed, reported and monitored.

Operating Company Interface Serves as the main interface between the NDA and the operating companies' risk management functions. Providing assurance, deliver risk improvement initiatives, and ensure that the operating companies follow guidance set by the NDA.

Group Risk Forum Considers key threats and opportunities across the entire NDA group as part of the horizon scanning process to foster collaboration and discuss risk connectivity. The GRF also evaluates emerging risks and potential new group risks.

NDA Risk Forum Considers (key) threats and opportunities across the NDA. Facilitates learning, knowledge enhancement and communication of risk information.

Roles and responsibilities

The Accounting Officer is accountable for the management of all NDA risks. All staff across NDA group businesses have a duty to ensure risks in their areas of responsibility are identified, managed, and reported. The requirement for risk management is further reinforced through the regulatory environment in which we operate including, for example, the need for our operating companies to hold nuclear site licences overseen by the Office for Nuclear Regulation (ONR).

The Accounting Officer Review Process examines the key risks presented by group operating companies and how these risks are being managed. Throughout this process, the NDA risk management team provides additional challenge and assurance of these key risks.

Risk appetite

Understanding and working to a clearly agreed and defined risk appetite is an essential component of our enterprise risk management framework. It enables effective decision-making, is embedded within our Strategic Management System, and is underpinned by our Value Framework.

The NDA Board sets the overall risk appetite for the group, including definition of acceptable levels of risk that can be tolerated by the NDA in pursuit of achieving its strategic objectives.

During 2023/24, an updated approach to risk appetite, aligned to HMT Orange Book Guidance and DESNZ, was matured and embedded across the group. Governance and reporting were improved to ensure key NDA decisions now include an assessment against NDA risk appetite.

Risk appetite assessment is applied to business cases, Board and Committee papers, GSRs and operating company (OpCo) principal risks. In doing so, the boundaries for acceptable levels of risk taking are transparent to decision-makers prior to making a decision enabling them to probe where risks exceed appetite, the rationale for why this is justifiable, and the feasibility of options to avoid or mitigate risks.

During 2024/25, awareness of risk appetite has continued to promote the level of high-quality, risk-based discussion that enhances critical thinking in decision-making. A risk appetite lens was successfully applied to the potential impacts of the Spending Review to demonstrate how different scenarios impacted our approved appetite ranges.

Group Strategic Risks (GSRs)

The GSRs are key risks which could impact the NDA group and force a fundamental change to the current strategy and impact the mission. They undergo proactive management supported by dynamic monitoring and assessment which is co-ordinated by the NDA group Risk Team with Group Leadership Team (GLT) sponsorship and ownership.

During 2024/25, GSRs continued to be affected by the increasing uncertainty of the external environment through the complex interplay of geopolitical, economic, and environmental risks. This includes ongoing drivers from growing sophistication and frequency of cyber-attacks, increased vulnerability from mis/disinformation, climate change volatility, cost inflation and supply chain fragility. Emerging drivers include an increasingly competitive environment for public spending due to critical reassessment of the UK's public spending priorities, review of some public bodies, geopolitical instability of international tariff and trade policies.

In response, the need to maintain a proportionate, focused approach is addressed via our dynamic horizon scanning and GLT risk reviews. This ensures that the group's risk responses remain focused, robust and relevant, safeguarding the NDA group's interests and stakeholder value. Over the year, our landscape has evolved.

- Started with 15 GSRs
- Retired - GSR9 External nuclear event: retired at the Board deep dive (April 2024)
- Merged - GSR14 Diversity & inclusion: merged into GSR3 Capability and capacity
- De-escalated – GSRs assessed as stable and not posing a significant threat to the mission:
  - GSR11 Security breach
  - GSR13 Laws, regulations, contractual

Governance statement continued

obligations, policies and governance framework with the UK Government
  - GSR15 Additional scope
- Ended the year with 10 GSRs. Acknowledging the potential changes due to emerging and ongoing factors, particularly the spending review outcomes.

Risk deep dives

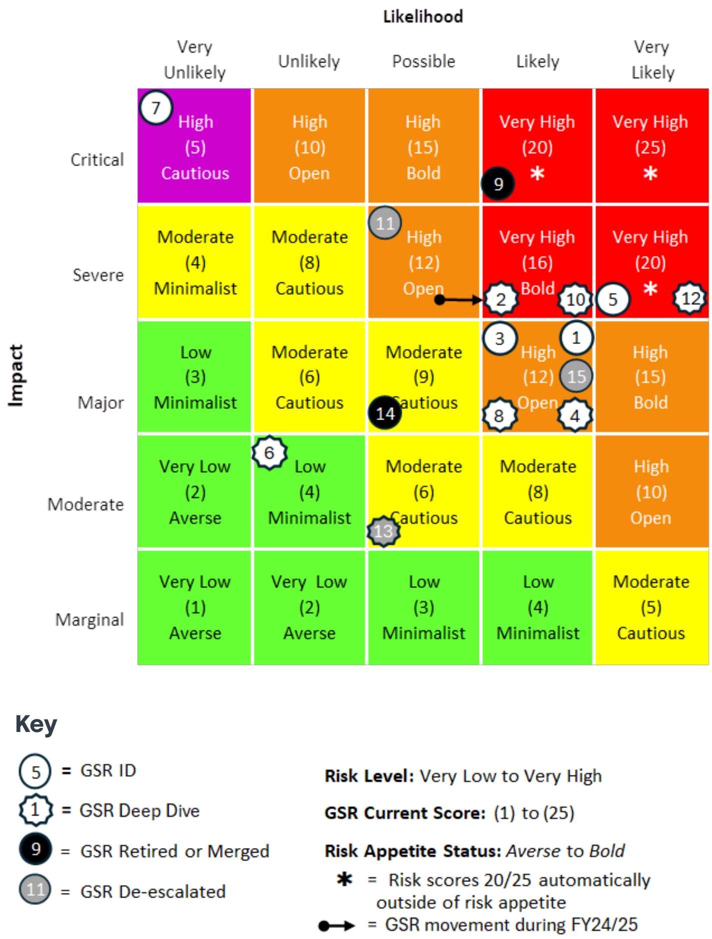
There is a rolling schedule of deep dive reviews of GSRs that examine all aspects of the risk. All GSRs are reviewed and examined with each GSR having a specified review cycle of either 12 or 18 months. Over the past year, our Board committees have reviewed seven GSRs – 2, 4, 6, 8, 10, 12 and 13. Expertise from across the group, including Non-Executive Directors and other independent advisors, provide external industry and technical good practice to the in-depth reviews of these risks.

GSR No.	GSR short title
GSR1	Projects don't perform
GSR2	No clarity long term on waste routes
GSR3	Capability and capacity
GSR4	Inadequate supply chain
GSR5	Insufficient Funding
GSR6	Ineffective structures and relationships
GSR7	A major incident at an NDA site
GSR8	Health, safety, wellbeing
GSR9	External nuclear event
GSR10	A successful cyber attack
GSR11	Security Breach
GSR12	Condition of plants and equipment impacts delivery
GSR13	Laws, regulations, contractual obligations, policies and governance framework with Government
GSR14	Diversity and Inclusion improvements
GSR15	Adaptational Scope

The outcomes from each review are recommendations as to how to enhance the understanding of the risk, its controls and risk reduction actions. These recommendations are reported to ARAC and managed by the GSR owner.

GSRs mapped to the NDA Probability-Impact Diagram (PID)

The risk heat map below illustrates the relative positioning of the GSRs and highlights their movement during the year. It shows the risk score once controls have been applied, described as 'current' score. This year, we have integrated the risk appetite assessment into the GSRs section of the PID, indicating that GSR6 falls within the defined risk appetite.



Mission themes

Spent Fuels | Nuclear Materials | Integrated Waste Management | Site Decommissioning and Remediation | Critical Enablers

GSR1. Project, programme and portfolio management performance across the group is not performing as required, impacting mission delivery

Change in risk score during the year	Effectiveness of risk mitigation
Risk score remains **High** (major impact, likely likelihood). This recognises the enhanced government scrutiny of group project and programme delivery and improved delivery performance.	The NDA group P3M (project, programme and portfolio management) excellence programme has introduced and embedded the use of both Project Definition Rating Index (PDRI) and opportunity framing during the project and programme lifecycle. These new tools have demonstrably helped to improve the levels of delivery confidence of group projects – as evidenced by 75% of NDA group GMPP (Government Major Projects Portfolio) Projects receiving Green IPA (Infrastructure Projects Authority) delivery confidence assessments and milestone attainment improving from 45% to 71%. Introduction of standard project reporting structures and templates and the appointment of SROs (Senior Responsible Owners) has enhanced operating companies' accountability and bringing improved delivery oversight.

GSR2. NDA is unable to complete its mission satisfactorily due to an inability to safely, securely and cost effectively manage radioactive waste

Change in risk score during the year	Effectiveness of risk mitigation
Risk score has increased from high to Very High (severe impact, likely likelihood). The threat has increased due to the external context including the Spending Review settlement for the NDA group 2025/26 and 2026-2030-funding impacting existing and future programmes across the group. The Environmental Agency Staged Regulation and 2009 Guidance on Requirements for Authorisation policy consultation and revision has put pressure on getting the Environmental Safety Case for the repository approved and the future viability of the repository. NDA will review the current scope of the group strategic risk and associated mitigating actions during 2025/26.	This risk was revised and the scope refreshed during the year. Stakeholders have collaborated across the group to fully understand and develop the risk, key threats and mitigation plans. Group planning and prioritisation has been a key mitigation, with NWS actively leading development of the group waste model and integral in the group planning beacon. Timely availability of waste routes remains a key focus for enabling delivery of the NDA group mission. Driven by policy, legal compliance and benefit from effective group integrated waste management, IWM Portfolio (led by NWS on behalf of the group) has been progressing opportunities in optimisation of GDF inventory through thermal treatment and alternative disposal/diversion options and integrated management of metals and controlled waste as examples.

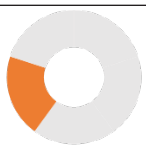
Governance statement continued

Change in risk score during the year	Effectiveness of risk mitigation
	**GSR3. The NDA group has insufficient capability and capacity to deliver the mission through not having the right people with the skills at the right time and place**
Risk score remains **High** (major impact, likely likelihood). Driven by the cumulative effect of both internal and external factors. Including the spending review and challenging fiscal context, and increased competition for key skills across the nuclear and defence sector.	The NDA group-wide Beacon project in 2024/25 focused on the NDA group's collective response to the National Nuclear Skills Plan, strategic workforce planning and collaborative interventions and mitigations for six key skills areas: cyber, project and programme management, technical/engineering, commercial, radiological protection, and strategic ICT/digital. The focus on these key skills areas has achieved an increase in cross-group mobility for four of the six areas, development of a jobs families framework, career pathways and skills development actions. In line with the National Nuclear Skills Plan, we have increased both our apprentice and graduate intakes. We have significantly improved our approach to key skills data, including strategic workforce planning, workforce attrition data and the refinement of quantitative key risk indicators.
	**GSR4. Existing supply chain may not have the capacity or capability to support NDA group current targets, programmes and ultimately the mission**
Risk score remains **High** (major impact, likely likelihood). The primary threats driving this score include supplier vulnerability, the need for contingency planning for vulnerable suppliers, the required precision of future procurement activities (commercial pipelines), the potential for legal challenges, and the integration of the recently enacted Procurement Act 2023.	To ensure compliance with the Procurement Act, policy, process and systems were updated ahead of the changes, effective from 24th February 2025. The review and standardisation of operations across the group has benefited both the NDA group and its supply chain. Increased prioritisation has been given to the development, updating, and testing of contingency plans for suppliers in 'hyper-care' status. Extending this effort to include suppliers under "increased monitoring" status is under consideration. Gaining a clear understanding of the commercial pipeline for upcoming procurements over the next 18 months has provided the supply chain with advanced notification of our requirements.

Change in risk score during the year	Effectiveness of risk mitigation
	**GSR5. Due to a change in government priorities, NDA funding is not sufficient beyond the current spending review settlement to continue with preferred (optimised) programmes, resulting in sub-optimal mission delivery / progress, reduction in value-for-money, some scope stopped / delayed**
Risk score remains **Very High** (severe impact, very likely likelihood). The external threat environment continued to be uncertain with the UK Government fiscal pressures and both the scarcity and cost of resources.	We have continued to portfolio manage threats and opportunities across the group to optimise value for money and mission delivery. Positive stakeholder engagement has taken place as part of the spending review although this is in the context of a continuing period of fiscal difficulty for the UK Government and the economy. Our spending review settlements through to 2029/30 allow us to continue to maintain safety and security, manage the highest hazards and make progress with our mission but not at the pace previously envisaged. Affordability is a constraint, and we are currently developing revised plans to determine the full implications on the scope and timing of our mission.
	**GSR6. There is a threat that inefficient group structures and relationships hinder the realisation of opportunities, benefits and fail to deliver value for money. This will lead to loss of stakeholder confidence in NDA mission delivery and delays to mission progress**
Risk score remains **Low** (moderate impact, unlikely likelihood). This is due to delivery of the structural changes to the NDA group operating model and delivery of key mitigating activities.	The One NDA programme delivered key mitigations including the creation of the group Operating Framework and interface agreements, an updated DESNZ Framework Document, raised awareness of the model across the group, created mid-term ambitions and closed out the responses to the Magnox Inquiry and Departmental Review.

Governance statement continued

Change in risk score during the year	Effectiveness of risk mitigation
	**GSR7. Major incident at an NDA site leading to large scale release to the environment**
Risk score remains **High** (critical impact; very unlikely likelihood). The threat will continue to have a high score until the strategic high hazard and risk reduction plans are delivered including waste retrievals of several hazardous facilities at Sellafield and NRS have been completed or significantly progressed.	Mitigation of likelihood is primarily managed through the delivery of asset care and progression with the mission focussing on high hazard and risk reduction. Critical facilities and assets have been prioritised as part of the spending review. However, there have been delays in the retrievals programme plan. Dounreay are learning from good practice at Sellafield by developing a strategic health key risk indicator. Recovery plans form part of emergency management arrangements in the event of a major incident. These have all been assured at all our sites and continue to remain in a good position. Specialist safety resources continue to be stretched, which impacts the ability to progress topic-specific improvements.
	**GSR8. Key sources of Health, Safety and Wellbeing (HSW) risk with significant potential of loss of life, serious injury/ ill health or major property damage**
Risk score remains **High** (major impact, likely likelihood). The threat will continue at this level through until the completion of construction and decommissioning activities.	Total Recordable Incident Rate (TRIR) & Reporting of Injury, Disease, and Dangerous Occurrences Regulations (RIDDOR) rates have shown a downward (positive) trend over the reporting period. OpCo safety improvement plans have been shared across the group and activities mapped against Board priorities. Action progress and effectiveness will be assured in the coming year. Safety leadership has been a focus area, particularly at Sellafield. Cross-group collaboration in the areas of health, safety and wellbeing has been strengthened with a reinvigorated safety directors peer group. Improvements have been made with key compliance topics, including Control of Major Accident Hazard (COMAH) and Dangerous Substance and Explosive Atmosphere Regulation (DSEAR) at Dounreay. Health, Safety and Wellbeing working groups continue to identify and share learning. Work has progressed towards accreditation against ISO45003 – Psychological health and safety at work.

Change in risk score during the year	Effectiveness of risk mitigation
	**Modified or retired during the year** **GSR9. A nuclear event external to the NDA group changes the NDA mission or has an impact on stakeholder acceptance of nuclear activities and public support necessary to continue the NDA mission**
Risk has been retired.	The GSR was retired following the Board deep dive (April 2024). It was agreed that key areas of control and mitigation were sufficiently covered by operating companies' emergency resource planning and stakeholder management.
	**GSR10. The NDA group does not proactively deter, detect, defend against, recover from and be resilient to, cyber threats resulting in an adverse effect on delivery of the NDA mission**
Risk score remains stable **Very High** (severe impact, likely likelihood). Cyber security is a critical aspect of our mission and operations.	We have continued to invest in our people, processes and technology, working closely with the UK Government, the National Cyber Security Centre (NCSC) and other key partners. We have further strengthened governance and oversight, recognising that both our use of technology and external cyber threats continue to evolve. We have also invested in specialised cyber facilities and this collaborative 'defend-as-one' approach has led to more sharing of lessons and good practice.
	**GSR11. Insider / external threat leading to security breach resulting in business disruption and associated reputational impact**
Risk score remains **High** (severe impact, possible likelihood). Likelihood continues to increase due to rising geo-political tensions. Indicators point to increased threats of sabotage and espionage by nation state threat actors.	Daily intelligence feeds from a variety of government and service providers provide up-to-date information on incidents and areas of concern. Following a critical national infrastructure (CNI) briefing in September 2024 the NDA group has reviewed our security plans. These reviews provide confidence that existing mitigations designed to prevent theft and sabotage of nuclear materials are effective to deal with the changing threats. Induction training modules have been reviewed and updated, and other personnel security related policies and processes have been reviewed, updated and communicated.

Governance statement continued

Change in risk score during the year	Effectiveness of risk mitigation
	**GSR12. NDA assets not performing as required, impacting mission delivery**
Risk score remains **Very High** (severe impact, very likely likelihood). The risk increases with our increasing understanding of the current and future condition of our assets. Other key factors driving the risk rating include the improvements required to our organisations and asset plans. Asset threat is enduring, and the threat score will not change quickly; it is a priority for our regulator, executive teams and Board.	Delivery of key mitigations through successive Group Key Targets has resulted in the following improvements: • Increased visibility of performance and root causes. • Improved understanding of the current and future state of assets and the actions required to control or reduce risk. • Identification of opportunities to accelerate demolition have been identified which quantify the positive cost benefits of bringing forward demolition versus the outyears care.
	**GSR13. NDA is subject to a range of laws, regulations, contractual obligations, policies and a governance framework with the UK Government. A breach of these requirements could result in enforcement action, claims, business disruption, reputational damage and loss of stakeholder confidence**
Risk score remains **Moderate** (moderate impact, possible likelihood). With key exposure areas including staff retention and the introduction of the Procurement Act 2023.	Staff retention remains a risk, particularly in light of external opportunities and budget constraints which may limit backfilling of roles. There is a new focus on group priorities to ensure legal resource is deployed effectively to higher risk work, aligned to group priorities. The group General Counsel function is seeing the benefits of cross-group working and group lawyering in joint working. Significant support has been provided to commercial teams to identify and mitigate procurement risks across the group following the introduction of the Procurement Act 2023, which came into force on 24 February 2025.

Change in risk score during the year	Effectiveness of risk mitigation
	**Modified or retired during the year** **GSR14. The NDA group or one of its businesses does not have the knowledge, frameworks, culture, and capacity or tools to deliver D&I improvements and effectively address discrimination, bullying and harassment concerns made by employees**
Risk has been merged.	The GSR has seen significant focus and mitigation with the risk being managed to tolerable level. Therefore, the decision was to merge the residual aspects of the risk into GSR3.
 →	**GSR15. Additional scope introduced across the group may adversely impact current programmes, stretch resources and management focus, leading to adverse delivery performance**
Risk score remains **High** (major impact, likely likelihood). The scope the GSR has been expanded to reflect the external horizon and cross group impact.	Proactive impact assessments of additional scope are undertaken to understand the effect on scarce resource (GSR3), recognising that additional scope can disproportionately impact a small number of individuals. Open dialogue across NDA group is supporting horizon scanning on areas of emerging interest including land management, support to Ministry of Defence's programmes and other public policy agendas.

Governance statement continued

Financial control

We have strong financial controls in place to ensure we remained within our budgetary spend for 2024/25 of £4 billion. We have well-defined delegated authorities and a clear budgetary framework. The system remains effective with no significant issues identified by internal or external audit during the year.

At the NDA, we review updates to the UK Government functional standards and reflect in our policies where they are applicable to arm's length bodies.

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

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

Information governance

The NDA group Chief of Staff and Security Officer has responsibility for: information governance; digital, data and artificial intelligence (AI); information and communications technology; security and resilience; and cyber security. This covers all aspects of:

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

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

The NDA group Senior Information Risk Owner (SIRO) forum, comprising senior NDA staff and directors from each of our operating companies and responsible for managing information risk, meet regularly to provide governance of assurance programmes and audit performance reviews in the areas covered above. These assessments and reviews, in turn, provide assurance to key stakeholders including the regulatory community, the NDA and operating company Boards, DESNZ and other government departments and agencies.

We completed the re-competition of the contract to manage all the NDA group's long-term records and archive management requirements.

We are delivering a group-wide change programme implementing new ways of working. This includes replacement projects for 'the Hub', a collaboration and communities' platform, the UK Government 'Mark My Words' and 'Share with Care' campaigns and introducing a people-focussed business change process to the NDA.

We have met all our statutory obligations with regards to access to information. We received over 50 Freedom of Information/ Environmental Information Requests and responded to all Subject Access Requests within the allotted timeframes allowed under the Data Protection Act. In September 2024, we also experienced a data breach involving the personal information of over 400 staff and 1,500 organisations. The incident was reported to the Information Commissioner's Office, all data was recovered and the affected data subjects were informed and supported.

Security and resilience

Trialling the potential to replace guard force and extensive physical security measures with technological solutions, through the remote monitoring of sensitive sites (RMSS) pilot scheme, is underway with a 12-month deployment of four different companies' systems at our NRS Winfrith site. The trials seek to prove the concept and give confidence in the viability of integrated autonomous systems to supply real-time information to a remote response force allowing informed decision making prior to initiation of a response. Initially designed for low-risk sites, post the removal of nuclear and radiological materials, the system utilises a variety of commercial off-the-shelf component parts, integrated with bespoke systems developed for the trials, and includes a range of sensors, detections systems and deployable air and ground assets. On completion of the trials, a successful security system will strengthen the security case for the removal of guards on low-risk sites and negate the need to replace extensive and costly existing security perimeters and associated systems, reducing the overall cost of security in decommissioned sites. The security system will also offer the potential to supplement security plans on high-risk sites and may help the development of security cases for the UK's SMR fleet.

The installation of GovPass in NDA offices and hubs has significantly helped employees who travel to multiple NDA locations and government buildings.

The NDA continues to score very good results against the annual Departmental Security Health Check (DSHC), showing further improvements from the previous iterations. Improvements delivered this year include installation of a x-ray scanner to improve mail scanning at Herdus House, full security assessments of Hinton and Herdus House (Hinton completed by the UK Government's Protective Security Centre), review of all NDA security policies, development of new site security plans and enhancement of secure facilities in Herdus House.

We have conducted supply chain security assurance checks of over 183 companies in 2024/25. The audit process has improved and covers wider assurance checks, the service provided reduces the workload and associated costs to the NDA group.

We have shifted to a new methodology of NDA assessments to security (an Energy Act 2004 requirement) which better informs the group strategic risks in GSR11.

Information and Communication Technology (including Digital, Data and AI)

The NDA Information Technology (IT) function has a dual role. It supports the activities of the NDA through the provision and support of services for the NDA, and it performs a group role through its assurance function, production and ownership of architecture standards and best practice, delivery of group-wide ICT solutions and projects, as well as management of group Digital and AI projects.

NDA IT has continued to deliver a major change portfolio, with the most significant projects completed listed below:

- Group Managed Print, providing a single sourced contract for the entire group. This involved moving all the printers across the group to the new provider and solution, delivering significant savings across the entire group.
- Group tenant delivered, providing a single instance of Microsoft 365, SharePoint across the group and providing the basics to move to single instances of IT systems across the group.
- Continued improvements to the resilience and security of our firewalls and networks.
- Cyber improvements delivered with additional monitoring tools implemented.
- Overseeing the joint adoption and roll-out of Digital and AI across the NDA group, as per the group Digital, Data and AI strategy.

Governance statement continued

- Improved technology available for NDA Archiving, by delivering a new sift management service and a new information input solution, significantly improving the archiving capability for the group.
- Continued migration of NDA applications to The Cloud and decommissioning redundant on prem servers.
- Separating the NDA and NWS IT environments in support of NWS merger into a single entity.
- Enabled a Group Address List and calendar sharing for the group.
- Enterprise Risk Management System in place.
- Improved IT resilience by implementing significant improvements in the NDA's backup and recovery abilities.

Cyber security

Sellafield was fined by the Office for Nuclear Regulation (ONR) in October 2024 for past non-compliance with nuclear industry security regulations for its information technology security. There is no suggestion that public safety has been compromised, or that any vulnerabilities have been exploited, due to these issues. Sellafield has agreed a route to 'Enhanced' regulatory attention with the ONR, with regard to the organisation's cyber security.

We have further strengthened governance and oversight on cyber security, recognising that both our use of technology and external cyber threats continue to evolve. This includes training and bringing together our nominated Non-Executive Directors that champion and lead on cyber security matters within our Boards. Sharing of good practices and lessons is part of our 'defend-as-one' approach.

Modern Slavery Act 2015

In line with the Modern Slavery Act 2015, we published our Modern Slavery Statement for the period from 1 April 2023 to 31 March 2024 in September 2024. The statement outlines the progress made in addressing modern slavery over the year, as well as our commitments for the year ahead.

We remain deeply committed to combating modern slavery and ensuring that both our organisation and supply chain are free from it. To this end, we actively evaluate the risk of modern slavery within our supply chains by focusing on high-risk spending categories and applying segmentation based on the UK Government's Modern Slavery Assessment Tool.

As an organisation, we uphold high standards and expect the same from our supply chain. Our Supply Chain Charter defines our stance and expectations. We have established processes to manage any suspected or reported breaches of the Modern Slavery Act, with a priority on supporting victims. In 2023/24, no new contracts were flagged as high risk for modern slavery, nor were any issues raised by our suppliers.

Our commercial policies and procedures integrate Modern Slavery checks as standard practice throughout the commercial lifecycle. To ensure our commercial practitioners are equipped to identify and address modern slavery, they complete various training programs, including those provided by the Government Commercial College. These checks are embedded within our commercial system to ensure that modern slavery risks are consistently assessed and managed appropriately in every procurement process.

Effectiveness of the control environment

As Accounting Officer, I have responsibility for ensuring the system of internal control and its effectiveness are both sound, and support the highest standards of safety, security and environment protection. I am also personally accountable for safeguarding the public funds allocated to the NDA, as well as departmental assets, in line with the HM Treasury publication 'Managing Public Money'.

Support for these activities is provided by the NDA internal audit function, external auditors (the National Audit Office) and other assurance functions, both within the NDA and across the group.

In accordance with HM Treasury guidance, the NDA System of Internal Control has been in place for the period commencing 1 April 2024 up to the approval date of the Annual Report and Accounts. The system is designed to manage risk to a reasonable level while complying with relevant rules and regulations.

It is impossible to eliminate all risk of failure in implementing policies, aims and objectives; therefore, the system provides assurance of effectiveness to a level that is reasonable rather than absolute.

My ELT members are responsible for developing and maintaining the Internal Control Framework in their own functional areas. Oversight and challenge to the system is provided by the Board and by the ARAC, who ensure plans are in place to address any weaknesses. Significant reliance is placed on those controls operated by businesses across the group.

There were a number of control issues reported in the prior year, which have continued to be key focus areas this year, with positive progress made.

As outlined in the 2023/24 report, a request to not recover the May 2023 Sellafield employee incentive plan overpayment of £2.3 million was accepted by the UK Government in August 2024. The overpayments were written off in 2024/25 and are included in the losses and special payments on page 129. Most recommendations from the independent review of reward governance are now complete, with clear plans in place to conclude the remainder in 2025/26.

As previously disclosed, Group Internal Audit identified weaknesses in the processes and controls governing compliance with the off-payroll working regulations, IR35, in NRS. Management performed a review of the status of employees and identified some that should have been subject to IR35. NRS kept HMRC regularly updated throughout and made a voluntary disclosure in June 2024 to settle underpaid tax liabilities of £6.6 million. A follow-up review has been undertaken at NRS in the latter part of 2024/25 to determine how new processes and controls implemented are operating in practice, and this work is being concluded at the time of writing.

Given the control weaknesses identified at NRS, Internal Audit have undertaken the same IR35 review across the remainder of the group in 2024/25. Similar control weaknesses have been identified elsewhere in the group, and a group approach has been taken to implement new processes and procedures to ultimately close the control gaps. The scale of the underpaid tax liabilities across the rest of the group is estimated to be c.£2.5 million. HMRC are aware of the position. A group-wide follow up review of IR35 is planned for 2025/26.

NRS also identified control weaknesses during 2023/24 relating to contract management and sanction processes, materialising via two significant contracts being at risk of breaching their contract sanction limit. A number of reviews were commissioned to understand causes and the scale of the issue, including an internal audit with the objective of determining the effectiveness of the commercial controls in place across the sanction and contract management lifecycle. This review identified significant weaknesses, and an improvement plan was subsequently developed by NRS Executives to address the issues identified. Alongside the internal audit, a 'root and branch' review was undertaken by Deloitte to understand and identify the volume of other contracts at risk of breaching their sanction limit across NRS (Site Delivery Business only), which also concluded further work is required to introduce greater consistency in the approach to contract management and sanction.

Governance statement continued

Given the significance of the issues, Deloitte were commissioned to undertake the same 'root and branch' review across NRS (Dounreay Delivery Business), Sellafield, NWS and the NDA. These reviews have taken place during 2024/25, with similar themes identified, however to a lesser extent than those identified at NRS (Site Delivery Business). A co-ordinated approach across the group is being taken, with the actions distilled into five key themes and aligned to improvement activities already in flight. Progress updates are being obtained by the NDA from local teams and where appropriate, group-wide themes will be addressed by one group-wide solution.

A follow-up review has been included on the Group Internal Audit Plan for the coming year, with a focus on how each entity has addressed the improvement themes and are now realising the benefits of a strengthened process, closing all control gaps.

A review of the judgements made during the purchase of Magnox Limited by the NDA has been performed, including the amounts previously believed to represent an overpayment of £1.3 million to Cavendish Fluor Partnership Limited. Upon further review, it has been shown that the accounting methodology at the time was not unreasonable and therefore NDA considers the matter closed.

Working with DESNZ, the Group has paused the Replacement Analytical Project (RAP), primarily due to forecasted delivery dates exceeding the strategic tolerances (i.e., need by dates) of the business. The project would have provided Sellafield with replacement analytical capabilities to analyse samples of the high hazard materials held on the site. Working with stakeholders, Sellafield has assessed potential alternative options to the RAP to deliver the replacement analytical capabilities and has determined there are now more efficient ways of achieving a similar outcome. Whilst some costs have been incurred on the RAP that cannot be utilised, see parliamentary accounting disclosures on page 129, the revised approach will deliver better value for money for the taxpayer than continuing with the originally planned project.

In relation to Ethics and Compliance, the NDA and its operating companies have looked at opportunities to ensure we take a common approach where it is appropriate to do so. We have developed and implemented a common approach to Speak Up across the group. We have also provided further training to individuals from across the group to take on the role of ethics ambassadors who will help to promote an ethical culture - initially supporting the roll out of the speak up framework and provide a first point of contact for employees on matters such as how to raise a concern or what happens if they do and creating psychological safety.

During 2024/25 we rolled out mandatory awareness training for all employees and a module for managers to explain their role in supporting speaking up. The NDA ARAC now receives group speak up metrics twice per year which increases the visibility of Speak Up matters and promotes learning from Speak Up concerns across the group. Serious matters are overseen by the ARAC as they occur. Overall we have seen an increase in the numbers of matters raised both at NDA and across the group, as well as an increase in identified rather than anonymous reporters.

Within 'business as usual', our Group Internal Audit function developed and delivered our Group Internal Audit Plan for 2024/25, designed to provide assurance over key business processes, our Group Strategic Risks and key business risks.

For the second year, the Group Internal Audit function has been responsible for the delivery of internal audit services to NRS, NTS, NWS as well as the NDA. Sellafield continues to operate its own in-house internal audit team, where closer working continues to be an area of focus. This NDA group model way of working has resulted in increased efficiencies, sharing of key risk areas enabling us to flex our approach accordingly, and introduced further alignment to our Internal Audit Standards and best practice.

We have continued with a group-wide focus on key risks and controls, with the completion of five group audit theme reviews: AGR Governance; IR35; IT Disaster Recovery; Socio Economics and Reward Governance Follow Up'. We continued with a 'one scope' and 'one team' approach, to enable us to deliver these consistently, compare our results and highlight areas of best practice for sharing more widely.

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

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

At the NDA, the assigned internal audit review ratings were: 'limited level of assurance' 5%, 'moderate level of assurance' 25%, 'high level of assurance' 20% and 'substantial assurance' 10%, with 40% advisory.

Across the group as a whole, internal audit review ratings were: 'limited assurance' 16%, 'moderate assurance' 30%, 'high assurance' 17%, and 'substantial assurance' 10%, with 27% Advisory reviews include control findings and actions to address, where applicable, and have been taken into consideration in forming the overall opinion.

The overall '**moderate**' assessment is reflective of the group position and recognises that there has been a general year-on-year strengthening of governance, risk management and control alignment. Whilst control weaknesses have been identified specifically surrounding contract management and sanction processes and IR35, we have seen the seriousness with which the issues have been treated, the speed at which management have taken action and the work already undertaken and ongoing to close the control gaps identified. As Accounting Officer, I have requested an Internal Audit review during the year specifically in relation to NRS Dounreay financial controls, to obtain further oversight as to any issues in this area and how they are to be resolved effectively and at pace. The focus for the coming year will be to continue to embed these arrangements, to ensure key risks to our control environment are effectively mitigated and there are monitoring arrangements in place to ensure they continue to operate.

I have also reflected on the cyber security and ICT reviews which have taken place during the year. ICT and cyber security risks continue to be a key area of focus with a number of internal audit reviews planned in this space in the coming year.

Our data protection governance and assurance arrangements, specifically record retention, are another area of focus for improved control. Whilst actions are in place to manage and mitigate risk, the required records management solution will need a longer timeframe to implement and embed. Internal Audit will follow up on this in 2025/26 to ensure continued attention and progress.

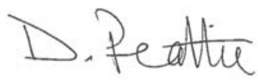
Finally, in line with government requirements, the NDA Modelling and Analysis Team tests the robustness of the end-to-end process used in developing all the group's business-critical models and spreadsheets that

Governance statement continued

influence our key business decisions. We are compliant with the implementation of the MacPherson Review of Quality Assurance (QA) of government analytical models and have AQuA Book compliant processes in place.

Looking forward, and as we continue to respond to the changing risk profile as a result of both the external environment challenges and being 'trusted to do more', internal audit has had and will continue to have an important role to play as an advisor and assurer to the business and to guide decision-making at the highest level. As our macro environment continues to challenge us, we will continue to respond in real-time by adopting a 'risk theme' approach, allowing us to be agile to perform assurance or advisory services at the right time in the areas that matter. This will continue to enable us to provide the most value to our stakeholders, at a time when priorities and business risks are evolving continuously.

On balance, as Accounting Officer, I am therefore confident that the group-wide system of internal control operating throughout the past year is effective, and appropriate to meet the NDA's objectives, to the best of my knowledge. In reaching this conclusion, I have taken advice from the Group Director of Internal Audit and with input from supporting control function Directors and consideration of the work of the external auditors and their management letter recommendations.



