Nuclear Decommissioning Authority
Annual Report and Accounts 2025/26

HC 524

Nuclear Decommissioning Authority

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Front cover: Spot the dog makes its television debut on Good Morning Britain

Contents

Overview of performance

2025/26

This overview section provides an insight into our work during 2025/26 and highlights areas of progress for this year. We have described these using our five strategic themes.

Image: A view overlooking Sellafield

Chair's statement Catriona Schmolke

It is my privilege to present this year's Annual Report and Accounts as Interim Chair of the NDA Board.

I begin by paying tribute to Peter Hill CBE, who stood down as NDA Chair in April, having led the Board with distinction since 2024. Under his tenure, the NDA group has delivered a period of sustained accomplishment, and I am looking forward to this momentum being maintained during my time as Interim Chair.

During my time on the Board, I have had the opportunity to engage in conversations right across the NDA group. These experiences have reinforced my respect for our mission and, above all, for the people who deliver it.

Our mission is uniquely challenging; spanning many decades, cleaning up dated, hazardous facilities that were not designed with decommissioning in mind. We carry a responsibility of national significance, and those on the frontline are making daily decisions to protect people and the environment.

We also need to consider the health and safety of our employees, be alert to the ever-present cyber threat, and maintain the confidence from our stakeholders to deliver this work. The Board and leadership have to ensure the system around our workforce supports that focus.

We are operating in a period of tight public finances. Like all public bodies, we must support national fiscal stability while continuing to deliver against demanding objectives. As custodians of one of the UK's largest and most enduring public missions, the more we reduce overheads, duplication, and unnecessary complexity, the more we can invest directly into reducing risk and decommissioning our sites.

Changes in our anticipated costs - noting the increase in the nuclear provision - are affected by multiple factors including latest information and data on programmes, government policy, and changes in economic circumstances, such as funding and inflation. It is challenging to accurately forecast over many decades, however we are always seeking to accelerate our mission and identify efficiencies.

As a Board, our responsibility is to take a whole-system view, and across the NDA group, we have seen positive examples of teams responding to these challenges and observed areas where we can reduce complexity. One consistent lesson from my career is that high-performing organisations are those where delivery bodies are empowered to deliver, and the wider system exists to enable them. Our collective task is to ensure our governance and NDA group structures enable delivery.

Our CEO David Peattie and his team are leading work to further strengthen the NDA group, with full support from the Board. A key benefit of this work is returning time to operating company leadership by streamlining duplicated governance and improving the speed of decision-making.

While the 2025 Spending Review granted the NDA group its most substantial settlement to date, it was accompanied by an obligation to increase efficiencies in operational expenses; to ensure maximum funding can be allocated to essential frontline decommissioning and hazard reduction efforts. To fulfil this commitment, the NDA group has implemented temporary Mutually Agreed Voluntary Exit (MAVE) schemes across various areas, in order to streamline resources and support these critical priorities.

We also see a significant opportunity for change following the Nuclear Regulatory Taskforce review, and the government's response to it, to speed up and reduce the cost of our mission. To help shape this work, we have established a dedicated team of experts from across the NDA group to work closely with government and regulators, ensuring we embrace this opportunity.

We further welcome the independent review of the NDA, led by Tim Stone CBE. This provides an opportunity to demonstrate the progress we have made, while also identifying areas for further improvement. We continue to engage openly and constructively with the review team, reflecting our commitment to continuous improvement.

Alongside all of this, the NDA group continues to deliver against important milestones. We are entrusted with an extraordinary mission, one that spans generations and demands the highest levels of professionalism and commitment. and I thank all those who are contributing so much towards delivering it.

Catriona Schmolke CBE FREng
Interim Chair, NDA
13 July 2026

Image: The final concrete pour at the Sellafield Product and Residue Store Retreatment Plant (SRP)

Group Chief Executive's statement David Peattie

Delivering the mission

I am proud of the progress made this year across the NDA group, delivering notable results while continuing to strengthen how we operate. Across our estate, teams have worked with dedication to reduce hazards and deliver visible decommissioning progress, reinforcing our expertise and capability.

At our Sellafield site, progress continued to reduce high hazards, including retrieving, treating and storing waste from the site's legacy ponds and silos, which contain some of the UK's most complex and hazardous materials. Retrieving 70 tonnes of radioactive waste from the Magnox Swarf Storage Silo marked a significant achievement by the workforce and a step forward in reducing some of the most complex risks on our estate.

A UK-first was also achieved at Sellafield, processing the first can of plutonium residue into a form suitable for disposal. Delivered within twelve months of the government's decision to permanently dispose of the UK's civil plutonium, this represents an important early success in this long-term programme of major national significance. Over time, this work will include developing the technology and capability to treat the full inventory of material, creating employment, and reducing - and in time ultimately removing - risk for future generations.

Progress is similarly visible across other parts of our estate. The turbine hall and adjoining structures at Sizewell A have been safely razed to the ground by the Nuclear Restoration Services (NRS) teams, clearing a significant area for future use. This transformational project set new benchmarks for the largest use of explosives on a UK nuclear site and the longest programmed detonation sequence in Europe.

Innovation remains a critical enabler of our mission. This year we announced a pioneering cross-group partnership to deploy innovative technology for the first time on a nuclear site at Oldbury, to remotely and autonomously sort and segregate radioactive waste. This has the potential to save hundreds of millions of pounds in storage and disposal costs. A similar first at Sellafield saw robotics specialists fitting and operating a robotic arm inside an active nuclear glovebox. These technologies reduce risk, accelerate delivery, and remove manual handling hazards.

Our waste subsidiary, Nuclear Waste Services (NWS), continues to progress the Geological Disposal Facility siting process and this year completed the most detailed scientific and technical assessments undertaken in the programme to date. These assessments underpin the decision based on policy on which community or communities will progress to the next stage of site characterisation – a decision NWS has now taken, endorsed by the NDA, and submitted to the Secretary of State for Energy Security and Net Zero. In parallel, Nuclear Transport Solutions (NTS) is supporting NWS with work to permanently dispose of radioactive waste at our Low Level Waste Repository (LLWR). The third batch of rail deliveries of aggregate is now underway, having started in January and due to conclude in September, with around 200 NTS trains delivering more than 175,000 tonnes to the LLWR for the capping of legacy disposal trenches and vaults. At our Dounreay site, a project to permanently dispose of 192 containers of low-level radioactive waste associated with Britain's experimental fast breeder reactor programme has been successfully completed by the NRS workforce in purpose-built vaults.

At NTS, progress continues following the award of a contract to develop transport capability to support the UK's future use of High-Assay Low-Enriched Uranium (HALEU). This has included an agreement with Westinghouse to develop the Pegasus transport package, alongside a letter of intent from an international customer signalling their intention to purchase the system.

Taken together, these programmes underline the critical importance of the NDA group's capability in the safe and secure transport, disposal and management of nuclear material to the UK's energy security.

Our group's capabilities in the safe and secure transport, disposal and management of nuclear material have never been more crucial to the UK's energy security.

We have also continued to collaborate on projects that extend beyond our core mission. For example, a 15-year agreement with Bicycle Therapeutics will see uranium supplied for use in cancer treatments, demonstrating how our unique capabilities and expertise can deliver wider societal benefit.

Creating great places to work

Our highly skilled workforce drives our mission forward, and developing the next generation of talent remains a priority. It was a pleasure to welcome 60 graduates to the NDA this year, plus a further 70 to the group, and to see our group employee networks grow in strength and impact.

Although we have welcomed many new colleagues to our group this year, we have also bid a warm farewell to many individuals who have chosen to depart through the Mutually Agreed Voluntary Exit (MAVE) scheme. We sincerely appreciate the dedication and contributions of everyone who has left, or will soon be leaving, and extend our gratitude for their hard work and commitment throughout their time with us.

Fostering an inclusive workplace where everyone can thrive is central to our culture, supported by our diversity and inclusion strategy and wellbeing framework. I was pleased to see the NDA re-accredited as a Disability Confident Level 3 Leader.

We remain unwavering in our commitment to health, safety, and wellbeing. Performance indicators show continued progress and consistent adherence to rigorous standards. We are also making better use of skills across the group by supporting employee movement between organisations, strengthening capability and collaboration.

Trusted to do more

Our mission continues to grow. The transfer of Hunterston B in April marked the first of seven EDF-owned Advanced Gas-cooled Reactor (AGR) sites that will move over to the NDA group, with Hinkley Point B next due to transition later this year. This represents a clear vote of confidence in our expertise and capability, and we are proud to welcome our new colleagues to the NDA group.

Arrangements are also progressing that could see the Ministry of Defence's Vulcan site, adjacent to Dounreay, transfer to the NDA group for decommissioning.

Alongside this, we continued to work closely with government and stakeholders to release land no longer required for our mission, supporting green energy initiatives and creating long-term value for communities around our sites. We continue to work with partners to explore a potential clean energy development at Moorside, on land adjacent to our Sellafield site, with a master planning phase under way. In Southern Scotland, we have this year appointed a strategic developer to support the delivery of the green energy hub masterplan at our Chapelcross site.

Thank you

Our performance continues on a positive trajectory. Already strong safety performance continues to improve, major programmes are on a more predictable footing, and our confidence in our delivery is strengthening.

Culturally, we are becoming stronger, more inclusive, open and collaborative. This progress doesn't happen by accident and is testament to the dedication and skill of our workforce.

We also foster close collaboration with stakeholders to ensure positive results for the communities we serve.

In April, Peter Hill CBE stepped down as Chair of the NDA to focus on existing and future commitments. I thank Peter for his leadership, challenge and support during his tenure. Catriona Schmolke CBE, an existing NDA Non-Executive Director, has stepped into the role of Interim Chair while the government commences a search for a permanent successor.

I thank the Board for their support, and our 19,000 employees, stakeholders, partners, and the supply chain for their continued commitment, which underpins delivery of our mission.

D. Peattie

David Peattie FREng FNucl
Group Chief Executive Officer and Accounting Officer

13 July 2026

Image: Land now cleared where the Sizewell A turbine hall used to stand.

Group Chief Financial Officer's review
Kate Bowyer

Overview

The group has made significant progress during 2025/26 in implementing the Spending Review, successfully managing its financial risks and opportunities and delivering efficiencies. Further work is underway to deliver the necessary longer-term efficiencies in a sustainable way.

Summary of financial performance

Commercial revenues were, as anticipated, reduced at £1,014 million (2024/25: £1,258 million) due to lower demand for management of used fuels at Sellafield from the UK's operational nuclear power stations. However, this was partly offset by historic waste being processed ahead of plan. UK Government funding of £3,083 million (2024/25: £2,887 million) was received, within our budget envelope of £3,327 million (2024/25: £2,957 million). Capital investment was £2,536 million (2024/25: £2,641 million) and our resource expenditure was £1,561 million (2024/25: £1,504 million).

Statement of financial position

The group's statement of financial position is dominated by the nuclear provision: the discounted best estimate of the future costs of the decommissioning mission of £114.5 billion (2024/25: £112.2* billion). The estimate is inherently uncertain and represents one value in a credible range of potential outcomes. The nuclear provision has increased this year, primarily due to revised decommissioning plans on which it is based. Most significantly, Sellafield have reviewed all aspects of their site plan and made multiple updates to sequencing, pricing and future funding, recording a discounted increase of £3.9 billion. Similarly, NRS and NWS have updated their plans, and in all cases the longevity of the changes renders a larger undiscounted movement less financially significant on a discounted basis. Detailed disclosures are on pages 122 to 124 and in note 24 to the accounts.

Spending review

The group received its settlement for the UK Government's Spending Review in June 2025, covering funding to 2029/30. Given the long timeframe of our activity, we welcome the visibility of the longer duration settlement. The affordability challenges have led to some difficult prioritisation decisions, and we recognise the need to focus our spend where it will have the most impact on our decommissioning mission. The prioritisation has led to the deferral of some activities, extending the time over which some sites will operate and hence increasing the overall cost of decommissioning. The requirement to deliver year on year RDEL efficiency savings to the end of 2028/29 is a major challenge that the group is focused on. Whilst there is further work to do in the outer years, some has been accelerated into 2025/26, and the majority of the 2026/27 savings are either in delivery or ready to deploy.

Kate Bowyer
Group Chief Financial Officer

* 2024/25 comparatives restated – see note 24 to financial statements for details

Performance against financial targets

Government funding

Our net funding limit was £3,327m and we have received

£3,083m

(2024/25: £2,887m)

+

Income

We expected an income of £859m and have generated

£1,014m

(2024/25: £1,258m)

=

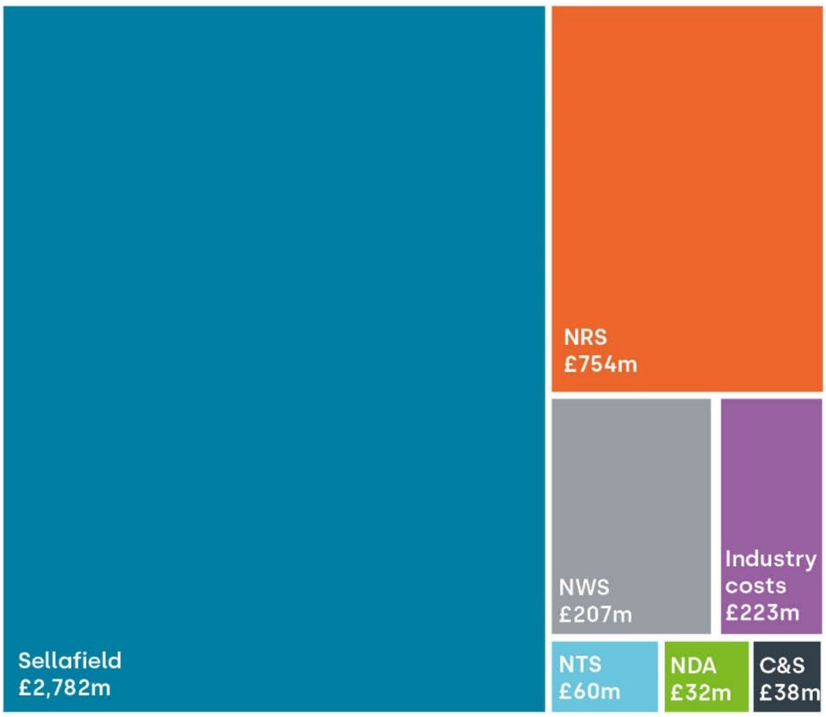
Total expenditure

We had a total expenditure limit of £4,185m and have spent

£4,097m

(2024/25: £4,145m)

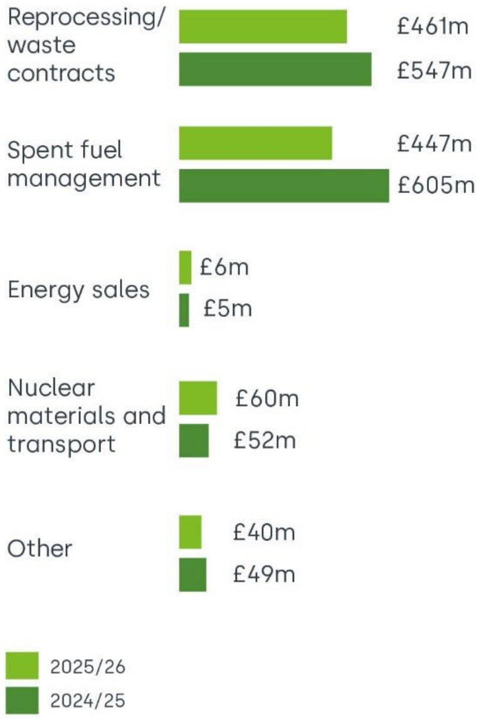
During 2025/26 we spent £4,097m across the NDA group to progress the mission



Sellafield (2024/25: £2,825m)
NRS (2024/25: £752m)
Capenhurst and Springfields (2024/25: £30m)
NWS (2024/25: £248m)
NTS (2024/25: £52m)
Industry costs (2024/25: £207m)
NDA (2024/25: £31m)

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

Our income was generated from:



NDA's running costs of **£32m** are 1% of the overall estate budget (2024/25: £31m)

The NDA group and our mission

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

We employ 19,000 employees across our estate and around 40,000 indirectly: a skilled group workforce, supported by a large supply chain. On behalf of the UK, we use innovation and technology to manage nuclear waste and overcome the complexities of identifying and removing it from ageing facilities, so it can be safely stored and permanently disposed of.

Dealing with all the waste, dismantling hundreds of buildings and facilities, and building a GDF to dispose of the most hazardous radioactive waste will take decades. However, by investing today in the challenges left over from the UK's proud nuclear history, we can remove the burden for future generations and deliver social and environmental benefits through our jobs, knowledge, skills, technology and social investment. We also have a role in assuring decommissioning plans for new nuclear.

Our estate provides the land and infrastructure needed to support this work across the NDA group. We continue to develop our Land and Property Strategy to ensure it remains aligned to our long-term mission, protecting strategically important land while identifying opportunities to bring surplus land and buildings back into beneficial use.

The portfolio is regularly valued and is currently worth £142.7 million. This includes consideration of its value for alternative uses, although these values are not relevant for land required for decommissioning, given the duration of our mission. Where land or buildings are no longer needed, these values inform decisions on disposal or partnership opportunities, as demonstrated recently at Chapelcross and Pioneer Park.

We work with partners in research and industry to develop new approaches and technologies to reduce hazards and risks, so that in the future the sites can be used again for other worthwhile purposes.

Open and transparent engagement is a critical enabler to the successful delivery of our mission, and we could not make progress without the support and confidence of our stakeholders. Key partners include government entities, employees, trade unions, commercial partners, customers, local communities, councils, non-governmental organisations (NGOs), and international organisations.

Our history

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

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

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

Aiming for the highest standards

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

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

Trusted to do more

Our work is expanding, and we have started to use our specialist expertise and skills to decommission newer reactors as they reach the end of their power-generating lives.

Arrangements have been agreed by the UK Government, Scottish Government and EDF Energy for the NDA group to decommission Britain's seven AGR stations.

The AGRs will reach the end of their operational lives over the next 10 years and, after defueling, with the fuel being transferred to Sellafield for interim storage, will transfer to NRS for decommissioning. Hunterston B became the first station to transition to the NDA group on 1 April 2026.

We work with the MOD to maximise opportunities across the civil and defence enterprise, playing a critical role in the management of the MOD's nuclear liabilities. For example, approval has been provided by the MOD and the Department for Energy Security and Net Zero (DESNZ) to start work on the potential transfer of Vulcan to the NDA. Any transfer of Vulcan to the NDA in the future will require agreement from UK and Scottish Ministers.

Image: Hunterston B, the first AGR station to transition to NRS

The NDA group

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

- Sellafield
- Nuclear Restoration Services (NRS)
- Nuclear Waste Services (NWS)
- Nuclear Transport Solutions (NTS)

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

Find out more about us at nda.gov.uk

18
nuclear sites across the UK

19,000
employees across the group

976
hectares of designated land on nuclear licensed sites

800+
buildings to be demolished

The NDA group organisational structure

Department for Energy Security & Net Zero

Department for Energy Security and Net Zero (DESNZ)
DESNZ is the UK Government sponsor of the NDA and sets policy and funding

UK Government Investments

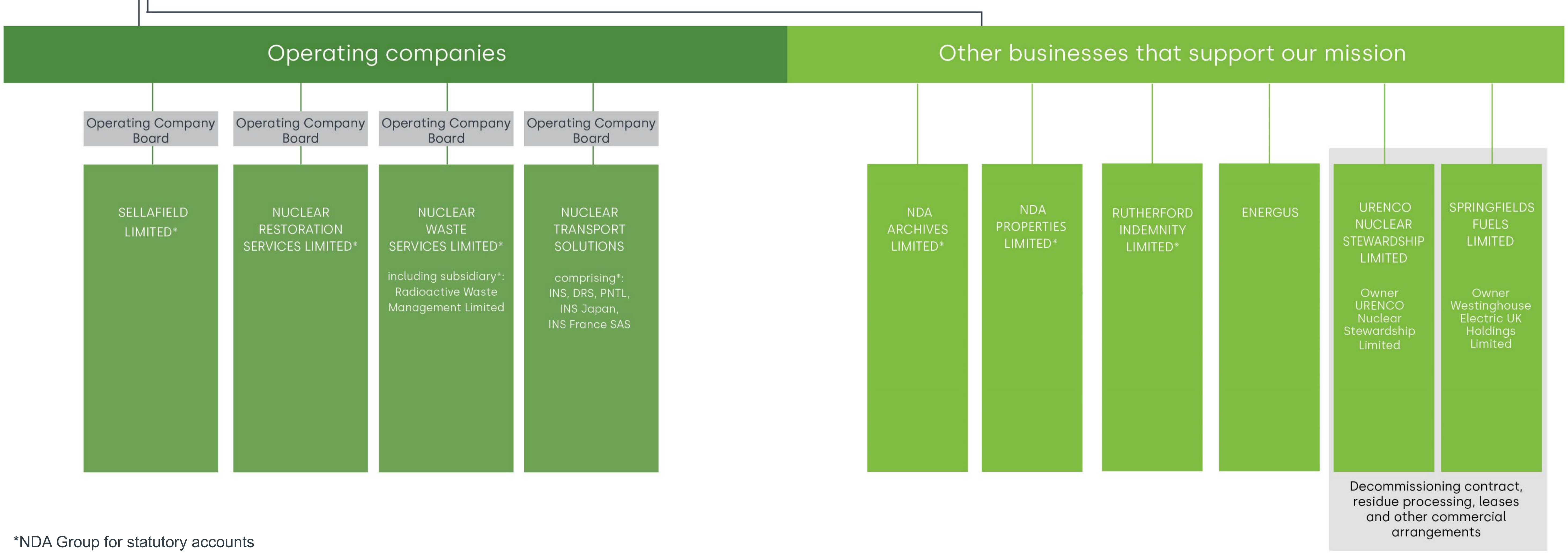
UK Government Investments (UKGI)
UKGI provides strategic oversight of the NDA's corporate governance and performance

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

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

NDA Board

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



*NDA Group for statutory accounts

This diagram shows the group structure at 31 March 2026.

On 1 April 2026, EDF Energy transferred Hunterston B to the NDA for decommissioning by NRS.

Working with our stakeholders

"The NDA can only deliver its mission successfully with a social licence to operate, built through productive and enduring relationships with site communities. Effective engagement lies at the heart of the NDA's Site Stakeholder Groups (SSGs), helping to build trust on all sides - the lifeblood of constructive challenge and informed debate.

Over the past 20 years, the strength of these relationships has enabled SSGs to act as a trusted 'critical friend' to the NDA group. Like any long-standing partnership, this has not been without its challenges, but issues have been addressed positively through openness, dialogue and mutual respect.

As the NDA is trusted to do more through an expanded decommissioning portfolio, the role of SSGs in providing independent and informed scrutiny becomes ever more important. With increased responsibility comes an expanded role for SSGs, and a renewed focus on holding the NDA group to account.

We look forward to ensuring that SSGs continue to perform their vital role in scrutinising how the NDA group responds to the challenges of nuclear decommissioning."

Cllr Aled Morris-Jones
Wylfa and National SSG Forum Chair

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

Our stakeholder partners include:

- UK Government and Parliament, devolved administrations and regulators
- Employees, wider workforce and trade unions
- Commercial and industry partners
- Local communities, local authorities and our SSGs
- Other influencers, including NGOs and international organisations

Many of our relationships span decades, reflecting our long-standing presence in site communities. We value these connections and remain committed to strengthening them further. We also recognise the importance of engaging more diverse and younger audiences, as our work will continue well into the next century.

Locally

SSGs are long-established forums for open and transparent dialogue between communities near nuclear licensed sites, the NDA and its site operating companies and regulators. There are 14 SSGs across the UK, providing local stakeholders with opportunities to find out more about our work and ensuring decision-making is informed by community views.

Our SSGs were independently reviewed in 2025. Working in partnership with the groups, we have since implemented a number of recommendations to strengthen the effectiveness of these forums, ensuring they remain robust, relevant and well-equipped for the future.

Beyond SSGs, we work with other key local stakeholders including local authorities, to mitigate the impact of our decommissioning activities and shape the future use of our sites. This has included collaboration with Cumberland Council on economic opportunities linked to coastal railway enhancements, clean energy proposals and an AI Growth Zone bid. We also attended the UK Real Estate Investment and Infrastructure Forum alongside Sellafield Ltd and Cumbrian partners to help attract new housing and retail investment into the region.

A strong local partnership approach has similarly driven inward investment in Anglesey, supporting business growth and long-term regeneration in north Wales. This model also informed and benefitted the programme for land release and future use at Chapelcross.

Nationally

In April 2025, the NDA celebrated its 20th anniversary with a series of successful stakeholder engagements and Parliamentarian outreach events.

We attracted 300 stakeholders to our virtual Annual Stakeholder Summit, where the agenda included progress updates and discussions with our partners and collaborators.

During 2025/26, we met all 17 MPs representing NDA site constituencies, providing an opportunity to discuss progress and highlight the importance of decommissioning to local communities, reinforcing the economic and social contribution of our work.

We were a key sponsor of the Nuclear Industry Association's 'Week in Parliament' in January, providing MPs with the opportunity to gain a better understanding of the contribution nuclear makes to the economy and showcasing the best of our people and our mission.

The NDA hosted its own fringe event, highlighting the importance of the NDA group and its mission to the civil nuclear lifecycle as we continue to expand our remit.

Reflecting our commitment to partnership working, the NDA group and the Scottish Government have continued to benefit from secondees to support work on mutual areas of interest, including strategic planning related to the future of decommissioning activity in Scotland. The Cross Party Group on the Civil Nuclear Industry of Members of the Scottish Parliament met regularly during the year, with the AGR transfer as a main topic of discussion.

In Wales, the NDA became a member of the Senedd Cross Party Groups on STEM, North Wales and the Civil Nuclear Industry, supporting awareness of the NDA group's contribution to the Welsh economy and our role in supporting regional economic development.

Our engagement with local authorities includes the Nuclear Legacy Advisory Forum (Nuleaf) in England and Wales, which also marked its 20th anniversary. We are collectively examining how we can maximise the effectiveness of our relationship with Nuleaf and how the organisation can better support our mission. We funded an Engagement Officer to support the Scottish Councils Committee on Radioactive Substances.

Further underlining our commitment to openness and transparency, we held a successful NDA/NGO Forum in West Cumbria with site visits to Sellafield and LLWR and hosted a joint meeting with NWS's NGO Exchange in Suffolk. Both events enabled site tours and open exchange of views with NGO members.

Fieldwork for the annual stakeholder survey took place over four weeks, with 140 external stakeholders taking part. The results are being analysed and will feed into stakeholder and communication approaches during the year.

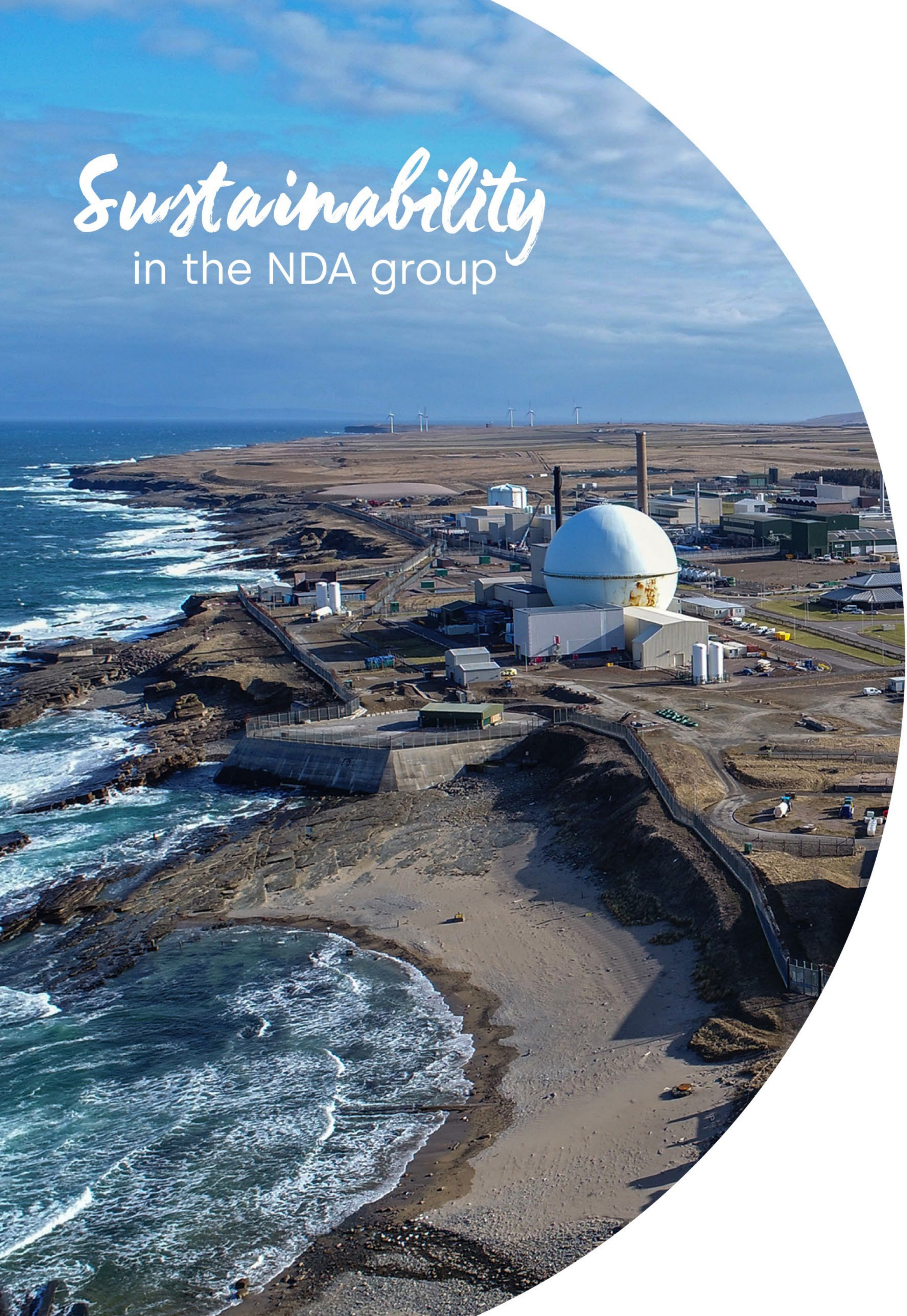
The NDA's four-year industrial partnership with the Nuclear Institute's Young Generation Network concluded having forged a lasting productive working relationship.

Internationally

The NDA group works with international partners to share experience and learning and strengthen mission delivery. Through engagement with the International Atomic Energy Agency (IAEA), we demonstrate our leadership by shaping global guidance, influencing international best practice and sharing UK expertise in decommissioning and waste management.

In France, partnerships with public organisations such as CEA (French Alternative Energies and Atomic Energy Commission) support progress on shared challenges. We continue to support UK Government priorities through our collaboration with French decommissioning industries on regulation, technical alignment and innovation.

Sustainability in the NDA group



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

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

The UK and devolved governments' policy for managing radioactive substances and nuclear decommissioning (May 2024) mandates that sustainability is hardwired into our thinking and how decommissioning is carried out.

The NDA group's sustainability strategy defines how sustainability is applied to our activities.

Our definition of sustainability

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

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

SDGs are a blueprint for peace and prosperity, now and into the future. We are committed to delivering our mission in line with the UN SDGs.

Image on previous page: Dounreay

Sustainability integration and commitment

Sustainability cuts across all elements of our strategy-driving themes. It helps us ensure that mission-related decisions create wider value and maximise long-term societal benefits, supported by our critical enablers, which underpin delivery, helping us to deliver at pace and affordably.

In the 2026 NDA group Strategy, sustainability is no longer presented as a standalone critical enabler. This change reflects the evolution of sustainability into an embedded, cross-cutting principle that informs all enablers and strategic themes, as shown on page 40.

The Energy Act 2004 sets out the functions of the NDA, which align to 11 of the 17 SDGs. This reflects the NDA group's sustainability vision to transform nuclear legacies into opportunities for local, regional and national sustainable development.

A double materiality assessment for the NDA group identified the most significant topics which maximise positive societal impact, while simultaneously influence NDA financial performance. Identifying and managing these topics deliver value for money and promote shared prosperity for our stakeholders. They will be the basis for future sustainability reporting and they align to many of the SDGs.

