

Sellafield Limited

**Annual Report and Financial Statements**

**For the year ended 31 March 2025**

Company registration number 01002607

# Company information

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## Directors

(In office at date of this report)

Mr C Train  
(Chair)  
(appointed 1 July 2024)

Mr E Hutton  
(Chief Executive Officer)

Mr D G Vineall  
(Shareholder Appointed Director)

Mrs A D Rodwell  
Independent Non-Executive  
Director)  
(appointed 1 October 2024)

Mr P D Shipley  
Independent Non-Executive  
Director)  
(appointed 1 June 2025)

Sir S Lister  
(Independent Non-Executive  
Director)

Mr P Vallance  
(Shareholder Appointed Director)

Ms J Hodges  
(Independent Non-Executive  
Director) (Appointed 1 September  
2023)

Mr C Jaouen  
(Independent Non-Executive  
Director)  
(appointed 29 April 2024)

Mrs S McMillan (Campbell)  
(Independent Non-Executive  
Director)  
(appointed 1 May 2024)

Mrs N J O'Keeffe  
(Chief Finance Officer)  
(appointed 25 November 2024)

**Secretary**  
Miss K Smith

**Auditors**  
National Audit Office  
157–197 Buckingham Palace Road  
Victoria  
London  
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**Bankers**  
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**Registered office**  
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Risley  
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Company number 01002607

The full listing of directors who held office during the year and to date of this report is included in the Directors Report (page 18).

# Strategic report

The directors present their Strategic report for the year ended 31 March 2025.

## Principal activities and future developments

These financial statements contain certain forward-looking statements with respect to the financial condition and business of Sellafield Limited (the company). Statements or forecasts relating to events in the future necessarily involve risk and uncertainty and are made by the company in good faith based on the information available at the date of signing this report.

The company undertakes no obligation to update these forward-looking statements. Nothing in these financial statements should be construed as a profit forecast nor should past performances be relied upon as a guide to future performance.

The principal role of the company is to operate the Sellafield nuclear site on behalf of the Nuclear Decommissioning Authority (NDA) under a nuclear site licence issued by the Office for Nuclear Regulation in a safe, secure, efficient and cost-effective manner and in accordance with its business plans.

The company's primary site is the Sellafield nuclear site in West Cumbria. The company also has an engineering, design and functional support capability at its Risley office, near Warrington, and several offices in the West Cumbrian community.

The company is delivering against national safety, security and energy needs. In operating, developing, and decommissioning the Sellafield site, it is also delivering the largest environmental restoration project in Europe. In short, it is solving complex nuclear, engineering, and infrastructure challenges for the UK every single day.

In the past, the company has been responsible for breakthroughs such as the world's first full-scale commercial nuclear power station, and today it is helping to keep lights on across the UK by safely receiving and storing spent nuclear fuel from the UK's fleet of power stations.

Sellafield is also the only site in the country that can safely manage all forms of nuclear waste, with the company finding new ways to ensure it is kept safe until a permanent disposal facility is ready.

The company is also guardian of the UK's largest stockpile of nuclear materials.

All the company's activities are driven by a single purpose: to create a clean and safe environment for future generations.

The company is a private company limited by shares and is a wholly owned subsidiary of the NDA. In accordance with the Energy Act 2004, NDA has tasked the company with carrying out activities set out in the NDA Designation of Sellafield.

## Review of the business

During the financial year 2024 to 2025, the company incurred operating costs of £2,825 million (2023/24: £2,673 million). These costs are fully recoverable from the NDA and represents the operational costs of the Sellafield site including expenditure on:

- the environmental clean-up of the UK's most complex and hazardous nuclear site
- the decommissioning of nuclear facilities
- the receipt and storage of spent nuclear fuel
- the secure management of the UK's special nuclear materials
- the delivery of capital projects aligned with mission objectives
- asset care and maintenance – some of the facilities at Sellafield are more than 70 years old so significant investment is required to ensure that they remain operational and in a safe state prior to decommissioning
- the treatment and disposal of low, intermediate, and high-level radioactive waste.

During 2024/25 the company made progress in meeting its targets and milestones set by the NDA, including high hazard reduction, nuclear operations, and safe, secure, sustainable site stewardship.

## Progress in 2024/25

The following sections outline the progress the company made under each of its strategic themes: safe, secure, sustainable site stewardship, progress at pace, and lifetime value for money.

### Safe, secure, sustainable, site stewardship

The company is responsible for the safety and security of the largest nuclear site in Europe and the largest inventory of nuclear materials. Maintaining this responsibility underpins its licence to operate. Examples of strengthening the site's infrastructure and sustainability in 2024/25 include:

- Enhancing the site's electrical distribution network through the delivery of six generators and fuel tanks, ready for connection and use as part of the Electrical Distribution Network Upgrade Project to install six new substations and enhance its emergency power capability.
- Receiving the site's first fully electric locomotive, powered by 10 tonne batteries that are 99% recyclable. The new locomotive will improve rail fleet reliability, reduce energy consumption, and support the company's carbon reduction objectives.

Read more about the company's safety performance at page 6, and sustainability at page 9.

### Progress at pace

Throughout the financial year, the company continued to make progress in the delivery of its mission. This included:

- The retrieval of material from the highest hazard facilities at Sellafield, the legacy ponds and silos:
  - Meeting the target of filling 18 boxes of waste from the Pile Fuel Cladding Silo and placing it into more secure and modern containers.
  - Continuing to expedite the programme of work in the Magnox Swarf Storage Silo to retrieve the waste and transport it to a modern and secure storage facility on site.
  - The return of divers to the Pile Fuel Storage Pond to remove waste and debris.
- Continuing delivery of priority decommissioning work including:
  - The successful removal of the first contaminated glovebox from one of the site's oldest and most challenging labs.
- Supporting the UK's security of energy supply through the safe management of used nuclear fuel by:
  - Continuing to receive and store used nuclear fuel from the Advanced Gas-cooled Reactor fleet, currently run by EDF Energy, enabling them to continue to generate electricity.
  - Installing the space-saving storage racks that will increase the capacity of the storage pond so all used nuclear fuel expected from current operational nuclear power stations can be accommodated, removing the need to build new facilities.
  - Continuing to make progress on key construction activity across the Sellafield site, including completing construction of the Box Encapsulation Plant to support future retrievals and improved storage of nuclear material.
- Continuing to act as custodians for the safe and secure storage of the UK's stockpile of special nuclear material, including:
  - Exceeding the annual 'stretch' target for transfers of special nuclear material to a purpose-built storage facility.
- Successfully completing the second of three planned shipments of high-level waste to Germany; contributing to the UK's strategy to return high-level waste and fulfilling overseas contracts and deliver on Government policy.
- Progressing the potential alternative options to deliver the replacement analytical capabilities in more efficient ways of delivering a similar outcome, following decision to stop the Replacement Analytical Project.
- Continuing to invest in robotics, including remotely operated vehicles and unmanned aerial vehicles, to help clean up legacy facilities while also limiting radiological exposure for employees. This included:
  - Deployment of a demonstrator: the world's first robotic innovation for hands free glovebox decommissioning.

- Starting trials on new technology that could help speed up the way we deal with waste and remove the need to transport waste for treatment.
- Developing the company's first artificial intelligence large language model developed for use across the NDA group.

Read more about the company's priorities and progress here: <https://www.gov.uk/guidance/sellafield-ltd-priorities-and-progress>

### **Lifetime value for money**

The company continued to invest in developing and supporting its employees, building its early careers capability and delivering social value. Key achievements included:

- Continuing to grow and evolve employee led support networks and providing training for Mental Health First Aiders, Domestic Abuse Contacts, Assistive Technology and other support initiatives that enable people to thrive at work and perform at their best.
- Recruiting 142 graduates, the company's largest intake to date; and 288 apprentices across 21 business and technical disciplines.
- Achieving a 6.2% reduction in support costs by streamlining functions, improving processes, and discontinuing non-value-adding activity, maintaining a strong focus on value for money.

Through the Social Impact Multiplied (SiX) programme and wider strategy, the company invested £9.5 million (2023/24: £9.2 million), supporting a range of initiatives including:

- **The Edge** – an investment which will serve as a community facility and coastal activities centre. The project aims to increase visitor numbers to the Cumbrian coast, provide leisure attractions and create direct employment.
- **Transforming West Cumbria** – co-created with Cumbria Community Foundation to address some of the most entrenched social issues in the local community. The programme is made up of seven projects, all targeting local needs that are evidenced through the West Cumbria Opportunities and Challenges report.
- **LEVELS** – converting a derelict heritage building in Whitehaven town centre into a digital and gaming hub. With an aim to inspire people into the gaming, digital and IT sector and provide a space for young people.
- **Together For Good** – generating more than 2,000 hours of service in 2024/25 this platform connects non-profit organisations with businesses and volunteers in local communities.
- **Community grants** – multi-year and small grant programmes supporting local organisations such as the Rosehill Theatre, Home to Work, and Millom Network Centre.

**Supply Chain social impact alignment** – in addition to direct funding, the company continued to work with supply chain partners to align the social impact contribution they make as a result of their work at Sellafield including:

- **The Mitie Business Boost** - implemented by supply chain company Mitie, similar to a Dragons Den style approach, providing expertise and financial investment to local small businesses to support their growth and diversification which has now been nationally recognised.
- **Egremont Youth centre refurbishment** – this was delivered through the Decommissioning Delivery Partnership, bringing together the company and six supply chain companies (ADAPT, Cumbria Nuclear Solutions, i3 Decommissioning Partners, IDS, Nexus and The Decommissioning Alliance).
- **Cumberland Family Hub** - a mobile prevention bus outreach service offering a recognisable point of information, support and contact for children, young people and their families.

Read more about the company's Social Impact Strategy here: <https://www.gov.uk/government/publications/sellafield-ltd-social-impact-strategy>

### **Safety performance**

The company 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, the company is encouraging a greater awareness of hazard spotting and hazard removal. These improvements, combined with continued lower injury rates, will assist in demonstrating to the Office for Nuclear Regulation that it can be removed from enhanced regulatory attention for conventional safety in 2025/26.

Two 'safety pause' events in 2024/25 allowed employees to step away from their normal work activities to have team discussions on safety topics, designed to focus all employees on safety while also driving safety improvements across the business.

The following section sets out the company's performance against key safety metrics in four key safety categories: nuclear safety, radiological safety, conventional safety, and environmental safety. Details of the events can be found on the company's website (<https://www.gov.uk/government/collections/sellafield-ltd-incident-reports-and-notices>), including confirmation of any events that have been classified against the International Nuclear Event Scale (INES).

### **International Nuclear and Radiological Event Scale (INES)**

There were three International Nuclear and Radiological Events during 2024/25. All were rated as level one anomalies; one related to a temporary loss of power due to damage caused by Storm Eowyn, another related to work carried out that did not meet the required standards set within the existing risk assessment protocols. The third event related to an employee not following the correct barrier procedures.

No harm occurred from these events.

### **Nuclear safety**

There were two Nuclear Safety site incident reports raised during 2024/25. One related to a temporary loss of power due to damage caused by Storm Eowyn, another related to a collision between two flatrol railway wagons.

No harm occurred from these events.

### **Radiological safety**

There were three Radiological Safety site incident reports raised during 2024/25. One was in relation to the expiry of a monitored workers medical review, and the other two were in relation to contamination of flasks being used to transport nuclear waste across the Sellafield site. There were no radiological safety consequences to any individuals as a result of these events.

There has been an increase in personal (skin) contamination cases, none of which led to an internal dose exposure for any employees.

### **Environmental safety**

There were three Environmental Safety site incident reports in 2024/25 relating to:

- the identification of a small hole in the external ventilation duct at an analytical laboratory at Sellafield which has been subsequently repaired.
- the discharge of Aluminium from SIXEP Continuity Plant, internal investigations are ongoing.
- the discharge of Nickel from the Enhanced Actinide Removal Plant. Assessment confirmed the environmental impact was insignificant.

### **Conventional safety**

At the heart of the company's conventional safety work is a desire that everyone who comes to work at Sellafield Limited goes home safely at the end of every day or shift. The accidents reported in 2024/25 are related to slips, trips and falls, as well as working at height, and manual handling. The company is driving improvements to conventional safety through the safety improvement plan and encouraging a greater awareness of hazard awareness and hazard spotting.

### **Security**

The company takes its responsibility for the security of Sellafield and its company assets seriously. This includes physical and cyber security.

In June 2024, Sellafield Limited pleaded guilty to charges brought by the Office for Nuclear Regulation relating to past nuclear industry security regulations compliance. There is no suggestion that public safety was compromised. A sentencing hearing took place in August 2024, the outcome of which resulted in the company being fined £332,500 and ordered to pay £53,253.20 in costs.

In February 2025, the Office for Nuclear Regulation returned Sellafield Limited to routine regulatory attention for physical security, meaning the regulator is satisfied that we're achieving the security outcomes they require.

For supporting data and charts on the company's safety performance during 2024/25, please also refer to Appendix 2.

## Resources

### Employees

In 2024/25 the company employed an average of 11,653 employees (2023/24: 11,038).

Professional standards for capability and development are set by a network of enterprise leaders and heads of profession who provide a service to their business area. Development and deployment of resource is facilitated through them in conjunction with line managers. The company manages its resource to an established staffing level, carefully understanding and validating any variations to support business continuity.

### Values and expectations

The Board sets expectations for corporate and individual behaviour through its stated policies, including those on Fraud Prevention Anti-Bribery and Corruption, Conduct and Compliance, and Speak-Up. Supporting these, the company has a range of frameworks to set out and reinforce these desired behaviours:

- The manifesto sets out how we expect people to treat each other. The manifesto is evolving during 2025/26 to create a new set of values, based on creating a high-performance culture.
- The Nuclear Professionalism Standards and Expectations are aligned to the World Association of Nuclear Operators (WANO) standards and sets out the behaviours expected from employees and supply chain partners regarding nuclear safety.
- The Code of Responsible Business Conduct sets out the minimum standards expected from employees. This is underpinned by detailed arrangements for the declaration of any conflicts of interest or the receipt of gifts or hospitality. Supporting this are processes to facilitate both the raising of concerns, and ensure they are recorded, considered, and dealt with appropriately.

### Diversity and inclusion

The company remains committed to creating an environment where every colleague feels respected, included and performs at their best.

During 2024/25 the company made significant progress on a broad range of activities, events, campaigns, and training to help develop a culture of respect and inclusion. A key aspect of this is the empowerment of the workforce and a working environment that enables colleagues to bring their whole self to work and feel respected, included for who they are, and what they contribute.

The company's successful employee-led support networks and groups were a key part of this. Employee-led support networks come from the workforce, bringing their areas of concern to the attention of the business, raising awareness and understanding of critical topics and helping to drive and embed changes that are needed. They also provide a high-level of peer support to their members, which has wide-reaching positive impacts. One of the key aspects of those networks and groups is how they are structured; employee led, People Function supported, and senior leader sponsored.

### Spatial planning

The nature of the company's mission requires the construction of new waste treatment and storage buildings and supporting infrastructure to support the reduction of hazard and risk in legacy facilities in addition to enabling the effective decommissioning of redundant facilities. However, the nuclear licensed site at Sellafield is heavily congested such that constraints on space and availability of land is increasingly challenging.

Recognising that land is an enterprise asset that is crucial to continued and sustained mission delivery, the Sellafield Limited spatial planning capability has developed an in-depth understanding of the land development constraints to ensure that land-use on the licensed site is strategically optimised to keep the complexity associated with construction of new facilities to a minimum.

The spatial management plan, underpinned by a suite of land use assumptions, provides the framework for how the company optimises and prioritises the use of on and off-site land. The spatial management plan, which has been independently assured,

has set out land the company expects to require to deliver its mission and is used to make decisions about development at Sellafield.

### **Supply Chain**

The company's supply chain plays an intrinsic role in the delivery of its mission, accounting for almost two thirds of its annual spend; supporting the company with the necessary capacity and capability to allow it to deliver its mission. As the company's reliance on its external supply chain continues, it is important to act as a 'client of choice' and put in place commercial strategies that will attract a broad and deep supply chain, drive competition and secure capability and capacity.

With a network of more than 1,050 companies engaged on Sellafield business, it is important that effective relationships are maintained with current and future supply chain partners to provide sustainable value for money and improve efficiency and resilience. In 2024/25, the company worked with the external supply chain and delivered cost efficiencies and cost avoidance against planned targets. In addition to this, managing supply chain risk remains of high importance given the characteristics of the external environment.

The company has long term alliance and partnership contracts that are delivering immense benefit in decommissioning, design and infrastructure, building upon learning from other key supply chain partnerships and industry best practice. In 2024/25, the company prepared to undertake the first two large scale contract transitions for strategic supply chain arrangements for operations that will also provide the platform for business change.

The implementation of a three pillar approach (social, economic, and environmental) as part of driving sustainability and social value in its supply chain has led to these areas being assessed in the submission of tenders and contractual commitments. In 2024/25 the outturn was 38% of direct and indirect spend with SMEs which equates to around £650 million. This continues to benchmark positively.

### **Non-Financial and sustainability information statement**

The company's non-financial and sustainability statement is set out below on environmental matters in Compliance with Companies Act 2006 Section 414CB.

### **Sustainability**

The company's commitment to sustainability is fundamental to its operations and long-term mission. In the past year, the company made significant strides in reducing its environmental footprint, promoting responsible sourcing management, and enhancing social responsibility initiatives. A dedicated sustainability team has implemented innovative practices that bring the company closer to more tangible, sustainability outcomes.

The company has invested in and partnered with local communities to support projects that prioritise ecological balance and social equity. The goal is not only to meet regulatory requirements but to exceed them, fostering a culture of sustainability within its workforce and extending this positive impact beyond immediate operations.

Aligned to the NDA's sustainability definition of creating value through nuclear decommissioning – at pace, affordably, with participation and creativity, the company contributes by:

- creating a positive environmental impact through waste recycling, carbon management and work to reduce greenhouse emissions.
- integrating social impact priorities in the tender process, exceeding in most cases the Public Procurement Notice (PPN 06/20) requirements.

This is continuing to be developed with processes being put in place to embed and capture the commitments made through collaborative working with the supply chain.

Further details on 2024/25 carbon emissions can be found on page 28.

## Climate-related financial disclosures

In compiling this section of the annual report, the company has considered the mandatory climate-related financial disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (the ‘Regulations’) and HM Treasury’s Task Force on Climate-related Disclosure (TCFD).

The company considers climate change to be a principal risk, and has therefore complied with the TCFD recommendations for disclosures around:

### **Governance**

The company has implemented a formal governance structure for climate resilience. Board oversight is provided by the Audit and Risk Assurance Committee. Strategic decisions related to climate resilience are managed through the Enterprise Development Committee. An executive-sponsored steering group has been established which includes independent experts to provide support and challenge. The company is actively sharing learning across the NDA group and continues to seek opportunities to share and learn from other organisations.

### **Strategy**

The company has created a family of climate-related risks and opportunities, owned by the appropriate people throughout the company, with a principal risk to aggregate the totality. Risks have a varying impact across different time-ranges. The company is collaborating with the NDA group on work to develop climate scenarios.

The company is continuing to refine and further underpin its climate related risks and opportunities as part of the established risk process, which includes consideration of operational, strategic and financial impacts. The recent focus has been on the acute risks, summarised below, which is guiding prioritisation of future focus areas. The company’s approach for risk mitigation is an ‘adaptation strategy’, whereby it seeks to understand the severity and timing of climate changes.

