



UK Space Agency

Annual Report & Accounts

2025 : **2026**

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



UK Space Agency

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2025 : 2026

For the period of April 2025 to March 2026

Report presented to the House of Commons by Command of His Majesty.

Accounts presented to the House of Commons pursuant to section 7
of the Government Resources and Accounts Act 2000.

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Foreword from the Chair of the Board

The UK Space Agency made excellent progress during its last year as an arms-length executive agency.

Space is not only fascinating in itself: it is also of great practical value. Space capabilities such as satellite navigation, timing, connectivity and climate monitoring are increasingly important for the delivery of the essential services we all need.

A very important milestone in the past year came in November at the Bremen Council of Ministers (CMin25) of the European Space Agency (ESA). We committed £1.7bn for ESA funding, enabling the UK to move ahead with priorities including the European Launcher Challenge and the UK-led space weather mission Vigil. We have continued support for the British-built Rosalind Franklin rover, scheduled for launch in 2028 and with the capability to search for evidence of ancient life both on and below the surface of Mars. These projects will not only strengthen national priorities but also benefit business and space science the length and breadth of the UK.

Global demand for space services is growing fast. The UK space sector alone employs 55,000 people, with a further 81,000 jobs in the supply chain, and generates an annual income of £18.9bn. More broadly, satellite services support wider industrial activities to the UK economy, 18% of our nation's GDP critically depends on these.

An example of investment and international collaboration this year came in November when the UK-led HydroGNSS mission was launched aboard a SpaceX Falcon 9, marking ESA's first Scout climate mission. Built by SSTL with £26m UK Space Agency support, the twin satellites now orbit Earth, using GNSS reflectometry to monitor essential climate variables such as soil moisture, flooding, freeze/thaw states and biomass. They provide vital data for weather, agriculture and climate research, and reinforce the UK's leadership in space-based climate science.

It was announced last August that the UK Space Agency would merge into the Department for Science, Innovation and Technology (DSIT) from 1st April 2026, to create a single government civil space unit. This move is intended to streamline strategy, policy and delivery, placing space closer to government decision-making and strengthening national priorities. While the transition brought challenges, it provided the opportunity for us to become a more cohesive, connected and stronger unit and focus support for the UK's growing space industry. Over 60 new industry-led recommendations published at the same time show how smarter regulation can unlock major opportunities, from tackling space junk to building and repairing satellites in orbit.

The Space Transformation Programme helped functions and processes transition from UKSA to DSIT, recognising delivery and operational risks. We ensured a continued focus on initiatives to support our people and their wellbeing during this transition.

This is the last annual report from the Space Agency. I should end it with special thanks to everyone who has served the UKSA since its creation as an arm's length body in 2010. It has covered an extraordinary range of issues with real energy and expertise. Nobody exemplifies this better than Dr Paul Bate, the outgoing CEO. I thank him and also the public spirited members of the board and the whole staff. Everyone has made a great contribution. The UK Space Agency has achieved a lot and been a key partner for other space agencies across the world. We all look forward to it continuing to thrive from its new position within DSIT.



Rt. Hon. Lord David Willetts FRS HonFREng
Chair, UK Space Agency Board, 2022-2026

Chief Executive's Statement

Our 2025-26 achievements across programmes, finances and organisational health are set out in this report. In each case, we have built on the strong foundations of recent years. We have delivered our European Space Agency (ESA), national and bilateral programmes, negotiated our contributions to the ESA, prepared for the expansion of the Agency's remit within DSIT, and provided the technical expertise underpinning good policy decisions and global influence.

On delivery, we selected and funded companies and research groups across each category of space spend, from the Connectivity in Low Earth Orbit programme to the extension of our space domain awareness sensor network. We have supported space ecosystems across the UK, overseeing the completion of Space Clusters and Infrastructure Fund grants from the North East Space Skills and Technology Centre to the National Microgravity Research Centre in South Wales. Our Unlocking Space programme has connected the financial services, healthcare and clean energy sectors to space businesses and their applications while harnessing the benefits of space for government services and for investors. For the third year in a row, our financial year-end was within the 1% forecast outturn tolerance expected, disbursing over £775m – the largest amount of funding ever for the Agency.

It has been another year of change for our staff following the announcement that the Agency would become part of the Department of Science, Innovation and Technology. It is a testament to the professionalism of our people that they continued to deliver despite the uncertainty around their own roles. Despite the challenges of the change and its announcement, staff survey results remain well above where they were just a few years ago. In particular, staff experiences of discrimination have reduced by more than half, and of bullying and harassment by almost the same amount, since 2021.

November 2025 saw the completion of our ESA negotiations at the Council of Ministers, with a £1.7bn UK commitment that secured the future of our priority severe space weather mission, Vigil, and Mars past life search (Rosalind Franklin) alongside record investments in Launch and continued funding across each space category. In the context of a tight fiscal position that required difficult prioritisation decisions, including the withdrawal from Terrestrial Radiometry Underpinning Terrestrial (TRUTHS) mission.

The technical expertise of the Agency staff has been on display throughout the year, informing the forthcoming space publication, numerous submissions to Ministers and enabling leadership on the global stage. In chairing the Committee on Earth Observation Satellites and the Inter-Agency Space Debris Coordination Committee, we continued to influence how space is used, and protected, to deliver benefits on Earth. For the first time, the UK is actively prioritising its space science portfolio through the Frontiers programme, led by the Agency's Chief Scientist.

It has been the privilege of my career to lead the UK Space Agency. I am deeply grateful to everyone who has contributed to our successes, and I wish everyone who continues at the new UKSA within DSIT every success. Our purpose – to boost UK prosperity, understand the universe, and protect our planet and outer space – will be as relevant to those whose work continues as it has been for those of us who are passing on the baton.



Dr. Paul Bate FlinstP
Chief Executive of the UK Space Agency,
2021-2026

The UK Space Agency at a glance



CRITICAL TO OUR ECONOMY AND SECURITY

18%

of UK GDP (£454bn) reliant on satellites.

Space is a **Critical National Infrastructure** sector.

UK SPACE INDUSTRY

1,907

Organisations

55,550

People employed

£18.6bn

Income generated



A GLOBAL OPPORTUNITY

UK #1

in European private investment (2014-2024)
spending **1%** of global civil space funding
for **5%** of the market.

UK SPACE AGENCY IMPACT

CATALYSED

£2.2bn

in investment and revenue for the
UK space sector in 2024-25.

SECURED

£7.49

in direct economic return for every **£1** of UK
investment in the European Space Agency.

DELIVERED

13m

participant hours across **35** funded education
and future workforce projects.



PERFORMANCE REPORT

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Raining Down on Dunstanburgh Castle © Peter Greig,
ZWO Astronomy Photographer of the Year 17 courtesy of Royal Observatory Greenwich.

Performance overview

Our Purpose and Role

This section refers in present tense to the UKSA; our purpose, the outcomes and objectives we aim to achieve, our performance against delivering them, and the impact and management of key risks while it was an Arms Length Body up to 31st March 2026. On 1st April 2026 UKSA became a directorate of the DSIT and, going forward, its performance and purpose will be reported via documents and statements from DSIT Ministers.

A more detailed appraisal of the Agency's performance is provided in the Performance Analysis section

What we do and why we do it?

Our purpose is to boost UK prosperity, understand the Universe, and protect our planet and outer space.

All our success – the difference we make for our people, our partners and ultimately to society in the UK and around the world – comes down to our purpose. It is this simple statement that defines each decision, each connection, and drives us – always.

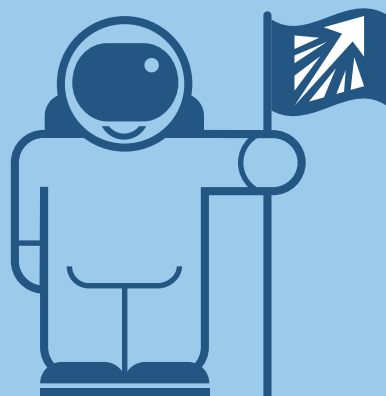
Our role is to catalyse investment, deliver missions and capabilities, and champion space.

We **catalyse investment** by helping UK space organisations to attract more private and non-government funding, to maximise the space sector's long-term growth.

We **deliver missions and capabilities**, independently and with others, that use space science, technology and applications to meet national needs and help humanity to understand our universe.

We **champion space** by encouraging other sectors to use space to deliver better services, tackle the climate emergency, inspire Science, Technology, Engineering and Mathematics (STEM) education and lifelong learning, and advocate for sustainable space activities.

Our People, Values and Culture

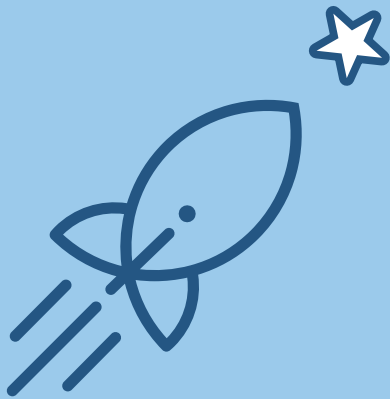


OUR PEOPLE:

Our people are the Agency's greatest asset and central to everything that we do – we're at our best when we can connect our work to a greater cause and our purpose can only be realised by supporting and investing in our people.

We understand the value of bringing different people together to make positive changes happen. Our Responsible Pioneers People Strategy links to our values by focusing on five themes:

- **Building Respect and Pride:** Valuing and appreciating our colleagues, creating a sense of pride in working for the Agency.
- **Resourcing for the Future:** Developing a 'right time, right person, first time' talent pipeline to grow career paths and retain our forward-thinking expertise.
- **The Employee Experience:** We acknowledge and celebrate the diverse backgrounds and experiences of our people, building inclusivity and respect between each other.
- **Giving Recognition and Reward:** Recognising performance, celebrating outstanding contribution and discretionary effort, building a supportive culture and self-sustaining energy.
- **The Pioneers Centre of Excellence:** Building personal and professional capability, creating a sustainable and responsible future for the Agency whilst promoting it across the world.



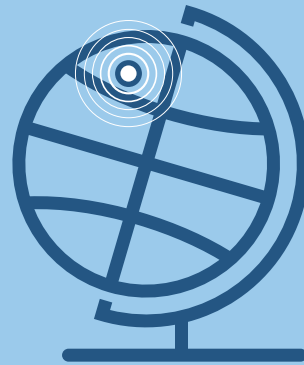
OUR VALUES:

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

Our values are the principles and beliefs we work to every day and are exhibited in the behaviours we encourage and expect of each other.

These were developed and updated through consultation with staff across the Agency and form the final piece in the 'what' (our role), the 'why' (our purpose) and the 'how' (our values) which describe what really matters to us in how we achieve our goals.

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



OUR CULTURE:

Our culture is supported by our values – it empowers us all to be the best we can be and encourages each other across the Agency, to help build a better place for our people and our partners.

We've remained focused on supporting our people, to build resilience and navigate future challenges. Our meaningful and purpose-driven culture sets us up well for our merge into DSIT, where we will adopt their values.

We open doors for pioneering people to invest productively in space to solve some of the world's toughest problems.



Our Organisation

Transformation

The operating model described below began on 1 April 2025 and was one product of a three-year transformation programme which encompassed a range of projects focussed on better delivering our portfolio. The programme gave us the foundations to continue to grow efficiently and sustainably, expanding our footprint within the space sector and capitalising on previous successful investments and outcomes.

From 1 April 2026, the UK Space Agency transitioned from being an arm's-length body to a directorate within the Department for Science, Innovation and Technology. More information on this and the future of the Agency can be found in the Our Future section on page 43.

How we Operate

We fulfil our role through a wide range of activities which comprise our delivery portfolio; projects, programmes, missions and funding. Our operating model and portfolio have been designed with clear budgeting and accountability in mind: determining the most appropriate areas for investment, tracking what's spent and showing the results.

Operating Model

Our operating model focuses most of our resource in eight delivery **themes**, which correspond to recognised segments of the space sector. Our model also has five crosscutting **threads**, which are proactive areas necessary for the themes to be successful, e.g. skills, technology and customers. Each theme and thread's objectives are defined by ten-year delivery plans and roadmaps; they form the basis for budget, resourcing and portfolio plans, and help us to define the structure, skills, and operating model we need.

The Agency's teams provide services to others: both internally, as **foundations** upon which we operate safely and effectively, and externally to partners, third parties or the public, as **interventions** through which we effect change in the sector. See Figure 1 opposite.

Where we Operate

The Agency's six offices are located around the UK, close to established space sector businesses, research organisations and other government services. This geographic spread enables us to better attract the talent we need and support our key sector partners wherever they are based.

Our head office is part of the growing cluster of space-related and other scientific and research organisations at the Harwell Science and Innovation Campus near Didcot, Oxfordshire. Our Leicester office is located within the city's Space Park, adjacent to the National Space Centre. Offices in Cardiff, Edinburgh, London and Swindon are within sites shared with other government services.

*The UK's Space Agency -
doing the right things and
doing things right.*



Figure 1. UK Space Agency operating model 2025-26

THEMES:

Exploration

Space
Science

Telecomms

Launch

ISAM

Space
Resilience

Earth
Observations

PNT

THREADS:

- Innovation, Investment & Commercialisation
- International Partnerships
- Space Sustainability
- Education & Future Workforce
- European Space Agency

INTERVENTIONS:

- Managed funding
- Event management
- External communications
- Regulatory assurance and insight
- Guidelines and standards
- Licensing, insurance and liability requirements

FOUNDATIONS:

- Technical assurance and insight
- Government stakeholder management
- Grant management and agreement award
- Portfolio definition and delivery
- Research and analysis
- Knowledge and information management
- Parliamentary and public affairs

ISAM: In-Orbit Servicing, Assembly and Manufacturing. PNT: Positioning, Navigation and Timing.

Our Strategy, Aims and Objectives

Doing the right things, doing things right.

Our Strategy

The Agency's strategic direction is determined by government ambitions and priorities, which for 2025-26 were defined in the 2022 National Space Strategy (the five outcomes for space) and the 2024 Space Industrial Plan (space capability goals), with a particular focus on the government's growth and national security missions. Our contribution to these aims was oriented around delivering benefits across the five outcomes for space, plus a sixth we set ourselves, as described in Figure 2 below.

Figure 2. Our six strategic drivers



High Growth
UK Economy



Innovative
UK Economy



Benefits Citizens
and the Public



National
Security



International
Relationships



Agency Efficiency
and Effectiveness

During 2025-26, we have contributed to cross-government work to update our strategic direction. This work has prepared the ground for the Agency's reshaped role within DSIT, whilst continuing to deliver activities centred on our role and purpose.

Our Aims

The delivery of our activities is benefits-focused, meaning that the development of our strategy and objectives is driven by the benefits we wish to achieve. In practice this means that all decisions about the scope, goals, options and prioritisation of our portfolio of activities are focused on the resulting benefits, and that all individual tasks we work on are traceable to those benefits.

Three aims focus our approach to delivering activities:

- **Maintaining our licence to operate:** getting the basics right every day to ensure we provide value for money, protect our staff and stakeholders, and adhere to government standards.
- **Spending our budget well:** matching our resources to government's goals, working efficiently and sustainably to ensure any new long-term commitments are affordable.
- **Building certainty for the rest of the decade:** working across government to set long-term delivery plans to deepen the UK's national space capabilities.

Our Objectives

In our 2025-26 Corporate Plan, we set out how the UK Space Agency works across government, the space sector and internationally to support delivery of the National Space Strategy's ambitious goals. To accomplish this across our portfolio of activities, we set ourselves the following objectives, grouped by their themes and threads:

Exploration theme: Maintain the UK's position as an integral partner in European exploration missions through investment in critical technologies which match our national priorities.

Space Science theme: Maintain UK science leadership, grow industry capabilities and develop pioneering technologies, and establish, maintain and grow international relationships and influence.

Telecommunications theme: Enable UK firms to win £27m of contracts through the national Connectivity in Low Earth Orbit (C-LEO) programme.

Launch theme: Facilitate launch from SaxaVord spaceport (subject to technical readiness). Enable further development of UK launch capability through further investment in spaceports, launchers, and/or supply chains.

In-orbit Servicing, Assembly and Manufacturing (ISAM) theme: Begin public procurement of a national Active Debris Removal mission and define a long-term ISAM delivery plan.

Space Resilience theme: i. Support the space sector to improve its security and resilience posture to better counter threats and hazards, including through warning and alerting, and planning for incident response and recovery operations. ii. Develop the National Space Operations Centre (NSpOC) in collaboration with UK Space Command to reduce risks to life and property in space and on Earth from space hazards, reduce operational costs for UK space operators and reduce the risk of legal liability to the government and space operators. iii. Conduct at least three exercises to develop the UK's response to identified threats and hazards in space.

Earth Observation (EO) theme: Build capability to provide improved access to trusted EO/remote sensing data across the public sector through the Earth Observation Data Hub. Support the launch of the MicroCarb mission in collaboration with CNES, and deliver the third Climate Funding Call.

Positioning, Navigation and Timing (PNT) theme: Continue to grow the UK PNT sector through the UK's investment in the ESA NavIS Programme to support early stage innovative PNT technologies.

Investment, Innovation and Commercialisation (IIC) thread: i. Sustainably grow and spread space investment and jobs across the UK by distributing at least 55% of SCIF's infrastructure investment outside of London and the South East. ii. Achieve an average improvement in Technology Readiness Level (TRL) of 2 or more for supported activities across the Agency's growth portfolio, as measured over the lifetime of each activity.

Education and Future Workforce thread: Deliver the space sector skills survey and define the requirements of a shared evidence and resource hub with the sector.

International Partnerships thread: Use the International Bilateral Fund and the UK's presence at international fora to build strong partnerships with priority countries and increase the UK space sector's inward investments and exports.

European Space Agency (ESA) thread: Commit to a five-year subscription at CMin25 that will align with ministerial priorities and ensure a sustainable level of geo-return across the funding cycle.

Sustainability thread: i. Develop and implement a UKSA Climate Adaptation/Sustainability Strategy, delivering against Greening Government Commitments and ensuring compliance with Taskforce on Climate-related Financial Disclosure (TCFD) requirements. ii. Develop a national space sustainability 10-year roadmap.

Capabilities activity: Working with DSIT, develop cross-government delivery plans to implement the Space Strategy and Delivery Board's (SSDB) strategies for five priority national space capabilities.

Agency-wide activity: Enhance the efficiency and cost-effectiveness of the Agency, through the implementation of streamlined processes and innovative technologies.

Image: Cosmic Coincidences © Deep Sky Collective,
ZWO Astronomy Photographer of the Year 17 courtesy of Royal Observatory Greenwich.

Performance against 2025-26 Corporate Plan

Our Corporate Plan set out how the UK Space Agency works across Government, the space sector and internationally to support delivery of the National Space Strategy's ambitious goals. These goals included growing and levelling up the economy, leading inspiring space discoveries, promoting British values, protecting national interests and improving people's lives. Our focus was to protect our planet and outer space, understanding the Universe and boosting UK prosperity.

The plan set out our continued commitment to catalyse investment in the space sector, deliver missions and capabilities that meet UK needs and champion space to investors, customers and the public. Our people worked throughout the year to deliver the plan supported by efficient processes, capabilities, structure and systems.

The UK Space Agency's Operating Model focused most of our resource in eight delivery "Themes" (activities we want the space sector to do) and five cross cutting areas or "Threads" (that the sector requires to deliver those Themes). These Themes and Threads formed the basis of our resource decisions and helped design and grow the structure and skills we needed.

The following pages describe the year's outcomes achieved from the 2025-26 Corporate Plan.

Our performance metrics are detailed on page 32.



CEO Paul Bate at Space-Comm Expo Europe 2026. ©Space-Comm Ltd.

Our Performance Overview

In 2025-26 a new suite of corporate performance metrics was introduced to help manage the Agency and its delivery, centred on creating meaningful value in the sector. These metrics drove accountability, aligned our work with strategic goals, fostered a motivated culture, encouraged innovation and promoted transparency. Our corporate performance metrics were designed to answer two critical questions for both the Agency and the public:

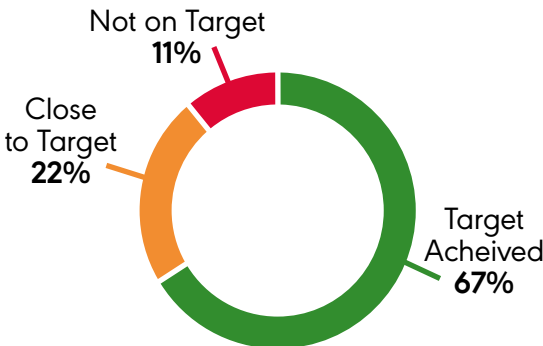
- Is the UK Space Agency achieving Government's goals for the UK in space?
- Is the UK Space Agency operating effectively in pursuit of these goals?

We aligned the metrics framework with our operating model so that measures of success reflect how the Agency operates.

- **Themes and Threads metrics** assess whether the Agency is delivering the government's objectives by achieving the intended outcomes across each theme and thread.
- **Intervention metrics** evaluate how effectively the Agency deploys its tools and resources to drive progress towards those objectives.
- **Foundation metrics** ensure that the Agency maintains its licence to operate, supports our people, and sustains the overall health of its portfolio.

We selected metrics that started with the real world changes we aimed to achieve. This approach held us accountable for our contributions to government's ambitions, by directly linking our work within each Theme and Thread to the outcomes of the National Space Strategy.

Agency Metrics for 2025-26



We used targets against our metrics to guide our performance. In some cases, we prioritised data collection over a defined target, to allow time to gather data to understand our baseline with a view to reevaluating if these were enabling proactive decisions to be made and not causing perverse incentives.

Highlights include:

- **North Star Metric (NSM):** The data collected demonstrated that the Agency catalysed at least £2.4bn of investment and revenue within the sector in 2025-26.
- **Financial Success:** In the final quarter of FY25-26, the UK's geo-return stood at 1.01, reflecting an over-return of €45.79m. Further detail on Page 33.
- **Tracklets monitored:** In February the UK company SpaceFlux successfully brought their new optical surveillance sensors into operation. Average tracks per day monitored for the period 1st Jan to 31st March was 5,176 each day, up from 1,700 at the start of the financial year (more information in the performance analysis section on page 34).

Table 1 below: Performance metric target achievement – Year on Year comparison.

Metric RAGs	Financial Year 2022-23	Financial Year 2023-24	Financial Year 2024-25	Financial Year 2025-26
Target Achieved	16 (64%)	23 (85%)	27 (79%)	6 (67%)
Close to Target	3 (12%)	4 (15%)	3 (9%)	2 (22%)
Not on Target	6 (24%)	0 (N/A)	4 (12%)	1 (11%)
No Target Set	0 (N/A)	0 (N/A)	0 (N/A)	4 (N/A)

Performance Analysis

The performance analysis provides further detail and context about the Agency's achievements. It contains reports on each of our delivery themes and threads, plus a summary of progress on key indicators and significant delivery milestones, followed by high level reviews of our risk, finances, accountability and sustainability.

Performance of Priority Outcomes and Strategic Objectives

This section reports on our achievements during 2025-26, and analyses these against other factors such as our finances, risks, performance metrics, delivery milestones etc., as outlined in the Performance Overview.



UK astronaut John McFall could become the first person with a physical disability to live in orbit thanks to an agreement signed between the UK government and US commercial space company Vast.

THEMES



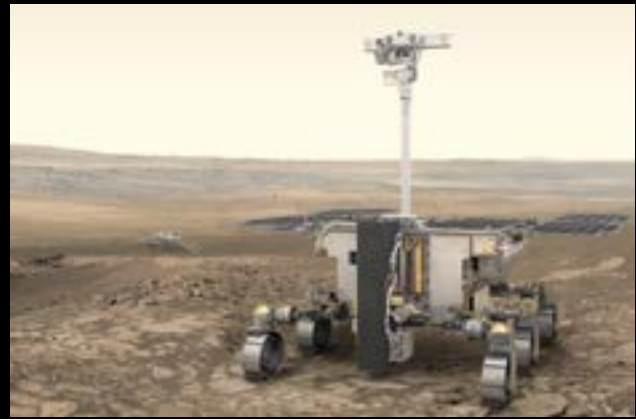
Exploration

During 2025-26, the UK Space Agency continued to strengthen the UK's position as a valued and influential international partner in space exploration, whilst advancing national capability across both human and robotic missions.

The UK retained strategic roles across major international exploration programmes. A notable example was the **Rosalind Franklin mission**, where the UK has been developing the build of the EnfyS instrument, designed to identify targets for sampling and analysis in the search for life on Mars. EnfyS will operate alongside two further UK-funded instruments: PanCam, which provides the rover's primary visual capability for navigation and geological context, and the Raman Laser Spectrometer, which will identify chemicals indicative of past or present life. Together, these instruments position the UK at the scientific heart of one of the most ambitious Mars exploration missions to date.

UK industry also continues to make significant contributions to **future lunar exploration**. Nammo UK, selected to provide the main descent engines for ESA's Argonaut Lunar Lander, has progressed development of a modular engine design. Furthermore, NASA's Ignition event in late March 2026 flagged a strong US requirement for Americium-based Radioisotope Heating Units (RHUs). A UK company, Perpetual Atomics, has the most advanced and mature design for this capability in the world, developed as part of ESA's European Devices Using Radioisotope Energy (ENDURE) and positioning the UK as a potentially crucial partner in the US's renewed lunar ambitions. This approach supports reuse and scalability, reducing development requirements for future, larger missions and strengthening the UK's industrial contribution to sustained lunar activity.

Continued subscription to these exploration programmes ensures that UK interests are represented in global endeavours, strengthens national technological and industrial capability, and fulfils international commitments on lunar and Mars missions. Collectively, this reinforces the UK's leadership and influence in space exploration.



Rosalind Franklin Rover. ©ESA.

Through ongoing participation in ESA exploration activities, UK scientists retain access to key facilities and continue to advance national objectives relating to the International Space Station.

Exploration Science funding has positioned UK researchers for leadership roles in future missions. Supported activities include:

Imperial College London

- the Moonquake Operations Service
- Lunar Environment Monitoring System

University of Leicester

- meteoroid impact studies
- lunar south pole landing sites research
- analogue mineralogy and in-situ resource utilisation

University of Oxford

- thermal and water diffusion modelling to characterise future landing sites.

In human spaceflight, UK astronaut Meganne Christian continued her reserve astronaut training. This follows John McFall's medical clearance to become the first person with a physical disability, eligible to participate in a mission to the International Space Station. The UK also expects Rosemary Coogan to fly by 2030, in line with commitments made by ESA's Director General.

The Agency launched the joint Space Science and Exploration initiative, UK Space Frontiers 2035, a prioritisation exercise inspired by the US Decadal Survey process. The initiative aims to establish a long-term framework for UK space science. More than 100 White Papers were received in response to the initial call for input on national science priorities for the next decade, demonstrating strong engagement across the community.

Space Science

Investment in ambitious international space science missions continues to drive jobs and skills creation, technological innovation, and world-leading scientific discovery. By focusing on areas of established UK strength, including advanced instrumentation, manufacturing, mission science, and data processing, the Agency is securing prominent roles in the most significant scientific endeavours of the coming decades.

The UK played a central role in the **SMILE** Mission, with UK Space Agency funded researchers leading the **Soft X-ray Imager** instrument and co-leading the overall mission science. UK companies Teledyne e2v and Photek Ltd. have also made critical contributions to the mission.

As a joint European–Chinese mission, SMILE will provide the first complete view of how the Earth responds to the solar wind. The mission will enhance space weather forecasting capability, helping to protect critical infrastructure such as satellite navigation, communications networks and power grids.

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

Preparatory work progressed on NASA's Habitable Worlds Observatory, with feasibility studies for a potential UK-led instrument supported through the Agency's Science and Exploration Bilaterals programme. Project teams completed concurrent design reviews in early 2026 and are finalising reports.

The UK Space Frontiers 2035 initiative continued to gather momentum, with a significant number of White Papers received in response to the call for ideas. This strong response highlights both the depth of the UK science base and the value of a coordinated, long-term approach to strategic planning.