Sustainability is a high priority throughout the group, with many topics aligned to our driving themes and critical enablers. Examples of our progress are in different chapters throughout, recognising that it touches every part of our work. The case studies also show the SDGs to which they contribute.

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

NDA in the UK Nuclear Enterprise

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

SDG 3 – Good health and wellbeing

Medical isotopes help diagnose and treat illnesses. We are a provider of safe, secure and sustainable waste disposal for this sector.

SDG 7 – Clean and affordable energy

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

SDG 9 – Industry, innovation and infrastructure

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

Taskforce for Climate Related Financial Disclosures

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

Compliance statement

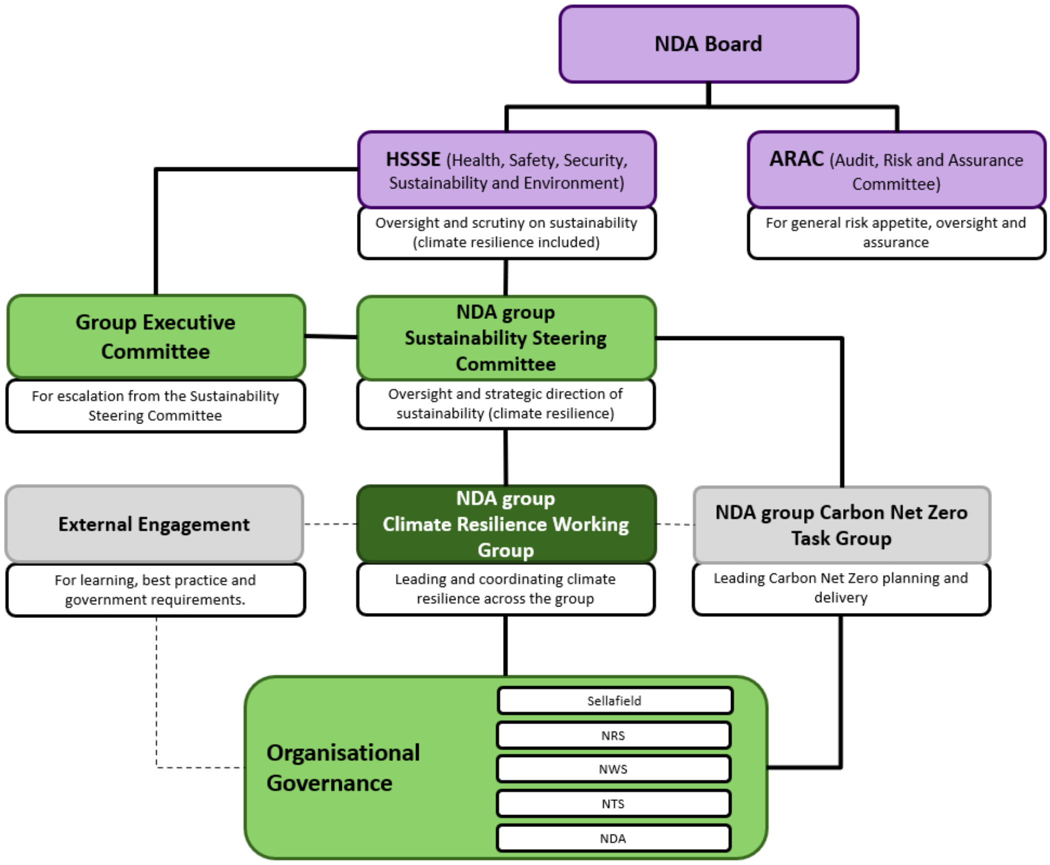
The NDA reports on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance which interprets and adapts the framework for the UK public sector. Sellafield, NRS and NWS recognise climate change as a principal risk, whereas NTS identifies it as a component of other principal risks. The NDA considers climate change material, and to be a fundamentally important factor influencing multiple principal risks rather than being recognised as a Group Strategic Risk (GSR). The NDA has complied with the following relevant TCFD recommendations.

Recommendation	Disclosure Status
GOVERNANCE	
a. Describe the Board's oversight of climate-related risks and opportunities.	Comply
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Comply
STRATEGY	
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Comply
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Partial (strategy)
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Comply
RISK MANAGEMENT	
a. Describe the processes for identifying and assessing climate-related risks.	Comply
b. Describe the processes for managing climate-related risks.	Comply
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Comply
METRICS AND TARGETS	
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Comply
b. Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks.	Comply
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Partial

GOVERNANCE

	Overview of our actions	Further detail
a. Describe the Board's oversight of climate-related risks and opportunities.	The NDA Board has delegated responsibility for reviewing the risk management framework, adequacy and effectiveness of control processes and the application of risk appetite to the Audit, Risk and Assurance Committee (ARAC). This includes risks and controls relevant to climate resilience. The NDA Board also discussed the topic at one of its meetings and requested annual progress updates. The ARAC discussed climate risks at three of its meetings during the year, including climate and environmental considerations in horizon scanning and climate resilience and extreme weather considerations in emerging risk management. The Board retains ultimate responsibility for the oversight of climate related polices, strategy and associated risks. The Health, Safety, Security, Sustainability and Environment (HSSSE) Committee is the main committee responsible for the management of climate-related risks and opportunities. Climate-related risks were discussed at all four HSSSE Committee meetings during the year, including topics such as climate resilience at the LLW Repository, the Chief Nuclear Inspectorate Inspection on Climate Change (ONR), climate change risks and mitigation and weather-related hazards. The ARAC verifies sustainability targets, measures performance for use including remuneration purposes and oversees disclosure whereas the HSSSE Committee oversees the NDA's statutory duty of care, carries out group policy and legislative assurance, monitors regulatory change and engages with relevant UK nuclear regulator and environment agencies. The operating companies and duty holders are responsible for managing health, safety, security, sustainability and the environment on their respective sites.	The role and accountabilities of the Board and committees are outlined as follows: • Board: pages 44 to 48. • ARAC: pages 57 to 59. • HSSSE Committee: pages 64 to 65.
b. Describe management's role in assessing and managing climate-related risks and opportunities.	The NDA group Sustainability Steering Committee has oversight and strategic direction over climate resilience-related risks and opportunities, most of which are raised via the NDA group Climate Resilience Working Group (gCRWG). The NDA group governance structure for climate resilience is shown below. The Sustainability Steering Committee reports into the HSSSE Committee and discussed climate risks at all four meetings during the year. Significant climate-related risks identified within the NDA group are managed by the relevant operating company governance arrangements, with group-level coordination and escalation provided through the NDA group climate resilience governance structure. Information and co-ordination of efforts on climate resilience across the NDA group is managed through the gCRWG who met ten times during the year. In 2025/26, the gCRWG reviewed existing and identified new climate-related risks and opportunities. The maturity of these risks and opportunities varies. Across the group, work is underway to improve the consideration of unique climate-related risks and opportunities and how these are factored into existing risks within our risk management systems.	The NDA group Sustainability Steering Committee is made up of Executive Sustainability Sponsors from the NDA and each operating company. The gCRWG is made up of a representative from each operating company with a focus on climate change resilience.

NDA group Governance Structure for Climate Resilience



STRATEGY

	Overview of our actions	Further detail
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related	The NDA group has undertaken a climate scenario analysis using 2°C (green horizon aligned to Reference Representative Concentration Pathway (RCP) 2.6) and 4°C (critical collapse aligned to RCP 8.5) warming climate scenarios. The table on page 27 sets out the climate-related risks identified over short, medium, and long term. The risk scoring for climate scenario analysis was informed and aligned to the NDA risk Probability–Impact Diagram (PID) using financial impact only. For physical risks, Intergovernmental Panel on Climate Change definitions of climate-related risks using exposure, hazard and vulnerability were utilised in the risk scoring at a site level which has been rolled up to provide a group score. The NDA's longer term (beyond 2080) is considered through the site end-state strategies. End-state work is coordinated through the Group Remediation Forum and is informed by UK climate projection data. Before any site can be released from regulation, we must demonstrate there are no risks to public health and the integrity of the environment through explicit consideration of climate change scenarios as set out in joint guidance by the UK environment agencies. The NDA aims to utilise the climate scenario analysis to further understand the expected impacts of climate change on our operations, strategy and financial planning. The insights support us in understanding how to further improve climate resilience and where to prioritise efforts to ensure our strategies are resilient under various climate scenarios.	**Further detail** See the NDA group Strategy, 2026 at gov.uk. For how climate risk is considered in investment decisions, see metric on Climate Risk Assessments in Investment Decisions on page 29. The NDA group defines short, medium and long-term time horizons for consideration of climate-related risks as 2030, 2050 and 2080. See Guidance on Requirements for Release from Radioactive

scenarios, including a 2°C or lower scenario.	We are also embedding climate change risks and opportunities and considering climate scenarios in group strategic planning including strategic prioritisation.	Substances Regulation.

Climate-related risks

Risk Type*	Risk	Green Horizon				Critical Collapse			
		Financial risk score							
		Now	2030s	2050s	2080s	Now	2030s	2050s	2080s
Transition market	Energy market prices and volatility								
Transition market	Inability to recruit and retain SQEP								
Policy and legal	NDA funding								
Transition market	Supply chain disruption and green premiums								
Physical chronic	Change in average precipitation								
Physical chronic	Sea level rise								
Physical acute	Extreme precipitation								
Physical acute	Extreme high temperature								

Key for risk score:

Very low	Low	Moderate	High	Very High

*

Physical risks of climate change are defined as the physical changes as a result of the change in climate. Acute physical risk is short term such as flash flooding due to acute extreme precipitation (hours/ days of extreme rain) where chronic refers to physical risk which occurs over a long period of time like chronic increase in precipitation (many more heavy rain days per) or changes which take a long time such as sea-level rise and coastal erosion Transitional risks are related to the transition to net zero, the economic, policy, legal and market changes which happen depending on the national, regional and global uptake of steps to transition and the rate they take these steps.

This scoring is aligned to the NDA Risk Scoring Matrix (see page 73) using likelihood and financial impact.

Level		Financial Impact
1	**Marginal**	Call on the NDA central contingency
2	**Moderate**	Call to reprioritise in year funding to unexpected requirement that means lower priority scope is deferred
3	**Major**	Request to UK Treasury for additional spend outside the agreed spending review flexibilities
4	**Severe**	£500m+, NDA programme funding limited to high hazard / risk scope lower priority deferred
5	**Critical**	£1bn+, NDA programme funding limited to high hazard / risk scope; lower priority deferred, Call on HMT guarantee beyond insurance limits

RISK MANAGEMENT

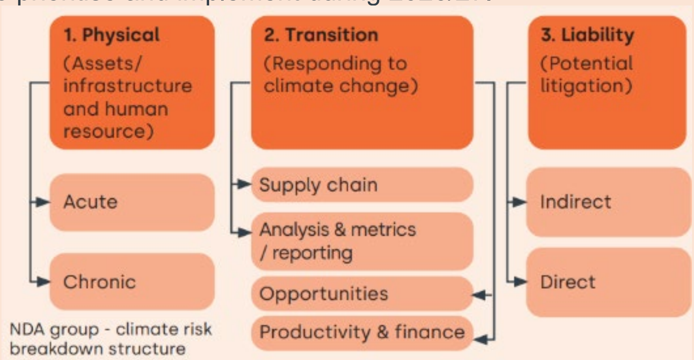
a. Describe the processes for identifying and assessing climate-related risks.
b. Describe the processes for managing climate-related risks.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Overview of our actions

Climate change is not currently recognised as a GSR. Each operating company manages climate related risks through its own enterprise risk framework, with Sellafield, NWS and NRS identifying climate change as a principal risk. This approach enables proportionate and appropriate integration of climate considerations across the group. Further information on our enterprise risk management framework is in the risk management section.

During 2025/26, risk management activities have focused on maturing our understanding of climate related risk exposure. This has included assessing the financial impacts of key climate risks and reviewing insurance data associated with climate related damage. Operating companies first completed individual climate risk identification exercises, the outputs of which were consolidated to produce a group level view of climate threats which were assessed against the operating companies' PIDs and relevant risk appetite to support decision-making. The resulting insights have directly informed climate related scenario planning, strengthening our ability to anticipate and prepare for the potential long-term consequences of climate driven risks.

Risk Identification: The NDA and operating companies individually assess their climate risk exposure using the hazard impact areas and NDA group risk breakdown structure, as detailed below. We regularly monitor policy changes and the regulatory landscape, conduct workshops and horizon scanning to identify and describe risks. Additionally, we engage external expertise to facilitate impartial risk identification, reviews and feedback, which we will continue to prioritise and implement during 2026/27.



Risk Analysis: Climate risks are scored, reviewed and prioritised against the wider organisational risk landscape. This gives an understanding of connections with other risks, which are impacted by climate.

Evaluation: Climate risks are evaluated using defined likelihood and impact scores against the operating companies' PIDs and then assessed against organisational objectives and their respective risk appetites to ensure consistent prioritisation. Risks are subsequently consolidated into a group-wide climate risk log and reviewed by the gCRWG to identify the top climate-related risks and confirm their relative materiality.

Risk Response: We develop action plans, allocate resources, and ensure business stability with contingency plans for severe threats. Climate risk management is integrated into our Business Continuity Plans to prevent disruption from unforeseen events. The NDA and operating companies manage specific threats within their organisations.

Each operating company prioritises its climate-related risks for internal decision-making and committee reporting, then shares key risks with the NDA for inclusion in the group climate risk log.

Monitor and Review: The NDA and operating companies individually oversee their respective climate risks, reviewing them according to the organisational governance requirements and the urgency of climate threats. The gCRWG is the central collaborative interface for the oversight and direction of principal climate risks, as well as a point for escalation and lessons learned.

Further detail

For more information on our risk management process see pages 68 to 78.

METRICS AND TARGETS

	Overview of our actions	**Further detail**
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Below we describe metrics used during the year to assess climate-related risks and opportunities at the NDA group level. **Weather-related insurance claims data over a 10-year period:** • Number of claims: 24, 14 remain open • Closed claims value: £707,000+ • Net reserve value: £8.4 million+ All claims relate to storm damage, primarily to roofs, buildings and cladding. The impact of climate change including the increasing frequency of extreme weather and compounding impact of weather-related incidents is being experienced by the NDA group now. Weather-related maintenance and repair spend outside of insurance claims is excluded from this data. A greater understanding of weather-related maintenance and repair is being explored within the NDA group to further assess risk exposure. These metrics improve understanding of the changing group risk exposure to the physical risk of climate change experienced through weather-related damage. **Climate risk assessments in investment decisions:** During the year, the Group Investment Committee (GIC), considered nine proposals. Of these, one included a full climate risk assessment and one included a partial climate risk assessment. There are plans for the CRAs to be shared at the gCRWG in 2026/27 for group learning. They are informed by the existing risk management process and allow proposals developed to consider climate change impacts as well as considered in investment decision makers of the physical climate change risks associated with the programmes of work. The NDA is further exploring the applicability of CRAs in proposals brought to GIC. This is the first year that we have reported these specific metrics. We aim to report comparatively in the future.	More information about the GIC is on page 79.
b. Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks.	Our Environmental Policy Statement sets out our commitment to being carbon net zero by 2050, in line with government targets (Scottish Government has a target of 2045). As part of our commitment to environmental sustainability, the NDA participates in the Greening Government Commitments (GGCs) scheme including disclosing our GHG emissions. We continue to work with our operating companies on the delivery of our carbon management plans and have made significant reductions in our carbon footprint. The operating companies separately report their GHG emissions in their annual reports and accounts under requirements relevant to them.	More information and performance data for GHG and GGCs is on pages 117 to 119.
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	For the weather-related insurance claims metric set out above, it is not appropriate or meaningful to set a target however the metric provides useful insights. For the Climate Risk Assessments in Investment Decisions metric, the NDA has set a target of for 100% of business cases which require a CRA complete a CRA using climate triage tool set out by HMT Greenbook supplementary guidance Accounting for the effects of Climate Change. Internal targets are set out at an operating company and group level on an annual basis with a select number of key targets which link to remuneration. Environmental and sustainability targets are set each year including on topics such as carbon, waste reduction, water and energy use as appropriate to drive change in areas where risk or opportunity have been identified. For 2026/27, the NDA has set a target for the NDA and each operating company to produce an Action Plan for Climate Resilience. The NDA seeks to improve publicly reportable targets related to climate-related risk and opportunities in the coming years to support management of performance and improve consideration of climate-related risks and realisation of opportunities.	

Our strategic approach and themes

Our strategic themes

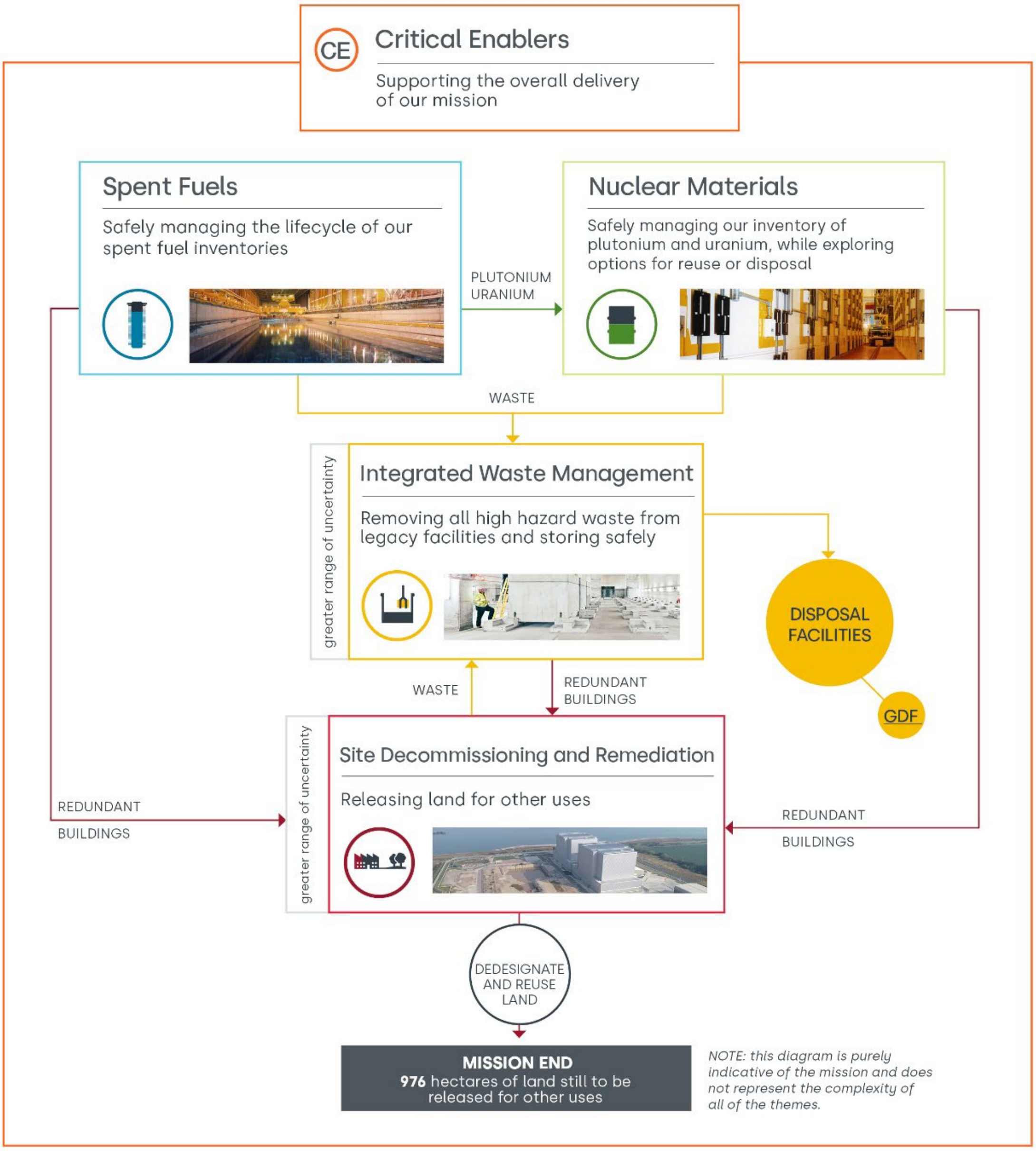
We use five strategic themes to describe all the activities needed to deliver the NDA's mission.

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

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

Integration of our strategies

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



Our driving themes and strategic outcomes

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

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

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

Image above: Work underway at Oldbury

Case studies for 2025/26

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

Spent Fuels

Strategic outcomes 1-15

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

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

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

	2025/26 % complete	**Sellafield**	**NRS sites**	**NRS Dounreay**	**NWS**	**NTS**	**Capenhurst**	**Springfields**
SPENT MAGNOX FUEL								
1- All sites defueled	**100%**	✓	✓			✓		
2 - All legacy Magnox fuel retrieved	26%	✓						
3 - All Magnox fuel reprocessing completed	**100%**	✓						
4 - All remaining Magnox fuel in interim storage	18%	✓						
5 - All remaining Magnox fuel disposed	0%	✓			✓			
SPENT OXIDE FUEL								
6 - All EDFE oxide fuel received	74%	✓				✓		
7 - All legacy fuel retrieved	**100%**	✓						
8 - All oxide fuel reprocessing completed	**100%**	✓						
9 - All remaining oxide fuel in interim storage	71%	✓						
10 - All remaining oxide fuel disposed	0%	✓						
SPENT EXOTIC FUEL								
11- All exotic fuel defueled	81%	✓		✓				
12 - All exotic fuel consolidated	62%	✓		✓		✓		
13 - All exotic fuel reprocessing completed	**100%**	✓						
14 - All remaining exotic fuel in interim storage	84%	✓						
15 - All remaining exotic fuel disposed	0%	✓						

✓ Applicable to each SLC/company

SPENT FUELS

CASE STUDY

Leading the safe transition and future decommissioning of AGR sites

Trusted to do more

Image: Hunterston B - first AGR site to transition to NRS

The scope of the NDA group's activities is broadening, underscoring our prominent role within the UK nuclear sector and the confidence shown in us to manage complex projects.

We are now using our specialist skills and expertise to begin the challenge of decommissioning Hunterston B in Ayrshire, Scotland; the first of the UK's seven AGR stations that will transfer to us from EDF Energy over the coming years as they reach the end of their power-generating lives. This will be closely followed by Hinkley Point B, in Bridgwater, Somerset, which is due to transfer to us in October 2026.

The remaining five AGRs will then reach the end of their operational lives over the next 10 years and, after defueling, will also transfer to our group for decommissioning by NRS. This will see the number of NDA sites increase from 17 to 24: representing our first significant new mission since the NDA's creation.

Prior to the transfer of Hunterston B, we collaborated closely with EDF in a three-year programme on the significant cross-group task of enabling spent nuclear fuel to be safely and securely removed from the site - with the fuel being transferred by NTS to Sellafield for interim storage - which allowed ONR to declare it fuel-free in 2025. We have mirrored this work at Hinkley Point B, which was also declared fuel-free by ONR in January 2026.

In addition, we have worked with EDF and the supply chain to design and install an innovative new space-saving storage rack at Sellafield, enabling 50% more fuel to be stored. Without the new rack, a new storage pond would have had to have been built – potentially costing the UK billions of pounds – and this development allows the site to safely store all the remaining fuel from the yet-to-be-transferred AGRs at Dungeness B, Hartlepool, Heysham 1, Heysham 2 and Torness.

Other adaptations have been made to allow Sellafield to meet the needs of the national programme without new infrastructure, including changes to how it receives and stores fuel, and how it manages pond conditions so they remain suitable for the safe, long-term storage of AGR fuel.

Nuclear Materials

Strategic outcomes 16-25

Our strategy is to support operating companies to safely and securely store the inventory of uranics and plutonium currently stored on some of our sites. These nuclear materials are by-products from different phases of the fuel cycle, either manufacturing or reprocessing. All nuclear materials must be managed safely and securely, by either converting them into new fuel or immobilising and storing them until a permanent UK disposal facility is available.

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

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

	2025/26 % complete	**Sellafield**	**NRS sites**	**NRS Dounreay**	**NWS**	**NTS**	**Capenhurst**	**Springfields**
PLUTONIUM								
16 - All plutonium produced	**100%**	✓		✓		✓		
17 - All plutonium consolidated	**100%**	✓						
18 – All cans not suitable for extended storage repackaged	84%	✓						
19 - All plutonium in interim storage	0%	✓						
20 - All plutonium put beyond reach and then disposed	0%	✓			✓			
URANIUM								
21 - All uranium produced	**100%**	✓						
22 - All uranium consolidated	83%	✓	✓	✓		✓	✓	✓
23 - All uranium treated	4%	✓					✓	✓
24 - All uranium in interim storage	61%	✓					✓	
25 - All uranium reused or disposed	3%	✓			✓		✓	

✓ Applicable to each SLC/company

NUCLEAR MATERIALS

CASE STUDY

Managing the UK's plutonium legacy

Mission progress

Image: Storage of plutonium residues at Sellafield

Cans of plutonium residue are now being converted into a stable waste form for the first time, representing a UK first nuclear safety milestone delivered by the NDA group.

This breakthrough at Sellafield, achieved in late 2025 after a period of sustained dedication and collaboration to overcome the technical challenges, marks a significant step toward permanently disposing of the nation's plutonium legacy and demonstrates the UK's leadership in tackling this complex nuclear challenge.

The plutonium residue - a by-product from historic manufacturing processes of fuels and other materials - is processed and made ready for eventual disposal in a GDF in a Sellafield plant that has operated safely since the mid-1980s. Rather than building a new facility, the team has adapted and repurposed existing facilities, ensuring faster delivery and better value for the taxpayer.

Building on this breakthrough, the NDA group continues its work to tackle the wider challenge of immobilising the UK's entire civil separated plutonium inventory, having been tasked by government to do so in January 2025.

This long-term solution is essential to dealing with the UK's nuclear legacy and leaving the environment safer for future generations.

We are working with delivery partners – including Orano and UKNNL – to research and develop a preferred immobilisation solution for plutonium that cannot be processed using existing methods. In the meantime, we continue to ensure safe and secure storage in the UK.

Integrated Waste Management

Strategic outcomes 26-39

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

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

Our highest priority is the retrieval, treatment, and interim storage of waste from Sellafield's four legacy ponds and silos, which contain some of the UK's most complex and hazardous materials. For more detail on the types of waste we manage, see our Strategy document.

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

	2025/26 % complete	**Sellafield**	**NRS sites**	**NRS Dounreay**	**NWS**	**NTS**	**Capenhurst**	**Springfields**
LOW LEVEL WASTE								
26 - All LLW produced	9%	✓	✓	✓	✓		✓	✓
27 - All LLW treated - to enable diversion or reuse	12%	✓	✓	✓	✓	✓	✓	✓
28 - All waste suitable for disposal in NDA facilities	19%	✓	✓	✓	✓	✓	✓	✓
29 - All waste suitable for permitted landfill disposed	5%	✓	✓	✓	✓	✓	✓	✓
INTERMEDIATE LEVEL WASTE								
30 - All ILW produced	33%	✓	✓	✓	✓		✓	✓
31 - All legacy waste retrieved	10%	✓			✓			
32 - All ILW treated	11%	✓	✓	✓			✓	✓
33 - All ILW in interim storage	16%	✓	✓	✓			✓	✓
34 - All ILW disposed	0%	✓			✓	✓		
HIGH LEVEL WASTE								
35 - All HLW produced	70%	✓						
36 - All HLW treated	80%	✓				✓		
37 - All HLW waste in interim storage	87%	✓				✓		
38 - All overseas HLW exported	73%	✓				✓		
39 - All HLW disposed	0%	✓			✓			

✓ Applicable to each SLC/company

INTEGRATED WASTE MANAGEMENT

CASE STUDY

Vitrification of highly active liquor at Sellafield

Mission progress

Vitrification is the process where highly active liquor is treated and converted from liquid into glass. This means that the waste is immobilised, more stable and safe. It is poured into stainless steel containers before interim storage.

Although reprocessing has ended at Sellafield, vitrification remains crucial. It reduces hazards on site. It also helps move the Highly Active Liquor Evaporation and Storage plant into initial decommissioning.

Increasing our vitrification throughput has long been an aspiration. Recognising its importance, it is an NDA group key target. This is challenging because the make-up of the radioactive liquor we process through the facility has changed as we move from reprocessing liquors to those from post operational clean-out.

This liquor has a higher concentration of suspended solids. They can lead to blockages in the plant process. When these occur, they are hard to address, because the plant is inaccessible to humans due to the levels of radioactivity.

Despite this, vitrification throughput in 2025/26 has been the highest in the last 20 years of plant operations.

Image above: Vitrification at Sellafield

The plant originally had a stretch target of 146 units delivered, however the plant managed to more than double this target.

They achieved this thanks to a new plant management approach which included:

- A better understanding of the chemistry that was likely to lead to plant breakdowns which gave improved visibility of problems.
- Moving to a more balanced risk position of plant operations with plant liquor stock reduction.
- A "once-up, stay-up" mindset focused on keeping the vitrification lines safely operating wherever possible.

In addition to the above, the plant has better long-term work planning, which is designed to minimise outages.

This was possible thanks to close working between operations, maintenance, engineering and the wider supporting functions and Integrated Work Management who plan maintenance outages.

3 GOOD HEALTH AND WELL-BEING
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
17 PARTNERSHIPS FOR THE GOALS

Site Decommissioning and Remediation

Strategic outcomes 40-47

Our approach to decommissioning redundant facilities and managing land quality ensures that each site can be safely prepared and released for its next planned use.

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

We're currently assessing alternatives for the final stages of decommissioning that could lead to earlier release of land, continued employment and opportunities to reuse it. For more information on how we plan to safely dismantle redundant facilities and restore land for future use, see our Strategy document.

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

	2025/26 % complete	**Sellafield**	**NRS sites**	**NRS Dounreay**	**NWS**	**NTS**	**Capenhurst**	**Springfields**
OPERATIONAL AND PLANNED								
40 - All planned new buildings operational	TBD	✓	✓	✓	✓		✓	
41 - All buildings' primary function completed	41%	✓	✓	✓	✓		✓	
DECOMMISSIONING AND DEMOLITION								
42 - All buildings decommissioned	24%	✓	✓	✓	✓		✓	✓
43 - All buildings demolished or reused	22%	✓	✓	✓	✓		✓	✓
SITES								
44 - All land delicensed or relicensed	9%		✓	✓	✓			
45 - All land in End State - all planned physical work complete	44%	✓	✓	✓	✓		✓	✓
46 - All land demonstrated as suitable for reuse	9%	✓	✓	✓	✓		✓	✓
47 - All land dedesignated or reused	9%	✓	✓	✓	✓		✓	

✓ Applicable to each SLC/company

SITE DECOMMISSIONING AND REMEDIATION

CASE STUDY

Commercial Scale Reactor Dismantling

Mission progress

The dismantling and later demolition of redundant commercial-scale graphite reactors is a challenge we share with other countries such as France and Italy. There is established benefit to the UK in completing the dismantling of at least one of these reactors; not least to upskill the UK supply chain in work that will be required in many other countries.

In 2020, the NDA and NRS began a programme of work to tackle this challenge; the adoption of site specific decommissioning strategies for each of the former Magnox reactors. This would result in a rolling programme of dismantling, building knowledge and capability within NRS and the supply chain and demonstrating tangible delivery of UK reactor dismantling.

Trawsfynydd was selected to be the ‘Lead and Learn’ site for this programme and has been delivering key early-phase work to implement an immediate reactor dismantling strategy at the site. Key delivery successes over recent years have been:

- Delivery of scheme designs for the major aspects of reactor dismantling, focussing on those elements for which the least experience existed. This has engaged a broad range of supply chain partners, taking the best experience from within and outside the nuclear sector with a view to ‘de-nuclearise’ the plans as far as possible. Broad ranges of options have been considered, building confidence in the solutions taken forward.
- Sharing knowledge and learning with both forerunner projects, such as Windscale AGR dismantling teams and international partners, and future projects such as successor sites within NRS.
- Delivery of a comprehensive reactor survey and characterisation programme of work. This has led to a considerable reduction in conservatism within the design and planning process, removing complexity and cost at the outset. The reactors at Trawsfynydd are now the best understood reactors in the estate.
- Development of a ‘digital twin’ for the site that meets current government standards for data management within large scale projects and acts to significantly de-risk all future works.

Looking forward, the Trawsfynydd team will build the business cases necessary to move into the early delivery phases of the programme. An incremental and phased approach to programme management is intended, with learning gained during each phase informing decision-making both on further progression and transfer of learning to the rest of the estate.