### **Risk management**

Climate-related risks and opportunities are identified and owned throughout the enterprise. In accordance with the company’s standard enterprise risk management processes, reviews are undertaken quarterly with climate-related risk owners to identify and develop integrated response plans and to address causes and consequences to the business. Regular updates on principal climate risk are provided to the Executive and Board. Climate-related risks are recorded and managed within the company’s enterprise risk management database. Risk assessment scoring and progress tracking on the risk mitigation actions inform climate resilience progress and performance reporting across the enterprise.

A broad range of acute climate risks have been assessed, with some climate change hazards being discounted due to this assessment – those risks deemed credible have been scored in alignment with company risk processes and are listed in the table below. It should be noted that these are expected to evolve as work in this area progresses. An example of a discounted risk would be the sole impact of sea-level rise, due to the location of our sites and their elevation above present sea levels.

ACUTE RISK	RATING
Threat of more frequent and severe site flooding	HIGH
Threat of more frequent and severe periods of drought	HIGH
Severe rainfall may impact active effluent systems	HIGH
Potential for future scenarios of extreme cold	MEDIUM
Increasing frequency and severity of extreme weather events may increase the threat of disruption to transport links	MEDIUM
Extreme weather may threaten the resilience of key on-site utilities and services	LOW
Increased threat of regional wildfires may result in operational disruption.	LOW
Threat of increased challenge to safety case due to climate change events	LOW
Extreme high temperatures of greater frequency, duration, and intensity may increase the threat that conditions on site will be intolerable for work	LOW
Extreme weather and the loss of transport options may create a risk of being unable to meet the needs of future site boundary changes	LOW
Periods of extreme high temperatures may disrupt on-site utilities	LOW
Severe rainfall may impact non-active effluent systems	VERY LOW

The overall impact of the climate related risks may restrict the ability of the company to complete its mission in a timely manner, which may manifest over the >100-year lifetime of the mission through supply chain restrictions, increased cost of operations and decommissioning, regulatory changes in relation to climate change, physical risk to people, facilities and infrastructure.

Descriptions of acute risks exist (see table). Chronic risks are under review so not yet suitable for disclosure. The assessments carried out to date have been undertaken on a qualitative basis. While the hazards due to climate change are projected to increase over the next 100 years. Over the same period, the overall site risks are due to reduce through the overarching site mission of high hazard risk reduction.

The forecasting of risk impact is further complicated by the complex asset management requirements of ageing infrastructure prior to decommissioning, hence the refinement of the company's climate risk profiles to include specific time periodicity for climate risks will necessarily be commensurately complex. The company is working with the NDA group to create appropriate scenarios to allow it to carry out more refined scenario-based assessments.

The analysis of the resilience of the company's business model and strategy to climate related scenarios is explicitly part of the risk identification and scoring and review process undertaken by the company which considers whether exposure to a given risk impacts a part of the site or business (e.g. effluents systems or roads), the consequences take account of the different aspects of those elements of the business.

Sellafield Limited has long-term carbon reduction targets set out in its carbon management transition plan. This is contributing to the NDA target for the NDA group to be net-zero by 2050, aligned to UK Government climate goals. Sellafield's in-year carbon reduction targets for Scope 1 & 2 support this aim, achieving a ~40% reduction in our direct carbon emissions for this financial year when compared to a 291,975t CO<sub>2</sub>e business as-usual baseline for this financial year 2024/25. Further information on current reporting year carbon emissions and how energy efficiency is contributing to this target is provided in the summary of performance in the streamlined energy and carbon reporting on page 28.

The company's annual carbon emissions are quantified in-line with the Greenhouse Gas Reporting Protocol and ISO 14064-1:2018 and have been independently verified in accordance with ISO 14064-3:2019.

### Metrics and targets

Metrics and targets are reported within the section Streamlined energy and carbon reporting on page 28. The company is investigating data available from the Meteorological Office to more fully understand the regional impacts of climate change. To date, no targets or metrics have been defined by the company for climate change adaptation.

To view the company's methodologies used for calculating streamlined energy and carbon reporting, see the Appendix 1 on page 71 and its emissions usage data on page 28.

## Financial review

### Key financial performance indicators

	2024	2023	Change %
	£m	£m	
Operating Costs	(2,825)	(2,673)	6%
Profit after Interest & Tax	-	-	0%
	Number	Number	
Average Number of Employees	11,653	11,038	6%

During the year the company incurred operating costs of £2,825 million (2023/24: £2,673 million). The company must control its expenditure within funding levels agreed with NDA and operate the Sellafield site safely and securely whilst meeting targets and milestones agreed with its owner, the NDA. Management and employee incentivisation schemes are also linked to the achievement of those targets.

In 2024/25 the company spent 100% of the funds available from the NDA (2023/24: 98%). Operating profit before taxation, depreciation, interest and research and development tax credits was £4 million (2023/24: £4 million).

The result for the year, after interest and taxation, amounted to £nil (2023/24: £nil).

The company's operating costs of £2,825 million (2023/24: £2,673 million) included spend of £952 million on value stream activities (including retrieval of nuclear waste and decommissioning nuclear facilities; receiving and storing used nuclear fuel; managing special nuclear materials) and spend of £710 million on delivering major capital projects to NDA. The operating costs of £2,825 million included donations in relation to socio-economic expenditure of £9.5 million (2023/24: £9.2 million), as agreed with the NDA.

For more information on financial performance, please see the annual accounts from page 35.

### Resources

During the year, the company employed an average of 11,653 employees (2023/24: 11,038), including executive directors. This incurred a total cost of £967 million (2023/24: £910 million) after taxes and pension costs.

The company's operations on the Sellafield site involve a significant number of supply chain and agency workers. During the year, there was an average of 350 agency staff (2023/24: 445).

For more information on the company's work with the supply chain, see page 9.

At 31 March 2025 the Sellafield Section and GPS SLC Section of the Combined Nuclear Pension Plan (CNPP), which are defined benefit pension schemes, both had an actuarial surplus.

The surplus has been calculated by the scheme actuary in accordance with International Accounting Standard 19 (R) (IAS 19 (R)). Further disclosures are available in note 15.

The surplus of the GPS SLC Section is not recognised as an asset as the company does not have an unconditional right to the surplus. The surplus of the Sellafield Section is recognised as an asset as the company can argue it has an unconditional right to refund of the surplus.

The NDA is the principal employer of the CNPP and is ultimately responsible for funding any pension fund deficits for the defined benefit sections of the CNPP. The level of Sellafield Limited's employer contributions is determined by the CNPP Trustees based on the latest triennial actuarial valuations. The company's employer contributions are included in operating costs and are reimbursed by the NDA.

#### **Research and development**

The company is tackling unique challenges at Sellafield. In 2024/25 it invested £89 million on research and development (R&D) (2023/24: £78 million). Most of the R&D was directed at directly supporting the clean-up of legacy facilities, waste management facilities and the infrastructure of the site.

### **Section 172 Statement**

The directors are required to explain how they consider the interests of key stakeholders, and the broader matters set out in section 172(1) (a) to (f) of the Companies Act 2006 when performing their duty to promote the success of the company under section 172.

Accordingly this section 172 statement explains how the directors have had regard to employee interests and the company's need to foster its business relationship with its suppliers and stakeholders. It focuses on matters of strategic importance to the company and the level of information disclosed is consistent with the size and complexity of the business.

When making decisions, each Director ensures that he/she acts in a way he/she considered in good faith would most likely promote the company's success, and in doing so have regard to:

- a) **the likely consequences of any decisions in the long-term:** the directors understand the business and the environment in which the company operates. Consideration is given to using the funding received to achieve the NDA Strategy in the most efficient and effective manner. The nature of the business requires consideration of the long-term impacts that decisions would have on the clean-up and decommissioning of the nuclear legacy at the Sellafield site. See page 5 for a summary of decisions and progress made in the year.
- b) **the interests of the company's employees:** the directors recognise that employees are fundamental and key to mission delivery and creating and maintaining a safe working environment is essential. As detailed on page 27, an employee engagement survey was conducted during the year to consider the interests of its employees.
- c) **the need to foster the company's business relationships with suppliers, customers and others:** delivering the company's mission requires effective working relationships with its supply chain, parent and owner, regulators and the government. For more information, please see page 9.
- d) **the impact of the company's operations on the community and the environment:** the impact of the company's operations on the community and the environment: the company has long-standing and extensive engagement with the communities around the Sellafield site and Warrington area, including the West Cumbria Sites Stakeholder Group (WCSSG) members of which include local government and community groups, regulators and unions. There are four main meetings per year and up to an additional twenty working group meetings per year which are open to the public and held in freely accessible locations. The company takes its environmental responsibilities very seriously. Please see page 6 for further details of the company's environmental performance.
- e) **the desirability of the company maintaining a reputation for high standards of business conduct:** the directors routinely review and approve policies and standards which ensure the maintenance of high standards within the company. The company has adopted a Code of Responsible Business Conduct which outlines the standards of behaviour and integrity expected to be observed everyone working at the company or alongside the company. The Board is informed and monitors compliance to ensure the company always acts and promotes high standards of business conduct.
- f) **the need to act fairly as between members of the company:** the company is licensed under the Nuclear Installations Act 1965 and is the holder of the Nuclear Site Licence for the Sellafield site. The company is the legal entity responsible for this site, which is owned by the NDA. The company as the site licence holder, through its Board, is directly accountable to the

relevant regulators for compliance with the conditions of the nuclear site licence, environmental permits for radioactive waste management and with all other applicable law and regulatory requirements, including compliance with the Companies Act 2006.

The company is responsible for ensuring that the activities on its sites are carried out in the long-term interests of the company, its employees, the local community, and business partners, and for doing so safely, securely, sustainably and with due regard to the environment.

The company's Board of Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholder (having regard to the matters set out in s172(1) a-f of the Act) in the decisions taken in the year ended 31 March 2025.

## **Our Obligations**

In addition to fulfilling the standard requirements of a limited company in the United Kingdom, the company is required to fulfil a range of obligations to several government bodies. These exist because of our status as an 'arm's length' body of the UK Government, requirements of the nuclear sector (domestic and international), the legacy of past missions on the Sellafield site, and the scale and scope of our current missions.

The company's key obligations can be categorised as 'direct', where we have a formal relationship with another government body (and are held to account on specific criteria), and broader relationships, such as those where obligations are held by the NDA (as the sole shareholder), which require significant input and support from us to discharge them.

### **'Direct' Obligations**

**NDA:** The company is a wholly owned subsidiary of the NDA and exists, at its discretion, to realise NDA's strategic objectives for the Sellafield site including to support NDA's obligations with third parties such as with the Ministry of Defence (MOD). It is held to account by the NDA for safe, secure sustainable site stewardship, progress at pace and lifetime value for money.

Consequently, we work closely with the NDA on matters pertaining to strategy and planning, major investments, commercial contracts, and performance management. The company is also obliged to fulfil NDA requests for independent reporting for assurance purposes.

**Employees:** The company employs more than 11,000 employees. Its primary obligation to those employees is to help them understand the Sellafield mission, and their role in delivering that mission safely. The company's measures for performance in this area includes regular employee surveys.

**Environment Agency (EA):** The company's primary obligation to the EA is to meet environmental regulation, which is primarily focused on site discharges and radioactive waste disposals.

**Office for Nuclear Regulation (ONR):** The company's obligations to ONR are focused on ensuring it can operate as a nuclear site licence company. They have a broad remit to regulate what is required of us to preserve safety and security of the site, including transport of material to and from the site and ensuring that we are compliant with the UK safeguards regulations. They also check that Sellafield's material is present in the quantities, form, and locations the company has declared and that it is not being diverted to other uses.

**Department for Energy Security and Net Zero (DESNZ):** Although the company's relationship with DESNZ is formally through the NDA, with regards to communications and public affairs events (that are likely to elicit media interest), we are required to provide input and information directly to them (informing the NDA in parallel).

**International Atomic Energy Association (IAEA):** Certain areas of the Sellafield site are also subject to inspections from IAEA and we cooperate with these as required.

**Planning Authorities:** The company's obligation to its local planning authorities is to bring planning applications forward in line with the requirements of planning regulations.

**Local Authorities:** The company has a close working relationship with the local authorities close to its site, in particular under the Radiation Emergency Preparedness and Public Information Regulations. These relationships are a key component in ensuring the company's social licence to operate. They also facilitate stakeholder input into the company's work and its understanding of community needs that help shape its social impact programme.

**Health and Safety regulators:** In addition to their nuclear regulatory duties ONR acts as the Health and Safety regulator in relation to the company's activities on the nuclear licensed site. The Health & Safety at Work Act 1974 and associated regulations such as the Management of Health and Safety at Work Regulations 1999 require that we establish, implement and control an operating model, which is proportionate upon the risk and complexity of the company's activities. This operating model includes its purpose and mandates the overarching frameworks used to pursue it and the key activities undertaken day to day.

In accordance with the Control of Major Accident Hazards Regulations 2015 (COMAH) the Health & Safety Executive are the competent authority in relation to the Sellafield site's status as an upper tier site, which was reclassified from lower tier in 2017.

Finally, the company holds a number of standard certifications (e.g., ISO 9001) and works with various assurance and certification organisations to maintain these.

### **Broader relationships**

The company also has key relationships with a broader range of government bodies, primarily associated with governance of business management, and other stakeholders.

**His Majesty's Treasury (HMT):** The company is funded by the state, and consequently liaise with HMT with respect to forecast spending requirements (including the liabilities related to the Sellafield site). While this activity is led by the NDA, the company is closely involved.

**UK Government Investments (UKGI):** As the NDA is responsible for discharging significant amounts of public funds to private sector organisations, it receives broad advisory support, challenge, and validation from UKGI. UKGI provides advice and challenge with respect to formal governance arrangements. The company provides support in any way required by UKGI to fulfil its governance mandate for arm's-length government bodies.

**Independent Projects Authority (IPA):** The NDA also has responsibility for the delivery of major projects at Sellafield, which are subject to oversight by the IPA. During 2024/25 NDA was therefore required to engage in project assurance processes with the IPA and can call upon the company's resources and expertise to support review processes and action recommendations.

**World Association of Nuclear Operators (WANO):** The company is a member of WANO, an industry body dedicated to improving the safety and reliability of nuclear operations. The company participates in peer reviews and other programmes to enhance nuclear safety both at Sellafield and in other nuclear facilities worldwide.

**Local Community:** We have a broad range of obligations to the local community, partly stemming from the company's role as one of the region's largest employers. Through a series of public meetings, we routinely report on work under way at Sellafield and invite questions and dialogue from stakeholders and members of the public.

**Supply Chain:** The company spends more than £1.8 billion per year with its suppliers.

**Corporate governance:** Details of the company's corporate governance arrangements are set out on page 20.

## **Principal risks and uncertainties**

As previously stated, the company operates the Sellafield nuclear site under the site licence which includes managing some of the most significant nuclear risks in Europe. The company has comprehensive risk management and risk reporting processes in place to manage all nuclear, business, safety, security, operational and financial risks related to the Sellafield site.

The risk management processes and controls are routinely reviewed by the Board, Audit and Risk Assurance Committee and management committees, alongside internal audit, to maintain effective management of risk.

The Sellafield principal risk profile covers a series of key themes across the business. These themes are all interlinked and have key interactions with each other to enable full mitigation of principal threats and optimisation of principal opportunities.

The key themes are:

**Asset care - maintaining the ageing facilities and systems (including analytical capability)**

Key mitigation activities to these risks include ongoing implementation of a full asset care and maintenance improvement plan across the business; targeted work to replace the roof of the analytical services facility; ensuring the appropriate resources are available when and where required, with the appropriate tooling; and upgrades to IT infrastructure.

**Land, waste routes and storage being in place when required to meet the strategy**

Key mitigation activities to these risks include ensuring we have suitably qualified and experienced resource and the appropriate permissions in place to undertake required works, maintaining a holistic picture of land availability for new requirements and ensuring appropriate and timely planning processes are in place.

**Safety from both a conventional and nuclear aspect**

Key mitigation activities include implementation of safety improvement plans, working with the regulators to ensure we meet site licence conditions, undertaking safety pauses and continuous learning, including that from other industries to ensure safety is at the forefront of everything we do.

**Security from both a cyber impact or physical impact**

Mitigated through strengthening of its data centres and ongoing physical security enhancements to the site.

**Supply chain covering contract management and capability / capacity**

Key areas of mitigation include ensuring we have appropriate contracts in place at the right time, with suppliers who can support requirements. Ensuring its supply chain are fully aware of the company's working procedures and processes and having key interface systems in place so issues, such as workface clashes, can be escalated promptly.

**Resource both availability and deployment**

Mitigated through resource campaigns for defined job groups and streamlining the deployment process, so creating a more agile workforce.

**Climate change**

Extensive development work is ongoing to increase organisational resilience to reduce the potential negative impact of climate-related events, including the identification of opportunities to reduce its carbon footprint and increase energy efficiency.

**Funding and supplier risks**

Under the Energy Act 2004, the NDA has a statutory obligation to provide adequate funding to enable the company to manage risks and keep the Sellafield site safe and secure.

The company's liquidity risk is managed through the working capital arrangements with NDA. All expenditure incurred by the company, as subsidiary of the NDA, is reimbursed by the NDA. The company's payments to suppliers, employees and third parties are funded through a cash drawdown agreement with the NDA, and the NDA also provides the company with a working capital facility of £2.5 million so that the company's other liabilities can be met as they fall due.

Supplier risk is managed through effective relationships and a range of contractual arrangements with the supply chain. The company does not have significant credit risk (2024/25).

As noted above, the nuclear industry is regulated by bodies such as the Environment Agency and the Office for Nuclear Regulation, and the company has detailed processes, procedures and controls to ensure that it complies with all aspects of this regulatory environment. Any fines arising as a result of the company's non-compliance are reimbursable from the NDA.

**Modern slavery and human trafficking statement**

The company is committed to integrity in all aspects of its business and operations and provides its services in compliance with legal requirements to high standards of corporate responsibility.

The Board recognises modern slavery, servitude, forced and compulsory labour, and human trafficking as both a crime and a violation of fundamental human rights.

During 2024/25 the company has continued to follow its Modern Slavery and Human Trafficking policy which is available to view on the company's website. The company also published its Modern Slavery and Human Trafficking Annual Statement 2024/25 which is also available on its website.

By order of the Board

A handwritten signature in black ink, appearing to read "n.okeeffe".

**Mrs Nicola O'Keeffe**

**Chief Financial Officer**

Date: 19<sup>th</sup> December 2025

## Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2025.