David Peattie FREng FNucl
Accounting Officer and Group Chief Executive Officer
18 July 2025

Section 172 statement

The Board voluntarily adheres to the requirements outlined in Section 172 of the Companies Act 2006 in respect of its decision-making, and reports on stakeholder considerations accordingly.

The Board considers stakeholder engagement an essential responsibility and key enabler to mission delivery. It allows us to better understand issues by obtaining stakeholders' points of view, supporting informed decision-making and creating confidence in the operation of the organisation.

Stakeholders are divided into five broad categories:

1. UK Government and devolved administrations, regulators and external authorities, including decision-makers with a direct or indirect impact on our ability to make decisions and allocate resources
2. Employees, workforce and their representatives
3. Supply chain and commercial partners
4. Customers (UK and international) contributing to the group's revenue generating activities
5. Other influencers and opinion formers including MPs, MSPs, Members of the County Councils, Borough Councils, civil society, Non-Governmental Organisations, local communities (including site stakeholder groups), and international organisations.

The fair treatment of stakeholders is a key consideration in Board decision-making, although in some situations, the interests of different stakeholders will conflict and the Board must prioritise.

Board members are involved in a wide range of events, at which they can learn more about stakeholder views, such as staff meetings, engagement with government, parliamentary meetings, site stakeholder meetings and stakeholder summits.

Formal decision-making in the NDA is supported by regular meetings with government and regulators. There are several technical forums which take input from subject matter experts, regulators, government and other parties.

Local stakeholder engagement is built around our sites and their site stakeholder groups and multiple other standing forums.

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

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

The NDA Board considers that it has acted in good faith in a way most likely to promote the achievement of its decommissioning mission for the benefit of the country and having regard (amongst other matters) to factors (a) to (f) S172 Companies Act 2006, in the decisions it has taken during the year ending 31 March 2025. Examples of some of these decisions are listed in the following table.

Peter Hill CBE
NDA Chair
18 July 2025

Section 172 summary

Plutonium Disposition Programme: In January 2025, the Board endorsed a research and development sub-programme business case for the Plutonium Disposition Programme at Sellafield.	**Group Governance Changes:** During 2024/25, the Board approved a series of changes aimed at supporting the development of the next stage of the Group Operating Framework by delivering more effective and efficient group governance.	**GDF Preparation for Site Investigations:** In July 2024, the Board endorsed a business case that would allow NWS to take up to two communities forward to the next stage of the GDF programme and undertake full site characterisation activities within those communities.
Relevant stakeholders • 1, 2, 3, 4	**Relevant stakeholders** • 1, 2	**Relevant stakeholders** • 1, 3, 4, 5

The Board's decision-making process
• As part of its mission and to comply with the Energy Act, the NDA is required to safely deal with the separated plutonium (Pu) that has been accumulated at the Sellafield site.
• The NDA provided advice to the UK Government in 2023 on which immobilisation options were best able to meet the objective for putting the Pu beyond reach.
• Significant investment is required to achieve this, as Pu based technical work is challenging and expensive due to the material's intrinsic hazards and a need to develop skills, capabilities and supply chain capacity.
• The sub-programme business case the Board endorsed will allow the group's research and development teams to start developing the scientific skills required to support the wider Pu Disposition Programme which will impact established commercial and management arrangements.
	The Board's decision-making process
	• Consideration of a range of options for the potential further evolution of the governance structure of the group.
	• Exploration of the preferred option and the anticipated benefits to group governance, including:
	  ◦ More effective group Board composition and decision-making in line with best practice and the UK Corporate Governance Code.
	  ◦ A faster flow of appropriate information at Board level from operating companies into NDA and the UK Government.
	  ◦ Greater assurance that appropriate corporate oversight, accountabilities, checks and balances are in place across the NDA group boards and executive leadership teams; and foster a group mindset in Board decision-making behaviour.
	• Socialisation and engagement with the chairs of the operating company Boards and feedback from the group corporate governance community.
		The Board's decision-making process
		• The UK Government has identified geological disposal as the long-term solution for the management of higher activity radioactive waste in England and Wales. Scotland has a distinct policy for higher activity radioactive waste which sets out a near site, near surface approach.
		• The biggest risk to the GDF is loss of communities. The scope covered in the business case was critical for maintaining community engagement in the siting process by managing stakeholders and fostering positive sentiment within participating communities.
		• The business case also considered full site characterisation activities within the communities chosen, specifically deep borehole investigations which are crucial for development of a GDF design, the articulation of a GDF safety case, and the Development Consent Order and Environmental Permit required for construction.

Directors' report

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

Accounts direction

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

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

Sponsoring department

The Department for Energy Security and Net Zero (DESNZ) is the sponsoring department for the NDA. Further detail on the role of DESNZ and UK Government Investments (UKGI) in relation to the NDA can be found on page 43 in the Governance Statement.

NDA Board

The Board is comprised of Executive Members and Non-Executive Members (including the Chair) with the latter forming a majority. The Non-Executive Members must comprise a Chair, appointed by the Secretary of State in consultation with Scottish Ministers, and a number of other persons appointed by the Secretary of State after consultation with the Chair and Scottish Ministers. The Executive Members must comprise a Chief Executive, appointed by the Non-Executive Members. The approval of the Secretary of State, who must also consult Scottish Ministers, is required for the appointment of the Chief Executive. Whether there are to be any Executive members in addition to the Chief Executive is a matter for the Non-Executive Members. All matters presented to the Board are decided by a majority of votes of those Board Members present. There is no distinction in the voting rights of the Executive and Non-Executive Members. Details of the current Board Members are set out in the Governance Statement on pages 46 to 50.

Changes to the NDA Board during the year

Chris Train served as Interim Chair from 1 September 2023 to 31 May 2024, having previously been a Non-Executive Member of the Board. He reverted to a Non-Executive Member upon the appointment of Peter Hill as Chair on 1 June 2024, and served on the Board until 30 June 2024 when he stepped down to take up the role of Sellafield Chair. Harriet Kemp was appointed as a Non-Executive Member of the Board from 1 September 2024. Evelyn Dickey stepped down from the board on 31 January 2025.

Board members' interests

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

During the year, Janet Ashdown highlighted a potential conflict of interest in relation to her position as a member of the ARAC. Janet Ashdown sat on a Board with the Audit Committee Chair of Babcock International Group, the parent entity of Cavendish Nuclear, which the NDA has been in discussions with regarding a payment matter. The ARAC considered the matter and resolved that Janet Ashdown did not need to recuse herself from the discussion at that meeting and on other occasions of similar discussion during the year.

In October 2024 Evelyn Dickey was appointed to the Board of Urenco. The NDA and Urenco collaborate on nuclear site management, particularly at the group's Capenhurst site. The Board considered the matter and resolved that Evelyn Dickey did not have to be recused from any meeting discussions for the duration of her tenure on the Board.

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

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

Auditor of the NDA

We are audited by the Comptroller and Auditor General (C&AG) in accordance with the Energy Act 2004. The audit is carried out on the C&AG's behalf by the National Audit Office (NAO). The services provided by the C&AG relate to statutory audit work for the NDA. No fees were paid to the C&AG for services other than statutory audit work. Since 2023/24, NAO has been appointed statutory auditor of the group's key subsidiaries. This two year transition will be completed for the 2024/25 year end audits.

Pensions

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

Group employees participate in various defined benefit pension schemes detailed in note 27 to the accounts.

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

NDA prompt payments

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

	2024/25	2023/24	2022/23
Invoices paid within 5 days	65%	63%	62%
Invoices paid within 30 days	94%	94%	93%

The average number of payment days from invoice date for a valid invoice for 2024/25 is 8 days (2023/24: 8 days).

Personal data

There were four internal data breaches recorded during 2024/25, three of which were investigated and classed as minor, non-reportable incidents.

One incident was reported to the Information Commissioner's Office (ICO) and, after an internal investigation and all affected data subjects being informed, ICO closed the matter with no further action being necessary.

The Board monitored these incidents closely and in all cases appropriate mitigating measures were subsequently taken to reduce the chance of re-occurrence.

Other disclosures

Details on how the Board has engaged with our stakeholders and discharged the duties in Section 172 of the Companies Act 2006 can be found on pages 91 to 92.

Our assessment of the effectiveness of NDA controls is detailed on pages 86 to 90 including the actions we are taking to learn from events identified during the year.

Disclosures on equal opportunities, learning and development and how we engage with all staff are in the People Report on pages 103 to 111.

Our environmental performance is detailed in the Health, Safety, Environment and Wellbeing report on pages 112 to 123.

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

Events after the reporting period

As outlined in note 32 to the financial statements, the UK Government announced the outcome of phase 2 of the spending review in June 2025. Future funding levels may affect the scope, timing and cost of the work required to fulfil the NDA's mission. No adjustment to the nuclear provision has been made in the financial statements to 31 March 2025.

Going concern

A full explanation of the adoption of a going concern basis of accounting appears in note 2 of the financial statements.

Peter Hill CBE
NDA Chair
18 July 2025

Statement of Accounting Officer's responsibilities

Under Section 26 of the Energy Act 2004, the Secretary of State (with approval of HM Treasury) has directed the NDA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

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

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

- Observe the Accounts Direction issued by the Secretary of State with the approval of HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- Prepare the accounts on a going concern basis
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the Department for Energy Security and Net Zero has appointed the Group Chief Executive Officer as Accounting Officer of the NDA.

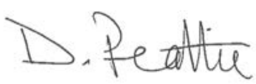
The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the NDA's assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the NDA's auditors are aware of that information.

So far as I am aware, there is no relevant audit information of which the auditors are unaware.

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

The Board approved this statement on 18 July 2025. It is signed by:



David Peattie FREng FNucl
in his role as Accounting Officer and Group Chief Executive Officer on Behalf of the NDA Board
18 July 2025

Remuneration report

I am pleased to present the 2024/25 remuneration report for the NDA, outlining the areas of activity for the Remuneration Committee during this financial year.

This is my first remuneration report for the NDA having taken over from Evelyn Dickey during 2024/25. I very much want to thank Evelyn for her leadership and contribution to the work of the Committee as well as the wider organisation.

The primary role of the Remuneration Committee is to ensure that there is an appropriate remuneration policy in place which operates effectively in enabling the NDA to attract and retain, reward and incentivise executives with the right skills and expertise to successfully deliver our important mission.

Group-wide remuneration

Whilst this remuneration report is for the NDA itself and does not cover our operating companies, the One NDA way of working continues to be a focus both for us and the UK Government. The NDA Group Reward Governance Framework is embedded within the operating companies. Internal Audit reviewed the operation of this framework across the NDA group in 2024/25.

During the year, Group Reward also collaborated closely with the operating companies to enhance consistency and alignment in reward practices at a senior level. This included conducting a group-wide review of executive incentives and creating a common framework for incentive schemes. Several enhancements have already been implemented, with work continuing into next year. Succession and mobility across the group is a priority and the Committee remains mindful that a coherent approach to senior reward is needed to facilitate this. As part of this, a key focus for the Committee in the year has been on the formation of a Group Remuneration Committee with responsibility for executive remuneration across the group.

This proposed forum is intended to support the group's evolution by facilitating greater consistency in our approach to pay and performance management and leveraging the opportunities for greater alignment and governance of executive reward arrangements across the group.

Our approach to remuneration for the NDA in 2024/25 base salaries

A salary increase of 5% for all staff was implemented in November 2024. In line with this, a salary increase of 5% was also provided to Executive Directors of the NDA in November 2024. The increase was in line with the Civil Service pay remit and was effective from 1 April 2024 in line with our base pay policy.

2024/25 NDA short-term and long-term incentive targets

The 2024/25 NDA Short-Term Incentive Plan (STIP) was determined by 20% NDA group-wide performance, 50% NDA performance and 30% individual performance. Individual performance is assessed taking into account performance against a number of individual strategic objectives set at the beginning of the year which underpin the group's strategy.

The NDA and group performance element is based on delivery of our Business Plan and other short to medium-term priorities, with performance assessed against targets focused on our Group Key Targets.

Our 2022-2025 NDA Long-Term Incentive Plan (LTIP) was determined by performance against Mission Delivery Targets (50%) and Group enabling elements (50%), with targets focused on the NDA mission and our long-term strategy.

Targets for the 2024/25 NDA STIP and 2024-2027 NDA LTIP were set at the beginning of 2024/25. The Committee continued to ensure that the areas of focus and number of targets provide clear alignment between performance and reward.

In setting targets, the Committee once again worked closely with the Group Chief Executive Officer (CEO), Group Chief Financial Officer (CFO) and Group Chief People Officer to ensure that targets are challenging, whilst delivering taxpayer value for money as we deliver the mission.

2024/25 short-term and long-term incentive outcomes

In May 2025, the Committee considered the performance of the 2024/25 NDA Executive STIP and the 2022-2025 Executive LTIP. The outturns of these plans are reflected in the directors' payments table on page 100.

In considering the 70% corporate outturn for the 2024/25 NDA STIP, the Committee reviewed the audited performance against the financial year's group key targets and other broader factors.

The Committee's responsibilities include considering each year whether the formulaic outturns of incentive payments are an appropriate reflection of performance and actively considers whether it is appropriate to exercise discretion upward or downward.

The Committee considered the overall performance of the Group and wider stakeholder considerations.

The executive corporate outturn for the 2024/25 NDA STIP was 71.4% of the maximum.

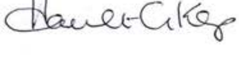
The performance of the 2022-2025 NDA LTIP was carefully considered in terms of the objectives that were met and those that were not and the reasons for not meeting them. In forming this assessment the Committee exercised its judgement to ensure that over the three years the objectives remained relevant and appropriate as well as the outcome being reflective of the performance achieved. It was therefore agreed, after considering the overall performance, that no discretionary adjustment was appropriate. The final payment for the 2022-2025 NDA LTIP was 45.1% of the award.

STIP and LTIP payments were made in June 2025.

Other areas of oversight

The Committee continued to support the Group CEO throughout 2024/25 with oversight of reward for all NDA executive team members, in line with the Committee's terms of reference and in accordance with the NDA Group Reward Governance Framework. The Committee also undertakes an assurance and oversight role of the wider NDA group senior management and colleague reward practices and, as Chair, I continue to work with the other remuneration Committee Chairs from across the NDA group to ensure the Group Reward and Reward Governance Frameworks are embedded and evidenced in reward practices.

The Committee is supported in its role with specific advice from our remuneration advisors as well as meeting with remuneration Committee Chairs from other government / arm's-length bodies, both of which ensure we consider remuneration in the wider environment. The Committee receives specific updates of group reward practices at scheduled meetings and in addition gains understanding through attending meetings of the organisation's Joint Consultation Group and in other ways as reported elsewhere in this report in line with our commitment to section 172 of the Companies Act.



Harriet Kemp
Chair of the Remuneration Committee
18 July 2025

Remuneration report continued

Remuneration Committee (RemCo)

Refer to pages 66 to 67 of the Governance statement.

Remuneration Policy

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

Recruitment and retention remains challenging and it is more important than ever that we can offer competitive reward packages, whilst remaining mindful of taxpayer value for money.

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

The following table sets out our Executive Directors' Remuneration Policy and at a high level how this is being operated.

Basic salary	
Policy and purpose	Salaries are set at a level required to attract and retain the right calibre of executives, reflecting the skills and experience of the individual, taking into account market reward data, scope/size of role and responsibility whilst being mindful of taxpayer value.
Operation of policy	Salaries are reviewed each year, effective 1 April, taking the above matters into account and the level of salary increases made in the wider organisation.
Short-Term Incentive Plan (STIP)	
Policy and purpose	The aim of the STIP is to encourage improved operational and organisational performance by delivering part of the reward package as variable pay, linked to achievement of the business operating plan and personal objectives. Standard malus and clawback provisions apply under the STIP rules, see later for detail. The Committee may apply discretion to adjust the formulaic STIP outcome where it is not aligned to overall business performance or wider stakeholder expectations.
Operation of policy	Our Group CEO has an STIP up to a maximum of 50% of salary and the Group CFO 40%, based on achievement of corporate and personal objectives linked to the group operating plan.

Long-Term Incentive Plan (LTIP)	
Policy and purpose	The aim of the LTIP is to encourage strong and sustained performance in line with the strategy and mission, aligning Executives longer-term strategic goals and providing a stake in the delivery of long-term, sustainable business success. Standard malus and clawback provisions apply under the LTIP rules, see later for detail. The Committee may apply discretion to adjust the formulaic LTIP outcome where it is not aligned to overall business performance or wider stakeholder expectations.
Operation of policy	Eligibility for LTIP is a year-on-year decision by the Remuneration Committee, with LTIP awards being made at the start of each three-year performance period. Our Group CEO has an LTIP up to a maximum of 50% of salary and the Group CFO 40%.
Benefits	
Policy and purpose	Benefits are offered to be competitive with the markets in which we compete for talent.
Operation of policy	Executive directors receive a market benefits allowance of £12,000. Private medical insurance is not provided, in line with our public sector status.
Pensions	
Policy and purpose	A pension is provided to build up a retirement income, in line with other major employers.
Operation of policy	Executive directors are eligible for membership of the Civil Service Pension arrangements in the same way as other employees, either on a 'career average' or a defined contribution basis. The Group CEO receives a cash allowance in lieu of membership of the Civil Service Pension Plan. More details of our pension arrangements are on pages 109 to 110.
Malus and Clawback	
Policy and purpose	Malus provisions apply for the duration of the performance period of the STIP and LTIP. Clawback provisions apply to the STIP and LTIP cash amounts for two years following payment.
Operation of policy	Clawback may be applied in the following scenarios: • where the amount paid was manifestly inaccurate because for example of a mis-statement of accounts or error in calculation; • material failure to meet appropriate standards of safety and security and environmental regulations; • inappropriate actions or conduct such as misconduct, fraud, dishonesty, material error, negligence or breach of contract; • serious reputational damage; • a material failure of risk management; • where the Committee becomes aware of certain facts or circumstances after payment that if known at the relevant time, would have resulted in a different payment outcome; • material corporate failure; • other circumstances required by regulatory obligations.

Remuneration report continued

The Committee routinely seeks independent advice on remuneration matters to support the setting of reward levels at an appropriately competitive level. PwC acted as advisors to the Committee during 2024/25 and provided support where required to other parts of the NDA group to obtain synergies and support consistency. PwC's contract ended in March 2025 and a competitive process was held to appoint advisors. Consequently, Korn Ferry will act as advisors to the Committee from 2025/26.

Directors' contracts

Executive Board members, presently the Group CEO and Group CFO, are appointed by the non-executive Board members and, in the case of the Group CEO, with the approval of the Secretary of State for the Department for Energy Security and Net Zero (DESNZ) in consultation with Scottish Ministers. Their service contracts have a notice period of six months. Remuneration for the Executive Directors is the responsibility of the NDA Board and operationally managed by the Remuneration Committee.

Non-Executive Board members are appointed by the Secretary of State for DESNZ in consultation with Scottish Ministers, the NDA Chair and in line with the Commission of Public Appointments Codes of Practice. Fees for the Chair and other Non-Executive Board members are determined by DESNZ and the Non-Executives are not involved in decisions relating to their own remuneration. During 2024/25, the Chair and Interim Chair received a fee of £187,500 pro rata and other Non-Executive Directors were eligible to receive £40,000. The fees are fully inclusive and there are no additional payments for chairing or attending board sub-committees. Non-Executive Board members do not receive any performance-related bonuses or pension entitlements but are reimbursed for reasonable expenses incurred in the performance of their duties.

Details of Directors' remuneration and pension are shown in the table below. More details on pensions and cash equivalent transfer values are shown on pages 109 to 111.

Executive Directors remuneration

This information is subject to audit.

Director	Year	Fixed pay			Variable pay***		Total remuneration £
		Salary £	Benefits £	Pension £	Short Term Incentive £	Long Term Incentive £	
David Peattie (*)	2023/24	362,299	65,905	-	154,521	127,908	710,633
	2024/25	380,414	68,111	-	145,306	78,180	672,011
Kate Bowyer (**)	2023/24	246,774	10,968	94,638	84,025	-	436,405
	2024/25	283,500	14,069	115,020	87,310	-	499,899

(*) Additional benefits received were a market benefit allowance of £12,000, and a cash payment of £56,111 (2023/24: £53,905) in lieu of membership of the Civil Service Pension Plan.
(**) Additional benefits received in 2024/25 were a market allowance of £12,000. Kate joined as an Executive Board Director from 2 May 2023 and remuneration and benefits for 2023/24 reflect this period (full year equivalent salary: £270,000). Additional benefits received were a market benefit allowance of £10,968 (full year equivalent benefits: £12,000).
(***) Variable pay consists of Short and Long-Term Incentive Plans. Details of the NDA Short and Long-Term Incentives are shown on pages 96 to 97.

Non-executive Board members remuneration

This information is subject to audit.

Non-executive Board members	Additional role (Effective date of becoming a member)	Year	Total fees £
Peter Hill[1]	Chair of the Nominations Committee (01.06.24 – current)	2023/24	-
		2024/25	156,250
Chris Train[2]	Chair of the Nominations Committee (01.09.23 – 31.05.24) Chair of the Programmes and Projects Committee (31.01.22 – 30.06.24)	2023/24	126,042
		2024/25	34,583
Evelyn Dickey	Chair of the Remuneration Committee (01.03.15 – 31.12.24)	2023/24	40,000
		2024/25	33,335
Janet Ashdown	Chair of the Health, Safety, Security and Environment Committee (01.06.15 – 31.08.24) Chair of the Environmental, Sustainability and Governance Committee (01.04.21 – 31.08.24)	2023/24	40,000
		2024/25	40,000
Kathryn Cearns	Chair of the Audit, Risk and Assurance Committee (01.08.22 – current)	2023/24	40,000
		2024/25	40,000
Francis Livens	Chair of the Health, Safety, Security and Environment Committee (01.09.24 – 01.01.25) Chair of the Environmental, Sustainability and Governance Committee (01.09.24 – 01.01.25) Chair of the Health, Safety, Security, Sustainability and Environment Committee (01.01.25 – current)	2023/24	40,000
		2024/25	40,000
Harriet Kemp	Chair of Remuneration Committee (01.01.25 – current)	2023/24	-
		2024/25	23,333
Alex Reeves [3]	UKGI Representative Board Member (01.02.20 – current)	2023/24	-
		2024/25	-

(1) Appointed as Chair of the NDA Board on 1 June 2024.
(2) Served as Interim Chair of the NDA Board from 1 September 2023 until 31 May 2024 and stepped down from the NDA Board on 30 June 2024.
(3) Did not receive any remuneration for services to the Board.

Wider workforce considerations

In setting the remuneration for the Executive Directors and the wider Executive team, the Committee is mindful of wider workforce considerations and seeks appropriate alignment.

Examples of this alignment are:

- Incentive targets alignment. The Executives and NDA employees have the same corporate targets in their STIP awards, and both also have personal objectives. All employees are eligible to participate in the STIP.
- Executives and all NDA employees are eligible for the Civil Service Pension arrangements with the same employer contribution.
- The NDA Executive Leadership Team are eligible for the LTIP, recognising their role and ability to influence the longer-term strategic goals of the business and our overall mission.

Fair pay disclosures ('Hutton' Disclosure)

This information is subject to audit.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and

Remuneration report continued

the lower quartile, median and upper quartile remuneration of the organisation's workforce.

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

- salary and allowance; and
- performance pay and bonuses payable.

The banded remuneration of the highest-paid director in the NDA, in the financial year 2024/25, was £670,000 - £675,000, (2023/24: £710,000 - £715,000). This was:

- 11.9 times (2023/24: 12.7 times) the remuneration of the lower quartile of the workforce, which was £56,733 (2023/24: £56,057).
- 7.7 times (2023/24: 8.5 times) the median remuneration of the workforce, which was £87,212 (2023/24: £83,635).
- 5.2 times (2023/24: 5.8 times) the remuneration of the upper quartile of the workforce, which was £128,876 (2023/24: £123,906).

The highest paid director's performance pay and bonuses decreased by 20.9%, primarily due to a decrease in performance against long-term business objectives.

The average salary and allowances for the remainder of the organisation increased by 0.9% over the previous year, with a increase of 9.5% in average performance pay and bonuses; this was driven by changes in the make-up of the population including leavers and a higher overall incentive performance outcome.

In 2024/25, zero (2023/24, zero) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from the lowest band of £25,000 - £30,000 to the highest band of £670,000 - £675,000 (2023/24 band £25,000 -£30,000 to £710,000 - £715,000).

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

	2024/25 Total £	2023/24 Total £
Band of highest-paid director's total remuneration	670,000 – 675,000	710,000 – 715,000
Upper quartile total remuneration	128,876	123,906
Median total remuneration	87,212	83,635
Lower quartile total remuneration	56,733	56,057
Ratio director: Upper quartile	5.2:1	5.8:1
Ratio director: Median quartile	7.7:1	8.5:1
Ratio director: Lower quartile	11.9:1	12.7:1
Band of lowest paid employee's total remuneration	25,000 – 30,000	25,000 – 30,000

The increase in the upper quartile and median remuneration level of 4.0% and 4.3%, respectively, is partially due to recruitment activity and changes arising from turnover, alongside Cabinet Office approval of a pay business case covering the 2024/25 financial year which led to NDA implementing a 5% pay award.

The highest paid director received a 4.75% salary and allowances increase in 2024/25. The median pay ratio is reflective of the range of roles at the NDA; including an executive team with leadership roles across the NDA group. NDA pay, reward and progression policies balance value for money while enabling us to recruit and retain the necessary skills to deliver our mission.

	Salary £	Total pay and benefits £
Upper quartile	94,451	128,876
Median	67,955	87,212
Lower quartile	40,959	56,733

People report

People are at the heart of the NDA group. We deliver our mission by attracting, retaining, and developing a high performing, diverse, talented and motivated workforce.

We continue to focus on creating a culture in which our people can thrive, where everyone feels respected, included and able to perform at their best.

The following section provides an update on the important progress we've made on our 'people' critical enabler in 2024/25.

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

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

In May 2024, the National Nuclear Strategic Skills Plan was launched. We continue to take a leading role in skills for the nuclear sector, as members of the delivery board and executive. The plan is jointly sponsored by MOD and DESNZ, we are taking a leading role on a national, regional and local level.

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

Ensuring that the NDA group has the right people with the right skills in the right place at the right time is a priority as an important NDA Strategy theme but is also a well-understood and actively managed strategic risk.

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

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

More than £45 million is invested each year by the NDA group in apprentices and graduates. We have over 1,100 people on early careers programmes across the group. This year we had our biggest intake in our history, with graduates and apprentices on programmes across the UK.

Investing in our leaders continues. We continue to deliver the NDA group Leadership Academy, developing our next generation of leaders, and completed our first Future Leaders programme. This sees us taking a group approach to enhancing skills and competencies that are essential for future leaders, and we will continue this investment in the coming years.

We continue to prioritise mobility across the NDA group. Our cross-group focus on talent ensures we are leveraging the full breadth of skills and capabilities across our group. We continue to work across the sector through exciting secondments with DESNZ, Great British Nuclear, MOD and our colleagues in Japan.

Creating a culture in which our people can thrive

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

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

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

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

The NDA group is committed to partnering with our recognised trade unions.

People report continued

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

Diversity and inclusion

The NDA is committed to raising standards of equality, diversity and inclusion. This has been an important priority, and we have implemented our NDA group Inclusion Strategy 2021-2025.

Our values underpin our approach, and we are proud of the strides we are making towards achieving our inclusion goals with strong leadership from the Diversity and Inclusion Council.

We have group-wide governance through the Council and Board and an active and collaborative cross-group D&I Delivery Group. Progress is reported quarterly and annually via our D&I Council, the Health, Safety, Security, Sustainability and Environment Committee and the NDA Board.

The current strategy ends in 2025, and we will carry out group-wide stakeholder engagement to develop a new strategy for 2026-2030 to be launched in early 2026.

Progress in our strategy themes include:

Theme 1 - Inclusive culture and leadership

Senior leaders have mandatory D&I objectives, and we prioritise learning for leaders with over 400 group-wide leaders having completed inclusive leadership training. 154 leaders have also completed legal updates training on the Equality Act regarding sexual harassment.

To address our gender pay gap and improve gender balance, we offer two women's development programmes, run in partnership with the Whitehall Industry Group:

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

To date, 316 women from across the group have completed the programme, with 99% of participants reporting a positive impact on their working lives. Additionally, our efforts have ensured the integration of D&I principles into the national initiatives of the National Nuclear Strategy Skills Plan and Charter. We also play an active role in the Nuclear Sector EDI Working Group.

Theme 2 - Workforce diversity

We have challenging diversity goals. Our ambitions are to attract a workforce that better represents modern Britain, however we recognise that progress requires long-term efforts due to the demographics of our operating locations.

Current diversity data for the NDA group (as of March 2025):

- Our workforce consisted of 32.7% women (2024: 31.3%) with 32.7% in senior roles (2024: 30.4%) and compared to 21.4% women in the nuclear sector
- 2.0% from ethnic minority backgrounds (2024: 1.3%)
- 4.8% disclosing a disability (2024: 4.2%)
- 2.3% LGBT+ (2024: 1.8%)

We remain committed to attracting diverse talent, exemplified by our NDA group graduate programme intake which included:

- 35.8% women (2024: 35.7%)
- 17.3% from ethnic minority backgrounds (2024: 14.4%)
- 8.3% disclosing a disability (2024: 7.5%)
- 11.4% identifying as LGBT+ (2024: 5.9%)

Furthermore, all NDA group organisations achieved Disability Confident Level 3 Leader status and signed up to Business in the

Community's Race at Work Charter with associated improvement plans.

Gender balance remains central to our strategy, supported by Gender Pay Gap Reporting and annual improvement plans. The year ahead will see us prepare for Ethnic and Disability Pay Gap Reporting.

Theme 3 - Embedding inclusion through the employee lifecycle

We consistently review our people processes related to attraction, recruitment and retention to ensure inclusivity at every stage. Using tools such as applicant tracking systems and gender decoders, we ensure that job descriptions feature accessible and inclusive language, avoiding unnecessary technical jargon.

As a Disability Confident leader, the NDA group makes reasonable adjustments for disabled applicants to ensure our recruitment processes are accessible. All our people and HR policies comply with the Equality Act 2010, and our policies are regularly reviewed and subject to Equality Impact Assessments.

Theme 4 - Flexibility, agility, and smarter working

The NDA group continues to manage effective working arrangements, including a mix of office, site-based, and hybrid working. This is balanced against our mission priorities, operational and safety requirements, and ensuring individuals and teams stay connected.

Theme 5 - Respect, dignity, and employee voice

We value the voices of our employees and provide platforms for sharing ideas and concerns. Collaboration with our trade unions and group-wide employee networks are an important factor in employee voice, fostering a culture of dialogue and speaking up.

We have delivered a successful virtual network event for all our NDA group staff networks where we launched a group Network Framework toolkit that provides guidance and tips on how to run a successful network. We have seen year-on-year membership growth of 20%.

We have voluntary employee-led networks across the group in D&I and Wellbeing. The NDA supports the networks and leverages their insights and discretionary effort to contribute to great places to work.

Insights from the NDA group annual employee survey informs key actions responding to "You said, we did". The current engagement score is 7.1 (2024: 6.9). We continue to monitor D&I data to review bullying and harassment trends across the NDA group. In addition, we monitor employee grievances and Speak Up to support our zero-tolerance approach to bullying and harassment behaviours, and these instances continue to be low.

In pursuing the Authority's equality, diversity and inclusion agenda, costs of £0.2 million were incurred during 2024/25. This included the costs of memberships, employee learning and development, and events in the NDA. All ED&I spend was subjected to the group's budget review and oversight processes which considers the merits and costs of activities to ensure value for money for the taxpayer.

Our collective efforts reflect our dedication to an inclusive and equitable work environment, ensuring every employee can thrive.

Employee health and wellbeing

The health and wellbeing of our employees remains a core priority for the NDA group. In early 2025, we formally launched OneWellbeing, a six-year strategic programme designed to embed wellbeing into the fabric of our organisation. Delivered in two three-year phases, the strategy sets a clear ambition: to create a workplace where wellbeing happens by design, and where all colleagues feel confident and empowered to lead with confidence.

The strategy is supported by the establishment of the Wellbeing Centre of Excellence, a group-

People report continued

wide function created to drive delivery of nine strategic goals collaboratively developed by our operating companies. These goals are designed to build capability, deliver measurable outcomes, and support the NDA group's ambition to achieve ISO45003:2021 certification.

The OneWellbeing leadership expectations provide a practical framework for embedding wellbeing into everyday management practices. We continue to develop line manager capability in supporting mental health in the workplace, with a focus on early intervention, constructive conversations, and timely access to support. The OneWellbeing portal provides streamlined access to resources and support for all.

We continue to strengthen our relationships with a trusted network of wellbeing partners. This includes our long-standing collaboration with MIND who support our expanding network of Mental Health First Aiders; Peppy Health, who provide specialist health services for women and men; and platforms for supporting physical and mental health (including an Employee Assistance Programme) which offer confidential support to all NDA group colleagues. We continue to work closely with our unions to ensure health and wellbeing policy delivers consistently for all.

The NDA is proud to be a Menopause Friendly Accredited Employer and were recognised in the 2024 Menopause Friendly Employer Awards as the Most Menopause Friendly Working Environment, further demonstrating our commitment to fostering an inclusive environment and supporting colleagues affected by menopause.

In 2025, several employee networks formally aligned with the Wellbeing Centre of Excellence as part of the NDA group's Employee Network Framework. This further strengthens the strategy's third pillar, Community, alongside Leaders and People, ensuring that collective wellbeing and inclusive dialogue are embedded across the organisation.

The NDA group continues to monitor and respond to sickness absence trends in partnership with our occupational health provider. In 2024/25 an average of three days per employee was lost to sickness absence in the NDA. This equates to an absence rate of 1.9%. An analysis of 2024/25 total absence showed various reasons for illness with no specific areas being identified as requiring intervention.

OneWellbeing is a central component of our commitment to creating a healthy, high-performing organisation - one that supports its people, listens to its communities, and delivers on its responsibilities with care and intent.

Employee turnover

The average length of service in the NDA is five years and for the year 2024/25 turnover of permanent people was 9.9%. This compares to an average external turnover rate of 34% (as per latest CIPD survey). The following table is subject to audit.

2024/25 Exit package cost band	**Number of compulsory redundancies**	**Number of other agreed departures**	**Total number of exit packages by cost band**
£0 - £25,000	-	-	-
£25,001 - £50,000	-	1	1
£50,001 - £100,000	-	4	4
£100,001 - £150,000	-	-	-
£150,000+	-	-	-
Total no of exit packages	-	5	5

Headcount and employee costs

NDA group staff costs

This information is subject to audit

NDA group 2025	NDA authority (admin)		NDA authority (estate)		Subsidiaries (a)		Total
	Permanently employed staff	Others	Permanently employed staff	Others	Permanently employed staff	Others	
	£m	£m	£m	£m	£m	£m	£m
Wages and salaries	16	1	23	8	1,126	57	1,231
Social security costs	2	-	3	-	131	-	136
Pension costs	3	-	5	-	194	-	202
Total staff costs	**21**	**1**	**31**	**8**	**1,451**	**57**	**1,569**

NDA group 2024	NDA authority (admin)		NDA authority (estate)		Subsidiaries (a)		Total
	Permanently employed staff	Others	Permanently employed staff	Others	Permanently employed staff	Others	
	£m	£m	£m	£m	£m	£m	£m
Wages and salaries	16	1	22	7	1,049	57	1,152
Social security costs	2	-	3	-	121	-	126
Pension costs	3	-	5	-	194	-	202
Total staff costs	**21**	**1**	**30**	**7**	**1,364**	**57**	**1,480**

a. Subsidiary people costs are reported through the 'contractor and subsidiary costs' line in the Financial Statements (see note 6 to the accounts).