The intent is to build upon the strong start at Trawsfynydd to develop dismantling plans for other NRS commercial reactors and to ensure that learning and experience is best capitalised on to deliver maximum benefit across the estate.

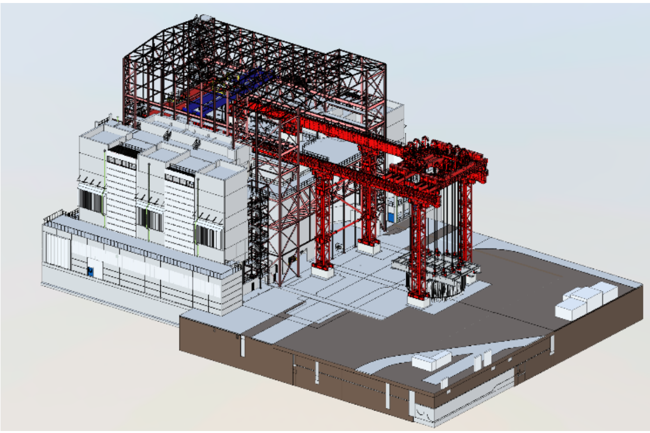


Image: Pile Cap removal using a heavy lift system

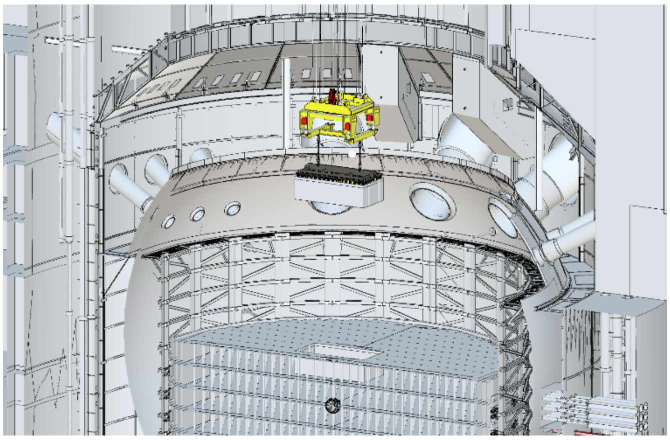


Image: View during graphite retrieval

Our critical enablers

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

Several of our critical enablers respond to our highest group strategic risks and require group focus and attention. These include health, safety and wellbeing, asset management and continuous improvement, security and resilience, including cyber security, commercial and supply chain, and people.

During the revision of our latest Strategy, we updated some critical enablers and identified new ones. These changes are shown in the diagram below. Sustainability is now hardwired into all our strategic thinking. For more information see pages 21 to 23.

Together, our set of critical enablers give us the tools and stability to progress our strategic themes and stay focused on delivering value to the taxpayer.

Find out more about each of our critical enablers

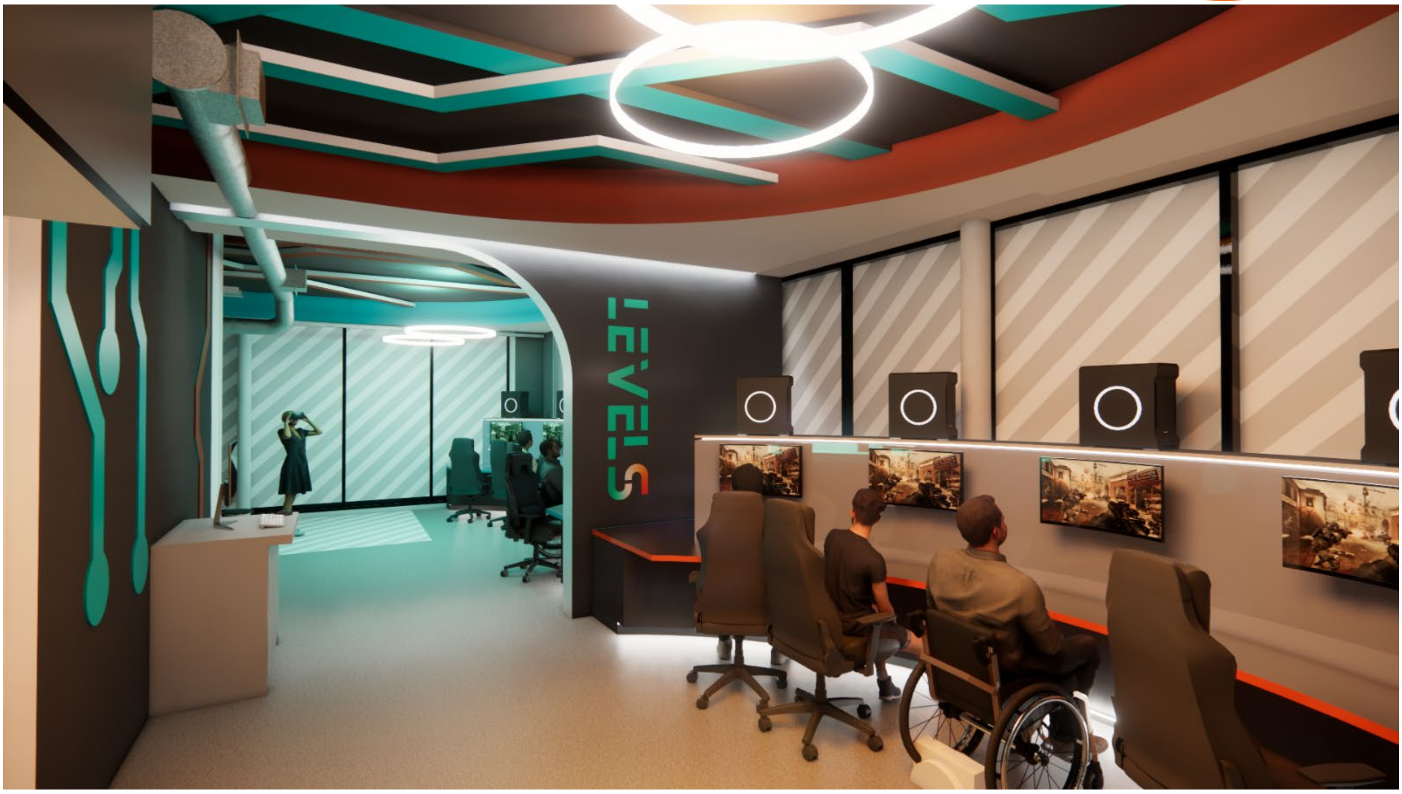
David Peattie FREng FNucl
Group Chief Executive Officer and Accounting Officer
13 July 2026

CRITICAL ENABLER

CASE STUDY

Investing in our communities

Our communities



The NDA group socio-economic programme is investing in projects which help to diversify, strengthen, and protect the economic future of our communities across the UK.

Working with our local partners, we have helped to create employment, provide skills and learning opportunities, delivered important business infrastructure, and supported health and wellbeing initiatives.

Notable examples from across the estate include:

- Dounreay *FutureSkills* Programme, delivered in partnership with Caithness Business Fund, to support apprenticeships, graduate placements, and upskilling opportunities across sectors including engineering, hospitality, and digital technology, targeting small and medium businesses in Caithness and North Sutherland.
- North Anglesey Sites and Premises Programme (Wylfa), which is helping to unlock over £10m of North Wales Growth Deal funding to regenerate key sites and support long-term economic growth in Amlwch and across the region.
- LEVELS Digital and Gaming Hub in Whitehaven (Sellafield), which has transformed a Grade II landmark building in the town into a safe, accessible space in which to inspire young people to pursue careers in vital high-growth sectors.

We will continue to work collaboratively with our communities and our local partners to improve economic opportunities for future generations.

Image above: LEVELS at Whitehaven

CRITICAL ENABLER

CASE STUDY

Creating great places to work through inclusive culture

Great places to work

Since launching the NDA group Inclusion Strategy (2021–2025), we have made consistent progress towards creating great places to work, which are inclusive, where people feel respected, valued and able to thrive. We embedded inclusion into how we work by introducing inclusive leadership training, strengthening accountability through leadership objectives and performance measures and completing mandatory training for around 19,000 staff to ensure consistent standards across the group. National campaigns have supported ongoing awareness and engagement.

We improved recruitment through an end-to-end review of our selection processes and introduced practical changes to make hiring fairer and more accessible. We also invested in programmes to support female talent and took action on gender pay gaps. This contributed to achieving 32.9% female representation, exceeding our 32.5% target and remaining well above the nuclear sector average.

Employee voice has been strengthened through the growth of staff networks, supported by a group framework to ensure consistency and clear purpose. This is complemented by mental health first aiders, diversity champions and ethics ambassadors who support colleagues across the group.

We significantly improved the quality and completeness of our D&I data, with declaration rates increasing from 35% in 2020/21 to 79%, enabling better insight, planning and decision-making. Engagement survey participation remains strong at 79% (14,327 colleagues in 2025), with feedback translated into targeted “you said, we did” action plans, driving visible improvements in the employee experience. Survey results highlighted lower scores around change communications and workload pressures, with actions including increased leadership engagement, clearer communication and a stronger focus on wellbeing and prioritisation.

We increased transparency by reporting on diversity data, pay gaps and engagement outcomes, supported by regular communications reinforcing respect, dignity and inclusion. Progress has been independently recognised through Disability Confident Leader status across the group and Gold TIDE awarded to Sellafield with NDA and NWS recognised at gold too, NTS at silver and NRS at bronze levels.

We have also strengthened external commitments, including the Race at Work Charter and the Armed Forces Covenant. Our MenoHub has gained national recognition and multiple awards, demonstrating the impact of practical, colleague-led initiatives in driving meaningful change.

19,000 colleagues completed mandatory D&I training

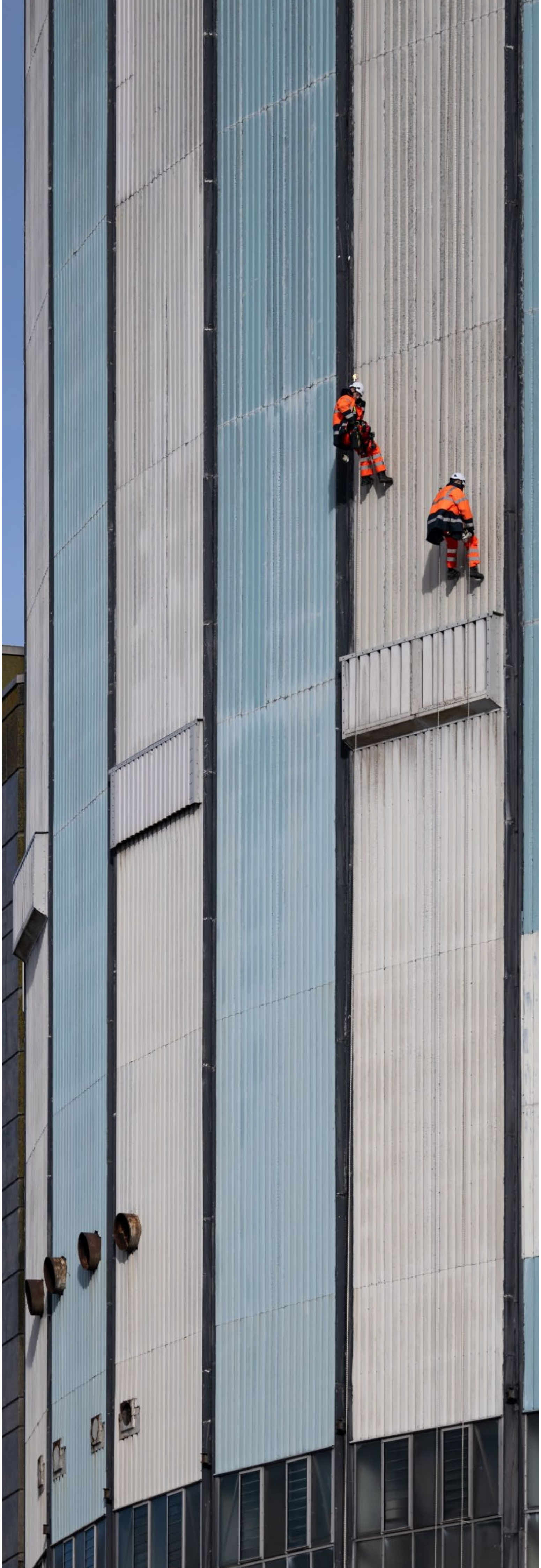
32.9% Women in all roles (target 32.5%) with some business exceeding

79% D&I data declaration (up from 35%)

TIDE Benchmarking Awards 2025 Sellafield, NDA, NWS - Gold - Silver and Bronze across the group.

79% engagement survey participation (14,327 responses)

Disability Confident **Leader** status achieved



Accountability report

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

The **corporate governance report** which:

- Includes the Governance Statement, describing the governance framework, the Board and leadership team structures, risk management and internal control arrangements.
- Contains the Directors' Report, Section 172 Statement and Statement of Accounting Officer's Responsibilities.

Remuneration and people report which:

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

Parliamentary accountability and audit report which includes:

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

Image: Rope access specialists inspecting and repairing galbestos cladding fixings on Oldbury’s Reactor buildings

Governance statement

The NDA is sponsored by the Department for Energy Security and Net Zero (DESNZ). UK Government Investments (UKGI) is part of the sponsorship of the NDA, by acting as the shareholder representative on behalf of DESNZ. UKGI works with DESNZ and the NDA to promote effective corporate governance; to monitor and challenge business planning and performance; to promote strong corporate capability and effective leadership; and to support effective relationships between the NDA and DESNZ. UKGI provides advice to DESNZ and Ministers on these matters and provides a Shareholder Non-Executive Board Member to the Board. The formal arrangements between the NDA and our sponsoring department are set out in a framework document, supported by a memorandum of understanding between DESNZ and UKGI. Scottish Government also has expectations of the NDA and has similar governance and oversight mechanisms in place to ensure these are met.

The Governance Statement provides an insight into the corporate governance framework for the NDA and our group entities during 2025/26. The framework supports the Board in its oversight of the NDA's performance and effectiveness in the delivery of strategic and operational objectives.

The NDA's Governance Framework

The NDA is a non-departmental public body (NDPB) governed through the Energy Act 2004; the UK Government's NDA Framework Document; and Cabinet Office guidelines for NDPBs. We also comply voluntarily with the UK Corporate Governance Code which is detailed on page 51 to 52.

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

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

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

The Board

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

At the date of this report, the NDA Board is comprised of six Non-Executive Board Members, including the Interim Chair who also served as the Senior Independent Board Member for the duration of the 2025/26 year, and two Executive Members: the Group Chief Executive Officer (CEO) and Accounting Officer, and the Group Chief Financial Officer (CFO). The Group General Counsel and Company Secretary also attends all Board meetings.

The names and a link to the full biographies of the Board Members who served during the period 1 April 2025 to 31 March 2026, their respective terms of office and memberships of the committees of the Board, are on pages 47 to 48. A record of meeting attendance for the 2025/26 year is on page 53.

All Non-Executive Members of the Board are considered independent under the UK Corporate Governance Code except for the UKGI Shareholder Non-Executive Board Member.

Janet Ashdown's term of office ended on 31 May 2025, after reaching a nine-year tenure in 2024. The Secretary of State for DESNZ considered her independence and concluded that she met this standard for the duration of her appointment to the Board.

The Interim Chair assumes the same role and responsibilities as the Chair. Unless otherwise stated, future references to the 'Chair' shall be interchangeable with 'Interim Chair'.

The Chair of the Board is responsible for leading the NDA Board effectively in the delivery of its responsibilities. This includes developing the Board as a whole and establishing and maintaining close and effective working relationships with the Executive. The Chair must ensure that the Board's strategy for delivering the NDA's statutory functions and satisfying its statutory duties, and that it takes into account all relevant Government policy and guidance. The Chair also plays a leading role in the NDA's engagement with its key stakeholders.

The Chair is supported by the Senior Independent Board Member. The Senior Independent Board Member leads the annual performance review of the Chair. In preparation for Janet Ashdown's retirement from the Board on 31 May 2025, the Board approved, based on the recommendation of the Chair and Nominations Committee, that Alex Reeves would undertake the responsibilities of the Senior Independent Board Member on an interim basis from 1 June 2025 until 31 December 2025. Alex Reeves, as the UKGI Shareholder Non-Executive Member on the Board, is not considered independent within the UK Corporate Governance Code definition of independence. Catriona Schmolke was appointed Senior Independent Board Member on 1 January 2026 and remained in the role until her appointment as Interim Chair on 17 April 2026. Kathryn Cearns was appointed as Senior Independent Board Member effective from 20 May 2026 and will remain in the role for the period that Catriona Schmolke serves as Interim Chair.

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

At 31 March 2026, the Board's gender balance was 55:45 male to female, with two senior board positions (Senior Independent Non-Executive Member and Group CFO) being held by women.

Board committees

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

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

The Board is also advised by the Group Remuneration Committee (Group RemCo) and the NDA AGR Group Advisory Committee (GAC).

On the 14 July 2025, the Group Remuneration Committee was established. The membership of the Group RemCo comprises of members of the NDA RemCo and Operating Company RemCo Chairs. The Board took the decision to establish the committee as part of wider governance changes across the group, to enable greater alignment across group remuneration governance.

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

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

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

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

The membership and meeting attendance of each committee is on page 53. The purpose, responsibilities and key activities within the year of each committee is on pages 57 to 67.

Group Executive Committee

The day-to-day operational management and strategic execution of the NDA's mission is overseen by the Group CEO and the Group Executive Committee (GExCo).

Established in January 2026, the purpose of the GExCo is to provide strategic oversight, operational alignment and cohesion within the NDA Group. The GExCo plays a key role in overseeing and co-ordinating the strategic and operational activities of the NDA group and enhancing operational delivery, efficiency, effectiveness and alignment.

The GExCo comprises the: Group CEO and Accounting Officer, the four Operating Company CEOs and the NDA functional heads: Group Chief Financial Officer; Group Chief Assurance and Performance Officer; Group Chief People Officer; Group Chief Commercial and Business Development Officer; Group Chief Corporate Affairs Officer and Chief of Staff; Group Chief Operating Officer, Group General Counsel and Company Secretary; and Group Chief Nuclear Strategy Officer.

A link to the full biographies of each GExCo member are on pages 49 to 50.

Board members

Scan the QR codes for full biographies of our Board members

Catriona Schmolke CBE FREng
Interim Chair
(Current term of office ends: 30 November 2028)

Committee memberships:
NomCo **(C)**, HSSSE, RemCo

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

Committee memberships:
HSSSE, P&PCo

Kate Bowyer
Executive Board Member
Group Chief Financial Officer

Committee memberships:
None

Kathryn Cearns OBE
Senior Independent Board Member
(Current term of office ends: 31 July 2029)

Committee memberships:
NomCo, ARAC **(C)**, P&PCo, RemCo, Group RemCo

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

Committee memberships:
NomCo, P&PCo **(C)**, GAC **(C)**, ARAC

Harriet Kemp
Non-Executive Board Member
(Current term of office ends: 29 February 2028)

Committee memberships:
NomCo, HSSSE, RemCo **(C)**, Group RemCo **(C)**

Board members continued

Professor Francis Livens
Non-Executive Board Member
(Current term of office ends: 30 Nov 2029)

Committee memberships:
NomCo, HSSSE **(C)**, P&PCo

Alex Reeves
UKGI Shareholder Representative
Non-Executive Board Member
(Current term of office ends: 31 January 2030)

Committee memberships:
NomCo, ARAC, RemCo, Group RemCo

Board members who served during the year:

Peter Hill
Chair
(June 2024 to April 2026)

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

Group Executive Committee (GExCo)

Scan the QR codes for full biographies of our GExCo members

David Peattie FREng FNucl
Group Chief Executive Officer and Accounting Officer

Kate Bowyer
Group Chief Financial Officer

Emma Ferguson-Gould
Group Chief Commercial and Business Development Officer

Rob Fletcher
CEO, NRS

Euan Hutton
CEO, Sellafield

Seth Kybird
CEO, NWS

Ciara Middlehurst
Joint CEO, NTS

Clive Nixon
Group Chief Nuclear Strategy Officer

Group Executive Committee (GExCo) continued

Frank Rainford
Group Chief Operating Officer

Matthew Shaw
Group General Counsel and Company Secretary

Paul Vallance
Group Chief Corporate Affairs Officer and Chief of Staff

David Vineall
Group Chief People Officer

Ben Whittard
Joint CEO, NTS

Executives who served in the year:

Alan Cumming
Group Chief Assurance and Performance Officer
(April 2018 to May 2026)

Board performance

Corporate governance compliance

We apply high standards of corporate governance and comply voluntarily with the principles and provisions set out in the 2024 UK Corporate Governance Code (the Code). The Board considered that for the year ending 31 March 2026, the NDA was fully compliant with the Code with the exception of the areas listed in the table below. These generally relate to provisions whereby, due to the NDA's status as an arm's length body and oversight by DESNZ, full compliance is not possible, or the provision does not apply. Compliance against Provision 29 of the Code will be reported on in the 2026/27 Annual Report and Accounts.

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

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

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

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

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

The UK Corporate Governance Code

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

Attendance of members at scheduled Board and committee meetings in 2025/26

Name	Role	Board (total:6)	NomCo (total:5)	RemCo (total:2)	Group RemCo (total:4)	ARAC (total:6)	P&PCo (total:5)	HSSSE (total:4)
Catriona Schmolke[1]	Interim Chair	5/5	4/4	1/1	3/4	1/3	-	3/3
Kathryn Cearns [2]	Senior Independent Member	6/6	5/5	2/2	-	6/6 C	4/4	-
Neil Bruce[3]	Non-Executive Member	5/5	4/4	-	-	4/5	4/4C	1/1
Harriet Kemp	Non-Executive Member	6/6	5/5	2/2 C	4/4 C	-	-	4/4
Francis Livens	Non-Executive Member	6/6	5/5	-	-	-	5/5	4/4C
Alex Reeves	Non-Executive Member	6/6	5/5	2/2	4/4	6/6	-	-
David Peattie	Group CEO and Accounting Officer (Executive Member)	6/6	-	-	-	-	5/5	4/4
Kate Bowyer	Group CFO (Executive Member)	6/6	-	-	-	-	-	-
Board Members who served in year:								
Peter Hill	Chair	6/6 C	5/5 C	-	-	-	-	-
Janet Ashdown[4]	Senior Independent Member	0/1	0/1	0/0	-	1/1	1/1C	-

C Chair

Notes:

1. Catriona Schmolke was appointed to the Board on 1 June 2025 and therefore did not attend any meetings at the beginning of the year. She was a member of the ARAC between 1 June and 30 September 2025 and joined one meeting in the year. She was unable to attend the remaining two ARAC meetings and one NomCo meeting due to prior commitments made before her appointment. Catriona attended all meetings during the 2025/26 year as a Non-Executive Board Member and was appointed Interim Chair on 17 April 2026. Upon her appointment as Interim Chair, she stepped down as a member of the Remuneration Committee.
2. Kathryn Cearns was unable to attend one P&PCo meeting due to a prior commitment.
3. Neil Bruce was appointed to the Board on 1 June 2025 and therefore did not attend any meetings at the beginning of the year. Neil was appointed Chair of the P&PCo from 1 June 2025. He was a member of the HSSSE between 1 June 2025 and 30 September 2025 and joined one meeting in the year. Neil was unable to attend one ARAC meeting due to prior commitments made before his appointment.
4. Janet Ashdown was unable to attend one Board meeting and one NomCo meeting in the year due to them being rearranged at short notice. Janet served as Chair of the P&PCo before stepping down from the Board on 31 May 2025.

The Board's role and responsibilities

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

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

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

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

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

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

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

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

Board performance, effectiveness review and training

An internal Board effectiveness review was carried out during 2025/26. This followed on from the externally facilitated review in 2024/25. The review work concluded in March 2026, and due to the subsequent change of Chair in April 2026, actions and recommendations are due to be considered by the Board slightly later than planned in the 2026/27 financial year.

At its meeting in March 2026, the Board reviewed progress against the actions from the 2024/25 effectiveness review. It was content that progress was being made against agreed workstreams and approved that several actions could be closed.

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

- Directors' duties for NDA group companies.
- The nuclear provision.
- Key operational and decommissioning metrics.
- Briefings from the National Cyber Security Centre and a desktop cyber exercise.

Board activities in the year

At each of its meetings, the Board reviews key performance information, including reports on the NDA group's performance, health and safety metrics, operational activity, financial position, forecasts and sensitivities and delivery of its strategic direction. The Board also reviews performance against the expectations set out in the annual Chair's letter from DESNZ and the DESNZ medium-term priorities letter sent to the Group CEO and Accounting Officer. A summary of the matters considered by the Board in the year is presented in the table below. The Board takes an active role in stakeholder relations and engagement with the workforce. The Section 172 Statement set out on pages 85 to 86 details how the Board has engaged with stakeholders on a range of matters.

Site visits

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

- Sellafield
- Hunterston A and B
- Hinkley Point A
- Dounreay
- Harwell
- Bradwell
- Oldbury
- Dungeness
- Hinton House
- Herdus House

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

Strategy, performance and mission delivery	• Health and safety performance updates: statistics, trends, incidents and near misses, and wellbeing
	• Progress against the Chair's Letter 2025/26
	• Spending Review: settlement outcome and progress against efficiency commitments
	    ○ Strategy 2026 development, review and approval for public consultation
	    ○ External review of the NDA (Public Bodies Review)
	• Response to the Nuclear Regulatory Review Taskforce Report
	• Focused deep dives on group strategic priorities and action plans including:
	    ○ NRS 'Back to Green' Plan
	    ○ Clean energy development at Sellafield
	    ○ NWS Strategic Review
	• Culture updates from the operating companies
	• AGR Transfer Programme: progress reports, risk reports and funding agreements.
	• Approval of Group Key Targets for 2025/26 and review of proposed targets for 2026/27
	• Progress against the Group Key Targets and Group Operating Plan
	• Review of the NDA 2026-29 Business Plan and approval for onward submission to DESNZ and the Scottish Parliament
	• Sanction matters including business to be submitted to DESNZ for approval and sanction forward plans
	• Review of programmes and projects including:
	    ○ Key siting decisions relating to the NWS GDF Programme
	    ○ BEC governance arrangements & Aggregated Investment Fund
	    ○ Sellafield Very Low Active Analytical Services Contract
	    ○ Dungeness Boilers Project

	○ Lightly Shielded Store (LSS) Project • Updates on strategic, operational and performance matters relating to: ○ Information governance ○ Information risk management ○ Cyber security ○ Information technology ○ Digital transformation • Research and development updates • Sustainability activities and progress update • Engagement with DESNZ and other key regulators
Risk and compliance	• A review and refresh of the group's risk appetite • Deep dives into the following group strategic risks: ○ Stakeholder structures and relationships ○ Capability and capacity ○ Cyber security and resilience ○ Industrial action • Climate change and adverse weather hazards on sites and associated mitigation of risks • Group litigation matters
Culture and governance	• Approval of an updated Speak Up Policy • Speak Up reporting • Approval of the Modern Slavery Statement for 2024/25 • Employee engagement updates • Approval of changes to the Delegations and Sanctions Framework • Improvements to the group governance structure including the establishment of the Group Remuneration Committee and a Sanction Streamlining Pilot. • Changes to the Performance and Assurance Team • Formation of the Group Remuneration Committee • Reviewing the role and purpose of NDA-Appointed Non-Executive Directors on operating company boards • Approval of new director appointments and existing directors' term extensions to the operating company boards • Approval of changes to the composition of the NDA committees • Committee activity updates • Effectiveness reviews of the NDA Board and operating company boards • Approval of the 2024/25 Annual Report and Accounts • Approval of key policies and governance documents

Audit, Risk and Assurance Committee (ARAC)

Message from the Committee Chair

The Committee oversees financial reporting and external audit, risk management, internal audit, assurance and ethics and compliance for the NDA. Throughout the year, the Committee received and reviewed reports from the Group CEO and Accounting Officer, CFO and on the NDA's Finance, Financial Reporting, Internal Audit, Risk Management, Assurance, Speak Up and Ethics and Compliance activities and performance. It has also received regular reports from the external auditor, the National Audit Office (NAO). A comprehensive list of matters considered during 2025/26 is on pages 72 to 73.

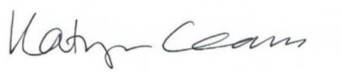
The Committee has supported further alignment of NDA's control functions – Internal Audit, Assurance and Risk Management. This was achieved by establishing annual Internal Audit and Integrated Assurance plans which ensure oversight of the Group Strategic Risks. The Committee provided feedback on a group-wide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

During the year, the Committee has received presentations from the group operating companies on their second line assurance activities.

The NDA has again voluntarily complied with the UK Corporate Governance Code, reporting for the first time against the 2024 version of the Code. As part of the Committee's activities, NDA's compliance against the Code provisions has been considered and is on pages 51 to 52. The Committee has also overseen preparations for reporting against Provision 29 of the 2024 UK Corporate Governance Code from the 2026/27 financial year.

The Committee has welcomed the regular attendance of representatives from the National Audit Office and Government Internal Audit Agency throughout the year.

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



Kathryn Cearns OBE
ARAC Chair
13 July 2026

A full list of the Committee's members and their attendance at meetings during the year is on page 53.

Committee purpose

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

Consideration of controls over financial reporting and key estimates and judgements in the 2025/26 Annual Report and Accounts

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

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

Valuation of the nuclear provision

The nuclear provision is the discounted best estimate of the future costs of the decommissioning mission. The Committee recognises that the provision represents one value in a credible range of potential outcomes. It considered the key sources of estimation uncertainty set out in note 24 and is satisfied that the value of the provision represents management's best estimate. They are also satisfied that the financial statement disclosures provide sufficient information to understand how the provision has been calculated and explain the inherent uncertainty involved in making such long-term estimates. The Committee requested and reviewed the disclosures which explain the revisions to the plans in the year.

Revenue recognition

The group's income is mostly from spent fuel receipt and management at Sellafield. The Committee recognises there are a small number of contracts and management has limited incentive to overstate revenue. The application of IFRS 15 to these contracts is now well understood and application remains consistent. The Committee has concluded that the group has sufficient controls to provide reasonable assurance over the group's revenue recognition as well as mitigations against the potential for fraud, and that related disclosures are sufficient.

Valuation of commercial balances

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

Group defined benefit pensions

The measurement of liabilities in the group's defined benefit pension schemes requires judgements in estimating scheme member life expectancy and scheme investment performance, which could lead to misstatement of the group's pension balances. The Committee reviewed the disclosure presented in note 26 of the financial statements and is satisfied that the required level of information is provided understand the impact on the group of its pension obligations.

Inventories

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

Property, plant and equipment

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

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

Financial reporting

- Reviewed and endorsed the Annual Report and Accounts, Accounting Officer's Report and Internal Audit Report and Audit Completion Report for 2024/25.
- Reviewed and approved the critical accounting judgements to be used in the financial statements for 2025/26.
- Approved changes to group subsidiary audit processes.
- Reviewed and endorsed the Audit Plan for 2025/26.

Risk management

- Reviewed and approved the Group Risk Assurance activities included with the Group Integrated Assurance Plan for 2025/26.
- Reviewed and approved the Group Risk Assurance Framework.
- Reviewed and endorsed the NDA Risk Management Policy.
- Reviewed and approved the Reference Class Forecasting Operational Guidance Note.
- Reviewed and endorsed the establishment of Group Strategic Risk 011 (Industrial Action).
- Engaged in Group Strategic Risk deep dives on supply chain assurance and funding arrangements.
- Received and endorsed the HMT Orange Book 'Comply or Explain' statement for 2024/25.

Internal audit

- Reviewed and approved the NDA group Internal Audit Plans for 2025/26 and 2026/27.
- Received reports from Group Internal Audit and the GIAA.
- Reviewed the outcomes from and monitored progress against the 2025/26 Internal Audit Plan.
- Received regular reports on the performance and activities of the Internal Audit function.
- Reviewed management responses to Internal Audit findings and monitored the completion of actions arising from Internal Audit reports.
- Reviewed and endorsed reports on the outcome of the 2024/25 NDA Group Key Targets for input into the outturn of the NDA Short-Term Incentive Plan (STIP).
- Reviewed and endorsed reports on the outcome of the level of achievement of the targets for the award of the Long-Term Incentive Plan (LTIP) Scheme running from April 2023 to March 2026.