The UK's Soft X-ray Imager on the SMILE mission. ©ESA.

Impacts of Space Science activities:

UK Space Agency investment in the Ariel mission has supported work for around 50 people, secured over £14m of contracts and follow-on funding, with 5,400 citations on publications released since 2018.

UK Space Agency investment in the Comet Interceptor mission has produced the 2nd most publications relating to this mission worldwide and helped UK authors work with professionals in 26 countries.

Telecommunications

The past year has seen significant progress across the UK's telecommunications sector, supported by ambitious programmes and strategic investments that are shaping the future of connectivity on Earth and beyond.

The **Connectivity in Low Earth Orbit (C-LEO)** programme supported three national projects focused on technology development, market analysis and commercial readiness. A second funding call was announced in March 2026 to support a further cohort of high-potential projects.

The UK has also advanced direct-to-device (D2D) capabilities through collaboration with ESA and Viasat. A €50m commitment to the ELEOSYS Partnership Programme at the 2025 CMin25 secured national leadership in Europe's inaugural D2D service. The UK-led consortium is progressing system design and non-terrestrial network service development. D2D remains a strategic priority within ESA roadmaps, and the UK continues to play a vital role in shaping early activities and strengthening European competitiveness.

Technical projects supported by the Agency have demonstrated progress in enabling technologies, such as multi-beam payload ASICs (Application-Specific Integrated Circuits) and true-time-delay beamforming, critical for scaling future D2D constellations. Early standardisation work is under way, alongside cross-government collaboration to explore defence and national sovereignty applications.

The UK continues to lead the communications segment of ESA's **Moonlight programme**, building on its CMin22 investment with a further £41.1m at CMin25. Moonlight is accelerating commercial lunar connectivity, establishing the first navigation and communications services for the Moon and positioning UK operators and manufacturers at the forefront of a growing lunar market.

This work is creating new opportunities for UK satellite operators and manufacturers, positioning them at the forefront of a fast-growing lunar market. By shaping a service designed for both institutional missions and private sector users, the UK is helping to establish a commercial infrastructure that will underpin the emerging lunar economy.

Through ESA's **ARTES programme**, UK Space Agency delivered funding calls totalling £30m to stimulate innovation in satellite communications, including targeted calls on AI and ground station innovation.

Innovation in global satellite communications.

Launch

During 2025–26, the UK made progress toward its ambition of assured access to space, despite facing challenges including Orbex entering administration.

SaxaVord Spaceport, the UK's first licensed vertical spaceport, completed key infrastructure including mission control, telemetry and tracking systems, and site security. Following a testing anomaly in 2024, **Rocket Factory Augsburg** has undertaken comprehensive engine evaluation and acceptance testing. With first and second stages now in the UK, preparations continue for a planned first launch in 2026. This initial launch will serve as a test of the vehicle and represents a critical milestone in maturing technology and safety procedures.

Preparations for the **European Launcher Challenge** were a major focus of the year. Whilst the UK supported the Orbex bid, the company was unable to secure necessary private investment and entered administration in February 2026. Despite this setback, the government remains committed to achieving assured access to space ensuring positive economic impact and strengthening national security, supported by £162m allocated at CMin25.

As part of efforts to strengthen international partnerships, the UK Space Agency has also led development of the Memorandum of Understanding for STARLIFT (NATO's high priority access to space programme) to strengthen international cooperation on launch capabilities. Investment in skills development continued through support for youth rocketry and propulsion competitions, ensuring graduates acquire the hands-on skills demanded by industry, fostering practical expertise and supporting entry into space careers.

Below: The Eye of Vestrahorn, Benjamin Barakat, ZWO Astronomy Photographer of the Year 17 courtesy of Royal Observatory Greenwich.



In-orbit Servicing, Assembly and Manufacturing

2025-26 was a significant year for In-orbit Servicing, Assembly and Manufacturing (ISAM) and the Active Debris Removal (ADR) sub-sector.

Aligning with the government's long-term commitment to becoming a clean space superpower, in July 2025, the UK Space Agency launched a £75.6m tender to deliver the UK's first mission to capture and remove two defunct UK satellites from low Earth orbit. This followed successful early-phase concept work led by the UK entities of Astroscale ('COSMIC') and ClearSpace ('CLEAR'). The anticipated contract award by 31 March was delayed with a revised aim of summer 2026. We are on track to meet this new date, with important procurement milestones completed and appropriate governance in place for the remainder of activity.

ADR is a fundamental part of developing and demonstrating key ISAM technologies which is an emerging but critical capability sector prioritised by government to underpin economic growth and national security.

The Agency took a One Government approach to developing long-term ambitions for UK ISAM capability in collaboration with partners like Ministry of Defence (MOD), UKAEA and STFC, along with industry and academia, to deliver a 10-year ISAM Strategy (to 2035), supported by a Delivery Plan, Theory of Change and Governance Framework. This collaborative approach is critical to ensuring buy-in across the sector and growth of a robust ISAM ecosystem.

Work has begun on a flagship In-Orbit Demonstration (IOD) programme to enable in-orbit testing of ISAM technologies across several dedicated missions. In parallel with procurement of the national ADR mission, three workshops were held between September and January involving government, industry and academia, moderated by the Space Partnership. The aim was to inform cross-government ISAM capability planning and consider how such a programme could best deliver on the government's priorities of economic growth and national security. The results are now feeding into development of a business case, and further updates will follow in due course.

In October a competition was launched for In-Orbit Manufacturing (IOM) feasibility studies to support the IOD programme. By overcoming terrestrial limitations, IOM can unlock new markets and drive innovation across multiple sectors. Contracts were awarded in February to three UK companies (BioOrbit, OrbiSky and Space Forge) to explore leveraging space conditions to innovate the development of life-saving medicines and advanced materials, e.g. semiconductors, that will power future technologies.



Space Resilience

Improving the resilience and security of the UK space sector has remained a central priority.

The Agency delivered a suite of initiatives to strengthen understanding of threats and hazards across the sector, including Secure-by-Design workshops and guidance, a Cyber Essentials Plus consultancy and accreditation programme, physical penetration testing programme and incident response exercises.

We initiated two major programmes: a cyber security assessment and accreditation scheme aligned with Critical National Infrastructure requirements, and a Hack-a-Sat programme to assess and strengthen satellite cyber resilience. These initiatives will include international engagement and cooperation so that non-UK owned services can be assured and protected whilst delivering into the UK market.

The UK National Space Operations Centre (NSpOC) monitored an average of 56 uncontrolled re-entries and issued on average 1,913 collision warnings per month to UK satellite operators. The teams responded to multiple substantive events that posed a potential threat to UK interests, enabling NSpOC and government to exercise its response capabilities in real-time. Refinement of additional warning capabilities have continued, including in relation to high-risk launch notifications, fragmentation and asteroids.

In collaboration with military partners, we met key milestones for Space Resilience by implementing the Initial Operating Capability of our civil-military space domain awareness analytical software system, BOREALIS, enhancing analytical capability. Enhancements to our civil risks and hazards portal, Monitor Space Hazards, have the capability to host live and accessible data on re-entry and provide automated risk and hazard notifications.

Earth Observation

Earth Observation (EO) enables the UK to harness satellite data for economic, societal and environmental benefit. It underpins the UK's national response to climate change, extreme weather, natural disasters and resource management, whilst supporting public services and evidence-based policymaking. During 2025–26, our focus was on strengthening international leadership, advancing mission capability and accelerating commercial innovation.

The UK concluded its tenure as Chair of the Committee on Earth Observation Satellites (CEOS) by hosting the 39th Plenary in Bath under the theme “Unlocking Earth Observation for Society.”

Throughout the year the Agency worked with international partners to enhance the societal impact of satellite EO, including improving public service applications, supporting global climate stocktakes, advancing best practice for methane measurement, and inspiring future talent through the CEOS in Schools initiative. The first CEOS Youth Summit, held during the Plenary, brought together students from six countries, whilst the launch of the CEOS Youth Hub further expanded access to EO learning resources worldwide. Both initiatives have now been adopted by the incoming CEOS Chairs, Australia and NASA, with plans to expand the UK Space Agency led pilot.

A significant milestone was the international endorsement of satellite-based methane measurement standards developed under UK Space Agency leadership. These standards improve the transparency and accuracy of global emissions reporting and strengthen the role of EO data in climate accountability.

In 2025-26, the UKSA supported launches delivering essential climate and environmental data, including the Biomass mission to provide world-leading measurements of forest carbon stocks, and the HydroGNSS mission which enhances low-cost monitoring of soil moisture, hydrology and snow cover. We also contributed to the EU-ESA MTG-S1 satellite, carrying Copernicus Sentinel-4 for atmospheric composition monitoring. Collaboration with France was instrumental in delivering the MicroCarb mission, Europe's first satellite dedicated to mapping global carbon dioxide.

Multiple Copernicus missions launched during the year, ensuring sustained access to near real-time data for science, industry and public services. Our involvement across instrumentation, data processing and quality assurance continues to reinforce the UK's role as a trusted EO partner.

The International Charter for Space and Major Disasters marked its 25th anniversary and 1,000th activation in 2025. The UK contributed to the responses for over 60 disaster-related incidents throughout the year, such as wildfire monitoring, flooding and landslides. The UK provided high-value EO data products for 53 of those activations. This enabled first responders globally to access rapid, actionable insights, supporting damage assessment, relief coordination, and recovery planning of affected areas.

We continued investment in enabling technologies, funding 10 projects through the Centre for Earth Observation Instrumentation (CEOI). This includes examples such as XCAM, a groundbreaking ultra-low-light camera, which has already secured commercial opportunities including exports to the USA.

The UK Space Agency funded phase 2 of the Natural Environment Research Council (NERC) led Earth Observation Data Hub (EODH), helping define requirements for streamlined secure access to satellite data used to improve public services and drive UK innovation. Over 120 users and projects now operate through the Hub, providing solutions for Defra and local authorities, supporting cross-government infrastructure to develop EO products and coordinating international efforts for quality assurance.

Impacts of Earth Observation activities:

UK Space Agency investment in the Centre of Earth Observation Instrumentation (CEOI) led to an average increase of over 2 TRLs per technology supported. Technologies featured on 4 launches, with 23 more planned. Projects received over £23m of foreign public investment from 2021 to 2025, (4.5 times the original total CEOI grant funding in that period).

Positioning, Navigation and Timing

Positioning, Navigation and Timing (PNT) capability is fundamental to a connected, data-driven society: precise positioning, secure navigation and ultra-accurate timing are not just enablers of modern life, but critical components of national resilience and global competitiveness. This reflects the UK Space Agency's ambition to lead in the technologies which keep the world connected, secure, and moving with precision.

To enhance resilience, the UK advanced a "System of Systems" approach to PNT, as outlined in the Government Policy Framework for Greater PNT resilience. This strategy diversifies beyond Global Navigation Satellite Systems (GNSS) by integrating terrestrial and space-based technologies. This approach mitigates risks arising from space weather, technical failure or malicious interference, ensuring continuity of critical services.

We work closely with the National PNT Office, Ministry of Defence, other government departments and industry to stimulate innovation and deliver R&D that strengthens resilience of existing PNT systems and enables dual-use applications.

We supported developing technologies that improve national resilience such as miniaturised receivers that can use space and terrestrial PNT signals for UK infrastructure providers, mobile interference detectors that help inform the police of real-time criminal activity and working with the National PNT Office preparing to deliver a £3m concept study for a UK global time transfer capability that will give the UK assured, GNSS-independent time anywhere in the world.

A satellite image of a coastal region, showing a large body of water with varying shades of blue and green, indicating different depths and possibly underwater features. The coastline is visible with green land and some urban areas. The sky is dark blue.

The UK Space Agency is funding and overseeing the development of a Two-Way Satellite Time and Frequency Transfer (TWSTFT) system that will link critical infrastructure to the National Physical Laboratory (NPL) and synchronise to the UK's sovereign time source generated by the NPL. This year saw the successful delivery of the first stage of the programme – a timing signal from space to a site in Harwell. The next steps will be linking two strategically important sites across the UK to the NPL to create a system that can be a government-run operational capability.

At ESA's Navigation Innovation and Support Programme (NAVISP), the UK retained its position as the largest contributor with a €53.44m subscription (25% of the overall programme budget), focused on innovation, growth and critical capability delivery. Additional subscriptions support low Earth orbit (LEO) PNT development and emerging technologies including quantum and AI, and their application in supporting PNT resilience.

During the year, we supported evidence gathering to inform policy, including assessing PNT requirements in the Overseas Territories, testing receiver performance in jamming environments and developing a national PNT digital twin, a testing environment that mirrors our current capabilities, to inform planning, decision making and infrastructure planning.

To support sector growth, we commissioned mapping of the UK PNT supply chain and continued collaboration with major industry partners (including Vodafone and Jaguar Land Rover) to develop next-generation capabilities for autonomous vehicles, development of drone operations and advanced frequency applications. This will incorporate new space capabilities such as PNT from low Earth orbit, utilisation of different frequency bands, and how AI, quantum and optical technologies can be used for PNT.

Innovation, Investment and Commercialisation

Innovation, Investment and Commercialisation (IIC) activity has focused on strengthening the ecosystem required for sustainable growth in the UK space sector.

The Space Clusters Infrastructure Fund (SCIF) Pilot concluded successfully, investing £48m across 13 projects nationwide (Figure 3). This includes £3m in funding for 1 to 3 month uplifts of 10 SCIF Pilot projects, in order to enhance their SCIF Pilot facilities and fully realise the impacts of their work. SCIF funding has catalysed new infrastructure supporting electric propulsion, microgravity research, advanced materials, and in-orbit servicing technologies. More than half of the funding was directed outside the Greater South East, supporting regional growth alignment with levelling up ambitions. Early evidence from industry partners' forecasts indicates approximately £93m in matched private investment, representing a projected 382% return on investment over the next decade.

Alongside infrastructure investment, the UK Space Agency continued to work with the Space Cluster Network (Figure 4) as a delivery partner for the broader ecosystem development programme. Building on the success of its 22-25 Space Cluster Development programme, which early evidence suggests catalysed over £30m in investment from a programme budget of £5.4m, in 2025-26, we provided an additional £2.3m of support to clusters across England, Scotland and Wales. We delivered additional targeted funding of £1m to the Devolved Administrations to progress their space strategies (Figure 4).

The IIC portfolio continued to tackle long-standing structural barriers to commercialisation. Activities across innovation grants, co-investment pilots and early-stage growth support have helped address limitations in access to capital, gaps in essential infrastructure, and the perception of high technical risk.

This year, the National Space Innovation Programme (NSIP) awarded £17.2m to 17 projects under Call 2, leveraging £6.2m in match funding to accelerate high value space technologies. Early monitoring and evaluation indicates strong returns, including £198m

investment catalysed for Pilot, ETP and Call 1 (2020-2025), 236 high skilled jobs created and an average of 2.5 increase in Technology Readiness Level (TRL), demonstrating NSIP's effectiveness in driving commercial growth, strengthening UK capability, and advancing innovation across the space sector. The Unlocking Space programme piloted eight end-user-led projects and three contract for innovation funding calls to accelerate SME scaling and improve adoption pathways. The programme has also initiated an in-orbit pharmaceuticals workstream to advance the UK's leadership in space-enabled manufacturing, and has committed to collaborative work on guidance, regulatory sandboxes, case studies and supply chain engagement. The programme also strengthened the UK's early-stage space investment ecosystem, with UKI2S, the investment fund that UKSA is a Limited Partner of, making the first four Space Portfolio investments and one follow-on investment crowding in £6.70 private capital for every £1 of public funding.

Support in space products and services delivered via ESA's Business Applications and Space Solutions (BASS) has helped to position UK companies at the forefront of the innovative use of space applications and fuel economic growth. 39 projects were delivered during 2025-26, totalling £11.2m across diverse sectors including healthcare, transport, utilities and net zero. Since 2016, BASS has delivered a **900% return on investment and created over 600 jobs.**

The UK's strategic investment in space technologies include the General Support Technology Programme (GSTP), Technology Road mapping, European mapping, dual-use technology development, Space Standards, and the National Space Propulsion Test Facility. Between 2019-24, we subscribed a total of €124m in GSTP, generating £24.6m revenue, 113 new FTE jobs created and an average TRL improvement of +2.28 per activity.

ESA Business Incubation Centres (BIC) UK have now supported over 130 start-ups since 2011, creating more than 1,000 highly skilled jobs and securing £225m in investment. In 2025-26, 18 companies received technical and business support from the BICs in Harwell, Daresbury, Edinburgh and Leicester.

The UK Space Agency Accelerator Programme has generated a **985% return on investment from its initial investment**; participants of the Accelerator have collectively raised an estimated £65m in funding to date. Of this total, approximately £27m has been secured in grants, whilst £38m has come in the form of investment. The Accelerator programme will continue into 2026-27.

Overall, the IIC portfolio has made strong progress this year in creating the conditions

for sustainable sector growth. By catalysing investment, enabling commercial opportunity, and enhancing regional capabilities, the portfolio is helping position the UK to capture greater share of the rapidly expanding global space economy. The achievements delivered in 2025-26 provide a solid foundation for continued progress in the years ahead, equipping UK innovators, investors and commercial partners to contribute to national ambitions and meet the needs of future space missions and markets.

Space Clusters Infrastructures Fund (SCIF)

Figure 3. SCIF National Pilot Projects

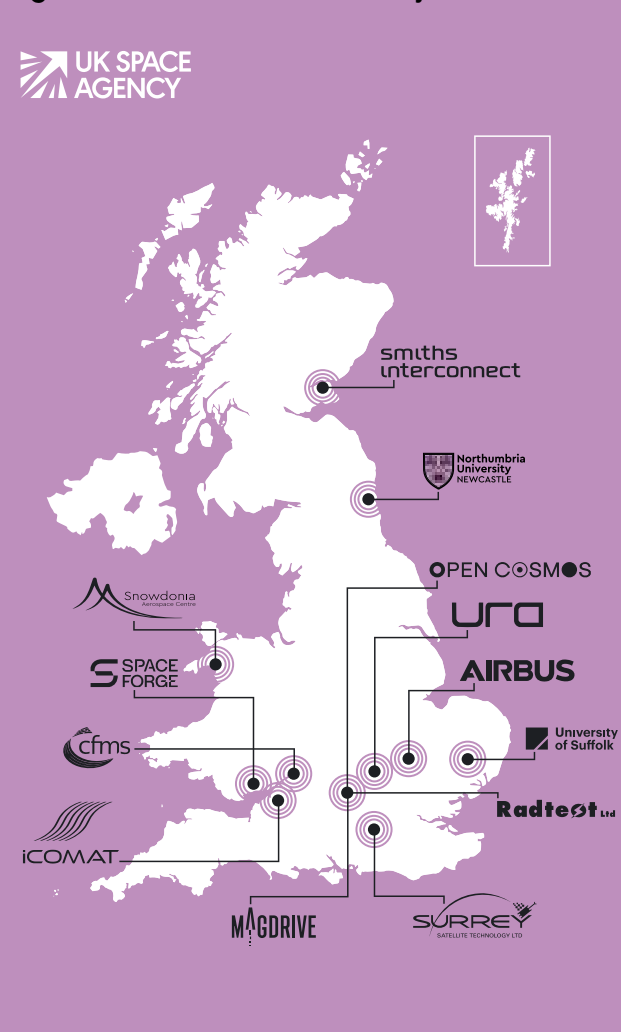
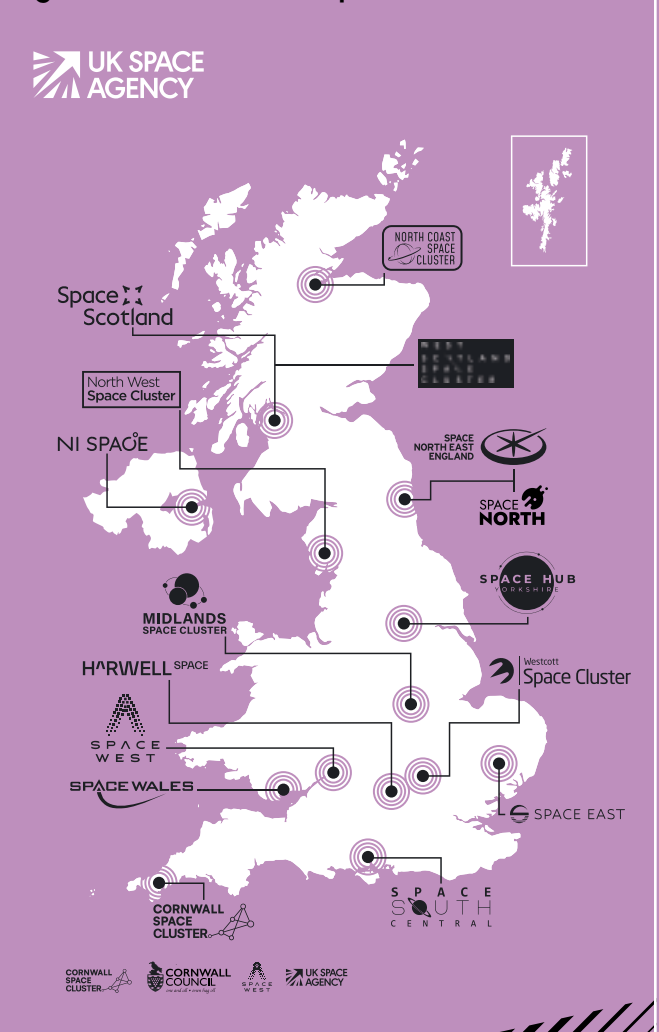


Figure 4. SCIF National Space Clusters



Education and Future Workforce

During 2025-26, the Education and Future Workforce thread continued to strengthen a diverse workforce required to support long-term sector growth and resilience, and provide evidence-based pathways into space sector careers.

An enhanced internship programme was launched offering eight-week placements in summer 2026. The team also initiated early research into broadening pathways for mid-career movers into space careers and continued to support networks including the Space Universities Network and the group 'UK Students for the Exploration and Development of Space' (UKSEDS).

Providing opportunities to engage with space in both social and classroom learning environments meant national initiatives targeted enhanced teacher training, broadened access to a library of curriculum-linked teaching resources, and to Space Inspirations STEM Ambassadors – a cohort of space professionals supporting engagement across primary, secondary and higher education.

We facilitated access to national space challenges including Mission X – Train Like an Astronaut, which encourages primary-age pupils to engage in activities around health and nutrition, and CANSAT, which enables 14 to 19-year-old pupils to design, build and launch their own end to end space mission.

We provided space career information, guidance, career conferences, and case studies of diverse space professionals, giving access to two full days of interactive online space engagement with industry professionals and experts from the United Kingdom and around the world on the topics of space exploration (Mars Day) and environmental science (Protecting Our Planet Day).

Funding, training and equipment was provided to 15 community science and discovery centres to engage the public on the topic of environmental science from space.

The Education and Future Workforce thread also expanded outreach to underserved communities, launched 6 space activity and attainment badges with the Scout Association and Girlguiding, supported science centres nationwide and enabled schools to conduct live radio links with astronauts aboard the International Space Station.

MISSION X



Impacts of Education and Future Workforce activities:

UK Space Agency investment in Inspiration led to 1,900 events being held, which reached over 945,000 people. More than 80% of teachers reported improvements in their pupils' STEM skills and knowledge and other competencies. 79% of Space Placements in INdustry Interns (SPINterns) rated their satisfaction with their placements as at least 8 out of 10, with 32% rating their experience as 10/10).

International Partnerships

The International Partnerships thread both strengthened existing relationships and established new ones with partners in 2025-26 through the International Bilateral Fund (IBF) and targeted bilateral and multilateral engagement.

The IBF allocated £6.5m to 24 projects running over 6 months, with a focus on building and strengthening international space partnerships, developing national capabilities (as set out in the Space Industrial Plan) and contributing to economic growth. The IBF funded projects with partners across a range of countries, including Australia, Canada, France, Germany, India, Japan, Lithuania, and the USA. The range of projects reflects the breadth of expertise across the UK's space sector. R&D projects touched on a range of areas, from in-orbit biomedical research to orbital transfer vehicle, to 3D printing in microgravity.

Monitoring and evaluation of previously funded IBF projects ('Call 1') noted a positive benefits story emerging despite it being too early to conclude whether objectives (e.g. increasing UK space sector inward investment and exports) had been met. Funding recipients unanimously agreed that the funding had enhanced UK leadership and soft power.

To support both inward investments and exports for the UK's space sector, alongside the IBF, we also led agency participation at the Space Symposium (Colorado Springs, US), the International Astronautical Congress (Sydney,

Australia) and the European Space Conference to deepen bilateral relationships and identify new collaboration opportunities. The team represented the UK at international fora such as the G20 Space Economy Leaders' Meeting and the Asia-Pacific Regional Space Agencies Forum to showcase work that the UK Space Agency has undertaken, participate in discussions on international coordination and promote collaboration with partners. The team has supported the negotiation and drafting of partnership agreements – including with NASA on the Solar Orbiter mission, the renewal of the UK-Australia Space Bridge and an exchange of letters with Japanese Aerospace Exploration Agency (JAXA) to promote coordination between international funding programmes.

The International Partnerships thread worked closely with the Department for Business and Trade (DBT) to open up markets for UK businesses and to foster opportunities for international collaborative projects, supporting trade missions to promote the UK space sector and the government's space priorities – adopting a One-Government approach. As a direct result of their participation in a trade mission led by DBT and UKSA in 2025, for example, a number of UK companies were awarded contracts to deliver space-related goods and services to Taiwan. With the support of the FCDO, DBT and the International team also led showcases and missions to countries such as the US, Japan and South Korea, alongside inward missions to the UK, including from the US, Canada, Turkey, Japan, Switzerland, Uruguay and the Philippines.



©NASA/Princeton/Patrick McPike.

Impacts of International Partnerships activities:

UK Space Agency investment in the IBF has created at least 59 new international partnerships and helped UK companies enter 13 new international markets, alongside deepening many pre-existing relationships. Matched funding and in-kind contributions of over £15m has been leveraged by IBF projects, as well as £5m of follow-on investment.

UK technology launched aboard NASA's IMAP mission.

European Space Agency

During 2025-26 the focus was on achieving a balanced portfolio of investments at CMin25, which aligned with ministerial priorities to deliver economic growth and support national security. The UK subscribed £1.7bn five-year subscription at CMin25 to programmes and missions that bring direct benefits to the UK, its critical national infrastructure and its citizens. Evaluation shows that every £1 invested in ESA returns £7.49 in direct benefits, catapulting the UK to the forefront of global space economy.

Although the investments made at CMin25 represent a real-terms increase in ESA subscriptions, the fiscal environment necessitated a sharpening of focus towards critical strategic priorities and tough decisions on funding allocations. This included the decision to discontinue funding for the TRUTHS mission, although we invested considerably in other Earth Observation programmes. In other areas, ESA member states elected to increase funding (by 3.5%), such as for the mandatory programme, which includes Space Science missions to explore the Solar System.

The UK's continued commitment to the Rosalind Franklin Mars mission will bring a unique, once-in-a-generation discovery mission to the Red Planet to its close, delivering unprecedented scientific yields as well as being an inspiration across the world.

The UK's continued leadership of the Vigil space weather mission will support jobs and deliver a critical early warning system, allowing mitigation actions to be taken on Earth in the event of extreme solar weather events. Early warning of these events will protect critical national infrastructure and, as a result, the broader economy.

The UK's largest subscription was to the European Launcher Challenge, sending a strong signal to Europe that the UK is committed to improving access to space, supporting both the commercialisation of the launch sector and improving resilience.

In addition to ensuring that CMin25 investments deliver value for money and drive benefits across the UK, from high-skilled jobs to commercialisation and innovative technologies, the UK undertook targeted work to ensure that the impact and utilisation of the European Centre for Space Applications and Telecommunications (ECSAT) in the UK is maximised and contributes to the UK's space ambitions.



Impacts of ESA activities:

UK Space Agency investment in the ESA meant that companies reported ESA funding supported the creation of highly skilled jobs, increased productivity, and increased reputation for job retention and international science involvement.