Group wages and salaries include the costs associated with incentive plans at operating companies.

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

The average number of full-time equivalent persons employed during the year was as follows:

This information is subject to audit

NDA Group	Permanently employed people	Others	Total 2024/25	Total 2023/24
Directly employed - authority (admin)	151	10	161	156
Directly employed - authority (estate)	215	49	264	262
Directly employed - subsidiaries	17,118	903	18,021	17,126
Total	**17,484**	**962**	**18,446**	**17,544**

People report continued

Of the total NDA permanent and fixed-term employees at the end of March 2025, the breakdown by gender is as follows:

	NDA authority (admin)		NDA authority (estate)		
	Male	**Female**	**Male**	**Female**	**Total**
Group Chief Executive	1	-	-	-	1
Exec Directors excl. CEO	-	1	-	-	1
Other directors (non-Board)	7	1	1	-	9
Other employees	54	80	126	84	344
Total	**62**	**82**	**127**	**84**	**355**

Notes to the Remuneration and People reports

Tax arrangements of public sector appointee

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

Where the use of these arrangements cannot be avoided, contractual clauses are included in appointment documentation to obtain assurance that the individual or their employer is managing their tax affairs appropriately. Our right to request assurance over tax obligations is made explicit to all off-payroll workers.

Off-payroll appointments at 31 March 2025 for those individuals on more than £245 per day and lasting (or expected to last) more than six months are detailed below. No senior management were paid through off payroll arrangement during this reporting period.

Off-payroll contractor engagements at 31 March 2025, earning £245 per day or greater.

Length of appointment at 31 March 2025	No. of off payroll contractors
Less than 1 year	7
1-2 years	14
2-3 years	8
3-4 years	4
More than 4 years	-
Total of existing off payroll contractors	33

Off-payroll contractor engagements as at 31 March 2025, earning £245 per day or greater.

Number of new engagements, between 1 April 2023 and 31 March 2024 Of which...	11
Not subject to off-payroll legislation	-
Subject to off-payroll legislation and determined as in-scope of IR35	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	11
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	-

Consultancy spend in the year was £2,326,507 (2023/24: £1,468,834).

Civil Service Pensions

Pension benefits are provided through the Civil Service Pension Arrangements. Until 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 have reached 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 the constituent parts of that pension may be payable from different ages.

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

When the UK 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

People report continued

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 at the website www.civilservicepensionscheme.org.uk

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

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

Scheme	% of employees
Alpha	96.3
Nuvos/Premium/Classic	-
Partnership	0.8
UKAEA (INS TUPE)	2.4
Opt out	0.5

Executive pensions

This information is subject to audit

	Real increase in pension during the year 2024/25 £000's	Accrued pension at 31 March 2025 £000's	Cash equivalent transfer value (CETV) at 31 March 2024 £000's	CETV at 31 March 2025 £000's	Real increase in CETV funded by employer £000's
Kate Bowyer	5 - 7.5	10 - 15	85	195	82
David Peattie*	0	0	0	0	0

* Does not participate in the Civil Service Pension arrangements - see page 100.

Cash equivalent transfer values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken

Real increase in CETV

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

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

Relevant union officials

Relevant union officials	Full-time equivalent employee number
3	366

Percentage of time spent on facility time

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

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

Percentage of pay bill spent on facility time

Total cost of facility time	£60,339
Total pay bill	£60,711,559
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.1%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0.11%

Health, safety, environment and wellbeing report

We are committed to maintaining a safe, healthy and high performing workplace where our people can thrive. Nuclear safety is crucial: we maintain rigorous standards to protect workers, the public, and the environment from radiation and other safety hazards.

Our focus is to reduce the most significant hazards and risks while operating our sites safely, securely, responsibly, and sustainably. We are committed to performing this complex task efficiently, always prioritising the safety of people and the workplace and protecting the environment.

This section covers the overall health, safety, environmental, and wellbeing performance of the NDA and, where relevant, our operating companies.

Health and safety

In 2024/25, we prioritised cross-group assurance, emphasising leadership, driving for work, operating company safety improvement plans, and general compliance at Nuclear Transport Services. Our comprehensive and consistent group-wide reviews, highlighted areas for improvement and the identification and sharing of good working practice.

We're committed to building strong safety relationships within the group. In 2024/25, we continued working with our operating companies, supporting them through technical challenges and reinforcing organisational learning.

The Total Recordable Injury Rate (TRIR), recordable injuries include all injuries required to be reported under RIDDOR regulations (from the most serious and specific injuries to those that require more than 7 days away from work), for TRIR it includes the layer below that, with medical treatment cases that are more than merely first aid (within specified descriptors).

NDA group TRIR data

Our primary health and safety performance indicator is the Total Recordable Incident Rate (TRIR). For 2024/25, the group's TRIR was 0.30, an improvement from last year's 0.35. This reduction demonstrates progress in our health and safety efforts. To support our prevention strategy, the group is developing leading measures of performance which will be reported to the NDA Board and Health, Safety, Security, Sustainability and Environment committee.

	2024/25	2023/24
Sellafield	0.35	0.37
Nuclear Transport Solutions	0.59	0.56
Nuclear Waste Services	0.10	0.26
Nuclear Restoration Services (Dounreay)	0.17	0.29
Nuclear Restoration Services (Sites)	0.27	0.32
NDA group	**0.30**	**0.35**

The NDA's newly appointed Environment, Health, Safety and Welfare Director is collaborating with the operating companies to implement the group-wide strategy that focuses on improving safety performance through prevention. The group is developing more proactive leading indicators to detect early signs of safety performance drift and support preventative action. This critical activity is a key piece of work that will continue into 2025/26.

The group has reported 30 events to the regulator under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), (2023/24: 40) involving both employees and contractors. After each RIDDOR event, we conduct a thorough review to identify the root causes and develop actions to prevent similar incidents in the future. This process helps us share lessons learned across the group.

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

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

RIDDOR	2024/25	2023/24
Specified injuries	6	10
>7-day injury	15	24
Industrial diseases	2	1
Dangerous occurrences	7	5
Total	**30**	**40**

	2024/25	2023/24
Sellafield	18	25
Nuclear Transport Solutions	1	2
Nuclear Waste Services	1	-
Nuclear Restoration Services (Dounreay)	3	5
Nuclear Restoration Services (Sites)	7	8
NDA group	**30**	**40**

There were two International Nuclear Event Scale (INES) Level 1 Anomaly reports at Sellafield in 2024/25 and the leak around Magnox Swarf Storage Silo (MSSS) continues to be a significant challenge (first reported as an INES level 2 in 2019).

Wellbeing

We are dedicated to improving and protecting the mental health and wellbeing of everyone across the NDA group. We are nearly halfway through our wellbeing journey, which began in 2018 and have achieved key milestones. We now have the One Wellbeing Vision and Framework, an evolution of our previous roadmap, guiding us towards wellbeing excellence in the coming years.

More information on employee wellbeing can be found on page 105 to 106.

Operating company health and safety performance

Sellafield Limited

Compared with 2023/24, Sellafield has reduced their RIDDOR reportable injuries by more than 40% to deliver their lowest TRIR since 2020. Sellafield's leadership and workforce have focussed on risk perception, situational awareness and personal accountability for safety. Leadership and peer-to-peer observations have also been key activities to provide safety oversight and constructive challenge to help keep people safe.

During 2024/25, Sellafield had two events rated on the International Nuclear Event Scale (INES) as level one anomalies: one related to a loss of power to a section of site due to damage caused by Storm Eowyn, and another related to work carried out that did not meet the required standards set within the existing risk assessment protocols. No harm occurred from these events.

Sellafield established a comprehensive safety improvement plan during 2024/25. This is now delivering improvements including risk profiling, safety baseline measures, task risk assessment and work management arrangements, radiological risk assessments, and embedding revised governance arrangements. Alongside these focus areas, Sellafield is also encouraging a greater awareness of hazard spotting and hazard removal. These improvements,

Health, safety, environment and wellbeing report continued

combined with continued lower injury rates, will assist Sellafield in demonstrating to ONR that it can be removed from enhanced regulatory attention for conventional safety in 2025/26.

Nuclear Restoration Services (NRS)
NRS Sites

NRS's injury rate has improved to 0.27 (2023/24: 0.32) in 2024/25. NRS has a Company Safety Improvement Plan (CSIP) that supports a prevention strategy aimed at reducing future injuries.

Risk assessment remains a key focus for NRS, alongside in-house assurance monitoring of safety controls and culture. The continuation of the well-received psychological safety program supports this aim, along with core prevention tools.

The annual significant event review meeting was attended by senior leaders, site personnel, safety representatives, contractors, and the NDA. This session integrates key actions into the annual plan.

NRS Sites continues to achieve significant nuclear and radiological hazard reduction including the transfer of nuclear materials from Harwell, intermediate-level waste retrievals at several sites, and height reduction at Trawsfynydd. These efforts are a crucial part of NRS's mission.

Additionally, NRS is working with the NDA to develop better leading indicators of underlying performance, especially those that highlight issues before they lead to incidents.

NRS Dounreay

Injury rates at NRS Dounreay have decreased to 0.17 (2023/24: 0.29). The team remains committed to the NDA strategy, focusing on injury prevention.

Dounreay has reorganised its staff during 2024/25 to ensure effective mission delivery. Personnel have been aligned within relevant programs to processes that identify improvement opportunities and maintain high health and safety standards. During 2023/24, the site was classified as a 'lower tier' site under the Control of Major Hazards Regulations (COMAH) due to the cumulative rules for inventories of hazardous substances present on site, many existing controls ensure safety for onsite and offsite stakeholders. This new classification has required specific workstreams to ensure that management of non-radiological hazardous substances complies with COMAH regulations, without compromising safety or causing any other issues.

The ONR continues to challenge Dounreay's handling of alkali metals and the management of ageing buildings. They have monitored the implementation of these plans without major issue.

Nuclear Waste Services (NWS)

NWS safety performance for 2024/25 was good and all essential operations were safely maintained and executed. The TRIR for NWS at end of the year was 0.10 which is lower than previous years and below target.

The Low Level Waste Repository awarded the Southern Trench Interim Membrane (STIM) contract resulting in the mobilisation of a principal contractor that meets the regulations for managing health and safety and welfare of construction projects. As a result, NWS successfully received regular train deliveries of thousands of tonnes of aggregate to conclude our first rail delivery in support of capping operations.

The repository site, part of NWS, was also awarded its 19th consecutive RoSPA Gold Award and Order of Distinction.

The reduction in TRIR was due to heightened awareness and response to the conventional safety related risks on our repository site, supported by targeted and focussed safety campaigns and briefings.

We delivered a comprehensive upgrade to our engineered vault leachate management system and implemented a systematic upgrade to the substations on our electrical distribution network.

Nuclear Transport Solutions (NTS)

NTS Rail and NTS Shipping have maintained their accredited health and safety management systems in line with ISO standard 45001 and the Railway Safety Certificate requirements. There was an improvement notice from the regulator relating to use of third party transport, NTS are working through improvements with the regulator to rectify.

The number of operational incidents within NTS Rail has improved and performance is in line with expected levels.

Environment

We continue to implement our environment strategy in line with the NDA group's environmental policy statement and carbon commitments, ensuring our mission outcomes are sustainable and improve and protect the environment.

The NDA group environmental vision aims to reduce our complex environmental hazards, protecting and enhancing the environment now and for the future by:

- Acting on climate change
- Protecting and enhancing nature
- Valuing natural resources, and
- Preventing pollution, reducing environmental risk and remaining compliant with all environmental requirements

Environmental performance

Our group-wide environmental key performance indicators focus on assets, compliance, audit progress, training, skills and experience. Finding sufficient environmental professionals for the future is a key challenge so action is being taken to upskill staff whilst improving retention and recruitment.

Environmental-total recordable incident rate (e-TRIR) is a measure of environmental performance. It is a ratio of significant environmental events to total hours worked. Significant environmental events are defined as events which have, or are likely to be classed as a significant breach of a permit or authorisation condition, or other legislation and/or is likely to attract significant management, stakeholders or regulatory interest or concern.

For four years, we have tracked significant environmental events group-wide, including an environmental-total recordable incident rate (e-TRIR) measure which tracks performance in a similar manner to conventional safety TRIR data. This measure provides a good picture of our environmental performance. We continue to review and adapt our other environmental key performance measures to ensure they remain appropriate and informative.

We've continued to assure environmental compliance and performance across the group through a range of reviews, assurance visits, environmental performance metrics and engagements. This year we completed a detailed review of performance against the NDA group's greenhouse gas emission data collection and reporting, confirming systems are robust, but also identifying improvement actions to address.

We use our key performance indicators to identify actions to ensure continued compliance, pollution prevention, and to support sustainable progression of our mission which leads to environmental risk reduction.

Environmental improvement natural capital

The group owns c.5,000 hectares of land on and around our sites which includes many diverse and important habitats. We've continued to build our natural capital capability and tools, such as our natural capital baseline for all land holdings to help us understand, protect and enhance this biodiversity. We have developed

Health, safety, environment and wellbeing report continued

our strategic approach to addressing Biodiversity Net Gain requirements associated with developments and begun to implement this.

In support of the Greening Government Commitments, we have developed a Nature Recovery Plan (NRP) and published a summary. Our core work will deliver significant environmental improvements by returning land back to other beneficial uses. Implementation of the NRP will ensure that protecting and enhancing nature is “business as usual”. This will be achieved by developing strategies and processes that ensure the biodiversity value of our land is understood, appreciated and considered alongside delivery of the mission. The NRP seeks to outline how we will enhance ecosystem resilience, mitigate biodiversity loss, and contribute positively to broader landscape-scale conservation efforts.

We’ve made targeted improvements to the environmental value of our land. For example, we are exploring opportunities to re-wet a disused lagoon at Oldbury for the benefit of local wildlife and migratory birds.

We have an active group-wide natural capital working group which helps us to meet our biodiversity duty requirements which came into effect on 1 January 2024.

Carbon management

We aim to support government’s aspiration to be carbon net zero by 2050 in England and Wales and by 2045 in Scotland, with interim Scope 1 and 2 targets of 65% by 2030, 70% by 2040, and 85% by 2050. In addition, we have near-term targets to refine our Scope 3 emissions data and targets, and long-term qualitative targets to achieve no fossil fuel heating and diesel free construction. These targets align with detailed carbon trajectories and link to mission delivery.

Construction is an important part of our mission and the biggest contributor to our group carbon footprint. Sellafield is leading the group on low carbon construction through the launch of the carbon centre of expertise, but like the rest of industry, needs to establish procurement routes for sustainable materials and fuel.

We’re collaborating with other industries via the Infrastructure Client Group and Infrastructure Industry Innovation Partnership, to decarbonise construction. We’re embedding the principles of the good practice standard PAS 2080 (carbon management in buildings and infrastructure) and, in the shorter term, we’re focusing on efficiency and energy improvements of our most energy intensive processes.

Valuing natural resources

The group has projects and programmes in place to help us apply circularity principles to all resources. We are examining how to maximise the sustainability of the end states of our sites and the wastes we manage, as well as identifying and maximising the re-use of the large volumes of materials we generate through decommissioning.

NDA group environmental performance

Overall environmental performance has improved this year, with the NDA group e-TRIR reducing slightly from 0.06 to 0.04 against a target threshold of 0.09. This is a generally improving trend compared to previous years. However, there remain opportunities for improvement with eight significant environmental events across the year (2023/24:12).

NDA group e-TRIR

	2024/25	2023/24
Sellafield	0.02	0.02
Nuclear Transport Solutions	0.00	0.00
Nuclear Waste Services	0.00	0.39
Nuclear Restoration Services (Dounreay)	0.04	0.07
Nuclear Restoration Services (Sites)	0.12	0.12

All the significant environmental events have been assessed as having minor or no actual environmental impact, although they are still classed as significant using our formal definition.

A common theme is the continuing challenge of attracting and retaining sufficient qualified environmental resource. Recruitment and recovery plans are continuing, with interim arrangements in place whilst strategic workforce planning is progressed. Resource challenges have contributed to minor events and non-compliances and therefore, in common with much of the nuclear sector, remains an area of focus.

Our annual environmental targets align with the key themes in the Greening Government Commitments shown on page 120 covering carbon, water, and waste. The group continues to make excellent progress in carbon reduction.

The group has reduced scope one and two carbon footprint by 35%* against the 2019/20 baseline. There is good performance against conventional waste recycling targets, and most operating companies are developing water management plans.

The key parts of the group have maintained ISO 14001 certification on Environmental Management Systems.

*subject to verification

Performance against environmental targets for 2024/25

Green = Met target Red = Not met

	Carbon	Waste	Water	Other
Sellafield				n/a
NRS Sites			n/a	
NRS Dounreay				n/a
NWS		n/a		n/a
NTS		n/a	n/a	n/a
NDA			n/a	n/a

More details on the targets are provided in the sections below.

Sellafield Limited

Sellafield's e-TRIR remained low at 0.02, well below the target threshold of 0.12. Low level environmental events continue to be monitored, with numbers up slightly from the previous year, as part of a strong reporting culture.

Sellafield had three significant environmental events. One related to elevated nickel levels in discharges and another related to incorrect analysis of dissolved aluminium discharge. Neither had significant environmental impacts and actions have been taken to prevent reoccurrence. The third event related to the condition of the ventilation system in the Analytical Services Building which led to multiple small holes being identified and repaired. Potential radiation doses to a member of the public were assessed as small (less than 0.1% of annual average doses). As a result, planned refurbishment work was brought forward and is ongoing. The Environment Agency inspected the site and issued a warning letter and enforcement notice, requiring the ductwork to be in good repair by October 2026.

During the year, one further warning letter was received relating to the loss of control of radioactive waste from the waste metals recycling centre which occurred prior to January 2024. In this event, packages could not be accurately accounted for.

In previous years there have been challenges filling and upskilling key environmental roles. Following significant recruitment effort, the situation is improving and remaining challenges have active recovery plans in place.

There is an ongoing leak to ground at the Magnox Swarf Storage Silo facility on site which has previously been reported as an INES level two incident. This presents no risk to the public or workforce. Both ONR and the Environment Agency are actively involved in the regulation of this complex event. The Environment Agency has previously issued a variation to the site's environmental permit to include some improvement conditions relating to the leak, to which Sellafield has responded. Sellafield continues to place significant focus on this issue, including the progression of retrieval of waste from the facility to reduce the risk and a dedicated sub-programme to address the impacts of the leak.

Sellafield continued to drive the sustainability and environmental agenda, delivering improvements in water management plans, biodiversity net gain, support to a group-wide energy programme, implementation of a Carbon Transition Plan and development of an improved environmental services framework.

Sellafield met all its environmental targets this year, including achieving a waste recycling rate of more than 90%. To better understand its environmental impact, it completed studies of water abstraction and compensation requirements at Wastwater lake and the River Irt. Capitalising on its carbon management transition plan, Sellafield exceeded its carbon reduction stretch target this year.

Nuclear Restoration Services (NRS)
NRS Sites

Overall environmental performance has remained in line with 2023/24, with an e-TRIR of 0.12.

NRS Sites had four significant environmental events, none led to significant environmental impacts. Two were at Trawsfynydd, both attracted warning letters from Natural Resources Wales (NRW). The first involved a breach of a water discharge activity permit and the second related to breaches of a radioactive substances permit following inadequate implementation of radiological fingerprints for analysis.

The third event related to an inadequate vent system modification at Wylfa.

The final significant environmental event occurred at Hunterston A, leading to a Prohibition Notice from the Scottish Environment Protection Agency (SEPA). This was a broad event at the site radiochemistry laboratory. Following this event, an internal investigation was completed, identifying learnings for the site and the group. A recovery plan was implemented to return the laboratory to compliance.

Other minor events have occurred, some can be linked directly to environmental resource and capability challenges. Efforts continue to address this through recruitment and training.

NRS continue to drive towards sustainable decommissioning, with a focus on delivering sustainable end states at Trawsfynydd and Winfrith. Progress has been made with energy saving and in reducing analysis work as decommissioning progresses and environmental risks reduce. Work has continued to identify opportunities to enhance biodiversity around sites.

NRS Sites met all its environmental targets this year. Carbon emissions were reduced by 43% against the 2019/20 baseline, exceeding its stretch target of a 21% reduction. Other carbon and sustainability targets were met.

NRS Dounreay

Overall environmental performance was broadly similar to the previous year, with the e-TRIR of 0.04 (2023/24: 0.07).

There was one significant environmental event due to the loss of slightly radioactive contaminated liquid from a carbon bed filter. This caused localised minor environmental contamination and remains under investigation following immediate mitigating actions.

This performance was despite significant challenges of recruitment into environmental posts. The remote location of the site and the specialism of some of the roles has contributed to the challenge and placed pressure on the environmental function. This has led to some declines in performance in some activities.

Dounreay has been through a transition after joining the Magnox sites within NRS. Significant effort has been put into a review of the environmental management systems, roles and responsibilities across the environmental discipline. It is expected that environmental performance will improve over the coming year.

Dounreay, due to its chemical inventory, is within the scope of the Control of Major Accident Hazards (COMAH) regulations. Work is ongoing to implement requirements.

NRS Dounreay met its environmental targets, including: production of a gap analysis on controlled waste to support future waste reduction opportunities; completion of a biodiversity baselining exercise paving the way for environmental protection and enhancement; completion of a purchased goods and services carbon baselining exercise, improving understanding of greenhouse gas emissions and facilitating prioritisation of action. Dounreay also achieved its carbon reduction 'stretch' target against its plan.

Nuclear Waste Services (NWS)

Environmental performance has been good, with the e-TRIR reducing to zero (2023/24: 0.39). There were no significant environmental events despite significant work being undertaken on the Low Level Waste Repository (LLWR) site as capping work has commenced, some with the potential to adversely impact the environment.

NWS continued to successfully divert waste to more appropriate routes and deliver safe disposal where diversion is not possible. This provides environmental benefits such as carbon saving and metals recycling.

Capping work has started on LLWR trenches and Vault 8. NWS has continued to engage with the Environment Agency regarding regulatory concerns over progress due to historic delays and delivery dates to be included in planned Environmental Permit improvement conditions. Revised delivery plans are in place and being implemented to protect waste and address known shortfalls in the trench cap system.

Significant work and regular engagement has continued with the Environment Agency in relation to the LLWR Environmental Safety Case, with completion of its major periodic review and submission of an updated version due May 2026.

Regulatory engagement has continued in preparation for potential future applications for environmental permits and a nuclear site licence in relation to a Geological Disposal Facility, for which a host community is currently being sought.

Following the formation of NWS last year there has been further integration of environmental approaches and resource. Positive environmental progress has been made in areas such as biodiversity (LLWR Site enhancements and net gain) and carbon net zero (successful trials using a low carbon fuel, hydrogenated vegetable oil (HVO) in generators, plus active engagement with the group wide energy programme). Environmental training enhancement and delivery remains a focus.

NWS met its environmental targets this year. A 'stretch' carbon reduction target was met through reductions in printing, the trials relating to the use of HVO and the closure of redundant office accommodation, reducing energy requirements. Interim carbon targets have been set for 2030 and 2040, on route to achieving carbon net zero by 2050. Assessments were completed on the viability of the use of recycled water in grout processes on site.

Nuclear Transport Solutions (NTS)

NTS Environmental performance remained good this year. There were no significant environmental events (e-TRIR for 2024/25 and 2023/24: zero).

NTS continues to push its lower carbon agenda, through improved locomotive efficiency and by modernising its fleet. Additionally, NTS are undertaking ship sail trials to explore efficiencies for its shipping fleet. The cost of electricity has impacted the use of bimodal trains and therefore a carbon target was narrowly missed overall, despite being met for the shipping element.

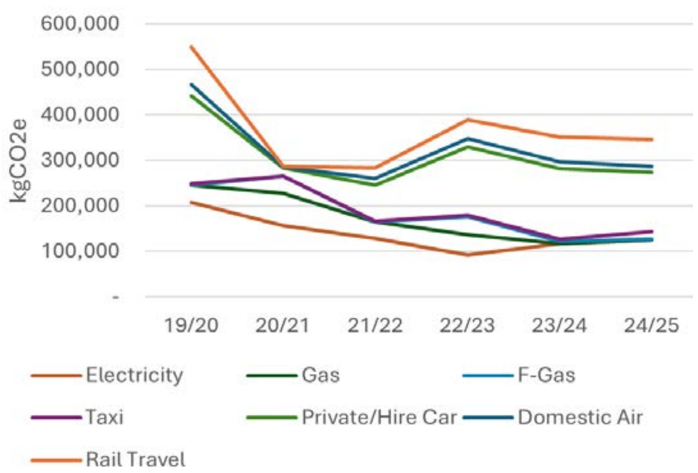
Health, safety, environment and wellbeing report continued

Greening Government Commitments (NDA only)

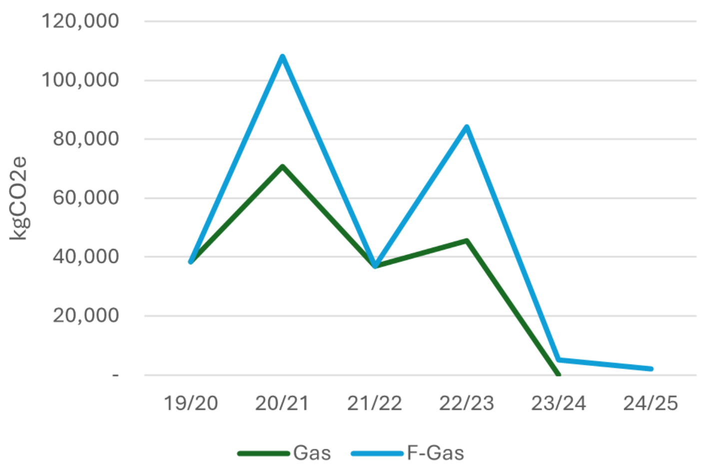
As part of our commitment to environmental sustainability, we participate in the Greening Government Commitments (GGC) scheme. GGC sets out the actions government departments and their partner organisations will take to reduce their impacts on the environment. We have been part of GGC since its inception in 2009/10. The framework is set by the Department for Environment, Food and Rural Affairs (Defra) and we report data quarterly through DESNZ. The headline targets for 2024/25, alongside our performance this year, are in the table below. The baseline year is 2017/18 and Herdus House in Cumbria, where we have the most control, is the 'reference building' under GGC. Further information on performance is given in the following sections.

GGC target (2024/25)	2024/25 NDA performance		
Reduce greenhouse gas emissions by 45%	Reduced by 48%	green	Electricity use and business travel are the biggest contributors to our emissions. To reduce emissions into the next phase of GCC we will focus on maintaining ageing assets to reduce refrigerant gas (F-gas) loss, and to reduce emissions from business travel.
Reduce direct greenhouse gas emissions by 30%	Reduced by 96%	green	Large reductions are due to the removal of gas boilers at Herdus House. This year there was a small release of F-gas from air conditioning units which are reaching their end-of-life at Herdus House.
Reduce greenhouse gas emissions from domestic flights by 30%	Reduced by 32%	green	Under GGC, we also report GHG emissions from international flights without a specific reduction target. In 2024/25, international flights added 248 tonnes of CO_2e to the 13 tonnes from domestic flights. The miles travelled were 52,355 domestically and 536,389 internationally.
Reduce waste generation by 15%	Reduced by 55%	green	We achieved a reduction of 48% in waste generated at Herdus House against the 2024/25 target of 15%. We continue to improve our removal of single use plastic in our offices through our direct procurement and working with our facilities management contractor to implement further changes.
At least 70% of waste to be recycled	61% recycled	red	This target was missed primarily due to waste produced during an office refit. We have since completed further work to improve the recycling rate such as criteria in contractual arrangements.
Reduce landfill disposal to less than 5%	Reduced to 0%	green	All our non-recyclable waste is sent to an energy from waste plant, rather than landfill.
Reduce water use by 8%	Reduced by 54%	green	This reduction is impacted by our move to hybrid working, and mitigation measures such as flow restrictors in taps. This year there was a small increase in water use. This is expected to continue to increase in Herdus House as we welcome more NDA group employees into the building and close other premises.
Reduce paper use by 50%	Reduced by 77%	green	Behaviours have consistently improved in this area, and this reduction is likely to be maintained.

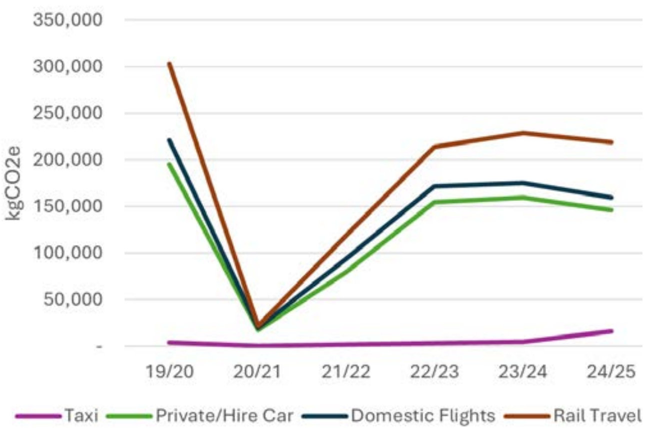
Domestic greenhouse gas emissions for NDA



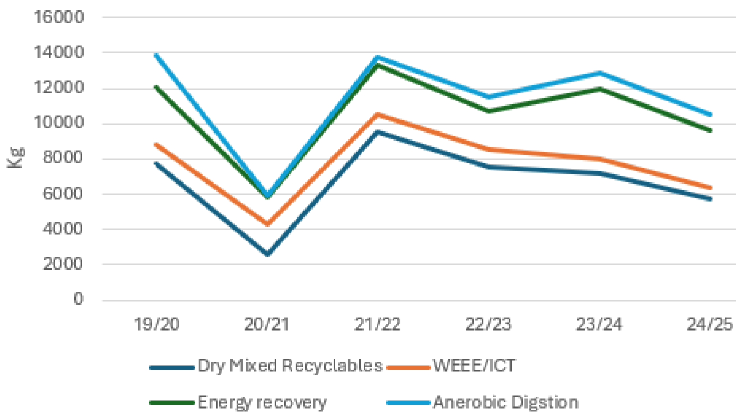
Direct emissions – Herdus House



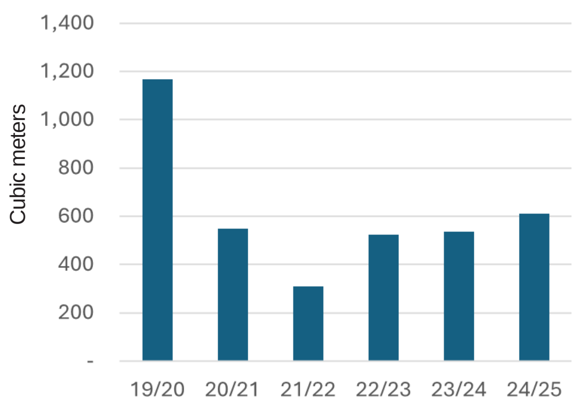
NDA business travel emissions



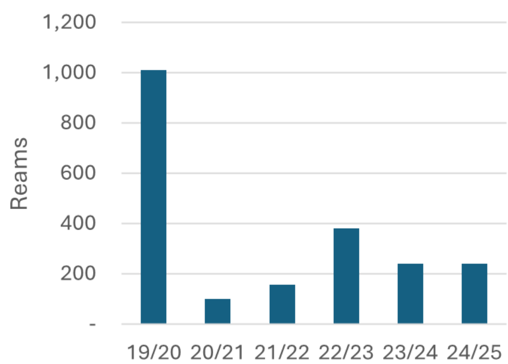
Waste - Herdus House



Water usage - Herdus House



Paper usage (A4 reams equivalent) - Herdus House



Health, safety, environment and wellbeing report continued

Business travel

Driving remains our biggest GHG contributor. In the previous 12 months our overall business travel miles increased, however emissions associated with this travel have reduced by 4% compared to last year. This is because of increased use of trains and low emissions vehicles (hybrid and electric). Low emissions vehicles now make up 16% of business miles (8% higher than 2023/24).

ICT and digital

In 2024/25, we decommissioned 38% of our on-premises applications and transitioned to cloud-based solutions, this work continues and is being constantly reviewed and updated. These initiatives support NDA's commitment to sustainability, embedding environmentally conscious ICT practices, minimising e-waste, and avoiding landfill contributions from business operations.

Climate adaptation plans

The GGC requirement to develop an organisational climate change adaptation strategy was fulfilled this year. This involved developing a climate change adaptation action plan, including existing or planned actions in response to identified risks. Climate change resilience and adaptation are now considered during business case development.

Sustainability in supply chain and procurement

We work with supply chain partners to embed sustainability requirements into the contracts we award. Procurement Policy Note (PPN) 06/20 Social Value and PPN 06/21 Carbon Reduction are integrated into all NDA group procurements. The NDA Group procurement platform ensures adherence to these policies, in addition to the NDA commercial toolkit for suppliers and business case guidance for internal use.

Calculation of sustainability metrics

GHG emissions are calculated in accordance with the UK Government's Greenhouse Gas Reporting: Conversion Factors 2024. Usage data is sourced from a variety of systems, including electricity meters, travel expense records, and travel booking platforms.

Sustainability metrics (NDA only)

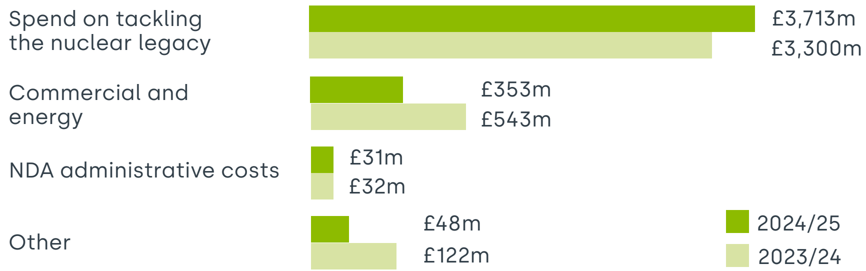
Area		Actual
Greenhouse gas emissions (GGC scopes one, two and three)		346 te CO_2e
Greenhouse gas emissions from direct emissions (scope one)		2 te CO_2e
Greenhouse gas emissions from purchase of electricity (scope two)		125 te CO_2e
Greenhouse gas emissions from all domestic business travel (scope three)		219 te CO_2e
Total Business Travel from domestic flights		52,355 mi
Greenhouse gas emissions from domestic flights (scope three)		13 te CO_2e
Greenhouse gas emissions from international flights (scope three)		248 te CO_2e
Business miles from international flights	Eurostar	3,408 mi
	International, short-haul economy	48,799 mi
	International, short-haul business	671 mi
	International, long-haul economy	16,623 mi
	International, long-haul premium economy	91,997 mi
	International, long-haul business	378,300 mi
Expenditure from travel within GGC scope plus international flights		£973,039
Office energy (electricity plus gas) Herdus House	Amount	553,620 kWh
	Expenditure	£191,199
Office waste, Herdus House	Generated	10.5 te
	Recycled (DMR)	5.7 te
	ICT/WEEE	0.6 te
	Incinerated (with energy recovery)	3.3 te
	Composted	0.9 te
	Expenditure	£23,010
Office paper, Herdus House	Amount (A4 and A3/A5 reams equivalent)	240
Water, Herdus House	Amount	612m^3
	Expenditure	£13,556

*A conversion error was identified that affected previously reported total greenhouse gas emissions. This discrepancy does not alter our overall progress toward the GGC five-year reporting objectives.