Assurance

- Reviewed and approved the NDA Integrated Assurance Plan for 2026/27.
- Reviewed the outcomes from and monitored progress against the 2025/26 Integrated Assurance Plan.
- Received regular reports on the performance and activities of the Assurance function.
- Considered management responses to assurance activities and the incorporation of lessons learned in project and programme management activities

Internal controls

- Received and reviewed reports from the Group CEO and Accounting Officer during the year, including Accounting Officer Regularity Matters.
- Received and reviewed reports from the Group Chief Financial Officer, which included updates on:
  - IR35 compliance
  - IFRS 17 impact
  - Delegations and sanctions framework changes
  - Group statutory account filings
  - Tax compliance
- Oversaw workstreams relating to Provision 29 readiness reporting for the 2026/27 year.
- Received and reviewed an assessment of the NDA's compliance against the UK Corporate Governance Code and Corporate governance in central governance departments: code of good practice.

Ethics and Compliance

- Received and endorsed updates to the NDA Speak Up Policy.
- Received reports on and monitored the progress of Speak Up investigations.
- Reviewed and approved the publication of the NDA gifts and hospitality register.
- Reviewed and endorsed the 2025/26 Counter Fraud, Bribery and Corruption Incident Response Plan.
- Reviewed and endorsed the 2024/25 Modern Slavery Statement.

Nominations Committee (NomCo)

Message from the Committee Chair

A key focus of the Committee in 2025/26 has been to support and oversee the recruitment process for the NDA Group Chief Executive Officer and Accounting Officer. This is a complex and unique role, and the Committee has played a key role in the design and delivery of the process. Several members of the Committee are part of the associated selection panel along with the Second Permanent Secretary of DESNZ.

During the year the Committee confirmed its unanimous support for Francis Livens' reappointment for a third term. DESNZ and UKGI subsequently confirmed Francis Livens reappointment for a final term of three years effective from 1 December 2026.

The Committee is responsible for reviewing the composition of the operating company boards in addition to that of the NDA Board, and during the year has considered the appointment and reappointment of several operating company board members, including executive directors and those non-executive directors appointed by the NDA from amongst its Executive.

The Committee supports the Board in ensuring effective succession planning across the group for the most senior management roles. During the year, the Committee has received detailed updates on the succession process deployed across the group, the maturity of the plans and the emerging themes, risks, and action plans. It has supported on various associated recruitment processes and received updates on the performance of newly appointed members of senior management across the group.

The Committee has overseen comprehensive induction programmes for myself and Neil Bruce. Learnings are always taken from each iteration of the programme to ensure all incoming Board members receive an effective induction. The Committee has also overseen the completion of induction programmes across the operating company boards.

The Committee reviewed the composition of the committees of the Board at various points during the year to ensure their effective functioning and continued compliance with the constitutional requirements set out in their Terms of Reference.

Committee membership changes during the year included my stepping down as a member of the ARAC and Neil Bruce's stepping down from the HSSSE Committee. Both appointments had been intended only for the period of our induction to support gaining familiarity with the group. Most recently, in view of my appointment as Interim Chair, I have stepped down as a member of the Group Remuneration Committee and Kathryn Cearns has been appointed to this forum. It was also necessary for me to handover my responsibilities as the Senior Independent Board Member and the Committee recommended and the Board subsequently approved that Kathryn Cearns undertake this role for the period I serve as Interim Chair. On the recommendation of the Committee and with the approval of the Board, Alex Reeves had undertaken the responsibilities of the Senior Independent Board Member up until 1 January 2026 when I took over the role.

This is my first year reporting as NomCo Chair having joined the Committee in June 2025 alongside Neil Bruce. I'd like to thank Peter Hill for his leadership of the Committee during the 2025/26 year before stepping down in April 2026, as well as Janet Ashdown who stepped down from the Committee in May 2025. I would also like to thank my continuing fellow Committee members for their support and engagement and look forward to our ongoing work in 2026/27.

Catriona Schmolke CBE FREng
NomCo Chair
13 July 2026

A full list of the Committee's members and their attendance at meetings during the year is on page 53.

Committee purpose

The primary purpose of the NOMCO is three-fold. It is responsible for reviewing the size, composition, skills, experience, competency, independence, knowledge and diversity of the Board and its committees and recommending to DESNZ and UKGI any changes to the Board that are considered necessary or advisable. In doing so, we aspire to having a diverse Board in terms of gender, social and ethnic backgrounds, cognitive and personal strengths, experience, skills and knowledge. The biographical details of the current Board members can be found on pages 47 to 48.

It considers and makes recommendations to the Board on candidates for appointment (including reappointment) to all board roles within the operating companies and reviews group board, executive and senior management succession plans, oversees associated recruitment across, and all aspects of board induction within the group.

It also agrees and oversees the framework for assessing board effectiveness and individual board member performance across all the boards within the NDA group.

During the year, the NomCo has:

- Overseen the recruitment process for a new NDA Group CEO and Accounting Officer.
- Overseen the recruitment process for a new NDA Group Chief People Officer.
- Considered and ultimately approved the exit package for the current NDA Group Chief People Officer.
- Considered succession plans for the NDA Board and its committees.
- Endorsed that Alex Reeves undertake the responsibilities of the Senior Independent Board Member on an interim basis during the year prior to endorsing Catriona Schmolke as Senior Independent Board Member from 1 January 2026.
- Reviewed succession plans across the operating company boards.
- Endorsed the appointment of the new NWS CFO.
- Endorsed an extension to the term of appointment of the joint Interim CEOs of NTS
- Reviewed and approved changes to the compositions of the operating company boards including director resignations, appointments and re-appointments.
- Reviewed changes to the terms of engagement for certain operating company non-executive board members.
- Reviewed the role of the NDA-appointed non-executive directors on the operating company boards and approved re-appointments to certain roles.
- Recommended to DESNZ and UKGI the reappointment of Francis Livens for a third term.
- Endorsed changes to NDA committee memberships, including the initial membership of the Group Remuneration Committee.
- Reviewed succession plans for the most senior management roles across the group and contributed to key recruitment processes.
- Endorsed the appointment of the new NTS CFO.
- Endorsed an extension to the term of appointment of the Interim NWS CEO.
- Overseen the completion of induction programmes by new group board members.
- Overseen the annual appraisal of all group board members.
- Reviewed and endorsed changes to its Terms of Reference.

Remuneration Committee (RemCo) and Group Remuneration Committee (Group RemCo)

Message from the committees' Chair

The Group Remuneration Committee was established on 14 July 2025 as part of wider governance changes across the group, to oversee executive remuneration matters and review remuneration policies with a group-wide perspective. This is designed to ensure greater consistency in our approach to pay and performance management. The NDA RemCo continues to oversee wider employee matters. Both Committees will be covered together in this report.

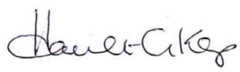
Consistency and transparency of group-wide remuneration remains a key priority. In the year, we have developed oversight for all aspects of executive remuneration, including annual pay increases, appointment salary ranges and incentive schemes. There has also been an ongoing focus to optimise the sequencing of remuneration governance across the group. In the year, incentive governance schedules across the group have been aligned to harmonise the governance timing across the NDA and its operating companies. To further advance the One NDA approach, there has been greater alignment in incentive scheme targets across the group, and in the approach to Executive remuneration proposals.

Keeping up to date with changes in regulation and legislation and ensuring our compliance remains a priority. We receive regular external market updates on People and Reward-related developments.

An executive reward study was conducted in the financial year to review all areas of job sizing and reward structures for group Executives. This further developed understanding of the senior leadership remuneration structure, with a focus on fairness and consistency. This data-led review provided insights for the Committees to consider as part of overseeing the optimal remuneration and incentive model for the successful evolution of the group. A review into our Executive benchmarking approach has also been conducted to ensure that executive remuneration is effective for the needs of the mission, as well as delivering the best value for the taxpayer.

Over the course of the year, the Group RemCo has continued to review group incentive schemes. This supports the drive for greater consistency across the group, and ensured best practice and recent changes to the Code were clearly captured in the associated procedures for the schemes.

Regular updates have been received on engagement with UK Government regarding the group's treatment under the pay remit. Whilst recognising the ongoing challenge of attracting and retaining talent to cater for future demand in the nuclear industry, there remains a continued commitment to ensuring that remuneration remains fair and appropriate within the UK Government pay remit.



Harriet Kemp

RemCo and Group RemCo Chair

13 July 2026

A full list of the Committee's members and their attendance at meetings during the year is on page 53.

Committee purpose

The primary role of the RemCo is now to review the reward and governance frameworks and policies, and to design, set and determine the outturn of the short-term incentive plans for NDA employees (except Executives). The RemCo does not have responsibility for reward matters in the group's operating companies.

The Group RemCo is responsible for determining the reward and governance framework for the NDA group and to set the remuneration of the NDA Executives, as well as operating company Executives. This includes setting individual salaries and determining the outturn of performance related pay and arrangements for joiners and leavers.

Both Committees support the Group CEO and Accounting Officer and Board respectively in the provision of assurance around compliance with the group Reward Framework.

During the year, the RemCo and Group RemCo have:

- Reviewed performance at the NDA and individual Executive Leadership Team level to determine the Short-Term Incentive Plan (STIP) awards for 2024/25.
- Reviewed the Group CEO's and Executive Leadership Team's performance objectives for 2025/26.
- Reviewed the performance targets for the 2026/27 STIP.
- Agreed the outcome and payments for the Long-Term Incentive Plan (LTIP) 2022-25 and set the targets for the LTIP 2025-28.
- Received regular updates on all ongoing Incentive Plans.
- Reviewed STIP and LTIP rules and associated documents.
- Reviewed the internal audit reports and agreed action plans regarding remuneration governance.
- Received ongoing updates on the groupwide review into incentives arrangements.
- Considered proposals for executive reward matters.
- Overseen the NDA's 2025/26 pay remit submission and proposals for the application of the remit across the group.
- Received updates on wider workforce remuneration matters.
- Received reports on external market, legislative and regulatory developments as part of ongoing horizon-scanning activities.

The NDA Remuneration and People Reports are on pages 91 to 108.

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

Message from the Committee Chair

This is the second year of reporting from the HSSSE Committee following its formation in January 2025 when the Health, Safety, Security and Environmental Committee (HSSE) and Environment, Sustainability and Governance Committee (ESG) merged.

A key focus of the Committee during the year has been the group's response to the Nuclear Regulatory Taskforce report and the opportunities it offers to rethink health and safety processes and procedures. The Committee will continue to receive updates from the NDA team established to support the delivery of the recommendations over the coming year.

Representatives from the ONR joined the Committee meeting in May 2025 to discuss the findings and recommendations of the Chief Nuclear Inspector's Themed Inspection on Climate Change. The Committee welcomed the findings of the inspection and, building on its recommendations, ensured climate resilience was fully addressed in the latest Strategy.

The Magnox Swarf Storage Silo leak at Sellafield remains a priority for the Committee. Updates have been provided at every meeting throughout the year and are always included in our reports to the NDA Board. The Committee will continue to monitor progress in 2026/27.

During the year, the Committee has received direct reports from senior executives at Sellafield, NWS and NRS on their respective health, safety, environmental and sustainability activities.

Sustainability continues to remain a key focus of the Committee. As a driving theme of the latest Strategy, it will ensure mission related decisions align with sustainability materiality and the UN Sustainable Development Goals.

I'd like to thank my fellow Committee members for their support over the year, in particular Janet Ashdown who stepped down from the Committee in May 2025 and Catriona Schmolke who joined in June 2025.

Professor Francis Livens
HSSSE Committee Chair
13 July 2026

A full list of the Committee's members and their attendance at meetings during the year is on page 53.

Committee purpose

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

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

The Committee's routine business throughout the year includes:

- Scrutinising the management of health, safety, security, sustainability, socioeconomic, environmental and wellbeing risks and performance across the NDA group. Performance is benchmarked against relevant industry sectors.
- From time to time, and as considered necessary, receiving reports from group businesses on events and accidents.

- Receiving and commissioning independent reports from NDA's in-house health, safety and security resilience teams, including trend analysis and reports of work undertaken by the NDA to promote high standards and encourage collaboration.

During the year, the HSSSE Committee has:

- Discussed the group's response to the Nuclear Regulatory Taskforce.
- Received updates at each meeting on the status of the Magnox Swarf Storage Silo leak at Sellafield and maintained oversight of the actions being taken to address the matter.
- Received updates on and maintained oversight of health and safety improvements at Sellafield.
- Received updates from NWS on the capping project and development of an updated Environmental Safety Case at the Low Level Waste Repository site.
- Received updates on health and safety management implications of the care of aging assets at NRS sites.
- Received updates on the progress of implementing the Guidance on Requirements for Release from the Radioactive Substances Regulations.
- Welcomed representatives from the ONR to discuss key findings from the Chief Nuclear Inspector's Themed Inspection on Climate Change.
- Discussed the appropriate approach to proportionality in the group's operational health and safety practices.
- Discussed climate change, adverse weather hazards on sites and the associated mitigation of risks.
- Discussed climate change in the context of end state considerations.
- Overseen the development of a group-wide investigation assist programme.
- Oversaw deep dives on the following Group Strategic Risks: health, safety and wellbeing; major incident at an NDA site.
- Received and endorsed the updated NDA group HSW Policy Statement.
- Discussed the group's approach to the environmental resource challenge across the industry.

In addition, the Committee has received updates on:

- Progress against carbon targets.
- Nuclear safeguards.
- Unmanned Autonomous Systems (UAS).
- Security assurance models.
- Health, safety, security, sustainability and environmental considerations in Strategy 2026.
- Progress against the Skills Beacon Project.
- Progress against the group Inclusion Strategy.
- Employee engagement and survey response updates.
- Social value implementation across the NDA group.
- Progress against the 2025/26 sustainability targets.

The full Health, Safety, Environment and Wellbeing Report is on pages 109 to 119.

Programmes and Projects Committee (P&PCo)

Message from the Committee Chair

Performance across our programmes and projects portfolio has continued to improve in the year. The Committee is paying close attention to significant inflationary pressures for programmes and projects across all activities in the group.

Sellafield major project performance in the main remains robust however, in addition to inflation, has experienced pressures as a result of industrial action in the supply chain and regulatory change.

NRS major projects have made progress and have encountered challenges around schedule performance.

NWS major projects performance continues to be shaped by external dependencies, in particular for the GDF Programme. Ongoing reports on the progress of the GDF programme were reviewed by the NDA Board during the financial year.

Prior to the revision of the Government Major Projects Portfolio (GMPP) list for 2026/27, there were three GMPP projects in the NDA group, of which two were reviewed by National Infrastructure and Service Transformation Authority (NISTA) during the financial year – one received a "Green" Delivery Confident Assessment (DCA) rating, and one received an Amber DCA rating.

The Committee has received programme and project updates from across the Group, in line with its central purpose to oversee Major Programme and Project delivery. These updates have been on areas of focus across the group, such as for the Civil Nuclear Constabulary Operating Unit work.

There remains a commitment to encourage a culture of organisational learning, and the Committee now regularly receives and discusses 'lessons learned' reports for programmes and projects.

The Committee has received updates on research and development, which is an essential aspect of the NDA's plan to deliver its mission in a timely and cost-effective way. The Committee will continue to receive regular reports on successes, challenges and opportunities in the area. The role of innovation is crucial for success in the mission and our commitment to continuous improvement, this forms a regular part of the Committee's focus during consideration of requests or performance updates.

The Committee plays a crucial role in the governance of sanction-related requests, and, in the year, it has considered and scrutinised business cases including for critical work on Dounreay Shaft and Silo, Special Nuclear Materials and major contractual frameworks for asset care at Sellafield. The Committee has continued to focus on enhancing the effectiveness and efficiency of sanction-related governance. We have seen much clearer high-quality submissions with increased transparency. We also regularly discuss how the sanction governance timeline can be reduced without impact to quality of scrutiny, and this has been demonstrated by additional meetings being held to accommodate the speedy timeline of requests for onward submission to government.

In line with wider governance changes, 2026/27 presents an opportunity to further enhance the NDA's oversight of programme and project performance, streamline sanction governance, and achieve further improvements in risk and performance assurance reporting throughout the project lifecycle.

I would like to place on record my thanks for Janet Ashdown's effective tenure as Chair of the Committee up to 31 May 2025.

Neil Bruce

Dr Neil Bruce OBE

P&PCo Chair

13 July 2026

A full list of the Committee's members and their attendance at scheduled meetings during the year is on page 53.

Committee purpose

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

During the year, the P&PCo has:

- Received regular updates on major contracts, assurance, risk management and sanctions across the group.
- Considered eight sanction-related request submissions.
- Reviewed the performance of several major strategic programmes and projects across the NDA group including:
  - NRS programme and project portfolio
  - Sellafield Acquisition Strategy
  - Civil Nuclear Constabulary Operating Unit at Sellafield
  - Box Encapsulation Plant at Sellafield
- Undertaken member training on procurement, project management, assurance system, sanction governance and reporting.
- Reviewed a deep dive into the Group Strategic Risk on project and programme delivery performance.
- Reviewed an update on research and development across the group.
- Received an update on the practical application of group-wide integrated programme controls.
- Considered lessons learned reports across various projects.

Group risk management and assurance

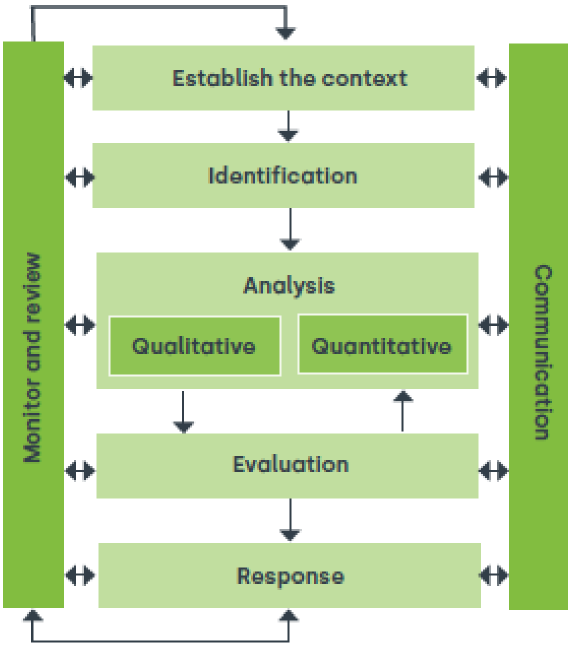
Effective identification and management of risk across the NDA group enables us to achieve our mission of decommissioning the UK's nuclear legacy safely, securely, and cost-effectively.

We view risk management as pivotal in ensuring the overall success and stability of the entire NDA group. Our proactive and collaborative approach to identifying risks (both opportunities and threats) helps the NDA make informed decisions on business strategy and risk treatment strategies.

Our risk management process is aligned to the DESNZ risk management principles and reflects the five risk management principles set out in the HMG Orange Book: Management of Risk - Principles and Concepts.

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

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



Embedding risk management

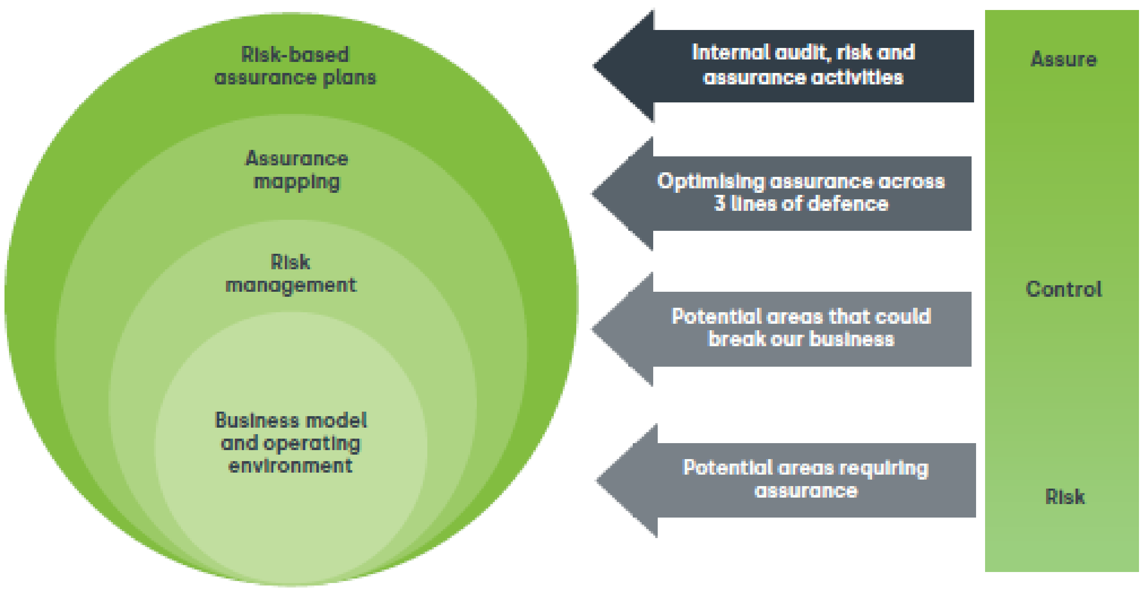
Risk management is at the heart of our decision-making through establishing a positive risk culture where open and transparent discussion of risk form's part of everyday activities. The following activities were undertaken during 2025/26 to enhance / mature our risk management framework:

- **Reviewed risk appetite**. Embedding and strengthening our approach to risk appetite across the group through a workshop with the NDA Board and operating company CEOs, to support more informed and consistent decision-making.
- **Refreshed the group Risk Management Policy, Principles and Requirements**. Reinforcing expectations and strengthening clarity, consistency and accountability for risk ownership and decision-making across the NDA group.
- **Developed and integrated a group-wide risk management system**. OneRisk has supported group-wide consistency in the identification and response to key risk exposures and has helped maintain consistent risk reporting across group-wide activities.

- **Progressed the development of a group-wide risk controls framework.** Recognising the importance of understanding key risk control dependencies, we continued to collaborate across the group to define and begin embedding the Risk Controls Framework, underpinning the identification, evaluation and management of key risk control information.
- **Developed the NDA group horizon scanning and emerging risk processes.** Maturing the group Enterprise Risk Management Framework by strengthening the group's capability to conduct horizon scanning and manage emerging risks, supported by formal process documentation and emerging risk flash reporting, to proactively safeguard the NDA mission.
- **Expanded application of Artificial Intelligence (AI) to strengthen risk insight.** We have enhanced our AI tools to support horizon scanning and the identification of signals, trends and emerging risks, progressed media collation and analysis, and developed agent-based capabilities to automate information gathering, triage and summarisation to accelerate insight generation and routine reporting.
- **Embedded risk management to inform Spending Review decisions**. Recognising the impact of funding decisions on delivery risk, the NDA embedded risk management into the Spending Review, using risk appetite and scenario analysis to articulate group-wide exposures and support informed dialogue with DESNZ and HM Treasury.
- **Continued our membership of HM Treasury's Heads of Risk Network.** Hosted by the Risk Centre of Excellence, this forum enables discussion and sharing of risk management best practice, which supports the evolution of our own enterprise risk management strategy

Risk, Control, Assure

Teams from Group Risk, Assurance, and Internal Audit have continued to develop a comprehensive, dynamic assurance plan mapped directly to Group Strategic Risks (GSR). GSRs are the principal risks to the NDA Group. This ensures a risk-informed approach, with all outputs feeding back into a full-circle assurance map. The diagram illustrates how the “risk, control, assure” principle integrates our assurance activities.



The risk assurance framework provides the structure for assessing how effective risk management is being undertaken across the group. It provides our stakeholders with confidence that risk activities are being conducted in a transparent, consistent and effective manner. It provides assurance that risks are being managed effectively and that the existing risk management processes are both implemented and functioning as intended.

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

What we monitor

<table>
<tr><td colspan="3">Group Strategic Risks
Risks which could impact on the NDA group and force a fundamental change to our current strategy and impact the mission. They require proactive management and co-ordination, with Group Executive Committee (GExCo) sponsorship and ownership.</td></tr>
<tr><td>Current risks
Where action is required now to mitigate threats to strategic objectives or to exploit opportunities.

Emerging risks
Threats or opportunities, internal or external, that may have a future impact on the group. The time between occurrence of a risk and its effect on group objectives may be slow or rapid (also known as risk velocity)</td><td>What we assess
• Appropriate risk and action ownership.
• Likelihood of occurrence and related impact, aligned to a group “Probability-Impact Diagram” (PID).
• Control performance: the effectiveness of risk management controls.
• The level of risk compared to our defined “Risk Appetite” (per impact category).
• Potential for further action to reduce threats or pursue opportunities.</td><td>Our impact categories
Assessment is made against seven key impact categories:
• Safety
• Environment
• Legal
• Reputation
• Strategic delivery
• Security
• Financial</td></tr>
<tr><td colspan="3">Business risk registers
NDA and its operating companies identify, assess and manage threats and opportunities against their objectives. These in turn support the development of GSRs.</td></tr>
</table>

How we monitor

Responsibility for monitoring

Responsibility for implementing

NDA Board

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

Board committees

Audit, Risk and Assurance	Programmes and Projects	Health, Safety, Security, Sustainability and Environment	Nominations	Remuneration
Critically challenges and reviews the risk management framework, adequacy and effectiveness of control processes and the application of risk appetite.	Oversight and scrutiny of risks specific to projects and programmes.	Oversight and scrutiny of risks specific to health, safety, security, sustainability and environment.	Oversight and scrutiny of risks specific to nominations.	Oversight and scrutiny of risks specific to remuneration.

NDA group risk

Maintains the Group Risk Management Framework, promotes good practice, and provides oversight and challenge of risk at both NDA and group level. Offers advice and assurance to the Board on risk and holds sole accountability for corporate centre risk management

Accounting Officer Review

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

Group Executive Committee

Routine oversight and monitoring of; horizon scanning outputs and emerging risks, group risks and exposure against risk appetite with onward reporting to Board committees and ensures there is a robust assessment of GSRs. Ensuring the risk management framework is acted upon.

Executive Leadership Team

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

Risk sponsors and owners	Operating Company	Group Risk Forum	NDA Risk Forum
Responsible for ensuring strategic and group risks are understood, appropriately assessed, actively managed, reported and monitored.	Interface serves as the main interface between the NDA and the operating companies' risk management functions. Providing assurance, deliver risk improvement initiatives, and ensure that the operating companies follow guidance set by the NDA.	Considers key threats and opportunities across the entire NDA group as part of the horizon scanning process to foster collaboration and discuss risk connectivity. This forum also evaluates emerging risks and potential new group risks.	Considers threats and opportunities across the NDA. Facilitates learning, knowledge enhancement and communication of risk information.

Roles and responsibilities

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

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

Risk appetite

The NDA Board sets the overall risk appetite for the group, including definition of the levels of risk it will accept in pursuit of its strategic goals and objectives.

A clearly defined risk appetite remains an essential component of our enterprise risk management framework. It facilitates effective decision-making and aligns with our Strategic Management System and Value Framework.

Governance and reporting ensure that key NDA group decisions around business cases, Board and Committee papers, GSRs and principal risks include an explicit assessment against risk appetite. This supports transparent and consistent challenge and assurance, enabling high quality discussion on whether intervention is required to bring risk under control or, whether risk is being over-controlled to the detriment of delivery pace and value for money.

At the end of the year, the NDA Board and operating company CEOs met to reflect on how the risk appetite framework is being interpreted and applied in practice, and whether it remains fit for purpose in the current context of Spending Review (SR25) pressures and the Nuclear Regulatory Taskforce report. We concluded that the NDA group's implicit appetite is more conservative than the Board set position and action is now in progress to address this.

Group Strategic Risks (GSRs)

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

During 2025/26, GSRs continued to be affected by the external environment through the interplay of geopolitical, economic, technological, and environmental risks. External drivers include growing sophistication and frequency of cyber-attacks, increased extreme weather events, shifting expectations for public bodies related to SR25, cost inflation and supply chain fragility. Internal drivers include our response to regulatory review, legacy of ageing assets, and complexity and uncertainty of the timing of waste arisings. Emerging drivers include the delayed impact from current conflicts including supply chain and inflation, escalating geopolitical instability, and the uncertainty on the trajectory and impact of AI.

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

- Rescoped:
    - GSR2: No clarity long term on waste routes
    - GSR6: Risk to core mission delivery from inefficient group structures and relationships.
- New: GSR11: Industrial action.

Risk deep dives

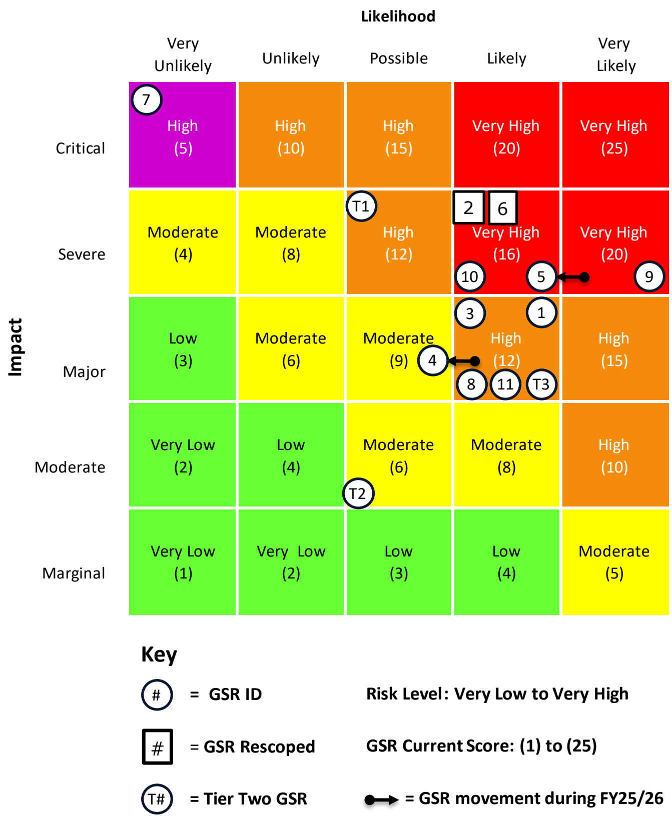
There is a rolling schedule of deep dive reviews of GSRs that examine all aspects of the risk. All GSRs are reviewed and examined with each Tier One GSR having a specified review cycle of either 12 or 18 months, whilst Tier Two GSRs (GSRTTs) have a 36-month cycle. Over the past year, our Board committees have reviewed eight GSRs – 1, 3, 4, 5, 6, 8, 10 and 11. Expertise from across the group, including Non-Executive Directors and other independent advisors, provide external industry and technical good practice to the in-depth reviews of these risks.

GSR No.	GSR short title
GSR1	Projects don't perform
GSR2	NDA Group Waste Lifecycle Performance
GSR3	Capability and capacity
GSR4	Inadequate supply chain
GSR5	Insufficient funding
GSR6	Inefficient structures and relationships
GSR7	A major incident at an NDA site
GSR8	Health, safety, wellbeing
GSR9	Condition of plants and equipment impacts delivery
GSR10	A successful cyber attack
GSR11	Industrial action
GSRTT01	Security breach
GSRTT02	Laws, regulations, contractual obligations, policies and governance framework with Government
GSRTT03	Additional Scope

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

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

The risk heat map below illustrates the relative positioning of the GSRs and highlights their movement during the year. It shows the risk score once controls have been applied, described as 'current' score.



Mission themes

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

Changes in risk score during the year: Risk score remains High (major impact, likely likelihood). Delivery performance has improved across the group however the risk score remains high whilst risk response outcomes mature and stakeholder confidence increases.

Effectiveness of risk mitigation: Key risk mitigation actions have been implemented through embedding the Project Definition Rating Index and Opportunity Framing into group ways of working, improving delivery confidence for group projects. The establishment of the NDA group P3M Standard, alongside standardised reporting, templates and the appointment of Senior Responsible Owners, has strengthened project oversight and governance, contributing to improved delivery assurance.

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

Changes in risk score during the year: Risk score has remained at Very High (severe impact, possible likelihood) where this GSR now considers the scope of the full waste lifecycle. There is ongoing reliance on ageing infrastructure and the supply chain for Low Level Waste disposal, and continued uncertainty in the timing and nature of future waste arisings. Future disposal at Low Level Waste Repository (LLWR) could be constrained even further.

Effectiveness of risk mitigation: Progress is being made in strengthening mitigation through cross-group collaboration and development of a group waste model that are identifying priority risk reduction actions, including stored waste to LLWR and consolidation, reclassification/ 'fuels to waste' and volume reduction. Highest-priority mitigations focus on Intermediate Level Waste (ILW) retrievals from legacy ponds and silos and completion of the High Active Liquor Programme, although these remain challenging. Progress towards a GDF remains a high priority. LLW disposal programmes need to be carefully monitored including capping, LLWR Environmental Safety Case and the performance of commercial landfill.