### Directors

The directors who held office during the year and to the date of this report were as follows:

Mr C Train  
(Independent Non-Executive Chair)  
(Appointed 1 July 2024)

Mr L Haynes  
(Independent Non-Executive Chair)  
(Appointed 2 May 2024, resigned 30 June 2024)

Mr A J M Meggs  
(Independent Non-Executive Chair)  
(Resigned 1 May 2024)

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Mr E Hutton  
(Chief Executive Officer)

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Mrs N J O'Keeffe  
(Chief Finance Officer)  
(Appointed 25 November 2024)

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Mr J Baxter  
(Independent Non-Executive Director and Senior Independent Director)  
(Resigned 30 September 2024)

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Mr P D Shipley  
(Independent Non-Executive Director)  
(Appointed 1 June 2025)

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Mr D G Vineall  
(Shareholder Appointed Director)

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Mr J P Simcock  
(Independent Non-Executive Director)  
(Resigned 9 April 2025)

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Mrs R McLean  
(Independent Non-Executive Director)  
(Resigned 30<sup>th</sup> September 2024)

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Sir S Lister  
(Independent Non-Executive Director)

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Mr P Vallance  
(Shareholder Appointed Director)

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Ms J Hodges  
(Independent Non-Executive Director)

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Mr C Jaouen  
(Independent Non-Executive Director)  
(Appointed 29 April 2024)

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Mrs S McMillan (Campbell)  
(Independent Non-Executive Director)  
(Appointed 1 May 2024)

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Mrs A D Rodwell  
(Independent Non-Executive Director)  
(Appointed 1 October 2024)

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## **Secretary**

Miss K Smith

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of Sellafield Limited (2023/24: same). According to the register of directors' interests, no rights to subscribe for shares in or debentures of Sellafield Limited were granted to any of the directors or their immediate families, or exercised by them, during the financial year (2023/24: same).

## **Directors' and officers' liability insurance**

Directors' and officers' liability insurance is provided, covering *inter alia* the defence costs of civil legal proceedings and the damages resulting from the unsuccessful defence of such proceedings except, in each case, to the extent that a director or officer acted fraudulently or dishonestly (2023/24: same).

## **Directors' indemnities**

As at the date of this report, we entered Deeds of Indemnity with certain of the directors (2023/24: same). These indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006 (UK).

## **Going concern**

Under the Energy Act 2004, the NDA has a statutory obligation to provide adequate funding to enable the company to manage risks and keep the Sellafield site safe and secure.

Working capital requirements are met by the NDA with all expenditure incurred by the company as subsidiary of the NDA. Payments to suppliers, employees and third parties are funded through a cash drawdown agreement with the NDA, and the NDA also provides a working capital facility of £2.5 million so that other liabilities can be met as they fall due.

Agreed funding levels are set annually by NDA. As in previous years, the company will work collaboratively with NDA to manage use of funding across the NDA's estate. All costs incurred by Sellafield will be reimbursed by NDA.

Having reviewed the cash flow forecasts against agreed funding levels, and working capital availability from the NDA, the directors have concluded that the use of the going concern basis of accounting is appropriate and that there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern.

## **Research and development (R&D) expenditure**

Activities and expenditure in respect of R&D are discussed in the strategic report.

## **Political and charitable donations**

The company made no political contributions during the year (2023/24: £nil). Charitable donations are discussed in the strategic report on page 4.

## **Financial instruments**

All treasury activities are carried out under policies approved by the Board.

If required, the company uses forward foreign currency contracts and currency options to reduce foreign exchange rate exposure on certain assets, liabilities and firm commitments. During the year the company did not engage in such activities (2023/24: none). The company does not engage in speculative treasury arrangements, and all its activities are designed to support underlying business activities.

## **Policy and practice on payment of creditors**

The company has continued its commitment to the Prompt Payers Code of Practice drawn up by the Confederation of British Industry (CBI), with rigorous monitoring of payment performance. Copies of the Code are available from CBI, Centre Point, 103 New Oxford Street, London, WC1A 1DU. Over the year 99% (2023/24 : 99%) of invoices submitted against the standard payment terms were paid on time.

## **Customer and supplier engagement and interests**

The section 172 Statement on page 13 sets out how the company works with the NDA, supply chain, and other stakeholders.

## **Corporate governance**

The Board of Directors has a clear framework for determining matters within its remit and has approved Terms of Reference for the matters delegated to its committees. The company's management system defines the framework for governance within the business.

Sellafield Limited follows the principles of the UK Corporate Governance Code in so far as it is applicable. The Board (corporate) governance arrangements align with the Code and fulfils the obligations set by our stakeholders.

The structure enables direction and control of the company in a legally compliant, effective, and efficient manner. The key mechanisms which comprise our corporate governance are discussed below 20 - 27.

### **Role of the Sellafield Limited Board**

The Sellafield Limited Board sets the strategic framework and direction for the company's operations, in alignment with the NDA's strategy for the Sellafield site. Amongst other obligations, it is responsible for agreeing plans by which the company's performance is measured, holding the executive team to account, setting corporate policies, and overarching risk management and controls.

The Board provides leadership to the company within a framework of prudent and effective controls which enable risk to be assessed and managed. It is accountable to the shareholder and regulators for compliance with the conditions of the nuclear site licence, environmental permits and other applicable law and regulatory requirements. Its authority is derived from the Articles of Association and the Scheme of Delegations and is subject to the conditions within the Remuneration Framework.

The role of a director is separate and distinct from the role of an executive or senior manager, even if (as is the case of certain directors who are also members of the executive committee) the roles are held by the same person.

Each executive director's role is to put aside the interests they may have in an executive capacity and act in a way which meets the duties of a director.

Non-executive directors are recognised as playing a key part in good governance in terms of independent oversight of Board decision making.

Non-executive directors' roles are developed to ensure that they provide the appropriate level of oversight and challenge to the decisions of the Board and they are provided with suitable and sufficient information and briefings to enable them to fulfil this role in full.

It is for these reasons that the company requires its directors to undertake formal training with regards to the role of a director, either through the Institute of Directors or other equivalent body.

### **Directors' interests**

Members of the Board must declare any personal, private or commercial interests which may conflict with their management responsibilities. A register of such interests is maintained by the company.

No members have declared interests which present a significant interest or conflict with their role as a member of the Board.

### **The company's system of internal control**

The directors are responsible for the company's system of internal control and reviewing its effectiveness. The Board has reviewed the effectiveness of the company's systems of risk management and internal controls during the year. The system of control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

### **Personal data related incidents**

The company is required to include information on personal data related incidents which have been formally reported to the Information Commissioner's Office (ICO).

There have been no personal data related incidents formally reported to the ICO in the period 1 April 2024 to 31 March 2025.

### **Board membership as at 31 March 2025:**

1 x independent non-executive Chair

2 x executive directors (CEO) & (CFO)

6 x independent non-executive directors

2 x shareholder appointed non-executive directors

### **Board committee membership**

As at 31 March 2025, the Board of Directors comprised seven independent non-executive directors, including the independent non-executive Chair, two NDA appointed non-executive directors and two executive directors, including the Chief Executive Officer.

The table below sets out the Board members during the period 1 April 2024 to 31 March 2025 and their membership of Board committees:

Name	A&RAC	P&RC	EHS&S	P&PC	NomCo	SIC
Mr A J M Meggs		*		*	Ch	*
Mr C Train	*			*	Ch	*
Mr J Baxter		Ch	Ch		*	
Mr J P Simcock	*			Ch		Ch
Mrs R McLean	Ch					
Sir S Lister			Ch			
Mr D G Vineall	*	*			*	
Mr P Vallance			*	*		*
Ms J Hodges	*	*	*			
Mr C Jaouen			*	*		*
Mrs S McMillan (Campbell)		Ch	*		*	
Mrs A D Rodwell	Ch				*	

Ch = Chair

The following table provides details of each Director's attendance at Board and committee meetings for the period they were a member during the period 1 April 2024 to 31 March 2025:

Total Number of Meetings	Board (9)	A&RAC (5)	EHS&S (4)	P&PC (3)	P&RC (6)	NomCo (2)	SIC (5)
Mr A J M Meggs (Resigned 1 May 2024)					1	1	
Mr L Haynes (Appointed 2 <sup>nd</sup> May 2024 – resigned 30 <sup>th</sup> June 2024)	1						
Mr C Train (Appointed 1 <sup>st</sup> July 2024)	8	3		2	3	1	3
Mr J Baxter (Resigned 30 <sup>th</sup> September 2024)	2		1		3	1	
Mr J P Simcock	7	4		3		2	5
Mrs R McLean (Resigned 30 <sup>th</sup> September 2024)		1					1
Sir S Lister	9		4				
Mr E Hutton	9	1			5		
Mr D G Vineall	7	5			6	2	
Mr P Vallance	8		4	3			3
Ms J Hodges	9	5	4		6		
Mr C Jaouen (Appointed 29 <sup>th</sup> April 2024)	9			3			4
Mrs S McMillan (Campbell) (Appointed 1 <sup>st</sup> May 2024)	7		2		5	1	
Mrs A D Rodwell (Appointed 1 <sup>st</sup> October 2024)	6	3					1
Ms N J O'Keeffe (Appointed 25 <sup>th</sup> November 2024)	4						

Note: Where attendance is below the number of meetings it is due to attendance/resignations during the year.

## **UK Corporate Governance Code**

The controls and requirements of the 2024 DESNZ Framework Document, issued to NDA, apply to Sellafield Limited as a subsidiary of NDA unless specifically agreed with the Department for Energy Security and Net Zero (DESNZ) Cabinet Office and Treasury. These requirements include benchmarking performance against the UK Corporate Governance Code (the Code) which is part of the Board's annual performance review.

The company does not formally apply the UK Corporate Governance Code but does seek to apply the underlying principles of the Code to the maximum extent to which it is applicable.

The company has an Audit and Risk Assurance Committee (A&RAC) that follows the principles of the Code.

The company has comprehensive risk management and risk reporting processes to manage all nuclear, business, safety, security, operational and financial risks related to the Sellafield site. The Code adopts a principles-based approach to provide guidance on good corporate governance. It places greater emphasis on relationships between companies, shareholders and stakeholders. It also promotes the importance of establishing a corporate culture that is aligned with the company purpose, business strategy, promotes integrity and values diversity.

Accountability for the day-to-day management of the business is held by the Chief Executive Officer (CEO), supported by the Executive Team.

The directors have considered the disclosures included within the annual report and financial statements and are satisfied that the annual report and financial statements are fair, balanced and understandable, and provide the information necessary for the shareholder to assess the company's position, performance, business model and strategy.

The company follows the five principles of board leadership and company purpose, which are:

- A. A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society;
- B. The Board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture;
- C. The Board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed;
- D. In order for the company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties; and
- E. The Board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.

Accountability for the day-to-day management of the business is held by the Chief Executive Officer (CEO), supported by the Executive Team.

For further detail on principal risks and uncertainties, please refer to page 15.

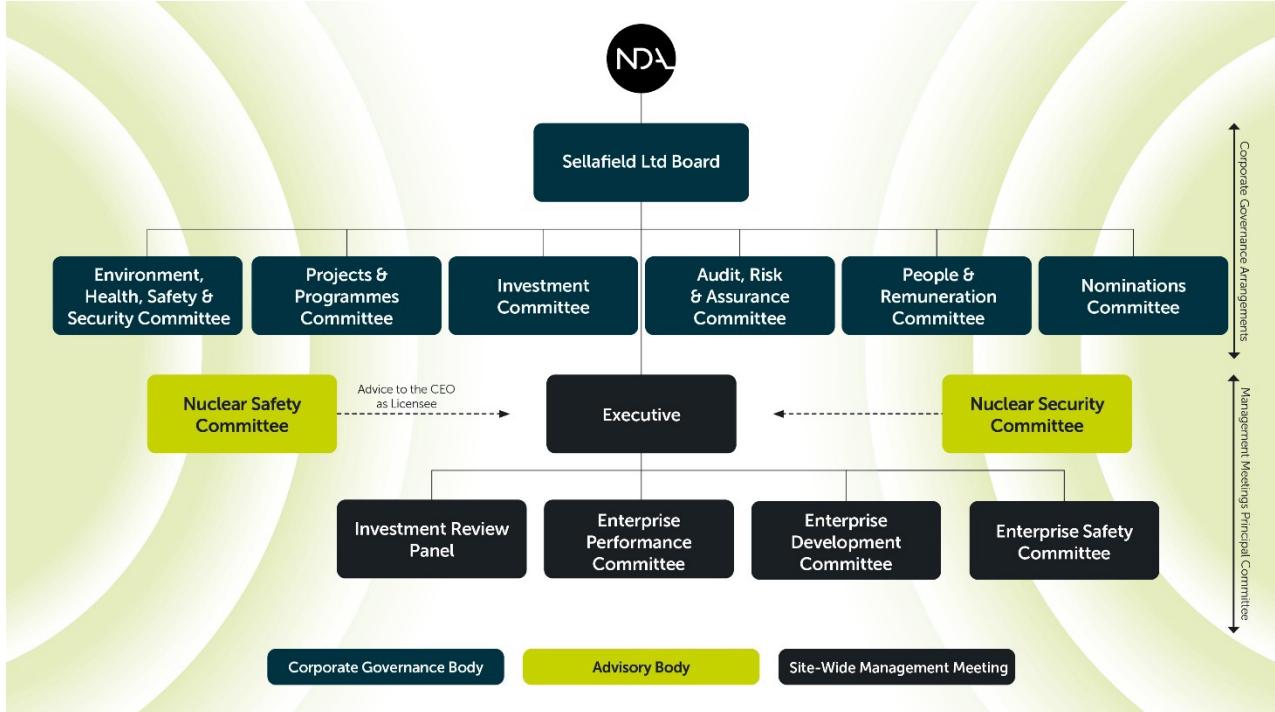
## **Board effectiveness review**

The company complies with the relevant elements of the 2018 Corporate Governance Code by means of an annual self-assessment of the Board and Board Committees and a three yearly independent external review of effectiveness.

Following an independent review in 2022/23 an annual self-assessment was carried out during 2023/24 and 2024/25.

## Board and Committee Structure

The corporate governance structure for the company is shown below.



As shown above, the structure comprises six formally constituted committees of the company's Board, each of which is central to assisting the Board in maintaining good governance and assurance/oversight.

Although other committees will support the work of these committees, final accountability and responsibility for the operation and management of the company rests directly with the Board. Decisions may be taken by these committees in line with their delegated authority as set out in their terms of reference (otherwise it is their responsibility to make recommendations to the Board).

**The Board of Directors of the company:** The Board has the sole decision-making authority, except where the Board delegates its authority to the CEO or to Board Committees, in each case in accordance with the terms of the corporate governance documents. In such instances the Board remains accountable to the shareholder for those decisions and as such requires oversight and assurance of the systems put in place to deliver day-to-day management of the organisation.

**The Audit and Risk Assurance Committee (A&RAC):** Its purpose is to ensure effective oversight of the company's statutory reporting, corporate governance (leading the assessment of the annual Governance Statement), risk management process and internal control. The Committee also has oversight of the internal audit function of the company and the external auditor on behalf of the Board.

The A&RAC met five times during the 2024/25 financial year. During this period the A&RAC focused upon the embedding of risk management arrangements across the company by supporting the development of a revised risk appetite statement, conducting 'deep dive' reviews in key areas of the enterprise risk and of the arrangements and performance of various directorates' internal control systems. In its meeting in February 2025, the A&RAC endorsed for Board approval the appointment of the National Audit Office as the company's new external auditors. The A&RAC's priority remains on maintaining, through effective oversight, an aggregated view of risk, internal control and assurance throughout the business.

**The People and Remuneration Committee (P&RC):** Its purpose is to consider, oversee, evaluate, and provide guidance to the Board on the strategy and implementation plans adopted by the company in relation to its workforce and people. The committee provides the means by which the voice of employees is heard by the Board and the Chair of the committee ensures that the Board takes into

account the interests of employees when making its decisions. The committee has delegated authority, subject to the Remuneration Framework, for setting the remuneration of all executive directors, including pension rights and any additional payments or bonuses, and for considering the overall effectiveness of the remuneration strategy within the company.

During 2024/25, the committee's work included the design and governance of annual and long-term incentive schemes, the review and endorsement of annual pay review mandates prior to Board approval, monitoring of compliance with reward controls which are required by HM Government, and approval of Executive remuneration. In addition, the committee focused on further improvements to reward governance, with review and endorsement of a revised Remuneration Framework and incentive scheme rules prior to Board approval.

**The Environment, Health, Safety and Security Committee (EHS&S):** Its purpose is to provide the Board with assurance in respect of policy implementation, statutory and regulatory requirements, internal controls (including environmental matters such as discharges and disposals, the Nuclear Intelligence and Independent Oversight and EHS&S Assurance) and risk mitigation.

The EHS&S met five times during 2024/2025 and throughout the year assurance was provided in respect of policy implementation, statutory and regulatory requirements, internal controls and risk mitigation. Specific consideration was given to the development and implementation of a safety improvement plan.

**The Nominations Committee (NomCo):** Its purpose is to provide the Board with advice and recommendations in respect of the Board composition, skills, experience, diversity, and succession planning, as well as having oversight and input to the executive management team succession planning.

The NomCo met twice during the 2024/25 financial year. During this period in addition to maintaining its focus on executive leadership and succession, and the management of Board composition, tenure and succession, it focussed particularly upon Chair succession and the recruitment of four new non-executive members of the Board including the A&RAC and P&RC Chairs and overseeing and supporting the recruitment of the Chief Finance Officer.

## Advisory bodies

**The Nuclear Safety Committee:** Whilst each director and executive committee member has responsibility for nuclear safety, there is also a Nuclear Safety Committee constituted in accordance with the nuclear site licence requirements. The committee includes the company's Chief Nuclear Officer as well as members external to the company. It reports directly to the CEO and through him provides advice to the Licensee ensuring that matters of nuclear safety are given the highest visibility across the business. Any advice given by the committee but not accepted by the CEO must be reported to ONR under Nuclear Site Licence Condition 13.

## Role of the CEO and Executive team

The CEO is accountable to the Board for all aspects of operating the Sellafield site and delivers this through delegation of accountabilities to the Executive team.

The CEO provides assurance to the Board that the business is being managed in accordance with the Board's requirements and authorities. The Executive Committee provides a forum for executives to give advice as a collective to the CEO in support of the CEO delivering their accountabilities to the enterprise and its Board and shareholder.

The Executive team is collectively accountable for managing Sellafield Limited, which includes (but is not limited to):

- Maximising value for the enterprise in a sustainable manner by making trade-offs around resource allocation to balance near-term and longer-term delivery objectives.
- Taking and overseeing the implementation of medium to long-term strategic decisions for the business.
- Providing assurance to our Board that the business is being managed in accordance with the Board's requirements and delegations. Fostering a positive environmental protection, safety, and security culture across the Enterprise; and
- Creating alignment with our owner on business priorities.

## Employees and employee engagement

The company has continued its previous practice of keeping employees informed on matters affecting them as employees and on topics affecting company performance.

Employee representatives are consulted regularly on a wide range of matters affecting the current and future interests of the employees. Employee involvement in the performance of the company is encouraged through various bonus and remuneration schemes. The levels of employee engagement and satisfaction have increased year on year through the results of our annual engagement survey.

### **Equality of opportunity**

The company is committed to a policy of equality of opportunity for all employees. We regularly review, monitor and update the recruitment and selection processes to ensure that barriers for all are removed, and that they are fair, visible and transparent and once recruited, appropriate training and development is given to meet individual needs.

Our employee data tells us we now have the most diverse workforce we have ever had. Applications by people with disabilities are given full and fair consideration and wherever practical, provision is made for any additional needs, through reasonable adjustment. The same criteria for training and promotion apply to people with disabilities as to any other employee. If an employee becomes disabled, every effort is made to ensure their continued employment and a broad range of short and long term support interventions are available.