£1m of ESA contract funding resulted in an average increase of UK company's turnover by 8%, and average increase of nearly 4% in gross value added per worker.

Space Sustainability

The UK Space Agency has focused its Space Sustainability efforts this year on leading the development of two space sustainability standards: BSI Flex 1969 and BSI Flex 1971. Delivered through the British Standards Institution (BSI), these standards will respond to industry appetite for clarity of norms and existing sustainability frameworks.

The BSI standards recognise sustainability best practice, with Flex 1969 laying out an overarching set of space sustainability principles, and Flex 1971 is code of practice for Launch operators. We will monitor the adoption of these standards as it continues the development of space sustainability policy.

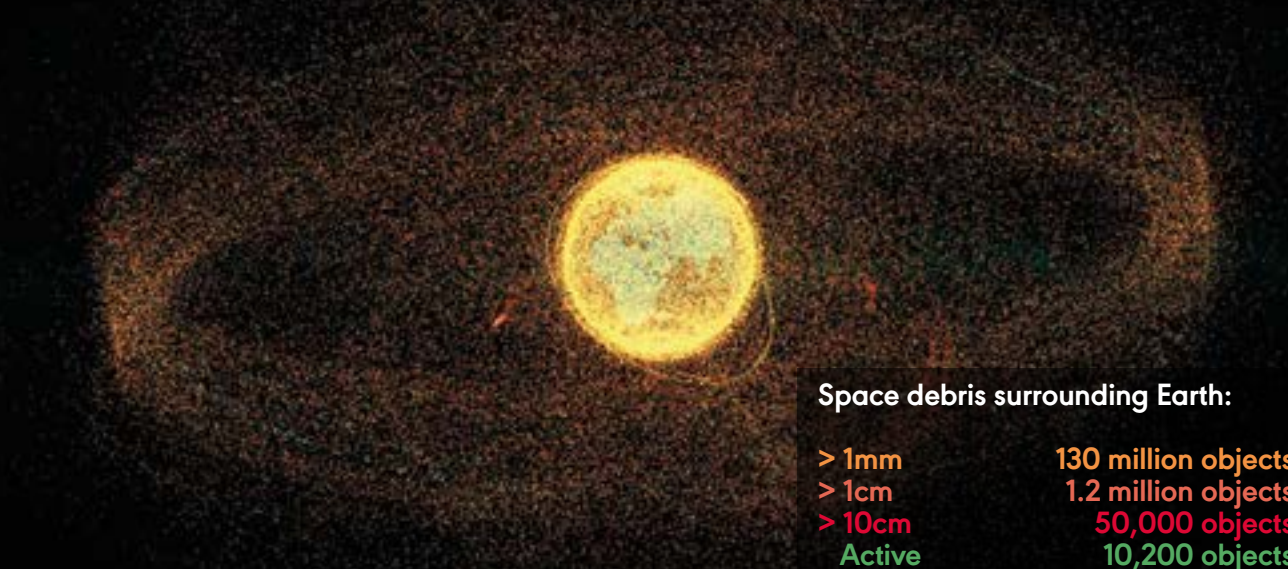
Space sustainability is a broad term encompassing environmental protection, safe operations, long-term viability and responsible behaviours. Throughout the year, UK Space Agency and DSIT have continued to develop our understanding supporting early policy formulation and more recently some external assurance on potential priorities. These activities will guide priority policy efforts in the next year.

Alongside this we continue to champion the sustainable use of space amongst industry and international partners. This includes supporting UK leadership at the Inter-Agency Space Debris Coordination Committee, United Nations Committee on the Peaceful Uses of Outer Space and United Nations Office for Outer Space Affairs.

The UK Space Agency took on chairmanship of the Inter-Agency Space Debris Coordination Committee (IADC) this year, where we have:

- invested £380k in 10 projects to support IADC research areas and help advance key national policy areas. Studies ranged from assessing the utility of existing, and developing new, metrics for the space environment, to advancing the approach to debris mitigation in the lunar environment
- led coordination of research across the 13 Member Space Agencies and delivery of key outputs, such as updates to the IADC Space Debris Mitigation Guidelines
- added two new Associate Members to the IADC (Australian Space Agency and Spanish Space Agency)

Looking closer to home, we put in place the necessary awareness and governance to ensure we can deliver on Government Greening Commitments, Net Zero, and other sustainability requirements (Taskforce for Climate Related Financial Disclosures). This activity will continue into next year, with DSIT taking a leading role.



Performance Metrics

Our Performance

Themes & Threads Metrics

These metrics helped evaluate whether UKSA was delivering DSIT's five policy outcomes and our thematic objectives.

Area	Metrics	Target 2025-26	Actual 2025-26
Threads & Themes	1. ESA Geo-Return Co-Efficient Score Total value of ESA contracts awarded to the UK, compared to how much the UK paid into ESA programmes.	Green: Above 0.97 Amber: 0.95 to 0.97 Red: Below 0.95	1.01 (G)
	2. Investment Catalysed: Our North Star Metric Matched, internal investment and revenue generated by UKSA funded programmes.	Green: £2.1bn Amber: 75-99% of Target Red: Below 75% of Target	£2.4bn (G)
	3. Jobs Created Total number of jobs created by non-ESA UKSA funding mechanisms.	No Target Set	97 (NT)
	4. Scientific Publications Number of scientific publications with UK authors citing UKSA-funded research or missions as reported by Researchfish.	No Target Set	7,706 (NT)
	5. International Collaborations £ value of live international agreements (such as Memoranda of Understanding) between the UK and another country.	No Target Set	£13.7m (NT)
	6. Tracklets Monitored Average number of satellite observations per day by UK and UK-contracted sensors.	Green: 5,000 and Above Amber: 3,500 to 4,999 Red: 3,500 and Below	5,176 (G)

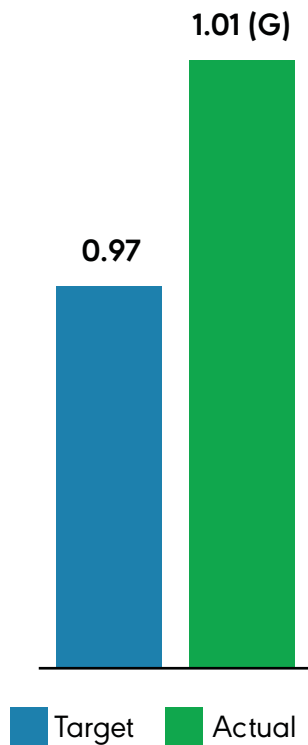
Key: (G) Target Achieved (AR) Close to Target (R) Not on Target (NT) No Target Set

ESA Geo-Return Co-Efficient Score

In the final quarter of FY25-26, the UK’s geo-return stood at 1.01, reflecting an over-return of €45.79m following reconciliation of investments agreed at CMin25.

Parity (geo-return co-efficient of 1) means that, for every €1 invested by the UK in ESA, €1 is returned through industrial contracts to our national space sector. The UK will continue to work closely with ESA and the domestic space sector to maximise the value and effectiveness of its participation.

This position demonstrates that the UK is achieving an equitable return in line with ESA’s convention of fair contribution, which aims for parity across Member States. While a marginal over-return has been achieved, the objective remains to maintain a balanced return, ensuring long-term sustainable value for the UK.

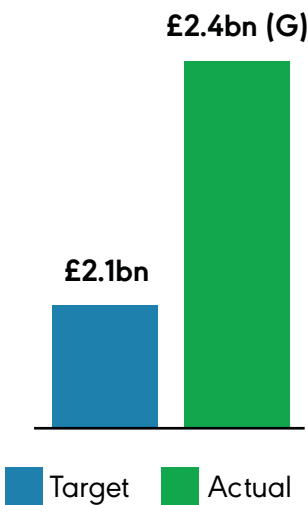


ESA Geo-Return Co-Efficient Score
Total value of ESA contracts awarded to the UK, compared to how much the UK paid into ESA programmes

Catalysing Investment

Introduced in 2022, the North Star Metric (NSM) quantified the investment and revenue catalysed by the Agency in the UK space sector, serving as our principal measure of success within the corporate performance framework.

Our data shows that Agency activity catalysed investment and revenue of at least £2.4bn within the sector in 2025-26. It is important to note, these figures currently offer only a partial view, as data from some legacy programmes remains unavailable. Nevertheless, this success underscores our determination to drive growth and innovation within the UK space industry.



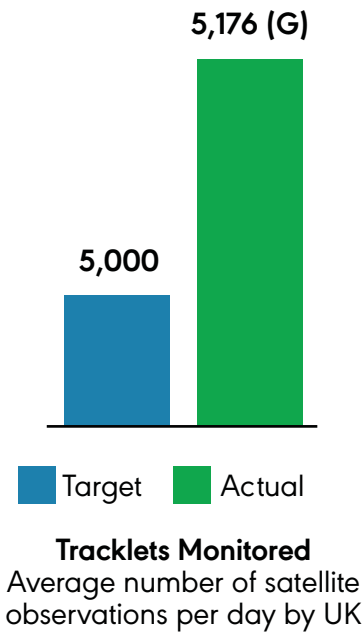
North Star Metric
Total value of private, matched, internal investment and revenue generated by UKSA funding

Area	Metrics	Target 2025-26	Actual 2025-26
Intervention	7. Average Grant Score Average score of successful grant applications.	No Target Set	4.1 (NT)

Tracklets Monitored

Since NSpOC launched in May 2024, it has brought together and coordinated civil and military Space Domain Awareness capabilities to protect UK interests in space. This metric was established to provide assurance that UK capabilities are scaling at a sufficient pace to meet the increasing number of objects in orbit and associated threats, to maintain the safety of UK assets in orbit.

At the start of the financial year, an average of around 1,700 tracklets were monitored per day. By February, the UK company SpaceFlux had successfully brought new optical surveillance sensors into operation, significantly increasing capacity. Since 1 February, this has resulted in an average of over 5,000 tracks per day.



Intervention Metric (Top table)

These metrics (as shown above) measure the effectiveness of financial and non-financial interventions, assessing how successful they are in driving sector change.

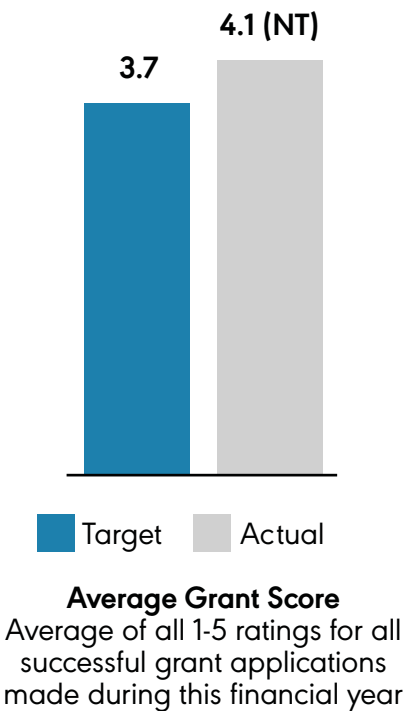
Average Successful Grant Score

This metric was introduced to provide a portfolio-level view of the quality and consistency of grant applications submitted across funding calls. It enables the Agency to identify areas where targeted support may be required to improve application performance, as well as to capture and disseminate learning from high-scoring applications to strengthen outcomes across the portfolio.

To monitor performance over time, the Agency tracked the average application score on a quarterly basis. The overall annual average score was 3.7, with the highest quarterly performance recorded in Q3 at 4.1. This approach supports a more informed understanding of performance trends, enabling the Agency to tailor communications and applicant support where needed.

The insight gained from this metric also supports more strategic decision-making, including the allocation of additional funding where under-spend or emerging opportunities arise. As this is the first year of collection, the data establishes a baseline against which future performance and improvement can be measured.

Variation across the year broadly aligned with the profile of funding calls, with higher average scores observed during oversubscribed competitions where demand significantly exceeds available funding.



Foundation Metrics

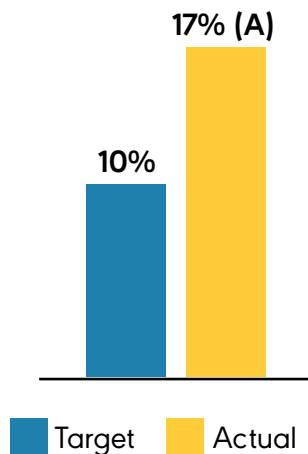
These metrics tracked core operational functions to ensure organisational effectiveness.

Area	Metrics	Target 2025-26	Actual 2025-26
Foundation	8. Milestone Timelines Proportion of level 0 milestones that are delayed by 60 days or more from the deadline in this plan.	Green: Below 10% Amber: 11% to 20% Red: Above 21%	17% (A)
	9. Risk Outside of Tolerance % of corporate level risks outside of tolerance without an open mitigation.	Green: Below 3% Amber: 3% to 10% Red: Above 10%	0% (G)
	10. Expenditure within Forecast Limits Total expenditure compared to agreed limits.	Green: DEL delegation to P5 within 1%/- Amber: Within 2% +/- Red: Outside 2% +/-	0% (G)
	11. Bullying and Harassment Self-reported instances of bullying and harassment measured in the annual Civil Service People Survey.	Green: 7% or Below (Civil Service Average) Amber: 7% to 10% Red: Above 10%	11% (R)
	12. Staff Absence Reduction in average number of unplanned days lost per employee measured on a rolling 12-month basis compared to the previous year.	Green: Below 24-25 Annual Average (10.66) Amber: 0% to 10% Increase (10.66 - 11.73) Red: Above 10% Increase (11.73)	8.6 (G)
	13. Staff Turnover Difference between the number of UK Space Agency staff choosing to leave and our target of 19%.	Green: +2 % points (pp) from 19% target Amber: + 4pp from 9% Target Red: +6pp from 19% Target	16% (G)

Key: (G) Target Achieved (AR) Close to Target (R) Not on Target (NT) No Target Set

Milestone Timelines

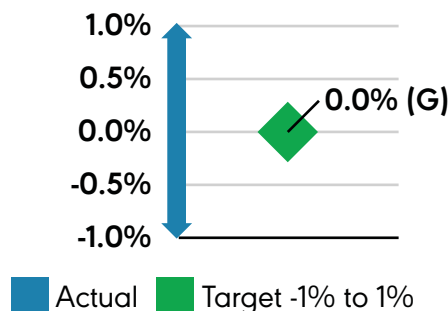
In Q4, six of UKSA’s 35 Level 0 milestones were delayed by over 60 days. This position represents an acceptable level of performance, reflecting the complexity of delivery across the portfolio. A proportion of delays were driven by external dependencies, and within the space sector, movements of this scale are not uncommon. While performance is assessed as broadly on track, the Agency will seek to reduce the number and duration of milestone delays over the coming year to further strengthen delivery confidence.



Milestone Timeliness
Proportion of level 0 milestones that are delayed by 60 days or more

Expenditure within Forecast limits

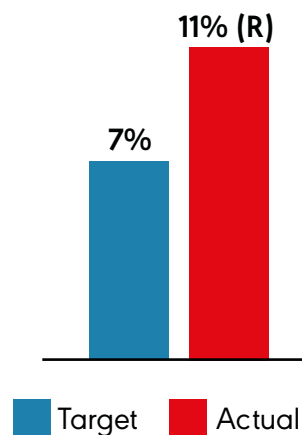
The Agency has continued to build on last year’s strong results, Total expenditure compared to agreed limits within the P6 Forecast was just -0.11%. Ongoing success has been delivered through strengthened financial management standards across the organisation. The Finance Business Partner (FBP) function is also now fully embedded, contributing to one of the most controlled year-end positions in recent years through close collaboration with delivery teams.



Expenditure Within Forecast Limits
Total expenditure compared to agreed limits

Bullying and Harassment

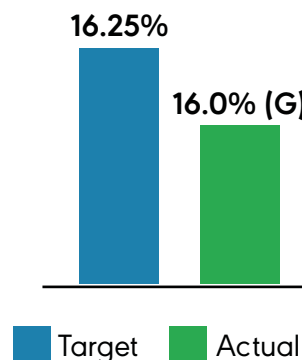
The percentage of respondents indicating experiences of bullying and harassment slightly increased from 10% in 2024 to 11% in 2025. This followed decreasing levels over previous few years. The Agency continued a zero tolerance for bullying and harassment in any form. This slight increase underlined why the Agency continued to act decisively and consistently. Measures taken to improve levels included increasing awareness of where to report concerns with any inappropriate behaviours. Reports were taken seriously, handled sensitively and addressed in line with policies so everyone could work in a safe, respectful and inclusive environment.



Bullying and Harassment
Self-reported instances of bullying and harassment measured in the annual Civil Service People Survey

Staff turnover

Our turnover in staff for the year stood at 16% reflecting the level of organisational change that was experienced from the Space Transformation Programme.



Staff Turnover
Difference between the number of UKSA staff choosing to leave and our target

Our Key Risks

The graphic below shows the principal risks managed by the agency through the 2025-26 reporting period. The risks were managed by

Executive Committee (ExCo) with board-level risk owners. The graphic also shows the inherent severity of the risks.

KEY RISKS		
Risk category	Risk	Severity
Operations	Ineffective organisational transformation activity	R  16
People	High staff turnover, loss of critical skills and capacity	AR  15
Operations	Disruptive space-related incident, emergency or crisis	AR  15
Strategic Delivery	Ineffective interventions and investments leading to failure of policy outcomes	AR  9
Strategic Delivery	Geopolitical factors limit UK benefits from space	AR  9
Safety & Security	Failure to ensure employees' health and safety	A  6
Safety & Security	Cyber-attack or data breach	A  6
Strategic Delivery	Insufficient strategic alignment with ESA and partners	A  6
Financial Exposure	Ineffective management of finances	G  4
Commercial	Ineffective commercial agreements	G  4
Strategic Delivery	Failure to enable UK space sector to capitalise on opportunities	G  4

Key: **G** Low (1 - 5) **A** Medium (6 - 8) **AR** High (9 - 15) **R** Very High (16 - 25)

Risk Performance and Profile

Principal risks (detailed below) are those most likely to disrupt delivery or harm the Agency's reputation. They are aligned to the 2025-26 Corporate Plan and were identified through premortem risk workshops and engagement with ExCo and Audit and Risk Committee (ARAC). Risks were managed by ExCo, with executive-level owners responsible for mitigation strategies. Performance against principal risks was reported bi-monthly to ExCo and quarterly to ARAC and the UKSA Board including representation from the DSIT ARAC chair to ensure coverage of risk escalation and risk management oversight during Q4.

In 2025-26, principal risks centred on workforce capacity, cyber threat, information security, and value for money in complex international arrangements. Risk management performance was mixed: while cyber defences and external engagement were effective, recruitment constraints following the merger complicated long-term planning, increased uncertainty for staff, and heightened resourcing risks. Performance mitigation was effected through utilisation of DSIT expression of interest, contracting temporary staff, and workload alignment to available resource. Targeted governance improvements partially mitigated the recognised risks of burnout, reduced morale and productivity impairment on project delivery.

RISK	SCORE/TREND
Staff skills and capacity	Inherent 20 (R)
There is a risk that the Agency experiences high staff turnover or lacks critical skills, limiting its ability to keep pace with the evolving needs of the space sector.	Current 15 (AR)
	Target 9 (AR)
	Tolerance 10 (AR)
	Trend 

PERFORMANCE SUMMARY

The Agency's voluntary turnover returned to more typical historical levels (c.16%) compared to 10.6% in 2024 (remaining within ExCo agreed tolerance of 19%), but represented a renewed principal risk given the Agency's small size (c.300 roles), specialist capability base and reliance on critical roles to deliver strategic objectives, including the Space Transformation Programme. The risk was significant because there was not a fully embedded talent management or succession planning framework, vacancy filling was dependent on DSIT DG approval, and exit data, though limited, indicated drivers such as career progression and organisational culture, affected retention of high performers. Management continued to monitor cumulative and monthly turnover trends, undertook a short-term Critical Roles Assessment, and set out actions within the Responsible Pioneers People Strategy (2024-2029) to develop a Strategic Workforce Plan, succession planning and professionalisation measures; however, implementation of longer-term controls was paused pending integration with DSIT. Risk reduction was therefore partially effective however as we progressed towards the end of the financial year and the planned merger, with the inability to recruit and potential flight risk the risk level was increasing and outside of tolerance. Overall performance impact remained manageable but potentially sensitive, as loss of specialist staff and recruitment approval constraints could affect delivery resilience and capability continuity if sustained.

RISK	SCORE/TREND
Staff health and safety	Inherent 9 (AR)
There is a risk that the Agency fails to ensure, so far as is reasonably practicable, the health and safety of its employees, which itself creates a risk of harm.	Current 6 (A)
	Target 6 (A)
	Tolerance 6 (A)
	Trend 

PERFORMANCE SUMMARY

This risk reflected the Agency's statutory requirement to comply with the Health and Safety at Work Act and to appropriately risk assess all work-related activities to ensure the safety of staff. The Agency maintained a low-risk appetite in this area given its legal obligations and duty of care, recognising that safe working practices underpin staff wellbeing and support the effective delivery of organisational objectives. Health and safety arrangements were governed through an established Health and Safety Policy signed off annually by the Chief Executive, which set out line management responsibilities and staff expectations. Mitigations included mandatory health and safety training, building inductions, and risk assessments for work-related activities and events, with oversight provided through established management and reporting processes. Any injuries were investigated to capture lessons learned, and mandatory training compliance was monitored monthly and reported through Directors Annual Assurance Statement of Internal Control (DAASIC). Further controls were in place to allow staff to report near misses to the security adviser. There were no reportable injuries during the period, indicating that controls and mitigations remained effective. Maintaining strong health and safety practices support staff wellbeing and engagement, reinforcing that staff safety is a priority and contributing positively to organisational performance. No major changes to this risk or associated metrics were reported during the period.

RISK	SCORE/TREND
Cyber-attack or data breach	Inherent 16 (R)
There is a risk of a cyber-attack or data breach.	Current 6 (A)
	Target 4 (G)
	Tolerance 6 (A)
	Trend 

PERFORMANCE SUMMARY

This was a principal risk due to the rapidly evolving cyber threat facing UK Government organisations and the high value of UK space sector assets to hostile state actors, including Chinese and Russian groups seeking to steal intellectual property, disrupt operations and gain strategic advantage. Recent incidents such as the Legal Aid Agency breach and attacks on major UK organisations demonstrated the potential for disruption, data exposure, and loss of public trust, which could have affected UKSA's ability to deliver objectives related to national security, economic growth, and space innovation. The Agency continued to strengthen cyber resilience through a layered defence approach including regular independent penetration testing of the CIRRU network, rapid vulnerability patching within 24–72 hours, Zero Trust access controls and SIEM monitoring. Enhanced threat-intelligence tooling, cyber-attack simulation capabilities, and collaboration with NCSC, GC3 and international partners support improved threat detection. Staff awareness was strengthened through mandatory security training and phishing simulation exercises, alongside strengthened service desk verification processes. Additional mitigations include email sensitivity labels, strengthened data assurance and governance activity, and contractual cyber security requirements for suppliers including Cyber Essentials Plus and ISO27001. Recent penetration testing identified no critical or high-risk vulnerabilities. Threat intelligence monitoring, simulation exercises, and staff training strengthened detection capability and reduced the likelihood of successful social-engineering attacks. Although cyber threats remained persistent and sophisticated, strengthened controls, monitoring and mitigation activity improved organisational resilience and reduced the likelihood of significant disruption, supporting secure delivery of programmes and protection of sensitive systems, data, and supply chains.

RISK	SCORE/TREND
Management of finances	Inherent 20 (R)
There is a risk that the Agency fails to manage its finances effectively.	Current 2 (G)
	Target 1 (G)
	Tolerance 8 (A)
	Trend 

PERFORMANCE SUMMARY

The Agency's principal financial risk was material to its budgetary allocations, with a high level of outsourced activity and milestones phased late in the year increasing the key risk of underspend. However, the Agency's mitigations in place to manage its portfolio effectively throughout the year, ensured that its allocation was fully utilised on value for money investments. The Agency used three-point estimate forecasting and expected value modelling to understand the potential impact of budgetary risks materialising and act accordingly. Control strengthening measures were implemented throughout the year, with a significant increase in the use of analytics to implement new detective controls and targeted sample testing. Resultingly, there was an increase in identified minor control breaches which led to additional reviews, and increased education and training on controls. There was reasonable confidence in delivering within the voted control total, however, performance remains sensitive to late-year execution risk, all of which required continued active oversight.

RISK	SCORE/TREND
Commercial agreements	Inherent 9 (AR)
There is a risk that the Agency fails to establish effective commercial agreements or to manage its commercial relationships effectively.	Current 4 (G)
	Target 2 (G)
	Tolerance 9 (AR)
	Trend 

PERFORMANCE SUMMARY

This risk reflected the Agency's management of high value "Gold level" contracts that were critical to delivering key programmes and strategic objectives. Effective commercial and supplier management was necessary to ensure value for money, manage supplier performance and avoid delays or delivery failures that could affect programme outcomes. During the year the Agency recruited a Commercial Contract Manager to strengthen oversight of major contracts. The post holder supported management of NSpOC contracts and provided coverage for an ADR contract as it came into effect. Contract management capability was strengthened through additional guidance and resources made available via the intranet to support operational contract managers, alongside access to commercial expertise where escalation or additional support was required. These measures strengthened contract oversight and reduced the risk of contracts falling behind schedule, with contract managers implementing improvement plans to address performance issues where required. Strengthened contract management and commercial support contributed to improved supplier performance and delivery confidence across key programmes, with risks increasingly managed at the individual contract level through dedicated contract risk management processes.

RISK	SCORE/TREND
Effective delivery	Inherent 20 (R)
There is a risk that the Agency's interventions and investment designs fail to achieve policy outcomes.	Current 9 (AR)
	Target 9 (AR)
	Tolerance 12 (AR)
	Trend 

PERFORMANCE SUMMARY

This risk reflected pressures on programme delivery arising from resource constraints, governance complexity and financial management capacity. The key drivers included:

- Resource Constraints: Limited capacity across delivery teams creates pressure on programme delivery, reporting quality and governance timelines.
- Financial Management Capacity: Limited financial control expertise creates exposure through weaker forecasting, unmanaged financial risks and potential delays in payments to suppliers and funding recipients.
- Programme Assurance Alignment: Uncertainty around the classification of major initiatives, including Growth and Global Partnerships Business Cases, may result in misaligned assurance processes and reduced stakeholder confidence.
- Portfolio Risk Trends: Portfolio risk increased through late 2025, peaking in January 2026 before partially reducing in February.

Improvements were observed in Launch, Space Science and Telecoms, with Telecoms reporting no risks above tolerance and strengthened governance in C-LEO reflected in an Amber/Green review rating. These risks were managed through active portfolio oversight, strengthened risk management guidance and engagement with delivery teams through business planning and strengthened governance in C-LEO reflected in an Amber/Green review rating. The pause in new Science and Exploration Bilaterals Portfolio (SEBP) calls improved certainty in Space Science delivery planning.

RISK	SCORE/TREND
UK Space sector response	Inherent 16 (R)
There is a risk that the Agency fails to create an environment for the space sector to capitalise on opportunities.	Current 4 (G)
	Target 4 (G)
	Tolerance 12 (AR)
	Trend 

PERFORMANCE SUMMARY

The UK space sector transitioned from a highly concentrated structure in 2006, where three companies generated over 80% of revenues, to a substantially more diversified ecosystem in 2023, where 53 companies account for 80% of revenue and total company numbers increased from 227 to 1,907. This risk reflected the direct impact that sector structure, concentration and sustainability has on the Agency's ability to deliver its objectives for growth, resilience and international competitiveness. Through sustained, data-led monitoring of the sector and a deliberate diversification approach that supports SME participation and broadens the revenue base, the Agency mitigated historic dominance dependency risk. Evidence indicated this was effective, with revenue less concentrated across firms and a larger number of revenue-generating companies contributing to sector value. However, the risk profile evolved rather than diminished, with increased exposure to SME fragility, market fragmentation and continued reliance on broadcasting (c.46–48% of revenues), alongside sensitivity to international investment dynamics. Overall, the sector's expansion and the UK's ability to capture around 5% of the global market while investing under 1% of global government space spend demonstrated positive performance impact, though continued active risk management was required to sustain resilience and long-term growth.