GSR3: The NDA group has insufficient capability and capacity to deliver the mission through not having the right people with the skills at the right time and place

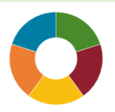
Changes in risk score during the year: Risk score remains High (major impact, likely likelihood), with likelihood being driven by cumulative internal and external pressures including SR25, fiscal constraints, an ageing workforce, skills competition and MAVE activity increasing the risk of losing critical capabilities.

Effectiveness of risk mitigation: Group-wide risk mitigation has progressed through delivery of the Skills Beacon (GKT13), focused on workforce planning, redeployment, up /re skilling and alignment to the National Nuclear Skills Plan. During the year, the career development and mobility centre was launched and four targeted skills programmes delivered. Implementation of the Job Families Framework and refreshed Strategic Workforce Plan has improved workforce insight and strengthened KRIs. Ongoing engagement with the National Nuclear Skills Plan and early career pipelines continues to support longer term risk reduction.

GSR4: Existing supply chain may not have the capacity or capability to support NDA group current targets, programmes and ultimately the mission

Changes in risk score during the year: Risk score decreased to Moderate (moderate impact, possible likelihood). This reflects the impact of short-term mitigation actions, balanced against ongoing external pressures including SR25, inflation, geopolitical factors and transition to the Procurement Act 2023, with limited scope for further near-term change.

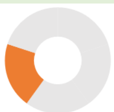
Effectiveness of risk mitigation: The main focus of mitigation efforts has been on managing transition to the Procurement Act 2023, which was completed for all new procurements with minimal immediate impact due to reliance on existing frameworks. Increased use of the Act for smaller procurements is creating opportunities, although expanded transparency requirements have placed pressure on resources. Overall, mitigations have stabilised near-term exposure, with future focus shifting toward medium- and long-term supply chain resilience.



GSR5: Due to a change in government priorities, NDA funding is not sufficient beyond the current Spending Review settlement to continue with preferred (optimised) programmes, resulting in sub-optimal mission delivery / progress, reduction in value-for-money, some scope stopped / delayed

Changes in risk score during the year: Risk score has reduced but remains Very High (severe impact, likely likelihood). A positive SR25 settlement has significantly lowered the likelihood; however, this was partially offset by income risks linked to Advanced Gas-cooled Reactor fuel delivery plans, alongside emerging cost pressures from sharp increases in oil and gas prices and ongoing government fiscal constraints.

Effectiveness of risk mitigation: Risk mitigation continues through active portfolio management to optimise value for money and mission delivery. Developments in group strategic planning have continued, with revised delivery plans prepared by each operating company to identify the implications of SR25 funding levels on the scope and timing of the mission. This will also support the ability to communicate the impact of funding shortfalls or cost inflation on mission progress. To strengthen resilience, a prioritisation framework is in development to support near-term scope decisions should further funding constraints arise.



Rescoped

GSR6: Risk to core mission delivery from inefficient group structures and relationships - directly (by management distraction), or indirectly (by failing to deliver value for money and loss of stakeholder confidence)

Changes in risk score during the year: The risk score is Very High (severe impact, likely likelihood). The risk was refreshed to reflect the shift from ending the Parent Body Organisation (PBO) model to the practical challenge of operating and maturing an effective group operating model. The previous assessment reflected successful delivery of core structural changes. The current assessment captures increased exposure associated with embedding new ways of working, clarifying decision rights and accountabilities, and delivering required efficiencies within demanding SR25 timelines. Heightened external expectations and the need to deliver cashable efficiencies alongside ongoing operating model development have increased near-term delivery risk. The resulting Very High rating reflects a time-bound transitional exposure reflecting the need to capture opportunities to deliver better.

Effectiveness of risk mitigation: Mitigation has advanced from design into implementation, primarily through establishment of Programme Unity and commencement of Project Cambridge implementation. These actions are strengthening governance, clarifying group and operating company accountabilities and addressing inefficiencies, but benefits are not yet fully realised. Delivery of SR25 efficiencies alongside operating model change continues to create execution risk.

GSR7: Major incident at an NDA site leading to large scale release to the environment

Changes in risk score during the year: Risk score remains High (critical impact; very unlikely likelihood) with the likelihood remaining stable due to effective controls. While the impact will continue to remain critical until the strategic high hazard and risk reduction plans are delivered including waste retrievals from several hazardous facilities.

The likelihood remains stable due to effective controls. The threat will continue to have a high score until the strategic high hazard and risk reduction plans are delivered including waste retrievals from several hazardous facilities at Sellafield and NRS have been completed or significantly progressed.

Effectiveness of risk mitigation: Mitigation focuses on asset care and prioritised delivery of high hazard risk reduction activities under SR25. While safety critical asset management remains appropriately focused, delays to retrievals programmes and stretched specialist resources may extend time at risk for ageing facilities. Recovery plans form part of emergency management arrangements in the event of a major incident. These have all been assured at all our sites and continue to remain in a good position. Overall mitigation is effective in managing likelihood, but constrained by programme delivery challenges.

GSR8: Key sources of Health, Safety and Wellbeing (HSW) risk with significant potential of loss of life, serious injury/ ill health or major property damage.

Changes in risk score during the year: The risk score remains High (major impact, likely likelihood) as health and safety risk is inherent to the scale of the decommissioning programme. Despite sustained safety improvement activity, ageing and redundant assets continue to stretch resources and funding, increasing exposure.

Effectiveness of risk mitigation: Mitigation effectiveness is evidenced by continued improvement in safety performance, with TRIR achieving its lowest level on record (since 2011/12). Group HSW initiatives, enhanced focus on high potential incidents, and proactive KPIs have strengthened risk management. Significant site level risk reductions were delivered, including Sellafield's move from Upper to Lower Tier Control of Major Accident Hazards (COMAH), NRS's improvements to COMAH & Dangerous Substances and Explosive Atmosphere Regulations, and safe delivery of the Southern Trench Interim Membrane project. Assurance activity and learning from incidents continue to support sustained risk reduction.

GSR9: NDA assets not performing as required, impacting mission delivery

Changes in risk score during the year: The risk score remains Very High (severe impact, very likely probability) and continues to increase due to ongoing asset-related impacts on mission delivery alongside a growing understanding of the current and future condition and performance of our assets. This work has identified the need for additional investment to maintain the safe performance of assets and a growing trend in repeat performance losses that are impacting operational delivery. The degradation of assets continues, with a growing backlog of asset investment that currently exceeds the organisational capability to mitigate.

Effectiveness of risk mitigation: The controls and risk reduction actions, aimed at embedding good practice in asset management and continuous improvement across the group, also provide positive contributions to GSRs 1, 2, 3, 5 and 7. SR25 has driven an increased focus and reliance on the developing asset management plans and has reinforced their importance in both strategic, and mission planning. Asset risk is enduring and will not diminish quickly.

GSR10: The NDA group does not proactively deter, detect, defend against, recover from and be resilient to, cyber threats resulting in an adverse effect on delivery of the NDA mission.

Changes in risk score during the year: Risk score remains Very High (severe impact, likely likelihood), reflecting the volatility of the external threat environment, driven by geopolitical tensions. However, the risk likelihood has not increased.

Effectiveness of risk mitigation: Mitigation activity continues through sustained investment in people, processes and technology, working with UK Government and the National Cyber Security Centre. Key actions include participation in GovAssure, assurance of IT disaster recovery, establishing additional funding to reduce tech debt through SR25, and achieving Cyber Essentials Plus certification across NDA, NTS and NWS, strengthening baseline cyber resilience.

GSR11: Industrial Action across the NDA group

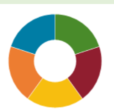
Changes in risk score during the year: The GSR was identified during SR25 discussions. The risk score was initially assessed at Moderate but increased to High (moderate impact, possible likelihood). This reflects escalating pressures from supply chain disputes, pay negotiations and SR25-related workforce impacts, increasing the likelihood of disruption. The suitability and inflexibility of the Civil Service Pay Remit also remains a challenge.

Effectiveness of risk mitigation: Mitigation has strengthened through improved union engagement, enhanced monitoring of industrial relations indicators, and more coordinated group-wide intelligence sharing. Continuity planning has been enhanced across operating companies, improving readiness to manage disruption. While mitigations have reduced escalation risk, unresolved disputes and external pressures continue to keep overall exposure elevated.

GSRTT 1: Insider / external threat leading to security breach resulting in business disruption and associated reputational impact. (Previously GSR11)

Changes in risk score during the year: Risk score remains High (severe impact, possible likelihood). Despite the issues in the Middle East, there is no intelligence that increases the likelihood outlined in 2024/25. The indicators pointing to increased threats of sabotage and espionage by nation state threat actors was primarily due to the backdrop of the Ukrainian conflict and remains extant.

Effectiveness of risk mitigation: Risk is actively mitigated through daily review and strong intelligence feeds from government and external providers. Regulatory compliance across operating companies remains strong, and post-Iran conflict reviews confirmed existing mitigations remain effective. Preparatory engagement with DESNZ is underway to manage potential impacts from future design basis threat updates expected in Nov 2026.



GSRTT2: NDA is subject to a range of laws, regulations, contractual obligations, policies and a governance framework with the UK Government. A breach of these requirements could result in enforcement action, claims, business disruption, reputational damage and loss of stakeholder confidence. (Previously GSR13)

Changes in risk score during the year: Risk score remains Moderate (moderate impact, possible likelihood), with staff retention identified as a key exposure. There is a risk that implementation of the Nuclear Regulatory Taskforce recommendations could introduce short-term regulatory uncertainty and operational disruption, particularly if transitional arrangements are not clearly defined.

Effectiveness of risk mitigation: Mitigation focuses on prioritising legal resource deployment to higher risk activity and strengthening cross group working within the group General Counsel function. Expansion of the external legal panel has reduced reliance on key individuals, improving resilience and depth of support amid ongoing workforce pressures.

GSRTT3: Additional scope introduced across the group may adversely impact current programmes, stretch resources and management focus, leading to adverse delivery performance. (Previously GSR15)
Changes in risk score during the year: Risk score remains High (major impact, likely likelihood). The GSRs scope has been expanded to reflect the external horizon and cross-group impact.
Effectiveness of risk mitigation: The updated NDA Strategy (Strategy 2026) formally recognises the NDA's broader role in UK nuclear enterprise, providing transparency on our activities beyond the core mission. A collaborative forum (Trusted To Do More forum) exists to identify emerging opportunities and risks and share latest intelligence across the NDA group. Each initiative is considered on its own merits, and arrangements put in place to mitigate impacts to the core mission, whilst recognising the NDA is the custodian of unique infrastructure and capabilities on behalf of the UK. Notable progress this year has been leveraging existing assets to support MOD's submarine programme and progress made in relation to Operation Fieldfare.

Financial control

We have strong financial controls in place to ensure we remained within our budgetary spend for 2025/26 of £4,185 million. We have well-defined delegated authorities with a clear budgetary framework and the system remains effective.

The NDA reviews updates to UK Government functional standards and reflects those applicable to arm's length bodies in our policies.

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

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

Information, digital and cyber governance

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

- Cyber, information, physical and personnel security, business continuity and resilience.
- Knowledge and information management (including heritage, intellectual property, records & archives, and information risk).
- The infrastructure and components that enable modern computing.

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

Information governance and data management

The NDA group Senior Information Risk Owner (SIRO) forum comprises senior staff and directors from each of our operating companies and is responsible for managing information risk. The forum meets regularly to provide governance of group initiatives, assurance activity and audit performance reviews. These assessments provide assurance to key stakeholders.

Our new commercial partner, Iron Mountain, has commenced the new contract to deliver all the NDA group's long-term records and archive management requirements. The contract covers digitisation operations at three sites that process legacy records collections, as well as operations at Nucleus, the Nuclear and Caithness Archive, where the physical records are stored.

We have launched two new collaboration and community platforms to enable collaboration across the NDA group, and with our suppliers, third parties and others. We have also implemented the first phase of the government's 'Mark My Words' campaign which has updated and standardised records classifications.

No significant data breaches have been experienced during the year, and we have met all our statutory obligations with regards to access to information. We received over 60 Freedom of Information/ Environmental Information Requests and responded to all Subject Access Requests within the timeframes permitted under the Data Protection Act.

We have commenced an NDA group Data Programme to align our approaches and deliver relevant aspects of the NDA group Data, Digital, and AI strategy. The programme will deliver data governance, standards, quality, and assurance.

We reviewed and welcomed new appointments of Information Asset Owners (IAOs), ensuring that our governance structure remains robust and responsibilities are clearly defined. IAO training has been rolled out to all current IAOs and Information Asset Managers (IAMs) to further strengthen information management.

Finally, we reviewed and updated our Information Asset Register to ensure all information assets are accurately captured.

Security and resilience

The Energy Act 2004 obligates the NDA to ensure nuclear security is maintained. To ensure this obligation is met, all NDA group operating companies were assessed against the NDA security assurance model. Over 70 site visits were made during the year, and the NDA group's security is scored as competent. All operating companies remain in routine regulatory attention for physical and personnel security.

The quarterly NDA security forum (NDASF) is a two-day event which includes sessions covering a separate security or resilience discipline. The NDASF provides the opportunity to review group strategic risks and provide updates to attendees.

Attendance of operating company exercises encourages shared learning and further improves the NDA's oversight of capabilities to manage events.

The group's scores under the annual Departmental Security Health Check (DSHC) demonstrate compliance with government functional standard 007: Security (GovS:007). This year's assessment extends to include the new NDA office in Harwell, where the NDA security team were closely involved in its development from the outset.

The trial of future security systems concluded phase 2 in March 2026. This followed a successful 12-month deployment of four separate security systems at an NDA site. The systems were subject to daily testing and weekly scenario tests to improve the technical readiness levels of each. The trial's duration and location mean the learnings are unique. The key development is the technical integration of commercial off the shelf (COTS) products into an autonomous detection, interdiction and tracking system. The trial provided confidence that technology can supplement existing security measures under a reduced footprint with a potential cost reduction.

The NDA team continue to chair two key industry security forums, one on drones, and the other relating to the supply chain. Both chairs have been in place since 2017 and continue to ensure the NDA is a key influencer in security for the civil nuclear sector and government departments.

Information and Communication Technology (including Digital and AI)

The NDA Information Technology (IT) function has a dual role: providing and supporting the. NDA's IT services and performing a group-wide role. This includes assurance, production and ownership of architecture standards and best practice, delivery of group-wide ICT solutions and projects, and the group digital and AI projects.

NDA IT has continued to deliver a major change portfolio, with some significant projects completed. NDA IT has achieved Cyber Essentials Plus, following sustained improvements in IT resilience, disaster recovery, and operations.

All Windows devices have been upgraded, a group GIS environment is now operational, and a new SharePoint based collaboration platform has been launched and is operational. Alongside this, IT is continuing the migration of NDA applications to cloud-based solutions and decommissioning on-premises servers.

Microsoft Copilot 365 has been rolled out and adopted, including a harmonised approach to communications, learning, development and policies. This has been led by a group AI Centre of Excellence, which has supported the launch or pilot of multiple AI solutions.

Cyber security

There continues to be strong NDA Board focus on cyber security and resilience. Highlights include the NDA group participating in the HMG GovAssure scheme for the first time and the establishment of new projects to address our legacy technology debt.

Sellafield has moved to 'Enhanced' regulatory attention with the ONR, down from 'Significantly Enhanced', and have agreed the outcomes needed to get to 'Routine'.

NDA, NTS and NWS achieved Cyber Essentials Plus certification, and all parts of the group have exercised cyber incident response, including resilience of communication systems.

Improvements have also been made to IT Disaster Recovery that improve the resilience of our business systems to cyber threats.

Modern Slavery Act 2015

In line with the Modern Slavery Act 2015, and in recognition of our commitment to preventing modern slavery, we published our 2024/25 Modern Slavery Statement in October 2025. The statement acknowledges the NDA's responsibility to consider modern slavery risks and operate with ethical policies. It also sets out our commitments for the year ahead.

We remain deeply committed to combating modern slavery and ensuring that both our organisation and supply chain are free from it. With a supply chain network of over 6,000 suppliers, it is important that we actively evaluate the risk of modern slavery in alignment with the UK Government's Modern Slavery Assessment Tool.

As an organisation, we uphold high standards and expect the same from our supply chain. Our Supply Chain Charter defines our expectations. We have established processes to manage any suspected or reported breaches of the Modern Slavery Act, with a priority on supporting victims. In 2024/25, no new contracts were flagged as high risk for modern slavery, nor were any issues raised by our suppliers.

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

Effectiveness of the control environment

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

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

In accordance with HM Treasury guidance, the NDA System of Internal Control has been in place from 1 April 2025 to the date of approval of the Annual Report and Accounts. The system is designed to manage risk to a reasonable level while complying with relevant rules and regulations.

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

The Executive Leadership members are responsible for developing and maintaining the Internal Control Framework in their own functional areas. Oversight and challenge are provided by the NDA Board and the Audit, Risk and Assurance Committee (ARAC), who ensure plans are in place to address any weaknesses. Significant reliance is placed on those controls operated by businesses across the group.

Control issues reported in the prior year have continued to be key focus areas this year, with positive progress made.

In 2024/25, Group Internal Audit completed reviews of the processes and controls governing compliance with the off-payroll working regulations, IR35. Issues were initially identified at NRS, with similar themes identified across the remainder of the group. To date, the group has made voluntary disclosures to HMRC to settle underpaid tax liabilities of £9.8 million. A follow-up review has been conducted across the group in 2025/26 to assess the implementation of remediating controls. This has found significant progress has been made in addressing the IR35 risks and is a step-change in how IR35 is managed.

Contract management and sanction controls were also a key focus area in 2024/25, given weaknesses materialising at NRS via two significant contracts being at risk of reaching their contract sanction limit. A group-wide 'root and branch' review was undertaken (excluding NTS due to the nature of their contracts) to determine the extent of the issues across the group and identify key themes requiring mitigation. Actions were distilled into five key themes and aligned to improvement activities already underway. During 2025/26, Group Internal Audit conducted a follow-up review to provide assurance that the actions arising from the 'root and branch' reviews were being addressed, therefore closing the control gaps identified across the five themes and resulting in an improvement to contract management and sanction processes. DESNZ and UKGI were consulted throughout this process to ensure stakeholder concerns were being properly addressed. A Group Internal Audit review is planned in 2026/27 to assess the embedding and effectiveness of the controls now in place.

Towards the end of 2024/25, I requested an Internal Audit review of NRS Dounreay's financial controls. This was to obtain further oversight of any issues in this area and how they are to be resolved effectively and quickly. This concluded fundamental policies, processes and controls were in place across the scope areas, and follow-up work has confirmed control gaps identified have been closed.

The group has continued to strengthen a consistent, proportionate approach to ethics and compliance across the group where it is appropriate to do so. Our Speak Up arrangements were refreshed during 2025/26, informed by the National Audit Office's findings on whistleblowing in the Civil Service and its subsequent good practice guide, and reflecting our own lessons learned on accessibility, clarity of process and the experience of those who raise concerns.

The refreshed Speak Up framework reinforces confidentiality, support for individuals raising concerns, and clear expectations for timely handling, learning, and improvement. Guidance was clarified for anonymous reporters on how to retain and use reference details so they can re-access the concerns hotline and receive updates where possible. We also trialled an enhanced group-wide triage approach to help ensure concerns are routed to the right place quickly, managed consistently, and investigated proportionately and independently, with appropriate follow-up action. Where capacity is constrained, we have utilised external resource to conduct fact-find investigations.

We continued to support our network of Ethics Ambassadors, providing additional insights on whistleblowing, the role of psychological safety, and what individuals can expect during a fact-finding process. In addition, within NDA we strengthened our policy compliance approach for the Code of Conduct and Conflicts of Interest requirements, including annual confirmation that colleagues have read, understood, and will comply with these standards and have disclosed any relevant conflicts. We have also increased awareness of, and organisational embedding of, the Seven Principles of Public Life. This includes highlighting by senior leaders, functional workshops and including them in a refresh of the Code of Conduct and Leadership Standard.

The NDA ARAC continues to receive group Speak Up metrics bi-annually to support visibility, oversight, and organisational learning, with serious matters notified to the ARAC Chair as they arise.

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

In 2025/26, the Group Internal Audit function completed its External Quality Assessment (EQA); a requirement of the Global Internal Audit Standards (GIAS) to be conducted every five years. The EQA ensures the function is complying with the GIAS and is undertaken by an independent person/ team. The approach was developed and delivered on a reciprocal basis with other arm's length bodies creating efficiencies and supporting the sharing of learning and best practice across other government internal audit functions.

The function was assessed as 'full achievement' against the GIAS, the UK Public Sector Application Note, and the Government Functional Standard for Internal Audit (GovS009).

We have continued with a group-wide focus on key risks and controls, with the completion of four group audit theme reviews: Contract Management and Sanction; Procurement Pipeline; IR35 Follow Up and Data Protection. We continued with a 'one scope' and 'one team' approach, to enable us to deliver these consistently, compare our results and highlight areas of best practice for sharing more widely.

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

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

At the NDA, the assigned internal audit review ratings were: 'limited assurance' 9%, 'moderate assurance' 15%, 'high level of assurance' 15% and 'substantial assurance' 15%, with 46% advisory.

Across the group, internal audit review ratings were: 'limited assurance' 8%, 'moderate assurance' 17%, 'high assurance' 31%, and 'substantial assurance' 16%, with 28% advisory reviews.

The overall 'moderate' assessment is reflective of the group position and recognises that there has been a general year-on-year strengthening of governance, risk management and control alignment. We have seen significant improvement in our control environment from the prior year, with a higher proportion of 'substantial' and 'high' assurance audit reports than in the previous year.

Our group audit theme reviews in relation to Contracting and Sanction and IR35 Follow Up reported positive improvements following the control issues raised in the prior year. However, we did identify a need for improvement in our other group audit theme areas; Data Protection and Procurement Pipeline.

At Sellafield, we have seen a number of IT/cyber audits identify a range of control issues which require resolution. Management are implementing strengthened controls to support remediation of these issues, which will be verified in the coming year.

We have also identified control weaknesses specific to each entity in areas such as counter fraud, technical debt, knowledge transfer and business continuity, and so we will remain focused on closing these control gaps throughout the coming year.

Finally, in line with government requirements, the NDA Modelling and Analysis Team tests the robustness of the end-to-end process used in developing all the group's business-critical models and spreadsheets that influence our key business decisions. We are compliant with the implementation of the MacPherson Review of Quality Assurance of government analytical models and have AQuA Book compliant processes in place.

Looking forward, and as we continue to respond to the changing risk profile, changes to our governance structures and reporting requirements, internal audit has had, and will continue to have, an important role to play as an advisor and assurer to the business. We will continue to respond in real-time by adopting a ‘risk theme’ approach, allowing us to be agile to perform assurance or advisory services at the right time in the areas that matter. This will continue to enable us to provide the most value to our stakeholders, at a time when priorities and business risks are evolving continuously.

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

David Peattie FREng FNucl
Group Chief Executive Officer and Accounting Officer

13 July 2026

Section 172 statement

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

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

Stakeholders are divided into five broad categories:

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

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

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

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

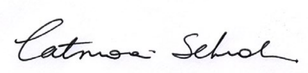
Local stakeholder engagement is built around our sites and their site stakeholder groups and multiple other standing forums.

In respect of employee engagement, there are well-established formal bargaining and consultation mechanisms in place to engage with trade union representatives.

Board members also engage individually with employees, hearing from them first-hand during site visits, at employee conferences and other group events which bring together management and employee representatives.

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

The NDA Board considers that it has acted in good faith in a way most likely to promote the achievement of its decommissioning mission for the benefit of the country and having regard (amongst other matters) to factors (a) to (f) in Section 172 of the Companies Act 2006, in the decisions it has taken during the year ending 31 March 2026. Examples of some of these decisions are listed in the following table.



Catriona Schmolke CBE FREng
NDA Chair
13 July 2026

Section 172 summary

<table>
<tr>
<td>Strategy 2026: Over the course of 2025/26, the Board has reviewed, endorsed and ultimately approved an updated strategy for the NDA Group (“Strategy 2026”)</td>
<td>Group Governance Changes: Building on work initiated in 2024/25, the Board approved a series of changes to facilitate further improvements in group governance.</td>
<td>Response to the Spending Review:
The Board has overseen and approved the NDA group’s response to the spending review settlement granted in 2025.</td>
</tr>
<tr>
<td>Relevant stakeholders
1, 2, 3, 4, 5</td>
<td>Relevant stakeholders
1, 2</td>
<td>Relevant stakeholders
1, 2, 3, 4, 5</td>
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<tr>
<td>The Board’s decision-making process

As required under the Energy Act 2004, the NDA must publish a revised Strategy at least every five years.
At various points during the year, the Board reviewed and considered Strategy 2026 and its associated Integrated Impact Assessment to ensure it remained aligned to the NDA Mission.
Strategy 2026 sets out the current strategic position and direction for the NDA group across the full scope of its mission. The main changes can be summarised as:

Stronger focus on implementation and delivery
Embedding and leveraging the One NDA group model
Fewer, more focused Critical Enablers
Solidifying a more explicit role for the NDA group in the wider UK nuclear enterprise
Increased emphasis on prioritisation, affordability and pace
Improved integration between driving themes, enablers and delivery mechanisms
Reflection of material changes in the NDA’s scope, capability, and policy since the previous strategy

</td>
<td>The Board’s decision-making process

Over 2025/26, the Board considered and reviewed further plans to streamline the group’s governance.
The changes are aimed at ensuring, amongst other improvements, more effective group decision-making, a faster flow of information through the group to the NDA Board and into UK Government, the clarification of group and operating company accountabilities, and greater assurance and oversight by the NDA. The changes will also better enable the NDA to deliver the efficiency savings set out in the recent Spending Review.
During the year the Board approved implementation plans for a range of workstreams. In evaluating the proposed changes, the Board has considered how they would contribute to best positioning the group to safely deliver the NDA’s mission.
Throughout its consideration of the proposed changes, the Board engaged heavily with key stakeholders, ensuring continuous socialisation with the operating company boards and full engagement with the group corporate governance community. There was also regular engagement and soundings taken from Regulators, UKGI and DESNZ.
</td>
<td>
The Board’s decision-making process
In June 2025, DESNZ confirmed the NDA group’s funding settlement over the five years from 2025/26 to 2029/30.
The settlement was broadly in line with the scenario that was submitted during the spending review process but meant that the NDA group had to commit to a series of spending efficiencies over the period.
The settlement also contained commitments to transformation, restructuring, productivity and efficiency, all of which the Board supports.
The NDA Board reviewed and approved various initiatives to facilitate the appropriate reprioritisation and reallocation of funds across the group in line with a prioritised set of activities articulated within the Spending Review submission. In reaching these decisions, the Board evaluated the short, medium and long-term consequences to maximise delivery of the strategic mission in the long-term.
Throughout the process of responding to the Spending Review challenge, the Board considered the impact of the changes required across the organisation on all its key stakeholder groups.
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Directors' report

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

Accounts direction

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

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

Sponsoring department

The Department for Energy Security and Net Zero (DESNZ) is the sponsoring department for the NDA. Further detail on the role of DESNZ and UK Government Investments (UKGI) in relation to the NDA is on page 44 in the Governance Statement.

NDA Board

The Board is comprised of Executive Members and Non-Executive Members (including the Non-Executive Chair) with the latter forming a majority. The Non-Executive Members must comprise a Chair, appointed by the Secretary of State in consultation with Scottish Ministers, and a number of other persons appointed by the Secretary of State after consultation with the Chair and Scottish Ministers. The Executive Members must comprise a Chief Executive, appointed by the Non-Executive Members. The approval of the Secretary of State, who must also consult Scottish Ministers, is required for the appointment of the Chief Executive.

Whether there are to be any Executive members in addition to the Chief Executive, and, if so, their appointment following consultation with the CEO, is also a matter for the Non-Executive Members. All matters presented to the Board are decided by a majority of votes of those Board Members present. There is no distinction in the voting rights of the Executive and Non-Executive Members. Details of the current Board Members are set out in the Governance Statement on pages 47 to 48.

Changes to the NDA Board during the year

Janet Ashdown stepped down from the Board on 31 May 2025.

Neil Bruce and Catriona Schmolke were appointed as Non-Executive Members of the Board from 1 June 2025.

Catriona Schmolke became the Senior Independent Board Member from 1 January 2026, taking over from Alex Reeves who had undertaken the responsibilities on an interim basis since 1 May 2025, in preparation for the departure from the Board of the previous Senior Independent Board Member, Janet Ashdown.

Peter Hill stepped down as Chair on 17 April 2026. Catriona Schmolke was appointed Interim Chair from that date and Kathryn Cearns was appointed as Interim Senior Independent Board Member from 20 May 2026 for the period Catriona Schmolke serves as Interim Chair.

Board members' interests

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

In March 2026, Neil Bruce was appointed CEO of Wood, a private limited company that operates in similar markets to the NDA. Conflict of interest checks were carried out, and whilst no actual conflict of interest was identified, the possibility of potential or perceived conflicts of interest is acknowledged. The situation is kept under review and appropriate mitigating measures will be introduced as required.

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

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

Auditor of the NDA

We are audited by the Comptroller and Auditor General (C&AG) in accordance with the Energy Act 2004. The audit is carried out on the C&AG's behalf by the NAO. The services provided by the C&AG relate to statutory audit work for the NDA. No fees were paid to the C&AG for services other than statutory audit work. Since 2023/24, NAO has been appointed statutory auditor of the group's key subsidiaries. As part of a review of the audit provision for all NTS companies, Forvis Mazars took over the audit of Direct Rail Services from the 2025/26 year end.

Pensions

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

Group employees participate in various defined benefit pension schemes detailed in note 26 to the accounts.

Group employees also participate in various schemes which are accounted for on a defined contribution basis, with details given in note 26 to the accounts.

NDA prompt payments

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

	2025/26	2024/25	2023/24
Invoices paid within 5 days	65%	65%	63%
Invoices paid within 30 days	95%	94%	94%

The average number of payment days from invoice date for a valid invoice for 2025/26 is 8 days (2024/25: 8 days).

Personal data

There were five internal data breaches recorded during 2025/26, all of which were investigated and classed as minor, non-reportable incidents. No incidents were reported to the Information Commissioner's Office (ICO) during this time period.

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

Other disclosures

Details on how the Board has engaged with our stakeholders and discharged the duties in accordance with Section 172 of the Companies Act 2006 is on pages 85 to 86.

Our assessment of the effectiveness of NDA controls is detailed on pages 79 to 84 including the actions we are taking to learn from events identified during the year.

Disclosures on equal opportunities, learning and development and how we engage with all staff are in the People Report on pages 99 to 104.

Our environmental performance is detailed in the Health, Safety, Environment and Wellbeing report on pages 109 to 119.

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

Events after the reporting period

As outlined in note 31 to the financial statements, the NDA took ownership of the first AGR station, Hunterston B, on 1 April 2026 and assumed its decommissioning liabilities. Funding for qualifying decommissioning costs is to be provided through the Nuclear Liabilities Fund in accordance with the AGR Funding Agreement. Current estimates put the undiscounted decommissioning cost at £2.5 billion, though this may change as NDA develops its own detailed plans by March 2028.

Going concern

The directors have considered the appropriateness of preparing the financial statements on a going concern basis.

The NDA Group's principal activities are the delivery of the UK's nuclear decommissioning and waste management programme. These activities are undertaken pursuant to the Energy Act 2004 and are expected to continue for the foreseeable future. The NDA Group is primarily funded through a combination of government funding and income generated from its operating activities.

The directors have reviewed the NDA Group's forecast cash flows, funding arrangements and expenditure commitments for a period of at least twelve months from the date of approval of these financial statements. In undertaking this assessment, the directors have considered the outcome of the most recent Government Spending Review, anticipated funding from DESNZ, and the Group's liquidity position.

Although the NDA Group reports significant net liabilities arising principally from the recognition of long-term nuclear decommissioning provisions, these liabilities will be settled over many decades and do not affect the NDA Group's ability to continue operating. The directors have a reasonable expectation that the NDA Group will continue to receive the funding and support necessary to discharge its statutory responsibilities as they fall due.

Accordingly, the directors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt upon the NDA Group's ability to continue as a going concern and have therefore adopted the going concern basis of accounting in preparing these financial statements.