### **Employee voice at Board level**

The Board's People and Remuneration Committee provides the means by which the voice of employees is heard by the Board and the Chair of the committee ensures that the Board takes into account the interests of employees when making its decisions.

The employee engagement survey for 2024/25 resulted in the highest ever participation rate of 78%, up from 68% the previous year, which represented the views of more than 9,300 colleagues. Survey results showed an overall positive increase and trends in all areas of overall engagement, diversity and inclusion and health and wellbeing. There was a significant increase in active participation rates from plant and facility based employees, and some especially strong positive score increases from this group. The increase in their levels of engagement on key topics such as reward, line manager support, peer relationships, how the company deals with poor behaviour and the support provided for mental health and wellbeing was especially positive.

Areas for improvement and action plans are in place, particularly focused around improving the physical work environment and sense of accomplishment, with all senior leaders having a personal performance objective on engagement.

## Streamlined energy and carbon reporting

The company's annual carbon emissions are quantified in-line with the Greenhouse Gas Reporting Protocol and ISO 14064-1:2018 and have been independently verified in accordance with ISO 14064-3:2019.

Greenhouse gas (GHG) emissions and energy usage data for the period 1 April 2024 to 31 March 2025 is as follows:

	Current reporting year 2024/25	Comparison reporting year 2023/24
Energy consumption used to calculate emissions: kWh total (000 kWh)	916,000	886,000
<b>Breakdown by fuel (000 kWh)</b>		
Electricity	110,000	130,000
Natural gas	780,000	720,000
Other fuels	19,000	30,000
Transport	7,000	6,000
<b>Scope 1 (tCO<sub>2</sub>e)</b>		
Emissions from combustion of gas	140,000	130,000
Emissions from combustion of fuel oils	4,800	7,600
Emissions from combustion of fuel for transport	700	700
<b>Scope 2 (tCO<sub>2</sub>e)</b>		
Emissions from purchased electricity (location-based)	22,000	26,000
Emissions from purchased electricity (market-based)	22,000	26,000
<b>Scope 3 (tCO<sub>2</sub>e)</b>		
Emissions from business travel: hire or employee-owned vehicles where company is responsible for fuel	900	800
<b>Total gross CO<sub>2</sub>e based on above: tCO<sub>2</sub>e total</b>	<b>190,400</b>	<b>191,100</b>
<b>Intensity ratio: tCO<sub>2</sub>e/£1 million</b>	<b>61</b>	<b>63</b>

To view the company's methodologies used for calculating streamlined energy and carbon reporting, see Appendix 1 on page 71.

## Summary of performance in the reporting period

Since establishing Sellafield Limited's ambitious emissions reduction targets in 2020, there has been good progress. We have achieved carbon reductions that have exceeded our annual targets; approximately 40% reduction in our direct carbon emissions compared to baseline for this financial year. This is primarily due to modifying the operational requirements on the Sellafield Combined Heat and Power Plant, reducing leaks and losses from our site distribution system, and introducing more energy efficient technology onto site.

The resilient generation and supply of electricity and heat to the Sellafield site is of utmost importance to delivering its mission. Determining how we do this to meet its future requirements is complex and involves several areas of the Sellafield Limited business in conjunction with the NDA Group Wide Energy Programme.

The retirement of ageing assets and transitioning to steam provision via lower carbon alternatives will lead to increased efficiency of steam generation, and reduced carbon emissions. Whilst process steam remains a long-term requirement of the business, it is recognised that reducing its reliance on steam for heating will lead to efficiency gains.

To support this aim, Programme and Project Partners (PPP) have piloted a heat pump Heating, Ventilation, and Air Conditioning (HVAC) system to replace the traditional steam mains system. This HVAC system enables the recovery of 85% of the heat, a much-reduced operational footprint and a 90% reduction in its carbon footprint. PPP are now looking at opportunities to scale up and deploy the technology elsewhere on site.

Optimising energy consumption is challenging, but the company is progressing opportunities, including within the period:

- The first fully electric locomotive on the Sellafield site is now operational. The locomotive is powered by 10-tonne lead-acid batteries which are 99% recyclable. Not only will this largely reduce energy consumption, but also reduce the company's carbon footprint.
- Energy efficiency and carbon are considered within design considerations. This period has included the installation of a new ventilation isolation system using an innovative and sustainable design. A more simplified design moved away from the initial complex and bespoke solution, resulting in alternative materials being used and reduced energy consumption in the construction phase. The resulting design has led to 75% less energy use and 2/3 less carbon when compared to the initial design.
- Replacement projects are also considering sustainability and challenging like-for-like replacement where appropriate. An example this financial year being to challenge the initial requirements of an Uninterruptible Power Supply (UPS) replacement project resulting in a more lightweight design. This saved £0.5m on manufacture and construction and equally significant material, energy use and carbon emissions savings.
- Operational changes improving overall efficiency have also resulted in reduced energy use. A project to transfer Special Nuclear Material packages between storage locations has successfully consolidated the number of package transfers. This has greatly reduced the number of transport vehicle journeys, and therefore the associated fuel use and subsequent carbon emissions.

Continued progress towards carbon emissions reduction targets is reliant on the decisions we make on future energy generation and ensuring that we accelerate energy demand optimisation.

The company has carried out innovative work in the period to attribute true financial and relative intensity figures to energy commodities purchased and used on the Sellafield site. This work will support strategic decisions on future generation and supply, whilst providing an improved understanding of the cost/ benefit of pursuing demand optimisation opportunities.

By order of the Board



**Mrs Nicola O'Keeffe**

**Chief Financial Officer**

Date: 19<sup>th</sup> December 2025

## Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, Directors' report and our financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they present fairly the financial position and financial performance of our company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain our transactions and disclose with reasonable accuracy at any time our financial position and enable them to ensure that our financial statements comply with the Companies Act 2006. They are also responsible for safeguarding our assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have considered the disclosures included within the annual report and financial statements and are satisfied that they as a whole are fair, balanced and understandable, and provide the information necessary for the shareholder to assess our position, performance, business model and strategy.

## Directors' statement regarding information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

## Annual General Meeting and Auditors

In accordance with the requirements of the Companies Act 2006 we are not required to hold an Annual General Meeting or to re-appoint the auditors on an annual basis.

By order of the Board



**Mrs Nicola O'Keeffe**

**Chief Financial Officer**

Date: 19<sup>th</sup> December 2025

Registered Company Number: 01002607

30 Sellafield Limited Annual Report and Financial Statements 2024/25

# Independent auditor's report to the members of Sellafield Limited

## Opinion on financial statements

I have audited the financial statements of Sellafield Limited for the year ended 31 March 2025 which comprise Sellafield Limited's:

- Statements of Financial Position as at 31 March 2025;
- Statement of Profit or Loss, Statement of Comprehensive Income, and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the Sellafield Limited's affairs as at 31 March 2025 and its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## 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 Sellafield Limited in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Sellafield Limited'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 the data and assumptions used by management to determine the going concern basis, and a review of external sources to corroborate or contradict management's assessment.

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 Sellafield Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Independent auditor's report to the members of Sellafield Limited

Continued

### Other information

The other information comprises the information included in the strategic Report and Directors' Report but does not include the financial statements and my auditor's report thereon. The directors are 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 prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### Matters on which I report by exception

In the light of the knowledge and understanding of the Sellafield Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

### Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within Sellafield Limited from whom the auditor determines it necessary to obtain audit evidence.
- ensuring such internal controls are in place as directors determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006;
- preparing the Annual Report in accordance with the Companies Act 2006; and

## Independent auditor's report to the members of Sellafield Limited

Continued

- assessing Sellafield Limited'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 directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit and report on the financial statements in accordance with the applicable law and International Standards on Auditing (UK) (ISAs (UK)).

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 regulation, 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 Sellafield Limited's accounting policies.
- inquired of management, Sellafield Limited's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Sellafield Limited's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Sellafield Limited's controls relating to Sellafield Limited's compliance with the Companies Act 2006 and the Energy Act 2004;
- inquired of management, Sellafield Limited's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations; and
  - 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 Sellafield Limited for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of Sellafield Limited's framework of authority and other legal and regulatory frameworks in which Sellafield Limited operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Sellafield Limited. The key laws and regulations I considered in this context included Companies Act 2006, Energy Act 2004, Managing Public Money, employment law, pensions legislation, and tax Legislation.

## Independent auditor's report to the members of Sellafield Limited

Continued

### Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

### Other auditor's responsibilities

I am required to obtain 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.



**Paul Hewitson FCA (Senior Statutory Auditor)**

**Date: 19 December 2025**

For and on behalf of the

**Comptroller and Auditor General (Statutory Auditor)**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

# Financial Statements

## Statement of Profit or Loss

For the 12 months ended 31 March 2025

	Note	2025	2024
		Restated (Note 21)	
		£m	£m
<b>Revenue</b>	4	2,829	2,677
Operating costs	5	(2,825)	(2,673)
<b>Operating profit from continuing operations before depreciation and research and development (R&amp;D) tax credits</b>	5	4	4
Depreciation on right-of-use assets	13	(4)	(4)
R&D tax credits		18	17
NDA share of R&D tax credits		(13)	(12)
<b>Profit on continuing operations before interest and taxation</b>		5	5
Net Interest	16	-	-
Interest expense on the lease liability	13	(1)	(1)
NDA credit in respect of IFRS 16	13	-	-
<b>Profit before Tax</b>		4	4
Tax expense	8	(4)	(4)
<b>Profit for the year</b>		-	-
<b>Profit attributable to:</b>			
<b>Equity holders of the Company</b>		-	-

All of the Company's operations in both 2025 and 2024 are continuing.

The notes on pages 40 - 70 form part of these financial statements.

## Statement of comprehensive income

For the 12 months ended 31 March 2025

	Note	2025	2024
			Restated (Note 21)
		£m	£m
<b>Profit for the year</b>		-	-
<b>Other comprehensive income items that will not be reclassified to profit or loss:</b>			
Actuarial gain/(loss) on the Sellafield section of the CNPP	15	199	(136)
Deferred Taxation of Actuarial gain on the Sellafield section of CNPP	8	(50)	9
Movement on provision for the surrender of pension surplus to NDA	14	(199)	136
Deferred Taxation on surrender of pension surplus to NDA	8	50	(9)
<b>Total other comprehensive income items that will not be reclassified to profit or loss for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		-	-
<b>Total comprehensive income attributable to:</b>			
<b>Equity holders of the Company</b>			

The prior year figure for movement on deferred tax relating to pension surplus and movement on provision for surrender of surplus to NDA in respect of deferred tax liability have been restated to recognise the impact of the deferred tax liability. See note 8 - Income tax for more details.

The notes on pages 40 - 70 form part of these financial statements.

## Statement of financial position

At 31 March 2025

	Note	31 March 2025	31 March 2024 (Restated)	
		£m	£m	(Note 21)
<b>Assets</b>				
<b>Non-current assets</b>				
Right-of-use assets	13	33	32	
NDA receivable in respect of lease liabilities	13	2	1	
Receivable in respect of Surplus on CNPP DS Pension scheme (SL section)	15	527	299	
<b>Total non-current assets</b>		<b>562</b>	<b>332</b>	
<b>Current assets</b>				
Trade and other receivables	9	557	557	
Cash and cash equivalents	10	4	6	
<b>Total current assets</b>		<b>561</b>	<b>563</b>	
<b>Total assets</b>		<b>1,123</b>	<b>895</b>	
<b>Current liabilities</b>				
Trade and other payables	11	(498)	(508)	
<b>Non-current liabilities</b>				
Lease liabilities	13	(32)	(30)	
Provision for surrender of pension surplus to NDA	14	(527)	(299)	
Long term liabilities	11	(66)	(58)	
<b>Total liabilities</b>		<b>(1,123)</b>	<b>(895)</b>	
<b>Net assets</b>		-	-	
<b>Capital and reserves</b>				
Equity share capital	16	-	-	
Retained earnings		-	-	
<b>Total equity</b>		-	-	

The 2024 position has been restated in respect of the pension surplus (Note 15) and the restatement of liabilities between non-current and current (Note 11). The prior year figure for NDA receivable in respect of deferred tax liability, and Deferred tax liability have been restated to recognise the impact of the deferred tax liability. See note 8 - Income tax for more details. We are taking advantage of the exemption permitted in FRS 101 that results in not requiring "a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements".

## Statement of financial position (continued)

At 31 March 2025

These financial statements were approved by the Board of Directors and were signed on its behalf on  
by:



**Mrs Nicola O'Keeffe**

**Chief Financial Officer**

Date: 19<sup>th</sup> December 2025

Registered Company Number: 01002607

The notes on pages 40 – 70 form part of these financial statements.

## Statement of changes in equity

For the year ended 31 March 2025

	Share capital £m	Retained earnings £m	Total equity £m
Shareholders' funds at 1 April 2023	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
Changes in equity for year ended 31 March 2024	-	-	-
<b>Shareholders' funds at 31 March 2024</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
Changes in equity for year ended 31 March 2025	-	-	-
<b>At 31 March 2025</b>	-	-	-

The notes on pages 40 - 70 form part of these financial statements.

# Notes to the financial statements

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## 1 General Information

The financial statements of the Company for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on 3<sup>rd</sup> December 2025. The Company is a limited Company incorporated and domiciled in England. The registered office is located at Hinton House, Risley, Warrington, Cheshire WA3 6GR in the UK.

The immediate parent undertaking is the Nuclear Decommissioning Authority (NDA). The consolidated financial statements of the NDA are available to the public and may be obtained from its headquarters at Herdus House, Westlakes Science & Technology Park, Moor Row, Cumbria, CA24 3HU.

The Company's shareholder, NDA, is a Non-Departmental Public Body sponsored by the Department for Energy Security and Net Zero. As a result, in the Directors' opinion, the Company's ultimate controlling party is His Majesty's Government.

The principal activity of the Company is to operate the nuclear site under the site license and a Services Agreement with the NDA. The Company operates under the Interface Agreement between the Company and NDA, as a wholly owned subsidiary of NDA. In accordance with the Energy Act 2004, NDA has tasked the Company with carrying out activities set out in the NDA Designation of Sellafield including the receipt and treatment of spent fuel, the storage of hazardous materials, the decommissioning and clean-up of installations and the maintenance of laboratory and other facilities.

Under the Interface Agreement between the Company and NDA, the Company has to control its expenditure within agreed funding limits and operate the Sellafield site safely and securely whilst meeting targets and milestones agreed with its shareholder.

## 2 Accounting Policies

### 2.1 Basis of preparation

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101 '*Reduced disclosure Framework*' (FRS 101). The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2025.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 7 Financial Instruments: Disclosures
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraphs 53(a), (h) and (j) of IFRS 16 Leases and paragraph 79(a)(iv) of IAS 1
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1
- The requirements of IAS 7 Statement of Cash Flows
- The requirements of paragraphs 30 and 31 of IAS 8 Basis of preparation of Financial Statements to disclose details of new IFRSs which have been issued but are not yet effective or have not yet been applied
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures to disclose the costs of the Key Management Personnel of the Company
- The requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- The requirements of IFRS13 Fair Value Measurement, paragraphs 91 to 99.

Equivalent disclosures are given in the group accounts of the NDA, which are available to the public and can be obtained as set out above. The financial statements are presented in Sterling and all values are rounded to the nearest million pounds (£ million) except where otherwise indicated.

## Notes to the financial statements

Continued

The company's financial assets include cash and cash equivalents and trade and other receivables, the measurement of which are described in notes 2.4g and 2.4i. The company's financial liabilities comprise trade and other payables (note 2.4k) and leases (note 2.4d).

### 2.2 Adoption of new and revised standards

The following standards have been issued but are not yet effective:

- IFRS18 Presentation and Disclosure in Financial Statements
- IFRS19 Subsidiaries Without Public Authority

The company will adopt both standards as applicable when they become effective on 1 January 2027.

### 2.3 Going concern

Under the Energy Act 2004, the NDA has a statutory obligation to provide adequate funding to enable the company to manage risks and keep the Sellafield site safe and secure. NDA have agreed funding levels to Sellafield following the 2025 Spending Review. As in previous years the company will work collaboratively with NDA to manage use of funding across the NDA's estate. All costs incurred by Sellafield will be reimbursed by NDA.

Having reviewed the cash flow forecasts against agreed funding levels, and working capital availability from the NDA, the directors have concluded that the use of the going concern basis of accounting is appropriate and that there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern.

### 2.4 Summary of material accounting policies

#### a Property, plant and equipment

The Company does not own any property, plant and equipment. Under the Energy Act 2004, all assets previously owned by the Company were transferred on 1 April 2005, with the majority being transferred to the NDA. The Company utilises the NDA's assets as provided for within the Interface Agreement between the NDA and the Company.

#### b Foreign currency

The financial statements are expressed in pounds sterling, which is the functional currency and presentation currency of the Company. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the Statement of Profit or Loss and are recognised in the period in which they arise.

#### c Revenue recognition

The company operates under the Interface Agreement between the company and NDA, as a wholly owned subsidiary of NDA. The company only has one contract with the NDA, which is its only customer.

The principal role of the company is to operate the Sellafield nuclear site under the site licence and an Interface Agreement between itself and the NDA in a safe, secure, efficient and cost-effective manner and in accordance with its business plans.

Revenue represents the reimbursement of operating costs incurred by the company under the Interface Agreement in accordance with the principal activity of the company. Revenue is measured at the value of all paid, payable and accrued costs.

Under the Interface Agreement and its accompanying policies, the costs incurred by the company are reimbursed by the NDA as incurred, on an accrual basis.

There is no concept of disallowable costs under the Interface Agreement and cost reimbursement by the NDA is not linked to the delivery of specific services or milestones, or the achievement of targets and success criteria, although the Company's management and employee incentivisation schemes are linked to their achievement.

Management considers that in respect of IFRS 15, there is only one performance obligation within the Interface Agreement between the Company and NDA, and that this obligation is delivered over time as the Company is reimbursed for costs incurred, and control is passed over time to its customer, the NDA.

IFRS 15 states that an entity recognises revenue over time if one of the following criteria is met:

- The customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs;

## Notes to the financial statements

Continued

## 2.4 Summary of material accounting policies (continued)

- The entity's performance creates or enhances an asset that the customer controls as the asset is created; or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for the performance completed to date.

In the case of the Interface Agreement, all three of the criteria above apply.

NDA reimburses the company in line with an agreed cash drawdown process and working capital arrangement. As such, the timing of the satisfaction of the performance obligations does not always directly correspond with the timing of receipts of payment from the NDA. Where revenue exceeds amounts invoiced or where goods or services are transferred to the customer before the customer pays consideration (or before payment is due), the excess is classified as accrued income and included in trade and other receivables (contact asset).

In 2024/25, the company received miscellaneous revenue (Category 2 income) of £6m (2023/24: £6m) in respect of rental income and services provided to NDA affiliates and other third parties who are resident on the Sellafield site, and sales of NDA assets. Under the Energy Act 2004 and terms of the Interface Agreement, income received by the company is transferred to the NDA, with NDA bearing any credit risks.

As a result, the company considers that it is acting as the agent of NDA in respect of Category 2 income, rather than the principal, and the revenue shown in the Statement of Profit or Loss excludes Category 2 income.

### d Leased assets

#### Company as a lessee

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is or contains a lease.

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time, in exchange for consideration'. To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- The Company 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; and
- The Company 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 Company recognises a right-of-use asset and a lease liability on the Statement of financial position.