RISK	SCORE/TREND
Geopolitical factors	Inherent 12 (AR)
There is a risk that geopolitical factors change the opportunities available to the UK to benefit from space.	Current 9 (AR)
	Target 9 (AR)
	Tolerance 12 (AR)
	Trend 

PERFORMANCE SUMMARY

This was a principal risk for the Agency as the drivers of geopolitical instability were largely outside UKSA's direct control but had significant implications for the delivery of UK space objectives. As the space sector operates through extensive international collaboration, global political developments can directly influence the Agency's ability to achieve Government outcomes for space, including economic growth and national security. The Agency therefore continued to manage associated risks through ongoing monitoring and cross-government engagement, with specific operational risks relating to international partners identified and managed at team level and appropriate mitigations implemented where required. The risk wording and scoring were updated to better reflect the nature of geopolitical risk and the Agency's reliance on international partnerships, with inherent and residual scores amended and the target score reflected a higher risk appetite in this area given the necessity of international collaboration. Geopolitical developments, including Russia's war on Ukraine, continued to create uncertainty that could affect international collaboration and programme delivery. However, strengthened coordination through a "One Government" approach was expected to support improved management of this risk and help safeguard delivery of the Government's objectives.

Notes to Principle Risks:

- In the 2025-26 Corporate Plan, a risk was stated as "effective protection of staff, visitors and assets", which has been split into the two risks listed above as "staff health and safety" and "cyber-attack or data breach".
- The risk titled "Space Transformation Programme" was created after the start of 2025-26 and the publication of the Corporate Plan, as it relates to the act of merging the UK Space Agency into DSIT. See also the Emerging risks section in the Performance Analysis, on page 43.

RISK	SCORE/TREND
Space incidents	Inherent 20 (R)
	Current 16 (R)
	Target 9 (AR)
	Tolerance 10 (AR)
	Trend 

PERFORMANCE SUMMARY

This risk was created to monitor and examine the agency preparedness to continue delivering services and activities considering a potential space incident or disaster. The main mitigations focused on routine horizon scanning, cross-HMG war game scenario planning and prioritisation. The risk remained within tolerance throughout the year with ongoing portfolio prioritisation work, to help understand where the Agency should focus in times of emergencies. However, during Q4 this risk was re-examined to remove the business continuity aspect of the agency and focus the risk on how the agency prepares to mitigate the wider impact of a space incident in an effective and proactive way.

RISK	SCORE/TREND
ESA and international partnerships	Inherent 8 (A)
	Current 6 (A)
	Target 6 (A)
	Tolerance 12 (AR)
	Trend 

PERFORMANCE SUMMARY

The risk continued to be actively managed through strengthened governance and closer cross-agency coordination. Following recent CMin25 outcomes and preparatory work, fundamental improvements were implemented in how ESA matters were managed across strategic, policy and operational levels. Mitigation activity included enhanced proactive collaboration between the expanded ESA Policy and Operations team, Agency domain leads, DSIT colleagues and UKSA Finance, as well as the migration of specific operational risks to team level to support more targeted management. These changes improved oversight and coordination and contributed to a reduction in risk exposure across relevant areas. Whilst risk scoring was amended slightly to reflect the inherent strategic importance of ESA, the risk remained within the Agency's tolerance levels. Overall, strengthened engagement and management arrangements supported the Agency's ability to influence ESA priorities, maintain value for money from ESA investments and safeguard delivery of Government ESA-linked objectives.

RISK	SCORE/TREND
Space Transformation Programme	Inherent 20 (R)
	Current 16 (R)
	Target 9 (AR)
	Tolerance 16 (R)
	Trend 

PERFORMANCE SUMMARY

The transition of functions and processes from UKSA to DSIT through the Space Transformation Programme introduced additional delivery and operational risks. This included risks to business continuity, reporting quality and governance timelines as systems and processes migrated, and as delivery teams adapted to new reporting cycles, systems and decision-making structures. As transition timelines, roles and accountabilities continued to evolve, there was also a risk of coordination challenges across teams and between organisations. The Agency therefore remained in a heightened risk position ahead of the DSIT merger while resourcing pressures persisted. Successful mitigation activity focused on clarifying transition arrangements, strengthening governance oversight and supporting teams to adapt to new processes.

P38 to P42 : Principal risks as outlined in our 2025-26 Corporate Plan. Notes to tables on P41.

Emerging risks

During the year, a light-touch, high-level risk identification exercise assessed risks arising from the transfer of the UK Space Agency into DSIT and the ongoing Space Transformation Programme (STP). The review, informed by engagement with senior leaders across the Agency and STP, identified nine new risks and one established principal risk, clustering across five emerging themes:

- workforce capacity and continuity risks, reflecting increased flight risk, structural uncertainty and recruitment delays that may create capability gaps and affect delivery of current and future commitments.
- structural and efficiency-driven risks linked to DSIT's wider portfolio and affordability targets, which may lead to reprioritisation or reductions affecting operational readiness and resilience.
- governance, systems and controls risks during transition, including delays in clarifying decision rights and embedding DSIT systems.
- delivery and reputation risks that could undermine confidence among Ministers, Parliament and sector stakeholders.
- sector confidence and strategic alignment risks, given the sector's sensitivity to stability, funding certainty and international influence.

These risks were compounded by short-term funding cycles, including two consecutive one-year financial settlements, which created planning constraints and limited the Agency's ability to undertake long-term business planning for delivering sustained strategic outcomes.

A comparison of UKSA and DSIT STP risk registers indicated that whilst there was alignment and some mitigation in place, control coverage was incomplete, and risks remained inherent to the structural change. Several new risks were identified in Q4 but were not recorded in formal STP registers. Risk discussions occurred at management and ARAC levels with escalation to UKSA Board and onward formal communication to both DSIT ARAC and Director General to ensure risk management was transparently transitioned. Management assessed the risk assurance as moderate at year end.

Our Future

Building on our established foundations, the UK Space Agency now enters a new era. From 1 April 2026, the Agency merged with the Space Directorate to form a single organisation within the Department for Science, Innovation and Technology (DSIT), bringing together policy, delivery and international leadership in one place.

This integration strengthens our ability to lead across Government on space strategy, develop coherent civil space policy, and deliver programmes that support Ministers' priorities. It also enhances the UK's voice on the global stage, enabling us to represent national interests more effectively in international partnerships and fora.

Over the coming period, we will focus on embedding a 'one-government' approach to space. This will align strategic ambition with delivery, improve decision-making across the space ecosystem, and ensure that public investment drives scientific advancement, growth, resilience and national capability. Our future activity will be shaped by a focus on two outcomes: national security and growth of the UK economy.

Organisational change brings both opportunity and challenge. While many aspects of our operations will remain familiar, continued work will be required to fully integrate systems, processes and ways of working. We are managing this transition carefully, maintaining delivery momentum while building a stronger, more agile organisation fully focused on the Government's priorities.

We will continue to deliver for the UK space sector and wider society; supporting innovation, enabling commercial growth and ensuring the UK's position remains as a leading space nation.

Our Finances

The Agency continued to provide a diverse range of funding to the sector, achieving a final outturn within a **1% underspend on Capital Departmental Expenditure Limits (CDEL) allocation for the third year in a row.**

For 2025-26, the UK Space Agency had a CDEL allocation of £776.4 m, a 13.8% increase on that stated in the 2025-26 corporate plan. This uplift is due to an additional £100.0m of funding provided by DSIT for the European Space Agency.

A key Agency financial objective was for outturn to be an underspend of less than 1% against the CDEL forecast position, as at 30 September 2025. Throughout the year, the Agency was required to advise DSIT of its total forecast expenditure for the year, in support of HM Treasury requirements to adhere as closely as possible to the forecast. Once adjustments were made for the subsequent increase in budget received after this point, we achieved this target, with a variance of 0.12% overall.

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

The final AME outturn was £37.6m under budget due to hedging gains; these costs arise from the difference in the fair value of forward exchange rate contracts on inception, as compared to the fair value of the contracts at their settlement date or as at end of the financial year. The variance against target on RDEL relates to in-year changes in budget requirements.

Table 2 below includes the details of the budget, financial target agreed with DSIT and outturn against each budget. During the year, pressures materialised which were managed through established financial control processes, including regular forecast reviews and active in-year management. The reported variances were the difference between outturn and budget, and the agreed financial target, with the agreed financial target being adjusted for budgetary transfers since 30 September 2025.

The difference between the overall outturn in Table 2 below of £768.5m and the total comprehensive net expenditure for the year as reported on the Statement of Comprehensive Net Expenditure of £747.7m relates to the net loss on disposal of cashflow hedges of £12.8m and the net gain on revaluation of cashflow hedges of £18.6m, which have differing budgeting and accounting treatments.

Table 2: Financial outturn 2025-26, £m.

	Budget £m	Agreed target at 30 Sept £m	Target adjusted for CDEL transfers since 30 Sept, £m	Outturn £m	Variance against budget £m	Variance against adjusted target, £m
CDEL	776.4	681.8	776.4	775.5	(0.9)	(0.9)
RDEL	3.0	1.9	1.9	1.8	(1.1)	(0.1)
AME	28.8	50.7	50.7	(8.8)	(37.6)	(59.5)
Total	808.2	734.4	829.0	768.5	(39.6)	(60.5)

Foreign exchange hedging impact of ESA commitments

To aid budgetary certainty, the Agency managed a portfolio of foreign exchange forward contracts to mitigate exchange rate volatility arising from its long-term commitments to the European Space Agency (ESA).

In November 2022, at the ESA CMin22, the Agency made commitments to ESA for the period 2023 to 2028, with some commitments stretching to 2030. In November 2025, the Agency made further long-term programme commitments at the ESA CMin25, extending the UK's financial obligations to ESA to 2035.

HM Treasury approval was obtained for the hedging strategy in the CMin22 Full Business Case (FBC). In line with this strategy, the Agency entered into two new forward contracts in 2025-26 which settled in-year and the Agency continued to hold forward contracts covering the period to 2028-29. As at 31 March 2026, the fair value of these instruments resulted in a notional revaluation gain of £18.6m, classified as Annually Managed Expenditure (AME) as the non-cash movements are outside the control of management.

Following new programme commitments entered into CMin25, approval for an updated hedging strategy has been sought in 2026-27 from HM Treasury, as part of the CMin25 FBC. The updated hedging strategy balances Accounting Officer (AO) risk exposure of foreign exchange movements, whilst maintaining the core AO principles of Value for Money and Regularity of expenditure. Once approved, the Agency will enter into new forward contracts to manage foreign exchange exposure for the whole portfolio of ESA commitments, in line with the updated hedging strategy.

More information about the forward exchange contracts can be found on page 113 in Note 8 to the Financial Statements, Other Financial Assets and Liabilities.

How we spent our 2025-26 budget

Table 3 below includes delivery costs; therefore, the figures are not directly comparable to those in Note 4 to the Financial Statements, Total Expenditure, on page 110.

Table 3: our 2025-26 allocation and how we spent it (excluding depreciation and AME).

		UK Space Agency outturn	Of which expected ESA spend
Portfolio:			
Themes	Exploration	£98.9m	£91.2m
	Space Science*	£172.7m	£135.2m
	Telecommunications	£136.6m	£129.9m
	Launch	£2.3m	£1.9m
	In-Orbit Servicing, Assembly and Manufacturing	£4.9m	-
	Space Resilience	£57.2m	£44.5m
	Earth Observation	£182.7m	£175.9m
	Positioning, Navigation and Timing	£5.6m	£5m
Threads	Innovation, Investment and Commercialisation	£64m	£18.1m
	Education and Future Workforce	£2.7m	-
	International Partnerships	£7.4m	-
	Space Sustainability	£0.5m	-
Non-Portfolio:			
Non-Portfolio	Foundations and Interventions	£11.2m	-
	Total staffing and associated costs	£28.6m	-
	Policy and Relations	£0.2	-
Total 2025-26 outturn		£775.5m	£601.7m

* This includes ESA Mandatory spend which includes £82.9m for Space Science, £42.2m for staffing, infrastructure and associated costs, and £10.1m for Launch.

Detailed spending breakdown

European Space Agency (ESA)

During 2025-26, the Agency subscriptions to ESA totalled £601.7m. The Agency's commitments to ESA are agreed at CMin meetings, scheduled every two to four years. The most recent meeting was held in November 2025 (CMin25) where the UK announced it will invest £1.7bn to deliver international space programmes over the following 5 years. This investment secured UK involvement in international space missions and the

development of new technologies. The next ESA Council of Ministers is expected to take place in November 2028 (CMin28), preparation for which is currently underway within the UK Space Agency. The current obligations to ESA extending into 2035 and including CMin25 subscriptions stood at £2.2bn and the portfolio can be summarised into the nine key categories shown on Table 4, top of opposite page.

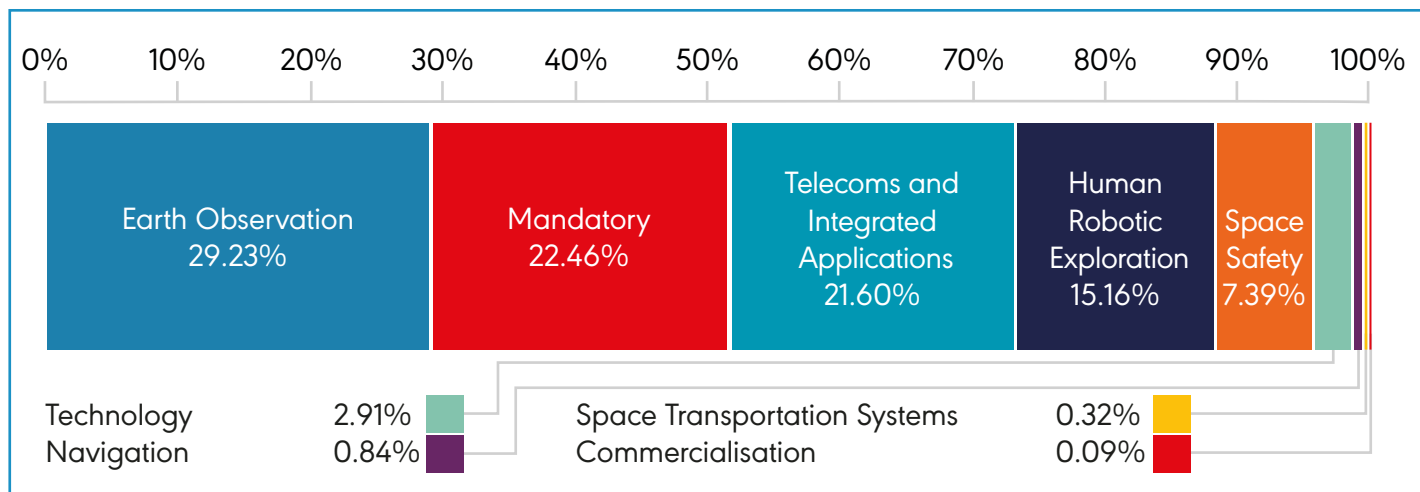


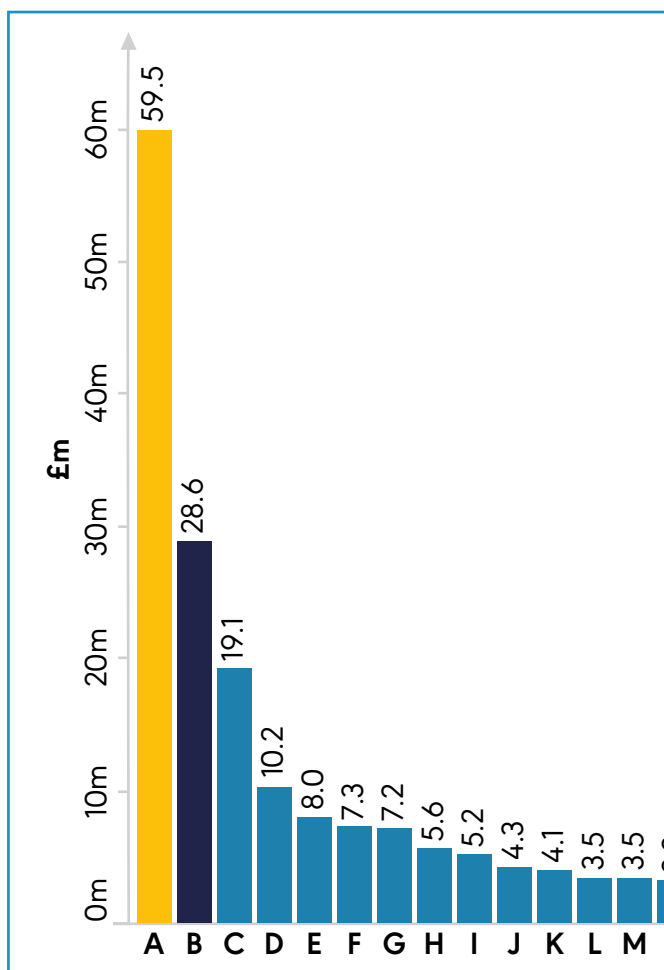
Table 4: ESA subscription portfolio, 2025-26.

Non ESA Programmes

Graph 6 below details the 2025-26 outturn, split by the various programmatic expenditure carried out in 2025-26 outside the ESA subscription.

Graph 6 shows the 15 largest areas of spend on UKSA activities (excluding ESA) in 2025-26, with remaining programmes grouped together. The top 15 areas account for 49% of total National Programme spend.

Graph 6: Programmatic spend outside the ESA subscription.



Expenditure trend

Due to the nature of space missions, expenditure on such programmes is managed across multi-year profiles.

Table 5 below shows the historic expenditure trend during the 2022-26 period (excluding AME). The Agency has seen an increase in CDEL outturn of £159m since financial year 2024-25. The Agency has seen an increase in CDEL outturn of £159m since financial year 2024-25. Spending on ESA increased by £234m. This was partially offset by reductions in other areas, with the largest decreases being in Space Ecosystem (£29m), NSIP (£8m), international relations (£8m), Earth Observation (£8m), other levelling up (£8m), other Innovation (£7m) and Non-Programme Delivery Activity (£6m).

Table 5: Spending trend over the last Spending Review period, including the 2025-26 allocation.

	2022-23 Actuals	2023-24 Actuals	2024-25 Actuals	2025-26 Actuals
Total	£646.8m	£641.5m	£616.1m	£775.5m

- A Other programmes
- B Corporate Activity
- C National Space Innovation Programme (NSIP)
- D Unlocking Space for Investment
- E National Space Operations Centre (NSpOC)
- F International Bilateral Programme
- G Ariel
- H Connectivity - Low Earth Orbit (C-LEO)
- I LISA
- J Spectrum International Charges
- K ISAM Derisking project
- L Space Ecosystem Development
- M Space Cluster Infrastructure Fund
- N Euclid SGS
- O Unlocking Space for Government
- P EnfyS RF

Equality, diversity and inclusion

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

The 2025 Civil Service People Survey (CSPS) ran from 23 September to 21 October 2025. As in previous years, we were measured as an Agency in our own right. The UK Space Agency participation rate was 76%, a decrease of 1 pp over the previous year, but higher than the overall Civil Service response rate of 59%, a continuing good level of engagement from our people despite the Arms' Length Body Review and the impact that had on them.

The Agency had an Employee Engagement Index (EEI) score of 68%, a decrease of 3 pp over the previous year. The EEI is shaped by five individual questions as well as measuring responses to nine key themes as shown in Table 6 below.

Overall, the results reflected a small downwards movement compared to last year with 8 out of 9 key theme scores reduced, with a significant reduction in the Leadership and Managing Change (down 11 pp) which we believe was due to the limited involvement of the Agency's people and leaders in the announcement and decision making around the Arm's Length Body Review compared to their involvement in our previous Integrated Transformation Programme. However, the scores were also still considerably higher than the scores in 2021-2, in line with the general trend of improvement over the course of the Integrated Transformation Programme from 2022-2025.

After detailed analysis of the results, our Agency senior leadership team agreed to focus on delivering the Space Transformation Programme and the successful merging of the Agency with the Space Directorate in DSIT.

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

By fostering a culture where employees feel empowered to speak up, whilst there was a small 1pp increase in reported bullying and harassment (10pp down since 2022) we have achieved a further a 1%-point decrease in discrimination (5pp since 2022). Continuing to reduce bullying, harassment and discrimination remains a priority. We're confident we're on the right track and remain committed in continuing our interventions to encourage and empower staff to report inappropriate behaviour. We continue to ensure policies are in place to support people and teams to take necessary action.

Table 6 (Below): 2024 & 2025 Civil Service People Survey results, comparing UKSA to the Civil Service (CS) average.

	2024			2025			Year on Year	
	UKSA	CS	Diff	UKSA	CS	Diff	UKSA	CS
My work	84%	78%	+6%	79%	82%	-3%	-5%	+4%
Organisational objectives and purpose	82%	83%	-1%	76%	83%	-7%	-6%	0%
My manager	77%	78%	-1%	72%	78%	-6%	-5%	0%
My team	84%	84%	0%	82%	82%	0%	-2%	-2%
Learning and development	52%	56%	-4%	49%	54%	-5%	-3%	-2%
Inclusion and fair treatment	81%	81%	0%	78%	80%	-2%	-3%	-1%
Resources and workload	72%	76%	-4%	67%	75%	-8%	-5%	-1%
Pay and benefits	32%	34%	-2%	34%	43%	-9%	2%	+9%
Leadership and managing change	62%	52%	+10%	51%	53%	-2%	-11%	+1%
EEI index	71%	64%	+7%	68%	65%	+3%	-3%	+1%



Image: Eagle Nebula © Qasim Syen,
ZWO Astronomy Photographer of the Year 17 courtesy of Royal Observatory Greenwich.

Sustainability reporting

1. Organisational Context and Approach to Sustainability

The UKSA approaches environmental sustainability in line with statutory and central government requirements, applying a proportionate approach that reflects its operating model, scale and remit. UKSA complies with the Greening Government Commitments (GGCs), prepares climate-related disclosures in line with the Task Force on Climate-related Financial Disclosures (TCFD), and follows HM Treasury Sustainability Reporting Guidance for Annual Reports and Accounts. On 1 April 2026, UKSA formally merged with the Department for Science, Innovation and Technology (DSIT); this report reflects UKSA as a standalone entity for the 2025–26 reporting period.

UKSA does not own or operate a physical estate and occupies accommodation managed by the Government Property Agency (GPA) and other third-party providers. As a result, environmental impacts associated with buildings, utilities and infrastructure are managed externally and reported to UKSA on an apportioned basis.

UKSA's sustainability activity is therefore focused on areas within its operational control and influence, including workforce practices, digital and remote working, business travel and compliance with government-wide reporting requirements.

Environmental expenditure is incurred via landlord service charges and is not fully disaggregated across all sites; UKSA has not estimated missing data due to reliability limitations and has applied a comply-or-explain approach.

2. Greenhouse Gas Emissions

Reporting boundary and methodology

UKSA greenhouse gas (GHG) emissions are reported on the financial reporting boundary, consistent with HM Treasury Sustainability Reporting Guidance. Reporting focuses on emissions sources considered material to UKSA operations.

Emissions data is primarily sourced from datasets aligned to the GGCs. As a tenant organisation, emissions associated with buildings, utilities, waste and water are provided by landlords, primarily the GPA, and apportioned based on occupation.

Environmental costs relating to energy, water and waste are incurred indirectly through landlord service charges and are not separately measured. UKSA therefore predominantly reports consumption metrics rather than expenditure.

UKSA does not use carbon offsetting to adjust or reduce its reported greenhouse gas emissions.

Summary of emissions

Table 7: Summary of greenhouse gas emissions

Category	2025-26	2024-25
Scope 1	10	17
Scope 2	49	53
Scope 3	273	501
Total emissions (tCO₂e)	332	571

tCO₂e = tonnes of carbon dioxide equivalent.

Overall performance

Total emissions decreased by 42% compared to the prior year. Explanations for changes are detailed subsequently.

Scope 1 emissions

UKSA's Scope 1 emissions arise from gas consumption within occupied buildings, as reported by landlords and apportioned to the Agency.

Table 8: Scope 1 greenhouse gas emissions

Source	2025-26	2024-25
Gas consumption (kWh)	53,236	90,596
Energy expenditure (£, 4 of 6 sites)	1,220	8,925
Total emissions (tCO₂e)	10	17

Note: Expenditure data is incomplete (4 of 6 sites) and does not represent full organisational coverage.

Explanation of changes:

The decrease in Scope 1 emissions compared to the prior year reflects a change in the apportioned office footprint occupied by the Agency, resulting in lower reported gas consumption.

Scope 2 emissions

UKSA's Scope 2 emissions relate to electricity consumption within occupied buildings. Data is provided by landlords and apportioned based on occupation.

Emissions are calculated using UK Government conversion factors and reported on a location-based basis only. UKSA does not report market-based Scope 2 emissions due to lack of supplier-specific data.

Table 9: Scope 2 greenhouse gas emissions

Source	2025-26	2024-25
Electricity consumption (kWh)	275,388	301,027
Energy expenditure (£, 4 of 6 sites)	78,705	70,107
Total emissions (tCO₂e)	49	53

Note: Expenditure data is incomplete (4 of 6 sites) and does not represent full organisational coverage.

Explanation of changes:

The decrease in Scope 2 emissions compared to the prior year reflects a reduction in the apportioned office footprint occupied by the Agency, along with associated changes in electricity consumption within those buildings.

Scope 3 emissions

UKSA reports Scope 3 emissions for business travel, waste and water, reflecting categories where data is available and considered sufficiently robust for reporting. Other categories, including commuting and procurement, are not currently included and are kept under review.

Business travel emissions arise from employee travel for work purposes, including air travel (both domestic and international), rail and road travel. Waste and water emissions are provided by landlords and apportioned to UKSA.

Table 10: Scope 3 greenhouse gas emissions

Category	2025-26	2024-25
Business travel (tCO ₂ e)	272.4	501.0
Waste (tCO ₂ e)	<0.1	<0.1
Water (tCO ₂ e)	0.3	0.3
Total emissions (tCO₂e)	272.6	501.3

Table 10 notes

Values may not sum due to rounding. Totals are calculated using unrounded underlying data.

Explanation of changes: The reduction in business travel emissions compared to the prior year reflects a combination of updated UK Government greenhouse gas conversion factors for aviation and changes in travel activity. Current year data is derived from centrally reported datasets aligned to the GGCs, with prior year figures restated where necessary to ensure consistency of methodology and improved coverage of travel activity across both reporting periods.

3. Waste

Scope and boundary

Waste reporting covers office-based activity only. Data is provided by landlords and apportioned to UKSA.

Total waste generated

Table 11: Total waste generated

Waste type	2025-26	2024-25
Total waste generated (tonnes)	4	8
Waste disposal expenditure (£, 4 of 6 sites)	2,630	2,448

Note: Expenditure data is incomplete (4 of 6 sites) and does not represent full organisational coverage.

Explanation of changes

The reduction in total waste generated compared to the prior year reflects a reduction in number of staff occupied sites relative to the reporting period, resulting in lower waste generation.

Waste treatment

Table 12: Waste by treatment route

Treatment route	2025-26	2024-25
Recycled (tonnes)	2	5
Composted (tonnes)	0	0
General waste (tonnes)	2	3
Disposal route (general waste)	Energy from Waste	
Total waste (tonnes)	4	8

Waste management and data quality

UKSA supports waste reduction through digital-first and hybrid working practices that reduce routine consumption. Waste data is provided by landlords and apportioned based on occupied floor area. Food waste is not separately collected within landlord-managed buildings and is therefore included within general waste figures. Totals may not sum due to rounding and apportionment methodologies.

4. Water

Scope and boundary

Water reporting covers office-based activity only. Data is provided by landlords and apportioned to UKSA.