Catriona Schmolke CBE FREng
Interim NDA Chair
13 July 2026

Statement of Accounting Officer's responsibilities

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

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the NDA, 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 to:

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

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

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

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

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

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

The Board approved this statement on 13 July 2026. It is signed by:

David Peattie FREng FNucl

in his role as Accounting Officer and Group Chief Executive Officer on Behalf of the NDA Board

13 July 2026

Remuneration report

I am pleased to present the 2025/26 remuneration report for the NDA, outlining the areas of activity for the Remuneration Committee (RemCo) and the Group Remuneration Committee (Group RemCo) during this financial year.

The primary role of the RemCo is to oversee reward and governance frameworks for the NDA employees only. The Group RemCo has been created to oversee remuneration policies and practices for executives within the NDA and its operating companies and to provide, where appropriate, consistency and transparency across the group.

The Group RemCo ensures that there is an appropriate remuneration policy in place which operates effectively in enabling the NDA and its operating companies to attract and retain, reward and incentivise executives with the right skills and expertise to successfully deliver our important mission.

Succession and mobility across the group continues to be a priority and we remain mindful that a coherent approach to senior reward is needed to facilitate this.

Group-wide remuneration

Whilst this remuneration report is for the NDA only and does not cover details of remuneration in our operating companies, the One NDA way of working continues to be a focus for the group and the UK Government. The NDA Group Reward and Governance Framework continues to support governance and delegations on executive remuneration matters.

To support consistency and transparency the Group RemCo has undertaken a broad review of all aspects of reward across the executive population in the year, including our benchmarking approach. Further work will be undertaken during 2026/27 to ensure that our reward structure supports a fully integrated operating model, with appropriate succession and mobility across the group.

Further information is in the Committee Report on page 62 to 63.

Our approach to remuneration for the NDA in 2025/26 base salaries

A salary increase of 3.25% was implemented for staff and executives, effective from 1 April 2025 in line with our base pay policy, with an additional 0.5% targeted at those in lower paid bands.

2025/26 NDA short-term and long-term incentive targets

Targets for the 2025/26 NDA Executive Short-Term Incentive Plan (STIP) and 2025-2028 NDA Executive Long-Term Incentive Plan (LTIP) were set in 2025/26. The Committee continued to ensure that the areas of focus and number of targets set provide clear alignment between performance and reward.

In setting targets, the Committee considered government priorities for the NDA, and ensured targets were challenging, whilst delivering taxpayer value for money.

The 2025/26 STIP was based on 20% NDA group-wide performance, 50% NDA performance and 30% individual performance.

The NDA and group-wide performance element is based on delivery of our operating plan, with performance assessed against measures focused on our Group Key Targets.

Individual performance is assessed against objectives set at the beginning of the year which underpin the group’s strategy and individual priorities.

The 2025-28 LTIP was based on 100% group-wide performance against targets focused on delivering our long-term strategy and financial commitments.

2025/26 short-term and long-term incentive outcomes

In May 2026, the Committee considered the performance of the 2025/26 NDA Executive STIP and the 2023-26 NDA Executive LTIP. The outturns of these incentive plans are reflected in the directors' payments table on page 95.

In determining the outcome for the 70% corporate STIP targets, the Committee reviewed the audited performance against the performance targets and other broader factors. The outcome of the 30% individual performance element was determined based on performance against the individual objectives set.

The Committee's responsibilities include considering each year whether the formulaic outturns of incentive payments are an appropriate reflection of performance and whether it is appropriate to exercise discretion upward or downward. As such, in determining the final outturn for the STIP, the Committee considered the overall group performance and wider stakeholder considerations.

The corporate outturn for the 2025/26 STIP was 80.4%.

The outturn of the 2023-26 LTIP was carefully considered in terms of the objectives that were met and those that were not, and the reasons for not meeting them. In conducting this assessment, the Committee exercised its judgement to ensure that over the three years the objectives remained relevant and appropriate, and that the outcome was reflective of the performance achieved. It was agreed, after considering the overall performance, that no discretionary adjustment was appropriate.

The 2023-26 LTIP vesting was 35.4%.

STIP and LTIP payments were made in June 2026.

Other areas of oversight

The Committee supported the Group CEO and Accounting Officer throughout 2025/26 with oversight of reward for all NDA Executive team members. This is in line with the Committee's terms of reference and in accordance with the NDA Group Reward and Governance Framework.

The Committee's approach is informed by independent advice from its remuneration advisors as well as meetings with Remuneration Committee counterparts across government and other arm's-length bodies, which provides an external perspective. Oversight of group reward practices is maintained through updates at each meeting, complemented by broader discussions with the senior HR community providing insight into workforce matters, and in other ways as reported elsewhere in this report in line with our commitment to section 172 of the Companies Act.

Harriet Kemp

RemCo and Group RemCo Chair
13 July 2026

Remuneration Committee (RemCo)

Please refer to pages 62 to 63 of the Governance statement.

Remuneration Policy

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

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

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

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

Basic salary	
Policy and purpose	Salaries are set at a level required to attract and retain the right calibre of executives, reflecting the skills and experience of the individual, taking into account market reward data, scope/size of role and responsibility whilst being mindful of taxpayer value.
Operation of policy	Salaries are reviewed each year, effective 1 April, taking the above matters into account, as well as the level of salary increases made in the wider organisation.
Short-Term Incentive Plan (STIP)	
Policy and purpose	The aim of the STIP is to encourage improved operational and organisational performance by delivering part of the reward package as variable pay, linked to achievement of the business operating plan and personal objectives. Standard malus and clawback provisions apply under the STIP rules, see the next page for detail. The Committee may apply discretion to adjust the formulaic STIP outcome where it is not considered to be aligned to overall business performance or wider stakeholder expectations.
Operation of policy	Our Group CEO may receive an STIP up to a maximum of 50% of salary and the Group CFO up to a maximum of 40%, based on achievement of corporate and personal objectives linked to the group operating plan.
Long-Term Incentive Plan (LTIP)	
Policy and purpose	The aim of the LTIP is to encourage strong and sustained performance in line with the strategy and mission, aligning Executives with our longer-term strategic goals and providing a stake in the delivery of long-term, sustainable business success. Standard malus and clawback provisions apply under the LTIP rules, see the next page for detail. The Committee may apply discretion to adjust the formulaic LTIP outcome where it is not considered to be aligned to overall business performance or wider stakeholder expectations.
Operation of policy	Eligibility for LTIP is a year-on-year decision by the Remuneration Committee, with LTIP awards being made at the start of each three-year performance period. Our Group CEO may receive an LTIP up to a maximum of 50% of salary and the Group CFO up to a maximum of 40%.

Benefits	
Policy and purpose	Benefits are offered to be competitive with the markets in which we compete for talent.
Operation of policy	Executive Directors receive a market benefits allowance of £12,000. Private medical insurance is not provided, in line with our public sector status.
Pensions	
Policy and purpose	A pension is provided to build up a retirement income.
Operation of policy	Executive Directors are eligible for membership of the Civil Service Pension arrangements in the same way as other employees, either on a 'career average' or a defined contribution basis. The Group CEO receives a cash allowance in lieu of membership of the Civil Service Pension Plan. The Group CFO is a member of the Civil Service Pension Plan. More details of our pension arrangements are on pages 109 to 110.
Malus and Clawback	
Policy and purpose	Malus provisions apply for the duration of the performance period of the STIP and LTIP. Clawback provisions apply to the STIP and LTIP cash amounts for two years following payment.
Operation of policy	Clawback may be applied in the following scenarios: • where the amount paid was manifestly inaccurate because, for example of a mis-statement of accounts or error in calculation; • material failure to meet appropriate standards of safety and security and environmental regulations; • inappropriate actions or conduct such as misconduct, fraud, dishonesty, material error, negligence or breach of contract; • serious reputational damage; • a material failure of risk management; • where the Committee becomes aware of certain facts or circumstances after payment that if known at the relevant time, would have resulted in a different payment outcome; • material corporate failure; or • other circumstances required by regulatory obligations.

The Committee routinely seeks independent advice on remuneration matters to support the development and operation of an appropriate remuneration framework and approach. Korn Ferry act as advisors to the Committee and provide support on reward matters to other parts of the NDA group in order to obtain synergies and support consistency.

Directors' contracts

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

Non-Executive Board members are appointed by the Secretary of State for DESNZ in consultation with Scottish Ministers, the NDA Chair and in line with the Commission of Public Appointments Codes of Practice.

Fees for the Chair and other Non-Executive Board members are determined by DESNZ and the Non-Executive Board members are not involved in decisions relating to their own remuneration. During 2025/26, the Chair received a fee of £187,500 and other Non-Executive Board members were eligible to receive a fee of £40,000. The fees are fully inclusive and there are no additional payments for chairing or attending board sub-committees.

Non-Executive Board members do not receive any performance-related bonuses or pension entitlements, but are reimbursed for reasonable expenses incurred in the performance of their duties.

Details of Directors' remuneration and pension are shown in the table below. More details on pensions and cash equivalent transfer values are shown on pages 106 to 108.

Executive Directors' Remuneration

This information is subject to audit.

Director	Year	Fixed pay			Variable pay[3]		Total remuneration
		Salary £	Benefits £	Pension £	Short Term Incentive £	Long Term Incentive £	£
David Peattie[1]	2024/25	380,414	68,111	-	145,306	78,180	672,011
	2025/26	392,778	69,935	-	162,926	64,127	689,766
Kate Bowyer[2]	2024/25	283,500	14,069	115,020	87,310	-	499,899
	2025/26	292,714	12,000	108,722	95,379	-	508,815

1. Benefits received were a market benefit allowance of £12,000, and a cash payment of £57,935 (2024/25: £56,111) in lieu of membership of the Civil Service Pension Plan. In addition, the organisation provided a life cover benefit in both years. This is treated as a non-cash benefit, is not assigned a value for inclusion in the single figure table and does not constitute a benefit in kind.
2. Benefits received were a market allowance of £12,000. Benefits received in 2024/25 included a market allowance of £12,000 and a holiday buy-back payment of £2,068.
3. Details of the NDA group Executive Short- and Long-Term Incentive plans are shown on pages 96 to 97.

Non-Executive Board members remuneration

This information is subject to audit. For further information on the roles undertaken by the Non-Executive Board members please refer to pages 47 to 48.

Non-executive Board members	Year	Total fees £
Serving Board Members as of 31 March 2026		
Peter Hill[1]	2024/25	156,250
	2025/26	187,500
Catriona Schmolke[2]	2024/25	-
	2025/26	33,333
Neil Bruce	2024/25	-
	2025/26	33,333
Kathryn Cearns	2024/25	40,000
	2025/26	40,000
Harriet Kemp	2024/25	23,333
	2025/26	40,000
Francis Livens	2024/25	40,000
	2025/26	40,000
Alex Reeves[3]	2024/25	-
	2025/26	-
Previous Board Members as of 31 March 2026		
Janet Ashdown	2024/25	40,000
	2025/26	6,667

1. Served as Chair of the NDA Board from 1 June 2024 until 17 April 2026 and stepped down from the NDA Board on 17 April 2026.
2. Appointed as Interim Chair of the NDA Board from 17 April 2026.
3. Serves as the UKGI representative Board member and does not receive any remuneration for services to the Board.

Wider workforce considerations

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

Examples of this alignment are as follows:

- The STIP awards for both Executives and NDA employees are based on delivery of our operating plan, with performance assessed against measures based on our Group Key Targets, and both populations also have personal objectives. All employees are eligible to participate in the STIP.
- Executives and all NDA employees are eligible for the Civil Service Pension arrangements with the same employer contribution.
- The NDA Executive Leadership Team are eligible for the LTIP, recognising their role and ability to influence the longer-term strategic goals of the business and our overall mission.

Fair pay disclosures ('Hutton' Disclosure)

This information is subject to audit.

The NDA is required to disclose the relationship between the remuneration of the highest-paid director in the organisation and the lower quartile, median and upper quartile remuneration of our workforce – see below:

Year	Band of highest paid Director's total remuneration[2]	Band of lowest paid employee's total remuneration[2]	Upper quartile pay ratio	Median pay ratio	Lower quartile pay ratio
2025/26[1]	685,000 – 690,000	25,000 – 30,000	5.1:1	7.6:1	10.6:1
2024/25	670,000 – 675,000	25,000 – 30,000	5.2:1	7.7:1	11.9:1

1. From 2025/26, Non-Executive Directors are no longer required to be included in the comparison calculations. While prior-year disclosures included Non-Executive Directors, there is no requirement to restate the 2024/25 figures.
2. Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions, and the cash equivalent transfer value of pensions.

The following table provides further detail on the total pay and salary figures used to calculate the ratios:

Year	Pay Category	Upper quartile	Median	Lower quartile
2025/26	Total pay including benefits	134,969	90,658	64,954
	Salary	101,318	73,124	49,805
2024/25	Total pay including benefits	128,876	87,212	56,733
	Salary	94,451	67,955	40,959

The average salary and total remuneration figures shown here have increased. While the size of the overall workforce has reduced in line with our spending review commitments, this reflects changes in the composition of the workforce leading to a higher average salary, and the Cabinet Office approved 2025/26 pay award of 3.25%.

In 2025/26, zero (2024/25, zero) employees received remuneration in excess of the highest-paid director.

The NDA is also required to disclose the percentage change in the salary and allowances, and performance pay and bonuses payable to both the highest paid director and our workforce – see below:

	% change in salary and allowances	**% change in performance pay and bonuses payable**
Highest paid director	3.2%	1.6%
Workforce	4.0%	6.7%

Performance pay and bonuses for the Highest paid director only increased by 1.6% reflecting strong STIP performance combined with a more limited payment under the LTIP. Participation in the LTIP is limited to only the most senior employees in the business and therefore the strong STIP performance for 2025/26 resulted in a greater year on year increase for the workforce. Salary increases and allowances for the Highest paid director were slightly less than for the workforce reflecting the higher paid award for the most junior employees and changes in workforce composition.

People Report

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

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

This section provides an update on the important progress that we have made on the 'people' critical enabler in 2025/26 across the NDA group.

The group's People Strategy is built around three important goals:

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

Launched in May 2024, the National Nuclear Strategic Skills Plan, jointly sponsored by MOD and DESNZ, positions us as a leading contributor at national, regional and local levels. As members of the Delivery Board and Executive, we are driving priorities including workforce interchange, sponsorships and bursaries, the Destination Nuclear website, accelerator programmes for upskilling and reskilling, sector experts into education, and expanded degree apprenticeships.

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

This remains a strategic priority and a key managed risk within the NDA Strategy.

We continue to prioritise mobility across the NDA group, taking a cross-group approach to talent that enables us to fully leverage skills and capability. In 2025/26, we had 72 new secondments across the group and externally. Overall, we had 44 external, sector-wide secondment opportunities with organisations including DESNZ, Great British Energy - Nuclear, the MOD and international partners in Japan.

We continue to collectively address critical skills challenges across cyber, project and programme management, radiological protection, commercial, technical and engineering, and ICT and digital roles.

Our focus on skills, a group strategic priority, is based on aligning strategic workforce planning with Spending Review outcomes and embedding people planning into core operational and business cycles. The implementation of the Job Families Framework across group HR systems is strengthening workforce insight, enabling more robust modelling and scenario planning, and supporting pipeline resilience across key and emerging skills. Targeted upskilling programmes have been established in five priority areas: project controls, safety case, procurement, waste management, and technical disciplines (chemistry and environment).

The NDA group invests over £45 million each year in its apprentices and graduate programme. We have over 1,250 people undertaking an apprentice or graduate programme across the group.

We continue to deliver the NDA group Leadership Academy, with demonstrable impact in developing leaders into senior and executive roles across the group. Building on this success, we have completed our first NDA group Future Leaders programme and are planning further cohorts, taking a consistent group-wide approach to strengthening the leadership skills and competencies needed for the future and demonstrating the value of continued investment in our people.

Creating a culture in which our people can thrive

Creating great places to work is a priority for the NDA group. We continue to use a management system which translates our goals into performance measures on four areas of culture. These areas are:

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

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

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

We continue to work with our trade unions on issues affecting the NDA group and within the operating companies. This year has seen a particular focus on the funding of the NDA following the Spending Review outcome and the delivery of our efficiency commitments.

The NDA group proactively engages with a broad range of local, regional and national stakeholders including site communities, local government, NGOs, academia and research communities, and with parliamentarians and central and devolved governments. Working closely with stakeholders the group creates platforms for engagement, debate, and provides assistance and context on our mission. This enables stakeholders to meaningfully engage and form an opinion on our mission, and supports them to have their say on our strategy.

Diversity and inclusion (D&I)

We are committed to raising standards of equality, diversity and inclusion. Over the course of our NDA group Inclusion Strategy 2021–2025, D&I has been a sustained priority, underpinned by our values and supported by strong leadership and governance.

The 2021-25 Strategy focused on 5 strategic themes:

- inclusive culture and leadership,
- workforce diversity,
- embedding inclusion through the employee lifecycle,
- respect, dignity, and employee voice,
- flexibility, agility, and smarter working.

Progress has been overseen by the Diversity and Inclusion Council, the Health, Safety, Security, Sustainability and Environment Committee and the NDA Board, with delivery supported by a collaborative cross group D&I Delivery Group working with our operating companies.

As the current group strategy concluded in December 2025, we have since focused on reviewing and benchmarking our performance against strategy goals and using lessons learnt to inform the development of our next NDA group Inclusion Strategy (2026–2030) called OneInclusion.

We are proud of the collaborative work to embed D&I across the group led by the group D&I Council and D&I Delivery Group. This is supported by legal compliance and equality impact assessments, D&I e-learning for all 19,000 employees, the establishment of a range of D&I and wellbeing voluntary employee-led networks, mental health first aiders at every office and site, improved data disclosure rates (from 35% to 79.7%, with some businesses achieving 90-99% disclosure), a reduction of our gender pay gap across the group, and strong D&I scores in the annual employee survey. The work over the past five years recognised the need to move the dial across the group, and we are proud that the NDA and operating companies have developed and delivered D&I annual improvement plans aligned to the strategy and NDA Board priorities. The past five years have built strong foundations for us to continue leveraging the cultural and business benefits. The progress and successes have been highlighted below and in a case study and infographic on page 42.

Progress in our strategy themes include:

Theme 1 - Inclusive culture and leadership

We have strengthened inclusive leadership capability across the NDA group. Senior leaders have mandatory D&I objectives, reinforcing accountability and visible leadership. NDA leaders have completed legal update training on the Equality Act, including prevention of sexual harassment, and antisemitism training for senior leaders.

Targeted development programmes have supported improved gender balance and progression into leadership with 32.3% of female representation in senior roles. We have attributed this improvement to the two women's development programmes delivered in partnership with the Whitehall & Industry Group, which have now concluded. We invited 316 women across the group to participate in these programmes which focused on progression into senior and first-time leadership roles, with 99% of participants reporting a positive impact on their working lives and career development.

Theme 2 - Workforce diversity

We have continued to make measured progress in workforce diversity, recognising the long-term nature of change given the demographics of our operating locations.

Current diversity data for the NDA group (as of March 2026 compared to March 2025):

- Our workforce consisted of 32.7% women (2025: 32.7%) with 34.9% in senior roles (2025: 32.7%), compared to 21.4% women in the nuclear sector more widely
- 2.7% from ethnic minority backgrounds (2025: 2.0%)
- 5.6% disclosing a disability (2025: 4.8%)
- 2.6% LGBT+ (2025: 2.3%)

We remain committed to attracting diverse talent, exemplified by our NDA group graduate programme intake which continues to demonstrate stronger diversity attraction outcomes, thereby supporting longer-term workforce change:

- 34.4% women (2025: 35.8%)
- 20.0% from ethnic minority backgrounds
- (2025: 17.3%)
- 11.4% disclosing a disability (2025: 8.3%)
- 12.1% identifying as LGBT+ (2025: 11.4%)

Theme 3 - Embedding inclusion through the employee lifecycle

We have strengthened inclusive practice across attraction, recruitment, and retention across the NDA group. Job design and recruitment processes have been reviewed to ensure accessible and inclusive language, supported by tools such as applicant tracking systems and gender decoders.

During 2025/26, we have continued to strengthen our approach to prevention of sexual harassment across the NDA group, supported by legal update training for leaders on the Equality Act 2010 and new employers' duties to take reasonable steps to prevent harassment. This forms part of our wider approach to bullying and harassment, supported by policies, reporting routes and ongoing monitoring.

In response to the single sex ruling and evolving legal guidance, the NDA group established a Single Sex Advisory Group. The group has focused on understanding the implications of recent law changes, supporting a consistent, legally compliant, and sensitive approach across our estate, while promoting dignity, safety, and respect for all colleagues. This work has been informed by regular engagement with employee networks, trade unions, legal and professional guidance. We will continue to review and monitor our approach until statutory guidance becomes available.

Our NDA group menopause support group (MenoHub) continues to reinforce our commitment to wellbeing, dignity, and inclusion at work, and has been recognised nationally as best practice.

All NDA group organisations achieved Disability Confident Level 3 (Leader) status and signed up to Business in the Community's Race at Work Charter, with associated improvement plans in place. We have continued to make reasonable adjustments for disabled job applicants and employees with disabilities. Our commitment is to create inclusive and accessible working environments and further guidance on adjustments for hidden disabilities has been developed alongside the launch across the group of the hidden disability ‘sunflower’ scheme.

Theme 4 - Respect, dignity, and employee voice

Employee voice across the NDA group has been strengthened through sustained engagement with trade unions and our group and local employee-led networks in the inclusion and wellbeing space. Voluntary employee networks across D&I and wellbeing continue to play a key role in shaping inclusive and wellbeing practice and contributing to great places to work.

Insights from the NDA group annual employee survey informs “You said, we did” actions, with the overall engagement score at 7.12, the D&I score at 7.59 and wellbeing at 7.39.

We also welcome the opportunity to publish our people, survey, D&I, bullying and harassment, and Speak Up data in October 2026. This group report meets a recommendation from the Public Accounts Committee and National Audit Office and aligns with similar annual reporting for the Civil Service.

During 2025/26, £0.3 million was invested in D&I activity across the NDA group, including learning and development, memberships, and events. All expenditure was subject to budget review, financial controls, and oversight processes to ensure value for money for the taxpayer.

OneInclusion (2026-2030) will focus on creating great places to work by embedding inclusion by design – strengthening inclusive leadership, aligning inclusion more closely with workforce skills and wellbeing, and improving how we measure impact and accountability across the group. This approach reflects our responsibilities as a public sector organisation and supports our ambition to create great places to work while delivering our mission safely, securely, and sustainably.

Theme 5 - Flexibility, agility, and smarter working

We have continued to enable flexible working arrangements across the NDA group, where appropriate. We achieve this by balancing operational delivery, safety, and mission critical requirements. This approach supports employment legislation, inclusion, retention, and productivity, while maintaining a strong focus on operational delivery, site safety, team connection and collaboration across our sites and offices.

Employee health and wellbeing

The health and wellbeing of our employees remains a core priority for the NDA group. Following the successful development of the OneWellbeing Strategy and the launch of the wellbeing portal, this priority is now embedded into business-as-usual activity across the group supporting our people in their day-to-day roles. OneWellbeing has also strengthened functional collaboration across Health and Safety and D&I, enabling a more integrated approach to workforce wellbeing.

Progress is supported by the OneWellbeing Delivery Group which is driving group-wide capability and the delivery of agreed strategic goals. This forum continues to help us to prepare for ISO45003 compliance, and progress includes:

- Sharing key OneWellbeing messages and resources with NDA senior leaders and employee network leaders through dedicated events.
- Strengthened engagement through delivery activity including a programme of on-site OneWellbeing Roadshows.
- Establishment of a group-wide Psychological Safety Community of Practice. The Community brings together expertise from across the NDA group to support a consistent approach to embedding psychological safety, sharing practical resources and learning to help foster a culture where people feel safe, supported and empowered to speak up.

In February, we held the NDA group Health, Safety and Wellbeing Event ‘Mission Focused, People Powered’. The agenda and expo included over 30 presenters covering a wide range of topics across health, safety and wellbeing. The day showcased our shared commitment to creating safer, healthier and more supportive working environments whilst accelerating mission delivery. The event provided a fantastic opportunity to learn, reflect and take away meaningful actions that will help us continue to build a strong culture of safety and wellbeing across the organisation.

We continue to collaborate with a network of wellbeing partners across the group, including Peppy Health, who provide specialist health services for women and men; and platforms for supporting physical and mental health (including an Employee Assistance Programme) which offer confidential support to all NDA group colleagues. The NDA group has strengthened its partnership with the mental health charity Growing Well and was acknowledged in the 2025 Employee Awards, being shortlisted for Best Socio-Economic Activity. We continue to work closely with our unions to ensure health and wellbeing policy delivers consistently for all.

As a Menopause Friendly Accredited Employer, the NDA is strengthening its commitment through the next stage of delivery, introducing menopause training for both employees and managers.

The NDA group continues to monitor and respond to sickness absence trends in partnership with our occupational health provider. In 2025/26 an average of three days per employee was lost to sickness absence in the NDA. This equates to an absence rate of 2.1% and no interventions were identified.

Headcount and employee costs

NDA group staff costs

This information is subject to audit.

NDA group 2026	NDA Authority		NDA Programme		Subsidiaries (1)		Total
	Permanently employed staff	Others	Permanently employed staff	Others	Permanently employed staff	Others	
	£m	£m	£m	£m	£m	£m	£m
Wages and salaries	16	1	24	5	1,244	50	1340
Social security costs	2		3		161		166
Pension costs	3		5		180		188
Total staff costs	21	1	32	5	1,585	50	1694

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

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

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

The group participates in various pension schemes, both defined contribution and defined benefit. Further details are in note 26 to the Accounts.

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

This information is subject to audit.

NDA Group	Permanently employed people	Others	Total 2025/26	Total 2024/25
Directly employed - authority (admin)	148	8	156	161
Directly employed - authority (estate)	202	36	238	264
Directly employed - subsidiaries	17,283	746	18,029	18,021
Total	17,633	790	18,423	18,446

Of the total NDA permanent and fixed-term employees at the end of March 2026, the breakdown by gender is as follows:

	NDA Authority[1]		NDA Programme[2]		
	Male	Female	Male	Female	Total
Chief Executive	1				1
Exec Directors excl. CEO		1			1
Other directors (non-Board)	7	1			8
Other employees	53	85	111	76	325
Total	61	87	111	76	335

1. NDA Authority refers to central/admin staff.

2. NDA Programme refers to operational staff.

Employee turnover

The average length of service in the NDA is seven years and for the year 2025/26 turnover of permanent people was 15.2%.

The following table relates to NDA and is subject to audit.

The Mutually Agreed Voluntary Exit (MAVE) scheme was implemented across the NDA group during the year. This table shows the number of employees who have left the NDA through the MAVE scheme and excludes departures from NDA Group operating companies.

2025/26 Exit package cost band	Number of compulsory redundancies	Number of other agreed departures	Total number of exit packages by cost band
£0 - £25,000	0	1	1
£25,001 - £50,000	0	5	5
£50,001 - £100,000	0	11	11
£100,001 - £150,000	0	12	12
£150,000+	0	2	2
Total number of exit packages	0	31	31

Notes to the Remuneration and People reports

Tax arrangements of public sector appointee

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

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

Off-payroll appointments at 31 March 2026 in the NDA for those individuals on more than £245 per day and lasting (or expected to last) more than six months are detailed below. No Board members or senior management were paid through off-payroll arrangements during this reporting period.

Off-payroll contractor engagements at 31 March 2026, earning £245 per day or greater.

Length of appointment at 31 March 2026	Number of off payroll contractors
Less than 1 year	0
1-2 years	5
2-3 years	7
3-4 years	6
More than 4 years	3
Total of existing off payroll contractors	21

Off-payroll contractor engagements as at 31 March 2026, earning £245 per day or greater.

Number of new engagements, between 1 April 2025 and 31 March 2026 Of which...	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	21
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

Consultancy spend in the year, at the NDA was £1,024,704 (2024/25: £2,326,507).

Civil Service Pensions

Pension benefits are provided through the Civil Service Pension arrangements. Until 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into four different sections – classic, premium, and classic-plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis.

From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

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

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

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

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

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

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

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the public service pensions remedy 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 on the website
www.civilservicepensionscheme.org.uk

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

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

Scheme	% of employees
Alpha	96.7%
Partnership	0.9%
UKAEA (INS TUPE)	1.8%
Opt out	0.6%

Executive pensions

This information is subject to audit

	Real increase in pension during the year 2025/26 £000's	Accrued pension at 31 March 2026 £000's	Cash equivalent transfer value (CETV) at 31 March 2025 £000's	CETV at 31 March 2026 £000's	Real increase in CETV funded by employer £000's
Kate Bowyer	5-7.5	15-20	192	298	78
David Peattie*	-	-	-	-	-

*Does not participate in the Civil Service Pension arrangements – see page 95.

Cash equivalent transfer values

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

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

Real increase in CETV

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

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

Relevant union officials

Relevant union officials	Full-time equivalent employee number
Prospect	3

Percentage of time spent on facility time

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

Percentage of time	Number of employees
0%	
1-50%	3
51-99%	
100%	

Percentage of pay bill spent on facility time

Total cost of facility time	£70,245
Total pay bill	£60,114,567
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.12%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0.12%

Health, safety, environment and wellbeing report

We are committed to maintaining a safe, healthy and high-performing workplace where our people can thrive. Nuclear safety is fundamental to everything we do. We maintain rigorous standards to protect our workforce, the public and the environment from radiation and other hazards associated with nuclear decommissioning, while encouraging a culture of compliance and thoughtfulness in relation to conventional health and safety.

This section sets out our overall performance in health, safety, environment and wellbeing across the NDA group and, where relevant, our operating companies.

Health and safety

During 2025/26, we prioritised cross-group assurance activity, investigations and safety assist, operating company safety improvement plans. A programme of comprehensive and consistent group-wide reviews helped identify areas for improvement and supported the sharing of effective practices across the group.

We continue to place strong emphasis on building effective safety relationships across the NDA group. Throughout the year, we worked closely with our operating companies to provide support on technical challenges, reinforce organisational learning and strengthen arrangements for managing health and safety risks.

Health and safety performance

Our primary indicator of health and safety performance is the Total Recordable Incident Rate (TRIR). In 2025/26, the NDA group's TRIR was 0.25, an improvement from 0.30 in the previous year, reflecting continued progress in preventing harm.

Recognising the limitations of lagging indicators alone, we are developing a set of leading measures to strengthen our prevention strategy. These measures will provide deeper insight into emerging risks and will be reported to the NDA Board and the Health, Safety, Security, Sustainability and Environment Committee.

Building on this, NDA is developing a framework to detect early signs of safety performance drift and support preventative intervention through leadership. This work will continue into 2026/27.

NDA group TRIR data

	2025/26	**2024/25**
Sellafield	0.25	0.35
Nuclear Restoration Services (NRS) Sites	0.06	0.27
NRS Dounreay	0.52	0.17
Nuclear Waste Services (NWS)	0.13	0.10
Nuclear Transport Solutions (NTS)	0.71	0.59
NDA group	**0.25**	**0.30**

The Total Recordable Injury Rate (TRIR) includes all injuries reportable under RIDDOR regulations (ranging from the most serious and specific injuries to those requiring more than seven days absence). It also includes a broader set of incidents, covering medical treatment cases beyond first aid, as defined by specified criteria.

The NDA's Health, Safety and Wellbeing Director established collaborative activity with the operating companies' Safety Directors to implement the group-wide strategy that focuses on improving safety performance through prevention.

Nuclear Safety and Radiological Protection draw a strong focus. Preventative and monitoring processes operate to ensure that risks are tolerable through being as low as reasonably practicable. There is also a healthy reporting culture for concerns to be raised, and proactive peer networks facilitate structured learning and the dissemination of insights and good practice across the group, driving continuous improvement and reinforcing a consistent approach to risk management and safety performance in this discipline.

The group has reported 29 events to the regulator under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), (2024/25: 30) involving both employees and contractors. After each RIDDOR event, we conduct a thorough review to assure root causes and oversee actions to prevent similar incidents in the future. This process helps us share lessons learned across the group.

Reporting of Incidents, Diseases and Dangerous Occurrences Regulations (RIDDOR) is a set of regulations that require employers to report specific work-related injuries, diseases and dangerous occurrences.