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 Company, 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 Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company 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. The liability is split into current and non-current elements on the Statement of Financial position. The current lease liability is included in trade and other payables, as shown in note 11.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

## Notes to the financial statements

Continued

### 2.4 Summary of material accounting policies (continued)

#### Company as a lessor

The Company's policy for lessor accounting under IFRS 16 has not substantially changed from the comparative period. As a lessor, the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and is classified as an operating lease if it does not.

Where the Company enters into a sublease arrangement and becomes the intermediate lessor, an assessment of the right of use asset rather than the underlying asset is made when determining whether a finance or operating lease exists.

#### e Post-retirement benefits

The Company provides pension plans for the benefit of all of its employees. The schemes are funded by contributions partly from the employees and partly from the Company. These payments are made to separately administered funds for the Sellafield section of the Combined Nuclear Pension Plan (CNPP), the Group Pension Scheme (GPS) section of the CNPP and the Electricity Supply Pension Scheme (ESPS). The CNPP defined benefit pension plan was closed to new employees with effect from 24 November 2008, from which time membership of a CNPP defined contribution plan is available.

The NDA is the principal employer of the CNPP and is ultimately responsible for funding any pension fund deficits for the defined benefit sections of the CNPP. The level of employer contributions paid by the company is determined by the CNPP Trustees based on the latest triennial actuarial valuations. Under the Interface Agreement between the company and NDA, the costs of providing pensions form part of the entities cost base and therefore an equivalent value is included within the revenue recognised under the policy outlined above.

Amounts relating to the current and past service costs and net interest on the net defined benefit liability are shown in note 15. Reflecting the fact that any overall pension surplus or deficit is for the benefit of, or to be funded by, the NDA, there are also offsetting amounts due to the NDA.

Under IAS 19 (and IFRIC 14 'Limit on Defined Benefit Asset'), actuarial surpluses are recognised on the Company's Statement of financial position with an equal and opposite obligation to the NDA. This recognises the obligations placed on the company under the Energy Act.

IFRIC 14 provides guidance on the amount of a surplus arising from a Defined Benefit Scheme that can be recognised as an asset. IFRIC 14 states that right to a refund of a surplus depends on the occurrence or non-occurrence of one or more uncertain future events and if not wholly within an entity's control, the entity does not have an unconditional right and should not recognise an asset.

Under the terms of the CNPP's trust deed, the company does not have an unconditional right to a surplus of the GPS section, and as a result, any actuarial surplus is not recognised and is not included on the company's Statement of financial position. The company does however have an unconditional right to a surplus on the Sellafield section and, as a result, an actuarial surplus is recognised in full on the company's Statement of financial position with an equal and opposite provision of surrender of pension surplus to NDA.

Where the company recognises a pension surplus in accordance with IAS 19, re-measurements of the defined benefit liabilities and assets are recognised in the Statement of comprehensive income, these are offset by movements in the fair value of the corresponding obligation to the NDA recognised under IAS 37 as described in note 2.4 f. The company has disaggregated these offsetting movements in the Statement of comprehensive income.

The defined benefit pension asset or liability comprises the total for each plan of the present value of the defined benefit obligations (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price.

The Company is unable to identify its share of the underlying assets and liabilities included in The Magnox Electric Group of the ESPS (MEG ESPS) on a consistent and reasonable basis and therefore, accounts for the scheme as if it were a defined contribution scheme.

Contributions to defined contribution schemes are recognised in the Statement of Profit or Loss in the period in which they become payable.

## Notes to the financial statements

Continued

### 2.4 Summary of material accounting policies (continued)

#### f Provisions

The company's accounts historically included provisions for the company's obligations in respect of nuclear liabilities, being liabilities in respect of the costs associated with nuclear decommissioning, waste management, and reprocessing of fuel from reactors. Following the restructuring under the Energy Act 2004, on 1 April 2005 the nuclear assets and liabilities on the company's sites transferred to the NDA, which now has full financial responsibility for discharging the nuclear liabilities on these sites.

Under the Energy Act 2004 Section 17 the company is obligated to surrender sums and benefits received to the NDA. Any defined benefit pension scheme surplus is therefore obligated to be surrendered to the NDA.

The timing of the settlement of this obligation is uncertain, in addition, the value is inherently uncertain as it is inextricably linked to the value of the pension surplus and therefore has the same uncertainties (see note 15). The obligation to surrender the pension surplus to the NDA is therefore entered in the accounts as a provision under IAS37 in non-current liabilities. On this basis, the financial statements include a provision for the obligation to surrender the defined benefit pension surplus on the Sellafield section of the CNPP to NDA as Sellafield hold an unconditional right to a refund of the surplus noted at the financial year end. The value of the provision will be aligned with the valuation of the pension surplus and the underlying assumptions used as part of the actuarial valuation, resulting in equal and opposite entries that are aligned with the pension valuation data.

Provision movements are reflected in the statement of profit or loss and the statement of comprehensive income to the extent that the pension valuation adjustments are allocated. It is management's view that the provision is inextricably linked to the pension obligation and therefore the company has used judgement to develop a policy reflecting the substance of the obligation in accordance with IAS 8. In accordance with this policy movement arising from the remeasurement of the provision are recognised in a way which mirrors the remeasurement of the associated pension asset.

#### g Trade and other receivables

Other receivables principally comprise company operating costs recoverable from NDA, which are considered to be contract assets under IFRS 15 under the terms set out in note 9 and recoverable under the terms of the Interface Agreement. Company operating costs recoverable from NDA generally have 30-90-day terms, and the directors consider the risk of financial loss to be remote.

In 2024/25, the company received miscellaneous revenue (Category 2 income) of £6m (2023/24: £6m) in respect of rental income and services provided to NDA affiliates and other third parties who are resident on the Sellafield site, and sales of NDA assets. Under the terms of the Interface Agreement, income received by the company is transferred to the NDA, with NDA bearing any credit risks. As a result, the company considers that it is acting as the agent of NDA in respect of Category 2 income, rather than the principal.

#### h Income taxes

##### Income taxes

###### Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, income tax is recognised in the Statement of Profit or Loss.

###### Deferred Tax

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements, with the following exception:

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset in the statement of financial position as per IAS 12 paragraph 71 when there is a legally enforceable right to offset and they will be settled simultaneously.

## Notes to the financial statements

Continued

### 2.4 Summary of material accounting policies (continued)

#### **I Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial position comprises cash at banks and short term deposits with an original maturity of three months or less. Cash is recognised on receipt.

#### **J De-recognition of financial assets and liabilities**

A financial asset or liability is generally de-recognised when the contract that gives rise to it is settled, sold, cancelled, transferred or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the Statement of Profit or Loss.

#### **k Trade and other payables**

Trade and other payables are non-interest bearing and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method.

#### **l Research and Development Expenditure**

Under the terms of the interface agreement all assets acquired are the property of NDA. Consequently, as the company does not recognise any assets it considers that the capitalisation criteria under IAS38 are not met and therefore all research and development expenditure is expensed to profit and loss in the period that it is incurred.

#### **m Operating profit**

Operating profit is stated before research and development tax credits, depreciation, interest and taxation.

#### **n Inventory**

The company does not own any inventory. Under the Energy Act 2004, all assets previously owned by the company were transferred on 1 April 2005, with the majority being transferred to the NDA. The company utilises the NDA's assets as provided for within the Interface Agreement between the NDA and the company. Inventory is expensed to operating costs when utilised from NDA assets. Operating costs are recoverable from NDA under the Interface Agreement.

## 3 Critical accounting judgements and key sources of estimating uncertainty

#### **Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

#### **Agent v Principal**

The role that the company plays in selection and scoping of supply chain, directing services and the combination or integration of the various different elements that contribute to costs under management supports the position that the company is principal and therefore gross revenues are presented, with the exception of Category II income, where the accounting policies now reflect that Sellafield is the agent in the relationship.

#### **Pensions**

In 2024/25 it was determined that the IAS19 valuations show an actuarial surplus in both sections (Group Pension Scheme and Sellafield Section) of the Combined Nuclear Pension Plan (CNPP). IFRIC 14 considers the general requirements concerning the limit on a defined benefit asset, and states that if the right to a refund of a surplus depends on the occurrence or non-occurrence of one or more uncertain future events not wholly within an entity's control, the entity does not have an unconditional right and should not recognise an asset.

## Notes to the financial statements

Continued

Based on the terms of the CNPP's trust deed, management's judgement is that the Company does not have an unconditional right to a surplus of the GPS section and as a result the actuarial surplus of has not been recognised in the statement of financial position 2024/25.

### 3 Critical accounting judgements and key sources of estimating uncertainty (continued)

The Company does however have an unconditional right to a surplus on the Sellafield section and, as a result, an actuarial surplus is recognised in full on the Company's Statement of financial position with an equal and opposite NDA creditor.

As discussed in note 15, the IAS19 valuation of the CNPP for the prior year at 31 March 2024 also shows a surplus for both sections of the CNPP and the same consistent methodology was applied last financial year.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Operating costs

The operating costs, which are recoverable from the NDA under the Interface Agreement, include accruals for management estimates for any known risks such as sub-contractor and supplier claims.

The operating costs, which are recoverable from the NDA under the Interface Agreement, include manual accruals for which management uses assumptions in estimating possible risks such as sub-contractor and supplier claims. Total manual accruals at year end included in trade and other payables amounted to £269 million (2024: £292 million).

It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumption could require a material adjustment to the carrying amount of these manual accruals. It is impracticable to disclose the extent of the possible effects of sub-contractor and supplier claims.

#### Pension benefits

The cost of defined benefit pension plans and the present value of pension obligations are determined using actuarial valuations. All actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. The key assumptions are discount rate and future salary increases. Due to the complexity of the valuation, the underlying assumptions, and long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rates are based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates. Further details about the pension benefit assumptions used are given in note 15.

#### Contingent Liabilities

The directors have become aware of a potential financial obligation that may have arisen inadvertently from historic regulatory changes. It is not clear whether the changes were intended to capture the company's activities. There is considerable uncertainty regarding how the relevant legislation would apply to the company's activities and whether any outflow of cash will be required.

The directors consider that the likelihood of an outflow of cash is higher than remote, but not probable and therefore judges that the criteria at both IAS37.14 a) and b) have not been met which precludes the recognition of a provision in respect of this matter and, therefore, the matter has been classified as a contingent liability.

Furthermore, the directors judge that it is not currently possible to reliably measure any potential amount because of the uncertain application of the relevant legislation and the need for detailed analysis of historic data and that, as such, it is not practicable to disclose an estimated financial effect within this statement because it would be speculative and unreliable.

The specific nature and origin of the obligation is not included within this statement because disclosure may prejudice the company's position. The directors continue to assess this situation and would expect to be able to provide more certainty within next year's accounts, should this be necessary.

## Notes to the financial statements

Continued

### 4 Revenue

Total revenue shown (£2,829m) equates to the net costs recovered from the NDA.

In both 2025 and 2024, all revenue relates to the operation of the Interface Agreement in the UK.

Revenue of £8m received in the year in relation to agent income (Category 2 and secondment income).

### 5 Operating profit

This is stated after charging:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Research and development costs	89	78
Subcontractors' costs	1,619	1,528
Auditor's remuneration	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
<b>Audit fees</b>	245	216
	245	216
<b>Operating Costs – broken down into material components</b>	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Staff costs	952	897
Subcontractor costs	1,619	1,528
Materials costs	102	102
Equipment costs	23	19
Other costs	129	127
	2,825	2,673

#### Nature of Operating Cost categories

##### Staff Costs

Includes salaries, pensions, and benefits for employees engaged in nuclear decommissioning, waste management, and supporting functions. These costs reflect the highly skilled workforce required for safety-critical operations.

##### Subcontractor Costs

Payments to specialist contractors and service providers including delivering project-specific expertise, maintenance, construction activities, audit and technical services.

##### Materials

Procurement of raw materials, consumables, and components used in decommissioning processes, waste treatment, and infrastructure maintenance.

## Notes to the financial statements

Continued

### Equipment

Costs associated with acquiring, maintaining, and operating plant machinery, remote handling tools, and safety equipment necessary for nuclear site operations.

### Other Costs

Includes insurance, training, regulatory compliance, charitable donations to local causes and overheads that support the safe and efficient running of the site.

## 6 Employee information

The average monthly number of persons employed by the Company, including executive directors, during the year was made up as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
	Number	Number
Staff in support functions	2,564	2,233
Staff engaged in projects and site operations	9,089	8,805
	<u>11,653</u>	<u>11,038</u>

The aggregate employee benefits expense of these persons was as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
	£m	£m
Wages and salaries	751	696
Social security costs	87	81
Pension costs	114	120
	<u>952</u>	<u>897</u>

Pension costs disclosed above represent current and past service costs in respect of defined benefit schemes £67 million (2023/24: £81 million), defined contribution schemes £46 million (2023/24: £38 million) and other pension costs £1 million (2023/24: £1 million). Pension costs incurred are included in operating costs and under the Interface Agreement form part of the cost base which forms the basis of revenue earned from the NDA

The cost of providing pensions, to the extent that they form a part of the cost base of the company, are covered through the revenue earned from the NDA under the terms of the interface agreement.

## Notes to the financial statements

Continued

7 Directors' emoluments	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Directors' emoluments	853	979
Aggregate amounts receivable under Long Term Incentive Plans	67	128
Post-retirement benefit costs	49	60
<b>Total Directors' remuneration</b>	<b>969</b>	<b>1,167</b>

The executive directors are employees of the Company, and the directors' remuneration in the table above includes the cost of their qualifying service as directors, including the fees paid to non-executive directors.

In 2024/25 the highest paid director was employed by the Company and their aggregate emoluments were £479,376 (2023/24: £348,637) which includes employer's pension contributions of £38,925 (2023/24: £29,328), benefits in kind of £1,881 (2023/24: £0) and estimated bonus payments of £149,113 (2023/24: £94,007).

In 2024/25 none of the directors were active members of the Company's defined benefit pension plans discussed in note 15 (2023/24: nil). During 2024/25 two of the directors were active members of the defined contribution section of the Combined Nuclear Pension Plan discussed in note 15 (2023/24: three).

The Company's executive directors participate in Long Term Incentive Plans which allow the participants to receive bonuses based on the performance of the Company over three-year periods. Remuneration to the executive directors from the Long-Term Incentive Plans is accrued on the basis of performance over the three-year periods and adjusted in accordance with the contractual entitlement.

## 8 Income tax (Restated (Note 21))

The major components of income tax expense for the years ended 31 March 2025 and 2024 are:

### Statement of Profit or Loss

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
<i>Current income tax:</i>		
UK Corporation Tax	4	4
<b>Income tax expense reported to the Income supported</b>	<b>4</b>	<b>4</b>

## Notes to the financial statements

Continued

### Income tax (Restated (Note 21))

Continued

The reconciliation between the tax charge and the product of the accounting profit multiplied by the UK's domestic Corporation Tax rate for the years ended 31 March 2025 and 2024 is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
	£m	£m
Profit from continuing operations before taxation	4	4
Accounting profit multiplied by the UK rate of Corporation Tax of 25%	-	-
<i>Effects of:</i>		
Permanent differences	4	4
Taxation due on Research and development expenditure credits	4	4
Temporary differences		
Temporary timing differences on Defined Benefit Pension Scheme	(7)	(7)
Temporary timing difference on Provision for surrender to the NDA	7	7
<b>Total income tax charge</b>	<b>4</b>	<b>4</b>

#### Factors affecting the future tax charge

R&D tax credits that arise are wholly to the benefit of the NDA. As a result, the accounts include a creditor that reflects the NDA's interest in the Company's R&D tax credits (note 9).

#### Deferred Tax Liability

A review of the tax treatment of defined benefit pension scheme surpluses has identified a deferred tax liability applies to any scheme in surplus over which the company has an unconditional right to a refund.

The company participates in two sections of the Combined Nuclear Pension Plan (CNPP) and has an unconditional right to a refund of the surplus in the Sellafield section, creating a deferred tax liability. The company does not have an unconditional right to a refund of the surplus in the GPS SLC section so no deferred tax liability crystallises.

Per the Energy Act 2004 section 17, the Company is obligated to surrender sums and benefits received to the NDA. Any defined benefit pension scheme surplus is therefore obligated to be surrendered to the NDA. The Company therefore recognises a corresponding provision for the obligation to surrender the surplus to the NDA for the full value of the net surplus. The review of tax treatment has identified that the provision represents a temporary timing difference aligned to the pension surplus accounting treatment therefore a deferred tax asset applies to the provision.

As the deferred tax adjustments have a legally enforceable right to set off the recognised amounts and will be settled simultaneously, the deferred tax asset and deferred tax liability are offset in the statement of financial position as per IAS 12 paragraph 71 resulting in no asset or liability being shown due to the equal and opposite impact. Additionally, the impact on the statement of comprehensive income shows a balance of nil due to the offsetting of the movements in year.

The following tables represent the prior-period impact of deferred taxation on the statement of comprehensive income and the statement of financial position.

## Notes to the financial statements

Continued

### Income tax (Restated (Note 21)) (Continued)

Deferred tax in statement of financial position as at 31 March 2024

Category	Gross balance	Netting Impact	Net balance
	£m	£m	£m
Deferred tax asset	75	(75)	-
Deferred tax liability	(75)	75	-

The following are the major deferred tax liabilities and assets recognised by the company and movements during the reporting year.

	Deferred tax liability relating to Pension surplus	Deferred tax asset provision for surrender of Pension Surplus	Deferred tax asset/(liability)
	£m	£m	£m
1 April 2023	(77)	77	-
Charge/(credit) to Current Taxation	(7)	7	-
Charge to Other Comprehensive Income	9	(9)	-
31 March 2024	(75)	75	-
1 April 2024	(75)	75	-
Charge/(credit) to Current Taxation	(7)	7	-
Charge to Other Comprehensive Income	(50)	50	-
31 March 2025	(132)	132	-

Deferred tax assets and liabilities are offset where they are expected to be settled simultaneously. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes.

	Year ended 31 March 2025	Year ended 31 March 2024
Deferred tax liabilities	(132)	(75)
Deferred tax assets	132	75
<b>Total deferred tax asset/(liability)</b>	-	-

## Notes to the financial statements

Continued

### 9 Trade and other receivables

	2025 £m	2024 £m
Trade and Other Receivables – recoverable from the NDA	455	478
Prepayments – recoverable from NDA	31	26
R&D tax credits	71	53
	<hr/> 557	<hr/> 557

The trade and other receivables above relate to company operating costs recoverable from the NDA (including prepayments) of £487 million (2023/24: £504 million) are non-interest bearing and are on terms set out in the Interface Agreement. Receivables represent monies due from the NDA under the Interface Agreement. The NDA reimburse the company in line with an agreed cash drawdown process and working capital arrangement. The reimbursement of costs by the NDA is not linked to the delivery of milestones and targets.

There are NIL provisions for impairment of trade and other receivables at 31 March 2025 (31 March 2024: £nil). All trade and other receivables are denominated in Sterling and the carrying value approximates to fair value.

R&D tax credits are deemed to be current in nature as they are expected to be realised within the company's normal fiscal cycle.

### 10 Cash and cash equivalents

	2025 £m	2024 £m
Cash at bank and in hand	4	6
	<hr/> 4	<hr/> 6

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents at 31 March 2025 is £4 million (31 March 2024: £6 million). The Company only deposits cash surpluses with major banks of high-quality credit standing.