Financial Summary 2024/25

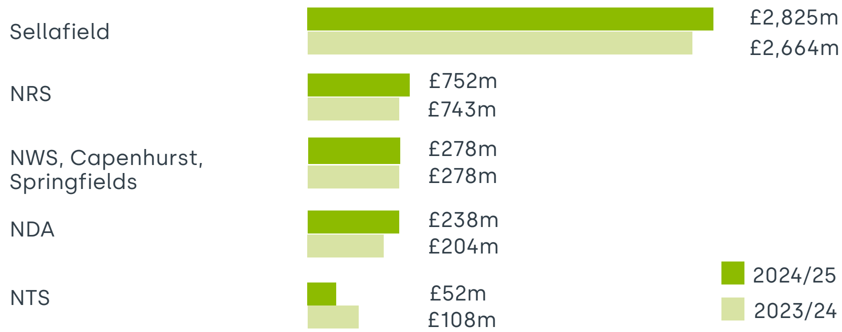
NDA spend on tackling the legacy

The bulk of our budget is directed towards tackling the nuclear legacy, by funding the decommissioning carried out by operating companies. The remainder funds commercial operations, industry-wide costs, and the NDA's own running costs.



NDA spend by division

Spend in 2024/25 was £4,145 million (2023/24: £3,997 million). Around 68% of this was spent at Sellafield, reflecting the relative size, importance, and priority given to the site. Expenditure at Sellafield has increased during the NDA's existence and now stands at £2,825 million per year.

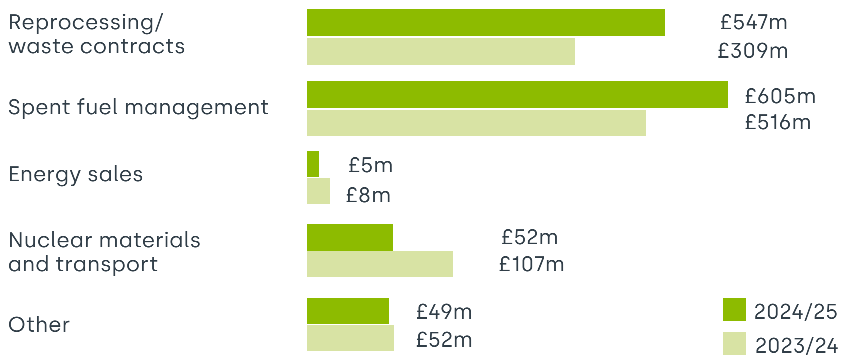


NDA administrative spend

The NDA's own running costs were £31 million per year, or approximately 0.8% (2023/24: 0.8%) of overall expenditure.

NDA's income

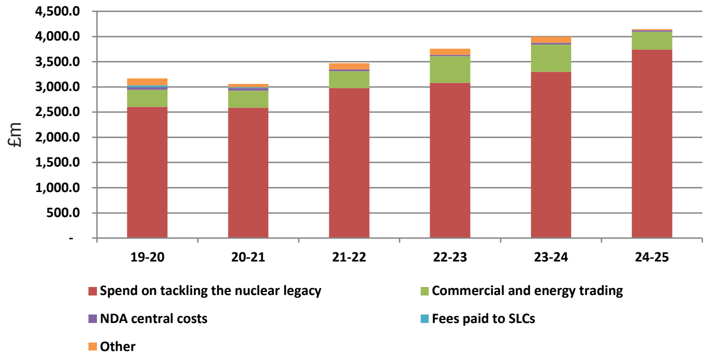
The NDA recognised income of £1,258 million in the year, with £1,152 million arising from reprocessing and management of spent fuels and waste.



Figures in the above, and following, graphs are prepared on the basis of Government financial reporting, which differs from the basis used to prepare the financial statements.

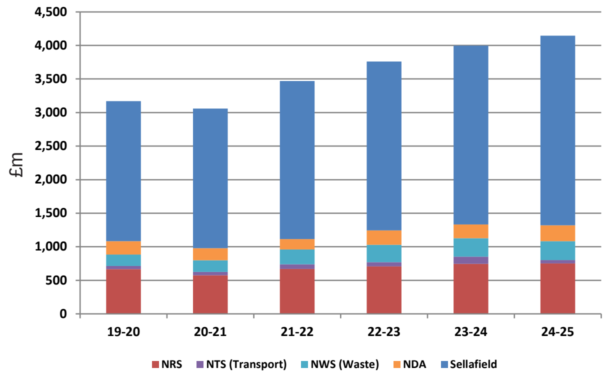
NDA spend on tackling the legacy

Most of our spend is directed toward tackling the nuclear legacy. In 2024/25, spend on our mission was the highest ever.



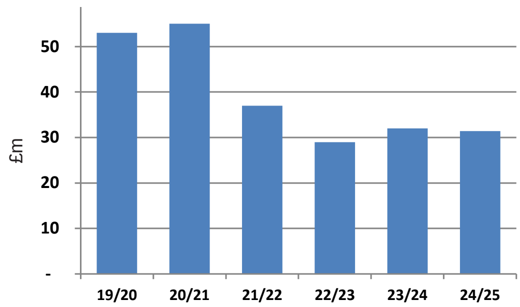
NDA spend by division

Sellafield has always been the NDA's largest area of spend and has been increasingly prioritised in recent years as funding has been directed towards the estate's highest hazards.



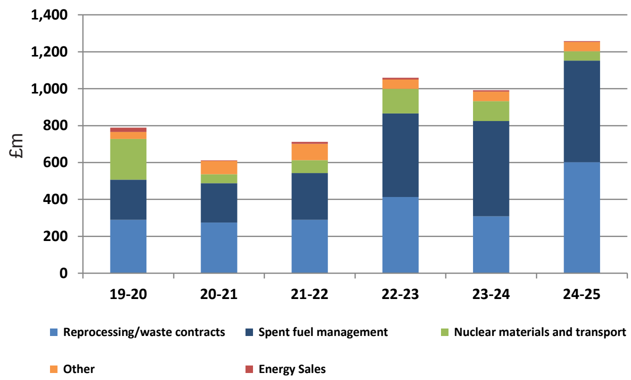
NDA administrative spend

NDA's administrative spend is now approximately £31 million per year.



NDA's income

Most of NDA's income is from reprocessing fuels from the UK's operational nuclear power stations and management of spent fuel.



Nuclear provision

The nuclear provision is a single point number in the Statement of Financial Position which represents the discounted estimated cost of the decommissioning mission as at the balance sheet date. It does not take into account any potential cost changes arising from the outcome of the recent Spending Review.

The NDA management's best estimate of the future costs of the estate is based on an assumed inventory of materials, using strategies for retrieval and disposal over several decades. Each of these elements (quantity, method and time to treat) is uncertain in their own right, as is the cost of developing the necessary technology and plans to deal with these activities. The quality of the forecast becomes less certain further into the future, and acceptable standards of clean up and end states may change.

It is important to understand the basis of this estimate and the inherent uncertainty around it, and therefore that it is simply a single point in a credible range of potential outcomes.

Changes in 2024/25 estimate

The discounted nuclear provision of the Authority at the end of 2024/25 was £110.1 billion (2023/24: £105.3 billion) as shown in the chart. The movements during the year were:

Release

The provision reduces each year in line with the amount spent on delivering the mission. In 2024/25 the value released from the provision was £4.0 billion (2023/24: £4.0 billion).

Inflation

Before applying changes to discount rates and the cost estimates, an inflationary adjustment is applied to the opening provision to update it to money values at the reporting date. This is the aggregate of the individual inflation impacts on each component of the estimate, producing an increase of £3.6 billion (2023/24: £6.5 billion), 3.4% of the opening balance.

Changes in discount rates

The nuclear provision is expressed in discounted terms, by applying discount rates to the underlying (undiscounted) cost estimates in order to reflect the time value of money. Information on the discounting process and the rates used are set out on page 173 in the notes to the financial statements. The Authority uses discount rates published annually in December by HM Treasury which change each year according to the UK Government's borrowing rate and forecasted inflation at the time. The application of the rates published by HM Treasury in December 2024 resulted in a decrease of £2.2 billion in the discounted provision value (2023/24: £32.9 billion decrease).

An explanation of discounting is provided in the box below.

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

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

Unwind of discount

The is due to the unwinding, by one year, of the discounting applied to the provision in the previous year. During 2024/25 this resulted in an increase in the provision of £2.5 billion (2023/24; £1.4 billion). This does not change the underlying (undiscounted) cost estimates.

Cost estimate changes

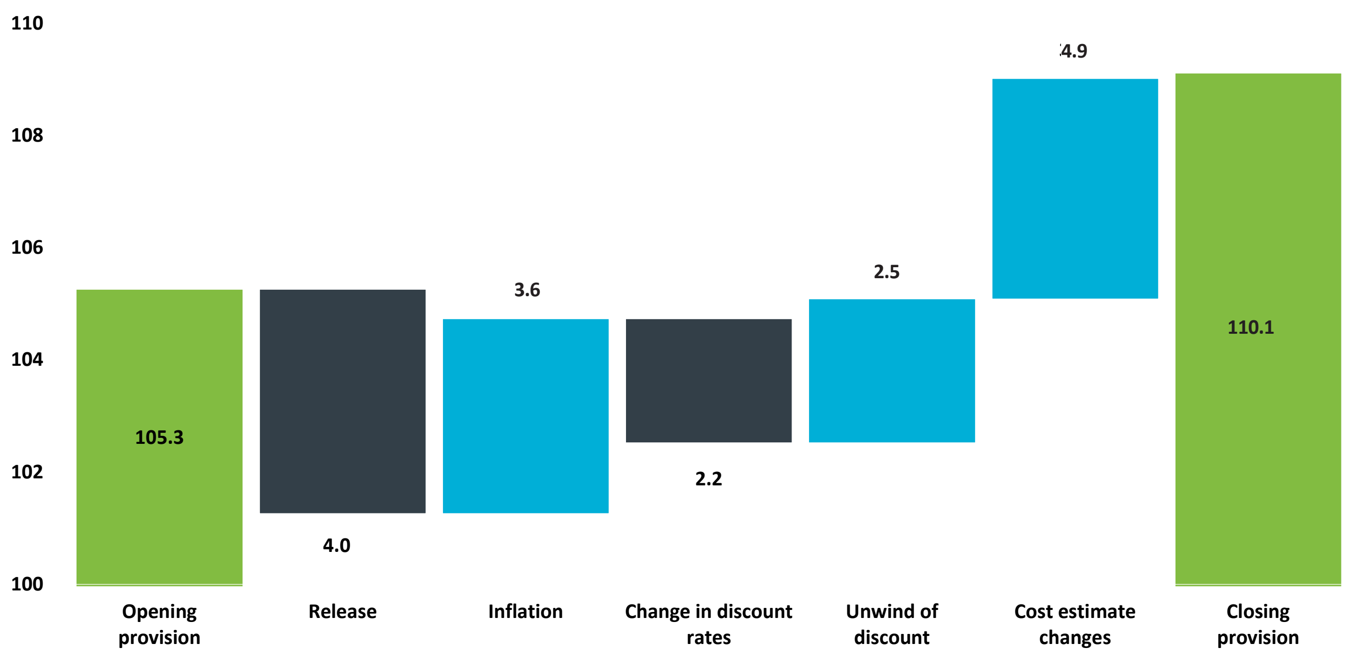
Cost estimates are reviewed annually to reflect changes in the site lifetime plans and other assumptions. Major changes applied in the reporting period included:

- The nuclear provision assumes the achievement of efficiencies and other cost savings at Sellafield which reduce the initial lifetime cost estimate. Following an initial review of projected savings in 2023/24, a further review was undertaken during 2024/25 resulting in the estimate of discounted savings recognised in the nuclear provision calculation being reduced.
- Updates to the Sellafield lifetime plan, reflecting multiple changes in the estimates of the cost, duration and timing of projects, operations and decommissioning on the site, and changes in employment costs. This includes changes to reflect the UK Government's policy decision to immobilise the UK's inventory of civil separated plutonium.

Closing provision

The above movements result in a closing 2024/25 discounted provision estimate of £110.1 billion.

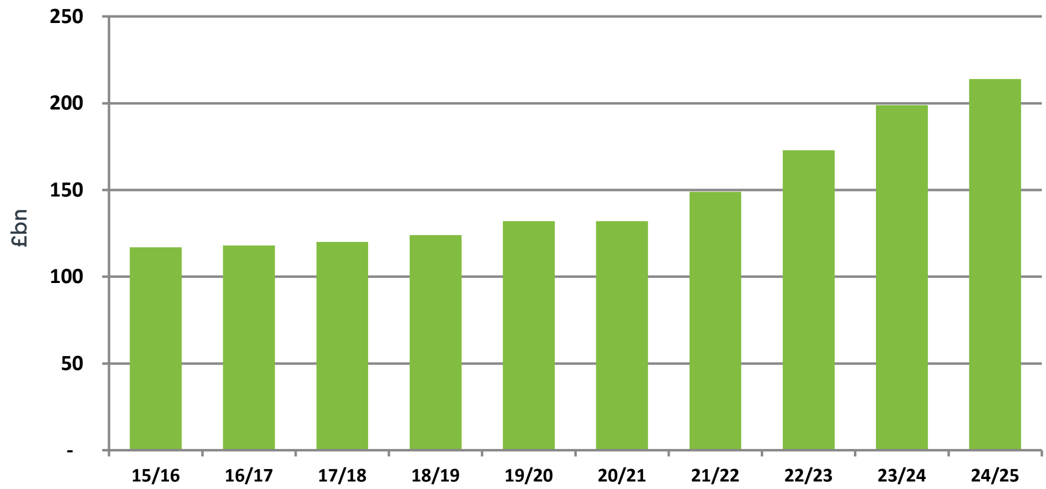
Movement in nuclear provision 2024-2025 (£ billions)



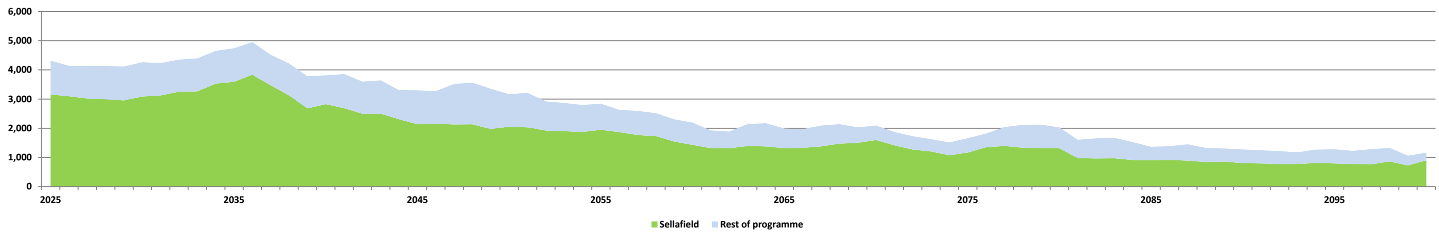
Nuclear provision continued

Undiscounted nuclear provision movement

The graph below shows the undiscounted movement in the nuclear provision over a 10 year period:



Total expenditure profile (£m, undiscounted)



The graph (above) shows the undiscounted expenditure profile for future years (excluding NDA administrative and other non-programme costs, and some commercial costs) from lifetime cost projections from each of the Site Licence Companies. The expenditure profile illustrates a downward trend in expenditure over the next 50 years, following a short-term peak over the next 10 years, as sites enter into care and maintenance with subsequent increases in expenditure towards the end of site clearance programmes.

Parliamentary accountability disclosures

This section is subject to audit.

Regularity of expenditure

We ensure prudent and economical administration, avoidance of waste and extravagance and efficient and effective use of all available resources. Adequate controls exist to ensure the propriety and regularity of our finances.

Losses and special payments

The disclosures below are in accordance with 'Managing Public Money'. This note reports losses and special payments of interest to Parliament. Total losses during the year were £130,452,194 (2024: £3,638,214).

Type of loss	2024/25 Total £	2024/25 Number of cases	2023/24 Total £	2023/24 Number of cases
Cash losses	485	5	-	-
Constructive losses	127,000,000	1		
Store losses	809,429	511,694	3,213,980	38,635
Fruitless payments	309,352	1,748	301,551	2,293
Book-keeping losses	-	-	40,793	2
Exchange rate fluctuation losses	53,978	2	81,890	1
Losses of pay, allowances and superannuation	2,278,950	1	-	-
Total	**130,452,194**	**513,451**	**3,638,214**	**40,931**
Special payments	-	-	377,207	1-5

Constructive losses relate a change in approach regarding the Replacement Analytical Project (RAP) at Sellafield. The project will not proceed in its original form and costs have been incurred which cannot be utilised in the revised approach.

In 2024/25 the store losses included the write-off of inventory previously purchased for use and no longer required following the conclusion of site operations and/or due to the age of the stock items. 2023/24 store losses included one item over £300,000 relating to a supplier who entered administration where £1.3 million of inventory was irrecoverable and written-off.

As outlined in the governance statement on page 87, in 2024/25 the UK Government approved a request to not recover the £2,278,950 overpayment of the Sellafield employee incentive plan which was originally incurred in 2022/23.

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

A contract loss provision in respect of potentially onerous commercial contracts to manage spent fuel and waste is included within other provisions (note 25 to accounts) and is not included in the losses disclosed above.

Remote contingent liabilities

Remote contingent liabilities not required to be disclosed under IAS 37 but included for parliamentary reporting and accountability purposes.

The NDA has non-quantifiable contingent liabilities arising from indemnities given as part of the contracts for the management of the Site Licence Companies. These indemnities are in respect of the uninsurable residual risk that courts in a country which is not party to the Paris and Brussels Conventions on third party liabilities in the field of nuclear energy may accept jurisdiction to determine liability in the event of a nuclear incident.

Indemnities are provided to the previous Parent Body Organisations of Sellafield, Magnox, Dounreay and Low Level Waste Repository covering the periods in their ownership. These are not treated as contingent liabilities within the meaning of IAS 37 since the possibility of a transfer of economic benefit in settlement is considered remote.

D. Peattie

David Peattie FREng FNucl
Accounting Officer and Group Chief Executive Officer
18 July 2025

The report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

Opinion on financial statements

I have audited the financial statements of the Nuclear Decommissioning Authority (NDA) and its Group for the year ended 31 March 2025 under the Energy Act 2004. The financial statements comprise: the NDA and its Group'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 Group financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the NDA and its Group's affairs as at 31 March 2025 and its net expenditure after taxation for the year then ended; and
- have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

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 report.

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

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

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

Framework of authorities

Authorising legislation	Energy Act 2004
HM Treasury and related authorities	Managing Public Money, DESNZ/NDA Framework Document

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the NDA and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

My evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of NDA's legislative status as a statutory body under the Energy Act 2004, and an assessment of management's expectation over the provision of continued Parliamentary funding in future periods to support delivery of NDA's long-term decommissioning mission and contractual commercial activities

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 NDA and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the entities reporting on how they have applied the UK Corporate Governance Code, I have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the director's considered it appropriate to adopt the going concern basis of accounting.

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

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

Overview of my audit approach

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed around the presumed risk of management override of controls, other than to the extent where this was part of my work on significant estimates made by management as set out below.

The key audit matters were discussed with the Audit, Risk and Assurance Committee; their report on matters that they considered to be significant to the financial statements is set out on pages 61-62.

Affecting the Nuclear Decommissioning Authority and its Group

Valuation of the Nuclear Provision

Description of risk

The NDA group holds nuclear decommissioning provisions which are comprised of several individual estimates of the decommissioning costs associated with the group's subsidiaries and for several additional sites and entities. The Group recognised nuclear provisions totalling £110.1 billion at 31 March 2025 (31 March 2024: £105.3 billion). See note 24 to the financial statements.

The valuation of the nuclear provision is highly material to the NDA and its Group's financial statements.

I treat this as a significant matter for audit because of the high degree of estimation and uncertainty inherent in the valuation of the nuclear provision. The nature of the work performed is in many ways unique as management must estimate the cost of decommissioning facilities of uncertain content and condition over long timescales as the programme of decommissioning work is currently planned to take until 2137.

The provision also contains uncertainty in respect of the valuation of the Geological Disposal Facility affected by Nuclear Waste Service Ltd's progress with the siting process. The timing of the completion of construction works may have a material impact on the provision.

<table>
<tr>
<td>How the scope of my audit responded to the risk</td>
<td>I designed my procedures on the nuclear decommissioning provision valuation to allow me to evaluate the reasonableness of management's estimate. I performed the following procedures:

Reviewed the design and implementation of key controls surrounding the nuclear provision estimate;
Performed testing of the change control process by which changes are made to the Lifetime Plans underpinning each site's estimate;
Assessed management's processes for challenging key assumptions across the nuclear provisions;
Reviewed the peer review process over the nuclear provision model;
Tested the supporting evidence for key judgements and assumptions made by management in valuing nuclear provisions, including management's response to changes in circumstances since the prior year;
Reviewed and challenged management's assessment of evidence supporting the recognition and measurement of efficiency savings that have the effect of reducing the decommissioning provision;
Assessed and challenged management on the key assumptions in respect of material amounts recognised, including using external experts to assess the reasonableness of the more technical assumptions, in relation in light of the UK Government policy decision to immobilise the UK's inventory of civil separated plutonium at Sellafield which required a change in assumptions supporting the estimate;
Agreed the inputs to the nuclear provision to supporting evidence, including change controls raised and annual submissions provided by subsidiaries;
Assessed the appropriateness of discount and inflation rates used within the provision;
Assessed the NDA's approach to addressing estimation uncertainty in its cost estimates in the provision by taking a granular approach to assess the merits of the approaches used across the different elements of the provision;
Assessed the accuracy and completeness of utilisation of the provision as reported within the financial statements;
Assessed the completeness of the provision, by reference to change approvals and other developments; and
Assessed the disclosures over the provision within the financial statements, particularly in how the disclosures address estimation uncertainty.

</td>
</tr>
</table>

How the scope of my audit responded to the risk	**Key observations** I have obtained sufficient assurance over this risk through my substantive testing. I did not identify material misstatements in relation to the valuation of the nuclear decommissioning provision as a result of the work I have performed. I draw attention to the disclosures made in notes 3 and 24 to the financial statements concerning the uncertainties inherent in the nuclear decommissioning provisions. As set out in these notes, given the very long timescales involved and the complexity of the plants and materials being handled, a considerable degree of uncertainty remains over the value of the liability for decommissioning nuclear sites designated by the Secretary of State. Significant changes to the liability could occur as a result of subsequent information and events which are different from the current assumptions adopted by the Authority.

Fraud in revenue recognition

Description of risk

Auditing standards present a rebuttable presumed risk of fraud in revenue recognition. We do not rebut this risk in respect of income from commercial activities due to the complexity of the financial models involved and the challenging income targets set by HM Treasury.

There is significant revenue resulting from long-term contracts with performance obligations still to be met (current year forecast of £876m), including vitrification services and long-term storage. The lifetime costs of each contract are derived from the same cost base used to value the Sellafield nuclear provision.

Management judgement and estimation is involved in setting the proportional allocations used for this purpose. There is judgement in the measurement of contact performance and allocation of prices, as well as risks around the use of detailed models to derive revenue, and the underlying data and assumptions within.

How the scope of my audit responded to the risk	In relation to the valuation of commercial balances I performed the following procedures: • Reviewed the peer-review process used by management to provide assurance over the integrity and operation of the complex models used in the determination of income recognition; • Reviewed the change control process, by which changes are made to the Sellafield cost base which forms the input to the commercial models, as part of our response to the significant risk over the valuation of nuclear provisions; • Assessed how revenue has been recognised against IFRS 15, including management's application of the assumptions, judgements, data, methodology, and modelling previously agreed to revenue recognised from long term contracts; • Reviewed the assumptions and judgements made in the recognition of revenue arising from significant revenue deals entered into in 2024-25, particularly how management consider contract performance obligations to be satisfied; and • Sample tested the application of IFRS 15 to non-reprocessing commercial activities. **Key observations** I have obtained sufficient assurance over this risk through my substantive testing. I did not identify material misstatements in commercial income estimates as a result of the work I have performed.

Affecting the NDA Group

Valuation of Group Defined Benefit Pensions

Description of risk

The Group financial statements include assets and liabilities associated with two funded defined-benefit pension schemes. The Group recognised gross assets totalling £5.3 billion at 31 March 2025 (31 March 2024: £5.5 billion) and liabilities totalling £4.3 billion at 31 March 2025 (31 March 2024: £4.8 billion). See note 27 to the financial statements.

The net pension surplus is a material balance and relies on accurate valuations of the pension assets and liabilities.

The valuation of scheme liabilities is a highly judgemental. Small changes in key assumptions, most notably the discount rate and inflation assumptions, have highly material impacts on the value of scheme liabilities. The valuation of scheme liabilities also impacts upon the Group nuclear provisions due to management's assumption that Sellafield pension liabilities are implicitly included within the Sellafield nuclear provision.

The valuation of scheme assets is also subject to estimation uncertainty with portfolios which include hard-to-value assets including private equity and investment funds.

<table>
<tr>
<td>How the scope of my audit responded to the risk</td>
<td>In relation to the valuation of defined benefit pension schemes I performed the following procedures:

Assessed the design and implementation of controls in respect of defined benefit pension schemes;
Reviewed of the use management's experts in the setting of assumptions used to value scheme liabilities;
Assessed the independence, capability and competence of the scheme actuaries used to provide valuations of scheme liabilities to ensure the auditor can place reliance on their work as management's experts;
Considered the appropriateness of key assumptions used to value scheme liabilities and benchmarking against similar assumptions set by other NAO audited bodies;
Assessed the methodology, the underlying census data and modelling applied in developing the estimate;
Assessed the classification of (and rights and obligations relating to) the pension schemes;
Confirmed the financial statement disclosures agree to the reporting template returns submitted by individual scheme actuaries; and
Performed substantive testing of scheme assets using relevant reports from fund managers, audited fund accounts, transactions in the fund around the reporting date and relevant controls reports to ensure the valuations as at 31 March 2025 are appropriate.

Key observations
I have obtained sufficient assurance over this risk through my substantive testing. I did not identify material misstatements in the valuation of the defined benefit as a result of the work I have performed.</td>
</tr>
</table>

Affecting the NDA Group

Valuation of Commercial Balances

Description of risk

The NDA has commercial agreements in place under which some or all of the expenditure required to settle nuclear provisions will be recovered from third parties, this results in the Authority recognising 'commercial balances' which are interlinked with revenue recognition and the nuclear provision. These include recoverable contract costs, being the Sellafield related element of the nuclear provision which is recoverable from customers of £635 million at 31 March 2025 (31 March 2024: £582 million) and payments on account, being deferred income balances in respect of reprocessing and waste management contracts of £2.1 billion at 31 March 2025 (31 March 2024: £2.0 billion). See notes 13 (Recoverable contract costs note) and 22 (Trade and other payables note) to the financial statements.

The commercial balances are highly material, containing management judgment and estimation. I have therefore identified the valuation of these balances as a Key Audit Matter because of the level of complexity in the models employed and management judgment used.

How the scope of my audit responded to the risk	In relation to the valuation of commercial balances I performed the following procedures: • Reviewed the peer review process and change controls providing assurance over the nuclear provision model and the complex models used in the determination of income recognition and related commercial balances; • Tested a sample of payment on account receipts (additions) in-year and reviewed year-end payment on account balances; • Tested additions, amortisation and impairment of recoverable contract costs; • Reperformed the calculations producing the valuation of the commercial balances; and • Assessed the methodology, modelling, data, and assumptions used in deriving the commercial balances. **Key observations** I have obtained sufficient assurance over this risk through my substantive testing. I did not identify material misstatements in the valuation of commercial balances as a result of the work I have performed.

Application of materiality

Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for the NDA and its Group's financial statements as a whole as follows:

	Nuclear Decommissioning Authority Group	Nuclear Decommissioning Authority Parent
Materiality	£2.1billion	£2.1billion
Basis for determining materiality	Approximately 2% of discounted Group nuclear provision of £105.3 billion (2023-24: Approximately 2% of discounted Group nuclear provision).	Approximately 2% of discounted nuclear provision of £105.3 billion (2023-24: Approximately 2% of discounted nuclear provision).
Rationale for the benchmark applied	The nuclear provision is fundamental to both the Group's and Authority's purpose and is of primary interest to the users of the accounts. Its valuation is subject to significant uncertainty arising from both the complexity of the decommissioning work to be performed and the very long timescales involved. I have therefore set materiality at a level intended to reflect my view that a greater level of precision would potentially overstate the confidence that users may place on using this information for their decision making.	
Particular classes of transactions, account balances and disclosures where an additional level of materiality has been applied	Defined benefit pension schemes - £64.2 million	Contractor costs and commercial balances - £38.1 million
Basis for determining additional account materiality	Approximately 1.5% of defined benefit pension scheme obligation of £4.286 billion	Approximately 1% of contractor costs of £3.94 billion
Rationale for the additional materiality applied	Given the magnitude of the overall materiality which represents 49% of total group pension liabilities, and the additional user interest in respect of the valuation of pension related assets and liabilities, I deemed that misstatements of a lesser amount than overall materiality could influence the decisions of the users of the accounts.	Contractor costs are considered to be a better indicator of short-term performance as this reflects the actual expenditure paid to site licence companies to deliver decommissioning work in a given year, rather than the estimates included in the nuclear provision. I have applied a lower level of materiality in this area, as I consider that user interest would expect more precision in relation to contractor costs which relate to short term performance that would not be as affected by the uncertainty of extremely long timescales, which are relevant to the overall materiality based on the nuclear provision.

Performance Materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 70% of Group materiality for the 2024-25 audit (2023-24: 65%). In determining performance materiality, we considered the level of error identified in the nuclear provision in the previous period; we used a lower level in the prior year as DESNZ (NDA's sponsor Department) was a new department therefore 65% was considered appropriate. In determining performance materiality, I have also considered the uncorrected misstatements identified in the previous period.

Other Materiality Considerations

Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the Related Parties note in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing my audit work to support my opinion on regularity and in evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

Error Reporting Threshold

I agreed with the Audit, Risk and Assurance Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300k in respect of items audited under our additional materialities, and £1m in respect of all other items, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

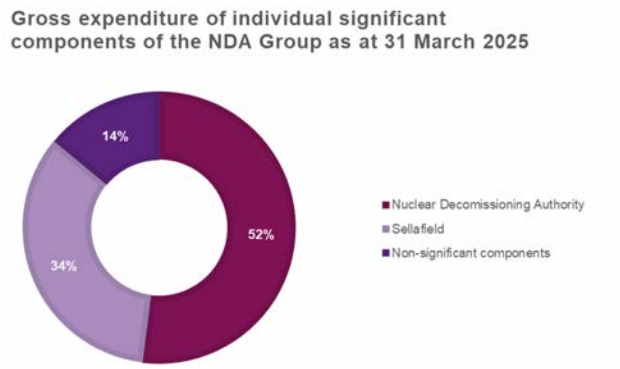
Total unadjusted audit differences reported to the Audit and Risk Assurance Committee would have decreased net assets by £305.4m on the Authority and increased net assets by £23.7m on the Group.

Audit scope

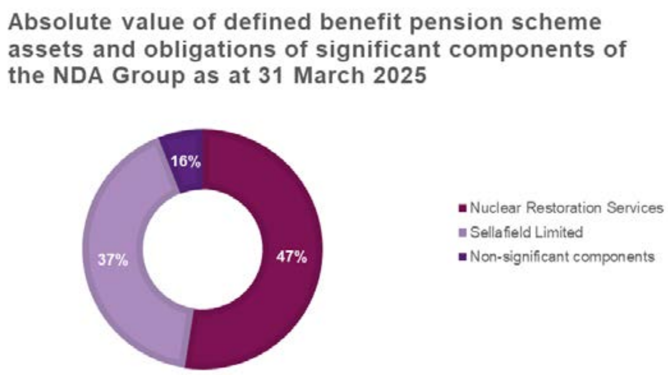
The scope of my Group audit was determined by obtaining an understanding of the NDA and its Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The nuclear provision is the significant balance in the NDA Group financial statements with a value totalling £110.1 billion at 31 March 2025 (31 March 2024: £105.3 billion) representing the expected cost of the NDA Group's decommissioning mission. I have tested 100% of the nuclear provision balance in the audit of the NDA.

The operations of the group are primarily funded by the NDA, with group bodies being reimbursed by the Authority for expenditure incurred in delivering the decommissioning mission. I obtained sufficient assurance over expenditure within the group through my expenditure testing of the Authority and Sellafield Limited as the largest nuclear site operator within the group. The audit of Sellafield Limited was not complete at the time of my completion of the group audit, however I have gained assurance from the component auditor over the balances which are material to the group accounts. I have obtained sufficient assurance over income within the group through my income testing of the Authority.



I performed group level procedures to gain assurance over the balances associated with the defined benefit pension schemes within the group which each cover numerous components. I engaged an auditors' expert to assist in obtaining assurance over the defined benefit pension obligation. I performed substantive testing of scheme assets, with 99% coverage of all scoped scheme assets, to obtain assurance over the defined benefit pension scheme assets. The work I performed enabled me to obtain sufficient assurance over this balance.



I obtained assurance over the risks of non-compliance with the entity's framework of authorities through enquiries of component auditors. Additionally, for the NDA's primary operational bodies; Sellafield Limited, Nuclear Restoration Services, Nuclear Waste Services and Nuclear Transport Services, we have performed targeted testing of expenditure contracts to obtain assurance over the compliance with the group's framework of authorities.

This work covered substantially all of the Group's assets and net expenditure, and together with the procedures performed at group level, gave me the evidence I needed for my opinion on the group financial statements as a whole.

Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. The Accounting Officer is responsible for the other information.

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

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

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Energy Act 2004.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Energy Act 2004;
- the information given in the Overview of Performance, the Performance Analysis and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the NDA and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Overview of Performance, the Performance Analysis and the Accountability Report.

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

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

Corporate governance statement

The Listing Rules require me to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the NDA and its Group's compliance with the provisions of the UK Corporate Governance Code specified for my review.

Based on the work undertaken as part of my audit, I have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or my knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified [set out on pages 95 and 146];
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate [set out on pages 95 and 146];
- Directors' statement on fair, balanced and understandable [set out on page 95];
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks [set out on page 71];
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems [set out on pages 71-83 and 86-90]; and
- The section describing the work of the audit committee [set out on pages 61-63].