Total water consumption

Table 13: Water consumption

Metric	2025-26	2024-25
Total water consumption (m ³)	697	959
Water expenditure (£, 4 of 6 sites)	3,311	2,590

Note: Expenditure data is incomplete (4 of 6 sites) and does not represent full organisational coverage.

Explanation of changes

The decrease in total water consumption compared to the prior year reflects a reduction in the apportioned office footprint occupied by the Agency, along with changes in occupancy and associated water usage within landlord-managed buildings.

Water management and data quality

Water efficiency measures are primarily landlord-led. Data is provided by landlords and apportioned to UKSA, and the Agency continues to improve data completeness and consistency.

5. ICT and digital services

Environmental impacts from ICT and digital services are not considered material for separate disclosure. ICT services are centrally managed through Integrated Corporate Services (ICS), and UKSA's direct footprint is limited to end user devices, with no directly managed infrastructure.

Energy consumption associated with ICT is not separately measured and is partially reflected within overall office electricity usage.

6. Climate change adaptation

Initial work to assess climate-related risks has been undertaken through the UKSA Climate Change Adaptation Report, which

provides an early-stage assessment of potential impacts on space-related infrastructure and services. UKSA does not currently have a standalone adaptation strategy, reflecting its operating model and the evolving approach to adaptation planning across government.

Responsibility for climate adaptation is increasingly expected at a departmental or cross-government level, particularly as UKSA integrates with DSIT. The Agency will continue to keep its approach to climate resilience under review.

7. Wider environmental context

Environmental initiatives, including nature recovery activities, are primarily developed and delivered by landlords, including the GPA, across the estate occupied by UKSA. As a tenant organisation, UKSA has limited direct control over the design or implementation of these initiatives. However, UKSA recognises the importance of these activities in supporting wider environmental outcomes and continues to engage with landlords and government partners where appropriate.

8. Alignment with government-wide sustainability objectives

UKSA contributes to wider government sustainability objectives through compliance with central government requirements and participation in GGC reporting, alongside alignment with departmental and cross-government sustainability frameworks.

This reflects UKSA's operating model as an organisation with limited direct control over physical assets, but with responsibilities for governance, programme delivery and supporting wider policy objectives. UKSA's approach is therefore focused on ensuring consistency, proportionality and alignment with government-wide sustainability priorities.

Further climate-related disclosures, including governance, strategy, risk management, metrics and targets, are set out separately in the Task Force on Climate-Related Financial Disclosures (TCFD) section of this report, shown on the pages overleaf.

Task Force on Climate-Related Financial Disclosures (TCFD)

1. TCFD Compliance Statement

UKSA has reported on climate-related financial disclosures in line with HM Treasury's TCFD-aligned Disclosure Application Guidance for the UK public sector.

UKSA does not consider climate change to be a principal risk, or a significant component of another principal risk, for the current reporting period. This judgement reflects UKSA's limited direct operational footprint, the absence of owned physical assets, and the predominantly indirect and operational nature of identified climate-related risks, which nevertheless remain material for disclosure and ongoing monitoring.

UKSA has therefore complied with the following TCFD recommended disclosures:

- Governance: recommended disclosures (a) and (b)
- Strategy: disclosures (a) to (c) provided on a proportionate and voluntary basis
- Risk Management: recommended disclosures (a) to (c)
- Metrics and Targets: recommended disclosure (b) – Scope 1 and Scope 2 greenhouse gas emissions

Wider sector-level climate risks, including those relating to space infrastructure not owned or operated by UKSA, fall outside the organisational reporting boundary for this disclosure and will continue to be kept under review.

2. Governance

2.1 Board oversight of climate-related issues

Governance arrangements for climate-related risks are proportionate to UKSA's operating model and risk profile, with oversight integrated within existing governance and risk management structures. The Audit and Risk Assurance Committee (ARAC) provides primary oversight of climate-related risks and opportunities as part of its remit for risk, control and assurance, with climate considerations incorporated into its wider review of risk and assurance reporting. The Foundations Board provides operational oversight of compliance and application of the Agency's risk management framework, including monitoring of sustainability obligations, while the

Executive Committee (ExCo) provides strategic oversight of overall direction and risk appetite and considers climate-related risks where escalated or assessed to have strategic significance.

2.2 Management's role in assessing and managing climate-related issues

UKSA operates a risk management framework aligned with HM Treasury's Orange Book, as described in the Governance Statement. Climate-related risks are identified and assessed through this framework alongside other strategic and operational risks, with ownership sitting with relevant management teams, as illustrated in Figure 5. Climate-related risks affecting operational continuity, staff activity and access to third-party sites are managed proportionately within existing risk management arrangements.

Governance arrangements may evolve as UKSA integrates into the DSIT from the 2026-27 reporting year, subject to agreed organisational arrangements.

3. Strategy (voluntary proportionate disclosure)

3.1 Climate-related risks, opportunities and scope

UKSA's operations do not materially depend on wholly owned physical assets. Climate-related risks arise primarily from reliance on third-party-managed accommodation, dependencies on external systems (e.g. transport, energy and digital infrastructure), and workforce impacts. These risks relate mainly to potential disruption from extreme weather, including impacts on working conditions, access to workplaces and continuity of supporting infrastructure. Net zero transition risks affect UKSA primarily through increased policy, regulatory and reporting expectations rather than direct financial exposure.

UKSA has identified limited climate-related opportunities that support organisational resilience, including strengthening business continuity and supporting wider government objectives through space-enabled climate monitoring and environmental data.

Climate-related risks and opportunities are assessed across short-, medium- and long-term planning horizons.

3.2 Impacts and scenario analysis

Climate-related risks may result in intermittent, short- to medium-term operational disruption, including reduced access to workplaces and impacts on productivity. These do not alter UKSA's strategic direction but may influence delivery. No material direct financial impacts have been identified for the current reporting period. Proportionate qualitative scenario analysis has been undertaken using lower- and higher-warming pathways aligned with UK climate projections. This indicates that UKSA's direct physical exposure is low, although the likelihood of operational disruption increases under higher-warming scenarios.

4. Risk Management

4.1 Approach to identifying and assessing climate-related risks and opportunities

Climate-related risks are identified, assessed and managed through UKSA's existing risk management framework, with a focus on operational continuity and workforce impacts. Given UKSA does not own or operate physical sites or infrastructure, risks are considered primarily in terms of potential disruption to operations or staff activity.

Risks and opportunities were identified through a structured, cross-organisational process aligned with HM Treasury's TCFD-aligned guidance and informed by national climate evidence, including UKCP18 and the UK Climate Change Risk Assessment.

Identified risks were subject to qualitative assessment of relevance, significance and timing across short, medium and long-term horizons. This approach is integrated within UKSA's corporate risk management framework and supports ongoing review of climate-related risks on a proportionate and materiality-led basis.

4.2 Materiality and escalation

Climate-related risks were assessed for materiality taking account of UKSA's objectives, operating model and risk appetite. While a number of risks are considered material for transparency and ongoing monitoring, none meet thresholds for escalation to the corporate risk register, classification as principal risks, or assessment as a significant component of another principal risk.

This reflects the predominantly indirect nature of climate-related impacts and the extent to which risks are addressed through existing operational

and business continuity arrangements. Risks are reviewed through established governance processes, with escalation where significance increases or agreed thresholds are exceeded.

4.3 Summary of material climate-related risks

The following climate-related risks were assessed as material to UKSA's operations and delivery for disclosure and ongoing monitoring, but are not designated as principal risks at the current reporting date.

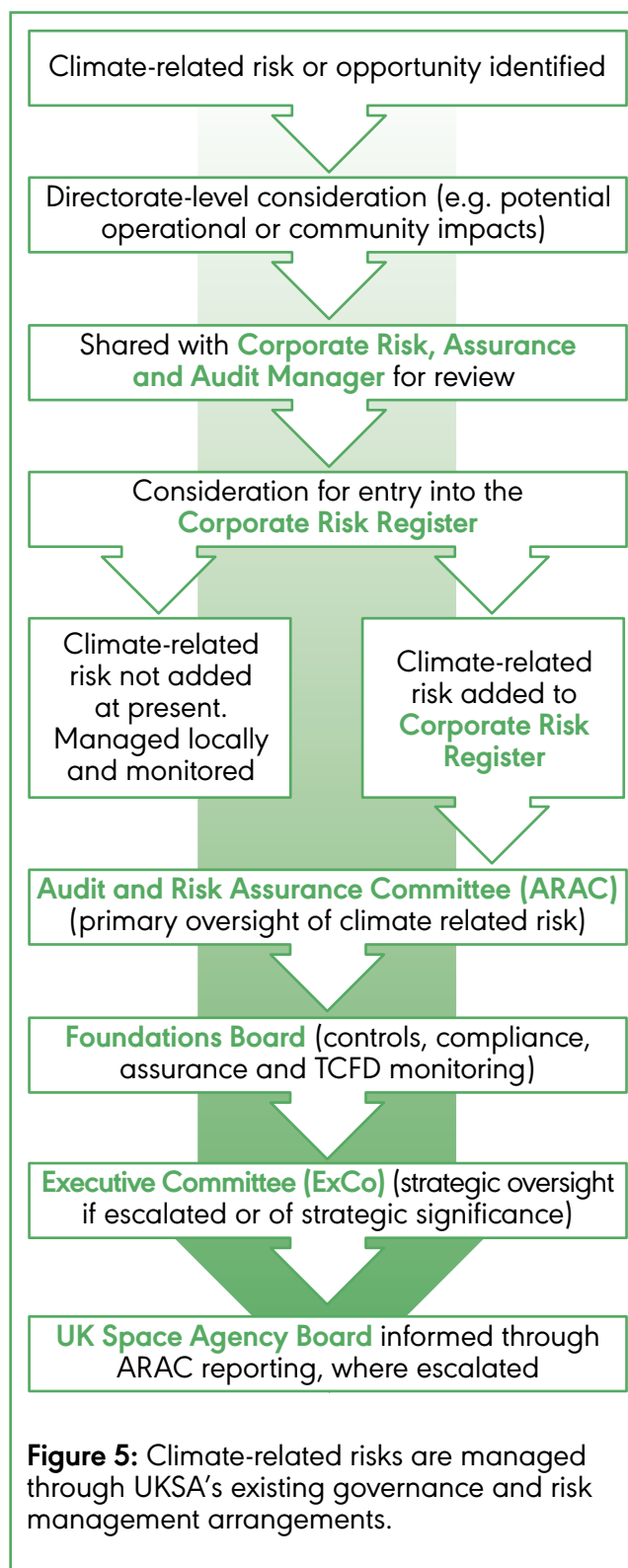


Figure 5: Climate-related risks are managed through UKSA's existing governance and risk management arrangements.

Table 14: Summary of material climate-related risks

Risk category	Material climate-related risks	Primary time horizons
Physical climate-related risks	<p>Disruption to staff access and mobility arising from extreme weather events affecting access to offices or third-party sites.</p> <p>Climate-driven disruption to energy, digital and communications infrastructure affecting connectivity and business continuity.</p> <p>Reduced usability of third-party managed accommodation during extreme temperature events, increasing reliance on remote working.</p>	Short to medium
Net zero transition-related risk	<p>Increased policy, regulatory and reporting expectations associated with the transition to net zero.</p> <p>Indirect capacity pressures affecting delivery partners and suppliers arising from decarbonisation requirements.</p> <p>Reputational expectations regarding alignment with government net zero objectives.</p>	Short to long

4.4 Summary of climate-related opportunities

UKSA also identified climate-related opportunities that support delivery and organisational resilience, rather than financial return.

Table 15: Summary of climate-related opportunities

Opportunity category	Climate-related opportunities	Primary time horizons
Adaption and resilience	Strengthening organisational resilience through preparedness and business continuity planning.	Short to medium
Policy leadership	Using UKSA's engagement with government, delivery partners and external stakeholders to support alignment with government net zero objectives.	Medium
Innovation and delivery	Supporting innovation and public value through space-enabled climate monitoring and environmental data.	Medium to long

4.5 Scenario considerations in risk management

Given UKSA's indirect exposure to climate risk, scenario considerations focus on directional changes in risk under different warming pathways rather than detailed modelling of financial impacts. Across both lower- and higher-warming scenarios, risks are most likely to affect UKSA through intermittent operational disruption and dependencies on external infrastructure. These considerations inform ongoing monitoring and periodic reassessment.

5. Metrics and Targets

5.1 Greenhouse gas emissions

UKSA reports Scope 1, Scope 2 and relevant Scope 3 greenhouse gas emissions in the Annual Report and Accounts, in line with the Greening Government Commitments and wider government sustainability reporting requirements. Emissions data are not duplicated in this TCFD section.

5.2 Targets

UKSA does not set organisation-specific climate or net-zero targets. The Agency aligns with government-wide targets, with performance reported through established sustainability reporting processes in the Annual Report and Accounts.

The UK space sector in 2026: A Transformed Industry

Fifteen years of structural change, sustained growth, and expanding ambition.

In 2010, the UK space sector generated £13.0bn in income (Size & Health, 2024) and was concentrated by downstream companies, which accounted for the majority of sector income. Three organisations, Sky TV, Inmarsat (now Viasat), and Astrium (now Airbus Defence and Space) accounted for approximately 80% of sector revenue. Broadcasting and telecommunications dominated, while upstream manufacturing and science, though internationally respected, operated on the periphery of a market shaped by a small number of large commercial actors.

The structure of the sector has fundamentally changed. By 2022-23, total sector income had reached £18.6bn in real terms; direct employment stood at 55,500, up from fewer than 30,000 a decade earlier; and the number of UK space organisations had grown from 260 to 1,907. An increase from 3 to 53 firms required to account for 80% of sector revenue and 95% of space investments were in revenue-generating companies in 2022 compared to 56% in 2015 (Expanding Frontiers, PwC). This demonstrates the growing maturity of the sector and the structural shift from a broader base of commercially active mid-tier firms to an increased pool of companies with the potential to scale, underpinned by global technological change, commercial investment, academic and industrial capability, and sustained public policy.

Global Forces and Domestic Foundations

Between 2010 and 2026, the global space sector underwent significant technological and commercial shifts. Advances in launch capability, the proliferation of small satellites, the expansion of downstream applications in Earth observation, navigation, and communications created new markets at scale, which the UK both benefited from and actively positioned itself to capture. Prior to 2020, and before recent market contraction, the UK space sector grew at an average annual rate of 4.8% between 2009-10 and 2019-20, approximately three times the growth rate of the wider UK economy, this momentum proved resilient through the COVID period with sector income continuing growth by 5.1% in 2020-21 despite a 7.6% contraction in the UK economy. Taking post-2020-21 contraction into account, average annual growth rate is 3.3%. This resilience reflects structural characteristics: long-term contracts, advanced manufacturing, a highly skilled workforce, and an income base already significantly diversified beyond its historic dependence on satellite broadcasting. The share of income from Direct-to-Home broadcasting fell from 69% in 2010-11 to 48% in 2022-23, as non-DTH activities such as satellite communications, Earth observation applications, and ancillary services expanded, though growth rates for individual activities varied considerably period to period rather than following a single consistent trend. The sector entering the 2020s was larger, broader and more economically significant than the one that entered the previous decade, but the strategic challenge had shifted from diversification to scale. Seraphim, one of the UK's leading space investors, has highlighted that while the UK ranks third globally for the number of space company investments, it ranks only seventeenth for average deal size. In other words, the UK is becoming increasingly successful at creating innovative space businesses, but the focus now needs to be supporting those companies grow into globally competitive scale-ups and long-term market leaders.

How Many Companies Accounted for 80% of UK Space Sector Revenue?

A measure of sector maturity, the more companies needed to reach 80% of revenue, the broader and more competitive the industry.



Sources: 2006 and 2016-17 figures from verified industry analysis; 2023 figures derived from published income band data, UKSA Size & Health of the UK Space Industry 2024 (London Economics/ LEUKSA). Figures represent the minimum number of companies, ranked by income, whose combined revenue reaches 80% of total UK Space Sector income.

The Role of Public Policy

The space sector holds significant potential for public good but, as with other R&D intensive and technical sectors, does not function as a conventional market. High barriers to entry, long and capital-intensive development timelines, skill shortage, and intensifying global competition constrain purely market-led growth, meaning that public policy plays a central role in shaping outcomes. This policy approach has been a critical enabler of the sector's trajectory. The establishment of the UK Space Agency (April 2010) provided a coordinated institutional voice, directed public investment, and strengthened engagement with the European Space Agency (ESA), enabling UK industry and academia to access international programmes sustaining upstream capability.

Government intervention has focused on addressing structural barriers, strengthening the investment ecosystem, and enabling the transition from innovation to commercial scale.

The Space Industry Act 2018 established the framework for commercial spaceflight, including a spaceport licensing regime, providing regulatory clarity, supporting long-term investment and signalling the UK's intent to compete in the new era of commercial launch. In parallel, the UK's engagement with ISO, CCSDS, BSI and ECSS embedded national technical and commercial interests within global frameworks, actively shaping the international standards that define the UK's operating environment.

Where the UK Space Sector Stands Today

Data from the latest Size and Health survey underpins the UK space sector is now larger, more diverse, more productive, and more internationally competitive than at the start of the previous decade. In 2022-23, Labour productivity reached £129,000 per employee, 2.1 times the UK average, and the sector supported approximately 137,000 jobs including the wider supply chain. Satellite services underpin around £454bn of UK economic activity, demonstrating the sector's strategic importance beyond direct income metrics. With only around 1% of global government space expenditure, the UK captures approximately 5% of the global space market.

The challenges that remain are also clearly identified in the data. The scale-up gap, the difficulty of transitioning innovative smaller companies into globally competitive mid-tier and prime contractors, has not been resolved. The UK's share of the global space economy, at 5% in 2022/23, has remained broadly static over the past decade and shows early signs of relative contraction, as global markets grow more rapidly. This reflects both the increasing scale and pace of international competition and emerging domestic constraints, particularly in the ability of UK firms to scale.

Access to growth capital, workforce demographic narrowness, skill gaps, and the long-term competitive implications of LEO constellation operators for established satellite services are structural questions that will require a more interventionist approach to supporting our high-growth potential companies, building on policies that have successfully seeded and expanded the sector. Our approach must evolve as our sector has evolved, maturing in lockstep.

The last fifteen years have demonstrated that the UK space sector can achieve sustained transformation when the conditions for growth are in place: a stable and enabling regulatory environment, targeted public investment including major commitments through ESA programmes and targeted national funding for R&D, capability development and infrastructure, strong international partnerships, and a deep technical capability in research and industry.

Building on these foundations while addressing the structural constraints, is the work of the years ahead as the UK Space Agency expands its remit to include strategy and policy, as well as delivery, from inside the Department for Science, Innovation and Technology. In time, the impact of these choices can be assessed by the extent to which they have supported the development of a stronger, more sustainable UK space sector with lasting economic and strategic benefit.

Emran Mian CB OBE

Principal Accounting Officer
1 July 2026

UK Space Sector: Outsized Impact from a Strategic Investment

Despite representing approx. 1% of global government space spending, the UK captures around 5% of the global space market.

Source: UKSA Size & Health of the UK Space Industry, 2024 (London Economics/LEUKSA); Space Foundation Global Space Economy data; ONS UK productivity statistics. Income figures in real 2022-23 prices.

£18.6bn

Total Sector Income

Real terms, 2022-23
(up from £5.9bn in 2006-07)

55,500

Direct jobs in sector

Supporting an additional 81,400 across the wider supply chain

£454bn

UK GDP underpinned by satellite services

The sector's strategic importance beyond its own income figures

2.1 x

Labour productivity vs UK average

£129,000 GVA per employee vs £61,729 UK economy average

Global spend - Global share

-1% → -5%

global govt. space spend the global space market

5x

R&D intensity vs UK economy

5.7% of income invested in R&D vs -1% UK economy average

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Directors' Report

UK Space Agency Leadership

The Board in place throughout the fiscal year for UK Space Agency is outlined on pages 60 to 65. An overview of the Agency's governance structure and list of board and committee members with their attendance for the period covering 1 April 2025 to 31 March 2026 can be found in the Governance Statement below. The register of interests for board and committees is published online.

Legal Status

Until 31 March 2026, the UK Space Agency was an Executive Agency of the DSIT with delegated powers conferred from the Permanent Secretary to act as 'Contracting Authority' on behalf of the Secretary of State for DSIT. From 1 April 2026, the Agency no longer operates as an Executive Agency having been fully merged back into a DSIT Directorate.

Personal Data-related incidents

Training and awareness are key to supporting improved knowledge of data protection amongst staff. All Agency staff and contractors were required to complete and pass mandatory biennial UK GDPR e-learning training to set high standards for privacy and to promote a positive attitude and personal accountability for handling and managing personal data. Training completion was monitored and reported at senior level. A refresh of the Record of Data Processing delivered an on-going risk-based approach to driving improvements in policies, processes and internal practices, which were monitored by a governing board to ensure data privacy standards were maintained. Reported data breaches were assessed as low risk, and none met the threshold for notification to the Information Commissioner's Office.

Significant interest of members

The register of interests for board and committee members was published on

<https://www.gov.uk/government/publications/uk-space-agency-register-of-board-members-interests>

Board Structure and Leadership Personnel



Dr Paul Bate FInstP – Chief Executive

Paul Bate was CEO of the UK Space Agency between September 2021 and March 2026.

Prior to space, Paul ran NHS services and global sales at Babylon Health, which floated on the New York Stock Exchange in 2021, served as a Board member and Executive Director for Strategy and Intelligence at the Care Quality Commission, and built a consultancy business.

Paul was the senior health adviser to the Prime Minister and Deputy Prime Minister during the 2010 Coalition and led on health targets and finances in Tony Blair's Delivery Unit. Paul started his career at McKinsey & Co. and holds a PhD in Particle Physics.



Annelies Look and Chris White-Horne – Chief Delivery Officer and Deputy Chief Executive (job share)

As a job share partnership, Annelies and Chris were the Deputy CEO and Chief Delivery Officer for UK Space Agency. Jointly they led the delivery of the agency's portfolio of programmes, missions and capabilities, the agency's transformation programme and provided professional leadership to the offices of the chief engineer, regulation and programme management.

In addition to their roles in the Agency, Chris and Annelies also led the DSIT Space Directorate in work on the Spending Review, Industrial Strategy and provided thought leadership across Whitehall in a more coherent and joined-up approach to delivering government space objectives.



Annelies Look ChPP CEng

Prior to joining the UK Space Agency, Annelies was the Senior Responsible Owner (job share with Chris) for the Rail Transformation Programme in the Department for Transport, building the programme to deliver a simpler and better railway for Britain. Annelies spent much of her career in the Ministry of Defence specialising in transformation, capital and digital project delivery, stepping out of the civil service for 2 years in 2016 to be the KPMG UK P3M lead in Aerospace and Defence. Annelies was the Programme Director for COVID-19 Testing and Build Director for the COVID-19 Managed Quarantine Service in the Department for Health and Social Care. Annelies is a Chartered Engineer and Chartered Project Professional.



Chris White-Horne

Prior to joining the UK Space Agency, Chris was the Senior Responsible Owner (job share with Annelies) for the Rail Transformation Programme in the Department for Transport, building the programme to deliver a simpler and better railway for Britain. Previously Chris had a 25-year career in defence and aviation, was Programme Director and Chief Engineer in the international programme office for the Typhoon aircraft in Munich and a diplomat in Washington, DC.



Matthew Archer – Launch and ISAM Director, and Security, Information and Risk Officer (SIRO)

Matthew is the UK Space Agency's Director of Launch and ISAM, driving the UK's efforts to ensure it has assured access to space. Matthew provides senior leadership across the launch portfolio, shaping a safe, competitive and resilient launch market. He also leads the Agency's expansion of In-orbit Servicing, Assembly and Manufacturing (ISAM) capabilities, ensuring the UK is positioned to capture the rapidly growing global ISAM market.

Since joining the Agency in 2018, Matthew has served as Launch Director and previously as Head of EU Exit, overseeing negotiations and preparations for EU withdrawal and guiding UKSA's advice on the OneWeb acquisition. Prior to the UKSA, he held digital service, strategy, and delivery roles at HM Revenue & Customs.



Julie Black – Discovery Director

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



Dr Craig Brown – Investment Director

Craig joined in December 2022 as the Agency's Investment Director and is responsible for our space ecosystem, covering innovation, investment and commercialisation, forging strong relationships with space investors, suppliers and customers to create opportunities to bring new investment and revenue into the sector. Craig leads the delivery of a number of Agency programmes across both the national and ESA portfolio, and had responsibility for the Agency's Commercial team until the end of March 2026. Prior to joining the Agency, Craig worked at SatixFy UK, where he helped grow the company from an SME to a public firm, spent five years as Innovation Lead for Space at Innovate UK, and six years at Airbus Defence and Space. Craig holds a PhD in Applied Physics (Space Instrumentation) from Leicester University.



Evan Haselwood – Director of Finance

Evan joined the Agency as Director of Finance in July 2024. He leads on the Agency's financial strategy and performance, efficiency, and continuous improvement, as well as the Agency's operational support functions. Evan started his career in the NHS, working across a broad range of finance roles, with a focus on transformation and financial turnaround. He joined the Civil Service in 2020 at Companies House, where he worked on digital transformation. Evan is a Chartered Management Accountant with over a decade of experience building award winning finance teams across the public sector.

Continues overleaf

**Edmund Knollys – People Director**

Edmund joined the Agency in February 2022 as Head of HR Operations and led our People Team throughout 2025-26, responsible for all aspects of employment, employee lifecycle (including recruitment, pay and reward), engagement and experience, and learning and development. He is a Chartered Fellow of the Chartered Institute of Personnel and Development (CIPD) and has worked in the Civil Service for over 30 years, mostly in HR policy, business partnering and change management roles. After qualifying as an HR professional while working in the Metropolitan Police, Edmund has worked in various departments including HM Revenue & Customs, the Department for International Development and the National Probation Directorate.

**Professor Anu Ojha OBE – Championing Space Director**

Anu joined the UK Space Agency in 2023. He founded the UK's National Space Academy and, in 2016, was appointed Honorary Professor in the School of Physics and Astronomy at the University of Leicester. His extensive contributions include nuclear power applications for space exploration, analysing data from ESA missions including SOHO, Rosetta and ExoMars, and leading International Space Station education programmes including the Astro Academy Principia experiment suite conducted in space by Tim Peake. He has been pivotal in developing UKSA, Science and Technology Facilities Council (STFC) and ESA space strategies, led space science partnership programmes with international space agencies, and supported the UK Ministry of Defence's Space Directorate through his six-year term as a member of STFC Council. His responsibilities include international relations, the UK's ESA commitments, future workforce development, parliamentary affairs, communications, and also advancing space science and satellite applications through his ongoing role in the UK's academic sector.

**Harshbir Sangha MBE FRSA – EO, PNT, SSR and NSpOC Director**

Harshbir leads on Earth Observation (EO), Position, Navigation and Timing (PNT) and Space Security and Resilience (SSR), including the National Space Operations Centre (NSpOC) and safety and security of space critical national infrastructure. Prior to this, Harshbir was Director of Growth at the Agency, where he helped create the business environment that enabled growth of capabilities required to meet the UK's space ambitions.

During his more than 20-year career as a civil servant, Harshbir has worked on a range of social, science and research policies and programmes, including development of the UK's first International Research and Innovation Strategy. He is a strong advocate of equality, diversity and inclusion. For his services to promoting diversity and inclusion in the Civil Service, Harshbir was awarded an MBE in 2016. Harshbir is also a Fellow of the Royal Society for Arts, Manufactures and Commerce.

**Claire Barcham – Corporate Services Director**

Claire was Corporate Services Director at the UK Space Agency until November 2025. Claire joined the Agency in 2016, leading work to develop the UK's first satellite launch capability. She joined the senior leadership team in 2018, first as Commercial Space Director and then Strategy Director. Claire has also led strategy and policy for the Department of Health, Home Office and HM Revenue & Customs.

Claire graduated from Nottingham University and trained as a solicitor at Baker & McKenzie LLP.