The company does not have major working capital requirements because all expenditure incurred by the company is reimbursed by the NDA under defined contract terms within the Interface Agreement, and the company's working capital requirements are provided by NDA. In particular the majority of the company's payments to suppliers, employees and third parties are funded through a cash drawdown agreement with the NDA, and the NDA also provides the company with a working capital facility of £2.5 million so that the company's other liabilities can be met as they fall due.

The National Westminster Bank plc (NatWest) provides banking facilities through which the company manages its working capital and normal treasury activities. Arrangements are in place between NatWest, NDA and the company which support the company's use of these banking facilities.

## Notes to the financial statements

Continued

### 11 Trade and other payables

#### Current liabilities

	2025 £m	2024 Restated (note21) £m
Trade payables	67	73
Other taxes and social security costs	60	59
Accruals and deferred income (including employee creditors)	297	320
Corporation Tax	16	11
NDA's beneficial interest in the R&D tax credits	55	42
Lease liabilities	3	3
	498	508

#### Long Term Liabilities

	2025 £m	2024 £m
Accruals and deferred income	66	58
	564	566

Certain balances previously presented within current liabilities have been reclassified to long term liabilities to better reflect the nature and timeframes of the liabilities. The 2024 comparative balances have been restated to reflect the expected duration of liabilities at 31 December 2024 following this re-assessment: March 2025: £66m (31 March 2024: £58m).

Terms and conditions of the above financial liabilities:

The carrying amount approximates to fair value.

Trade payables are non-interest bearing and are predominantly settled on either net monthly terms, within 30 days from invoice validation or within 21 days of the supplier invoice date, depending on the commercial contract in place.

The element of R&D tax credits refundable to NDA are deemed to be current in nature as they are expected to be realised within the company's normal operating cycle, even if settlement may occur beyond twelve months (due to HMRC systematic delays in payment).

### 12 Contingent liabilities

The company has a potential financial obligation under IAS 37 as detailed in note 3, disclosed in line with IAS 37 para 92.

### 13 Leases

The company accounts for leases in line with IFRS 16, where the company is a lessee. The company is unable to enter into new leases for land and buildings without the approval of the NDA, who in turn are subject to restrictions imposed by DESNZ.

The company has entered into commercial leases for land and buildings, motor vehicles, and plant and equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the Statement of financial position as both a right-of-use asset and a lease liability. Where leases are short-term or of low value, the company applies the recognition exemption for these leases as permitted by IFRS 16. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the assets and lease liability.

The leases for land and buildings have remaining durations of between 1 and 20 years (2023/24: 1 and 21 years). The leases for motor vehicles have durations up to a period of 4 years (2023/24: 4 years) and for plant and equipment of 4 years (2023/24: 1 year). Lease payments for each lease are fixed.

Each lease generally imposes a restriction that, unless there is a contractual right for the company to sublet the asset to another party, the right-of-use asset can only be used by the company. Leases are either non-cancellable or may only be cancelled by incurring a termination fee. The company is prohibited from selling or pledging the underlying leased assets as security. For leases of office buildings, the company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Furthermore, the company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

## Notes to the financial statements

Continued

### 13 Leases (continued)

The total cash outflow for all leases in 2024/25 is £7.5m (2023/24: £7.3m).

The following tables detail the right-of-use asset and lease liability as noted in the Statement of financial position:

#### Right-of-use assets

	Land and Buildings £000		Vehicles £000		Other £000		Total £000	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening Balance at 1 April	30,237	31,985	1,273	1,325	214	830	31,724	34,140
Additions	2,263	518	1,250	629	1,234	241	4,747	1,388
Depreciation	(2,337)	(2,266)	(718)	(655)	(823)	(857)	(3,878)	(3,778)
Impairment	-	-	-	-	-	-	-	-
Disposals	-	-	(27)	(26)	-	-	(27)	(26)
<b>Closing Balance as at 31 March</b>	<b>30,163</b>	<b>30,237</b>	<b>1,778</b>	<b>1,273</b>	<b>625</b>	<b>214</b>	<b>32,566</b>	<b>31,724</b>

The right of use assets are included as a separate line item to where the corresponding underlying asset would be presented.

#### Lease Liability

	Land and Buildings £000		Vehicles £000		Other £000		Total £000	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening Balance at 1 April	31,555	33,098	1,266	1,317	239	983	33,060	35,398
Additions	2,263	518	1,250	629	1,234	241	4,747	1,388
Finance charges	1,013	606	51	30	34	27	1,098	663
Payments	(2,955)	(2,667)	(759)	(684)	(794)	(1,012)	(4,508)	(4,363)
Disposals	-	-	(27)	(26)	-	-	(27)	(26)
<b>Closing Balance as at 31 March</b>	<b>31,876</b>	<b>31,555</b>	<b>1,781</b>	<b>1,266</b>	<b>713</b>	<b>239</b>	<b>34,370</b>	<b>33,060</b>

## Notes to the financial statements

continued

### 13 Leases (continued)

The lease liabilities are presented in the Statement of financial position in the following table. Current liabilities are included in Trade and other payables (note 11).

	31 March 2025 £000	31 March 2024 £000
Current liabilities	2,815	2,832
Non-current liabilities	31,555	30,228
<b>Total lease liability</b>	<b>34,370</b>	<b>33,060</b>

A small difference arises between total amounts charged to the Statement of Profit or Loss under IFRS 16 and the sum of accrued lease payments for the year. Under the terms of the Interface Agreement, the future lease payments including finance charges will be reimbursed by the NDA. Included within revenue is an amount equivalent to the accrued lease payments. A credit for the small difference is recognised as a finance credit, effectively recognising the reimbursable finance charges with the associated asset included as a non-current receivable from the NDA.

Sellafield Limited manages liquidity risk related to lease liabilities through the working capital arrangements with NDA. Lease payments, along with other operating costs, are reimbursed by the Nuclear Decommissioning Authority, which significantly reduces liquidity risk. The liquidity risk is therefore considered low.

#### Maturity Analysis

The undiscounted maturity analysis of lease liabilities as at 31 March 2025, with 1 April 2024 comparatives, is as follows:

	31 March 2025 £000	31 March 2024 £000
Due within one year	4,163	3,430
Due within one to five years	14,107	10,543
Due in five+ years	29,513	24,827
<b>Total Cash Payments</b>	<b>47,783</b>	<b>38,800</b>
<b>Amount Representing Lease Interest</b>	<b>13,413</b>	<b>5,740</b>
<b>Present Value of Future Lease Payments</b>	<b>34,370</b>	<b>33,060</b>

#### Lease payments not recognised as a liability

The company has elected not to recognise a lease liability for leases that are short term or of low value assets. Payments made under such leases are expensed on a straight-line basis. The expenses relating to payments not included in the measurement of the lease liability as follows:

	2025 £000	2024 £000
Expenses relating to leases of low value assets	145	130
Expenses relating to short term leases	2,210	2,210
<b>Total</b>	<b>2,355</b>	<b>2,340</b>

## Notes to the financial statements

Continued

### 13 Leases (continued)

#### The Company as a lessor

The Company acts as lessor for a small number of operating leases to third parties and acts as an agent on behalf of NDA. The rental income from these operating leases, including the effect of any lease incentives, is recognised on a straight-line basis over the lease term. Rental income received from third parties in 2024-25 was £562,000 (2023/24 : £562,000) and is transferred to the NDA.

The future minimum payments expected to be received are as follows:

	2025 £000	2024 £000
Within one year	562	562
After one year but not more than five years	1,989	2,120
More than five years	1,997	2,429
<b>Total minimum lease payments</b>	<b>4,548</b>	<b>5,111</b>

### 14 Provisions

The following table shows the movement on the provision for the surrender of the defined benefit scheme surplus:

	2025 £m	2024 Restated (note 21) £m
<b>Opening balance at 1<sup>st</sup> April</b>	<b>299</b>	<b>406</b>
Movement relating to current year costs of pensions (reported in Statement of Profit or Loss)	15	10
Movement relating to net interest on pension (reported in Statement of Profit or Loss)	14	19
Movement relating to actuarial gains or losses on pension (reported in Other Comprehensive Income)	199	(136)
<b>Closing balance as at 31<sup>st</sup> March</b>	<b>527</b>	<b>299</b>

The provision movements relate to the equivalent defined benefit pension adjustments.

See note 15 for further details on these balances.

### 15 Retirement benefit schemes (Restated (note 21))

#### Schemes accounted for as defined contribution

The company accounts for two schemes as if they were defined contribution schemes, the Electricity Supply Pension Scheme (ESPS) and the Combined Pension Scheme (CPS).

The Plans, however, are registered defined benefit final salary schemes with benefits payable on retirement based on reckonable service and pensionable final earnings. The Plans are subject to the UK regulatory framework for pensions, including the Scheme Specific Funding requirements. The Plans are operated under trust and the trustees are responsible for operating the Plans. They have a statutory responsibility to act in accordance with the Plan's Trust Deed and Rules, in the best interest of beneficiaries of the Plans and UK legislation.

## Notes to the financial statements

Continued

### 15 Retirement benefit schemes (continued)

#### Electricity Supply Pension Scheme (ESPS)

On 31 March 2007, the scheme was sectionalised into various sections; however, the company remains unable to identify its share of the schemes' assets and liabilities included in The Magnox Electric Group of the ESPS (MEG ESPS), on a consistent and reasonable basis as required by IAS 19 (R). Consequently, the scheme has been accounted for as if the scheme was a defined contribution scheme. The pension charge for the period, which represents contributions payable by the company to the ESPS, amounted to £174,337 (2023/24: £188,590).

At 31 March 2025 the company had 7 employees (2023/24: 7) who were active members of the ESPS, which has approximately 1,000 active members. The most recent triennial actuarial valuation of the scheme by a qualified independent actuary took place at 31 March 2022. The projected unit method was used. The results of the valuation were market value of scheme assets of £3,416 million (2019 valuation: £3,224 million), which represented a funding level of 100% against technical provisions (2019 valuation: 101%). Employer contributions remained at 33.6%.

The latest actuarial valuation has been updated by a qualified independent actuary to 31 March 2025 on a basis consistent with IAS 19 (R). The results of this IAS 19 (R) valuation are a total fair value of scheme assets of £2,083 million (2023/24: £2,306 million) and a surplus of £220 million (2023/24: Surplus £174million). There were outstanding employer contributions of £nil at 31 March 2025 (2023/24: £nil).

#### Combined Pension Scheme (CPS)

Since 24 November 2008, the future pensionable service of employees who were members of the CPS is met from the Combined Nuclear Pension Plan (CNPP). Pensionable service up to 24 November 2008 will be met from the CPS. The company has no ongoing obligation to make contributions to the CPS. The CPS is a multi-employer scheme which provides defined benefits to its members. In common with other unfunded public sector schemes the CPS does not have the attributes of typical private sector pension schemes. Any surplus of contributions made in excess of benefits paid out in any year is surrendered to the Consolidated Fund and any liabilities are met from the Consolidated Fund via the annual Parliamentary vote. His Majesty's Government does not maintain a separate fund.

The CPS is accounted for as a defined contribution scheme. The pension charge for the period represents contributions payable by the Company to the CPS, which are directly recoverable from the NDA and amounted to £nil (2023/24: £nil). There were outstanding employer contributions of £nil at 31 March 2025 (2023/24: £nil).

#### Schemes accounted for as defined benefit

The Company accounts for two sections of the Combined Nuclear Pension Plan (CNPP) as defined benefit schemes, the Combined Nuclear Pension Plan (CNPP) – Sellafield section, and the Group Pension Scheme (GPS) section of the CNPP.

The Plans are registered defined benefit final salary schemes with benefits payable on retirement based on reckonable service and pensionable final earnings. The Plans are subject to the UK regulatory framework for pensions, including the Scheme Specific Funding requirements. The Plans are operated under trust and the trustees are responsible for operating the Plans. They have a statutory responsibility to act in accordance with the Plan's Trust Deed and Rules, in the best interest of beneficiaries of the Plans and UK legislation.

On 1<sup>st</sup> April 2024, the benefit structure for the accrual of future benefits was changed from final salary to career average revalued earnings (CARE). All relevant employees now accrue Career Average Revalued Earnings pension benefits in the schemes. The final salary benefits 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 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.

#### Combined Nuclear Pension Plan (CNPP) – Sellafield section

Since 24 November 2008, the future pensionable service of employees who were active members of the CPS is met from the Sellafield section of the CNPP. That arrangement remains in place following the transfer of the Company to become a wholly owned subsidiary of the NDA on 1 April 2016. From 1 April 2024 all relevant employees now accrue Career Average Revalued Earnings (CARE) pension benefits in the schemes.

The CNPP has separately administered funds and with effect from 24 November 2008 has been funded by contributions partly from employees and partly from the Company. The benefits are identical to the CPS.

The company contributes to the CNPP at rates recommended by the CNPP's professionally qualified actuary. The employer contribution rate was 29.9% in the year ended 31 March 2025 (2023/24: 32.1%). The principal employer for the CNPP is the NDA.

The CNPP is sectionalised into various sections, and there is a specific section for the Company. These financial statements reflect the Company's share of the IAS 19 (R) assets and liabilities at 31 March 2025 and 31 March 2024 respectively.

## Notes to the financial statements

Continued

### 15 Retirement benefit schemes (continued)

The most recent triennial actuarial valuation of the scheme by a qualified independent actuary took place at 31 March 2022. The projected unit method was used. The results of the valuation were market value of scheme assets of £2,010 million (2019 valuation: £1,385 million), which represented a 95% level of funding (2019 valuation: 92%). The employer contribution rate is currently 29.9% which was effective from 1st April 2024 (Previously: 32.1%).

An IAS 19 (R) actuarial valuation for the Sellafield section was carried out at 31 March 2025 by a qualified independent actuary. There were outstanding employer contributions of £nil at 31 March 2025 (2023/24: £nil).

New employees joining the Company after 24 November 2008 were eligible to join a defined contribution section of the CNPP. As of 1 April 2024, both sections of the CNPP have been reformed and all relevant employees now accrue Career Average Revalued Earnings (CARE) pension benefits in the schemes. This scheme continues to be funded by contributions from both the employees and the Company. The Company contributes at rates ranging from 8% to 13.5% depending on the level of contributions chosen by each individual employee.

At 31 March 2025 the Company had 6,974 employees (2023/24: 6,093) who were active members of the defined contribution section of the CNPP. The pension charge for the period, which represents contributions payable by the Company to the CNPP, amounted to £46.1 million (2023/24: £38.4 million).

#### Group Pension Scheme (GPS) section of the CNPP

The Group Pension Scheme (GPS) is a funded scheme. The Company and other participating employers contribute to the GPS at rates recommended by the GPS's professionally qualified actuary. The employer contribution rate was 25% in the year ended 31 March 2025 (2023/24: 25%).

On 31 March 2007, the GPS was sectionalised into various sections. Following the sectionalisation, these financial statements reflect the Company's share of the IAS 19 (R) assets and liabilities at 31 March 2025 and 31 March 2024 respectively. Of the active members within the section of the GPS relating to the Site Licence Companies (SLC section), the majority are employed by the Company. Consequently, the entire section has been reflected in these accounts.

Following the previous transfer of ownership of the Company to Nuclear Management Partners (NMP) on 24 November 2008, there was no change to the pension arrangements of those employees who are members of the GPS. That arrangement remains in place following the transfer of the Company to become a wholly owned subsidiary of the NDA on 1 April 2016. The NDA has the role of principal employer in respect of the GPS.

The GPS-SLC section was merged into the CNPP from the GPS Pension Scheme with effect from 1 April 2012 and is a separate section of the CNPP. No changes were made to pension and benefit entitlements when the GPS-SLC section was merged into the CNPP.

From 1 April 2024 all relevant employees now accrue Career Average Revalued Earnings (CARE) pension benefits in the scheme.

The most recent triennial actuarial valuation of the scheme by a qualified independent actuary took place at 31 March 2022. The projected unit method was used. The results of the valuation were a market value of scheme assets of £727 million (2019 valuation: £682 million), which represented a 132% level of funding (2019 valuation: 106%). As a result of the valuation, the employer contribution rate will remain at 25% (2019 valuation: 25%). Employer contribution rate is currently 32.1% which was effective from 1st April 2021 (previously 25.2% between 1st April 2019 and 31st March 2021). An IAS 19 (R) actuarial annual valuation for the GPS was carried out at 31 March 2025 by a qualified independent actuary. There were outstanding employer contributions of £nil at 31 March 2025 (2023/24: £nil).

#### Risks associated with the Company's defined benefit schemes

The defined benefit schemes expose the Company to a number of risks, the most significant of which are:

- the risk that movements in the Plan liabilities are not met by corresponding movements in the Plan's assets;
- lower than expected investment returns;
- higher than expected inflation and salary increases; and
- members living longer than expected.

Disclosures under IAS19 can be volatile. The defined benefit obligation liabilities are measured by reference to corporate bond yields whereas the majority of the section's assets are invested across a variety of asset classes that may move in the same direction.

## Notes to the financial statements

Continued

### 15 Retirement benefit schemes (continued)

The following tables summarise the components of net benefit expense and the funded status and amounts recognised in the Statement of financial position for the respective plans:

Net benefit expense, 2025	GPS Section of the CNPP £000	Sellafield Section of the CNPP £000	Total £000
Current service cost	4,618	63,068	67,686
Past service cost	-	40	40
Interest cost / interest income on assets	(6,256)	(14,552)	(20,808)
<b>Net benefit expense</b>	<b>(1,638)</b>	<b>48,556</b>	<b>46,918</b>
<b>Net actuarial gains/(losses) recognised in year</b>	<b>16,639</b>	<b>198,856</b>	<b>215,495</b>

Net benefit expense, 2024	GPS Section of the CNPP £000	Sellafield Section of the CNPP £000	Total £000
Current service cost	5,393	75,896	81,289
Past service cost	-	20	20
Interest cost / interest income on assets	(8,528)	(19,105)	(27,633)
<b>Net benefit expense</b>	<b>(3,135)</b>	<b>56,811</b>	<b>53,676</b>
<b>Net actuarial gains/(losses) recognised in year</b>	<b>(53,634)</b>	<b>(136,264)</b>	<b>(189,898)</b>

The NDA is the principal employer of the CNPP, and the NDA is ultimately responsible for funding any pension fund deficits for the defined benefit sections of the CNPP. The level of employer contributions paid by the company is determined by the CNPP Trustees based on the latest triennial actuarial valuations. Under the Interface Agreement between the Company and NDA, the employer contributions paid by the company are included in operating costs shown in the Statement of Profit or Loss and under the Interface Agreement form part of the cost base which forms the basis of revenue earned from the NDA.