Responsibilities of the Authority and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Authority and Accounting Officer 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 as records, documentation and other matters;

- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the NDA and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with Secretary of State directions issued under the Energy Act 2004;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Energy Act 2004; and
- assessing the NDA and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the NDA and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with the Energy Act 2004.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the NDA and its Group's accounting policies.
- inquired of management, the NDA's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the NDA and its Group's policies and procedures on:
  - o identifying, evaluating and complying with laws and regulations;
  - o detecting and responding to the risks of fraud; and
  - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the NDA and its Group's controls relating to the NDA's compliance with the Energy Act 2004 and Managing Public Money.
- inquired of management, the NDA's head of internal audit and those charged with governance whether:
  - o they were aware of any instances of non-compliance with laws and regulations;
  - o 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 NDA and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and in the issuing of decommissioning activity contracts. 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 NDA and its Group's framework of authority and other legal and regulatory frameworks in which the NDA and its Group operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the NDA and its Group. The key laws and regulations I considered in this context included the Energy Act 2004, Managing Public Money, pensions legislation and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit, Risk and Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- 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; and
- I addressed the risk of fraud in relation to the issuance of new decommissioning activity contracts by assessing whether prescribed group procedures and authorisations were in place for contracts issued or extended in year.

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

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

Other auditor's responsibilities

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

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

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

21 July 2025

Annual accounts

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

		GROUP		AUTHORITY	
	Note	**2025**	2024	**2025**	2024
Expenditure		**£m**	£m	**£m**	£m
Authority administration expenditure	5	**31**	32	**31**	32
Programme expenditure	6	**4,417**	4,285	**4,386**	4,301
Adjustments to provisions	7	**5,239**	(18,760)	**5,241**	(18,757)
Depreciation and impairment	8	**58**	85	**25**	26
		9,745	(14,358)	**9,683**	(14,398)
Income	9	**(1,276)**	(1,010)	**(1,206)**	(933)
Net (income) / expenditure before interest and taxation		**8,469**	(15,368)	**8,477**	(15,331)
Interest receivable	4	**(29)**	(48)	**(4)**	(4)
Interest payable	4	**3**	4	**1**	1
Net interest payable / (receivable) on defined benefit pension scheme	27	**(33)**	(44)	**(1)**	(2)
Net (income) / expenditure before taxation		**8,410**	(15,456)	**8,473**	(15,336)
Taxation	10	**5**	6	**-**	3
Net (income) / expenditure after taxation for the year		**8,415**	(15,450)	**8,473**	(15,333)
Attributable to:					
NDA Group		**8,414**	(15,449)	**8,473**	(15,333)
Non-controlling interest		**1**	(1)	**-**	-
Other comprehensive (income) / expenditure:					
Deficit/(surplus) arising on revaluation of property, plant and equipment	11	**(9)**	1	**-**	-
Loss on sale of fixed assets		**5**	-	**-**	**-**
Net recognised (gain)/loss on defined benefit pension scheme	27	**(288)**	312	**(3)**	17
Total comprehensive net (income) / expenditure for the year		**8,123**	(15,137)	**8,470**	(15,316)
Attributable to:					
NDA Group		**8,122**	(15,136)	**8,470**	(15,316)
Non-controlling interest	28	**1**	(1)	**-**	-

The related notes numbered 1 to 32 form part of these financial statements. Authority refers to the NDA itself, with NDA Group incorporating the Authority and its subsidiaries.
Details of the subsidiaries are given in note 12.

Statement of Financial Position
as at 31 March 2025

		GROUP		AUTHORITY	
		2025	2024	**2025**	2024
	Note	**£m**	£m	**£m**	£m
Property, plant and equipment	11	**428**	451	**221**	232
Intangible assets	11	**3**	1	**-**	-
Investments in subsidiaries	12	**-**	-	**259**	259
Recoverable contract costs	13	**635**	582	**635**	582
Finance lease receivables	19	**43**	43	**67**	67
Trade and other receivables	20	**39**	44	**65**	68
Defined benefit pension scheme asset	27	**1,014**	674	**19**	16
Total non-current assets		**2,162**	1,795	**1,266**	1,224
Inventories	15	**24**	23	**12**	13
Other investments	18	**545**	496	**-**	-
Finance lease receivables	19	**1**	1	**2**	3
Trade and other receivables	20	**412**	290	**341**	253
Cash and cash equivalents	21	**353**	396	**128**	146
Total current assets		**1,335**	1,206	**483**	415
Total assets		**3,497**	3,001	**1,749**	1,639
Trade and other payables	22	**(1,574)**	(1,812)	**(1,353)**	(1,627)
Finance lease payables	23	**(21)**	(21)	**(4)**	(3)
Nuclear provisions	24	**(4,291)**	(4,021)	**(4,291)**	(4,021)
Other provisions	25	**(12)**	(7)	**(10)**	(6)
Total current liabilities		**(5,898)**	(5,861)	**(5,658)**	(5,657)
Total assets less current liabilities		**(2,401)**	(2,860)	**(3,909)**	(4,018)
Trade and other payables	22	**(1,451)**	(1,270)	**(1,441)**	(1,261)
Finance lease payables	23	**(67)**	(53)	**(49)**	(37)
Nuclear provisions	24	**(105,810)**	(101,235)	**(105,804)**	(101,229)
Other provisions	25	**(92)**	(89)	**(45)**	(40)
Total non-current liabilities		**(107,420)**	(102,647)	**(107,339)**	(102,567)
Net liabilities		**(109,821)**	(105,506)	**(111,248)**	(106,586)
Taxpayers' equity					
Revaluation reserve		**45**	44	**9**	9
General reserve		**(109,868)**	(105,553)	**(111,257)**	(106,595)
Total taxpayers' equity		**(109,823)**	(105,509)	**(111,248)**	(106,586)
Non-controlling interests	28	**2**	3	**-**	-
Total equity		**(109,821)**	(105,506)	**(111,248)**	(106,586)

The financial statements on pages 142 to 191 were approved by the Board and authorised for issue by the Accounting Officer on 21 July 2025

D. Peattie

David Peattie FREng FNucl
Accounting Officer and Group Chief Executive Officer
18 July 2025

The related notes numbered 1 to 32 form part of these financial statements. Authority refers to the balances within the NDA itself, with NDA Group balances incorporating the Authority and its subsidiaries. Details of the subsidiaries are given in note 12.

Annual accounts continued

Statement of Cash Flows
for the year ended 31 March 2025

		NDA Group		Authority	
	Note	**2025**	2024	**2025**	2024
		£m	£m	**£m**	£m
Cash flows from operating activities					
Net income after taxation for the year	SoCNE	**(8,415)**	15,450	**(8,473)**	15,333
Adjustments for:					
Interest receivable	4	**(29)**	(48)	**(4)**	(4)
Interest payable	4	**3**	4	**1**	1
Tax Expense		**5**	6	**-**	3
Net interest receivable on defined benefit pension schemes	27	**(33)**	(44)	**(1)**	(2)
Net of pension service costs over cash contributions paid		**(20)**	(15)	**-**	-
Depreciation of property, plant and equipment	11	**59**	85	**26**	26
Revaluation of property, plant and equipment	11	**-**	(1)	**-**	-
Unrealised Gains / Losses on investment		**(11)**	18	**-**	-
Revalorisation of advance payments	22	**169**	236	**169**	236
Amortisation of recoverable contract costs	13	**118**	116	**118**	116
Decrease in inventories	15	**-**	30	**1**	-
Decrease/(increase) in receivables		**(119)**	(48)	**(84)**	(25)
Decrease in payables		**(614)**	(452)	**(668)**	(407)
Decrease in tax payable		**(5)**	(6)	**(3)**	(1)
impacting net expenditure		**5,225**	(18,748)	**5,224**	(18,749)
Increase / (Decrease) in other provisions impacting net expenditure		**14**	(11)	**16**	(8)
Net cash outflow from operating expenditure		**(3,653)**	(3,428)	**(3,678)**	(3,481)
Cash flows from investing activities					
Interest received		**40**	30	**4**	4
Interest paid		**(3)**	(4)	**(1)**	(1)
Proceeds received on asset disposal		**1**	1	**-**	-
Purchases of property, plant and equipment		**(13)**	(7)	**-**	-
(Purchase) / sale of investments		**(48)**	86	**-**	-
Net cash (outflow)/inflow from investing activities		**(23)**	106	**3**	3
Cash flows from financing activities					
Grants from parent department	SoCTE	**4,357**	3,911	**4,357**	3,911
Surrender of receipts to Consolidated Fund	SoCTE	**(699)**	(398)	**(699)**	(398)
Payments of lease liabilities		**(25)**	(26)	**(3)**	(3)
Receipts from lease assets		**-**	-	**2**	2
Net cash inflow from financing activities		**3,633**	3,487	**3,657**	3,512
Net increase in cash and cash equivalents		**(43)**	165	**(18)**	34
Cash and cash equivalents at the beginning of the period	21	**396**	231	**146**	112
Cash and cash equivalents at the end of the period	**21**	**353**	396	**128**	146

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

NDA Group		General	Revaluation	Total
		£m	£m	£m
Balance at 31 March 2023		(124,085)	45	(124,040)
Deficit arising on revaluation of PPE	11	-	(1)	(1)
Gross grants from parent department		3,911	-	3,911
Amounts surrenderable to Consolidated Fund (a)		(516)	-	(516)
Actuarial loss on defined benefit pension schemes	27	(312)	-	(312)
Net income	SoCNE	15,449	-	15,449
Balance at 31 March 2024		**(105,553)**	**44**	**(105,509)**
Surplus arising on revaluation of PPE	11	**(5)**	**9**	**4**
Property disposal revaluation reserve reanalysis		**8**	**(8)**	**-**
Gross grants from parent department		**4,357**	**-**	**4,357**
Amounts surrenderable to Consolidated Fund (a)		**(549)**	**-**	**(549)**
Actuarial gain on defined benefit pension schemes	27	**288**	**-**	**288**
Net Expenditure	SoCNE	**(8,414)**	**-**	**(8,414)**
Balance at 31 March 2025		**(109,868)**	**45**	**(109,823)**

Authority		General	Revaluation	Total
		£m	£m	£m
Balance at 31 March 2023		(125,306)	9	(125,297)
Gross grants from parent department		3,911	-	3,911
Amounts surrenderable to Consolidated Fund (a)		(516)	-	(516)
Actuarial loss on defined benefit pension schemes	27	(17)	-	(17)
Net income	SoCNE	15,333	-	15,333
Balance at 31 March 2024		**(106,595)**	**9**	**(106,586)**
Gross grants from parent department		**4,357**	**-**	**4,357**
Amounts surrenderable to Consolidated Fund (a)		**(549)**	**-**	**(549)**
Actuarial gain on defined benefit pension schemes	27	**3**	**-**	**3**
Net expenditure	SoCNE	**(8,473)**	**-**	**(8,473)**
Balance at 31 March 2025		**(111,257)**	**9**	**(111,248)**

The revaluation reserve is used to record the increases in the fair value of property, plant and equipment carried at valuation and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in taxpayers' equity.

The general reserve is used to record the deficit or surplus arising from the Statement of Comprehensive Net Expenditure, and the deficit or surplus arising on the transfer of assets and liabilities to the NDA from other parts of the public sector.

(a) Surrender of receipts to Consolidated Fund of £549 million) included £14 million receivable as at 31 March 2025 (2024: £136 million payable).

The amount paid in cash in the year was £699 million (2024: £398 million).

Annual accounts continued

Notes to the financial statements
for the year ended 31 March 2025

1. General information

The NDA is an executive Non Departmental Public Body (NDPB) that was established on 22 July 2004 under the Energy Act 2004 and is currently sponsored by the Department for Energy Security and Net Zero (DESNZ). The NDA was created with the primary objective of overseeing and monitoring the decommissioning and clean-up of the UK's civil nuclear legacy. The Financial Review on pages 12 to 13 provides further information on the NDA's operations.

As an executive NDPB the NDA is not required to comply with the Companies Act 2006 although may comply with some requirements voluntarily.

These financial statements are presented in pounds sterling and all values are rounded to the nearest million (£m) except when otherwise indicated.

2. Statement of significant accounting policies
2.1 Basis of preparation

These financial statements have been prepared under the accounts direction issued by the Secretary of State for Energy and Climate Change in accordance with section 26 of the Energy Act 2004. The accounts direction requires compliance with the Government Financial Reporting Manual (FReM) and any other guidance issued by HM Treasury. The NDA has a specific direction in respect of the accounting for waste management assets on an historical cost basis. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NDA for the purpose of giving a true and fair view has been selected. The significant accounting policies adopted by the NDA are described below and within the notes to the financial statements. They have been applied consistently in dealing with items that are considered material to the financial statements, unless otherwise stated.

These financial statements have been prepared on the historical cost basis, except for the revaluation of property, plant and equipment (other than waste management assets). Investments and derivative financial instruments are measured at fair value. Other financial assets and financial liabilities are measured at amortised cost, as detailed in note 16.

The consolidated statement of financial position at 31 March 2025 shows net liabilities of £110 billion (2024: £106 billion).

This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the NDA's other sources of income, may only be met by future grants in aid from the NDA's sponsoring department, DESNZ. Under the normal conventions applying to parliamentary control over income and expenditure, such grants in aid may not be issued in advance of need. Grants in aid for 2025/26, taking into account the amounts required to meet the NDA's liabilities falling due in this year, have already been included in DESNZ's estimates, and these have been approved by Parliament. There is no reason to believe that future DESNZ sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

2.2 Adoption of new and revised standards

No new or revised standards were adopted during the current or previous year.

The following standards have been issued but are not yet effective:

- IFRS 17 Insurance Contracts
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries Without Public Authority

IFRS 17: Insurance Contracts replaces IFRS 4: Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025/26. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard. IFRS 17 requires insurance contracts, including reinsurance contracts, to be recognised on the statement of financial position as the total of the fulfilment cashflows and the contractual service margin (CSM). The fulfilment cashflows consist of the present value of future cash flows calculated using best estimate assumptions with an explicit risk adjustment for non-financial risk.

The authority has undertaken a preliminary assessment of contracts, agreements and indemnities in place to identify any items that are within the scope of the standard, and it is expected that IFRS 17 will have not have a material impact on both the financial statements. This is due to a low number of in scope agreements also having low fulfilment cashflows.

The following changes to the valuation and accounting of non-investment assets is to be included in the 2025-26 FReM for mandatory implementation:

- References to assets being held for their 'service potential' and the terms 'specialised/ non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets

held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets.
- An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value.
- The option to measure intangible assets using the revaluation model is withdrawn.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the NDA and its subsidiary undertakings made up to 31 March each year. Control is achieved where the NDA has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2.4 Specific Accounting Policies

Specific accounting policies are presented alongside the relevant notes to the accounts as follows:

- Property, Plant and Equipment - See note 11
- Impairment of non-financial assets - See note 11
- Taxation - See note 10
- Deferred taxation - See note 14
- Inventory - Note 15
- Financial Instruments - See note 16
- Nuclear Provision - See note 24

2.5 General Accounting Policies

Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in pounds sterling, which is the functional currency of the NDA, and the presentation currency for the consolidated financial statements.

The turnover, assets and liabilities of the foreign operations included within these consolidated financial statements are minor in the context of the Group as a whole and therefore the potential impact of any foreign currency movements are deemed to be negligible.#

VAT

VAT is accounted for in that amounts are shown net of VAT except:

(i) Irrecoverable VAT is charged to profit or loss, and included under the heading relevant to the type of expenditure

(ii) Irrecoverable VAT on the purchase of an asset is included in the capitalised purchase cost of the asset

The net amount due to, or from, HM Revenue & Customs in respect of VAT is included within payables or receivables respectively within the statement of financial position.

Grants from parent department

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

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the NDA's accounting policies, the Authority is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements in Applying the NDA's Accounting Policies

The key areas where significant accounting judgements have been made and which have the most significant effect on the amounts recognised in the financial statements are:

- Income Recognition - Note 9
- Property Plant and Equipment - Note 11
- Inventory - Note 15
- Nuclear Provision - Note 24
- Retirement benefit schemes - Note 27

Key sources of estimation uncertainty

The key sources of estimation uncertainty recognised by management are set out in the relevant notes to the financial statements and comprise the following:

- Income Recognition - Note 9
- Impairment of property, plant and equipment - Note 11
- Nuclear Provision - Note 24

Annual accounts continued

4. Operating segments

For management purposes, the NDA is currently organised into various operating units, which are grouped according to activity type. The segmental analysis in the following tables present the net expenditure for each of the continuing operations.

NDA Group 2025	Sellafield £m	Nuclear Restoration Services £m	Nuclear Waste Services £m	Nuclear Transport Solutions £m	Corporate £m	Total 2025 £m
Authority administration expenditure	**-**	**-**	**-**	**-**	**31**	**31**
Programme expenditure	**3,078**	**747**	**276**	**81**	**235**	**4,417**
Decommissioning costs charged to nuclear provisions	(2,775)	(747)	(175)	-	-	**(3,697)**
Decommissioning costs charged to other provisions	(8)	-	-	-	(1)	**(9)**
Nuclear provisions increase	7,734	928	254	7	-	**8,923**
Other provisions increase/(decrease)	25	(1)	-	(2)	-	22
Adjustments to provisions	**4,976**	**180**	**79**	**5**	**(1)**	**5,239**
Depreciation and Impairment	**26**	**2**	**-**	**29**	**1**	**58**
Income (a)	**(1,128)**	**(15)**	**(1)**	**(117)**	**(15)**	**(1,276)**
Interest payable	**-**	**-**	**-**	**2**	**1**	**3**
Interest receivable (b)	**-**	**-**	**-**	**(5)**	**(24)**	**(29)**
Net interest receivable on defined benefit pension scheme	**(21)**	**(10)**	**-**	**(1)**	**(1)**	**(33)**
Net expenditure/(income) from continuing operations for the year before taxation	**6,931**	**904**	**354**	**(6)**	**227**	**8,410**

(a) See note 9 for commentary on revenue from contracts.
(b) Includes net return on investments of £18 million held by Rutherford Indemnity Ltd.
The basis for accounting for transactions between reportable segments is given in note 30.

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

(a) See note 9 for commentary on revenue from contracts.
(b) Includes net return on investments of £39 million held by Rutherford Indemnity Ltd.
The basis for accounting for transactions between reportable segments is given in note 30.

Geographical information

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

NDA Group	2025 £m	2024 £m
United Kingdom	**1,049**	816
Rest of Europe	**175**	23
Rest of World	**52**	171
Total income	**1,276**	1,010

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

Annual accounts continued

5. Authority administration expenditure

Authority	**2025** **£m**	2024 £m
Staff costs (see Remuneration Report) (a)	**22**	22
Administration costs	**8**	9
Auditors' remuneration (b)	**1**	1
Total Authority administration expenditure	**31**	32

(a) Directors' emoluments are included in the above figures and can be seen in the Remuneration Report on pages 100 to 101.
(b) Auditors' remuneration represents fees payable to the NAO for the audit of the Authority and amounted to £600,000 (2024: £650,000). No remuneration has been paid to the NAO other than the audit fees for the Authority and, where applicable, its subsidiaries (see note 6).

6. Programme expenditure

	NDA Group		Authority	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Contractor and subsidiary costs (a)	**3,934**	3,791	**3,931**	3,810
Amortisation of recoverable contract costs (see note 13)	**118**	116	**118**	116
Revalorisation of advance payments (see note 22)	**169**	236	**169**	236
Trading costs	**1**	3	**1**	3
Research and development costs	**23**	17	**17**	13
Insurance	**8**	5	**12**	9
Skills & socio-economic	**14**	9	**14**	9
Dividend payable to minority interest	**1**	-	**-**	-
Information governance	**16**	20	**16**	20
Cyber Security	**14**	14	**14**	14
Plutonium management strategy	**15**	12	**15**	12
Movements in inventory provisions	**22**	11	**22**	11
Group development projects	**16**	14	**16**	14
Programme support costs	**21**	28	**21**	28
Property management	**5**	4	**5**	4
Business Support	**5**	5	**5**	5
Environment, Health and Safety	**3**	-	**3**	-
Performance Improvement and Assurance	**8**	-	**8**	-
NTS contract management	**3**	3	**3**	3
R&D tax credit relief	**(13)**	(14)	**(13)**	(14)
Other costs	**34**	11	**9**	8
Total programme expenditure	**4,417**	4,285	**4,386**	4,301

(a) Contractor and subsidiary costs include auditors' remuneration payable for the audit of the NDA subsidiary companies amounting to £931,000 (2024: £808,000) of which approximately £670,000 is payable to the NAO (2024: £254,000).

7. Adjustments to Provisions

	NDA Group		Authority	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Movement in nuclear provisions:				
Provided for in the year (see note 24)	**6,415**	(16,523)	**6,415**	(16,523)
Unwind of discount (see note 24)	**2,507**	1,361	**2,507**	1,361
Release from provisions (see note 24)	**(3,697)**	(3,588)	**(3,697)**	(3,588)
Total movement in nuclear provisions charged to SOCNE	**5,225**	(18,750)	**5,225**	(18,750)
Movement in other provisions:				
Provided for in the year (see note 25)	**23**	1	**25**	4
Release from provisions (see note 25)	**(10)**	(12)	**(10)**	(12)
Unwind of discount (see note 25)	**1**	1	**1**	1
Total movement in other provisions	**14**	(10)	**16**	(7)
Total provisions movement	**5,239**	(18,760)	**5,241**	(18,757)

8. Depreciation and impairments

	NDA Group		Authority	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Depreciation of property, plant and equipment (see note 11)	**59**	85	**26**	26
Impairment of property, plant and equipment (see note 11)	**-**	-	**-**	-
Reduction in impairment of financial instruments for expected credit loss (see notes 19 and 20)	**(1)**	-	**(1)**	-
Revaluation of property, plant and equipment (see note 11)	**-**	-	**-**	-
Total depreciation and impairments	**58**	85	**25**	26

9. Income

Accounting Policy

Contract income is recognised by reference to the stage of completion of the contract activity at the reporting date. In accordance with IFRS 15 the Authority has:

- Identified contracts with customers and the contract price still to be recognised at the reporting date (in accordance with the derogation that allows the Authority to not retrospectively restate revenues) under each contract
- Determined the performance obligations under each contract
- Determined the relative value of each performance obligation
- Identified the appropriate basis for measuring the fulfilment of each performance obligation and therefore the recognition of revenue arising from each

Critical accounting judgements

The Authority applied IFRS 15 at 1 April 2018, and in doing so performed a number of significant accounting judgements. These judgements, the methods employed in determining them, and the associated uncertainties are described below.

(a) The timing of satisfaction of performance obligations

The Authority has determined that performance obligations will be satisfied in accordance with contractually defined timescales, and in accordance with strategic assumptions implicit in the site lifetime plans. Examples of the assumed timing of satisfaction of performance obligations include that the Authority:

- will continue to provide services for the interim storage and subsequent treatment of wastes produced by spent fuel reprocessing concluding in 2027. These performance obligations are being satisfied evenly over time, and therefore that the transaction price allocated to these performance obligations will be recognised as revenue evenly over the period to 2027. This judgement assumes and relies upon the continued availability and performance of the waste treatment plants at Sellafield: significant disruption in plant operations and/or change in duration of the remaining waste treatment programme would require the Authority to review and potentially amend its assumptions on the timing of the satisfaction of this performance obligation. For example a significant unplanned temporary halt to operations in a future reporting period may reduce the revenue recognised in that period.
- will continue to receive spent fuel which is not intended for reprocessing, and will assume title of ownership for said fuel at the point it is received by the Authority. Therefore the transaction price of the contract will be allocated to a single performance obligation, and will be recognised as revenue in proportion to the volume of spent fuel received and taken into ownership in each reporting period, relative to the total volume of spent fuel expected to be received and taken into ownership for the remainder of the duration of the contract.

(b) The costs to fulfil contracts with customers

- The Authority has determined the remaining costs of fulfilling each contract applying judgements including judgements as to the allocation of costs to each contract, and performance obligations within each contract, including the apportionment of overhead costs to the cost of each. The resulting estimates are stated at note 13 and will be expensed in each reporting period as they arise. The balances are deemed financial assets under IAS37 and offset against costs provided in the nuclear provision at note 24.

Key sources of estimation uncertainty

A key uncertainty in the Authority's revenue forecasts is the volume and timing of spent fuel which is received and not intended for reprocessing. There is uncertainty in the overall value of the contract because it is directly related to the volume of spent fuel produced by the customer. There is uncertainty in the timing of revenue recognition in each reporting period because revenue is recognised at the point of receipt of spent fuel, therefore the revenue recognised in each reporting period is directly related to the volume of fuel received in that reporting period. The volume of fuel received is subject to a number of uncertain external factors which are not entirely within the control of the Authority.

Another key uncertainty in the Authority's revenue recognition arises from the measurement of performance obligation relating to treatment of wastes on spent fuel reprocessing contracts. In particular, judgement is required to assess the remaining time period involved in the conclusion of obligations relating to the making available of high level waste residues to customers.

Recoverable contract costs

Note 13 to the financial statements provides information on recoverable contract costs, which comprise two elements:

- historic costs incurred prior to the recognition of revenue on each relevant contract, which constitute financial assets for the purposes of IFRS15 and are charged to the Statement of Comprehensive Net Expenditure (amortised) in proportion to revenue recognised in each reporting period

- an estimate of the future costs to be incurred in fulfilling the performance obligations under each contract which are accounted for under IAS37 and constitute a subset of the costs included in the nuclear provision (and are presented as equal and opposite asset balances)

Payments on account

Note 22 to the financial statements provides information on payments on account, which are payments made by customers under long term contracts, in advance of the fulfilment of performance obligations. These balances are contract liabilities under IFRS 15.

Changes in contract price and variations in contract work

The Authority allocates changes in the transaction price of each contract (including the future revalorisation of payments on account balances) to the performance obligations as defined in the initial allocation of the transaction price to performance obligations at 1 April 2018, and in proportion to the allocations made at that time. Where this results in allocation of changes in transaction price to performance obligations already satisfied at the respective reporting date, the resulting allocation to satisfied performance obligations will be recognised as revenue in that reporting period.

Variations in contract work are included to the extent that they have been agreed with the customer.

Treatment of costs

Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract income, the expected loss is recognised as an expense immediately, being an adjustment to the contract loss provision in notes 7 and 25. For contracts in progress at the reporting date, where costs yet to be incurred exceed amounts received to date the balance is shown under non-current assets as recoverable contract costs. Where amounts received to date exceed costs still to be incurred the balance is shown under trade and other payables as payments received on account.

Annual accounts continued

9. Income continued

The Authority's major contracts with customers, the main performance obligations remaining on each contract and the factors affecting future cash flows and timing of revenue recognition can be summarised as follows:

Contract type and customer(s)	**Main categories of performance obligation**	**Factors potentially affecting future cash flows and revenue recognition**
Spent fuel reprocessing and associated waste management Customer(s): Nuclear energy producers in the UK and overseas	Storage of spent fuel not reprocessed (to 2086)	Overall contract value is materially certain, and timing of recognition is certain (corresponds directly to contracted storage period)
	Interim storage, and treatment, of wastes (expected to continue to 2027)	Overall contract value is materially certain. Revenue is recognised over time, and period of recognition is dependent on future performance of waste management plants
	Storage of treated wastes (to 2038 or 2086 depending on type of material)	Overall contract value is materially certain. Revenue is recognised over time
	Storage of products (to 2086)	Overall contract value is materially certain, and timing of recognition is certain (corresponds directly to contracted storage period)
Spent fuel receipt and management Customer(s): Nuclear energy producers in the UK	Receipt of spent fuel, currently expected to continue until 2031	Overall contract value dependent on volume of spent fuel produced by customer. Timing of revenue recognition dependent on ability of customer to consign spent fuel and on ability of Authority to receive spent fuel
Other contracts for waste and product storage Customer(s): Nuclear operators in the UK, nuclear energy producers overseas	Storage of materials, last contract continuing to 2042	Overall contract value dependent on future price negotiations with customers , occurring at intervals (of one to five years) determined in individual contracts
Storage and destorage of residues Customer(s): Nuclear energy producers overseas	Storage of residues, currently expected to continue until 2028	Contract values may vary according to storage periods required by customers
	Subsequent destorage of residues, currently expected to continue until 2028	Contract values may vary according to storage periods required by customer Timing of revenue recognition dependent on ability of Authority to destore residues and on ability of customer to receive residues
Transportation of nuclear fuel, waste and materials	Transportation of nuclear fuel, waste and materials	Availability of transportation capacity and customer ability and readiness to receive nuclear fuel, waste and materials; customer demand for transportation services
Energy trading	Production of electricity and sales of gas	Performance of electricity producing plants
Sundry	Various including provision of rechargeable services to third parties	Continued demand for services
Admin/non programme	Various	Continued demand for services

Income recognised in the reporting period

	NDA Group		Authority	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Spent fuel reprocessing and associated waste management	**(178)**	(182)	**(178)**	(182)
Spent fuel receipt	**(599)**	(513)	**(599)**	(513)
Other contracts for waste and product storage	**(176)**	(83)	**(176)**	(83)
Storage and destorage of residues	**(14)**	(15)	**(14)**	(15)
Revenue from major contracts (continuing)	**(967)**	(793)	**(967)**	(793)
Other contractual revenue	**(156)**	-	**(156)**	-
Revenue from major contracts (non-recurring)	**(156)**	**-**	**(156)**	**-**
Transportation of nuclear fuel, waste and materials	**(115)**	(183)	**(53)**	(108)
Energy Trading	**(5)**	(8)	**(5)**	(8)
Sundry	**(19)**	(14)	**(12)**	(12)
Admin/non programme	**(11)**	(10)	**(11)**	(10)
Revenue from other contracts	**(150)**	(215)	**(81)**	(138)
Revenue from contracts with customers	**(1,273)**	(1,008)	**(1,204)**	(931)
Other revenues (rental income)	**(3)**	(2)	**(2)**	(2)
Total revenues	**(1,276)**	(1,010)	**(1,206)**	(933)

Revenue recognised in the year includes £599 million (2024: £513 million) from one customer, being 50% (2024: 51%) of the revenue recognised by the Group. The revenue is reported in the Sellafield segment in Note 4.

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

Contracts, performance obligations and timing of expected revenue recognition

The table below shows the main types of contract, the main areas of performance obligations therein, and for each category:

- the revenue recognised in the reporting period [A].
- the revenue expected to be recognised in future reporting periods (being the aggregate amount allocated to performance obligations that are wholly or partially unsatisfied at the reporting date) [B].
- an indication of when the Authority expects to recognise the remaining contract price.

Contract type	**Categories of performance obligation**	**[A] £m**	**[B] £m**	**Of which £m: 2025-2030**	**2031-2041**	**2042-2087**
Spent fuel reprocessing and associated waste management	Spent fuel storage	24	816	66	145	605
	Interim storage of wastes	65	125	125	-	-
	Treatment of wastes	49	93	93	-	-
	Storage of treated wastes	7	189	25	47	117
	Storage of products	33	939	105	230	604
Spent fuel receipts	Receipt of spent fuel	599	2,792	2,628	164	-
Other storage contracts	Storage of materials	176	1,172	338	671	163
Storage and destorage of residues	Storage	14	47	26	21	-
	Destorage	-	41	7	34	-
Other contractual income	Waste management	156	-	-	-	-
Total		**1,123**	**6,214**	**3,413**	**1,312**	**1,489**

Annual accounts continued

10. Tax

NDA Group & Authority	2025 £m	2024 £m
NDA Group net expenditure before tax	**8,410**	(15,456)
Deficit on ordinary activities before tax at the UK standard rate of corporation tax of 25% (2024: 25%)	**2,102**	(3,862)
Effects of:		
Corporation tax payable on research and development expenditure tax credits	**5**	4
Income and expenditure which is not taxable or tax deductible	**(1,778)**	3,370
Capital allowances for the year in excess of depreciation	**-**	(156)
Unutilised losses	**(325)**	647
Current tax charge for the year	**4**	3
Controlled foreign company tax	**1**	3
Total tax charge/(credit)	**5**	6

The NDA does not pay tax on any profits arising from its activities in relation to decommissioning, and similarly losses are not deductible in relation to decommissioning. Subsidiaries do not pay tax on profits arising as these are offset against the taxable losses of the NDA (note 14).

A deferred tax asset has not been recognised in respect of any non-decommissioning losses incurred by the NDA as the NDA does not anticipate taxable surpluses arising in the foreseeable future.

The NDA is liable for Controlled Foreign Company Tax on the activities of Rutherford Indemnity Limited, NDA's wholly-owned captive insurance company based in Guernsey.

The Group has applied the exception under IAS12, such that the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar 2 income taxes.

11. Property, Plant and Equipment

Accounting Policy

Property, plant and equipment includes assets for which the legal title transferred to the Group under Transfer Scheme arrangements pursuant to the Energy Act 2004 and assets subsequently purchased directly by the Group.

Assets on designated nuclear sites where the economic element is less than £100,000 and/or is less than 10% of the overall value of the asset are not recognised as property, plant and equipment in the financial statements. These assets are used wholly or primarily to meet the Authority's decommissioning obligations, for which a liability is recognised in the nuclear provision. These assets do not generate cash inflows from commercial customers and are funded instead from Grant-in-aid. Expenditure incurred on purchasing these assets is charged to the nuclear provision and serves to reduce the Authority's long term liabilities.

Assets on non-designated sites are only recognised where their value exceeds £10,000.

In line with the accounts direction issued by the Secretary of State for Energy and Climate Change, waste management assets which are recognised as property, plant and equipment are excluded from the FReM requirement to carry PPE at fair value due to lack of reliable and cost effective revaluation methodology. Such waste management assets are therefore carried at cost less accumulated depreciation and any impairment charges.

For property, plant and equipment carried at valuation, revaluations are currently performed on an annual basis to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. This includes assets used to support commercial activities, property located outside nuclear licensed site boundaries, and property located inside nuclear licensed site boundaries where a reliable and cost effective revaluation methodology exists. The categories of property, plant and equipment subject to revaluation are Land and Buildings.

Any accumulated depreciation at the date of revaluation is eliminated and the resulting net amount restated to equal the revalued amount. Any revaluation increase arising is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

On the subsequent de-recognition of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to the general reserve.

Where economic facilities have been commissioned, the estimated cost of decommissioning the facilities is recognised, to the extent that it is recognised as a provision under IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’, as part of the carrying value of the asset and depreciated over the useful life of the asset. All other decommissioning costs are expensed as incurred.

Depreciation is charged so as to write off the cost or valuation of assets, other than assets under construction, to their residual values over their useful lives, using the straight-line method, on the following bases:

Land	Not depreciated
Buildings	10 to 60 years
IT equipment	3 years
Fixtures and fittings	3 to 10 years
Plant and equipment	10 to 40 years
Transport equipment	4 to 14 years

The exceptions to the above are:

- in the depreciation of certain shipping assets which is calculated on a usage, rather than straight-line, basis; and
- in the depreciation of plant and equipment for which the remaining useful commercial life of the assets is less than 10 years (such assets are depreciated over the remaining useful commercial life)

Assets under construction are not depreciated until brought in to use.

Residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Critical accounting judgements

The following accounting judgements have been made:

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

Key areas of estimation uncertainty

Impairment of property, plant and equipment is measured by comparing the carrying value of the asset or cash-generating unit with its recoverable amount. The NDA has therefore reviewed the asset base and all assets are reviewed for evidence of impairment. Given the ageing asset base this calculation has a degree of uncertainty within it.