**Peter Batt – interim Corporate Services Director**

Between December 2025 and March 2026, Peter was Corporate Services Director and Chief Digital and Information Officer at the UK Space Agency, bringing over two decades of senior leadership across government, regulatory, legal, global investment banking and retail. He was accountable for Corporate Services spanning Analysis, Business Planning and Performance, Digital, Data & Technology, Estates, Governance, Portfolio Management, Security and Strategy – the core capabilities that keep the Agency safe, effective and delivering for the UK.

Peter's leadership is anchored in inspiration, innovation and empowerment, whilst providing stability through uncertainty. He has led large and high performing multidisciplinary teams.

His track record includes directing complex cloud and infrastructure transformations, driving digital transformation to enhance productivity and delivering sustained cost reductions by tackling legacy technology debt through workflow and automation, introducing real time decision dashboards for executive decision making and strengthening information compliance.

**Dr Sarah-Jane Gill – interim Championing Space Director**

Between December 2025 and March 2026, SJ was the interim Director leading on the Agency's international relations, European Space Agency policy and operations, Education and Future Workforce, Communications and Parliamentary Engagement activities. She was responsible for bringing the value of space to new audiences, promoting wider government ambitions and showcasing UK innovation around the world to support economic growth and strategic partnerships for priority capabilities. Since joining the Agency in 2018, alongside her international and diplomatic roles, she has worked across the fields of satellite navigation, space law and regulation, space domain awareness and on ESA strategy and policy. Prior to joining the UK Space Agency, SJ worked as a geologist in the diamond mining industry off the coast of Namibia and later in planetary science with the Natural History Museum.

Sarah-Jane holds a PhD in Geology from the University of London.

Non-Executive Members



The Rt Hon. Lord David Willetts FRS HonFREng – Chair of the Board

Lord Willetts was appointed Chair of the UK Space Agency Board in April 2022. Lord Willetts is also Chair of the Government's Regulatory Innovation Office and President of the Resolution Foundation. He served as the Member of Parliament for Havant (1992-2015), as Minister for Universities and Science (2010-2014) and previously worked at HM Treasury and the No. 10 Policy Unit. He has held a range of Chair and Board positions across the space and science sector, including at Surrey Satellites. He was a member of the ESA Expert Group on the Future of Space in Europe, as well as the Space Advisory Board of the EU's External Action Service. He currently sits on the Advisory Council of the European Space Policy Institute and chairs the Foundation for Science and Technology. Lord Willetts was appointed as Chair of the Regulatory Innovation Office in March 2025.



Stuart Martin FRAeS FInstP

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



Dr David Parker FRAeS

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

**Sarah Pumfrett FCCA CMIIA SIRM – ARAC Chair**

Sarah chairs the Audit and Risk Assurance Committee (ARAC). She is a Chartered Certified Accountant, Chartered Internal Auditor and Specialist Member of the Institute of Risk Management and has served terms as a panel/committee member with both the Association of Chartered Certified Accountants and the Chartered Institute of Internal Auditors. Following an extensive executive career within internal audit and business risk assurance spanning both public and private sectors, she currently serves on the board and chairs the ARAC of the Security Industry Authority. She also chairs the Audit & Risk Committee (ARC) of Disclosure Scotland and is an external member of the Scottish Fiscal Commission's ARC. She served on the Board and chaired the ARAC of the Agriculture and Horticulture Development Board until 31 March 2026.

**Dame Fiona Rayment DBE PhD FREng FRSE**

Fiona was appointed in June 2021. Throughout her career she has actively engaged in the development of technical and business strategies and led on effective stakeholder engagement with government and commercial entities. Fiona enjoys a plural career through several non-executive director, trustee and advisory roles and is the immediate Past President of the Nuclear Institute. Fiona has chaired and participated on a variety of boards and advisory committees nationally and internationally. She was awarded an OBE in the 2017 Queen's Birthday Honours, Chevalier of the Legion d'Honneur from the French Republic in 2019 and DBE in the King's 2026 New Year Honours.

**Dr Kevin Shaw PhD CEng CDir**

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

**Peter Watkins CB CBE**

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

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, the Secretary of State with the consent of HM Treasury has directed the Agency to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the UK Space Agency and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary as Principal Accounting Officer designated the Chief Executive as the Accounting Officer of UK Space Agency. On the Chief Executive's departure, these responsibilities were transferred back to the Permanent Secretary.

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

The Chief Executive, as the Accounting Officer during the financial year, has provided assurance that he has taken all the steps required to make himself aware of any relevant audit information and to establish that Agency's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

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



Emran Mian CB OBE

Permanent Secretary of the Department for Science, Innovation and Technology and Principal Accounting Officer for the UK Space Agency
1 July 2026

Report of the Chair of the Audit and Risk Assurance Committee

As Chair of the Audit and Risk Assurance Committee (ARAC), I am pleased to present this statement outlining the Committee's work during the 2025–26 financial year. ARAC provides independent advice and assurance to the Accounting Officer on the adequacy and effectiveness of the Agency's governance, risk management, internal control and assurance arrangements.

Internal audit, delivered by the Government Internal Audit Agency (GIAA), completed its agreed programme across priority areas, and the Committee considered the resulting audit opinions. For 2025–26, the Head of Audit annual opinion was moderate, reflecting no substantial, one moderate and one limited assurance opinion. The limited assurance review (contract management) was met with a positive management response, with most recommendations already addressed or scheduled within agreed timescales. GIAA remained an important source of independent assurance. The statutory audit opinion for 2025–26 is available on page 94.

Throughout the year, the Committee received regular financial updates and scrutinised in year performance, forecasts and key financial risks. ARAC was satisfied that effective financial controls were in place and that emerging pressures were being appropriately managed.

The Committee welcomed the establishment of the Foundations Board, recommended by the Executive as part of the internal governance framework review. The Board has strengthened oversight of internal controls, compliance and corporate assurance activity, creating clearer escalation and accountability.

ARAC received the SIRO's report and was satisfied that appropriate controls were in place to reduce cyber security risk, alongside evidence of consistent improvement in information management. The Committee emphasised the need to embed information compliance fully into day-to-day operations and took assurance from updates on major systems recovery arrangements.

Good progress was made in strengthening the Agency's internal assurance framework. Advances in assurance mapping, improvements to the assurance pipeline, more robust management of GIAA actions, and work to map key controls were

recognised as increasing organisational maturity and providing a strong foundation for the Agency's transition into DSIT.

A significant focus for the Committee during the year was the continued strengthening of the Agency's risk management framework. ARAC reviewed risk updates at each meeting and undertook detailed discussions on the definition and articulation of principal risks, emphasising clarity, proportionality and alignment with the government's Orange Book.

Key risk themes considered during the year included information management, cyber security threats, reliance on shared service providers, and financial and delivery risks associated with funding certainty and contract timing.

The Committee also considered people related risks, including workforce capacity, management capability and the consistent application of core controls. In particular the Committee maintained a strong focus on the Agency's transition into DSIT. The DSIT ARAC Chair attended a number of UKSA ARAC meetings during the year, supporting effective coordination and coherent risk oversight.

ARAC closely scrutinised the management of transition related risks, including uncertainty around organisational structure, workforce capacity and flight risk, and the retention and recruitment of critical technical expertise. The Committee also considered the implications of the DSIT Corporate Services review and made recommendations to the DSIT ARAC on mitigating key risks following transition.

In conclusion, the Committee is satisfied that it has discharged its responsibilities effectively during the year and that the Agency continued to strengthen its governance, risk management and assurance arrangements. Whilst the Agency has continued to operate in a challenging environment, ARAC has seen clear evidence of progress and a strong commitment to continuous improvement. I would like to thank my fellow Committee members, the executive team, and our assurance partners for their contribution and support throughout the year.

Sarah Pumfrett

Chair of the Audit and Risk Assurance Committee
1 July 2026

Governance Statement

1. Corporate governance

This statement sets out the governance, risk management and internal control arrangements for the UK Space Agency. It refers to the financial year 1 April 2025 to 31 March 2026 and up to the approval date of the Annual Report and Accounts (9 July 2026).

As Principal Accounting Officer, I have personal responsibility for maintaining a sound system of governance; internal control and risk management to support the achievement of the Agency's policies, aims and objectives; whilst safeguarding public funds; and both Agency and Departmental assets.

The Chief Executive was supported in his role as Accounting Officer by a governance framework which includes the Agency's boards, committees and senior management.

In forming his assessment, he examined:

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

2. Governance structure

The Agency was accountable to Parliament for the funds it expended through the Agency's sponsor department, DSIT. Parliament monitored and influenced the Agency through its Select Committees and the Parliamentary Ombudsman.

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

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

The diagram opposite shows the governance structure of the Agency, its formal accountability hierarchy, and reporting relationships, which were also set out in the Framework Document. A review of the Agency's Framework Document was due to take place in 2025 but was cancelled because of the merger into DSIT.

The Agency launched a refreshed internal governance framework effective from 1 July 2025. This introduced a more structured and purposeful governance model including the creation of a new Foundations Board, revised remits for the top tier governance bodies and efficiencies to monthly reporting. All Terms of Reference were reviewed and updated. The governance structure enabled efficient and effective decision making and management of activities.

A GIAA audit of the Agency's Corporate Governance arrangements was issued in April 2025 and gave a moderate opinion, noting the Agency established governance arrangements which broadly aligned with Central Government Good Practice guidelines. Some improvements were identified to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Eight recommendations were made and all were either completed or agreed as no longer relevant given the merger.

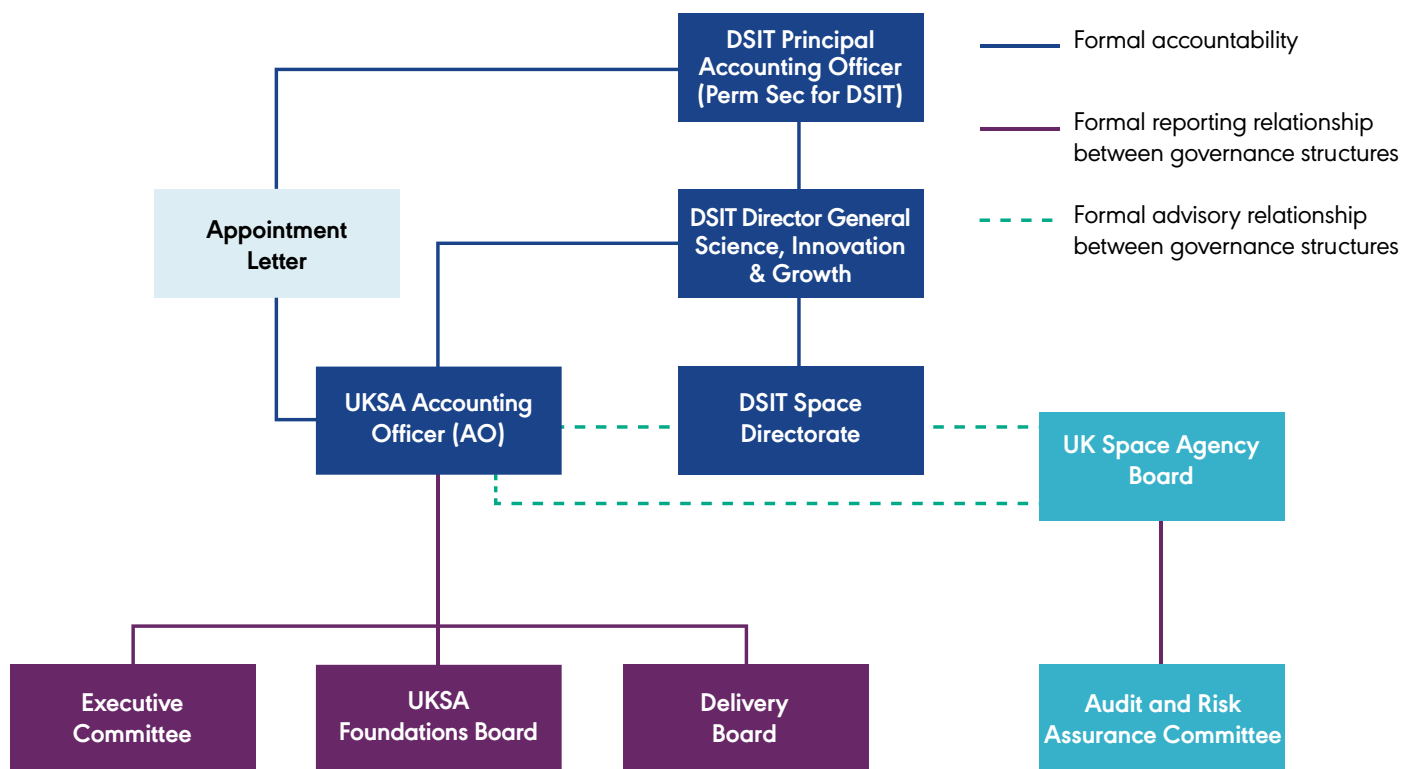


Figure 6: UKSA governance structure 2025-26.

3. Our Boards, Committees and Sub-Committees

UK Space Agency Board

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

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

During 2025-26, the UK Space Agency Board met five times. All meetings were quorate, and attendance figures are shown in Table 16 on the next page.

The Board undertook an annual performance review, called the Board Effectiveness Review. The last externally facilitated Board Effectiveness Review was completed in April 2023. The most recent internal Board Effectiveness Review concluded in May 2025 and indicated overall performance of the Board remained good, and relatively unchanged from the previous year, and ARAC effectiveness had increased. Improvement actions identified were primarily related to Board diversity, audit of skills and succession planning, as well as flow of information to the Board ensuring early visibility of key matters. A Board Diversity Working Group was established in February 2025 to focus promoting diversity and inclusivity in culture, values and practices within the Board.

Audit and Risk Assurance Committee

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

The Committee met six times during 2025-26. All meetings were quorate and attendance figures are shown in Table 16 on the next page. Standing attendees included a DSIT representative, the Chief Executive, Finance Director, the Agency's Senior Information Risk Owner (SIRO) and Corporate Services Director. Meetings were also attended by representatives from the Government Internal Audit Agency (GIAA) and the National Audit Office (NAO).

ARAC regularly reviewed the Corporate Risk Register, Agency financial position, Assurance report, SIRO report, the NAO External Audit Plan, the GIAA Audit Plan, and progress against actions arising from Internal Audit Reports.

The UK Space Agency Board was disbanded on 31 March 2026 when the Agency ceased to operate as an Executive Agency, however the ARAC ran through to the conclusion of the Annual Report and Accounts process in order to provide advice to the DSIT Accounting Officer. Members and attendees of both the UK Space Agency Board and ARAC were requested to declare any conflicts of interest in relation to the business of each meeting. Declarations of interest were also requested annually, and members were expected to proactively declare any conflicts arising in year from changes to their personal circumstances.

Executive Committee

The Executive Committee (ExCo) provided strategic leadership of the Agency through effective and timely decisions on the Agency's strategic and corporate matters, supporting the Chief Executive in their Accounting Officer duties. It was responsible for setting the strategic direction of the Agency, monitoring the overall performance of the Agency, championing the People agenda and promoting the right culture across the Agency.

The Committee usually convened bi-monthly for formal meetings and informally quarterly for strategy meetings. ExCo formally met six times in 2025-26. Members' attendance is shown in Table 16 on the next page.

The Executive Committee delegated certain matters to the Delivery Board, Foundations Board, and Design Authority Board, and received formal reports from the Chairs of these boards at each ExCo meeting.

During 2025-26 Annelies Look and Chris White-Horne remained temporarily appointed to support the DSIT Space Directorate, reporting to the Director General for Science, Innovation and Growth. They split their time between leading the Space Directorate and continuing their job share role as Chief Delivery Officer at the Agency. Their Agency responsibilities, including Delivery Board leadership, remained unchanged during this period. They declared conflicts of interest and mitigations, which were agreed by DSIT and the Agency.

Delivery Board

The purpose of the Delivery Board was to manage and prioritise the Agency's portfolio of activities and assure its successful delivery. It focused on delivery of the priorities in the Corporate Plan and the associated milestones, metrics, and benefits. The Delivery Board had delegated responsibility from ExCo for detailed financial scrutiny and people resource prioritisation at portfolio level. The Delivery Board met monthly and was chaired by the Chief Delivery Officer.

Foundations Board

The purpose of the Foundations Board was to provide oversight and operational governance to ensure the effective functioning of the Agency's foundation services, control environment, assurance mechanisms and workforce management, in alignment with the Operating Model. This Board ensured the effective and efficient operation of the Agency through its risk control framework, workforce management, operational delivery management, and compliance to internal policies and government standards. Chaired by the Finance Director, the Foundations Board was stood up in July 2025 and met six times during 2025-26.

Design Authority Board

The Design Authority Board (DAB) owned the Agency's operating model, its design principles and its associated core processes. The meeting schedule was driven by the need for decisions, and it met twice during 2025-26. It was chaired by the Finance Director.

Table 16: meeting attendance schedule.

Names	Role(s)	Board	ExCo	ARAC
Number of meetings held during 2025-26		5	6	6
Non-executive board and committee members				
Lord David Willetts	Chair of the UKSA Board	5/5	-	-
Sarah Pumfrett	Chair of ARAC	5/5	-	6/6
Stuart Martin		5/5	-	-
David Parker		5/5	-	-
Fiona Rayment		4/5	-	-
Kevin Shaw		5/5	-	6/6
Peter Watkins		5/5	-	6/6
DSIT representative (see Note b.)		5/5	-	5/6
Executive directors				
Paul Bate (see Note b.)	CEO and Chair of ExCo	5/5	6/6	5/6
Annelies Look	Chief Delivery Officer and	-	5/6	-
Chris White-Horne	Deputy CEO (job share)	-	3/6	-
Evan Haselwood (see Note b.)	Director of Finance	5/5	6/6	6/6
Claire Barcham (see Note c.)	Director of Corporate Services	-	4/4	-
Craig Brown		-	6/6	-
Anu Ojha (see Note d.)		-	4/5	-

Notes to Table 16:

- A dash (-) in the attendance column represents that the person was not a standing member or required attendee of this meeting.
- Invited to ARAC as a standing attendee; only non-executives were formal members of ARAC.
- Claire Barcham left the Agency on 30 November 2025.
- Anu Ojha took a career break between December 2025 and March 2026.

4. Risk Management

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

Risk was managed in line with the Agency's Risk Management Policy and Risk Management Process Guide. These documents were approved by the Executive Committee, endorsed by ARAC and were reviewed annually.

The Agency's Risk Appetite Statement, first published in January 2024, was developed to align with both the Departmental Risk Appetite set out in DSIT and the principles outlined in HM Treasury's Orange Book.

In the 2025-26 Corporate Plan we stated that the risk appetite statement would be redeveloped in line with the DSIT format, to improve alignment. However, with the decision to merge with the department in August 2025 this did not happen. Instead, ExCo reviewed the current risk appetite format and agreed to bring appetites in line with DSIT levels without the requirement to develop a new working document and subsequent disruption that would have caused.

This focused two key areas, governance and counter fraud risk appetites. The Agency assessed our governance risk appetite failed to reflect our appetite and requirement for stringent action and decision records. As such the appetite was reduced to a Low (4) The update also brought the Agency's fraud and compliance appetite in line with DSIT which was higher than the Agency appetite. Having completed the Counter Fraud improvement plan, the Finance team felt all mitigations were complete and the fraud risk to the Agency was as low as economically practical, and therefore the risk appetite was increased to Very Low (1) to Low to Medium (6).

Due to the changes to the internal Governance Framework, the Agency created a Risk Escalation Framework and updated the Risk Management Process Guide to reflect the new reporting requirements. A new level was added to the Agency's risk hierarchy, which then comprised of Principal, Corporate, Directorate, Foundation Portfolio and Project and Programme risks.

Principal and Corporate risks were managed by a dedicated Agency Risk Manager, alongside Risk Owners. The full Principal and out-of-tolerance corporate risk register was reviewed at ExCo and UKSA board meetings. The Foundations Board monitored in-tolerance corporate risks and were responsible for approving the opening and closing of them.

ARAC reviewed the overall assurance and risk management processes, as well as Principal and Corporate risks, at every meeting. To ensure that key risks were being mitigated effectively, ARAC commissioned in-depth reviews such as cyber-attacks and longer-term, chronic risks. Agency executives were responsible for managing Project and Programme risks through the portfolio management function and the Delivery Board. The Risk Management Framework aligned with the 'three lines of defence' model of the overarching assurance framework.

In 2025-26, the Agency continued to embed this framework to ensure that employees followed a single process for identifying and managing risks that may threaten delivery of services and achievement of objectives. This framework aligned with the main principles of HM Treasury's Orange Book.

Table 17 on the opposite page lists the Agency's risk appetite and tolerance, grouped by primary and secondary risk category. The risk appetite is shown on a five-point scale from very low to very high. Risk tolerance is in the range 0 (lowest) to 25 (highest).

Risk category key:

-  High
-  Medium
-  Low
-  Very Low

Primary risk category	Secondary Risk Category	Risk Appetite	Risk Tolerance (Impact x Likelihood)
Strategic Delivery	-	High	12 (4 x 3)
	Governance	Low	4 (2 x 2)
	Change	High	16 (4 x 4)
	Delivery Outcomes	High	12 (4 x 3)
Financial Exposure	-	Medium	12 (3 x 4)
	Budget	Low	8 (2 x 4)
	Fraud & Compliance	Low	6 (2 x 3)
Policy	-	Medium	9 (3 x 3)
	Policy Instability	High	16 (4 x 4)
Operations	-	Medium	9 (3 x 3)
	Process failures	Medium	9 (3 x 3)
	Current Business -	Low	8 (4 x 2)
	Critical Technology		
	Future Technology	Medium	12 (4 x 3)
	Delivery Partners	Medium	12 (3 x 4)
Commercial	-	Medium	9 (3 x 3)
	Defining & Sourcing Requirements	Medium	10 (2 x 5)
	Supply Chain Fraud	Low	2 (1 x 2)
People and Culture	-	Medium	10 (2 x 5)
	People	Low	4 (2 x 2)
	Culture	Medium	12 (3 x 4)
Safety and Security	-	Low	6 (2 x 3)
	Health & Safety	Low	5 (1 x 5)
	Security	Low	6 (2 x 3)
	Information	Low	6 (2 x 3)
Reputation	-	Medium	9 (3 x 3)
	Codes of Conduct	Low	4 (1 x 4)
Legal Compliance	N/A	Very Low	1 (1 x 1)
Legal Challenge	N/A	Medium	10 (2 x 5)
Climate Related Risk - UKSA Operations	N/A	Medium	12 (3 x 4)
Climate Related Risk - Space	N/A	Medium	15 (3 x 5)

Table 17: risk appetite and tolerance by category.

5. Assurance and Internal Control

As Principal Officer, I am responsible for maintaining an effective system of internal control that supports the achievement of the Agency's objectives while safeguarding public funds and assets.

The accounting period covered by this report, 1 April 2025 to 31 March 2026, relates to the time when the Agency operated as an arm's-length body, under the Accounting Officer arrangements then in place. Consequently, the assurance and disclosures set out in this section relate substantially to the system of internal control in place during that period.

This responsibility was exercised in line with HM Treasury's Managing Public Money guidance and the terms of the Accounting Officer appointment, including the delegation of financial authority from DSIT.

During 2025-26, the Agency adopted a proportionate, risk-based assurance approach considering the transition into DSIT. In line with the Orange Book principles of leadership, proportionality and integration, the Foundations Board prioritised corporate assurance activity on six core functional areas (Finance, Commercial, Security, DDaT, Governance and People) given their concentration of statutory, mandatory and legal controls.

As part of this streamlined model, the core functions completed a mapping of mandatory and legal controls, clarifying ownership, evidence sources and assessments of effectiveness. This work identified some evidence gaps and reliance on manual processes in several governance and information-management-related controls. These areas were captured in the Integrated Assurance Map (IAM), ensuring focus remained proportionate and directed to the areas of greatest risk exposure.

To further integrate assurance across the three lines of defence, the Director's Annual Assurance Statement of Internal Control (DAASIC) was delivered in February 2026 with a reduced scope of 17 high priority topics, focusing on those areas most critical to the transition and most closely aligned to the Agency's Principal and Corporate risks. Directors completed evidence-based self-assessments, which were independently reviewed by functional SMEs and moderated by the Corporate Risk Audit and Assurance (CRAA) team. Results were incorporated into the IAM, with any discrepancies or misalignments addressed through moderation sessions to ensure a consistent and balanced assessment of control effectiveness.

The DAASIC confirmed that the Agency's control environment remained broadly effective, whilst highlighting several cross-Agency improvement areas, including line management standards, prompt payment processes and workforce planning constraints linked to vacancies and temporary staffing. It also identified a small number of more substantive directorate specific issues, notably around records management maturity and the timely tracking and closure of GIAA audit recommendations. These findings were formally reported to the Foundations Board in March 2026 in line with the Agency's principles of transparency, integrated assurance and continuous review.

The IAM provided a consolidated view of assurance across the Agency by bringing together evidence from all three lines of defence and mapping it against the prioritised controls, with risk exposure and appetite used to determine the level of assurance required for each. Through triangulation of that evidence, it identified where coverage was sufficient and where gaps or weaknesses remained, enabling more targeted assurance activity and giving senior leaders a clearer more complete picture of the assurance landscape.

The outputs were made visible to senior leaders through a dedicated dashboard and presented at the Foundations Board. Findings were also shared with the DSIT assurance team to help inform future assurance activity.

6. Freedom of Information and Environmental Regulations

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

In 2025-26, the Agency received 52 FOI requests of which 50 were responded to within the 20 working day statutory time limit. This represents a compliance rate of 96%.

Two FOI responses exceeded the initial 20 working day statutory deadline. One request was extended in line with Section 10(3) of the Freedom of Information Act to allow for public interest test considerations, and the response was issued within the permitted extended timeframe. The second request took longer to process due to the complexity of the issues raised and the need to ensure the accuracy and completeness of the information provided. The response was issued once those checks were concluded.

7. Grant Assurance

The Agency's grant policy was refreshed following the Integrated Transformation Programme and grant assurance review, to address issues raised by stakeholders. The development of a new Grant Manager Handbook standardised grant competitions and management across the Agency. The Agency developed standard assessment criteria to ensure all grants had a similar approach to qualitative assessment of grant proposals. These changes ensured a more robust and harmonised approach to grant awards throughout the Agency. Improvement plans to ensure better compliance across the Agency were implemented.

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

Training material was developed for all individuals in grant management roles, and the commercial team supported all ad-hoc requests for support and tailored training. Furthermore, staff were encouraged to obtain a grants "Licence to Practice", which was granted following the successful completion of a training course provided by the Government Grants Management Function. The Agency also worked with DSIT and legal advisers to introduce changes to its grant funding agreements, reducing many of the regular queries the Agency receives from grant applicants.

8. Commercial and Procurement

The Agency's Procurement Policy ensured compliance with the Procurement Act 2023 and other applicable legislation. With the launch of the new regulations, the Agency's Commercial Team implemented a revised policy to ensure compliance with the new Act.

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

Commercial pipeline was captured in the Commitment App, covering all commercial activity: grants, procurements and Memoranda of Understanding. Cabinet Office pipeline reporting requirements were met via disclosures collated by DSIT, which the Commercial Team fed in as applicable.

Contracts were managed by programme staff, with support from the Commercial Team. This included providing guidance on contract management topics such as tiering, contract management plans, and obligations matrices. Delivery of milestones were tracked by contract managers, ensuring outputs remained aligned with contractual requirements. Improvements identified in the Contract Management GIAA advisory audit were fully implemented.

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

Commercial risks were included in the Corporate Risk register and monitored by the Commercial Team.

9. Business continuity and disaster recovery

The Agency regularly reviewed and updated its bespoke Business Continuity Plan.

The Business Continuity Team has engaged with landlords of all Agency offices, to ensure mutual understanding of each other's business continuity arrangements and emerging issues. Business continuity practices have been successfully tested and utilised to help ensure staff safety in situations where access to locations was restricted or safety was compromised due to extreme weather or other events.