RIDDOR

RIDDOR	2025/26	2024/25
Specified injuries	5	6
>7-day injury	19	15
Industrial diseases	0	2
Dangerous occurrences	5	7
Total	**29**	**30**

Operating Company	2025/26	2024/25
Sellafield	15	18
NRS Sites	2	7
NRS Dounreay	6	3
NWS	2	1
NTS	4	1
NDA group	**29**	**30**

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

Wellbeing

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

More information on employee wellbeing is on page 102 to 103.

Operating company health and safety performance

Sellafield

There has been a steady improvement in incident rate performance that began last year and has continued through the 2025/26 year. Sellafield's year-end TRIR is one of their lowest since 2018/19, and Lost Time Accidents and RIDDOR events were at their lowest rates for over a decade (excluding COVID year 2020/21). In 2025/26, there were 13 RIDDOR reportable injuries across Sellafield (staff and contractors) and the year-end TRIR was 0.25.

Sellafield remains in Enhanced Regulatory Attention for health and safety, with the ONR requiring Sellafield to demonstrate sustained improvement in health and safety performance and its ability to learn from experience to prevent repeat events.

There were two incidents which met the INES Level 1 reporting threshold. Both events were fully investigated to identify the root cause, and actions have been taken to prevent recurrence. There was a further INES Level 2 event at Sellafield declared during the year involving an internal radiological dose.

Within 2025/26 Sellafield successfully transitioned from an Upper Tier Control of Major Accident Hazards (COMAH) site to Lower Tier. It also completed a full review and update of its Risk Profiles across all facilities and introduced core behavioural standards associated with moving around the site. The three improvement notices open at the start of 2025 were successfully closed. One new Improvement Notice was received in June 2025 related to the control of exposure to lead at work. This was successfully closed in December 2025.

To build on the current achievements and sustain improvement, Sellafield's focus is now on developing and delivering an Enterprise-wide Strategic Plan for Safety, Health, and Environment. This will outline the key strategic objectives for the management of safety across Sellafield. It will be outcome-driven and clearly linked to long-term site strategic objectives.

The Control of Major Accident Hazards (COMAH) Regulations is a set of UK regulations that require operators to prevent major accidents involving dangerous substances and to limit their impact on people and the environment.

NRS Sites

NRS's TRIR has reduced to 0.06 from 0.27 in 2024/25 as a result of embedded improvements to safety standards and practices. The focus this year was on Human Performance and the ability to apply prevention principles to personal and work practice-related causes of workplace injuries.

The plan follows a Deliver, Transform, Innovate and Grow strategy to ensure a continuous approach to improving safety.

Proactive management has also supported this preventative methodology, which has seen the expansion of use of digital first line assurance tools.

NRS Sites also prepared for the transfer of Hunterston B from EDF to NRS at the beginning of April 2026. This has involved substantial co-operation between the two organisations as well as regulatory bodies to ensure licenses and permits are in place to operate the site, the management system and skills are suitable for decommissioning activities, and technical due diligence to prepare for transfer.

NRS Dounreay

The TRIR at NRS Dounreay increased from 0.17 to 0.52 during the year. While injuries were generally not serious in nature, NRS Dounreay remains committed to a prevention-led strategy for managing safety.

Now part of the wider NRS organisation, Dounreay is aligned with NRS company improvement plans. Over time, this is expected to deliver benefits consistent with those seen across other NRS sites with respect to prevention, particularly through increased focus and resources put to human performance as part of the overall NRS plan.

Demonstrations of compliance with COMAH regulations have been made to ONR. Looking ahead, plans to reduce hazardous substance inventories are being reviewed to further mitigate major accident risks (as COMAH).

From the regulator's perspective, Dounreay has continued to progress its 'return to routine' plan following a period of enhanced regulatory attention. Engagement with ONR has remained positive, with interactions supporting the resolution of multiple regulatory concerns.

NWS

The injury rate performance for NWS in 2025/26 was a TRIR of 0.13, slightly up on previous year but well below the threshold of 0.28.

NWS maintained a Green/Amber self-assessment rating through the year, with performance broadly in line with group expectations and no high-severity injury trends identified. There were no open root cause investigations at year end, indicating timely closure and learning from events.

NWS reported one RIDDOR event during the year, contributing to a low overall incident burden, and no enforcement notices or prohibition notices were received. There were no INES-rated nuclear safety events.

Delivery of the Safety Improvement Plan (SIP) progressed as expected, with emphasis on leadership task observations, work inspections, improved reporting, and high-hazard reviews appropriate to LLWR and repository operations. Overall SIP status was Green.

NTS

Overall health and safety performance was mixed but improving. NTS recorded a TRIR of 0.71 at year end, which is higher than other NDA group operating companies and above internal expectations, reflecting a number of recordable injuries during the year. Minor injury cases remained elevated and continue to be a focus area.

Industrial and operational safety controls remained in place. NTS Rail and NTS Shipping maintained accredited health and safety management systems, including ISO 45001 and Railway Safety Certificate requirements, providing a strong baseline of formal control in transport operations.

Regulatory engagement identified improvement requirements. An Improvement Notice was issued by the regulator relating to the use of third-party transport, with NTS working through agreed actions with the regulator to address the shortfalls. No prohibition notices were reported.

Operational safety performance trends showed some improvement. The number of operational incidents within NTS Rail improved, with performance reported as broadly in line with expected levels later in the year, indicating stabilisation following earlier challenges.

Improvement Plan and culture activities progressed. The NTS Safety Improvement Plan was developing through the year in the context of wider business changes, with progress reported to NDA and alignment underway to Board-level safety priority areas. The plan is expected to be finalised as organisational changes settle.

NTS experienced a challenging year for conventional safety injury performance, but retained strong system-level controls, stable nuclear and environmental safety performance, and constructive regulatory engagement. Continued focus is required in 2026/27 on prevention, contractor controls, and embedding consistent safety leadership and learning to drive injury reduction.

Environment

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

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

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

Environmental performance

Our group-wide environmental key performance indicators cover areas including compliance, audit, skills and capability, carbon reduction and environmental events. We use these to identify actions to maintain compliance, prevent pollution and support delivery of our mission while reducing environmental risk.

Our group-wide environmental key performance indicators cover areas including, compliance, audit, skills and capability, carbon reduction and environmental events. We use these indicators to identify actions to maintain compliance, prevent pollution, and support delivery of our mission while reducing environmental risk.

Performance has highlighted that developing and retaining sufficiently qualified environmental resource remains a significant challenge. This has contributed to minor events and non-compliances. In response, strategic workforce planning is being progressed, including targeted action to upskill and improve retention and recruitment.

We have tracked significant environmental events group-wide for five years, including the environmental-total recordable incident rate (e-TRIR), which provides a consistent measure of performance over time. We continue to review and adapt our other indictors to ensure they remain appropriate and informative.

We have assured environmental compliance and performance across the group through reviews, assurance visits, performance metrics and engagement. This year, we focused on compliance with NDA-held water abstraction licences operated by our businesses, confirming that robust approaches are in place.

Natural capital and biodiversity

The group owns approximately 5,000 hectares of land on and around our sites, including diverse and important habitats. We are continuing to build our natural capital capability and tools to improve our understanding of the value of this land and to support protection and enhancement of biodiversity. This includes development of a natural capital accounting tool.

We have further developed our strategic approach to addressing Biodiversity Net Gain requirements and begun implementation.

Last year, we published a Nature Recovery Plan (NRP) which sets out how our work will deliver environmental improvements, including returning land back to other beneficial uses. The NRP embeds the protection and enhancement of biodiversity into delivery of the mission and outlines how we will enhance ecosystem resilience, mitigate biodiversity loss, and contribute positively to broader landscape scale conservation efforts.

Delivery of the NRP is underway. This includes working with others to assess the condition of Sites of Special Scientific Interest on our land as a precursor and identifying opportunities for improvements where sites are in unfavourable condition.

We are also progressing targeted improvements to the environmental value of our land. For example, we are assessing opportunities to return land adjacent to the

Winfrith site to its pre-development state and supporting habitat improvements at Oldbury, including re-wetting a disused lagoon for the benefit of local wildlife and migratory birds.

A group-wide natural capital and biodiversity net gain working group continues to support delivery of our statutory biodiversity duties and legal requirements.

Carbon management

We aim to support the government's aspiration to be carbon net zero by 2050 in England and Wales and by 2045 in Scotland, with interim Scope 1 and 2 targets of 65% by 2030, 70% by 2040, and 85% by 2050. We are also progressing work to refine our Scope 3 emissions data and targets, alongside longer-term qualitative targets, such as eliminating fossil fuel heating and diesel use in construction

Construction remains the largest contributor to our group's carbon footprint. Work is underway to reduce emissions through low-carbon construction approaches. Sellafield is leading the group through its carbon centre of expertise, while recognising wider industry challenges in securing sustainable materials and fuel.

We are collaborating with other industries to support decarbonisation and are embedding best practice standards such as PAS 2080 (carbon management in buildings and infrastructure). In the near term, we are focusing on improving efficiency and reducing energy demand across our most energy intensive processes.

Valuing natural resources

The group has projects and programmes in place to help us apply circular economy principles and maximise the sustainable use of resources. This includes increasing the re-use of the large volumes of materials we generate through decommissioning. For example, over 15,000 tonnes of concrete from Sizewell A was re-used last year at Sizewell C.

Operating company environmental performance

Overall environmental performance has continued to improve, with the NDA group e-TRIR reducing from 0.04 to 0.03 against a target threshold of 0.09. However, there remain opportunities for improvement with six significant environmental events across the year (2024/25: 8). Each of these events have been assessed as having minor or no actual environmental impact, although they are still classed as significant using our formal definition.

NDA group e-TRIR

	2025/26	2024/25
Sellafield	0.01	0.02
NRS Sites	0.13	0.12
NRS Dounreay	0.00	0.04
NWS	0.13	0.00
NTS	0.00	0.00

Across the group we have also seen an improving trend in regulatory action compared to previous years.

Our annual environmental targets align with the key themes in the Greening Government Commitments shown on page 119 covering carbon, water, and waste. The group continues to make excellent progress in carbon reduction.

The group has reduced scope one and two carbon footprint by 35.6% against the 2019/20 baseline.

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

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

Sellafield

Overall environmental performance has improved, with the e-TRIR remaining low at 0.01, well below the target threshold of 0.12. Permit non-compliances were low compared to previous years, with one warning letter and one ongoing enforcement notice.

The warning letter related to non-compliance with the transfer of radioactive waste under the Radioactive Substances Act permit. The enforcement notice relates to improvements required to address corrosion in ductwork servicing the Analytical Services building.

Sellafield reported one significant environmental event. This related to water levels in the River Irt briefly dropping below levels required in a water abstraction licence issued by the Environment Agency (EA), whilst urgent maintenance was undertaken on pump lines. This occurred during a period of dry weather in May. The EA was informed and there were no environmental impacts identified.

In previous years, there have been challenges filling and upskilling key environmental roles. Following significant recruitment effort and implementation of improvements, the situation is improved, although continued focus is required for critical roles such as Liquid Effluent and Stack Coordinators.

An ongoing leak to ground at the Magnox Swarf Storage Silo facility, previously reported as an INES level two incident, remains stable and presents no risk to the public or workforce. The ONR and EA continue to regulate this complex issue. Sellafield is maintaining focus on waste retrieval activities and a dedicated programme to manage and mitigate the impacts of the leak.

Sellafield has continued to progress its sustainability and environmental agenda, achieving re-certification to ISO 14001 (Environmental Management System) and ISO 14064 (Greenhouse gases), with work ongoing to complete a major review of the Installations Permit.

During summer 2025, the EA completed a Leadership and Management inspection at Sellafield, resulting in zero non-compliances, multiple good practices and a small number of recommendations which are being progressed.

Sellafield met all its environmental targets this year, including its e-TRIR threshold and sustainability and carbon reduction goals. Non-radioactive waste recycling rates of approximately 98% were achieved.

NRS Sites

Overall environmental performance has remained relatively stable with the e-TRIR increasing from 0.12 in 2024/25 to 0.13 in 2025/26. Two warning letters were received.

A regulatory notice was in place at Hunterston A for most of the year related to inadequacies in analytical laboratory practice. Following significant improvement work by NRS, the Scottish Environment Protection Agency lifted this notice in the final quarter of 2025/26, allowing compliance-related laboratory operation to re-start.

There were four significant environmental events across NRS Sites.

- Sizewell A - a batch of trade effluent had been discharged without a permit, resulting in a Warning Letter from the EA.
- Trawsfynydd - misreporting of environmental monitoring data for an extended period due to calculation errors.
- Dungeness A - leaks from flawed flange bolts and corrosion issues in a vent system.
- Oldbury -r dispatch of radioactive borehole water samples to a laboratory not permitted to receive them.

None caused significant environmental impacts, necessary immediate actions were taken to prevent harm, and improvements have been implemented to prevent re-occurrence.

The second Warning Letter was received by Hinkley A following a radioactive substances permit inspection. It related to failure to review the site's Environmental Monitoring

Programme over a five-year period contrary to NRS written arrangements and not consistent with best available techniques, constituting a breach of the Environmental Permit. This has prompted a wider review across all sites with further reviews being scheduled.

Other minor events have occurred; some linked to ongoing environmental resource and capability challenges across NRS. Efforts continue to address this through recruitment and training.

NRS continues to progress sustainable decommissioning, focusing on delivering sustainable end states at Trawsfynydd and Winfrith. Work has continued to enhance understanding of biodiversity around sites, identify improvement opportunities and to address Biodiversity Net Gain requirements for future developments.

During 2025/26, NRS Sites delivered a programme of environmental management system improvements, including standardised approaches to environmental risk assessment, mitigation for site works, and assessment of risks from firefighting run-off. Work also commenced to examine and prioritise potential PFAS (Perfluoroalkyl and Polyfluoroalkyl substances) legacy issues on the NRS sites.

Coaching, mentoring and training initiatives continued through the year to support professional development across environmental and analytical communities of practice. These are now delivering benefits, with increasing numbers of individuals being appointed to roles within the NRS Corporate Radioactive Waste Advisor body.

NRS Dounreay

Overall environmental performance has improved, with the e-TRIR reducing from 0.04 in 2024/25 to 0.00 in 2025/26. No Significant Environmental Events occurred, and no Warning Letters were received, however two regulatory notices remain in place.

There remains significant scope for improvement in environmental performance and compliance, partly linked to available environmental compliance capability. Access to suitably skilled environmental resource has remained a challenge, f despite continued reinforcement of specialist roles across the workforce. Dounreay's remote location and the specialist nature of some roles contribute to this challenge and place pressure on performance. Following Dounreay's transition into NRS, a review of roles and responsibilities within the discipline is underway to support improved compliance, alongside broader strategic workforce planning.

The ongoing regulatory notices relate to releases to ground from a carbon bed filter and unauthorised disposals of very low-level radioactive aqueous waste to the non-active drainage system. In both cases, investigations have been completed and actions are underway to address the notices and compliance shortfalls.

Dounreay has responded to the changes made by the Environmental Authorisations (Scotland) Amendment Regulations 2025, which establish a single, risk-based framework consolidating previous environmental regulatory regimes in Scotland. Dounreay has begun the aligning its environmental management arrangements with the revised ISO 14001:2026 standard, strengthening requirements for measurable environmental performance, climate action, biodiversity and leadership integration. In response to recent organisational changes, environmental awareness training has been reviewed and updated maintain compliance and align with current best practice.

NWS

Environmental performance has been good, despite a slight increase in the e-TRIR from 0.00 in 2024/25 to 0.13 in 2025/26, reflecting a single Significant Environmental Event. No Warning Letters were received and no Enforcement Notices are in place. This performance has been maintained during a period of significant physical works at LLWR, as trench and Vault 8 capping work progresses.

The Significant Environmental Event relates to EA inspection findings concerning construction quality assurance. NWS responded promptly however, final close-out remains subject to EA feedback, with engagement ongoing.

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

Following EA concerns over the progress of capping work on the LLWR trenches and Vault 8 due to historic delays, a varied Environmental Permit was issued with updated improvement conditions. These set timescales for delivery and associated reporting requirements. Work on capping is now progressing to plan.

Significant work and ongoing engagement with the EA has continued on the LLWR Environmental Safety Case (ESC), including completion of its major periodic review and submission of an updated version in May 2026. An extended review period is expected, and NWS continue to engage with the EA to support an effective, efficient and proportionate review. The EA has also been updating guidance on near surface low level radioactive waste disposal applicable to the LLWR ESC. NWS coordinated an industry response to consultation on this guidance and continues to actively engage with the EA. The ESC has been produced in line with the applicable guidance in place at the time of submission. This topic will remain a key focus going forward.

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

Positive progress has been made addressing biodiversity duties, including improvements to grounds maintenance approaches and enhancing pollinators habitats. Successful re-certification was achieved to ISO14001 (Environmental Management Systems).

NTS

Environmental performance remained good, with no Significant Environmental Events and an e-TRIR of 0.00 in its first year of reporting.

NTS continues to progress its lower carbon agenda through improved locomotive efficiency and fleet modernisation. High electricity costs continue to influence customer choices towards bimodal trains, impacting carbon reduction. A Sustainability Strategy and Carbon Management Plan.are being developed to support further reductions in operational carbon emissions.

Sustainability material information

The NDA's material sustainability reporting focuses on key areas including greenhouse gas emissions, resource use and waste associated with estate operations, data hosting and ICT, staff travel (including business travel and commuting), and supply chain impacts. Emissions from estate operations, business travel and ICT are reported in line with Greening Government Commitments (GGC), as set out below. The NDA has also developed an estimate of Scope 3 emissions from purchased goods and services (PG&S), reflecting the significance of supply chain impacts. This estimate is currently in the region of 2,000 tCO2e; however, it remains subject to ongoing refinement and has not yet been fully assured. Work is ongoing to improve data quality and assurance processes to support future disclosure.

Greening Government Commitments (NDA only)

We participate in the GGC scheme, reporting quarterly to DESNZ against targets set by Defra, and have done so since 2009/10. Our current reporting boundary is Herdus House; Cumbria, which serves as our main office, however as we increasingly operate and manage performance at a group level, we are reviewing the appropriate scope for future reporting. The current GGC cycle ended in 2025; while future commitments are yet to be confirmed, we have continued reporting to establish a 2025/26 baseline. Below, we set out the headline topic areas expected to shape performance over the next five-year period.

GHG emissions are calculated in accordance with the UK Government's Greenhouse Gas Reporting: Conversion Factors 2025. Usage data is sourced from a variety of systems, including electricity meters, travel expense records, and travel booking platforms.

Reducing our emissions

Against our baseline year of 2019/20 the NDA has reduced its scope 1 and 2 emissions by 18%. This is predominantly due to installing heat pumps and solar panels at Herdus House. There was an increase in Scope 1 emissions this year following a refrigerant gas (F-gas) release. The F-gas is used within air conditioning units and we are working to update this system as part of ongoing asset management.

Reducing lifecycle emissions from ICT

We are continuing to transition our on-premises applications to cloud-based solutions; this work continues and is being constantly reviewed and updated. These initiatives support NDA's commitment to sustainability, embedding environmentally conscious ICT practices, minimising e-waste, and avoiding landfill contributions from business operations. We are working towards understanding our scope 3 emissions in association with IT assets, on-premises and off-premises server solutions.

Travelling more sustainably

In the previous 12 months, our overall business travel miles decreased with a particular reduction in international air travel. Rail travel made up 40% of our business miles and 13% carbon emissions associated with business travel. Travel by car made up 31% of business miles and the largest proportion of our carbon emissions associated with business travel. 27% of car business travel was in a low emissions vehicle which is an increase from 16% in 2024/25.

Adapting to climate Risks

The NDA has a change adaptation action plan, including existing or planned actions in response to identified risks. Climate change resilience and adaptation are considered during business case development.

Restoring and enhancing nature

This area is being addressed at a group level. Further detail is provided on page 113.

Making our procurement more sustainable

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

Managing our waste and used ICT better

We have seen an overall reduction in waste generated at Herdus House. We continue to seek opportunities to utilise items within the NDA Group or via donation prior to disposal as waste where appropriate.

Reducing our water consumption

Water consumption has increased compared to 2023/24, reflecting higher office occupancy as we operate more at an NDA group level. This increase was anticipated despite water reduction measures remaining in place. We will use this as a new baseline from which to drive future reductions.

Emissions from NDA operations and staff - derived from offices under NDA operational control of NDA and its staff conducting operations and determined in accordance with the Greening Government Commitments

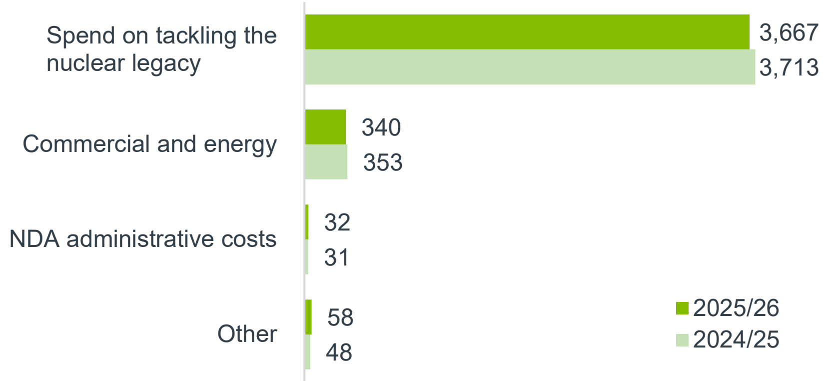
Energy			**2022/23**	**2023/24**	**2024/25**	**2025/26**
Non-financial indicators (tCO_2e)	Total Gross Scope 1 (Direct) GHG emissions		84	5	2	73
	Total Gross Scope 2 (Energy indirect) GHG emissions		92	117	125	129
	Total Gross Scope 3* GHG emissions		214	466	428	584
	Total Emissions – Scope 1, 2 & 3*			598	565	787
Non-financial indicators (MWh)	Electricity		435	518	554	576
	Gas		250	0	0	0
	Total energy		685	518	554	576
Financial Indicators (£)	Total energy expenditure		96,686	105,972	191,199	258,113
Travel			**2022/23**	**2023/24**	**2024/25**	**2025/26**
Non-financial indicators (tCO_2e)	Total business travel emissions		214	466	428	286
	Total emissions domestic flights		15	17	8	7
	Total emissions international flights		142	235	245	102
Non-financial indicators (km)	Total travel private car				507,782	608,096
	Total travel hire car				349,457	199,896
	Total travel train		1,181,278	1,499,741	1,669,759	1,041,382
	Total travel domestic flights		132,636	100,132	84,257	53,542
	Total travel international flights		469,873	539,351	539,127	802,826
Financial Indicators (£)	Total Expenditure from travel		891,190	1,140,177	973,039	601,264
Waste/Resources			**2022/23**	**2023/24**	**2024/25**	**2025/26**
Non-financial indicators (tonnes)	Non-hazardous waste	Landfill	0	0	0	0
		Recycled (DMR)	7.5	7.1	7.9	4.0
		ICT	1.0	0.9	0.6	2.6
		Composted	0.9	0.9	1.2	0.9
	Incinerated with energy from waste		2.1	3.9	6.2	4.4
	Total waste		11.5	12.8	15.9	11.9
Non-financial indicators (m^3)	Total water usage		524	537	612	987
Non-financial indicators (kg)	Refrigerant Gas Losses		19	3	3	38.1
Financial Indicators (£)	Total Expenditure Waste		8-12,000	12,000	37,895	22,289
	Total Expenditure Water		7,764	4,882	13,556	9,550

*In previous years our Scope 3 reporting included only business travel. In 2025/26 Scope 3 emissions include: upstream emissions (transmission and distribution losses), business travel, employee commuting and homeworking.

Financial summary

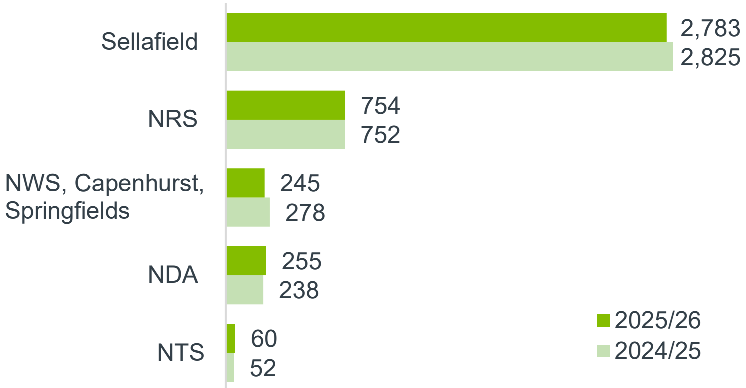
NDA spend on tackling the legacy (£m)

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



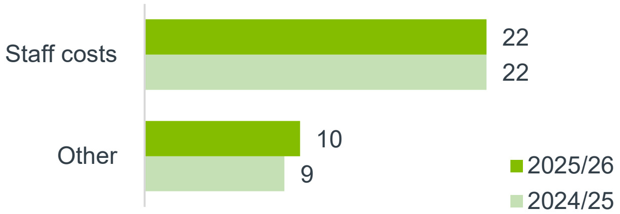
NDA spend by division (£m)

Spend in 2025/26 was £4,097 million (2024/25: £4,145 million). Around 68% of this was spent at Sellafield, reflecting the relative size, importance, and priority given to the site. Expenditure at Sellafield has increased overtime and now stands at £2,783 million per year.



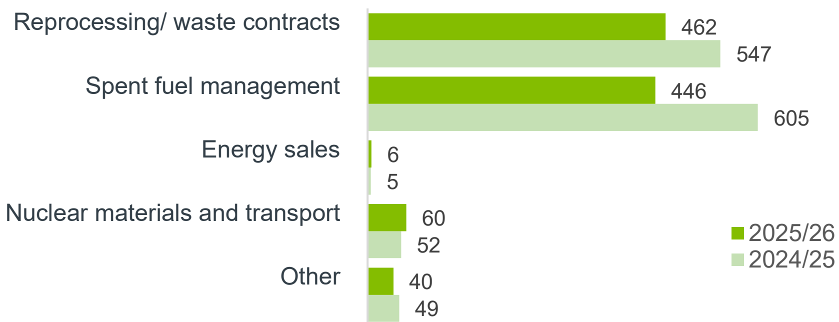
NDA administrative spend (£m)

The NDA's own running costs were £32 million during 2025/26, or approximately 0.8% (2024/25: 0.8%) of overall expenditure.



NDA's income (£m)

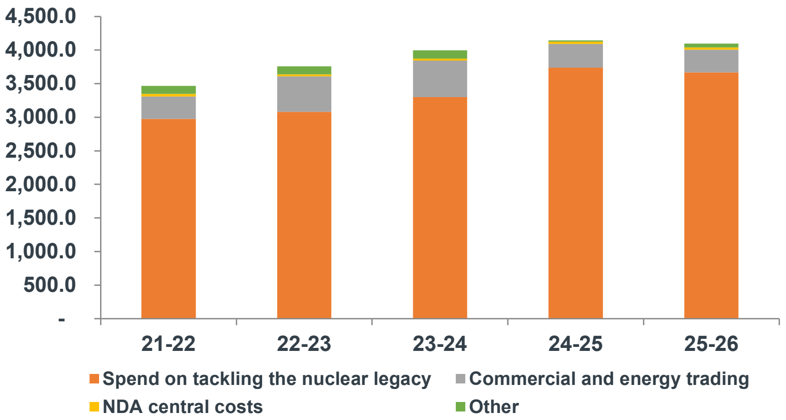
The NDA recognised income of £1,014 million in the year, with £912 million arising from managing wastes from historic reprocessing of fuels and management of spent fuels and waste.



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

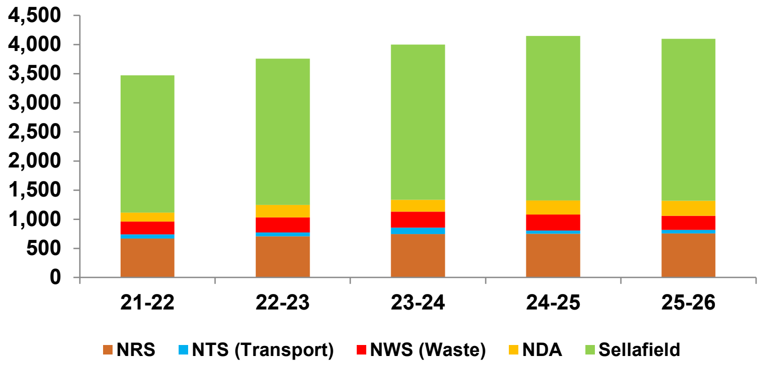
NDA spend on tackling the legacy (£m)

Most of our spend is directed toward tackling the nuclear legacy.



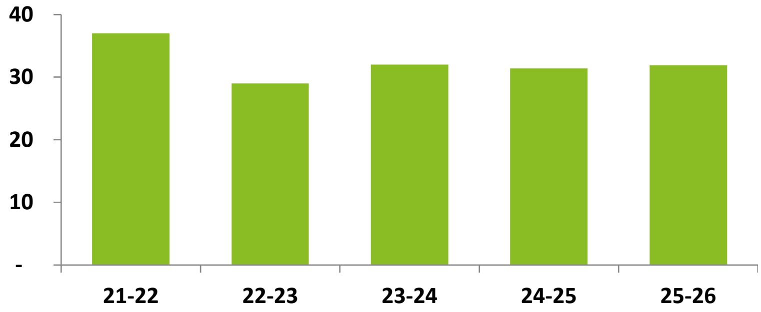
NDA spend by division (£m)

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



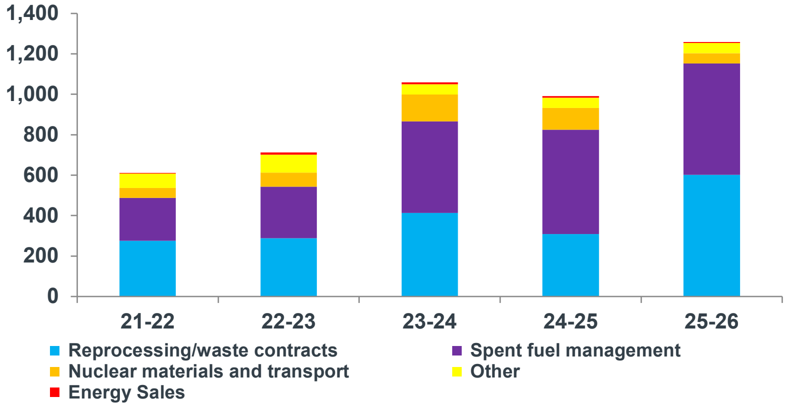
NDA administrative spend (£m)

NDA's administrative spend is now approximately £32million per year.



NDA's income (£m)

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



Nuclear provision

The nuclear provision represents an estimate of the cost of decommissioning the NDA's sites, permanently disposing of the waste, and keeping them safe and secure in the meantime. It is based on the scale of the remaining NDA mission, current policy, technology and regulatory practice, with assumptions made around rates of asset degradation and desired end state.

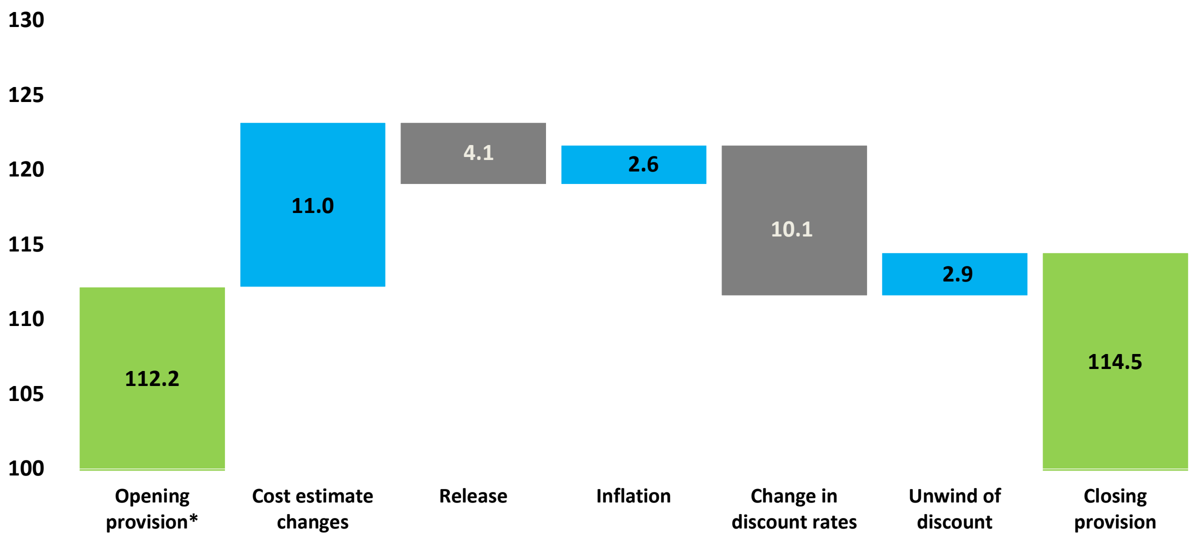
The provision shown in the Statement of Financial Position is a single point number, management's best estimate within a range of possible outcomes, discounted to today's money values (see below). There are significant uncertainties around quantity, method and time to treat wastes and assets, and the quality of the forecast becomes progressively more uncertain over its duration. Our 2026 strategy document gives more detail on the assumed current technologies and desired end states.