Annual accounts continued

11. Property, plant and equipment continued

NDA Group 2025	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets £m	Total £m
Cost or Valuation								
Balance At 1 April 2024	11	361	6	4,434	40	5	170	**5,027**
Revaluations (c)	-	4	-	-	-	-	-	**4**
Eliminations	-	-	-	(106)	(9)	-	-	**(115)**
Additions	-	2	-	-	-	10	43	**55**
Other reclassifications	-	1	-	2	7	(11)	-	**(1)**
Disposals	-	-	-	-	(2)	-	(49)	**(51)**
At 31 March 2025	**11**	**368**	**6**	**4,330**	**36**	**4**	**164**	**4,919**
Depreciation								
Balance At 1 April 2024	-	(229)	(2)	(4,235)	(15)	-	(95)	**(4,576)**
Eliminations (e)	-	-	-	108	-	-	-	**108**
Charged in year	-	-	(3)	(30)	(2)	-	(24)	**(59)**
Disposals	-	-	-	-	1	-	35	**36**
At 31 March 2025	**-**	**(229)**	**(5)**	**(4,157)**	**(16)**	**-**	**(84)**	**(4,491)**
Net book value at 31 March 2024	11	132	4	199	25	5	75	451
Net book value at 31 March 2025	**11**	**139**	**1**	**173**	**20**	**4**	**80**	**428**

The net book value of plant and equipment at 31 March 2025 (£174 million) includes £72 million relating to future decommissioning costs.

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

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

	Land	Buildings	Fixtures & fittings	Plant & equipment	Transport equipment	Assets under construction	Right of Use assets (a)	Total
Authority 2025	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Cost or Valuation								
At 1 April 2024	8	297	2	4,152	4	-	16	**4,479**
Additions	-	1	-	-	-	-	14	**15**
At 31 March 2025	**8**	**298**	**2**	**4,152**	**4**	**-**	**30**	**4,494**
Depreciation								
At 1 April 2024	-	(227)	(2)	(4,014)	(2)	-	(2)	**(4,247)**
Charged in year	-	1	-	(24)	(1)	-	(2)	**(26)**
At 31 March 2025	**-**	**(226)**	**(2)**	**(4,038)**	**(3)**	**-**	**(4)**	**(4,273)**
Net book value at 31 March 2024	8	70	-	138	2	-	14	232
Net book value at 31 March 2025	**8**	**72**	**-**	**114**	**1**	**-**	**26**	**221**

The net book value of plant and equipment at 31 March 2025 (£114 million) includes £73 million relating to future decommissioning costs.

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

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

(a) All right of use assets held in the Authority are classified as buildings.

Annual accounts continued

11. Property, plant and equipment continued

Right of Use assets included in Property, Plant and Equipment comprise the following:

NDA Group 2025	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport £m	Total £m
Cost or Valuation						
Balance At 1 April 2024	**4**	**24**	**-**	**24**	**118**	**170**
Additions	**-**	**15**	**-**	**4**	**24**	**43**
Disposals	**-**	**(14)**	**-**	**(9)**	**(26)**	**(49)**
At 31 March 2025	**4**	**25**	**-**	**19**	**116**	**164**
Depreciation						
Balance At 1 April 2024	**(1)**	**(9)**	**-**	**(14)**	**(71)**	**(95)**
Depreciation expense	**-**	**(3)**	**-**	**(4)**	**(17)**	**(24)**
Disposals	**-**	**2**	**-**	**9**	**24**	**35**
At 31 March 2025	**(1)**	**(10)**	**-**	**(9)**	**(64)**	**(84)**
Net book value at 31 March 2024	3	15	-	10	47	75
Net book value at 31 March 2025	**3**	**15**	**-**	**10**	**52**	**80**

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

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

(a) All right of use assets held in the Authority are classified as buildings. (b) The NDA accounts for non-waste management assets on nuclear licensed sites, which have an ongoing value in use or realisable value, in accordance with IAS 16 and the requirements of FReM. Assets outside the nuclear licensed site boundaries are revalued in accordance with FReM.

The NDA continues to require subsidiaries to maintain inventories of all property, plant and equipment held on nuclear licensed sites and which are subject to validation and audit.

(c) Land and buildings located outside the nuclear licensed site boundaries, were revalued at 31 March 2025 on the basis of existing use value or market value, as appropriate, by external qualified valuers. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (6th Edition) by Avison Young Ltd Chartered Surveyors. This resulted in a revaluation increase of £5 million during the year (2024: £1 million decrease).

(d) Changes in the estimated future cost of decommissioning, related to commercial property, plant and equipment, are offset by matching changes in the value of the IAS 37 property, plant and equipment asset. No increase was recognised in the year (2024: Nil), see note 24.

(e) Eliminations on group plant and equipment includes £106m relating to fully depreciated transport flasks. The balance also includes less than £1 million (2024: £17 million) relating to capitalised decommissioning resulting in a corresponding reduction in the nuclear provision (see note 24).

Intangible assets

During the year ending 31 March 2025 an intangible asset of £3 million (2024: £1 million) was created primarily capitalising the development costs for waste transport containers in INS Limited.

12. Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.
Investments in subsidiaries as at 31 March 2025 was £259 million (2024: £259 million). There were no additions or impairment in the year (2024: Nil).
Details of the Authority's subsidiaries at 31 March 2025 are:

Name	Company Number	Country of incorporation	Nature of business	Proportion of ordinary shares held by NDA %
Sellafield Limited	01002607	UK	Operation of nuclear licensed site	100
Nuclear Restoration Services Limited	02264251	UK	Operation of nuclear licensed sites	100
Dounreay Site Restoration Limited	SC307493	UK	Former operator of nuclear licensed site	100
Nuclear Waste Services Limited	05608448	UK	Operation of nuclear licensed site & Development of GDF	100
Radioactive Waste Management Limited	08920190	UK	Former developer of Geological Disposal Facility	100
Direct Rail Services Limited	03020822	UK	Rail transport services within the UK	100
International Nuclear Services France SAS (i)	N/A	France	Transportation of spent fuel	100
International Nuclear Services Japan KK (i)	N/A	Japan	Transportation of spent fuel	100
International Nuclear Services Limited (INS Limited)	01144352	UK	Contract management and the transportation of spent fuel,	100
Pacific Nuclear Transport Limited (i)	01228109	UK	Transportation of spent fuel, reprocessing products and waste	72
NDA Properties Limited (ii)	02970356	UK	Property management	100
Rutherford Indemnity Limited	N/A	Guernsey	Nuclear insurance	100
NDA Archives Limited (ii)	09109416	UK	Operation of Nucleus - The Nuclear and Caithness Archive	100

(i) Ownership through International Nuclear Services Limited.

The results of all of the above subsidiaries are included within these consolidated financial statements.

The NDA is a member of Energus, a company limited by guarantee registered in the UK, providing training facilities in support of the nuclear estate. NDA's liability is limited to £10.

The NDA is a member of North Highland Regeneration Fund Limited, a company limited by guarantee registered in Scotland and contributing to socio-economic development in the North Highland region. NDA's liability is limited to £100.

The NDA is a member of Energy Coast West Cumbria Limited and Energy Coast West Cumbria (Workspace) Limited. These companies are limited by guarantee, registered in the UK and contribute to the economic regeneration of west Cumbria. NDA's liability is limited to £1 for each company.

(ii) Subsidiary audit exemption

The following are subsidiaries controlled and consolidated by the Group where the directors have taken the exemption from having an audit of their financial statements for the year ended 31 March 2025. This exemption is taken in accordance with Section 479A of the Companies Act.

- Dounreay Site Restoration Limited
- NDA Archives Limited
- NDA Properties Limited
- Radioactive Waste Management Limited

To facilitate the adoption of this exemption, NDA, the parent of the subsidiaries concerned, has provided a guarantee under Section 479C of the Companies Act 2006 in respect of those subsidiaries. Strict criteria must be met for this exemption to be taken and the exemption has been agreed to by the directors of those subsidiary entities.

13. Recoverable contract costs

The NDA Authority and Group have commercial agreements in place under which some or all of the expenditure required to settle nuclear provisions will be recovered from third parties.

Recoverable contract costs comprise costs which were incurred before the revenue recognition period of each contract and which are amortised each year in line with revenue ('Historic costs' below) and costs which typically form part of the nuclear provision, which are restated each year for unwinding of discount and other changes in estimate, and released as they occur in each year ('Future costs' below).

£74 million (2024: £73 million) of the future costs balance relates to costs which do not form part of the nuclear provisions and are offset by payments on account.

NDA Group and Authority	2025	2024
	£m	£m
Recoverable contract costs:		
Gross recoverable contract costs	3,414	3,911
less applicable payments received on account (note 22)	(2,758)	(3,315)
less associated contract loss provisions (note 25)	(21)	(14)
Total recoverable contract costs	**635**	582

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

NDA Group and Authority	Historic Costs	Future Costs	2025 Total Costs	Historic Costs	Future Costs	2024 Total Costs
	£m	£m	£m	£m	£m	£m
Balance at 1 April	1,048	2,861	3,909	1,164	3,297	4,461
Decrease in year (see note 24)	-	(136)	(136)	-	(33)	(33)
Unwind of discount (see note 24)	-	58	58	-	29	29
Amortisation (see note 6)	(118)	-	(118)	(116)	-	(116)
Release in year	-	(299)	(299)	-	(432)	(432)
Balance at 31 March	930	2,484	3,414	1,048	2,861	3,909

The historic costs within the above are deemed contract assets under IFRS 15.

Release in year includes £302 million of cost accounted for within the nuclear provision (see note 24) and offset by £3 million of recoverable contract costs relating to movements in payments on account.

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

NDA Group and Authority	Spent fuel reprocessing and associated waste management	Spent fuel receipt and management	2025 Total	Spent fuel reprocessing and associated waste management	Spent fuel receipt and management	2024 Total
	£m	£m	£m	£m	£m	£m
Balance at 1 April	672	376	1,048	726	438	1,164
Amortisation	(51)	(67)	(118)	(54)	(62)	(116)
Balance at 31 March	**621**	**309**	**930**	672	376	1,048

Contract assets under IFRS 15 are deemed financial instruments for the purposes of IFRS 9 and therefore are ordinarily required to be reviewed for expected credit loss impairment. The above contract asset balances comprise costs which have been previously incurred and are now being amortised in each reporting period. They are not related to or dependent on the future payments still to be made under each contract and therefore a credit loss impairment is not required.

14. Deferred taxation

Deferred tax liability not recognised

There were no unrecognised deferred tax liabilities at 31 March 2025 or 31 March 2024.

Deferred tax assets not recognised

The following deferred tax assets have not been recognised as the NDA does not anticipate a taxable surplus arising in the foreseeable future:

NDA Group	**2025**	2024
	£m	£m
Tax losses	**4,011**	3,927
Accelerated capital allowances	**852**	846
Intangibles	**9**	9
Deferred tax asset at UK standard rate of Corporation Tax for 2025 of 25% (2024: 25%)	**4,872**	4,782

15. Inventories

Accounting Policy

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and all costs to be incurred in marketing, selling and distribution.

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

Reprocessed uranic material is held at nil value, pending development of long term options and cost estimates for disposition of this material, and is disclosed as a contingent liability in note 29.

Critical Accounting Judgements

The Authority has exercised judgement in determining the expected future use of existing inventories of consumables, equipment and other items, and restricting the recognition of inventory carrying values in the financial statements to those items expected to be utilised in income generating activities.

	NDA Group		**Authority**	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Raw materials & consumables	**23**	23	**12**	13
Work-in-progress	**1**	-	**-**	-
Total inventories	**24**	23	**12**	13

The cost of raw materials and consumables recognised as an expense in the year was £146 million in Authority (2024: £167 million) and £155 million in NDA Group (2024: £168 million).

Work-in–progress recognised as an expense in the year in both Authority and NDA Group was £1 million (2024: £30 million).

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16. Financial instruments by category

Accounting Policy

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair cost.

Loans and receivables

Finance lease receivables, trade and other receivables, and cash and cash equivalents, that have fixed or determinable payments that are not quoted in an active market, are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Other investments are measured at fair value through profit or loss.

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying value of the financial asset.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an expected credit loss provision. When a trade receivable is considered uncollectible, it is written off against the expected credit loss provision.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of net expenditure to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

De-recognition of financial assets

Financial assets are derecognised only when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial Liabilities

Financial liabilities are classified as financial liabilities at amortised cost.

De-recognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative Financial Instruments

The NDA enters into derivative financial instruments to manage its exposure to commodity price risk and foreign exchange rate risk, including commodity contracts and forward foreign exchange contracts. Where purchase of the underlying good is deemed to be solely for NDA's own use, it is not treated as a derivative financial instrument.

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the statement of net expenditure immediately.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

The accounting classification of each category of financial instruments, and their carrying values, is set out in the following table:

		NDA Group		Authority	
		2025	2024	**2025**	2024
	Note	**£m**	£m	**£m**	£m
Financial assets at fair value through profit or loss (FVTPL):					
Other investments	18	**545**	496	**-**	-
Financial assets (FVTPL)		**545**	496	**-**	-
Financial Assets at Amortised Cost:					
Non-current finance lease receivable	19	**43**	43	**67**	67
Non-current other receivables	20	**9**	14	**35**	38
Current trade and other receivables (a)	20	**232**	116	**213**	116
Current finance lease receivables	19	**1**	1	**2**	3
Cash and cash equivalents	21	**353**	396	**128**	146
Total financial assets at amortised cost		**638**	570	**445**	370

		NDA Group		Authority	
		2025	2024	**2025**	2024
	Note	**£m**	£m	**£m**	£m
Financial liabilities at amortised cost:					
Current trade and other payables (b)	22	**(817)**	(959)	**(691)**	(861)
Total financial liabilities at amortised cost		**(817)**	(959)	**(691)**	(861)

a) Prepayments and VAT are excluded.

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

Generally, financial assets and financial liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NDA in undertaking its activities.

The Group has a small number of Euro-denominated contracts which are not significant to the Financial Statements of the Group. This small currency risk is nonetheless still mitigated through the use of forward currency contracts placed with the Government Banking Service. The currency risk arising from overseas operations within the group is negligible.

The Group is not exposed to any significant level of interest rate risk due to the absence of any commercial borrowings in its Statement of Financial Position.

The Group is exposed to a low level of price risk in respect of its sales of electricity generated by the Maentwrog plant, which is mitigated by the trading strategy employed. The Group is exposed to price risk in respect of purchases of electricity and gas which is mitigated by purchasing arrangements which limit the Groups exposure. Due to the pricing structure and historical nature of reprocessing contracts, there is no significant exposure to price risk.

There is no significant exposure of the Group to liquidity risk due to the nature of its funding arrangement with DESNZ.

The NDA is required to place deposit deeds as collateral in respect of certain energy trading costs incurred. The collateral is included within current trade and other receivables in both the Authority and Group Statement of financial Position. The value at the 31st March 2025 was less than £1 million (2024: less than £1 million). The risk of loss associated with these deposits is considered to be minimal.

In addition to this, a letter of credit is issued by a commercial bank on the NDA's behalf in favour of a certain supplier, with respect to energy trading costs. This does not give rise to a financial asset in the accounts of the NDA Authority or Group.

Annual accounts continued

17. Financial Risk Management

The NDA is financed by a combination of government funding and commercial activities, and as such is not exposed to the degree of financial risk faced by other business entities. Consequently, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. It does however experience some degree of risk due to the variability of commercial income.

The NDA applies for funding as part of the UK Government Spending Review. This sets the annual expenditure limit net of the NDA's commercial income, derived largely from reprocessing and spent fuel and waste management contracts. The NDA is required to prioritise and allocate funding to deliver the required programme of work within this net limit, whilst mindful of the potential vulnerability of commercial income to plant breakdown. This is achieved through the use of an extensive reporting and control mechanism, which supports a portfolio based approach to managing the opportunities and risks within both the expenditure and commercial income. The approach has enabled the NDA to consistently control net expenditure within the prescribed limits set by the funding regime.

Commodity price risk

Commodity price risk is the risk or uncertainty arising from possible price movements and their impact on the commercial income and therefore ultimately on the funding requirements of the NDA.

The risk to NDA in relation to electricity and gas prices continues to be significant and is mitigated by forward purchasing of electricity where appropriate as well as a price cap arrangement. Electricity and gas purchased through these arrangements are deemed to be for NDA's own use and therefore does not fall within the scope of IFRS 9.

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the NDA. This risk is managed through ongoing monitoring of the aging of receivables (for which expected credit loss impairments have been made under IFRS 9). The Authority's contracts are almost entirely reprocessing and spent fuel and waste management contracts, for which NDA is not taking on any new customers.

18. Other investments

	NDA Group		Authority	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Bank deposits	**82**	92	**-**	-
Managed investments	**463**	404	**-**	-
	545	496	**-**	**-**

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

19. Finance lease receivables

	NDA Group		Authority	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Amounts receivable under finance leases:				
Not later than one year	**2**	2	**4**	4
Later than one year and not later than five years	**6**	6	**14**	12
Later than five years	**164**	166	**192**	189
	172	174	**210**	205
Less: unearned finance income	**(126)**	(128)	**(139)**	(132)
Present value of minimum lease payments receivable	**46**	46	**71**	73
Less: expected credit loss	**(2)**	(2)	**(2)**	(2)
Present value of minimum lease payments receivable after expected credit loss	**44**	44	**69**	71
of which:				
Current	**1**	1	**2**	3
Non-Current	**43**	43	**67**	67
	44	44	**69**	70
Amounts receivable under finance leases:				
Not later than one year	**1**	1	**2**	3
Later than one year and not later than five years	**5**	6	**9**	10
Later than five years	**38**	37	**58**	57
Present value of minimum lease payments receivable	**44**	44	**69**	70

The finance lease receivable relates to:

a) Land and buildings of the Springfields Fuels operation which was disposed of to Westinghouse Electric UK Holdings Limited by way of a 150 year lease on 1 April 2010. The interest rate inherent in the lease was fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 3.50% per annum; and

b) Certain land and buildings of the Capenhurst site which were disposed of to Urenco UK Ltd on 29 November 2012 by way of a combination of freehold and leasehold sales. The interest rate inherent in the lease was fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 3.50% per annum.

c) Various office buildings sub-leased to Operating Companies within the NDA Group. These are treated as an inter-group sub-lease and are eliminated in the Group figures. These leases have a remaining term of between 1 and 19 years.

The maximum exposure to credit risk of the finance lease receivable is the carrying amount. The Authority has assessed its expected credit loss on finance lease receivables as at the reporting date and determined that all amounts owed by parties outside of the NDA Group are assessed to have an expected credit loss of 5%.

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20. Trade and other receivables

	NDA Group		Authority	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Non-Current:				
Prepayments	**30**	30	**30**	30
Other receivables	**9**	14	**35**	38
Non-current trade and other receivables	**39**	44	**65**	68
Current:				
Trade receivables	**71**	56	**62**	54
Receivables from the Consolidated Fund	**14**	-	**14**	-
Accrued income	**141**	54	**136**	54
Other receivables	**6**	6	**1**	8
Prepayments	**54**	42	**6**	7
VAT	**129**	136	**125**	135
	415	294	**344**	258
Less: provision for expected credit loss	**(3)**	(4)	**(3)**	(5)
Current trade and other receivables	**412**	290	**341**	253

Non-current other receivables include lump sum payments made under early retirement arrangements to individuals working for subsidiaries who have retired early, or who have accepted early retirement, before 31 March 2025. These payments are refundable to the NDA from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age.

Provision for expected credit loss

The Authority has assessed its expected credit loss on trade and other receivables as at the reporting date as follows:

- Amounts owed by UK Government departments are considered to have no expected credit loss, in accordance with FReM.
- Amounts owed by entities in the NDA estate (subsidiaries and site licence companies) are considered to have no expected credit loss, based on the Authority's knowledge of the financial position and future operations of each company.
- Amounts owed by all other entities have been subject to a probability weighted assessment based in the outcomes of default and no default.

Amounts past due (following table) include amounts owed by government departments, other NDA estate entities and other entities considered relatively low risk by the NDA, therefore the overall expected credit loss risk for these sums is assessed as being relatively low.

The assessment of expected credit loss on trade and other receivables in the reporting period resulted in a reduction in the impairment value of £1 million, see note 8 (2024: impairment charge of less than £1 million).

Ageing of current trade receivables:

	NDA Group			Authority
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
NDA Group and Authority				
Neither impaired nor past due	**66**	31	**57**	25
Past due:				
within 30 days	**3**	4	**3**	5
31 to 60 days	**-**	2	**-**	3
61 to 90 days	**-**	7	**-**	8
91 to 120 days	**-**	-	**-**	1
Over 120 days	**1**	13	**2**	13
Total	**70**	57	**62**	55

21. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with an original maturity of three months or less, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

			2025			2024
	Cash	**Cash Equivalents**	**Total**	Cash	Cash Equivalents	Total
NDA Group	**£m**	**£m**	**£m**	£m	£m	£m
Balance at 1 April	**269**	**127**	**396**	226	5	231
Net change	**(5)**	**(38)**	**(43)**	43	122	165
Balance at 31 March	**264**	**89**	**353**	269	127	396
Balances at 31 March were held at:						
Commercial banks	**138**	**89**	**227**	101	127	228
Government banking service	**126**	**-**	**126**	168	-	168
	264	**89**	**353**	269	127	396

	Cash	**Cash Equivalents**	**Total**	Cash	Cash Equivalents	Total
Authority	**£m**	**£m**	**£m**	£m	£m	£m
Balance at 1 April	**146**	**-**	**146**	112	-	112
Net change	**(18)**	**-**	**(18)**	34	-	34
Balance at 31 March	**128**	**-**	**128**	146	-	146
Balances at 31 March were held at:						
Commercial banks	**2**	**-**	**2**	3	-	3
Government banking service	**126**	**-**	**126**	143	-	143
	128	**-**	**128**	146	-	146

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22. Trade and other payables

	NDA Group		Authority	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Current:				
Trade payables	**100**	152	**297**	358
Receipts to surrender to Consolidated Fund	**-**	136	**-**	136
Other payables	**103**	93	**-**	-
Accruals	**614**	578	**394**	367
	817	959	**691**	861
Other taxes and social security	**85**	84	**1**	3
Payments received on account	**666**	762	**659**	758
Deferred income	**6**	7	**2**	5
Current trade and other payables	**1,574**	1,812	**1,353**	1,627
Non-Current:				
Payments received on account	**1,441**	1,261	**1,441**	1,261
Other payables	**10**	9	**-**	-
Non-current trade and other payables	**1,451**	1,270	**1,441**	1,261

Movement on gross payments received on account	NDA Group		Authority	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Balance at 1 April per accounts	**5,338**	5,628	**5,333**	5,624
Revalorisation	**169**	236	**169**	236
Cash received	**231**	265	**231**	265
Released to income	**(873)**	(791)	**(875)**	(791)
Balance at 31 March	**4,865**	5,338	**4,858**	5,334
Gross payments received on account at 31 March	**4,865**	5,338	**4,858**	5,334
Deduction of recoverable contract costs (see note 13)	**(2,758)**	(3,315)	**(2,758)**	(3,315)
Net payments received on account at 31 March	**2,107**	2,023	**2,100**	2,019
of which:				
Current	**666**	762	**659**	758
Non-current	**1,441**	1,261	**1,441**	1,261
	2,107	2,023	**2,100**	2,019

Trade and other payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The NDA has procedures in place to ensure that all payables are paid within the pre-agreed credit terms.

Payments received on account relate to amounts which customers have paid for the provision of services under long-term contracts. These payments will be recognised as income when the services are provided. Payments received on account are shown net after deduction of any applicable recoverable contract costs (see note 13). Payments on account not yet recognised as revenue are adjusted for inflation each year (known as revalorisation).

Payments on account balances are deemed contract liabilities under IFRS 15.

23. Finance lease payables

The NDA Group as lessee

For any new contracts entered into, the Authority considers whether a contract is, or contains a lease based on the following criteria

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Authority.
- The Authority has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Authority has the right to direct the use of the identified asset throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Authority recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Authority, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Authority depreciates the right-of-use assets on a straight-line basis over the life of the lease. The Authority also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Authority measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate as dictated by HM Treasury.

Subsequent to initial measurement, the liability will be reduced for payments made and increased to reflect the unwinding of the discount rate. It is remeasured to reflect any reassessment or modification, or if there are changes in fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset.

The Authority has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an operating expense in the SOCNE on a straight-line basis over the lease term.

With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a Right of Use Asset and a Lease Liability. Right of Use assets and the underlying asset class to which they relate are shown at note 11.

The lease term determined by the Authority comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Authority is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Authority is reasonably certain not to exercise that option.

The Group has entered into commercial leases for land and buildings; motor vehicles; locomotives / rolling stock; and plant and equipment. These lease terms range from 1 to 25 years.

Each lease generally imposes a restriction that, unless there is a contractual right for the Authority to sublet the asset to another party, the right-of-use asset can only be used by the Authority. Leases are either non-cancellable or may only be cancelled by incurring a termination fee. The Authority is prohibited from selling or pledging the underlying leased assets as security. In general leases dictate that the authority must keep those assets in a good state of repair and return the assets in their original condition at the end of the lease allowing for normal wear and tear.

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The undiscounted maturity analysis of lease liabilities as at 31 March 2025 is as follows:

	NDA Group		Authority	
	2025	2024	**2025**	2024
Amounts payable under finance leases:	**£m**	£m	**£m**	£m
Not later than one year	**24**	22	**6**	4
Later than one year and not later than five years	**52**	45	**22**	13
Later than five years	**28**	16	**44**	31
Total cash payments	**104**	83	**72**	48
Less amount representing interest	**(16)**	(9)	**(19)**	(8)
Present Value of lease liability	**88**	74	**53**	40
of which:				
Current	**21**	21	**4**	3
Non-Current	**67**	53	**49**	37
	88	74	**53**	40
Depreciation charged on right of use assets during the year (also shown at note 11)	**24**	31	**1**	1
Expenses relating to short-term leases	**(2)**	(1)	**-**	-
Interest expense on lease liabilities	**(4)**	(2)	**(1)**	(1)
Total cash outflow for leases	**(32)**	(32)	**(5)**	(5)
of which low value or short term	**(2)**	(1)	**-**	-
Income from sub-leasing	**4**	3	**3**	3

24. Nuclear provisions

The financial statements include provisions for the NDA's obligations in respect of nuclear liabilities, being the costs associated with the nuclear decommissioning of designated sites. These are the licensed nuclear sites designated to the NDA by the Secretary of State under powers provided by the Energy Act 2004 and operated by the SLCs. These provisions are based on the latest assessments of the processes and methods likely to be used in the future, and represent best estimates of the amount required to discharge the relevant obligations. The NDA's obligations are reviewed on a continual basis and provisions are updated accordingly.

Where some or all of the expenditure required to settle a provision is expected to be recovered from a third party, in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', the recoverable amount is treated as a non-current asset. Provision charges in the Statement of Comprehensive Net Expenditure are shown net of changes in the amount recoverable from customers. Provision changes are accounted for in the year in which they arise.

The nuclear provision and recoverable balances are expressed at current price levels and are discounted in accordance with HM Treasury guidance, which determines a nominal discount rate, and recommends (in what is termed a rebuttable presumption) an implied inflation rate based on forecasts of Consumer Price Index (CPI) inflation made by the Office of Budget Responsibility (OBR). Reporting entities are able to select and apply an implied inflation rate which differs from the recommended rate where this can be demonstrated to be clearly more applicable to the underlying nature of the entity's cash flows.

The Authority has determined that, based on inflation experienced in its cash flows in recent years and future expectations, the implied inflation rate recommended by HM Treasury is appropriate for use in calculating its provisions.

The rates applied in the 2024/25 accounts are shown in the table below (rates per annum).

Provision movement expenditure in the Statement of Comprehensive Net Expenditure includes the adjustments necessary to unwind one year's discount and restate the liabilities to current price levels. The movement also includes the adjustments arising from the change in discount rates described above.

		Nominal discount rate %	Implied inflation rate %	Real terms discount rate %	Equivalent rate in 2023/24 %
Short term (year 1)		4.03	2.60	1.43	0.66
Short term (year 2)		4.03	2.30	1.73	2.46
Short term (years 3 - 5)		4.03	2.00	2.03	2.26
Medium term (years 6 - 10)		4.07	2.00	2.07	2.03
Long term (years 11 - 40)		4.81	2.00	2.81	2.72
Very long term (years 41 onwards)		4.55	2.00	2.55	2.40

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

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

24. Nuclear provisions continued

Nuclear provision estimate at the reporting date

	NDA Group		Authority	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Balance at 1 April	**105,256**	124,395	**105,250**	124,371
Provided in year (a), charged to:				
Statement of Comprehensive Net Expenditure (note 7)	**6,415**	(16,523)	**6,415**	(16,523)
Recoverable contract costs (b) (note 13)	**(136)**	(33)	**(136)**	(32)
Unwind of discount (c), charged to				
Statement of Comprehensive Net Expenditure (note 7)	**2,507**	1,361	**2,507**	1,361
Recoverable contract costs (b) (note 13)	**58**	29	**58**	29
Decommissioning costs utilised in year (d) (note 7)	**(3,697)**	(3,588)	**(3,697)**	(3,588)
Recoverable contract costs released in year (b) (note 13)	**(302)**	(368)	**(302)**	(368)
Provision changes impacting PPE (e) (note 11)	**-**	(17)	**-**	-
Total change in provision	**4,845**	(19,139)	**4,845**	(19,121)
Balance at 31 March	**110,101**	105,256	**110,095**	105,250
of which:				
Current	**4,291**	4,021	**4,291**	4,021
Non-current	**105,810**	101,235	**105,804**	101,229
	110,101	105,256	**110,095**	105,250

(a) Changes in cost estimates provided in year

	NDA Group	
	2025	2024
	£m	£m
Increase due to inflation	**3,574**	6,481
(Decrease) due to change in discount rates	**(2,211)**	(32,852)
Increase due to changes in underlying cost estimates	**4,917**	9,815
Total change in estimate	**6,279**	(16,556)
of which charged to:		
Statement of Comprehensive Net Expenditure	**6,415**	(16,523)
Recoverable Contract Costs	**(136)**	(33)

The estimated increased related to changes in price levels (£3,574 million) equated to approximately 3.4% of the opening balance value.

Major changes in the underlying cost estimate applied in the reporting period included:

- a further reduction in the forecast of efficiency savings at Sellafield producing an increase in the overall provision.
- reviews and resulting increases in the costs of major projects at Sellafield.
- incorporation of revised cost estimates for the management of plutonium, reflecting the recent policy announcement made by the UK Government.

(b) Recoverable Contract Costs

The NDA has commercial agreements in place under which a portion of the expenditure required to settle certain elements of the nuclear provision are recoverable from third parties. Changes in the future cost estimates of discharging those elements of the Nuclear Provision are therefore matched by a change in future recoverable contract costs. In accordance with IAS 37, these recoverable amounts are not offset against the nuclear provision but are treated as a separate asset. The amount recoverable at 31 March 2025 (NDA Group and Authority) is £2,484 million (2024: £2,861 million) – the 'future costs' balance in note 13.

(c) Unwind of discount

The discount implicit in recognising nuclear provisions is unwound over the life of the provisions, with the impact of the unwind of one years' discount shown in adjustments to provisions in the Statement of Comprehensive Net Expenditure at £2,507 million (2024: £1,361 million) and reflected in the change in value of the recoverable contract costs at £58 million (2024: £29 million).

(d) Release from provision

The amount provided for the year is based on an estimate of the Authority's expenditure in fulfilling its decommissioning liabilities in the period. The Authority's total expenditure (described in the Financial Summary on pages 124 to 125) totalled £4,145 million (2024: £3,995 million) and differs from the amount provided in the year for the following reasons:

- Certain categories of expenditure including the Authority's running costs, some commercial costs and those costs accounted for in other provisions are excluded from the nuclear provision.
- Actual expenditure on fulfilling the decommissioning liabilities in the year may differ from the initial estimate used in the provision due to variances in cost and schedule.

Further information on the Authority's financial performance in the reporting period is shown in the Financial Review on pages 12 to 13 and in the Financial Summary on pages 124 to 125. Further information on the Group's progress against mission progress outcomes is shown on pages 30 to 37 and information on performance against group key targets and key activities shown on pages 192 to 207.

Expenditure on fulfilling the Authority's decommissioning liabilities includes the creation of buildings, plant and equipment for use in future periods. The Authority recognises such items as property plant and equipment where they are deemed to generate material economic benefits through their use in income generating activities. The Authority's criteria for recognition and the resulting additions of non current assets are detailed in note 11. In the reporting period assets which generate material economic benefits were created by the Authority only at the Sellafield site.

In the reporting period expenditure on buildings, plant and equipment at the Sellafield site totalled £837 million (2024: £863 million), all of which was incurred on buildings, plant and equipment which were created primarily to fulfil the Authority's decommissioning liabilities, and therefore did not meet the criteria for recognition as property plant and equipment as set out in note 11. This amount was charged to the Statement of Comprehensive Net Expenditure and the estimated cost previously provided was released from the nuclear provision.

(e) Changes in value of decommissioning asset balances

Changes in the estimated future cost of decommissioning, related to commercial property, plant and equipment, are offset by matching changes in the value of the IAS 37 property, plant and equipment asset. A decrease of less than £1 million was recognised in the year (2024: decrease of £17 million). Effect of applying discounting and sensitivity to different discount rates The effect of applying discounting to the nuclear provision value is to reduce the provision, due to the real term discount rates being positive.

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24. Nuclear provisions continued

	NDA Group	
	2025	2024
	£m	£m
Undiscounted value of the nuclear provision	**215,954**	198,898
Effect of applying discounting	**(105,853)**	(93,642)
Discounted value of the nuclear provision	**110,101**	105,256
Value if discount rates were 0.5% higher	***99,449***	*94,997*
Value if discount rates were 0.5% lower	***121,629***	*116,234*

Nuclear provision - segmental analysis and timing

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

	Sellafield	NRS	NWS	NTS	2025 Total	2024 Total
	£m	**£m**	**£m**	**£m**	**£m**	£m
Opening balance	**73,523**	**24,097**	**7,570**	**66**	**105,256**	124,395
Unwind of discount	1,800	576	188	2	2,566	1,390
Released in year	(3,077)	(747)	(175)	-	(3,999)	(3,956)
Discount rate change	(1,451)	(578)	(184)	-	(2,213)	(32,852)
Inflation	2,391	930	250	2	3,573	6,481
Changes in cost estimate	4,914	-	-	4	4,918	9,798
Closing balance	**78,100**	**24,278**	**7,649**	**74**	**110,101**	105,256

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

	Sellafield	NRS	NWS	NTS	2025 Total
	£m	**£m**	**£m**	**£m**	**£m**
Opening balance	**135,508**	**47,513**	**15,797**	**80**	**198,898**
Net movements	15,653	1,059	337	7	17,056
Closing balance	**151,161**	**48,572**	**16,134**	**87**	**215,954**

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

	Sellafield	NRS	NWS	NTS	2025 Total	2024 Total
	£m	**£m**	**£m**	**£m**	**£m**	£m
Within 1 year	**3,131**	**983**	**178**	**-**	**4,292**	4,019
2-5 years	**11,540**	**3,234**	**982**	**12**	**15,768**	15,645
6-20 years	**34,785**	**8,888**	**3,280**	**62**	**47,015**	43,609
21-50 years	**21,263**	**8,545**	**2,298**	**-**	**32,106**	31,717
After 50 years	**7,384**	**2,625**	**911**	**-**	**10,920**	10,266
Total NDA Group	**78,103**	**24,275**	**7,649**	**74**	**110,101**	105,256

Critical accounting judgements and key sources of estimation uncertainty

The nuclear provision represents the best estimate of the costs of delivering the NDA objective of decommissioning the plant and equipment on each of the designated nuclear licensed sites and returning the sites to pre-agreed end states in accordance with the published strategy. This programme of work will take until 2137. The estimates are necessarily based on assumptions of the processes and methods likely to be used to discharge the obligations, reflecting a combination of the latest technical knowledge available, the requirements of the existing regulatory regime, government policy and commercial agreements. Given the very long timescale involved, and the complexity of the plants and material being handled, considerable uncertainty remains in the cost estimate particularly in the later years.