The Business Continuity Team worked with Integrated Corporate Services (ICS) to ensure a seamless handover of business continuity arrangements, which were integrated into ICS and DSIT systems from 1 April 2026.

10. Information Management

The Agency continued to implement the actions outlined in the 2024 Data Quality, Information Governance and Corporate Technology strategies, to steer specific improvements and advancements in these areas as well as provide more robust reporting metrics and improve confidence in the Agency's information and data.

Data quality was reported at senior levels and its quality rating improved from level 2 to level 4 (out of 5), reflecting significant strengthening of data standards and oversight. While some issues emerged in relation to the migration to DSIT, the introduction of tracked metrics and active monitoring enabled proactive intervention where required.

The strengthening of Information Governance (IG) policy and processes, and the enhancement of the Record of Processing Activities and other IG requirements through effectively managed workflow and applications, resulted in standardised robust data that allowed information risk to be assessed, understood and mitigated more effectively. This readied the Agency for its transition into DSIT, putting it in a strong position to lead this programme of work. The remaining IG deliverables within the Corporate Technology Strategy were paused or rescope at the end of 2025 to review how best to integrate the activity with those underway within DSIT and ICS, which were looking to address some of the same issues.

11. Information Security

The Agency's approach to information security was built on close collaboration between the Agency Security Advisor and the Chief Digital Information Officer, working alongside Government Security and the UK National Technical Authorities. This partnership ensured that Agency systems were continuously strengthened against cyber threats, with a clear focus on improving resilience to known vulnerabilities and attack methods. These activities directly supported the objectives of the Government Cyber Security Strategy 2022–2030.

A strong organisational security culture was maintained through mandatory annual e-learning for all staff covering security and data protection. Ongoing training placed particular emphasis on the correct classification and sharing of information, recognising phishing emails and smishing texts, understanding social engineering techniques, protecting assets, and reporting security incidents. Additionally, all new staff received individual security inductions upon joining.

The effectiveness of the Agency's security governance and risk management arrangements was independently validated. The Government Security Group confirmed in the Agency's 2025 Departmental Security Health Check that the Agency met the relevant functional standard in full. The assessment noted sustained full compliance and formally recognised the effort required to achieve and maintain this position.

12. Regularity and Propriety

The Agency was committed to establishing and applying appropriate regularity and propriety standards, including embedding appropriate cultures and behaviours, and did not tolerate any form of fraud, bribery or corruption. The Agency's key components in this regard were its counter fraud policy, anti-corruption and anti-bribery policy and arrangements, gifts and hospitality policy, whistleblowing policy, and conflict of interest policy.

Counter fraud

The Agency remained committed to maintaining a transparent environment and had a policy framework in place covering counter fraud (incorporating bribery and corruption) and whistleblowing. These policies provided clear guidance to staff and were regularly reviewed for relevance and clarity.

Through the Agency's Counter Fraud Action Plan, a strong focus was placed on embedding the recommendations from the Public Sector Fraud Authority (PSFA) and GIAA review. Following a further review, the GIAA confirmed that all counter-fraud recommendations were fully closed during 2025-26. In line with continuous improvement, the Agency's Fraud Risk Assessment was updated to reflect current risks and controls in the Agency's management of fraud risk. Counter fraud continued to be promoted across the Agency including raising awareness via internal communications and the availability of training. This included annual mandatory training provided by the Civil Service-Learning platform for all staff and additional training tailored to line managers. The Agency also continued to strengthen compliance behaviours through proportionate testing and increased awareness of key policies.

Anti-Corruption and Bribery

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

In response to a GIAA recommendation, the Agency introduced a dedicated policy on gifts, hospitality, bribery and corruption, and digitised the associated register during 2025-26 through an internal application. The Agency maintained a Gifts and Hospitality Register to record all gifts and hospitality received, including any reciprocal gifts, as well as those declined and nil returns, which were submitted on a quarterly basis. No instances of bribery or corruption were identified within the Agency during 2025-26.

Conflicts of interest

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

In 2025-26, the Agency updated its policy and digitised the associated central register of declared conflicts of interest for all staff through an application.

Whistleblowing and raising concern policy

The Agency adopted the principles of the DSIT Whistleblowing and Raising a Concern Policy, while adhering to an internal escalation process. The Agency made every effort to ensure that the policy and associated guidance was made available to all staff, as was a whistleblowing hotline, monitored by trained personnel, for use by all staff to report a concern under the policy. In 2025-26 there were no incidents of whistleblowing.

13. Business Appointments

The Business Appointment Rules (BAR) were included in the Agency's leavers' checklist for the processing of any member of staff leaving the Civil Service. Any applications were processed and managed within the Agency's HR Operations team. One application was received during 2025-26.

The Agency was compliant with the Business Appointment Rules and was transparent in the advice given to individual applications for senior staff. The Agency also came within the BAR policy and DSIT's guidance.

14. Science and Technology Act 1965

HM Treasury approval must be sought for all grants issued under the Science and Technology Act 1965. HM Treasury approval was sought for grants falling within the scope of the Act to ensure complete regularity of spend. Further information can be found in the Parliamentary Accountability and Audit report on page 92.

15. Health and Safety

The Agency's approach to health and safety is set out in its Health and Safety Policy, which defined the overall framework for managing health and safety risks across the organisation. The policy clarified responsibilities at all levels and ensured that risks were identified, assessed and managed in a proportionate and systematic manner.

To support effective risk management, the Agency undertook risk assessments to identify potential hazards and implement appropriate control measures. Employee engagement was supported through the involvement of trade union representatives. All employees and contractors were required to complete mandatory annual health and safety training, with additional specialist training available, including First Aid at Work, Mental Health First Aid and Fire Warden duties.

The Agency promoted safe working practices through the provision of Display Screen Equipment (DSE) training, guidance and assessments for both office-based and home working. Assistive technology was available to support employees with disabilities, and free eyesight tests and corrective glasses were provided where required for DSE use. During 2025-26, there were no reportable injuries under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

16. Public Sector Equality Duty

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

The Agency made positive strides on Equality, Diversity and Inclusion and, as part of the Cabinet Office Inclusive Practice Heads of Diversity/ Diversity Leads Working Group, had access to up-to-date guidance and initiatives.

17. Functional standards

The Agency routinely monitored functional standard compliance through engagement with Function Leads however, for 2025-26 the Agency centralised the process and reporting requirements. Applicable functional standards were determined and included on the central Integrated Assurance Map and Function Leads were commissioned to complete a full continuous improvement template. Results and improvement actions were reported to the Foundations Board.

18. Internal Audit

Internal Audit, delivered by the Government Internal Audit Agency (GIAA), provided independent assurance to the Accounting Officer, with its annual programme developed in consultation with ExCo and ARAC and monitored internally by the Corporate Risk, Assurance and Audit team.

During 2025-26, the GIAA completed audits on counter fraud, Procure to Pay (P2P), contract management, data and knowledge management, travel and subsistence, and an advisory review of compliance with the Government Functional Standards (GFS). Two planned audits, Strategic Workforce Planning and the Integrated Transformation Programme, were cancelled following discussions between the Agency and DSIT, in recognition of the merger and the resulting changes to organisational priorities.

The counter fraud and travel and subsistence follow-up reviews confirmed that all prior improvements had been successfully embedded. The Procure to Pay audit found controls to be broadly effective, with opportunities identified to further enhance process discipline and management information. The contract management review highlighted areas where governance, oversight and capability required continued improvement, all of which were addressed. The advisory review of the Government Functional Standards found that compliance processes would benefit from a clearer and more structured approach, which was implemented.

As at 31 March 2026, four recommendations remained outstanding and were transferred to the DSIT Financial Control and Assurance Team. Two related to the Procure to Pay audit, and two remained open following the Data and Knowledge Management review, which concluded at the end of March 2026. A small number of recommendations were closed-at-risk due to factors outside the Agency's control or superseded by changes arising from the transition to DSIT. These related to People Strategy activity and recruitment processes, policy areas awaiting DSIT alignment, and elements of grant management. All available mitigating actions were taken, and the residual risks were appropriately managed as the Agency prepared for its merger with DSIT.

The overall GIAA audit opinion for 2025-26 was **Moderate**. The GIAA recognised continued improvements across the Agency's governance, risk management and control framework, building on the prior year's opinion. The internal audit programme for 2026-27 will be integrated into the DSIT audit plan.

I am satisfied that effective internal control of risk has been in place from 1 April 2025, through to 31 March 2026. I received a letter of assurance from UK Space Agency's Chief Executive before his departure.

Emran Mian CB OBE
Principal Accounting Officer
1 July 2026

19. External Audit

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

The NAO was the Agency's external auditor. Please refer to the Certificate and Report of the Comptroller and Auditor General on page 94 for any matters the NAO has reported on in 2025-26.

For 2025-26, the NAO completed its audit in line with International Standards on Auditing (UK), using a risk based approach that focused on areas involving significant judgement, risks to the regularity of expenditure, and issues linked to the Agency's transition into DSIT.

Remuneration and Staff Report

SENIOR CIVIL SERVICE REMUNERATION POLICY

Remuneration Policy

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

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

<https://www.gov.uk/government/organisations/review-body-on-senior-salaries>

Performance and reward

The Senior Civil Service pay system consists of relative performance assessments. The highest performing individuals in DSIT and its Arm's Length Bodies were awarded a non-consolidated performance reward for their performance against objectives in 2024-25 which was paid in 2025-26.

In 2025-26, government departments continued to have discretion to make in-year non-consolidated award payments to recognise outstanding contribution. These performance awards varied in amount within an overall cost envelope of 3.3% of the departmental SCS pay budget (2024-25: 3.3%). This will be paid from DSIT in 2026-27.

Pay increases for SCS in 2025 were 3.25% across the board, with increases of £5,000 to the pay range minima for SCS Pay Bands 1 and £2,000 for SCS Pay Bands 2-3.

Further information about the performance and reward arrangements for Senior Civil Servants can be found at:

<https://www.gov.uk/government/collections/senior-civil-service-performance-management-and-reward>

Service Contracts

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

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

Further information about the work of the Civil Service Commission can be found at:

www.civilservicecommission.org.uk

THE FOLLOWING SECTIONS ARE AUDITED INFORMATION

Salary and pension entitlements

The following table shows the remuneration of Executive Committee members during 2025-26, including the details of their salary and pension entitlements. All Board members are Senior Civil Servants.

Table 18: Remuneration of Executive Committee members 2025-26 (Page opposite).

Name	Salary ⁽ⁱ⁾ in bands of £5,000		Performance reward payments ⁽ⁱⁱⁱ⁾ in bands of £5,000		Pension benefits ⁽ⁱⁱⁱ⁾ to nearest £1,000		Single total figure of remuneration in bands of £5,000	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25 (Re-stated)	2025-26	2024-25 (Re-stated)
Chief Executive Officer								
Paul Bate ^(v) ^(vi)	160-165	160-165	-	10-15	62	54	230-235	235-240
ExCo Members								
Craig Brown	100-105	95-100	5-10	5-10	40	39	145-150	145-150
Evan Haselwood ^(v)	80-85	55-60 (75-80 FTE)	-	0-5	33	22	115-120	80-85 (100-105 FTE)
Annelies Look ^(vii)	100-105	100-105	5-10	0-5	40	82	150-155	185-190
Chris White-Horne ^(v)	100-105	100-105	5-10	0-5	40	88	150-155	190-195
Julie Black (From 01.04.25)	105-110	-	-	-	43	-	150-155	-
Harshbir Sangha (From 01.04.25)	85-90	-	5-10	-	34	-	125-130	-
Sarah Jane Gill (From 15.12.25)	20-25 (60-65 FTE)	-	-	-	7	-	30-35 (65-70 FTE)	-
Peter Batt (From 08.12.25)	25-30 (80-85 FTE)	-	-	-	10	-	35-40 (90-95 FTE)	-
Previous ExCo Board Members								
Claire Barcham (to 30.11.25)	60-65 (90-95 FTE)	85-90	-	0-5	25	35	85-90 (115-120 FTE)	125-130
Anu Ojha (to 07.12.25)	70-75 (105-110 FTE)	105-110	-	0-5	29	41	100-105 (135-140 FTE)	145-150

Notes:

(i) Performance rewards are non-consolidated payments.

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

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

(iv) Officials covered in this table were members of the Executive Committee during 2025-26. All other executive directors are standing attendees who hold no voting rights and, on that basis, are therefore not included in the above table.

(v) Prior year pension benefits have been restated due to overstatement or calculation on pre-McCloud judgement remedy basis.

(vi) Paul Bate left under Voluntary Exit terms on 31 March 2026. His compensation payment is £110-115k and CILON is £15-20k.

(vii) Exit packages for Annelies Look and Chris White-Horne were agreed at year end.
The compensation payments will be £95-100k.

Salary

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

Benefits in kind

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

Bonuses

Bonuses are non-consolidated award payments, based on performance levels attained and are made as part of the appraisal process. The bonuses reported in 2025-26 relate to performance in 2024-25 and the comparative bonuses reported for 2024-25 relate to performance in 2023-24.

Single total figure of remuneration

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

Fair pay disclosure

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. Total remuneration includes full year equivalent salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Figures are shown in Table 19 below:

	2025-26	2024-25	Change
Band of Highest Paid Director's Total Remuneration	£165 - 170k	£175 - 180k	-5.6%
25th percentile total remuneration	£39,555	£42,635	-12.2%
25th percentile pay ratio	4.23	4.16	2.0%
25th percentile salary component of total remuneration	£37,239	£42,409	-7.0%
Median total remuneration of the workforce	£48,652	£55,311	-12.0%
Median pay ratio	3.44	3.21	7.2%
Median salary component of total remuneration	£45,995	£54,936	-16.3%
75th percentile total remuneration	£61,458	£62,397	-1.5%
75th percentile pay ratio	2.73	2.84	-3.9%
75th percentile salary component of total remuneration	£58,987	£61,910	-4.7%

There was a 12% decrease in median total remuneration and a 5.6% decrease in the total remuneration of the highest paid director for 2025-26. This is because of the increase in staff being located outside of London and the director receiving a 100% increase in performance pay in 2024-25, as no bonuses were awarded in the previous year. The median pay ratio is consistent with the pay, reward, and progression policies in the Agency. In 2025-26 the pay ratio decreased. The average percentage change from the previous financial year in respect of the employees of the entity taken as a whole was a 7.1% decrease.

In 2025-26, no employee received remuneration in excess of the highest-paid director (2024-25: no employee). Remuneration in the Agency ranged from £25-30k to £160-165k (2024-25: £25-30k to £175-180k).

PENSION BENEFITS

Civil Service Pensions

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

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

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary

sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

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

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

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively

exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Master trust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website:

www.civilservicepensionscheme.org.uk

**Table 20: Pension benefits of Executive Committee members 2025-26⁽ⁱ⁾.
(Shown on page opposite)**

All Executive Committee Members are SCS.

Accrued pension benefits included in Table 20 for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Real increase in pension and lump sum

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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member

at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

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

Real increase in CETV

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

Remuneration of Board and Audit Committee Non-Executive Members

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

In line with the other governance bodies within the DSIT family of partner organisations, the Agency's non-executive members receive an honorarium and are reimbursed for any legitimate expenses incurred on behalf of the Agency, which are included in Table 21 on page 86. Their remuneration is subject to tax deductions at source and is reported on an accrual basis. Where non-executive members joined or left the Agency part way through a financial year, their full-time yearly equivalent is included below their in-year salary.

Name	Accrued pension at pension age as at 31.03.2025 and (if applicable) related lump sum in bands of £5,000	Pension increase in real terms and (if applicable) related lump sum at pension age in bands of £2,500	CETV at 31.03.2026 to the nearest £1,000	CETV at 31.03.2025 to the nearest £1,000	Real increase in the CETV as funded by the employer, to the nearest £1,000	Employer contribution to partnership pension account to the nearest £100
Paul Bate ⁽ⁱⁱ⁾	50-55	2.5-5	719	646	41	-
Craig Brown	5-10	0-2.5	98	66	22	-
Evan Haselwood ⁽ⁱⁱ⁾	10-15	0-2.5	115	92	14	-
Annelies Look	40-45 plus a lump sum of 95-100	0-2.5 plus a lump sum of 0	865	793	24	-
Chris White-Horne ⁽ⁱⁱⁱ⁾	40-45 plus a lump sum of 95-100	0-2.5 plus a lump sum of 0	959	878	28	-
Julie Black (from 01.04.25)	30-35	2-5.5	467	418	28	-
Harshbir Sangha (from 01.04.25)	30-35 plus a lump sum of 70-75	0-2.5 plus a lump sum of 2.5-5	622	567	21	-
Sarah-Jane Gill (from 15.12.25)	10-15	0-2.5	159	154	4	-
Peter Batt (from 8.12.25)	30-35	0-2.5	554	533	7	-
Claire Barcham (from 30.11.25)	30-35	0-2.5	390	369	12	-
Anu Ojha (from 07.12.25)	5-10	0-2.5	101	71	21	-

Notes:

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

(ii) Prior year CETV was overstated.

(iii) Prior year CETV was calculated on pre-McCloud judgement remedy basis.

Table 21: Remuneration of UK Space Agency Board and Audit Committee Non-Executive Members 2025-26

Non-Executive Member	Position	Period of Appointment	Honoraria	
			2025-26 £000	2024-25 £000
Lord David Willetts	Chair of Board	April 2022 - March 2026	25-30	20-25
Sarah Pumfrett	Chair of Audit, Risk and Assurance Committee	October 2024 - July 2026	10-15	5-10 (15-20)
Kevin Shaw	Non-Executive Board and Audit Committee Member	June 2021 - June 2026	5-10	5-10
Peter Watkins	Non-Executive Board Member and Audit Committee Member	June 2021 - June 2026	5-10	5-10
Dame Fiona Rayment	Non-Executive Board Member	May 2024 - March 2026	5-10	5-10
Stuart Martin	Non-Executive Board Member	May 2024 - March 2026	5-10	5-10 (5-10)
David Parker	Non-Executive Board member	May 2024 - March 2026	5-10	5-10 (5-10)

Staff report

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes but UK Space Agency is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2026. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation Resource accounts - Civil Service Pension Scheme.

For 2025-26, employers’ contributions of £4,901,148 were payable to the CSOPS (2024-25: £4,771,565) at 28.97% of pensionable earnings. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2025-26 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers’ contributions of £28,622 (2024-25: £29,894) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £1,061 (2024-25: £1,323), 0.5% of pensionable pay, were payable to the CSOPS to cover the cost of the future provision of lump

sum benefits on death in service or ill health retirement of these employees.

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

One member of staff retired early on ill-health grounds (2023-24: none).

During 2025-26 no employee left the Agency and received a payment under the Civil Service Compensation Scheme efficiency terms (2024-25: one).

Exit packages

Exit packages refer to Civil Service and other compensation schemes. Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972.

Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

The total cost of exit packages agreed and accounted for in 2025-26 was £321k (2024-25: £0). £0 exit costs were paid in 2025-26 (2024-25: £0). Three other departures were agreed; two within the £50,000-£100,000 band (2024-25: none) and one in the £100,000-£150,000 band (2024-25: none).

Table 22: Analysis of staff costs and average number of persons

The Agency has remained fairly static in terms of numbers of staff in 2025-26.

	2025-26			2024-25		
	Permanently employed £000	Other £000	Total £000	Permanently employed £000	Other £000	Total £000
Wages and salaries	18,281	-	18,281	17,263	-	17,263
Social security costs	2,521	-	2,521	1,972	-	1,972
Other pension costs	4,930	-	4,930	4,801	-	4,801
Subtotal	25,732	-	25,732	24,036	-	24,036
Add cost of inwards secondments/loans	-	178	178	-	273	273
Less recoveries in respect of outward secondments/loans	-	(10)	(10)	-	(44)	(44)
Total staff costs	25,732	168	25,900	24,036	229	24,265
	FTE	FTE	FTE	FTE	FTE	FTE
Average number of persons employed ^{(i) (ii)}	307.0	12.1	319.2	305.2	2.4	307.6

Notes:

- (i) There have on average been 15 FTE outward secondees during the year (2024-25: 2.0 FTE) when the Agency's staff have been seconded/loaned to other organisations.
- (ii) There have been on average 12.1 FTE inward secondees/loans. (2024-25: 2.4 FTE).

The following section on staff related disclosures is unaudited information**Recruitment position for UK Space Agency – 2025-26**

Number of recruitment campaigns run in 2025-26				48
Total number of applicants:				1,192
Potential posts available:	29		Total posts filled:	17
	UKSA Internal on Promotion:	UKSA Internal on Lateral Transfer:	From OGDs:	External:
	12	8	5	4
Time to hire:				
On average we fill our posts within:			65 working days	
The average target for Civil Service to fill is:			94 working days	

Notes:

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

Off payroll engagements

Table 23 below present data on our off-payroll engagements. Off-payroll engagements refer to workers who are paid off-payroll, without deducting tax and national insurance at source, typically contractors.

Highly paid off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater.	
Number of existing engagements as of 31 March 2026	11
Of those < 1 year	10
Between 1 and 2 years	1
Between 2 and 3 years	-
Between 3 and 4 years	-
4 or more years	-
All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 per day or greater at UK Space Agency	
No. of all off-payroll workers engaged during the year ended 31 March 2026	14
Of which, not subject to off-payroll legislation	-
Of which, subject to off-payroll legislation and determined as in-scope of IR35	13
Of which, subject to off-payroll legislation and determined as out-of-scope of IR35	-
No. of engagements reassessed for compliance or assurance purposes during the year	-
Of which: Number of engagements that saw a change to IR35 status following review	-
For any off-payroll engagements of board member and/or senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026 at UK Space Agency	
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	-
Total No. of individuals on payroll and off-payroll that have been deemed "board members and/or senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements	10

Consultancy costs of £2.2m were incurred during 2025-26 (2024-25: £2.4m) [Audited].
The cost of contingent labour during the year was £1.8m (2024-25: £4.4m) [Audited].

Remuneration policy

The remuneration policy adopted by the UK Space Agency is in line with the DSIT departmental policy. The 2025 pay award was effective from 1 August 2025. The 2025 Civil Service pay remit guidance was 3.25% with a further 0.5% for targeted increases.

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

Staff composition

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

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

UK Space Agency grades	2025-26		2024-25	
	Actual number	% of workforce	Actual number	% of workforce
Administrative Assistants and Administrative Officers	1	0.30	1	0.31
Executive Officers	10	3.04	8	2.48
Higher Executive Officers and Senior Executive Officers	159	48.33	151	46.75
Grade 7/6	150	45.59	152	47.05
Senior Civil Servants	9	2.74	11	3.41

Equality, diversity and inclusion

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

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

Over 2025-26 we have continued to focus on initiatives to support our people while delivering the Space Transformation Programme. We maintained our membership of the Disability Confident employer scheme to improve how we recruit, retain and develop people with disabilities.

We continued to build on our Respect at Work Campaign and have rolled out our successful Respect at Work and Wellbeing Speaker Series; a series of webinars covering issues our colleagues have told us they want support with. We have also delivered a comprehensive programme of wellbeing initiatives and services.

Our trained teams of Respect at Work First Responders and Mental Health First Aiders provide signposting to the support options we have available to all our colleagues.

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

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

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

Information on the results from the latest Civil Service People Survey is included in the 'Equality, Diversity and Inclusion' section of the performance report on page 48.

Workforce Statistics	2025-26		2024-25	
	Actual number	% of workforce	Actual number	% of workforce
Gender Male	171	51.50	175	54.18
Gender Female	161	48.50	148	45.82
Working Pattern Full-time	301	90.66	297	91.95
Working Pattern Part-time	31	9.34	26	8.05
Disability Yes	37	11.14	32	9.91
Disability No	139	41.87	131	40.55
Disability Prefer Not to Say/Undisclosed	156	46.99	160	49.54
Ethnicity White – English	136	40.96	132	40.87
Ethnicity White – Irish	3	0.90	5	1.55
Ethnicity White – Welsh	15	4.52	11	3.41
Ethnicity White – Scottish	8	2.41	8	2.48
Ethnicity Black – African	1	0.30	1	0.31
Ethnicity Black – Black, Black Scottish, Black British	4	1.20	3	0.93
Ethnicity Asian – Indian	7	2.11	11	3.41
Ethnicity Asian – Bangladeshi	4	1.20	3	0.93
Ethnicity Asian – Pakistani	1	0.30	2	0.61
Ethnicity White and Black Caribbean	2	0.60	3	0.93
Ethnicity Other White Background	13	3.92	16	4.95
Ethnicity Other Asian Background	7	2.11	12	3.72
Ethnicity Mixed – Any other mixed background	16	4.82	7	2.16
Ethnicity Prefer Not to Say/Unknown	115	34.65	109	33.74

Workforce diversity (Executive Committee only)	2025-26 % declared	2024-25 % declared
Black and ethnic minorities	16.70	12.5
Women	25.00	37.5
Disabled	16.70	25
Working pattern – part-time	16.70	25

Sickness absence

In the 12-month period April 2025 to March 2026 the average working days lost though recorded sickness absence was 6.9 days per employee. In the same period April 2024 to March 2025 average working days lost through recorded sickness absence was 8.14 days per employee.

Staff Turnover Data

The agency monitors turnover rates in line with Cabinet Office guidelines to ensure an appropriate level of turnover is maintained. The turnover figure is calculated as the number of leavers within the reporting period divided by the average of staff in post over the period. UKSA's staff turnover rate for 2025-26 was 16.6% (2024-25: 14.8%).



Image: Flaming Star Nebula © Kevin Wilcox,
ZWO Astronomy Photographer of the Year 17 courtesy of Royal Observatory Greenwich.

Parliamentary Accountability and Audit Report

These pages present audited information.

Our Chief Executive and Accounting Officer is personally accountable to Parliament for our performance. Our financial statements are subject to audit by the Comptroller and Auditor General, who heads up the National Audit Office and is responsible for scrutinising public spending and safeguarding the interests of taxpayers on behalf of Parliament. The Comptroller and Auditor General's audit certification is presented on page 94.

SCIENCE AND TECHNOLOGY ACT 1965

The Science and Technology Act 1965 governs responsibility and powers in respect of scientific research. HM Treasury approval must be obtained for all grants issued under the Act.

LOSSES AND SPECIAL PAYMENTS

During the reporting period, the Agency incurred seven losses totalling £13,885 (2024-25: 6 losses totalling £17,124k).

There was one special payment of £8k during the reporting period.

Gifts over £300,000

During 2025-26, the Agency did not give any reportable gifts above £300,000.

REMOTE CONTINGENT LIABILITIES

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

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

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

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

The UK Government is therefore exposed to a potential liability for third-party costs which are not recoverable from the licensee. It is not possible to definitively quantify the extent of the contingent liability given the uncertainty around the nature and extent of any damage and that the risk of crystallisation is considered to be remote (less than 1%).

We are not aware of any such liabilities in the year.

CROWN DEPENDENCIES AND OVERSEAS TERRITORIES (CDOTs)

In conjunction with the contingent liabilities stemming from the Space Industry Act 2018 and the Outer Space Act 1986, a contingent liability relevant to the CDOTs also exists for historic and extant licences issued under the Outer Space Act 1986. This pertains to scenarios where the UK Government has agreed to address any claims directed at a CDOT concerning licensed activities within that jurisdiction for licences issued through the Civil Aviation Authority or by the jurisdiction itself. For any claims made against a licensee, in the first instance the authorities of these jurisdictions must cover any losses in excess of the operator's limit of liability, with the UK Government covering any losses which cannot be accommodated by those authorities, to prevent destabilisation of their economies.

This contingent liability is accounted for by UK Space Agency on behalf of the UK Government as per the arrangements above. The liability agreements between the UK government and each CDOT differs. The UK Space Agency is actively collaborating with the CDOTs to ensure their regulatory frameworks and insurance provisions continue to effectively mitigate the risk of this contingent liability being realised. As above, the liability remains unquantifiable, but a reasonable worst-case loss could be anticipated.

Emran Mian
Principal Accounting Officer
1 July 2026

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

OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of the UK Space Agency for the year ended 31 March 2026 under the Government Resources and Accounts Act 2000.