## Notes to the financial statements

Continued

### 15 Retirement benefit schemes (continued)

Changes in the defined benefit liability are summarised as follows:

Benefit/(liability), 2025	GPS Section of the CNPP £000	Sellafield Section of the CNPP £000	Total £000
Defined benefit obligations	(412,413)	(1,523,666)	(1,936,079)
Fair value of plan assets	566,871	2,050,811	2,617,682
<b>Benefit/(liability)</b>	<b>154,458</b>	<b>527,145</b>	<b>681,603</b>
<b>Benefit/(Liability) recognised in Statement of financial position</b>	<b>-</b>	<b>527,145</b>	<b>527,145</b>

Benefit/(liability), 2024 (Restated)	GPS Section of the CNPP £000	Sellafield Section of the CNPP £000	Total £000
Defined benefit obligations	(462,827)	(1,698,152)	(2,160,979)
Fair value of plan assets	594,695	1,997,227	2,591,922
<b>Benefit/(liability)</b>	<b>131,868</b>	<b>299,075</b>	<b>430,943</b>
<b>Benefit/(Liability) recognised in Statement of financial position</b>	<b>-</b>	<b>299,075</b>	<b>299,075</b>

At the 31 March 2025 both sections of the CNPP had an IAS 19 actuarial surplus. Only the surplus for the Sellafield Section of the CNPP is shown on the Company's statement of financial position, whereas the surplus for the GPS SLC section has not.

IFRIC 14 considers the general requirements concerning the limits on a defined benefit asset, and states that if the right to a refund of a surplus depends on the occurrence or non-occurrence of one or more uncertain future events not wholly within an entity's control, the entity does not have an unconditional right to the surplus and should not recognise an asset.

In line with recent legal advice from specialist pension lawyers, it has been agreed that Sellafield Ltd can recognise, as an asset, any surplus arising in respect of Sellafield's participation in the Sellafield Section of the CNPP, current year 2025 : £527m (2024 restated: £299m). There is no asset ceiling limiting surplus recognition. Under the terms of the CNPP's trust deed, the company does not have an unconditional right to a surplus of the GPS section and as a result at 31 March 2025, the surplus of the GPS section of the CNPP has not been recognised and is not included on the company's statement of financial position.

## Notes to the financial statements

Continued

### 15 Retirement benefit schemes (continued)

Changes in the present value of the defined benefit pension obligations are analysed as follows:	GPS Section of the CNPP £000	Sellafield Section of the CNPP £000	Total £000
<b>Defined benefit obligation at 31 March 2023</b>	<b>414,727</b>	<b>1,425,963</b>	<b>1,840,690</b>
Interest on liabilities	18,972	67,402	86,374
Current service cost	5,393	75,896	81,289
Past service cost	-	20	20
Actuarial loss on change in financial assumptions	(10,848)	(34,063)	(44,911)
Actuarial loss on change in demographic assumptions	(8,171)	(23,689)	(31,860)
Actuarial (gain) on liabilities	61,760	214,874	276,634
Transfers (paid)	(34)	(6,283)	(6,317)
Benefits (paid)	(19,984)	(35,837)	(55,821)
Employee contributions	1,012	13,869	14,881
<b>Defined benefit obligation at 31 March 2024</b>	<b>462,827</b>	<b>1,698,152</b>	<b>2,160,979</b>
Interest on liabilities	21,599	81,372	102,971
Current service cost	4,618	63,068	67,686
Past service cost	-	40	40
Actuarial loss on change in financial assumptions	(54,792)	(283,824)	(338,616)
Actuarial loss on change in demographic assumptions	(944)	(2,585)	(3,529)
Actuarial (gain) on liabilities	151	249	400
Transfers (paid)	(388)	(5,889)	(6,277)
Benefits (paid)	(21,794)	(42,852)	(64,646)
Employee contributions	1,136	15,935	17,071
<b>Defined benefit obligation at 31 March 2025</b>	<b>412,413</b>	<b>1,523,666</b>	<b>1,936,079</b>

Changes in the fair value of plan assets are as follows:	GPS Section of the CNPP £000	Sellafield Section of the CNPP £000	Total £000
<b>Fair value of plan assets at 31 March 2023</b>	<b>592,673</b>	<b>1,831,538</b>	<b>2,424,211</b>
Interest income	27,230	86,507	113,737
Employer contributions	4,691	86,575	91,266
Transfers (paid)	(34)	(6,283)	(6,317)
Benefits (paid)	(19,984)	(35,837)	(55,821)
Return on plan assets (excluding amounts included in interest income)	(10,893)	20,858	9,965
Contributions by employees	1,012	13,869	14,881
<b>Fair value of plan assets at 31 March 2024</b>	<b>594,695</b>	<b>1,997,227</b>	<b>2,591,922</b>
Interest income	27,855	95,924	123,779
Employer contributions	4,313	77,770	82,083
Transfers (paid)	(388)	(5,889)	(6,277)
Benefits (paid)	(21,794)	(42,852)	(64,646)
Return on plan assets (excluding amounts included in interest income)	(38,946)	(87,304)	(126,250)
Contributions by employees	1,136	15,935	17,071
<b>Fair value of plan assets at 31 March 2025</b>	<b>566,871</b>	<b>2,050,811</b>	<b>2,617,682</b>

## Notes to the financial statements

Continued

### 15 Retirement benefit schemes (continued)

Pension contributions are determined with the advice of independent qualified actuaries on the basis of tri-annual valuations using the projected unit credit method. The projected unit credit method is an accrued benefits valuation method in which the scheme liabilities make allowance for future earnings. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

Isio Total Reward and Benefits Limited is the CNPP actuary.

At the 31 March 2025 the scheme assets were invested in diversified portfolios that consisted primarily of equity and debt securities.

The fair value of the scheme assets as a percentage of total scheme assets are set out below, along with the values:

	2025 %	2025 £000
<b>Group Pension Scheme Section of the CNPP</b>		
Equities	16	87,929
Index Linked Gilts	60	338,382
Corporate Bonds	12	70,244
Property	4	22,461
Diversified Growth Fund / Multi Credit	7	41,465
Other	1	6,210
<b>Sellafield Section of the CNPP</b>		
Equities	41	830,715
Index Linked Gilts	24	496,172
Corporate Bonds	5	100,493
Property	10	195,197
Diversified Growth Fund / Multi Credit	18	363,417
Other	2	64,817
	2024 %	2024 £000
<b>Group Pension Scheme Section of the CNPP</b>		
Equities	39	234,723
Index Linked Gilts	28	166,602
Corporate Bonds	8	49,874
Property	10	56,728
Diversified Growth Fund / Multi Credit	14	82,247
Other	1	4,521
<b>Sellafield Section of the CNPP</b>		
Equities	48	935,997
Index Linked Gilts	19	388,363
Corporate Bonds	5	95,185
Property	11	226,348
Diversified Growth Fund / Multi Credit	16	328,141
Other	1	3,193

## Notes to the financial statements

Continued

### 15 Retirement benefit schemes (continued)

The assets disclosed are a mixture of level 1, 2, and 3 assets per the IFRS 13 fair value hierarchy, which categorises into three levels the inputs used in valuation of fair value assets and liabilities:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The pension schemes have not invested in any of the company's own financial instruments nor in properties or other assets used by the company. The overall expected rate of return on assets is determined based on the market expectations prevailing on that date, applicable to the period over which the obligation is to be settled. These are reflected in the principal assumptions below.

The principal assumptions used in determining pension obligations for the Company's plans are shown below:

	GPS Section of the CNPP 2025 %	GPS Section of the CNPP 2024 %	Sellafield Section of the CNPP 2025 %	Sellafield Section of the CNPP 2024 %
<b>Main assumptions</b>				
Future salary increases: years 1 to 4 (1 to 5 2024)	2.75	2.75	2.75	2.75
Future salary increases: years 1 to 5	-	-	-	-
Future salary increases: years 4+ (was 5+ 2024)	3.25	3.25	3.25	3.25
Future salary increases: years 5+	-	-	-	-
Future pension increases in payment or deferment	3.15	3.2	3.1	3.1
Discount rate	5.65	4.75	5.70	4.75
RPI Inflation assumption CPI	3.15	3.2	3.1	3.1
Inflation assumption	2.75	2.75	2.75	2.75
Post-retirement mortality (in years)				
Current pensioners at 65 – male	20.7	20.7	20.7	20.7
Current pensioners at 65 – female	23.3	23.3	23.3	23.3
Future pensioners at 65 (now 45) – male	22.0	22.0	22.0	22.0
Future pensioners at 65 (now 45) – female	24.7	24.7	24.7	24.7

The UK discount rate is based on published indices for 15-year AA bonds. The assumptions for inflation and for increase in pension are based on the yield gap between long-term index-linked and long-term fixed interest gilt securities. Mortality rates for both the CNPP and GPS are based on SAPS CMI 2023 projections of 1.25% long term trend rate (2022: 1.25%). For both sections, mortality assumptions have been adjusted to allow for expected future improvements in longevity.

The weighted average duration of the CNPP defined benefit obligation is 15 years (2024: 16 years) although this differs slightly by section.

## Notes to the financial statements

Continued

### 15 Retirement benefit schemes (continued)

Sensitivity analysis	Discount Rate Increase £000	Discount Rate Decrease £000
The impact on defined benefit obligations being		
<b>Group Pension Scheme Section of the CNPP</b>		
0.5% change in discount rates: 2025	(30,106)	27,219
0.5% change in discount rates: 2024	(37,026)	32,861
0.5% change in salary increase: 2025	4,124	(4,124)
0.5% change in salary increase: 2024	4,628	(4,628)
The impact on defined benefit obligations being		
<b>Combined Nuclear Pension Plan</b>		
0.5% change in discount rates: 2025	(138,654)	123,417
0.5% change in discount rates: 2024	(168,117)	147,739
0.5% change in salary increase: 2025	51,805	(50,281)
0.5% change in salary increase: 2024	61,133	(57,737)

The most recently completed triannual actuarial valuation of the GPS section was carried out as at 31 March 2022. Following the valuation, the Company's ordinary contribution rate is to remain at 25% (2019: valuation: 25%) of pensionable salaries. The next valuation is due to be completed as at 31 March 2025.

The most recently completed actuarial valuation of the Sellafield section of the CNPP scheme was carried out as at 31 March 2022. The next valuation is due to be completed as at 31 March 2025.

The Company will monitor funding levels on an annual basis for both sections of the CNPP.

Employer contributions in the year ended 31 March 2026 are expected to be £4.4 million (2024/25: £4.8 million) in respect of the GPS section and £77.5 million (2024/25: £82.8 million) in respect of the Sellafield section of the CNPP defined benefit pension plan.

The levels of contributions are based on the current service costs and the expected future cash flows of the defined benefit schemes. The Company estimates the present value of the duration of UK scheme liabilities on average to fall due over 20-25 years.

#### History of the net surplus/(deficit) of the schemes

Amounts for the current and previous four periods are as follows:	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
<b>GPS Section of the CNPP</b>					
Defined benefit obligation	(412)	(463)	(415)	(652)	(659)
Plan assets	567	595	593	727	705
Surplus/(deficit)	155	132	178	75	46

## Notes to the financial statements

Continued

### 15 Retirement benefit schemes (continued)

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
<b>Sellafield Section of the CNPP</b>					
Defined benefit obligation	(1,524)	(1,698)	(1,426)	(2,606)	(2,506)
Plan assets	2,051	1,997	1,832	2,011	1,736
<b>Surplus/(deficit)</b>	<b>527</b>	<b>299</b>	<b>406</b>	<b>(595)</b>	<b>(770)</b>

Any deficits of either section of the CNPP are recognised in full with a corresponding asset from the NDA, as principal employer, for the full value of the deficit. Only a surplus on the Sellafield Section is recognised in the Statement of financial position as the company has an unconditional right to this surplus. A surplus on the GPS section is not recognised as the Company does not have an unconditional right to this surplus. (This has been re-stated on the Statement of Financial Position for 2024 in line with 2025).

#### History of experience of gains and losses

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
<b>GPS Section of the CNPP</b>					
Experience gains/(losses) on scheme assets:					
Amount	<b>(38,946)</b>	(10,893)	(129,649)	36,269	106,417
<b>Sellafield Section of the CNPP</b>					
Experience gains/(losses) on scheme assets:					
Amount	<b>(151)</b>	(61,760)	(16,774)	(3,514)	11,667

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
<b>Sellafield Section of the CNPP</b>					
Experience gains/(losses) on scheme assets:					
Amount	<b>(87,304)</b>	20,858	(326,185)	110,006	288,230
<b>GPS Section of the CNPP</b>					
Experience gains/(losses) on scheme liabilities:					
Amount	<b>(249)</b>	(214,874)	(11,122)	(3,273)	149,196

### 16 Interest (Restated (Note 21))

Interest charges include the following:

	31 March 2025 £m	31 March 2024 £m
Net Interest Received on CNPP Pension Scheme	15	19
Net interest movement on provision to surrender asset	(15)	(19)
<b>Total Interest</b>	-	-

## Notes to the financial statements

Continued

17 Share Capital	2025 £m	2024 £m
Authorised:		
43,000,000 Ordinary shares of £1 each	43	43
1 B share of £1	-	-
Allotted, called up and fully paid:		
1 Ordinary share of £1	-	-
1 B share of £1	-	-

Ordinary shares have equal voting rights and no fixed income rights.

The rights of the authorised ordinary shares is set out in the Articles of Association which were adopted with effect from 1 April 2016.

As stated in the Company's Articles of Association, the B shareholder's rights are limited to matters relating to dividend payments and the repayment of capital. At 31 March 2025, both the ordinary share of £1 and the B share of £1 were held by NDA.

## 18 Ultimate controlling party

The company is a wholly owned subsidiary of the Nuclear Decommissioning Authority (NDA), a Non-Departmental Public Body created by the Energy Act 2004 and sponsored by Department of Energy Security and Net Zero (DESNZ). The Company is included within the publicly available Group accounts of both the NDA and DESNZ.

In the Directors' opinion, the company's ultimate controlling party is His Majesty's Government.

## 19 Related party transactions disclosure

Sellafield Limited is a wholly owned subsidiary of the Nuclear Decommissioning Authority (NDA), a UK Government non-departmental public body. The Engineering Construction Industry Training Board (ECITB) is a statutory training board operating within the engineering construction sector. An NDA representative director of Sellafield Limited also holds a non-executive position with ECITB. No remuneration was paid by Sellafield Limited in respect of this role. Transactions with ECITB were conducted on normal commercial terms. No guarantees were given or received in respect of these transactions. No provisions for doubtful debts have been made.

During the year, Sellafield Limited incurred costs relating to training levies and services provided by ECITB. These transactions were conducted on normal commercial terms.

Description	2024/25 £m	2023/24 £m
Training levy and services (net expenditure)	0.6	0.5
Outstanding (payable)/Receivable at year-end	1.7	1.6

## Notes to the financial statements

Continued

### 20 Events after the reporting period

The financial statements were authorised for issue by the Board of Directors on 19<sup>th</sup> December 2025.

### 21 Impact of Restatement

#### **Recognition of Pension Surplus of Sellafield section of CNPP, obligation to surrender to NDA and associated deferred taxation**

Having had regard to the legal advice obtained in earlier periods the directors have concluded that they do have an unconditional right to a refund from the Sellafield Section of the CNPP (see note 15). Consequently they have recognised the asset, an obligation to surrender the asset to the NDA that arises under the Energy Act (see note 14) and the deferred taxation implications of both in the financial statements.

Please see the accounting policies for an outline of the action of the provision in the context of the pension surplus.

#### **Recognition of Provision in respect of the obligation to surrender pension assets to NDA and associated deferred taxation**

The company recognises a provision for the obligation to surrender pension assets to NDA (see note 14) and the deferred tax asset (see note 8) arising from the provision for this obligation.

#### **Liabilities split long term and short term**

Certain balances previously presented within current liabilities have been reclassified to long term liabilities to better reflect the nature and timeframes of the liabilities. The comparative balances have been restated to reflect the duration of the liabilities at 31 March 2024 following this re-assessment (see note 11).

The directors consider the above restatements to be more transparent to the reader.

## Notes to the financial statements

Continued

### 21 Impact of Restatement - Continued

#### Impact of Restatement on 31 March 2024 position

#### Statement of Profit or Loss and Comprehensive Income

	2024	Recognition of Pension Surplus of Sellafield Section of CNPP and associated deferred taxation	Recognition of provision in respect of the obligation to surrender pension assets to the NDA and associated deferred taxation	2024 As restated
	£m	£m	£m	£m
<b>Revenue</b>	2,677			2,677
Operating costs	(2,673)			(2,673)
<b>Operating profit from continuing operations before depreciation and research and development (R&amp;D) tax credits</b>	4	-	-	4
Depreciation on right-of-use assets	(4)			(4)
R&D tax credits	17			17
NDA share of R&D tax credits	(12)			(12)
<b>Profit/Loss on continuing operations</b>	5	-	-	5
Net Interest	-	19	(19)	-
Interest on the lease liability	(1)			(1)
NDA credit in respect of IFRS 16	-			-
<b>(Profit)/Loss before Tax</b>	4	-	-	4
Tax expense	(4)			(4)
<b>Profit/(Loss) for the year</b>	-	19	(19)	-
<b>Other comprehensive income not reclassified to profit or loss</b>				
Actuarial gains on the Sellafield section of CNPP		(136)		(136)
Deferred Taxation on Actuarial gain on Sellafield section of CNPP		9		9
Movement on provision for the surrender of pension surplus to the NDA			136	136
Deferred Taxation on surrender of pension surplus to the NDA			(9)	(9)
<b>Total Other Comprehensive Income</b>	-			-
<b>Total Comprehensive Income for the year</b>	-			-

## Notes to the financial statements

Continued

### 21 Impact of Restatement - Continued

#### Statement of financial position

At 31 March 2024

	2024	Recognition of Pension Surplus of Sellafield Section of CNPP and associated deferred taxation	Recognition of provision in respect of the obligation to surrender pension assets to the NDA and associated deferred taxation	Reclassification of liabilities previously reported as short term to long term	31 March 2024 As Restated
	£m	£m	£m	£m	£m
<b>Assets</b>					
<b>Non-current assets</b>					
Right-of-use assets	32				32
NDA receivable in respect of lease liabilities	1				1
Receivable in respect of Surplus on CNPP DS Pension scheme (SL section)		299			299
<b>Total non-current assets</b>	<b>33</b>	<b>299</b>			<b>332</b>
<b>Current assets</b>					
Trade and other receivables	557				557
Cash and cash equivalents	6				6
<b>Total Current Assets</b>	<b>563</b>				<b>563</b>
<b>Total assets</b>	<b>596</b>	<b>299</b>			<b>895</b>
<b>Current liabilities</b>					
Trade and other payables	(566)				58
					(508)
<b>Non-current liabilities</b>					
Lease liabilities	(30)				(30)
Provision for surrender of pension surplus to NDA		(299)			(299)
Long term liabilities			(58)		(58)
<b>Total liabilities</b>	<b>(596)</b>		<b>(299)</b>		<b>(895)</b>
<b>Net assets</b>	<b>-</b>	<b>299</b>	<b>(299)</b>		<b>-</b>
<b>Capital and reserves</b>					
Equity share capital	-	-	-		-
Retained earnings	-	-	-		-
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>

## Notes to the financial statements

Continued

### 21 Impact of Restatement - Continued

#### Statement of financial position

At 31 March 2023

	2023	Recognition of Pension Surplus of Sellafield Section of CNPP and associated deferred taxation	Recognition of provision in respect of the obligation to surrender pension assets to the NDA and associated deferred taxation	31 March 2023 As Restated
	£m	£m	£m	£m
<b>Assets</b>				
<b>Non-current assets</b>				
Right-of-use assets	34			32
NDA receivable in respect of lease liabilities	1			1
Receivable in respect of Surplus on CNPP DS Pension scheme (SL section)		406		406
<b>Total non-current assets</b>	<b>35</b>	<b>406</b>		<b>441</b>
<b>Current assets</b>				
Trade and other receivables	529			529
Cash and cash equivalents	6			6
<b>Total Current Assets</b>	<b>535</b>			<b>535</b>
<b>Total assets</b>	<b>570</b>	<b>406</b>	-	<b>976</b>
<b>Current liabilities</b>				
Trade and other payables	(538)			(538)
<b>Non-current liabilities</b>				
Lease liabilities	(32)			(32)
Provision for surrender of pension surplus to NDA			(406)	(406)
Long term liabilities				
<b>Total liabilities</b>	<b>(570)</b>		<b>(406)</b>	<b>(976)</b>
<b>Net assets</b>	-	<b>406</b>	<b>(406)</b>	-
<b>Capital and reserves</b>				
Equity share capital	-			-
Retained earnings	-			-
<b>Total equity</b>	-	-	-	-

Whilst elements of the items disclosed above under current liabilities would likely be long term, due to the extensive manual exercise that would be required to comprehensively identify this long term element, the directors consider it impractical to identify and disclose this correction in the balance sheet as at 1 April 2023. Consequently, in line with IAS8.49(d) the correction has not been included in the table above but rather its impact has been included from 31 March 2024.