In preparing the best estimate of the provision required to settle the NDA obligations, it is recognised that there remains a significant degree of inherent uncertainty in the future cost estimates. Should outcomes differ from assumptions in any of the following areas, this may require a material adjustment to the carrying amount of the Nuclear Provision and related assets and liabilities.

As part of the preparation of the financial statements, the principal assumptions and sensitivities for the cost estimates have been updated and reviewed by the NDA Executive and, where appropriate, updates to the estimates have been made to reflect changed circumstances and more recent knowledge. The key aspects of the basis of estimate are set out below:

General

Management recognises that the outcome of phase 2 of the most recent UK Government Spending Review (announced in Parliament on 11 June 2025) may impact the scope, timing and cost of the work involved in fulfilling the Authority's mission, and that these impacts may result in changes to the nuclear provision. No adjustment to the nuclear provision has been made in these financial statements in respect of the impact of phase 2 of the Spending Review settlement. The impacts and any resulting changes will be considered in determining the nuclear provision for the next reporting date (31 March 2026).

General - Key Assumptions	**General - Key Uncertainties**
The following key assumptions apply to all components of the estimate: • The nuclear provision estimate for each reporting segment is based initially on the lifetime plan for each site or programme of work managed within the segment, with specific adjustments as required by the nature of each site or programme to ensure that the estimate is kept up to date and compliant with accounting requirements. • The site lifetime plans and equivalent figures are based on P50 estimates, meaning there is a 50% probability of the outcome being either under or over the estimate. While alternative bases of estimate could be used, the P50 basis is believed by management to produce a representative single point estimate for disclosure in the financial statements. Alternative calculation techniques may produce materially different results. • The nuclear provision estimate is stated in money values at the reporting date. The site lifetime plans are stated in mid-year money values (namely the September preceding the reporting date). The Authority applies an inflationary adjustment to produce the estimate as at the reporting date. The adjustment is based on the change in price levels specific to each component of the estimate where this is known or can be reasonably estimated. • The nuclear provision estimate is discounted using discount rates published by HM Treasury each year. The Authority applies discounting on a mid-year basis to reflect the nature of its expenditure, namely that it occurs throughout each reporting period rather than at the end of each reporting period.	The following key uncertainties apply to all components of the estimate • Potential changes in the NDA funding profile, requiring adjustments to expenditure across the estate to ensure the right balance between addressing high risk, hazard and affordability. This includes changes arising from economic conditions or changes in funding resulting from the UK Government Spending Review. • The length of time over which the necessary programme of work will be delivered – stretching out to 2137. • Interdependencies between programmes of work both within SLCs and across SLC boundaries. • Uncertainty over future government policy positions and potential regulatory changes. • Possible technological advances which may occur which could impact the work to be undertaken to decommission and clean up the sites.

Annual accounts continued

24. Nuclear provisions continued

Sellafield

The key activities of the Sellafield site include:

- concluding reprocessing of spent fuels and associated waste management
- retrieving and ensuring safe storage of wastes from legacy facilities
- interim storage of spent fuel, wastes and other materials before transfer to the GDF
- decommissioning and demolition of facilities; and
- site management and support activities.

The nuclear provision estimate for Sellafield is based on the site lifetime plan which is updated annually for changes in price levels, other changes in cost estimates and strategic or operational changes. The estimate also reflects cost estimate changes which have not yet been applied to the site lifetime plan but are expected to be applied in future (for example plutonium management costs and recently agreed strategic changes which have not yet been reflected in the plan) and accounting changes (for example the exclusion of costs which are not NDA's direct liabilities).

In addition, the nuclear provision assumes the achievement of efficiencies and other cost savings at Sellafield which reduce the initial lifetime cost estimate of £79 billion (discounted) by approx. £1.2 billion. The savings are anticipated to be delivered by efficiency and productivity initiatives at Sellafield across the life of its mission, with initiatives currently at early stages and expected to achieve maturity from 2027 onwards.

Management reassesses the savings annually to ensure they continue to be deliverable. As part of this annual assessment, savings have been adjusted where they have been reflected elsewhere in the provision or are no longer considered deliverable. Reductions in assumed savings during the year relate to:

- Updates to the assumptions in the baseline provision to reflect savings from changes in employee terms and conditions made in 2016. As a result, these savings no longer require separate recognition.
- A reassessment of the originally expected benefits which relate to changes to employee terms and conditions made during 2024/25 which reduce the expected longer-term benefits.
- A review of the expected savings to ensure their recognition meets the criteria for inclusion in the nuclear provision. Whilst management has made progress towards the committed lifetime saving, the evidence to date does not meet the criteria for inclusion in the nuclear provision.
- Reductions in other savings to reflect management's best estimate of delivery.

Further reductions in estimated savings are anticipated as the baseline assumptions of the provision reflect more detailed plans. Based upon the information currently available, management concludes that the provision represents their best estimate of the likely decommissioning costs at the date of signing these financial statements.

Sellafield - Key Assumptions	**Sellafield - Key Uncertainties**
The nuclear provision estimate for Sellafield is based on the following key assumptions: • The conclusion of the treatment of wastes arising from reprocessing at Sellafield by 2038. • The conclusion of the retrieval, packaging and transition to interim storage of wastes from legacy ponds and silos at Sellafield by 2046. • The safe interim storage of wastes at Sellafield and other sites until such time that waste transfers to the Geological Disposal Facility can be concluded. In some cases further treatment of wastes and other material is required before transfer to the facility. • The availability of a Geological Disposal Facility by 2050 and the transfer of wastes to the Facility for final storage by 2120. • The treatment of nuclear materials allowing for final disposition by 2120. • The estimate is based on multiple individual estimates of the costs of programmes, projects and site management which extend into the very long term. The estimate additionally assumes the achievement of efficiencies and other cost savings against these initial cost estimates, currently projected at approximately 1.5% of the gross initial estimate. • The UK Government has confirmed its policy decision to immobilise the UK's inventory of civil separated plutonium at Sellafield. The NDA group will continue progressing research and development work to identify the preferred technology for immobilisation, and will seek approval for a major programme on plutonium disposition, requiring a nuclear material processing plant and interim storage capability to be built at Sellafield. The NDA's current estimate of the likely costs of the preferred policy has been included in the provision.	The major areas of uncertainty in the estimate for Sellafield are: • The costs of building, operating and decommissioning facilities may materially differ from those assumed in the estimate. • The estimate assumes the future achievement of efficiencies and other cost savings which are currently uncertain. • The date at which the Geological Disposal Facility is available to receive waste, and the rate of transfer of wastes from the sites to the facility, may increase the costs of interim storage on the sites. • The estimate assumes the development of future technological solutions for waste management and decommissioning, the extent and timing of which are currently uncertain. • A lack of detailed information on the design of the Legacy Ponds and Silos at Sellafield and the exact quantities and chemical composition of the historical wastes held in them, resulting in potential significant uncertainty in both the process and costs of dealing with these materials.

Nuclear Restoration Services

Following the conclusion of electricity generation at the former Magnox sites and the successful conclusion of the de-fuelling programme the key activities of the sites now include interim storage of wastes before transfer to the GDF; decommissioning and demolition of facilities; and site management and support activities.

The nuclear provision estimate for Nuclear Restoration Services is based on management's preferred strategy for decommissioning the sites, in which a rolling decommissioning approach is used to clear each site in sequence, with the last site reaching final site clearance in 2110. In accordance with the Scottish Waste policy the two former Magnox sites in Scotland will continue to manage waste locally after this date. For the purposes of the nuclear provision, the liability estimate for the former Magnox sites is capped at 2110.

The Nuclear Restoration Services segment includes the Dounreay site.

Nuclear Restoration Services - Key Assumptions	Nuclear Restoration Services- Key Uncertainties
The nuclear provision estimate for Nuclear Restoration Services is based on the following key assumptions: • The rolling decommissioning of all former Magnox sites with the last site to achieve final site clearance by 2110 • The provision estimate for Nuclear Restoration Services is curtailed at 2110, in line with the final site clearance required in NDA's current mission. On-site waste storage may continue at Scottish sites thereafter at a relatively small (before discounting) annual cost.	The major areas of uncertainty in the estimate for Nuclear Restoration Services are: • The availability of funding to support the rolling decommissioning approach for former Magnox sites • The rate of progress in decommissioning of facilities and variances from the assumed cost of decommissioning.

Nuclear Waste Services

The activities of the Nuclear Waste Services division include the planning, construction and operation of the Geological Disposal Facility (GDF), the operation of the Low Level Waste Repository (LLWR) and the management of residual liabilities at the former NDA sites of Springfields and Capenhurst. The GDF will be the permanent disposal facility for wastes which are currently held at nuclear licensed sites in England and Wales.

The nuclear provision estimate for Nuclear Waste Services is based on the lifetime cost estimate for the GDF, using generic assumptions as to the location and geological circumstances of the site (the location of which is not yet determined). The estimate also includes the costs of the LLWR which are not otherwise included in other sites' lifetime plans (namely legacy remediation and site decommissioning programmes). The estimate includes the current estimate of future programmes at the Springfields and Capenhurst sites for which NDA retains liability.

Nuclear Waste Services - Key Assumptions	Nuclear Waste Services- Key Uncertainties
The nuclear provision estimate for the GDF is based on the following key assumptions: • Generic assumptions as to the location and geological circumstances of the facility • Commencement of the construction of the facility in 2040 • The availability of a Geological Disposal Facility by 2050 and the transfer of wastes to the facility for final storage by 2125	The major areas of uncertainty in the estimate for GDF are: • The achievement of the assumed operational start date of the facility (of 2050), which may also impact the estimates in other components of the nuclear provision because of the potential additional on-site storage costs. • The costs of building and operating the facility may materially differ from those assumed in the estimate, due to factors associated with siting and geological conditions, potential delays, as well as general variations from current cost estimates.

Annual accounts continued

24. Nuclear provisions continued

Nuclear Transport Services

The Nuclear Transport Solutions division manages specific liabilities for the decommissioning of assets currently used in transportation of nuclear materials. The provision estimate is based on current estimates of the future decommissioning costs arising at the end of the assets' respective operating lives.

Sensitivity

The NDA calculates its provision based on management's best estimate of the future costs of the decommissioning programme, which is expected to take until 2137 to complete. The NDA also considers credible risks and opportunities which may increase or decrease the cost estimate, but which are deemed less probable than the best estimate. These are the basis of the sensitivities identified below, which are illustrative estimates of potential upper and lower outcomes, but which do not measure the probability associated with those outcomes.

Component and key sensitivities	Lower end of range	Upper end of range
Sellafield: Principal sensitivities relate to the cost of delivering the plan, particularly the costs of new construction, decommissioning and post operational clean out (POCO) work in the long-term (beyond the next twenty years).	£7,162 million reduction (50% reduction in the costs of the most uncertain elements of expenditure beyond the first 20 years)	£42,969 million increase (300% increase in the costs of the most uncertain elements of expenditure beyond the first 20 years)
Nuclear Restoration Services: Principal sensitivities relate to the required duration and cost of decommissioning, and the consequential impact on the costs of long-term management of the sites.	£2,417 million reduction (10% variance in costs)	£2,417 million increase (10% variance in costs)
Nuclear Waste Services (costs of GDF): Key sensitivities are in the timing and costs of constructing and operating the GDF, dependent on the location and construction requirements of the facility.	£1,437 million reduction (50% reduction in the costs of the most uncertain elements of expenditure beyond the first 20 years)	£8,621 million increase (300% increase in the costs of the most uncertain elements of expenditure beyond the first 20 years)
Nuclear Waste Services (other services): Key sensitivities are in the timing and costs of completing waste management operations and decommissioning work, at the LLW Repository, Springfields and Capenhurst.	£188 million reduction (10% variance in costs)	£94 million (5% variance in costs)
Nuclear Transport Solutions): Key sensitivities are in the and cost estimates for the decommissioning of transport assets.	£7 million reduction (10% variance in costs)	£3 million increase (10% variance in costs)
Total	**£11,211 million reduction**	**£54,104 million increase**

Key sensitivities currently not quantified

In addition to the specific sensitivities and uncertainties described above:

- Management has identified a risk that the construction and opening of the GDF may be delayed beyond 2050 (see the Governance Statement on page 77). A delay may increase the cost of the facility itself, along with the cost of interim storage of waste at sites across the NDA group. A delay of a small number of years is within the overall tolerance of the estimate for GDF construction and waste transfer, and is not considered to have a material impact on the provision estimate.

25. Other provisions

				2025				2024
NDA Group	**Restructuring (a) £m**	**Contract loss (b) £m**	**Other (c) £m**	**Total £m**	Restructuring (a) £m	Contract loss (b) £m	Other (c) £m	Total £m
Balance at 1 April	**46**	**14**	**51**	**111**	50	17	54	121
Provided in year	**1**	**24**	**(2)**	**23**	1	3	(3)	1
Released in year	**(6)**	**(4)**	**-**	**(10)**	(6)	(6)	-	(12)
Unwind of Discount	**1**	**-**	**-**	**1**	1	-	-	1
Balance at 31 March	**42**	**34**	**49**	**125**	46	14	51	111
Amount deducted from recoverable contract costs (note 13)	**-**	**(21)**	**-**	**(21)**	-	(14)	-	(14)
Net balance at 31 March	**42**	**13**	**49**	**104**	46	-	51	97
of which:								
Current				**12**				7
Non-current				**92**				89
				104				96

				2025				2024
Authority	**Restructuring (a) £m**	**Contract loss (b) £m**	**Other (c) £m**	**Total £m**	Restructuring (a) £m	Contract loss (b) £m	Other (c) £m	Total £m
Balance at 1 April	**46**	**14**	**-**	**60**	50	17	-	67
Provided in year	**1**	**24**	**-**	**25**	1	3	-	4
Released in year	**(6)**	**(4)**	**-**	**(10)**	(6)	(6)	-	(12)
Unwind of Discount	**1**	**-**	**-**	**1**	1	-	-	1
Balance at 31 March	**42**	**34**	**-**	**76**	46	14	-	60
Amount deducted from recoverable contract costs (note 13)	**-**	**(21)**	**-**	**(21)**	-	(14)	-	(14)
Net balance at 31 March	**42**	**13**	**-**	**55**	46	-	-	46
of which:								
Current				**10**				6
Non-current				**45**				40
				55				46

(a) Restructuring provisions have been recognised to cover continuing annual payments to be made under early retirement arrangements to individuals working for subsidiaries who retired early, or had accepted early retirement, before 31 March 2025. These payments include those made to the date at which the recipients would have reached normal retirement age, and those which continue for the remainder of the recipients' lives. The provision is calculated using UK life expectancy estimates published by the Office of National Statistics and is subject to the uncertainty inherent in those estimates. A variance from the life expectancy estimate of one year would increase or decrease the future cash flows by approximately £3 million (discounted). Lump sums paid to individuals on retirement are held as receivables (included in note 20), since they are refundable to the NDA from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age.

(b) Contract loss provisions have been recognised to cover the anticipated shortfall between total income and total expenditure on relevant long-term contracts. The above balances are shown net after deduction from any applicable recoverable contract costs (see note 13). The amount provided in the year for the contract loss provision relates to changes in estimates of the costs of existing contracts.

(c) includes provisions for potential insurance claims and maintenance requirements.

26. Other Financial Commitments

The Authority has entered into various contracts (which are not leases, PFI contracts or other service concession arrangements) with early exit costs and / or minimum notice periods. Future payments to which the Authority is committed total £2 million pounds (2024: £9 million) all of which fall due within 1 year.

27. Retirement benefit schemes

Critical accounting judgement

The Authority has exercised judgement in determining the assets and liabilities associated with each pension scheme, including judgements as to the expected life expectancy of scheme members and the future performance of scheme investments. The principal actuarial assumptions are:

The NDA Group has a range of pension schemes including both defined contribution and defined benefit plans.

Defined contribution schemes

For defined contribution schemes the amount charged to operating costs is the contributions payable in the year.

The majority of NDA and all former RWM employees have pension benefits provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher, details are described on pages 109 to 110). Prior to that date, NDA and RWM employees participated in the Principal Civil Service Pension Scheme (PCSPS). Further information on the PCSPS and alpha pension schemes can be found within the Remuneration and People Report on pages 109 to 110.

Both alpha and the PCSPS are unfunded multi-employer defined benefit schemes in which the NDA and RWM are unable to identify their share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020 and details can be found in the resource accounts of the Cabinet Office: Civil Superannuation at http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/. The next actuarial valuation is due as at 31 March 2024. In accordance with guidance issued by HM Treasury, the Civil Service pension arrangements are accounted for as a defined contribution scheme in these financial statements.

Direct Rail Services Limited (DRS), International Nuclear Services Limited (INS), Sellafield Limited, Nuclear Restoration Services Limited (NRS) and former LLW Repository Limited (LLWR) employees joining after the closure date of their respective defined benefit scheme (see below) participate on a defined contribution basis in the Combined Nuclear Pension Plan (CNPP).

A small number of employees transferred to the NDA from INS in 2018 and continue to accrue benefits in the United Kingdom Atomic Energy Authority (UKAEA) Combined Pension Scheme (CPS). The NDA is unable to identify their share of the underlying assets and liabilities and NDA's participation in the UKAEA CPS Combined Pension Scheme is accounted for as if they were defined contribution schemes, as permitted under IAS 19.

INS employees participate in the UKAEA Combined Pension Scheme (CPS), the CNPP and for part of the year the Magnox Electric Group section of the Electricity Supply Pension Scheme (MEG ESPS). Participation in these schemes is in sections with other employers and INS is unable to identify its share of the underlying assets and liabilities. Consequently INS's participation in these schemes is accounted for as if they were defined contribution schemes, as permitted under IAS 19. INS's contributions to these schemes are assessed as part of regular actuarial valuations of those schemes and will vary in line with the funding position of the relevant scheme.

Pacific Nuclear Transport Limited (PNTL) participates in the following industry wide defined contribution schemes:

- The ENSIGN Retirement Plan; and
- The Merchant Navy Ratings' Group Personal Pension Plan (MNRGPPP).

The National Employment Savings Trust (NEST) is an auto enrolment scheme set up by the UK Government. There is a small number of NDA Group employees who have exhausted their participation in their respective pension schemes and have been auto enrolled into NEST.

The total cost charged to expenditure of £86 million (2024: £74 million) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. No contributions were outstanding at this or the previous year end.

Defined benefit schemes

The Group participates in various pension schemes which are accounted for as defined benefit schemes.

The asset recognised in the statement of financial position is the fair value of scheme assets less the present value of the defined benefit obligation at the reporting date, together with any adjustments for unrecognised past service costs. Any amounts recoverable from third parties are recognised as separate assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in operating costs to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the benefits become vested. The interest cost and the expected return on assets are shown as a net amount of interest costs.

The MEG ESPS and sections of the CNPP were reformed from 1 April 2024 and all relevant employees now accrue Career Average Revalued Earnings (CARE) pension benefits in the schemes. The final salary benefit sections closed to future accrual on 31 March 2024 but remain linked to salaries whilst members are in active service. Employees in the CNPP and MEG ESPS CARE schemes are still in a transition period with regard to employee contributions, with increases in their contributions being phased in over 3 years.

GPS DRS section of the CNPP

DRS participates in the GPS DRS section of the CNPP, a defined benefit funded pension scheme. The defined benefit structure was available to all DRS employees until 31 March 2008 when it was closed to new entrants.

Nirex section of the CNPP

The Nirex section of the CNPP is a defined benefit (final salary) funded pension scheme. The Nirex section was closed to new entrants on 1 April 2007 and has no active members.

Closed section of the CNPP

On the disposal of the Springfields Fuels operation the NDA took over direct responsibility of the pension liability within the Springfields Fuels section of the CNPP on 1 April 2010. The Closed section (formerly the Springfields Fuels Section) of the CNPP is a defined benefit (final salary) funded pension scheme. The Closed section was closed to new entrants and further accrual on 31 March 2010.

Sellafield and GPS SLC sections of the CNPP

Sellafield Limited participates in the Sellafield and GPS SLC sections of the CNPP defined benefit funded pension schemes. The defined benefit structure was available to all Sellafield Limited employees up to 24 November 2008 when it was closed to new entrants.

Magnox section of the CNPP and Magnox Electric Group section of the Electricity Supply Pension Scheme

Magnox Limited participates in the Magnox and GPS SLC sections of the CNPP and the SLC Section of the Magnox Electric Group section of the Electricity Supply Pension Scheme which is defined benefit funded pension scheme. The defined benefit structure was available to all Magnox Limited employees up to 26 June 2007 (or 1 November 2009 for former employees of Research Sites Restoration Limited) when it was closed to new entrants.

LLWR section of the CNPP

LLW Repository Limited participates in the LLWR section of the CNPP which is defined benefit funded pension scheme. The defined benefit structure was available to all LLW Repository Limited employees up to 1 April 2008 when it was closed to new entrants.

DSRL section of the CNPP

DSRL participates in the DSRL section of the CNPP which is defined benefit funded pension scheme. The defined benefit structure was available to all DSRL employees up to 1 November 2009 when it was closed to new entrants.

Merchant Navy Officers Pension Fund (MNOPF)

PNTL employees participate in the Merchant Navy Officers Pension Fund (MNOPF). The MNOPF is an industry wide defined benefit (final salary) funded pension scheme. The scheme was closed on 1 November 1996. All costs relating to 'Pacific' vessels are recoverable under contract from customers and hence a recoverable amount is recognised to offset the related pension scheme deficit.

Merchant Navy Ratings Pension Fund (MNRPF)

PNTL employees participate in the Merchant Navy Ratings Pension Fund (MNRPF). The MNRPF is an industry wide defined benefit (final salary) funded pension scheme. The scheme was closed on 31 May 2001. The liabilities of the scheme have been capped at the level of benefits accrued to employees at the closure date, subject to adjustment for future actuarial valuations. All costs relating to 'Pacific' vessels are recoverable under contract from customers and hence a recoverable amount is recognised to offset the related pension scheme deficit.

In relation to the CNPP and Magnox Electric Group section of the Electricity Supply Pension Scheme it is noted that:

- The schemes are sectionalised and individual sections cannot be liable for any other sections' obligations under the rules of the schemes;
- There is no agreed allocation of any surplus or deficit should a participating employer withdraw from the schemes or on wind up. In such an event the participating employer's obligations would be subject to negotiation with the scheme trustee in light of the funding position of the scheme at that time;
- The aggregate average duration of the CNPP obligation is 16 years (2024: 18 years), although this differs slightly by section. For those sections within NDA Authority, the aggregate average duration is 13 years (2024: 15 years).

Annual accounts continued

27. Retirement benefit schemes continued

- The aggregate average duration of the Magnox Electric Group section of the Electricity Supply Pension Scheme obligation is 13 years (2024: 14 years).

In relation to the Merchant Navy schemes, whilst the schemes are sectionalised they operate on a "last man standing" basis such that a participating employer can become liable for part of the obligations of another participating employer should that employer withdraw from the scheme with underfunded obligations. The average duration of the Merchant Navy schemes obligations is 12 years (2024: 12 years).

Actuarial valuations for the various defined benefit schemes referred to above are performed on a triennial basis with 'roll forward' valuations performed in intervening years. Accordingly the relevant valuations have been updated at 31 March 2024 by independent actuaries using assumptions that are consistent with the requirements of IAS 19 and the results of those calculations have been incorporated in the figures below. Investments have been valued for this purpose at fair value.

Risks associated with the Group's defined benefit schemes

The defined benefit schemes expose the Group to a number of risks such as:

Changes in bond yields

Pension liabilities are calculated using discount rates linked to bond yields which are subject to volatility. In order to mitigate this risk the schemes hold a proportion of their assets in bonds, which provide a hedge against falling bond yields.

Investment risk

Some asset classes such as equities, which are expected to provide higher returns over the long term, are subject to short term volatility and may lead to deficits if assets underperform the discount rate used to calculate future liabilities. The allocation to such assets is monitored to ensure it remains appropriate given the schemes' long-term objectives.

Inflation risk

Since most of the scheme liabilities are indexed in line with price inflation, higher than assumed levels of inflation will increase the liabilities. In order to mitigate this risk the schemes hold a proportion of their assets in index-linked bonds.

Longevity risk

Increases in life expectancy will result in an increase in liabilities. The scheme actuaries regularly review actual experience of the scheme membership against the actuarial assumptions underlying the valuation of the liabilities and carry out detailed analysis when setting appropriate scheme specific mortality assumptions.

Other risks

There are a number of other risks involved in sponsoring defined benefit schemes including operational risks and legislative risks. The scheme trustees regularly assess these risks as part of their ongoing governance process.

The Merchant Navy Ratings Pension Fund Trustee became aware in 2018 of legal uncertainties relating to the ill-health early retirement benefits payable from the fund since the early 1990s. Following receipt of direction from the Court, the Trustee has contacted and paid compensation to the majority of affected members. The additional liabilities are recognised in the pension disclosures.

NDA Group

Employee benefit obligations

The amounts recognised in the Statement of Financial Position are as

	2025	2024
	£m	£m
Benefit obligations	**4,286**	4,826
Fair value of scheme assets	**(5,299)**	(5,500)
Asset in schemes	**(1,013)**	(674)
Unrecognised asset under IAS19 para 64b	**3**	-
Receivable from third parties	**(4)**	-
Net asset recognised in schemes	**(1,014)**	(674)

Statement of Comprehensive Net Expenditure

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

	2025	2024
	£m	£m
Current service cost	**96**	112
Past service cost	**3**	1
Net interest on net defined benefit (DB) assets / liabilities	**(33)**	(44)
Net cost in SOCNE	**66**	69
Actuarial (gain)/loss	**(287)**	327
Movement in unrecognised asset under IAS19 para 64b	**3**	(15)
Receivable from third parties	**(4)**	-
Actuarial loss / (gain) recognised in OCE	**(288)**	312

Changes in the present value of the defined benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:	2025	2024
	£m	£m
Opening defined benefit obligation	**4,826**	4,595
Current service cost	**97**	112
Past service cost	**3**	-
Net interest on scheme liabilities	**224**	211
Employee contributions	**20**	17
Actuarial (gain)/loss	**(660)**	98
Benefits paid	**(224)**	(207)
Closing defined benefit obligation	**4,286**	4,826

Changes in the fair value of the scheme assets are as follows:	2025	2024
	£m	£m
Opening fair value of scheme assets	**5,500**	5,536
Interest income on scheme assets	**257**	255
Actuarial loss	**(373)**	(229)
Employer contributions	**119**	128
Employee contributions	**20**	17
Benefits paid	**(224)**	(207)
Closing fair value of scheme assets	**5,299**	5,500

Annual accounts continued

27. Retirement benefit schemes continued

Changes in the value of unrecognised assets under IAS19 para 64b are as follows:	2025	2024
	£m	£m
Opening value of unrecognised assets	-	15
Movement in unrecognised assets	3	(15)
Closing value of unrecognised assets	**3**	-

Estimated expected employer contributions over the next financial year are as follows:	2025	2024
	£m	£m
Contributions including deficit repair payments	103	123

The major categories of plan assets as a percentage of total scheme assets are as follows:	2025	2024
	%	%
Equities	22	26
Property	11	12
Index linked gilts	20	13
Corporate bonds	7	6
Credit investment	14	15
LDI Fund	14	17
Other growth assets	10	10
Cash / other	2	1
Total	**100**	100

Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):	2025	2024
Discount rate	5.65% - 5.70%	4.70% - 4.75%
Future salary increases *	2.75% - 3.25%	2.75% - 3.25%
Rate of increase of pensions in payment	3.10% - 3.15%	3.05% - 3.20%
Rate of increase of pensions in deferment	2.75% - 3.20%	2.75% - 3.25%
Retail Price Inflation	3.10% - 3.20%	3.10% - 3.25%
Life expectancy for a male pensioner aged 65 (in years)	21.2	21.2
Life expectancy for a male pensioner currently aged 45 from age 65 (in years)	22.2	22.2

*for those schemes with members accruing benefits future salary increases for 2025 are assumed to be between 2.75% and 3.25% in the first year, and then between 2.75% and 3.25% thereafter.

Mortality assumption

2025

MNOPF:S4PA YOB tables, 86% weighting for all members, CMI 2023 projections with a long term improvement rate of 1.5% p.a.

MNRPF: S3PA YOB tables, 101% weighting for normal health, 110% for pensioners in il-health and SAPS3 dependant, 114% for female spouses, CMI 2023 projections with a long term improvement rate of 1.5% p.a.

Magnox Electric: 100%(pensioner)/105% (non-pensioner) of the S3PMA/S3PFA_M tables with CMI_2023 projections (SK=7.0, A=0.5) and a long term rate of improvement of 1.0% p.a.

All others: 110% S3P SAPS base tables , CMI 2023 projections with a long term trend of 1.25% p.a.

2024

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

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

Magnox Electric: 100%(pensioner)/105% (non-pensioner) of the S3PMA/S3PFA_M tables with CMI_2022 projections (SK=7.0, A=0.5) and a long term rate of improvement of 1.0% p.a.

All others: 110% S3P SAPS base tables , CMI 2021 projections with a long term trend of 1.25% p.a.

	2025	2024
	£'000	£'000
Experience adjustments on plan liabilities	**(247)**	(247)
Experience adjustments on plan assets	**(229)**	(229)

Sensitivity analysis

Change to	Change in assumption	Impact on DB obligation at 31 March 25	Change in assumption	Impact on DB obligation at 31 March 25
Discount rate	Increase by 0.5%	-6.8%	Decrease by 0.5%	7.5%
Rate of salary increase	Increase by 0.5%	1.8%	Decrease by 0.5%	-1.8%
Rate of price inflation	Increase by 0.5%	6.8%	Decrease by 0.5%	-6.3%
Rate of mortality	Increase by 1 year	2.6%		

Authority

Employee benefit obligations

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

	2025	2024
	£m	£m
Benefit obligations	**90**	101
Fair value of scheme assets	**(109)**	(117)
Net asset recognised in schemes	**(19)**	(16)

Statement of Comprehensive Net Expenditure

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

	2025	2024
	£m	£m
Current service cost	**-**	-
Net interest on net defined benefit assets / liabilities	**(1)**	(2)
Net cost in SOCNE	**(1)**	(2)
Actuarial (gain)/loss	**(3)**	17
Receivable from third parties	**-**	-
Actuarial (gain)/loss recognised in OCE	**(3)**	17

Annual accounts continued

27. Retirement benefit schemes continued

Changes in the present value of the defined benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:	**2025**	2024
	£m	£m
Opening defined benefit obligation	**101**	90
Net interest on scheme liabilities	**5**	4
Actuarial (gain)/loss	**(12)**	11
Benefits paid	**(4)**	(4)
Closing defined benefit obligation	**90**	101

Changes in the fair value of the scheme assets are as follows:	**2025**	2024
	£m	£m
Opening fair value of scheme assets	**117**	121
Interest income on scheme assets	**6**	6
Actuarial loss	**(10)**	(6)
Benefits paid	**(4)**	(4)
Closing fair value of scheme assets	**109**	117

There are no estimated expected employer contributions, or deficit repair payments over the next financial year

The major categories of plan assets as a percentage of total scheme assets are as follows:

	2025	2024
	%	%
Equities	**15**	32
Property	**4**	8
Index linked gilts	**58**	37
Corporate bonds	**14**	11
Credit investments	**7**	11
Cash	**2**	1
Total	**100**	100

Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):

	2025	2024
Discount rate	**5.65%**	4.75%
Future salary increases	**0.00%**	0.00%
Rate of increase of pensions in payment	**3.10% - 3.15%**	3.10% - 3.20%
Rate of increase of pensions in deferment	**2.75% - 3.15%**	2.75% - 3.20%
Retail Price Inflation	**3.15% - 3.20%**	3.20%
Life expectancy for a male pensioner aged 65 (in years)	**20.7**	20.7
Life expectancy for a male pensioner currently aged 45 from age 65 (in years)	**22.0**	22.0

Mortality assumption

2025

Nirex and Closed: 110% S3P SAPS CMI2023 projections, 1.25% trend

2024

Nirex and Closed: 110% S3P SAPS CMI22 projections, 1.25% trend

	2025 £m	2024 £m
Experience adjustments on plan liabilities	**-**	(16)
Experience adjustments on plan assets	**(10)**	(6)

Sensitivity analysis

Change to	Change in assumption	Impact on DB obligation at 31 March 25	Change in assumption	Impact on DB obligation at 31 March 25
Discount rate	Increase by 0.5%	-6.0%	Decrease by 0.5%	6.6%
Rate of salary increase	Increase by 0.5%	0.0%	Decrease by 0.5%	0.0%
Rate of price inflation	Increase by 0.5%	6.6%	Decrease by 0.5%	-6.0%
Rate of mortality	Increase by 1 year	1.5%		

28. Non controlling interests

	2025	2024
NDA Group	**£m**	£m
At 1 April	**3**	2
Change in equity of non-controlling interests during year	**(1)**	1
At 31 March	**2**	3

29. Contingent liabilities

Indemnities

Under the transfer scheme of 1 April 2005, the NDA assumes responsibility for all occurrences relating to the designated nuclear sites that took place up to that date.

a) At 31 March 2025 the NDA held inventories of reprocessed uranic material. These materials are currently held at nil value, due to uncertainty over their future use, which may result in as-yet-unquantified liabilities for the NDA.

b) Whilst not the lead employer, the NDA is the lead organisation and has ultimate responsibility for certain nuclear industry pension schemes, including the Combined Nuclear Pension Plan, the Magnox section of the ESPS, and the GPS Pension Scheme. Provisions for known deficits are included within the nuclear provision. However, movements in financial markets may adversely impact the actuarial valuations of the schemes, resulting in an increase in scheme deficits and consequent increase in the nuclear provision.

29. Contingent liabilities continued

c) In previous reporting periods the Authority maintained a provision for the settlement of health claims payable to former employees in the civil nuclear industry. Claims have reduced to a non-material level in recent years and the future level of remaining claims is expected to be non-material and not able to be accurately forecast. The Authority has therefore discontinued accounting for the provision but recognises the resulting contingent liability.

International Carrier Bond

During 2014/2015 the NDA procured a US Bond on behalf of their subsidiary, International Nuclear Services Limited, in order to meet US law in respect of vessels calling at US ports for commercial purposes. This Bond is required to ensure that all duties, taxes and fees owed to the Federal Government are paid. The Bond would therefore only be called on in the case of non-payment of any of the above, and the total cost would not be expected to exceed $100,000.