The financial statements comprise the UK Space Agency's Statement of Financial Position as at 31 March 2026;

- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.
- The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the UK Space Agency's affairs as at 31 March 2026 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

OPINION ON REGULARITY

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

BASIS FOR OPINIONS

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

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

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

OTHER INFORMATION

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

OPINION ON OTHER MATTERS

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

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

the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;

the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

MATTERS ON WHICH I REPORT BY EXCEPTION

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

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the UK Space Agency or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or

- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the UK Space Agency from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the UK Space Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the UK Space Agency will not continue to be provided in the future.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the UK Space Agency's accounting policies.
- inquired of management, the UK Space Agency's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the UK Space Agency's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the UK Space Agency's controls relating to the UK Space Agency's compliance with the Government Resources and Accounts Act 2000, the Science and Technology Act 1965 and Managing Public Money;
 - inquired of management, the UK Space Agency's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
 - discussed with the engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the UK Space Agency for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the UK Space Agency's framework of authority and other legal and regulatory frameworks in which the UK Space Agency operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the UK Space Agency. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, the Science and Technology Act 1965, Managing Public Money, and relevant employment law and tax legislation.

AUDIT RESPONSE TO IDENTIFIED RISK

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

I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

I enquired of management, the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;

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

I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

OTHER AUDITOR'S RESPONSIBILITIES

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

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

REPORT

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General
7 July 2026

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

ACCOUNTS

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Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2026

	Note	2025-26	2024-25
		£000	£000
Income from operating activities	5	(2,563)	(2,894)
Total operating income		(2,563)	(2,894)
Staff costs	3	25,900	24,265
International subscriptions, grants and other funding	4	723,529	557,590
Technical contracts and contract management	4	19,206	24,352
Depreciation and impairment	6, 7	1,211	1,448
Finance lease interest - unwinding of discount		252	281
Other operating expenditure	4	11,554	15,260
Total operating expenditure		781,652	618,196
Net operating expenditure		779,089	615,302
Other comprehensive net expenditure			
Items which will not be reclassified to net operating costs			
Net gain released on the disposal of cash flow hedges ⁽ⁱ⁾	8	(12,796)	(17,124)
Items which may be reclassified subsequently to net operating costs:			
Net loss/(gain) on revaluation of cash flow hedges ⁽ⁱⁱ⁾	8	(18,641)	39,531
Total comprehensive net expenditure for the year ended 31 March 2026		747,652	637,708

Notes:

- (i) The reported losses on disposal of cash flow hedges are notional losses which represent the total cumulative unrealised losses for the disposed contracts previously recognised in the revaluation reserve. More information can be found in Note 4 - Total operating expenditure and Note 8 - Other financial assets and liabilities
- (ii) The reported gains on revaluation of forward exchange contracts in 2025-26 are notional gains caused by an increase in the fair value of the contracts held on 31 March 2026 compared to the fair value of contracts initial value on inception. The UK Space Agency abides by the HM Treasury and DSIT group rules relating to hedging. More information can be found in Note 8 - Other financial assets and liabilities.

The notes on pages 104 to 119 form part of these financial statements.

Statement of Financial Position as at 31 March 2026

	Note	31 March 2026	31 March 2025
		£000	£000
Non-current assets			
Right of use assets	6	4,850	5,566
Tangible assets	7	3,004	3,298
Total non-current assets		7,854	8,864
Current assets			
Trade & other receivables	9	67,902	45,242
Cash & cash equivalents	10	25,002	27,556
Total current assets		92,904	72,798
Total assets		100,758	81,662
Current liabilities			
Trade & other payables	11	(76,276)	(85,754)
Lease liabilities	14	(976)	(957)
Other financial liabilities	8	(11,800)	(20,852)
Total current liabilities		(89,052)	(107,563)
Total assets less current liabilities		(11,706)	(25,901)
Non-current liabilities			
Lease liabilities	14	(3,772)	(4,523)
Provisions	15	(548)	(548)
Other financial liabilities	8	(8,738)	(31,123)
Total non-current liabilities		(13,058)	(36,194)
Total assets less total liabilities		(1,352)	(62,095)
Taxpayers' equity and other reserves			
General fund		16,190	(13,116)
Revaluation reserve		(17,542)	(48,979)
Total equity		(1,352)	(62,095)

The notes on pages 104 to 119 form part of these financial statements.

Emran Mian
Principal Accounting Officer
1 July 2026

Statement of Cash Flows for the year ended 31 March 2026

	Note	2025-26	2024-25
		£000	£000
Cash flows from operating activities			
Net operating expenditure for the year	SoCNE	(779,089)	(615,302)
Adjustment for non cash transactions - depreciation and impairment	6, 7	1,211	1,448
Adjustments for non cash transactions - auditor's remuneration	4	94	86
Adjustments for non cash transactions - other		0	(3)
Decrease in trade and other receivables	9	(22,660)	16,689
Increase in trade and other payables	11	(9,478)	34,252
Interest on lease liabilities	SoCNE	252	281
Net cash outflow from operating activities		(809,670)	(562,549)
Cash flows from investing activities			
Capital expenditure	8	-	-
Net cash outflow from investing activities		-	-
Cash flows from financing activities			
Net parliamentary funding - drawn down	SoCTE	808,300	566,000
Payment of lease liabilities		(1,184)	(1,427)
Net cash flow from financing activities		807,116	564,573
Net increase in cash and cash equivalents in the period		(2,554)	2,024
Cash and cash equivalents at the beginning of the period	10	27,556	25,532
Cash and cash equivalents at the end of the period	10	25,002	27,556

The notes on pages 104 to 119 form part of these financial statements.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2026

2025-26	General fund ⁽ⁱ⁾	Revaluation reserve ⁽ⁱⁱ⁾	Total
	£000	£000	£000
Balance at 1 April 2025	(13,116)	(48,979)	(62,095)
Net Parliamentary Funding – drawn down	808,300	-	808,300
Net operating expenditure for the year	(779,088)	-	(779,088)
Non-cash adjustments:			
Non-cash charges – auditor's remuneration	94	-	94
Movements in reserves:			
Additions	-	-	-
Disposals	-	12,796	12,796
Revaluations ⁽ⁱⁱⁱ⁾	-	18,641	18,641
Balance at 31 March 2026	16,190	(17,542)	(1,352)

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

Notes:

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

(ii) The revaluation reserve represents the decrease in value of financial derivatives in relation to the cashflow hedge instruments (see note 8).

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

The notes on pages 104 to 119 form part of these financial statements.

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of accounting

These financial statements have been prepared in accordance with the 2025-26 Government Financial Reporting Manual (FReM), as set out in a statutory Accounts Direction issued pursuant to section 7(2) of the Government Resources and Accounts Act 2000.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the UK Space Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency are described below. They have been applied consistently in dealing with items that are considered material in relation to the accounts.

1.2 Going concern

The financial statements cover the activities of the UK Space Agency and are prepared on a going concern basis. HMT has interpreted the going concern principle for the public sector to reflect the non-commercial nature of public sector bodies. Going concern for public sector bodies is based on service potential and delivery. The going concern presumption is only challenged for a public body if the services it provides can be discontinued entirely by the public sector. Transfer of services from one public body to another does not put the going concern presumption at risk in the transferring body even if all its operations will cease post-transfer. UK Space Agency ceased to exist as an organisation after 31 March, but its primary statutory functions and activities will continue for the foreseeable future by the Department for Science, Innovation and Technology from 1 April. This is demonstrated by the Department's forward-looking strategies, Estimate and the Spending Review outcome. Therefore, the accounts have been prepared on a going concern basis.

1.3 Accounting convention

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

1.4 Presentational currency

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

1.5 Intangible non-current assets

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

Patents, licences and royalties 7-15 years
--

1.6 Tangible non-current assets

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

Plant and machinery 4-24 years

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Agency becomes a party to the contractual provisions of an instrument. The fair value of financial instruments is determined by reference to quoted market prices where an active

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

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

1.8.1 Financial assets

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

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

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

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

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

1.8.2 Financial liabilities

In accordance with IFRS 9 Financial Instruments, the

Agency classifies financial liabilities as either:

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

Financial liabilities are measured at amortised cost unless either:

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

1.9 Hedge accounting under IFRS 9 Financial Instruments

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

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

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

1.10 Operating income

Operating income is income that relates directly to the operating activities of the Agency as well as income generated from Agency assets and is measured at the fair value of consideration received or receivable and is shown net of trade discounts; value added tax and other taxes.

It comprises, principally, statutory licence fees for activities covered by the Outer Space Act (OSA) 1986; co-funding income from other public sector bodies; grant funding from the EU; income from the hiring out of Agency assets and charges for services provided, on a full cost basis, to external customers. Operating income is recorded in accordance with IFRS 15.

1.11 Grants payable and receivable

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

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

The UK Space Agency (UKSA) recognises contributions to the UK Innovation and Science Seed Fund (UKI2S) as an expense, reflecting the nature of the funding as support for research and development activities within the space sector. As a Limited Partner in the UKI2S Space Sub-Fund, UKSA's contributions are designed to be evergreen, continually reinvested to foster innovation and growth.

These contributions, which are non-recoverable upon exit from the partnership, are expensed in line with the signed partnership agreement, ensuring transparency and alignment with our commitment to advancing the UK's space industry.

1.13 Ownership of equipment purchased by research grant

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

1.14 Insurance

As an Executive Agency of the Department for Science, Innovation and Technology (DSIT), the Agency, along with other public bodies of the Departmental group, do not generally insure. Insurance will only be obtained on items which, with the agreement of the Department, require it due to the risks involved. Insurance premiums are charged to the Statement of Comprehensive Net Expenditure.

Staff travelling overseas on business are covered by the Department's insurance policy for any medical costs incurred abroad, but are expected to take out their own travel insurance policy to cover any loss or damage to personal property. Claims directly related to business property are considered under DSIT expenses policy guidelines.

1.15 Foreign exchange

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

1.16 Pensions

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

Contributions to the defined benefit pension scheme are charged to the Statement of Comprehensive Net Expenditure in accordance with actuarial

recommendations to spread the cost of the pensions over the employees' expected working lives. Further details of the pension schemes can be found on the Civil Service Pensions website.

1.17 Employee benefits

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

1.18 Taxation

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

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

- irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure, and included under the relevant expenditure heading;
- irrecoverable VAT on the purchase of an asset is included in additions.
- The net amount due to, or from, HM Revenue and Customs in respect of VAT is included within other receivables and payables in the Statement of Financial Position.

1.19 Leases

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

1.19.1 Agency as lessee

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

Measurement of right-of-use asset on transition

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

Measurement of lease liability on transition

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

Measurement of right-of-use assets

Initial measurement

The Agency measures the right-of-use asset at cost, which comprises:

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

Subsequent measurement

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

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

Depreciation of right-of-use assets

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

Impairment of right-of-use assets

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

Measurement of lease liabilities

Initial measurement

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

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

- Fixed payments, including any in-substance fixed payments less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the recognition date, for example, payments linked to a consumer price index or a benchmark interest rate

- Amounts expected to be payable by the Agency under a residual value guarantee
- The exercise price of a purchase option if the Agency is reasonably certain to exercise that option
- Payments of penalties for terminating the lease if the lease term reflects the Agency exercising the option to terminate the lease and the Agency is reasonably certain to exercise this option.

Subsequent measurement

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

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

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

1.19.2 Agency as lessor

Classification

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

Finance leases: recognition and measurement

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

Operating leases: recognition and measurement

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

1.20 Contingent liabilities

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

1.21 Provisions

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

1.22 Reporting by operating segment

The UK Space Agency is no longer required to report operating segments.

1.23 Estimation techniques used and key judgements

The preparation of the Agency's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and

liabilities that are not readily apparent from other sources. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying value of the asset or liability. Where applicable, these uncertainties are disclosed in the notes to the financial statements. Areas which the UKSA believes require the most critical accounting judgements and estimates are:

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

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Accounting Policies, revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are fluctuations in the fair value of financial assets/liabilities measured using forward market exchange rates (see Note 8 Other financial assets and liabilities for further information).

1.24 Changes in accounting policies

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

1.25 Changes to International Financial Reporting Standards (IFRS) and 2025-26 Financial Reporting Manual (FReM)

1.25.1 Changes to IFRS

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

IFRS 17 Insurance Contracts

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

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

1.25.2 Changes to the FReM

There were no changes to the FReM which have required further adjustments to the policies or disclosures.

2. Statement of operating costs by operating segment

The UK Space Agency is no longer required to report operating segments.

3. Staff costs

	2025-26	2024-25
	£000	£000
Wages and salaries	18,281	17,263
Social security costs	2,521	1,972
Other pension costs	4,930	4,801
Subtotal	25,732	24,036
Add cost of inward secondments	178	273
Less recoveries in respect of outward secondments	(10)	(44)
Total staff costs	25,900	24,265

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

4. Total operating expenditure ⁽ⁱ⁾	Note	2025-26	2024-25
International subscriptions		£000	£000
European Space Agency	(ii)	588,936	348,695
Recognised loss/(gain) on forward exchange contracts		12,796	17,124
Net loss/(gain) on foreign exchange spot rate (non-hedge)		-	2,133
Total ESA subscriptions		601,732	367,952
Other international subscriptions		94	272
Other international grants & payments			
French Space Agreement (CNES) bilateral agreements		588	655
ESA mandatory tax adjustment	(iii)	1,742	1,638
Other			310
National grants and other funding			
Academic grants	(iv)	40,999	33,716
National Space Innovation Programme		18,703	27,144
Spaceflight Programme		(668)	2,245
Spectrum charges		4,297	4,297
National Space Technology Programme		1,944	56
Contribution to UK Innovation & Science Seed Fund LP (UKI2S)	(v)	9,250	4,700
International Bilateral Programme		7,290	15,408
Satellite Methane Data		-	1,436
Space Debris Removal		3,945	6,177
Earth Observation Technology Programme		-	9,046
Space Enterprise Ecosystem Development **		3,401	3,253
Space Clusters Infrastructure Fund		3,436	39,722
Future Science Bilaterals Programme		3,478	8,431
New Educational and Skills Engagement Programme		2,305	6,827
Unlocking Space Programme		5,704	4,960
Centre for Earth Observation Instrumentation (CEOI)		7,028	2,541
Earth Observation Investment Package (EOIP)		1,714	5,432
Other National Programme Grants and Funding		6,547	6,372
Total subscriptions, grants and other funding		723,529	552,590
Technical contracts and contract management	(vii)	19,206	24,352
Other operating expenditure			
Accommodation		2,641	5,705
Temporary staff costs		1,811	4,378
Travel and subsistence		1,455	1,686
Conferences and education		735	1,071
Payments for departmental shared services	(vi)	94	789
Training and other staff costs		776	388
Auditors remuneration (external)	(vii)	94	86
Other		3,948	1,157
Total operational costs		11,554	15,260
Total operating expenditure		754,289	592,202

Notes:

- (i) Total operating expenditure disclosed in SoCNE also includes staff costs as per Note 3, depreciation as per Note 6 Right of Use assets and Note 8 Tangible assets, impairment as per Note 7 and interest element of lease payments.
- (ii) The Agency pays an annual subscription to ESA in Euros. To manage our budgets effectively, the Agency entered forward exchange contracts with the Bank of England to hedge about 90% of its total commitments to ESA between June 2023 and January 2028.
- (iii) The Agency is liable in accordance with Article 42 of the Coordinated Organisation's Pension Scheme Rules, for tax adjustment applicable to pensions borne by the Member State in which the recipient is subject to taxes on income. The 2025-26 tax liability of £1,742k (2024-25: £1,638k)
- (iv) Prior to the creation of the Agency the responsibility for provision of academic research grants was undertaken by the Science Technology and Facilities Council (STFC), now part of UK Research and Innovation (UKRI). Since 1 April 2011, such grants are the responsibility of the Agency. Due to the ongoing nature of some of the grants and the expertise that UKRI have in this area it has been agreed that UKRI would continue to maintain the process and make any necessary payments, recharging the Agency for the costs of such grants. The cost of maintaining and processing these payments is minimal and UKRI has agreed to undertake this activity on a nil cost basis. Therefore, there is no charge for this activity to the Agency.
- (v) The UK Innovation & Science Seed Fund LP (UKI2S) is an independently managed capital venture fund backed by government, which was established to invest in technologies developed from publicly funded research. UKSA is a limited partner in the fund and has contributed £9.3m in 2024-25 (2024-25: £4.7m).
- vi) Payments for departmental shared services include the costs of centrally provided information technology and legal advice. From 1 April 2017 legal services are provided by the Government Legal Department via an SLA with DSIT. The overall charge for legal advice costs in 2025-26 was £167k (2024-25: £353k).
- vii) No remuneration was paid to the external auditors in respect of non-audit work in 2025-26 or 2024-25.

5. Income from operating activities	Note	2025-26	2024-25
		£000	£000
Other Income	(i) (ii)	2,563	2,894
Total		2,563	2,894

Notes:

- (i) Other Income is mainly due to fees charged for use of Westcott Facility (£188k) and contribution to the National Space Operations Centre (£2,375k).
- (ii) UKSA was formerly responsible for the collection of licensing fees under the Outer Space Act 1986. In 2023-24 the UK Civil Aviation Authority (CAA) took over the role of issuing licenses for space activities, however, UKSA retained the activity of collecting income on CAA's behalf. The invoiced value attributable to this in 2025-26 and payable to CAA was £71,500 (2024-25: £110,500). There is no income reported in UKSA financial statements from these fees.

6. Right of use assets	2025-26			2024-25		
	Land	Buildings	Total	Land	Buildings	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation:						
Balance at 1 April	646	5,958	6,604	646	2,760	3,406
Additions	-	-	-	-	4,930	4,930
Remeasurement	-	202	202	-	-	-
Disposals	-	(109)	(109)	-	(1,732)	(1,732)
Balance at 31 March	646	6,051	6,697	646	5,958	6,604
Depreciation:						
Balance at 1 April	(173)	(866)	(1,039)	(129)	(1,175)	(1,304)
Charged in year	(43)	(875)	(918)	(43)	(1,112)	(1,156)
Disposals	-	109	109	-	1,421	1,421
Balance at 31 March	(216)	(1,632)	(1,848)	(172)	(866)	(1,038)
Carrying amount at 31 March	430	4,419	4,849	474	5,092	5,566
Asset Financing:						
Owned	-	-	-	-	-	-
Finance leased	430	4,419	4,849	474	5,092	5,566
Carrying amount at 31 March	430	4,419	4,849	474	5,092	5,566

Note: The key right of use asset additions in the prior year is associated with the new lease agreements as discussed in Lease Liabilities note 14.

7. Tangible assets

	2025-26			2024-25		
	Plant and Machinery	Assets Under Construction	Total	Plant and Machinery	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
Balance at 1 April	3,729	304	4,033	3,729	304	4,033
Additions	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at 31 March	3,729	304	4,033	3,729	304	4,033
Depreciation						
Balance at 1 April	(736)	-	(736)	(442)	-	(442)
Charged in year	(293)	-	(293)	(293)	-	(293)
Disposals	-	-	-	1	-	-
Balance at 31 March	(1,029)	-	(1,029)	(735)	-	(735)
Carrying value at 31 March	2,700	304	3,004	2,994	304	3,298
Asset financing:						
Owned	2,700	304	3,004	2,994	304	3,298
Carrying value at 31 March	2,700	304	3,004	2,994	304	3,298

8. Other financial assets/liabilities

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

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

During the year, the Agency entered 2 forward exchange contracts (2024-25: nil) to hedge 90% of existing international subscriptions commitments payable to ESA between June 2025 and January 2028. During the reporting period, 8 forward contracts reached maturity and were disposed of accordingly. As of 31 March 2026, there were 6 such contracts remaining.

Other financial assets/liabilities		2025-26	2024-25
		£000	£000
Balance at 1 April		(51,975)	(29,568)
Additions (contracts purchased in year)	(i)	-	-
Disposals (contracts settled in year)	(ii)	12,796	17,124
Revaluation movement	(iii)	18,641	(39,531)
Balance at 31 March		(20,538)	(51,975)
Non-current other financial liabilities		(8,738)	(31,123)
Current financial liabilities		(11,800)	(20,852)
Total other financial liabilities		(20,538)	(51,975)
Total net other financial assets and liabilities		(20,538)	(51,975)
Net change in value of cash flow hedges impacting reserves	(iv)	31,437	(22,407)

Notes:

- (i) Additions (contracts purchased in year): the fair value of the derivatives entered during the period is assumed to be nil.
- (ii) The disposal value arose through the completion of 8 forward exchange contracts with settlement dates falling in the reporting period. This notional value represents the total cumulative unrealised loss/(gain) for each of these contracts previously recognised in the revaluation reserve and removed on completion.
- (iii) Revaluation movement represents the difference in the fair value of the contracts on inception as compared to the fair value of the contracts at their settlement date. The GBP to EUR forward rate moved from 1.166 to 1.145 during the period from inception, on 1 December 2023, and year end. This revaluation has resulted in a decrease in the financial liability from £51,975k at the beginning of the year to £20,538k by the end of the year, primarily driven by the positive revaluation of the hedging instrument amounting to £18,641k.
- (iv) Further information on the reported change in the value of cash flow hedges can be found in the Statement of Changes in Taxpayers' Equity under the Revaluation Reserve disclosures.

Cashflow hedge contracts

The hedge contract is designed to allow for cash flow planning and enables effective budgeting to align with the comprehensive spending reviews which are normally undertaken by the government every three years. The hedge contract is not designed to protect against currency risk which will result in an unrealised gain or loss arising each year end when hedges are revalued. On completion of the contract, there will be either an opportunity gained or lost resulting from the movement in the exchange rate. As this is outside management control, and in line with the HM Treasury's Consolidated Budgeting Guidance 2025-26, these gains and losses are only recognised under the resource annually managed expenditure (RAME) budgetary category.

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

The fair value of forward exchange contracts is determined by comparing the contractually agreed cost on creation of the contract with the fair value of the contract translated at the future forward market rate provided by the Bank of England at close of trading on 31 March 2026 for the relevant forward exchange contracts' settlement dates. These are indicative rates only, and therefore in accordance with IFRS 13. The Fair Value Measurements, the valuation inputs are classified as Level 2.

The fair value measurement is categorised into three levels based on the observability and significance of the inputs used in the valuation technique, as per IFRS 13. The following table presents the UKSA's financial instruments measured at fair value on 31 March 2026:

Level	Type of Financial Instrument	Fair Value on 31 March 2026	Valuation Technique	Significant Observable Inputs
2	Forward Exchange Contracts	£20,538k	Market Approach	Forward Market Rates

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

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

Level 3: Unobservable inputs for the asset or liability.

Credit risk

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

Liquidity

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

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

Market risk

Foreign currency risk

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

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

Interest rate risk

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

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

9. Trade receivables and other current assets

	31 March 2026	31 March 2025
	£000	£000
Trade and other receivables less than one year		
Trade receivables	666	761
Other receivables	70	94
Prepayments & accrued income (i)	66,488	43,713
VAT	678	674
Total	67,902	45,242

Note: (i) Repayments and accrued income include a prepayment made to the European Space Agency of £65.7m (2024-25: £43.5m).

10. Cash and cash equivalents

	31 March 2026	31 March 2025
	£000	£000
Balance at 1 April	27,556	25,532
Net change in cash and cash equivalents	(2,554)	2,024
Balance at 31 March	25,002	27,556
The following balances at 31 March were held at:		
Government Banking Service	25,002	27,556

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

11. Trade payables and other current liabilities

	31 March 2026	31 March 2025
	£000	£000
Trade payables	1,831	2,599
Other payables	1,070	1,330
Accruals	72,696	81,218
Contract liabilities	262	190
Deferred income	417	417
Total	76,276	85,754

12. Capital commitments

There were no capital commitments as of 31 March 2026 (2024-25: none).

13. Other financial commitments

13.1 International subscriptions commitments

The UK Space Agency's commitments are primarily due to its obligations to ESA under Council of Ministers, with the last meeting in November 2025 (CMin25) covering obligations up to 2035. The following payments represent amounts committed as at the reporting period.

	31 March 2026	31 March 2025
ESA	£000	£000
Not later than one year	448,983	327,213
Later than one year and not later than five years	1,614,087	1,229,423
Later than five years	150,710	123,096
Total	2,213,780	1,679,732

13.2 Grants commitments

	31 March 2026	31 March 2025
	£000	£000
Not later than one year		
Enabling Technologies Programme	17,090	15,238
Academic Grant Commitments	16,373	11,545
Connectivity - Low Earth Orbit	6,877	5,583
Exploration National Programme	1,537	917
Spaceflight Programme	402	402
Inspiration Programme	654	19
Enfys National Programme	1,687	
PuMA2 Project	655	
Sub-total	45,275	33,704
Later than one year and not later than five years		
Connectivity - Low Earth Orbit	5,325	6,877
Enabling Technologies Programme		3,618
Exploration National Programme	1,033	
Academic Grant Commitments		3,359
Space Cluster Development		204
Enfys National Programme	1,657	
Spaceflight Programme	106	-
	8,121	14,058
Total	53,396	47,762

14. Lease liabilities

See note 1 Accounting Policies for further information.

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

	31 March 2026	31 March 2025
	£000	£000
Land:		
Not later than one year	47	47
Later than one year and not later than five years	190	190
Later than five years	235	282
Sub-total	472	519
Less interest element	(23)	(27)
Present value of obligations	449	492
Buildings:		
Not later than one year	1,140	1,149
Later than one year and not later than five years	2,493	3,298
Later than five years	1,713	1,563
Sub-total	5,346	6,010
Less interest element	(1,048)	(1,022)
Present value of obligations	4,298	4,988
Total present value of obligations	4,747	5,480
Of which:		
Current	976	957
Non-current	3,771	4,523

Notes: In 2025-26 interest charged to the SoCNE was £254k (2024-25: £281k) and capital repayments made under leases as reported on the SoCF is £1.2m (2024-25: £1.4m).

Land:

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

Buildings:

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

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

Government Property Agency In May 2024, the Agency entered into a lease agreement with the Government Property Agency (GPA) for office accommodation at Queen Elizabeth House, Edinburgh. The lease commenced on 1 May 2024 for a term of 20 years. In October 2024, the Agency entered into a lease agreement with the Government Property Agency (GPA) for office accommodation at 10 South Colonnade, Canary Wharf, London. The lease commenced on 1 October 2024 for a term of 8 years.

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

15. Provisions for liabilities and charges

	2025-26	2024-25
	£000	£000
Dilapidations		
Balance at 1 April	548	548
Provided in the year	-	-
Provisions not required written back	-	-
Provisions utilised in the year	-	-
Balance at 31 March	548	548

16. Related party transactions

UKSA has applied the requirements of IAS 1 and IAS 24, as adapted by the Financial Reporting Manual, in disclosing related party transactions. During 2025–26, UKSA was an Executive Agency of the DSIT, which is regarded as a related party and with which the Agency undertook a number of material transactions.

The Agency also transacted with other government departments, including DESNZ and the Ministry of Defence; these are exempt from detailed disclosure under IAS 24.

The back-office function for processing national grants continues to be outsourced to UKRI, which is also recognised as a related party, an entity for which DSIT is regarded as the sponsor department.

Additionally, UKSA has made contributions to the UK Innovation and Science Seed Fund (UKI2S) Space Sub-Fund, a partnership aimed at supporting early-stage space companies.

The UKSA's contribution as a Limited Partner in this fund, is regarded as a related party transaction due to the indirect relationship through DSIT and UK Research and Innovation (UKRI).

Employee benefits received by Agency's key management personnel are disclosed in the Remuneration and Staff Report on page 80.

17. Events after the reporting period

On 31 March 2026, UK Space Agency closed with its functions transferring to the Department for Science, Innovation and Technology. On 1 April all UKSA assets and liabilities transferred to the Department.

There have been no events between the Statement of Financial Position date and the date the accounts were authorised for issue requiring an adjustment to the financial statements.

The date the accounts were authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

Glossary:

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





UK Space Agency

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