# Appendix 1

## Methodology used to calculate greenhouse gas (GHG) emissions and energy usage data for the period 1 April 2024 to 31 March 2025:

### Scope 1

#### Gas Data

Metered (Fiscal) by National Grid (supplier). Part of UKETS process. This is the total (gross) kWh of natural gas combusted in the reporting period by Sellafield Limited at the Fellside Combined Heat and Power Plant to produce steam and electricity.

For off-site properties, where Sellafield Limited pays directly for gas use - use is metered (fiscal) by supplier and recorded on utility bills. Where Sellafield Limited does not pay for the gas directly, the quantity has been calculated from meter readings supplied by the building management company or estimated based on service charges or floor area adjusted for building occupancy multiplied by DESNZ Conversion Factors. tCO<sub>2</sub>e is calculated using the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting - Fuels (2024).

Mass of unburnt methane has then been multiplied by the CO<sub>2</sub>e emissions factor for methane using UK Government GHG Conversion Factors for Company Reporting (2024), Refrigerant & other. kWh for methane is already included within the total kWh gas Fellside metered (fiscal).

#### Transport/ Other Fuels

For petrol, diesel and gas oil from the filling station, fuel keys are used to account for fuel use between transport and other uses. The litres of fuel used are multiplied by the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting - Fuels (2024).

Gas oil use at Fellside (inc. handpump CHP) is metered by local meters, and the litres of fuel are converted into CO<sub>2</sub>e using constants from the Digest of UK Energy Statistics (DUKES) and Carbon Emissions Factors and Calorific Values as used in the Greenhouse Gas National Inventory Report published in 2024. Part of UKETS process.

Invoiced gas oil and diesel is summated in litres and multiplied by the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting - Fuels (2024). It is assumed that all fuel purchased in FY23/24 is utilised in the same period.

Kilogrammes of propane and litres of butane used are converted into CO<sub>2</sub>e using constants from the Digest of UK Energy Statistics (DUKES) and Carbon Emissions Factors and Calorific Values as used in the Greenhouse Gas National Inventory Report published in 2024. Part of UKETS Conservative Estimate.

### Scope 2

#### Electricity

Electricity exported from the National Grid to the Sellafield site is measured by fiscal meter. tCO<sub>2</sub>e is calculated using the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting - UK electricity (2024).

For off-site properties, where Sellafield Limited pays directly for electricity use - use is metered (fiscal) by supplier, utility bills. Where Sellafield Limited does not pay for the electricity directly, the quantity has either been calculated from meter readings supplied by the building management company or based on the associated service charge, or floor area as part of the lease, multiplied by BEIS Conversion Factors. Where there are no dedicated meters for the tenant - kWh have been apportioned based on building occupancy. tCO<sub>2</sub>e is calculated using the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting - UK electricity (2024).

## Appendix 1 - Continued

### Scope 3

#### Business Travel

Rental cars derived from contractor hire car data reports. CO<sub>2</sub>e is calculated using the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting - Business travel land (2024). Personal mileage is derived from mileage claims based on cost claimed, converted into kilometres. CO<sub>2</sub>e is calculated using the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting (2024).

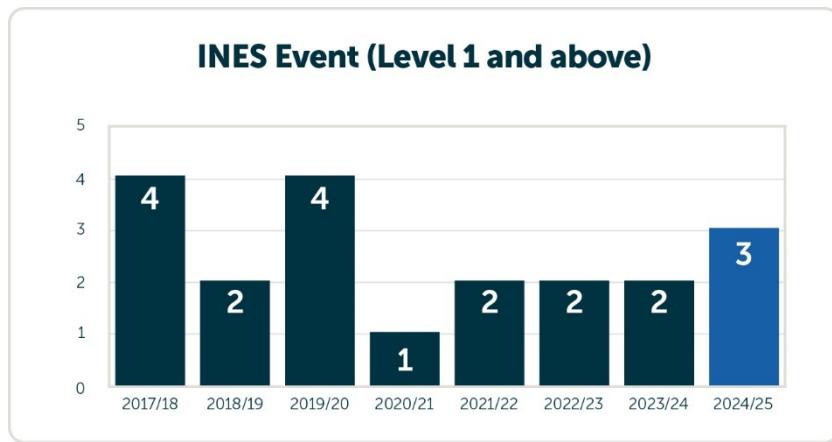
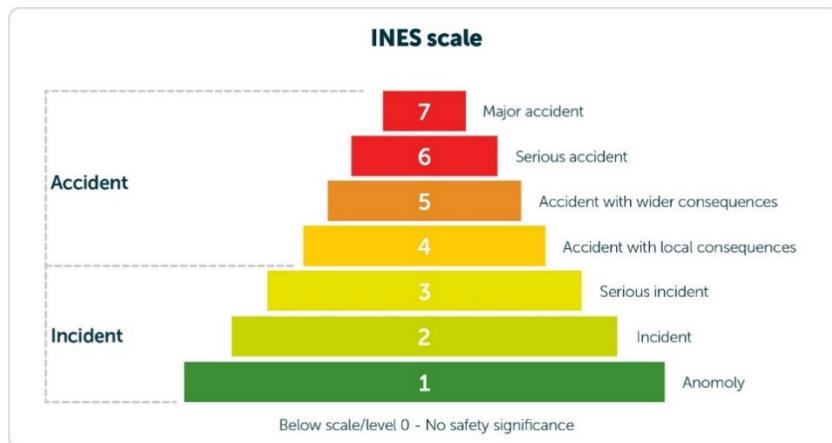
To convert to kWh - total kilometres have been divided by two (assuming half the mileage is from petrol and half from diesel) and multiplied by the average litres/km for petrol and diesel, to derive litres; these have then been multiplied by the average GCV for petrol and diesel; and then converted into kWh.

Fuel use for some Company Cars is accounted for through fuel cards (business mileage is taken to be 50% of the fuel purchased on the fuel cards). These are the recorded litres used but do not specify the fuel type. Litres of fuel have been estimated by using the average cost of unleaded, super unleaded and diesel fuels. The resultant litres have then been multiplied by the average of the emission factors for petrol and diesel, from the UK Government GHG Conversion Factors for Company Reporting (2024).

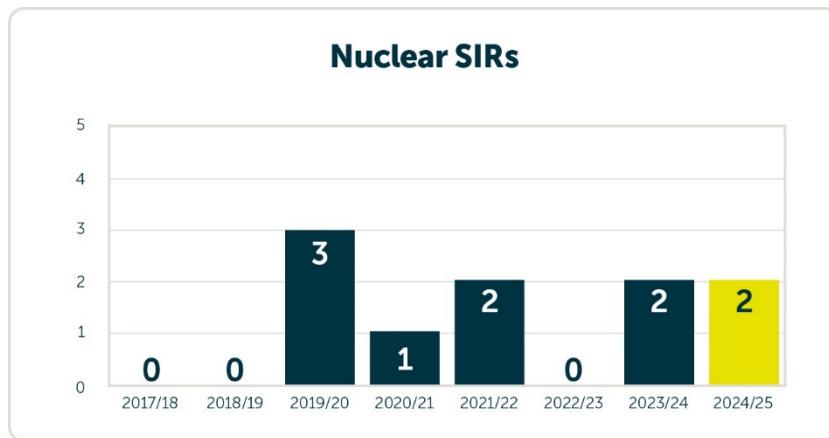
## Appendix 2 – charts in support of safety performance data

The International Nuclear and Radiological Event Scale (INES) is a rapid alert system used for consistent communication of events across the nuclear industry. These are categorised between Level 1 and Level 7.

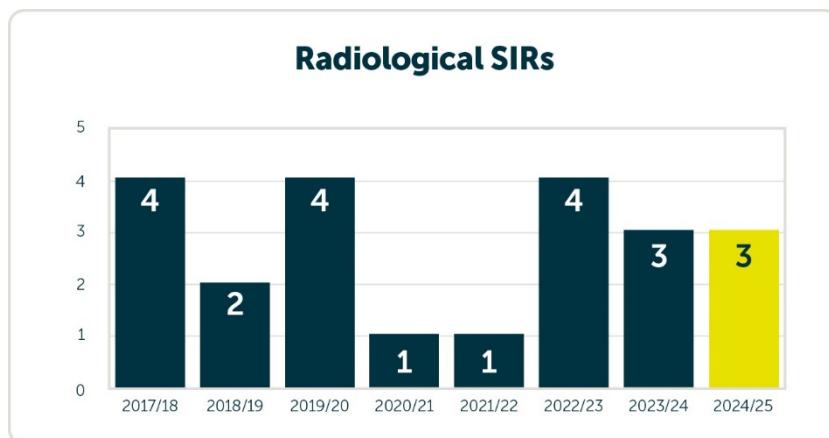
### International Nuclear and Radiological Event Scale (INES)



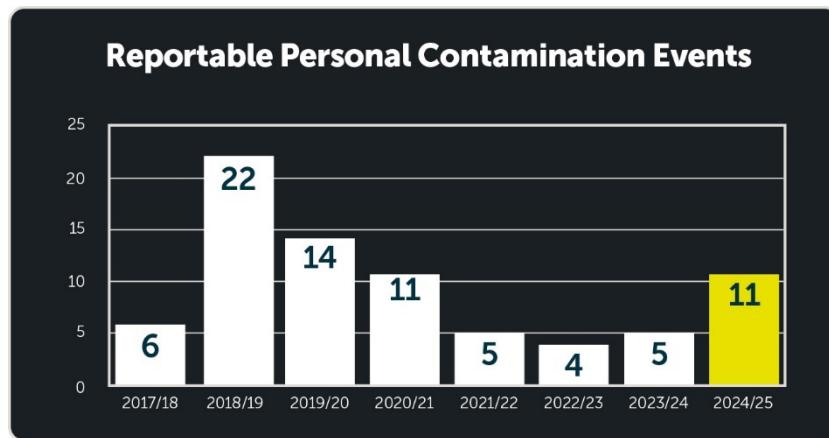
There were three INES events in 2024/25. For details of these events, see page 7.

**Appendix 2 - Continued****Nuclear safety**

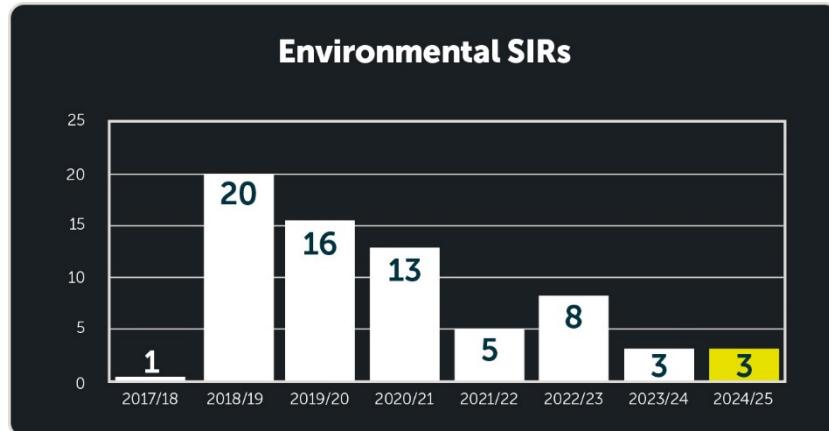
This metric represents the number of Nuclear Sellafield Incident Reports (SIRs) which are nuclear events categorised as 'significant' under our sentencing scheme. For details of these events, see page 7.

**Radiological safety**

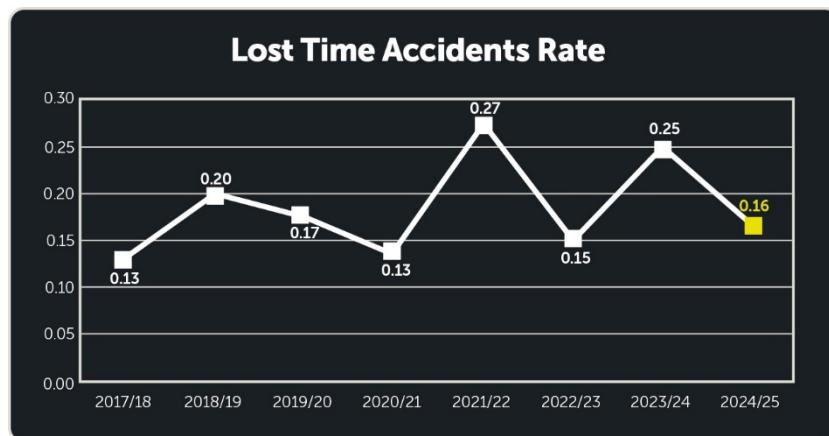
This metric represents the number of Radiological Sellafield Incident Reports (SIRs) radiological events categorised as 'significant' under our sentencing scheme. For details of these events, see page 7.



This metric provides the number of personal (skin) contamination events. There has been an increase in cases, none of which led to an internal dose exposure for any employees. We continue to work with workforce radiological protection working groups to prevent further contamination events.

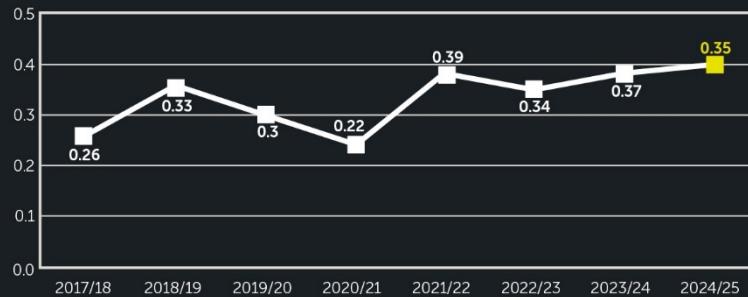
**Appendix 2 - Continued****Environmental safety**

This metric represents the number of environmental Site Incident Report (SIR) events categorised as 'significant' under our sentencing scheme and includes non-compliance of the environmental permit. For details of the three events in 2024/25, see page 7.

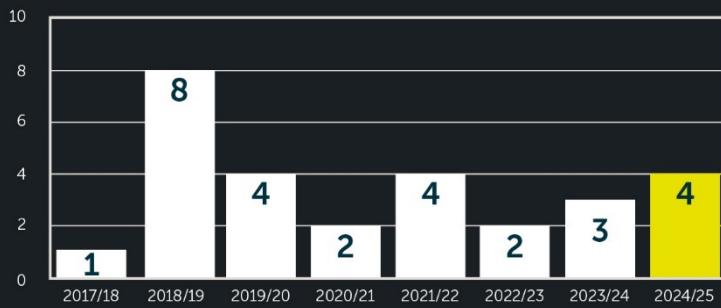
**Conventional safety**

This metric records the 12-month rolling average rate of lost time accidents (accidents resulting in more than one day from work) per 200,000 hours worked. Most of the accidents are as a result of slips, trips, falls and manual handling.

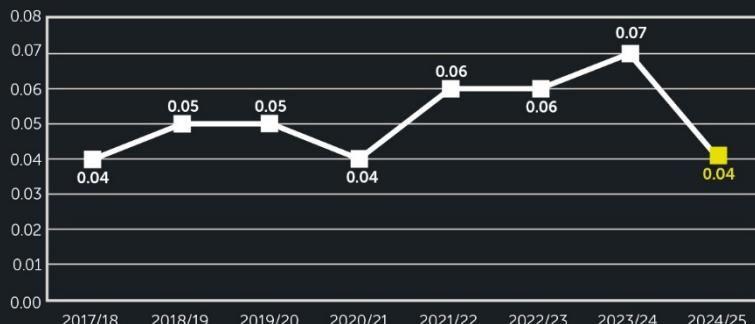
## Appendix 2 - Continued

**Total Recordable Incident Rate**

This records the 12-month rolling average rate of all total recordable incidents (accidents resulting in lost time or medical treatment) per 200,000 hours worked.

**Dangerous Occurrences**

This metric records the number of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) dangerous occurrences.

**RIDDOR Injury Rate**

This metric records the number of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) injuries which result in employees being away from work for more than seven days, and specified injuries such as broken bones. The figure shows the 12-month rolling average rate of RIDDOR events per 100,000 hours worked.

## Glossary and abbreviations

Acronym	Description
A&RAC	Audit and Risk Assurance Committee
CEO	Chief Executive Officer
DESNZ	Department for Energy Security and Net Zero
EA	Environment Agency
EHS&S	Environment, Health, Safety and Security Committee
INES	The International Nuclear and Radiological Event Scale
IRP	Investment Review Panel
NDA	Nuclear Decommissioning Authority
NomCo	Nominations Committee
ONR	Office for Nuclear Regulation
P&PC	Projects and Programmes Committee
P&RC	People and Remuneration Committee
SIR	<p>Sellafield Incident Report</p> <p>What is a Sellafield Incident Report?</p> <ul style="list-style-type: none"> <li>• A significant, off-normal event occurs</li> <li>• A Site Incident Report is created to capture details of the event</li> <li>• Safety teams review the event and ‘sentence’ it, which means deciding what type and level of event it is and what, if any, further reporting needs to take place</li> <li>• The Site Incident Report is also reviewed to see if there is any learning from the event that can be shared across the business, the NDA, and the wider industry where appropriate.</li> </ul>

## Useful links and documentation

Sellafield Limited

<https://www.gov.uk/government/organisations/sellafield-ltd>

Nuclear Decommissioning Authority

<https://www.gov.uk/government/organisations/nuclear-decommissioning-authority>

Financial Reporting Council

<https://www.frc.org.uk/>

Greenhouse Gas Protocol

<https://ghgprotocol.org/about-us>

UK Corporate Governance Code

<https://www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/>

[https://media.frc.org.uk/documents/UK\\_Corporate\\_Governance\\_Code\\_2018.pdf](https://media.frc.org.uk/documents/UK_Corporate_Governance_Code_2018.pdf)

Task Force on Climate-related Financial Disclosure (TCFD) -aligned disclosure application guidance - Phase 1 and Phase 2

<https://www.gov.uk/government/publications/tcfd-aligned-disclosure-application-guidance/task-force-on-climate-related-financial-disclosure-tcfd-aligned-disclosure-application-guidance#metrics-and-targets>