Advanced Gas-cooled Reactor (AGR) Stations

On 23 June 2021, the NDA, UK Government and EDF Energy entered into new decommissioning arrangements for seven Advanced Gas-cooled Reactor (AGR) stations in which the UK Government has directed NDA to take on the future ownership of the stations for decommissioning. The work will be undertaken by the NDA subsidiary Nuclear Restoration Services Ltd. The NDA will recognise the estimated future liability in its financial statements for each of the stations at the respective points at which NDA takes ownership. The NDA therefore recognises a contingent liability for the future decommissioning costs of the stations. This has been estimated by EDF Energy, as the current owner of the stations at £22,614 million (undiscounted) in its most recently published financial statements.

30. Related parties

Government bodies

The NDA is an Executive non departmental government body. For the reporting period NDA was sponsored by DESNZ, which is regarded as a related party. During the year, the NDA has had various material transactions with the parent body and with other entities for which the parent body is regarded as the responsible department. The NDA receives grant financing from the parent body.

In the course of its normal business the NDA enters into transactions with Government owned banks. In addition, the NDA has a small number of material transactions with other Government departments and other central Government bodies.

Related party transactions

	Sales of services to parent		Purchase of services from parent		Amounts owed by parent		Amounts owed to parent	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m
Sellafield Limited	**(2,827)**	(2,660)	**2**	12	**72**	61	**451**	475
Nuclear Restoration Services Limited	**(758)**	(745)	**4**	5	**7**	7	**137**	147
Nuclear Waste Services Limited (2024: Low Level Waste Repository Limited)	**(250)**	(117)	**2**	1	**1**	-	**38**	27
Direct Rail Services Limited	**(41)**	(41)	**1**	1	**7**	7	**-**	-
International Nuclear Services Limited	**(54)**	(111)	**1**	2	**-**	1	**4**	3
NDA Properties Limited	**(1)**	(1)	**-**	-	**27**	28	**33**	34
Pacific Nuclear Transport Limited	**-**	-	**1**	1	**-**	-	**-**	-
Radioactive Waste Management Limited	**-**	(112)	**-**	2	**-**	9	**-**	1
NDA Archives Limited	**(7)**	(6)	**2**	2	**34**	36	**2**	1
	(3,938)	(3,793)	**13**	26	**148**	149	**665**	688

Sales of goods to related parties were made at arm's length prices. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Loans to related parties

Amounts owed by Direct Rail Services Limited includes a loan of £7 million which is interest bearing at a fixed percentage above Bank of England base rate. The loan is not repayable until at least 2026.

Amounts owed by NDA Properties Limited includes a loan which is interest bearing at a fixed rate, repayable in instalments over twenty five years to 2038. At 31 March 2025 the balance owing was £13 million (2024: £13 million).

Key management compensation

Key management includes executive and non-executive directors together with those members of senior management who form part of the Executive Team. The compensation paid or payable to key management for employee services is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual directors is provided in the audited part of the Remuneration Report on pages 100 to 102.

Authority	2025 £'000	2024 £'000
Short-term employee benefits	**4,335**	4,935
Post-employment benefits	**667**	432
Other long-term benefits	**737**	1,017
	5,739	6,384

31. Comparison of Financial Overview to Statement of Comprehensive Net Estimate

The Authority obtains funding through the UK Government estimates process and reports its performance against these estimates through the budgetary reporting process. The performance of the Authority against the budgets set by the UK Government is presented in the Financial Overview.

There are a number of differences between the income and expenditure reported for budgetary purposes and that reported for statutory accounting purposes and shown in the Authority's Statement of Comprehensive Net Expenditure. These are as follows:

	Total Expenditure £m	Total Income £m	**Authority Net Expenditure £m**
Total per Financial Overview (using Departmental Expenditure Limit definitions)	4,145	(1,258)	**2,887**
Differences between budgetary reporting and statutory accounts:			
Annually Managed Expenditure (a)	5,569	-	**5,569**
Difference in revenue recognition methodologies (b)	-	30	**30**
Accounting for capital acquisitions under IFRS16 Accounting for Leases (c)	(14)	-	**(14)**
Accounting for sales and purchases within Authority budgets (d)	(22)	22	**-**
Totals per Statement of Comprehensive Net Expenditure	**9,678**	**(1,206)**	**8,472**

(a) Annually Managed Expenditure (AME) comprises non-cash movements including movements in provisions, amortisation, depreciation and revalorisation.
(b) The Authority applies different revenue recognition methodologies for the statutory accounts and budgetary reporting respectively under a derogation from HM Treasury.
(c) Capital acquisitions (including new and renewed leases) are treated as expenditure for budgetary purposes and accounted for as capital additions on the Statement of Financial Position for statutory accounting purposes.
(d) Sales and purchases between certain operating companies are accounted for on a gross basis for budgetary purposes and on a net basis for statutory accounting purposes.

32. Events after the reporting period

The UK Government announced the outcome of its latest Spending Review on 11 June 2025. The Spending Review determines the funding for all Government departments and associated bodies (including the Authority) for the period 2026/27 to 2029/30. Management recognises that future funding levels may impact the scope, timing and cost of the work involved in fulfilling the Authority's mission, which may require changes to the nuclear provision. No adjustment to the nuclear provision has been made in the financial statements to 31 March 2025 in respect of the impact of phase 2 of the Spending Review settlement. The impacts and any resulting changes will be considered in determining the nuclear provision for the next reporting date (31 March 2026).

• The Accounting Officer authorised these Financial Statements on 18 July 2025. The Report of the Comptroller and Auditor General was issued on 18 July 2025 (pages 130 to 141).

Performance analysis

The following section provides a summary as to how each of the organisations in the NDA group has performed in 2024/25 against the key activities and milestones set out in our 2024-27 Business Plan. The performance of Urenco Nuclear Stewardship Ltd and Springfields Fuels Ltd is also included due to their role in decommissioning our sites at Capenhurst and Springfields.

The 'golden thread' from the NDA's 47 strategic outcomes to each of these key activities and milestones is also shown.

In addition to the activities set out in the NDA Business Plan, the top tier of targets for the group to achieve in 2024/25 are reflected in our Group Key Targets.

Progress against these targets is reported to the NDA Board and UK Government on a monthly basis.

NDA Group Key Targets 2024/25

During 2024/25 we had 21 Group Key Targets. These cover group-wide targets and targets specific to our individual Operating Companies.

Status		Number of targets
Completed	Target achieved	15
Missed	Target missed	6

Status	Operating company	Strategic outcomes	Target description	Year end status	Commentary
1	Sellafield, NTS	6, 9	AGR spent fuel dismantling	Missed	Resource issues at SL have impacted dismantler performance, resulting in having available fuel remaining at the end of the financial year. Mitigation actions are under way to minimise the amount of fuel remaining.
2	Sellafield	36, 37	HLW vitrification plant throughput	Completed	
3	Sellafield	31	MSSS ILW transfers ($3m^3$ boxes)	Missed	The facility has experienced issues with crane performance this year which has impacted the ability to retrieve and export. The continued issues with the cranes have resulted in a pause in their use.
4	Sellafield	31	Pile Fuel Cladding Silo (PFCS) transfers to BEPPS-DIF	Completed	
5	NRS	22, 30, 33	Operational Delivery - Sites: ILW retrievals & transfer to storage and Nuclear Material transports	Completed	
6	NRS	27, 28, 33	Operational Delivery - Dounreay: LLW & ILW disposal and LLW diversion	Completed	
7	Sellafield	19, 32, 33	Deliver to schedule on SCP, SRP, and BEP	Completed	

Status	Operating company	Strategic outcomes	Target description	Year end status	Commentary
8	Sellafield	31	Legacy ponds basket of measures	Missed	One of the mandatory elements, 'D Bay High Performance Pump route' is delayed beyond 31 March 2025.
9	NRS	30, 32, 33, 42	Deliver key milestones on construction and decommissioning projects - Sites	Completed	
10	NRS	11, 42	Deliver key milestones on construction and decommissioning projects - Dounreay	Missed	Three of the nine sub targets did not achieve the threshold dates. The sub targets impacted are the PFR Ventilation Upgrade, DFR Removal of Breeder Fuel Elements and D1206 Active Filter Change Containment Installed and Leak Tested.
11	NWS		GDF Site Evaluation – Development of Community Visions	Completed	
12	NDA group		Integrated Waste Management Programme reset	Completed	
13	NDA group		Group Cyber Security	Missed	2 of the 7 requirements for SL improved from significantly enhanced to enhanced regulatory attention requiring further work, these being the resourcing and Nuclear Site Security Plan cyber components.
14	NDA group		Sustainability - Carbon reduction	Completed	
15	NDA group		Spending Effectively	Missed	Although most operating companies and the NDA achieved the required in-year savings (Part A), not all operating companies achieved the threshold target. Progress was made on identifying future back office and overhead efficiencies, however a set of approved plans was not achieved this year (Part B).
16	NDA group		Beacon Project: Group Planning Capability	Completed	
17	NDA group		Beacon Project: Mitigation of Asset Degradation	Completed	
18	NDA group		Beacon Project: Group AI Strategy	Completed	
19	NDA group		Beacon Project: Improving Project and Contract Adherence Through Learning	Completed	
20	NDA group		Beacon Project: Skills	Completed	
21	NDA group		AGR transfers to NDA: MoC and Hunterston B site licence application	Completed	

Performance analysis continued

Business Plan activities 2024-27

NDA

The NDA is an executive non-departmental public body created by the Energy Act 2004 to lead the clean-up and decommissioning work at the NDA's 17 sites on behalf of UK Government. NDA is sponsored and funded by the Department for Energy Security and Net Zero (DESNZ).

Status		Scheduled activities
Completed	The activity has been completed during 2024/25	6
On schedule	The activity is on track to be completed to schedule	23
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	2
Missed	The activity was due for completion during 2024/25 and has been missed	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	1

The activities that have been completed, missed, deferred or identified as behind schedule during 2024/25 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Continue to retrieve fuels from First Generation Magnox Storage Pond (FGMSP)	12, 14	2024-2027	Deferred	The consolidation of the Dounreay Fast Reactor fuel to Sellafield has been delayed due to issues encountered with the defueling of the reactor.
Reviewing and establishing new guidance on the selection of decommissioning strategies, including our approach to prioritisation	42, 43	2024-2027	Completed	
Develop and implement carbon reductions through carbon management plans at each operating company and meet Greening Government Commitments	CE1, CE2	2024-2027	Behind Schedule	7 out of 8 Greening Government Commitments met. Only applicable to NDA.
Build on our natural capital baseline assessment of our NDA owned land and develop a plan to improve the environmental value of this land where this aligns with other strategic land use opportunities	31	2024-2027	Completed	
Implement new ICT programmes to allow smarter, flexible working across the NDA. To include digital transformation and Information Governance initiatives across the group aimed at improving the way we work and collaborate, whilst maintaining information security and legislative compliance	CE9	2024-2027	Completed	

Key activities	Strategic outcome	Timescale	Status	Commentary
Lead on the evolution of the Digital Vision and Strategy and the development of a Data Strategy and Operating Model for the NDA group	CE9	2024-2027	Completed	
Enable and drive the delivery of our mission through our people by attracting, retaining and developing a high performing, highly skilled, talented and motivated workforce and creating a culture in which they can thrive	CE6	2024-2027	Completed	
Build commercial capability which maintains a resilient, sustainable, diverse, ethical and innovative supply chain that optimises value for money for the UK taxpayer when sourcing goods and services	CE8	2024-2027	Behind Schedule	The Commercial labour-market is challenging, which has resulted in areas of under resourcing. Work is ongoing to address.
Implement UK Government led reforms of public sector pensions across the NDA group		2024-2027	Completed	

Sellafield Limited

Sellafield Ltd is an NDA subsidiary, responsible for operating and decommissioning Europe's largest and most complex nuclear site. This includes cleaning up nuclear facilities and safeguarding nuclear fuel, materials and waste.

Status		Scheduled activities
Completed	The activity has been completed during 2024/25.	3
On schedule	The activity is on track to be completed to schedule.	34
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	11
Missed	The activity was due for completion during 2024/25 and has been missed.	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	-

The activities that have been completed, missed, deferred or identified as behind schedule during 2024/25 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Continue to interim store in the Fuel Handling Plant (FHP) remnant Magnox fuel and fuels recovered from the First-Generation Magnox Storage Pond (FGMSP).	4	2024-2027	Behind Schedule	FGMSP initiated a recovery plan in 2022 to address several themes including the deterioration in retrievals performance. This plan was independently reviewed by the NDA in 2024 and is now complete. There is a defined ramp up in retrievals activities over the next few years that gets the programme back within the strategic tolerance ranges. This ramp up is aligned to annual target setting.
Continue to receive fuels from First Generation Magnox Storage Pond (FGMSP).	2	2024-2027	Behind Schedule	FGMSP initiated a recovery plan in 2022 to address several themes including the deterioration in retrievals performance. This plan was independently reviewed by the NDA in 2024 and is now complete. There is a defined ramp up in retrievals activities over the next few years that gets the programme back within the strategic tolerance ranges. This ramp up is aligned to annual target setting.
Complete the Enterprise Integrated Fuel Study to support the lifecycle management of spent fuels across the NDA estate.	4	2024-2025	Completed	Preferred way forward and narrative document is complete. The main study output report is being drafted to go through governance during Q3 2025/26.
Support risk reduction from legacy ponds through continued removal of fuel and waste from the facilities.	27	2024-2027	Behind Schedule	The overall strategy remains stable, but dates are trending beyond the current Business Case. Recovery plan activities have been reviewed by the NDA. Demonstrable throughput improvement is required over the coming year to provide confidence in recovery.

Key activities	Strategic outcome	Timescale	Status	Commentary
Magnox Swarf Storage Silo (MSSS) - Continue retrievals from MSSS.	31	2024-2027	Behind Schedule	Retrievals for financial year 2024/25 were behind plan but this has provided valuable learning, identifying vulnerabilities that are now being addressed to enable sustained retrievals in future. The focus is on installing the capabilities to productionise retrievals from and deliver the MSSS containment response plan to address the leak in the original building. Better understanding of the waste retrieval sequence, operational philosophy, and skip fill optimisation resulted in an increase in the date range for completion of bulk retrievals and revisions to the Key Decommissioning Milestones (KDM) have been agreed with the regulators to reflect this. As waste retrievals have only just commenced, the plan contains a significant number of assumptions which need to be underpinned by operational data to confirm the longer-term plan.
Continue retrievals from Pile Fuel Cladding Silo (PFCS).	31	2024-2027	Behind Schedule	Overall strategic health is at risk due to challenges achieving Key Decommissioning Milestones following prolonged outages over the previous two years. Engagement ongoing with regulators and a strategic tolerance review scheduled for 2025/26.
Continue the programme to repatriate overseas-owned vitrified waste to its country of origin.	38	2024-2027	Behind Schedule	Returns Programme is customer driven and extends to 2029/30 as a minimum.
Support risk reduction through the continued vitrification of highly active liquor.	36	2024-2027	Behind Schedule	A throughput and impact assessment paper has been through SL governance. Paper reflected an extension to the HAL programme to 2039, current baseline 2029. Dates will be aligned as part of the outyears update.
In collaboration with Nuclear Waste Services (NWS) Sellafield Ltd will support the Higher Activity Waste Thermal Treatment (HAWTT) Strategic Case for Change (SCfC)	36, 37, 39	2024-2025	Completed	
Continue to progress the Low Active Effluent Treatment Plant Retrieval Project to enable bulk flocculant removal.	42	2024-2027	Behind Schedule	The flocculant removal project has encountered issues delivering scope throughout 2024/25 due to challenges with contractor performance, design availability for construction and the impact of design change implementation. However, the Key Decommissioning Milestone target date of June 2030 is still on track to be met.
Apprentice training contract mobilisation and transition to support a range of apprenticeships at Sellafield Limited from September 2024.		2024-2025	Completed	

Performance analysis continued

Key activities	Strategic outcome	Timescale	Status	Commentary
Continue the programme to ensure the analytical services capability is available to support the mission.		2024-2027	Behind Schedule	Pending the outcome of the RAP major project pause and a decision on the future strategy, focus continues on delivering risk reduction scope within the existing analytical services building to secure existing provision of analytical service to site. Excellent progress has been made in the past year achieving all targets that contribute to improving confidence that the site will continue to have uninterrupted analytical services in support of mission delivery.
Continue to progress the land programme to ensure Sellafield Ltd has the land and property available (and this is optimised appropriately) to deliver the mission.		2024-2027	Behind Schedule	The mandate for the Land and Infrastructure future state Programme is under review. A strategic execution plan for offsite land is being developed to address the risk of land availability impacting future mission delivery.
Continue with improvements to the site utilities infrastructure.		2024-2027	Behind Schedule	Good progress continues with the EDNUP project, however, due to funding constraints some improvement work within utilities has been re-prioritised, with focus remaining on existing operations to ensure current site demands are met. Strategic review ongoing to determine how best to deliver the remaining work.

Nuclear Restoration Services (NRS)

Magnox Ltd was renamed Nuclear Restoration Services Ltd in April 2024. The operating company is structed into two delivery businesses – the Sites Delivery Business, which includes the 12 sites previously known as Magnox, and the Dounreay Delivery Business.

NRS Sites Delivery Business

NRS Sites Delivery Business is responsible for decommissioning, restoring and remediating 12 nuclear sites across the UK: Berkeley, Bradwell, Chapelcross, Dungeness A, Harwell, Hinkley Point A, Hunterston A, Oldbury, Sizewell A, Trawsfynydd, Winfrith and Wylfa. The businesses unit also has one hydroelectric power station, Maentwrog.

Summary of corporate performance:

Status		Scheduled activities
Completed	The activity has been completed during 2024/25.	-
On schedule	The activity is on track to be completed to schedule.	23
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	-
Missed	The activity was due for completion during 2024/25 and has been missed.	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	-

Summary of site performance:

Site	Status				
	Completed	On schedule	Behind schedule	Missed	Deferred
Berkeley	-	3	-	-	2
Bradwell (in care and maintenance)	-	1	-	-	-
Chapelcross	-	3	-	1	-
Dungeness A	-	4	-	-	1
Harwell	-	6	-	-	2
Hinkley Point A	1	3	-	-	-
Hunterston A	-	6	-	-	-
Oldbury	-	4	-	-	2
Sizewell A	-	2	-	1	2
Trawsfynydd	-	4	-	-	-
Winfrith	1	3	-	-	1
Wylfa	-	2	-	-	1

Performance analysis continued

NRS Sites

The activities that have been completed, missed, deferred or identified as behind schedule during 2024/25 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Berkley – Commence the deplant and demolition of the Caesium Removal Plant	42, 43	2025-2027	Deferred	Deferred following spending review 2024 outcome and reprioritisation of projects
Berkley – Continue to progress the asbestos and plant removal from the blower houses	42, 43	2024-2027	Deferred	Deferred following spending review 2024 outcome and reprioritisation of projects
Chapelcross – Prepare and execute land remediation of the cooling tower basins	46	2024-2025	Missed	Change in disposal Strategy
Dungeness A – Commence and progress decommissioning the Active Effluent Treatment facilities	42	2024-2027	Deferred	Deferred following spending review 2024 outcome and reprioritisation of projects
Harwell – Continue preparations for decommissioning of the Radiochemistry Facility (B220)	42	2024-2027	Deferred	Deferred following spending review 2024 outcome and reprioritisation of projects
Harwell – Continue preparations and planning for the decommissioning of the Active Waste Handling facility (B459)	42	2024-2027	Deferred	Deferred following spending review 2024 outcome and reprioritisation of projects
Hinkley Point A – Continue and complete asbestos removal from the reactor building	42	2024-2027	Completed	
Oldbury – Continue to progress activities to retrieve, treat and store ILW (at Berkeley)	30, 32, 33	2024-2027	Deferred	Deferred following spending review 2024 outcome and reprioritisation of projects
Oldbury – Commence the asbestos removal from the reactor building	42	2024-2027	Deferred	Deferred following spending review 2024 outcome and reprioritisation of projects
Sizewell A – Continue to progress activities to support consolidation of ILW storage	33	2024-2027	Deferred	Deferred following spending review 2024 outcome and reprioritisation of projects
Sizewell A – Commence design and build of ILW retrieval plant	30	2024-2027	Deferred	Deferred following spending review 2024 outcome and reprioritisation of projects
Sizewell A – Progress and complete the asbestos removal, deplant and demolition of the turbine Hall	42	2024-2025	Missed	Due to complete in Q1 25/26
Winfrith – Complete shipments of LLW drums from Treated Radwaste Store to LLWR		2024-2025	Completed	
Winfrith – Commence and progress the removal of the discharge pipelines	42	2024-2027	Deferred	Deferred following spending review 2024 outcome and reprioritisation of projects
Wylfa – Continue to progress activities to retrieve, treat and store ILW	30, 32, 33	2024-2027	Deferred	Deferred following spending review 2024 outcome and reprioritisation of projects

NRS Dounreay Delivery Business

NRS Dounreay Delivery Business is responsible for decommissioning the Dounreay site. It also operates a Low Level Waste (LLW) disposal facility to deal with waste from the site.

Summary of operating company performance:

Status		Scheduled activities
Completed	The activity has been completed during 2024/25.	-
On schedule	The activity is on track to be completed to schedule.	10
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	4
Missed	The activity was due for completion during 2024/25 and has been missed.	1
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	5

The activities that have been completed, missed, deferred or identified as behind schedule during 2024/25 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
DFR - complete removal of in reactor DFR breeder fuel and transfer to interim storage	11	2024-2027	Behind Schedule	Work is ongoing to return to operations with defueling due to recommence in Q1 2025/26.
DFR - progress transport of dry breeder shipments to Sellafield	12	2024-2027	Behind Schedule	Impacted by the delays in defueling, as the strategy is not to commence transport until defueling is complete.
Complete LLW stores decant phase 2	27	2024-2025	Deferred	Verification work is required to take place on inventory, currently scheduled to be carried out in 2026/27.
PFR raffinate immobilisation complete	32	2024-2027	Behind Schedule	Scope will be completed once DCP re-commissioning is complete, currently focusing on precursor activity on Safety Case for relevant plants .
DCP ILW stores active commissioning and handover to operations	40	2024-2025	Deferred	Following main contractor withdrawal, completion of the work will resume after project re-sanction (planned for April).
PFR - reactor vessel residual sodium treatment facility actively commissioned and handed over to operations	42	2024-2026	Behind Schedule	Scope has been suspended, to re-allocate resource to priority work associated with Regulatory recommendations.
PFR – completion of ventilation replacement and stack demolition	42	2024-2025	Missed	2024/25 works impacted by contract de-scope. Detailed design complete and going through project sanction prior to re-tendering.
PFR – Tanks 1 and 2 Sodium removed and treated	42	2024-2027	Deferred	Deferred to align to site priorities.
FCA – D1204 Medium Active Cell decommissioned	42	2024-2025	Deferred	Re-prioritisation, following spending review outcome, to align with priorities of 2024/25 Business Plan.
Low Level Waste Pits Environmental Safety Case complete	44	2024-2025	Deferred	Following the implementation of the Life Time Plan the baseline completion date for the closure Environmental Safety Case is now May 2052.

Nuclear Waste Services (NWS)

The NWS vision is to make nuclear waste permanently safe, sooner and its mission is to become the 'one-stop shop' for the management of nuclear waste in the UK.

Summary of operating company performance:

Status		Scheduled activities
Completed	The activity has been completed during 2024/25.	5
On schedule	The activity is on track to be completed to schedule.	12
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	-
Missed	The activity was due for completion during 2024/25 and has been missed.	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	-

The activities that have been completed, missed, deferred or identified as behind schedule during 2024/25 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Establish an innovation partnership for asbestos	27 29 34 39	2024-2027	Completed	
Establish a waste characterisation standard group-wide service	34-39	2024-2027	Completed	
In collaboration with Sellafield Ltd, Nuclear Waste Services (NWS) will support the Higher Activity Waste Thermal Treatment (HAWTT) Strategic Case for Change (SCfC)	36 37 39	2024-2027	Completed	
Complete enabling works for phased construction and start of the final capping work for the LLWR site*	42-47	2024-2027	Completed	
Develop and implement a Sustainability strategy		2024-2027	Completed	

(*) indicates activities related to specific work at NWS Low Level Waste Repository site

Nuclear Transport Solutions (NTS)

Nuclear Transport Solutions (NTS) provides the NDA group with specialist transport and logistics capabilities. The operating company brings together the expertise of Direct Rail Services (DRS) and Pacific Nuclear Transport Limited (PNTL) to deliver rail and shipping services for customers, building on decades of experience of providing safe, secure and reliable transport solutions.

It also generates revenue through commercial opportunities in the UK and overseas – offsetting the cost of delivering decommissioning and clean-up work at the UK's oldest nuclear sites.

Summary of operating company performance:

Status		Scheduled activities
Completed	The activity has been completed during 2024/25.	-
On schedule	The activity is on track to be completed to schedule.	10
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	1
Missed	The activity was due for completion during 2024/25 and has been missed.	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	-

The activities that have been completed, missed, deferred or identified as behind schedule during 2024/25 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
Continue to deliver important international transports of vitrified High Level Waste (HLW) and conditioned Intermediate Level Waste (ILW)	34, 38	2024-2027	Behind Schedule	Japan has confirmed that HLW transports will be delayed to the end of 2028. With regards to ILW, consideration is being given to replacing the programme with one or two HLW shipments. German HLW returns are currently scheduled to be completed in 2026

NDA Archives Limited

NDA Archives is an NDA subsidiary, responsible for Nucleus (the Nuclear and Caithness Archives) and related operational activities across the NDA group. The Nucleus facility is currently operated by a commercial partner and provides the centre of excellence for long-term records management, archive services, digital preservation and heritage management.

Status		Scheduled activities
Completed	The activity has been completed during 2024/25.	1
On schedule	The activity is on track to be completed to schedule.	3
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	1
Missed	The activity was due for completion during 2024/25 and has been missed.	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	-

The activities that have been completed, missed, deferred or identified as behind schedule during 2024/25 are as follows:

Key activities	Strategic outcome	Timescale	Status	Commentary
NRS Sites Delivery Business collection sift completed and ready for accession	-	2024-2025	Completed	Initial Programme complete with a move to BAU and new projects.
Sellafield offsite collection sift completed and ready for accession	-	2024-2029	Behind schedule	Due to an increased scope and reduced funding, the completion date has moved. Now likely to be 2030/31 but will be re-baselined during 25/26.

NDA Properties Limited

NDA Properties Ltd is an NDA subsidiary, holding and managing the majority of the non-nuclear property assets within the NDA group.

Status		Scheduled activities
Completed	The activity has been completed during 2024/25.	-
On schedule	The activity is on track to be completed to schedule.	4
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	-
Missed	The activity was due for completion during 2024/25 and has been missed.	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	-

Rutherford Indemnity Limited

Rutherford Indemnity Ltd provides insurance cover for the NDA group. The company is a wholly-owned subsidiary, managed for the NDA by Marsh Management Services Guernsey Limited, and has no direct employees.

Status		Scheduled activities
Completed	The activity has been completed during 2024/25.	-
On schedule	The activity is on track to be completed to schedule.	4
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	-
Missed	The activity was due for completion during 2024/25 and has been missed.	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	-

Energus

Energus is a company limited by guarantee, offering conference and events facilities and a range of training, education and business support services geared to providing and enhancing skills within both the local and national nuclear workforce.

Status		Scheduled activities
Completed	The activity has been completed during 2024/25.	-
On schedule	The activity is on track to be completed to schedule.	6
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	-
Missed	The activity was due for completion during 2024/25 and has been missed.	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	-

Springfields Fuels Limited

Springfields is a nuclear fuel manufacturing site and is located near Preston in Lancashire. The site is operated by Springfields Fuels Limited (SFL) and is used to manufacture a range of fuel products for UK and international customers, the processing of historic uranic residues and decommissioning of redundant facilities.

In 2010, the NDA permanently transferred ownership of the company to Westinghouse Electric including the ability to invest for the future under the terms of a new 150-year lease. SFL is contracted to provide decommissioning and clean-up services to the NDA to address historic liabilities.

Status		Scheduled activities
Completed	The activity has been completed during 2024/25.	-
On schedule	The activity is on track to be completed to schedule.	2
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	-
Missed	The activity was due for completion during 2024/25 and has been missed.	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	-

Capenhurst

The NDA Capenhurst site is located near Ellesmere Port in Cheshire.

In 2012, the site was transferred to URENCO, owners of the adjacent licensed site, and was amalgamated into a single nuclear licensed site. As part of this transfer, URENCO established Urenco Nuclear Stewardship (UNS), formerly known as Capenhurst Nuclear Services, to provide responsible management of uranic materials and carry out remediation work on behalf of the NDA.

UNS manages a large proportion of the NDA's uranic inventory and also provides broader decommissioning and demolition works for redundant facilities, in order to reduce liability and optimise space utilisation on site.

Status		**Scheduled activities**
Completed	The activity has been completed during 2024/25.	-
On schedule	The activity is on track to be completed to schedule.	2
Behind schedule	The activity is delayed and currently forecast for completion behind schedule.	-
Missed	The activity was due for completion during 2024/25 and has been missed.	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding.	-

David Peattie FREng FNucl
Accounting Officer and Group Chief Executive Officer
18 July 2025

Glossary and abbreviations

ARAC	Audit, Risk and Assurance Committee
AGR	Advanced Gas-cooled Reactor
BEP	Box Encapsulation Plant
BEPPS-DIF	Box Encapsulation Plant Product Store and Direct Import Facility
C&AG	Comptroller and Auditor General
CETV	Cash Equivalent Transfer Value
CEO	Group Chief Executive Officer
CFO	Group Chief Financial Officer
CPS	Combined Pension Scheme
DESNZ	Department for Energy Security and Net Zero
DRS	Direct Rail Services
DSRL	Dounreay Site Restoration Ltd
EA	Environment Agency
EAP	Employee Assistance Programme
ED&I	Equality, Diversity and Inclusion
ESG	Environmental, Sustainability and Governance Committee
FREM	Government Financial Reporting Manual
FGMSP	First Generation Magnox Storage Pond
GAC	NDA Group Advisory Committee
GDF	Geological Disposal Facility
GLT	Group Leadership Team
GSR	Group Strategic Risks
HAL	Highly Active Liquor
HLW	High Level Waste
HMG	His Majesty's Government
HSSSE	Health, Safety, Security, Sustainability and Environment Committee
IAS	International Accounting Standards
ICT	Information Communications Technology
IFRS	International Financial Reporting Standards
ILW	Intermediate Level Waste
INES	International Nuclear and Radiological Event Scale
INS	International Nuclear Services
IWM	Integrated Waste Management
LLW	Low Level Waste
LLWR	Low Level Waste Repository
LTIP	Long-Term Incentive Plan
M&A	Mergers and Acquisitions
MSSS	Magnox Swarf Storage Silo
NAO	National Audit Office
NDA	Nuclear Decommissioning Authority
NDPB	Non-Departmental Public Body
NED	Non-Executive Board Director
NOMCO	Nominations Committee
NRS	Nuclear Restoration Services
NTS	Nuclear Transport Solutions
NWS	Nuclear Waste Services
ONR	Office for Nuclear Regulation
OpCo	Operating Company
P&PCo	Programmes and Projects Committee
PAC	Public Accounts Committee
PCSPS	Principal Civil Service Pension Scheme
PFCS	Pile Fuel Cladding Silo
PFSP	Pile Fuel Storage Pond
PNTL	Pacific Nuclear Transport Ltd
R&D	Research and Development
REMCO	Remuneration Committee
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
RWM	Radioactive Waste Management Ltd
SEPA	Scottish Environment Protection Agency
SCP	SIXEP Continuity Plant
SFL	Springfields Fuels Ltd
SIRO	Senior Information Risk Owner
SLC	Site Licence Company
SME	Small and Medium-sized Enterprises
SRP	Sellafield Product and Residue Store Retreatment Plant
STIP	Short-Term Incentive Plan
THORP	Thermal Oxide Reprocessing Plant
TRIR	Total Recordable Incident Rate
UKGI	UK Government Investments

Care and maintenance	When a Magnox reactor site is kept in a state of Care and Maintenance, it is made safe for a planned period of quiescence, after which decommissioning activities will commence.	**NDA authority**	This is used to describe the Executive Non-Departmental Public Body created under the Energy Act and the performance of which is reported in this document.
End state	Condition of a nuclear site (including the land, structures and infrastructure) following completion of decommissioning and clean-up activities, and any controls to be applied during its subsequent use.	**NDA estate**	The businesses that support the NDA mission – Sellafield, NRS, NWS, NTS, NDA Archives, NDA Properties, Rutherford Indemnity, Energus, Springfield's Fuels Ltd and URENCO Nuclear Stewardship Ltd.
Interim state	An interim state describes the condition of a site or facility (including land) at specific points en-route to the site end state. It is a natural milestone or decision point in the decommissioning and remediation programme that typically represents a significant reduction in risk or hazard. An interim state does not automatically infer a period of quiescence; it can be followed by continuous or deferred decommissioning.	**NDA group**	This is the group of businesses included in the statutory accounts. These are NDA, Sellafield, NRS, NTS, NWS, NDA Archives, NDA Properties and Rutherford Indemnity.
Interim end state	An interim end state is a specific type of interim state. It marks the end of all physical works. No more active remediation will take place to achieve the site end state, i.e. further remediation will be passive for example as a consequence of radioactive decay or natural attenuation of contamination.	**One NDA**	A way of working more effectively and efficiently to maximise the opportunities within the group of businesses.

Useful links and documentation

- **Nuclear Decommissioning Authority**
  (www.gov.uk/nda)
- **Department for Energy Security and Net Zero**
  (www.gov.uk/government/organisations/department-for-energy-security-and-net-zero)
- **Sellafield Ltd**
  (www.gov.uk/government/organisations/sellafield-ltd)
- **Nuclear Restoration Services**
  (www.gov.uk/government/organisations/nuclear-restoration-services)
- **Nuclear Waste Services**
  (https://www.gov.uk/government/organisations/nuclear-waste-services)
- **Nuclear Transport Solutions**
  (https://nucleartransportsolutions.com/)
- **Capenhurst Nuclear Services Ltd**
  (https://www.urenco.com/)
- **Springfields Fuels Ltd**
  (https://www.westinghousenuclear.com/)

Useful documentation

- NDA Strategy 4 - March 2021 (www.gov.uk/nda)
- NDA Strategy 5 - published for consultation in July 2025 (www.gov.uk/nda)
- NDA Mission Progress Report 2024 (www.gov.uk/nda)
- NDA Business Plan 2024 to 2027 and NDA Business Plan 2025 to 2028 (www.gov.uk/nda)
- NDA Value Framework (www.gov.uk/nda)
- NDA group sustainability report 2024 (www.gov.uk/nda)
- The NDA group Sustainability Strategy 2022 - GOV.UK (www.gov.uk/nda)
- NDA's response to the Magnox Inquiry and Departmental review (www.gov.uk/nda)
- NDA Research and Development 5 year plan: 2019 to 2024 (www.gov.uk/nda)
- NDA Corporate Centre: gender pay gap report: 2023/24 (www.gov.uk/nda)
- Register of Director's Interests and associated procedure (www.gov.uk/nda)

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