Changes in 2025/26 estimate

The discounted nuclear provision of the Authority at the end of 2025/26 was £114.5 billion (2024/25: £112.2 billion) as shown in the chart.

Some movements in the provision are formulaic in nature and calculated by reference to external benchmarks, such as changes in discount rates. Changes in cost estimates are inherently uncertain and require a significant amount of management review and judgement.

Movement in nuclear provision 2025-2026 (£ billions)



*Opening provision restated – see note 24 to financial statements for details

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

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

The movements during the year were:

Cost estimate changes

Cost estimates are reviewed annually to reflect changes in the site decommissioning plans and other assumptions on which they are based. During 2025/26 these reviews incorporated the revised cash flow expectations of the Spending Review settlement as well as other cost updates.

The precise cause and magnitude of cost estimate changes differ between operating companies, however the key drivers of these changes are:

- <u>Prolongation costs</u>: The decommissioning programme is inherently long-term and complex, and delivery timelines are influenced by both operational performance and funding constraints. The Group reassessed the plans in the light of the recent Spending Review and operational performance and has assumed that some activities will start later in the decommissioning mission or take longer than originally assumed. The NDA continues to manage these impacts through active prioritisation, optimisation of delivery strategies and integration into long-term planning assumptions. The Group recognises that extending site operations requires the annual support costs (such as site security, safety, and other support costs) to be incurred for a longer period, increasing the total costs of decommissioning over the life of the plan and therefore considers this within the context of balancing risk and hazard reduction, affordability and delivery of the overall mission.
- <u>Asset condition</u>: The NDA manages a complex estate of ageing assets, where condition and obsolescence present ongoing risks to safety, compliance and delivery of the decommissioning mission. As part of the recent Spending Review submissions, some planned activity has been deferred due to the constrained funding, extending asset lifecycles and increasing the importance of active asset management. The extended operation and maintenance of ageing facilities increase the lifetime costs, and therefore the nuclear provision.
- <u>Repricing and cost changes:</u> The NDA continues to operate in a complex and evolving cost environment, where inflationary pressures, supply chain constraints and market capacity have contributed to repricing across a range of activities. These factors have increased the cost of delivering the decommissioning mission and introduced additional uncertainty into both near-term plans and long-term estimates. The reprioritisation and, in some cases, deferral of activity extends delivery timelines, which can further increase costs over the lifecycle of programmes. Coupled with a reassessment of the site operational and support costs, while these pressures remain, they are actively managed through disciplined cost control, prioritisation of risk and hazard reduction, and integration into long-term planning and the nuclear provision.
- Other specific changes to the plan, primarily relating to changes to the electrical distribution system at Sellafield.

The split of cost estimate changes by operating company is:

£ (billion)	Undiscounted	Discounted
Sellafield	40.1	10.4
NRS	5.9	(0.5)
NWS	1.3	0.6
Other	1.1	0.5
Total cost estimate changes	**48.4**	**11.0**
Other changes	1.1	(8.7)
Total provision movement	**49.5**	**2.3**

Sellafield (£40.1 billion undiscounted, £10.4 billion discounted)

Sellafield have reviewed their decommissioning plan and made multiple updates to sequencing, pricing and future funding assumptions. The key updates are:

- A review of key cost assumptions to take account of current cost outcomes for new construction projects and site management and functional support activities.
- Recognition of the extended duration of key operational activities including waste retrievals and waste management reflecting current and recent performance levels and complexities in completing the activities
- Consequential increases in the duration and cost of supporting activities including the management of effluents and wastes and wider site management and functional activities.
- A detailed review of future site management requirements which has identified additional costs for the site's electrical distribution system.

Nuclear Restoration Services (£5.9 billion undiscounted, £0.5 billion decrease discounted)

Changes in assumed funding levels over the lifetime of the plan, particularly in the earlier years, have led to the deferral of certain activities to later in the plan, resulting in a change to the assumed final site clearance to 2130 (from 2110). The additional 20 years has two key effects:

- A further 20 years of site and central support costs. These costs (including safety, security, HR and finance) are incurred for longer than originally assumed.
- Additional costs to maintain the facilities of sites which are expected to operate for longer than originally intended. As many sites are in exposed coastal locations, the costs of maintenance can be significant.

The additional costs have increased the undiscounted provision by £5.9 billion, however the discounted provision has reduced by £0.5 billion. This is due to the discounting effect of the additional costs being incurred over 80 years into the future being offset by the deferral of some near-term activity.

Nuclear Waste Services (£1.3 billion undiscounted, £0.6 billion discounted)

The increase in the NWS provision is primarily due to updates to the GDF cost model, which continues to be based on generic location and geological assumptions, to reflect current assumptions for the facility's construction and operating costs.

Release

The provision reduces each year in line with the amount spent on delivering the mission. In 2025/26 the value released from the provision was £4.1 billion (2024/25: £4.0 billion).

Inflation

Before applying changes to discount rates and the cost estimates, an inflationary adjustment is applied to the opening provision to update it to money values at the reporting date. This is the aggregate of the individual inflation impacts on each component of the estimate, producing an increase of £2.6 billion (2024/25: £3.6 billion), 2.3% of the opening balance.

Changes in discount rates

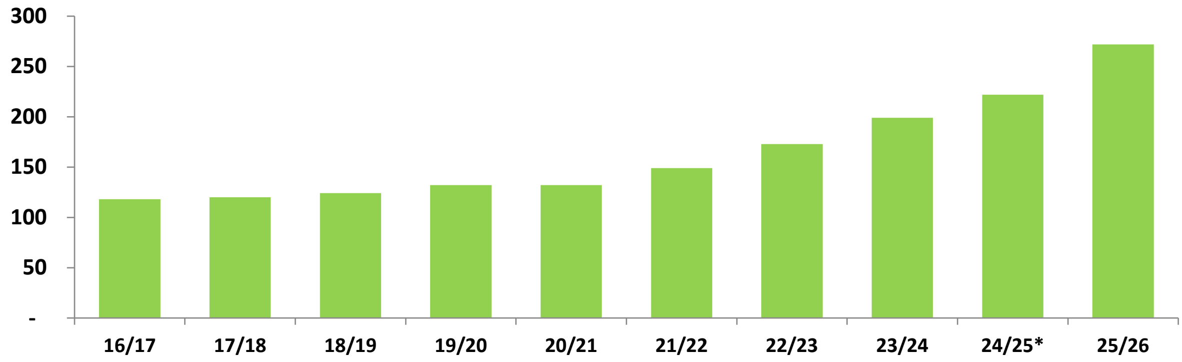
The nuclear provision is expressed in discounted terms, by applying discount rates to the underlying (undiscounted) cost estimates to reflect the time value of money. Information on the discounting process and the rates used are set out on page 177 in the notes to the financial statements. The Authority uses discount rates published annually in December by HM Treasury which change according to the UK Government's borrowing rate and forecasted inflation. The application of the rates published by HM Treasury in December 2025 resulted in a decrease of £10.1 billion in the discounted provision value (2024/25: £2.3 billion decrease).

Unwind of discount
This due to the unwinding, by one year, of the discounting applied to the provision in the previous year. During 2025/26 this resulted in an increase in the provision of £2.9 billion (2024/25: £2.6 billion). This does not change the underlying (undiscounted) cost estimates.

Closing provision
The above movements result in a closing 2025/26 discounted provision estimate of £114.5 billion.

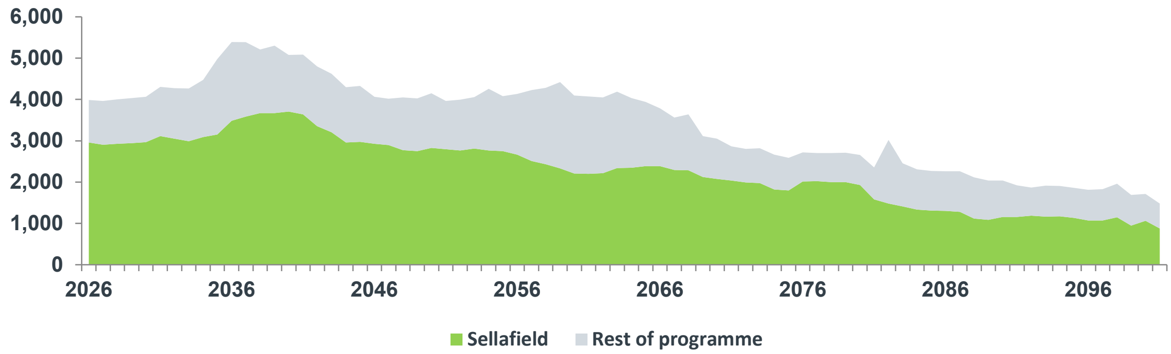
Undiscounted nuclear provision totals (£ billions)

The graph below shows the changed value of undiscounted nuclear provision over a 10 year period:



*2024/25 comparatives restated – see note 24 to financial statements for details

Total expenditure profile (£m, undiscounted)



The graph (above) shows the undiscounted expenditure profile for future years (excluding NDA administrative and other non-programme costs, and some commercial costs) from lifetime cost projections from each of the Site Licence Companies. The expenditure profile illustrates a downward trend in expenditure over the next 50 years, following a short-term peak over the next 10 years, as sites enter into care and maintenance with subsequent increases in expenditure towards the end of site clearance programmes.

Parliamentary accountability disclosures

This section is subject to audit.

Regularity of expenditure

We ensure prudent and economical administration, avoidance of waste and extravagance, and efficient and effective use of all available resources. Adequate controls exist to ensure the propriety and regularity of our finances.

Losses and special payments

These disclosures are in accordance with ‘Managing Public Money’. This note reports losses and special payments of interest to Parliament. Total losses during the year were £14,051,502 (2025: £130,452,194). Total special payments during the year were £473,692(2025: Nil).

Type of loss	2025/26 Total £	2025/26 Number of cases	2024/25 Total £	2024/25 Number of cases
Cash losses	-	-	485	5
Constructive losses	8,968,000	1	127,000,000	1
Store losses	2,298,928	173,825	809,429	511,694
Fruitless payments	2,761,350	1,940	309,352	1,748
Book-keeping losses	17,227	5	-	-
Exchange rate fluctuation losses	5,997	2	53,978	2
Losses of pay, allowances and superannuation	-	-	2,278,950	1
Total	**14,051,502**	**175,773**	**130,452,194**	**513,451**
Special payments	473,692	1,532	-	-

Constructive losses in 2025/26 relate to the premature closure of the Berkeley Blower House Remediation Project at the NRS Berkeley site. Constructive losses in 2024/25 relate to the change in approach of the Sellafield Replacement Analytical Project. As the project is not proceeding in its original form, costs were incurred which cannot be utilised in the revised approach.

Fruitless payments include £1,659,313 relating to late payment interest in respect of changes to the NDAs corporation tax status which was retrospectively applied to years 2021/22 – 2024/25 and accrued interest against the original payment deadlines for each financial year. Also included in fruitless payments is an equipment purchase of £784,470 which failed during commissioning due to a design failure.

Special payments include a £465,541 payment resulting from a voluntary disclosure to HMRC due to an underpayment of tax, affecting a large number of employees due to a payroll error.

Store losses include the write-off of inventory previously purchased for use and no longer required following the conclusion of site operations and/or due to the age of the stock.

A contract loss provision for potentially onerous commercial contracts to manage spent fuel and waste is included within other provisions (note 25 to accounts) and is not included in the losses disclosed above.

Remote contingent liabilities

Remote contingent liabilities are not required to be disclosed under IAS 37 but included for parliamentary reporting and accountability purposes.

The NDA has non-quantifiable contingent liabilities arising from indemnities given as part of the contracts for the management of the Site Licence Companies. These indemnities cover the residual, uninsurable risk that courts in countries outside the Paris and Brussels Conventions may claim jurisdiction to determine liability following a nuclear incident.

Indemnities are provided to the previous Parent Body Organisations of Sellafield, Magnox, Dounreay and Low Level Waste Repository covering the periods in their ownership. These are not treated as contingent liabilities within the meaning of IAS 37 since the possibility of a transfer of economic benefit in settlement is considered remote.

D. Peattie

David Peattie FREng FNucl
Group Chief Executive Officer and Accounting Officer
13 July 2026

The report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

Opinion on financial statements

I have audited the financial statements of the Nuclear Decommissioning Authority (NDA) and its Group for the year ended 31 March 2026 under the Energy Act 2004. The financial statements comprise the NDA and its Group'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 Group financial statements is applicable law and the UK adopted International Accounting Standards.

In my opinion the financial statements:

- give a true and fair view of the state of the NDA and its Group's affairs as at 31 March 2026 and of the net expenditure after taxation for the year then ended; and
- have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

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

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

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

Framework of Authorities	
Authorising legislation	Energy Act 2004
HM Treasury and related authorities	Managing Public Money DESNZ/NDA Framework Document 2024

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the NDA and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

My evaluation of the Accounting Officer's assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of the NDA's legislative status as a statutory body under the Energy Act 2004, and an assessment of management's expectation over the provision of continued parliamentary funding in future periods to support delivery of the NDA's long-term decommissioning mission and contractual commercial services.

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

In relation to the entities reporting on how they have applied the UK Corporate Governance Code, I have nothing material to add or draw attention to in relation to the Statement of Accounting Officer's responsibilities about whether the Accounting Officer considered it appropriate to adopt the going concern basis of accounting.

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

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

Overview of my audit approach

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified though the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed around the presumed risk of management override of controls, other than to the extent that this was part of my work on significant estimates made by management as set out below, and have also not included information relating to the work I have performed around the significant risk of valuation of commercial balances.

The key audit matters were discussed with the Audit, Risk and Assurance Committee; their report on matters that they considered to be significant to the financial statements is set out on pages 57 to 59.

<table>
<tr><th colspan="2">Valuation of the Nuclear Provision</th></tr>
<tr><td colspan="2">Description of risk
The NDA group holds nuclear decommissioning provisions which are comprised of several individual estimates of the decommissioning costs associated with the group's subsidiaries and for several additional sites and entities. The Group recognised nuclear provisions totalling £114.5 billion at 31 March 2026 (31 March 2025: £112.2 billion restated). See note 24 to the financial statements.
The valuation of the nuclear provision is highly material to the NDA and its Group's financial statements.
I treat this as a significant matter for audit because of the high degree of estimation and uncertainty inherent in the valuation of the nuclear provision. The nature of the work performed is in many ways unique as management must estimate the cost of decommissioning facilities of uncertain content and condition over long timescales as the programme of decommissioning work is currently planned to take until 2150.
The provision also contains uncertainty in respect of the valuation of the Geological Disposal Facility affected by Nuclear Waste Service Limited's progress with the siting process. The timing of the completion of construction works may have a material impact on the provision.</td></tr>
<tr><td>How the scope of my audit responded to the risk</td><td>I designed my procedures on the nuclear decommissioning provision valuation to allow me to evaluate the reasonableness of management's estimate. I performed the following procedures:
• Reviewed the design and implementation of key controls surrounding the nuclear provision estimate;
• Performed testing of the Lifetime plans underpinning each site's estimate, including refreshes of the Sellafield and NRS plans;
• Reviewed the new Sellafield SQL model including the design of the model, application and model reperformance;
• Assessed management's processes for challenging key assumptions across the nuclear provisions;
• Reviewed the peer review process over the nuclear provision model;
• Tested the supporting evidence for key judgements and assumptions made by management in valuing nuclear provisions using external experts to assess the reasonableness of the more technical assumptions. My work focused on the changes to the assumptions driven by the rebasing of the Sellafield and NRS lifetime plans alongside the assumptions around the expected opening date for the GDF;
• Agreed a sample of the inputs to the nuclear provision to supporting evidence;</td></tr>
</table>

	• Assessed the appropriateness of discount and inflation rates used within the provision; • Assessed the NDA's approach to addressing estimation uncertainty in its cost estimates in the provision by taking a granular approach to assess the merits of the approaches used across the different elements of the provision; • Assessed the accuracy and completeness of utilisation of the provision as reported within the financial statements; • Assessed the completeness of the provision, by reference to change approvals and other developments; and • Assessed the disclosures over the provision within the financial statements, particularly in how the disclosures address estimation uncertainty. **Key observations** The outcomes of the procedures I performed in response to this risk were satisfactory. As part of my work, I identified that the prior year provision was materially misstated, primarily related to the Low Level Waste Repository was materially misstated as management had assumed that the cost of the site operations would be recovered in full, and related overhead costs had been understated. As a result, the prior year figures in respect of this provision have been restated, further detail is available in note 24. I also draw attention to the disclosures made in notes 3 and 24 to the financial statements concerning the uncertainties inherent in the nuclear decommissioning provisions. As set out in these notes, given the very long timescales involved and the complexity of the plants and materials being handled, a considerable degree of uncertainty remains over the value of the liability for decommissioning nuclear sites designated by the Secretary of State. Significant changes to the liability could occur as a result of subsequent information and events which are different from the current assumptions adopted by the Authority. My opinion is not modified in respect of this matter.

<table>
<tr><th colspan="2">Fraud in revenue recognition</th></tr>
<tr><td colspan="2">Description of risk
Auditing standards present a rebuttable presumed risk of fraud in revenue recognition. I have not rebutted this risk in respect of income from commercial activities due to the complexity of the financial models involved and the challenging income targets set by HM Treasury.
There is significant revenue resulting from long-term contracts with performance obligations still to be met (current year forecast of £826m), including vitrification services and long-term storage. The lifetime costs of each contract are derived from the same cost base used to value the Sellafield nuclear provision.
Management judgement and estimation is involved in setting the proportional allocations used for this purpose. There is judgement in the measurement of contract performance and allocation of prices, as well as risks around the use of detailed models to derive revenue, and the underlying data and assumptions within.</td></tr>
<tr><td>How the scope of my audit responded to the risk</td><td>In relation to the risk of fraud in revenue recognition, I performed the following procedures:
Reviewed the peer-review process used by management to provide assurance over the integrity and operation of the complex models used in the determination of income recognition;
Reviewed the change control process, by which changes are made to the Sellafield cost base which forms the input to the commercial models, as part of my response to the significant risk over the valuation of nuclear provisions;
Assessed how revenue has been recognised against IFRS 15, including management’s application of the assumptions (including the adjustment to bring forward the end date of commercial vitrification activity which concluded in year, and the additional depreciation and derecognition of related assets), judgements, data, methodology, and modelling previously agreed to revenue recognised from long term contracts; and
Sample tested the application of IFRS 15 to non-reprocessing commercial activities.
Key observations
The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.</td></tr>
</table>

<table>
<tr><th colspan="2">Valuation of Group Defined Benefit Pensions</th></tr>
<tr><td colspan="2">Description of risk
The Group financial statements include assets and liabilities associated with three funded defined-benefit pension schemes, two of which are highly material. The Group recognised gross assets totalling £5.5 billion at 31 March 2026 (31 March 2025: £5.3 billion) and liabilities totalling £4.5 billion at 31 March 2026 (31 March 2025: £4.3 billion). See note 26 to the financial statements.
The net pension surplus is a material balance and relies on accurate valuations of the pension assets and liabilities.
The valuation of scheme liabilities is highly judgemental. The two highly material pension schemes have both been subject to triennial valuations in year, and there has therefore been a full re-assessment of key assumptions used in the estimate. Small changes in key assumptions, most notably the discount rate and inflation assumptions, have highly material impacts on the value of scheme liabilities.
The valuation of scheme assets is also subject to estimation uncertainty with portfolios which include hard-to-value assets including private equity and investment funds.</td></tr>
<tr><td>How the scope of my audit responded to the risk</td><td>In relation to the valuation of defined benefit pension schemes, I performed the following procedures:
• Assessed the design and implementation of controls in respect of defined benefit pension schemes;
• Reviewed the use of management’s experts in the setting of assumptions used to value scheme liabilities;
• Assessed the independence, capability and competence of the scheme actuaries used to provide valuations of scheme liabilities to ensure the auditor can place reliance on their work as management’s experts;
• Engaged auditor’s actuarial experts to consider the appropriateness of key assumptions and methodology used to value scheme liabilities;
• Performed substantive procedures to verify the membership data used by the scheme actuaries in the triennial valuations;
• Assessed the methodology and modelling applied in developing the estimate;
• Assessed the classification of (and rights and obligations relating to) the pension schemes; and
• Confirmed the financial statement disclosures agree to the reporting template returns submitted by individual scheme actuaries.
In relation to pension scheme assets, I performed substantive testing of scheme assets, obtaining independently sourced information from fund managers, audited fund accounts, transactions in the fund around the reporting date and relevant controls reports to assess the asset valuations presented in the accounts. Where appropriate I have assessed underlying fund</td></tr>
</table>

	holdings, independently verifying the valuations applied by fund managers. **Key observations** The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.

Application of materiality

Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for the NDA and its Group's financial statements as a whole as follows:

	Nuclear Decommissioning Authority Group	Nuclear Decommissioning Authority Parent
Materiality	£2.20 billion	£2.19 billion
Basis for determining materiality	Approximately 2% of discounted Group nuclear provision of £110.1 billion (2024-25: Approximately 2% of discounted Group nuclear provision).	Approximately 2% of discounted nuclear provision of £110.1 billion (2024-25: Approximately 2% of discounted nuclear provision).
Rationale for the benchmark applied	The nuclear provision is fundamental to both the Group's and Authority's purpose and is of primary interest to the users of the accounts. Its valuation is subject to significant uncertainty arising from both the complexity of the decommissioning work to be performed and the very long timescales involved. I have therefore set materiality at a level intended to reflect my view that a greater level of precision would potentially overstate the confidence that users may place on using this information for their decision making.	
Particular classes of transactions, account balances and disclosures where an additional level of materiality has been applied	Group defined benefit pension schemes - £89.4 million Group contractor costs and commercial balances - £78.6 million	

Basis for determining residual account materiality	Group defined benefit pension schemes – Approximately 2% of defined benefit pension obligation of £4.472 billion (2024-25: Approximately 1.5% of defined benefit pension obligation). Group contractor costs and commercial balances – Approximately 2% of contractor costs of £3.934 billion (2024-25: Approximately 1% of contractor costs).	
Rationale for the benchmark applied	Group defined benefit pension schemes - Given the magnitude of the overall materiality which represents approximately half of total group pension liabilities, and the additional user interest in respect of the valuation of pension related assets and liabilities, in this area I deemed that misstatements of a lesser amount than overall materiality could influence the decisions of the users of the accounts. Group contractor costs and commercial balances - Contractor costs are considered to be a better indicator of short-term performance as this reflects the actual expenditure incurred by operating companies to deliver decommissioning work in a given year, rather than the estimates included in the nuclear provision. I have applied a lower level of materiality in this area, as I consider that user interest would expect more precision in relation to contractor costs which relate to short term performance that would not be as affected by the uncertainty of extremely long timescales, which are relevant to the overall materiality based on the nuclear provision.	

Performance Materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 75% of Group materiality for the 2025-26 audit (2024-25: 70%). In determining performance materiality, I considered the level of error identified in the nuclear provision in the previous period; I used a higher level than in the prior year because of the lower error level identified in 2024-25.

Other Materiality Considerations

Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the Related Parties note in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing audit work to support my opinion on regularity and in evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

Error Reporting Threshold

I agreed with the Audit, Risk and Assurance Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £1 million, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit, Risk and Assurance Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences reported to the Audit, Risk and Assurance Committee have increased net expenditure and decreased net /assets by £561.8 million.

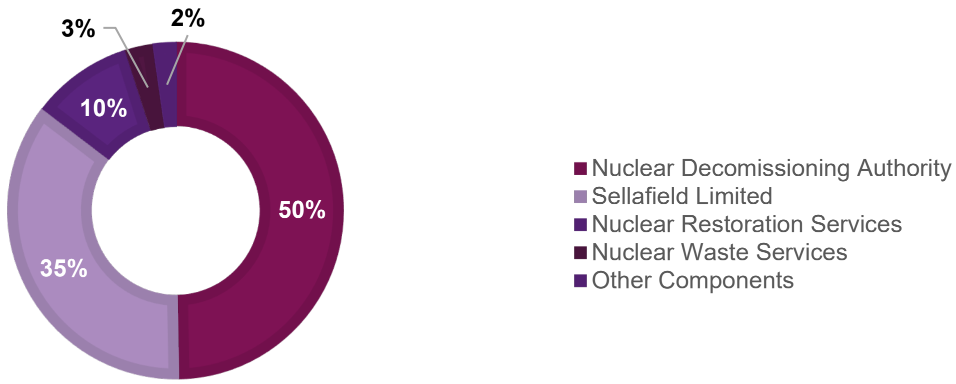
Audit scope

The scope of my Group audit was determined by obtaining an understanding of the NDA and its Group and its environment, including the Group-wide controls, and assessing the risks of material misstatement at the Group level.

The nuclear provision is the significant balance in the NDA Group financial statements with a value totalling £114.5 billion at 31 March 2026 (31 March 2025: £112.2 billion restated) representing the expected cost of the NDA Group's decommissioning mission. I have tested 98% of the nuclear provision balance in the audit of the NDA.

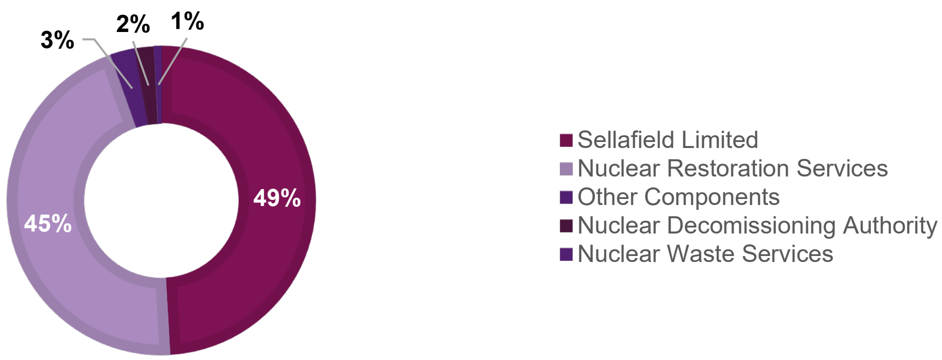
The operations of the group are primarily funded by the NDA, with group bodies being reimbursed by the Authority for expenditure incurred in delivering the decommissioning mission. I obtained sufficient assurance over expenditure within the group through expenditure testing at three Operating Companies: Sellafield Limited, Nuclear Waste Services Limited and Nuclear Restoration Services Limited, which together make up approximately 96% of the group balance. The audits of Sellafield Limited, Nuclear Waste Services Limited and Nuclear Restoration Services Limited were not complete at the time of my completion of the group audit, however I have gained assurance from the component auditors over the balances which are material to the group accounts. I have obtained sufficient assurance over income within the group through my income testing of the Authority.

Gross expenditure of components of the NDA Group as at 31 March 2026



I performed group level procedures to gain assurance over the balances associated with the defined benefit pension schemes within the group which each cover numerous components. I engaged an auditor's expert to assist in obtaining assurance over the defined benefit pension obligation. I performed substantive testing of 100% of scheme assets, to obtain assurance over the defined benefit pension scheme assets. The work I performed enabled me to obtain sufficient assurance over this balance.

Absolute value of defined benefit pension scheme assets and obligations of components of the NDA Group as at 31 March 2026



I obtained assurance over the risks of non-compliance with the entity's framework of authorities through enquiries of component auditors. Additionally, for the NDA's primary operational bodies; Sellafield Limited, Nuclear Restoration Services, and Nuclear Waste Services, I relied on the testing performed by component audit teams to obtain assurance over the compliance with the group's framework of authorities.

This work covered substantially all of the Group's assets and net expenditure, and together with the procedures performed at group level, provided the evidence required to support my opinion on the group financial statements as a whole.

Other Information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration Report and People Report to be audited has been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

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 the Energy Act 2004 and Secretary of State directions issued thereunder;
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the NDA and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or the Accountability Report.

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

- Adequate accounting records have not been kept by the NDA and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration Report and People Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Corporate governance statement

The Listing Rules require me to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the NDA and its Group's compliance with the provisions of the UK Corporate Governance Code specified for my review.

Based on the work undertaken as part of my audit, I have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or my knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified [set out on pages 87 to 89];
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate [set out on pages 90 and 148];
- Directors' statement on fair, balanced and understandable [set out on page 90];
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks [set out on pages 68 to 78];
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems [set out on pages 68 to 84]; and
- The section describing the work of the audit committee [set out on pages 57 to 59].

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 NDA and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing Group financial statements, which give a true and fair view, in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder;
- preparing the Annual Report, which includes the Remuneration Report and People Report, in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder; and
- assessing the NDA and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the NDA and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the NDA and its Group's accounting policies.
- inquired of management, the NDA's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the NDA and its Group's policies and procedures on:
    - 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 NDA and its Group's controls relating to the NDA's compliance with the Energy Act 2004 and Secretary of State directions issued thereunder and Managing Public Money;
- inquired of management, the NDA's head of internal audit and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations; and
    - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the NDA and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, 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 NDA and its Group's framework of authority and other legal and regulatory frameworks in which the NDA and its Group operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the NDA and its Group. The key laws and regulations I considered in this context included the Energy Act 2004, Managing Public Money, pensions legislation and tax legislation.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit, Risk and Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including scoped in component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other auditor's responsibilities

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

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

Gareth Davies
15 July 2026
Comptroller and Auditor General (Statutory Auditor)
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Annual accounts

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

		GROUP		AUTHORITY	
			Restated		Restated
	Note	**2026**	2025	**2026**	2025
Expenditure		**£m**	£m	**£m**	£m
Authority administration expenditure	5	**32**	31	**32**	31
Programme expenditure	6	**4,373**	4,417	**4,406**	4,386
Adjustments to provisions	7	**2,181**	5,204	**2,182**	5,206
Depreciation and impairment	8	**75**	58	**41**	25
		6,661	9,710	**6,661**	9,648
Income	9	**(1,002)**	(1,276)	**(934)**	(1,206)
Net expenditure before interest and taxation		**5,659**	8,434	**5,727**	8,442
Interest receivable	4	**(33)**	(29)	**(4)**	(4)
Interest payable	4	**4**	3	**2**	1
Net interest receivable on defined benefit pension scheme	26	**(61)**	(33)	**(1)**	(1)
Net expenditure before taxation		**5,569**	8,375	**5,724**	8,438
Taxation	10	**17**	5	**14**	(1)
Net expenditure after taxation for the year		**5,586**	8,380	**5,738**	8,437
Attributable to:					
NDA Group		**5,586**	8,379	**5,738**	8,437
Non-controlling interest		**-**	1	**-**	-
Other comprehensive (income) / expenditure:					
Deficit/(surplus) arising on revaluation of property, plant and equipment	11	**1**	(9)	**-**	-
Loss on sale of fixed assets		**3**	5	**-**	-
Net recognised (gain)/loss on defined benefit pension scheme	26	**88**	(288)	**(1)**	(3)
Total comprehensive net expenditure for the year		**5,678**	8,088	**5,737**	8,434
Attributable to:					
NDA Group		**5,678**	8,087	**5,737**	8,434
Non-controlling interest	27	**-**	1	**-**	-

The prior year figures have been restated following a change to the nuclear provision. Further details are in note 24.

The related notes numbered 1 to 31 form part of these financial statements. Authority refers to the NDA itself, with NDA Group incorporating the Authority and its subsidiaries.

Details of the subsidiaries are disclosed in note 12.

Statement of Financial Position
as at 31 March 2026

		GROUP			AUTHORITY		
			Restated	Restated		Restated	Restated
		2026	2025	1 April 2024	**2026**	2025	1 April 2024
	Note	**£m**	£m		**£m**	£m	
Property, plant and equipment	11	**379**	428	451	**178**	221	232
Intangible assets	11	**5**	3	1	**-**	-	-
Investments in subsidiaries	12	**-**	-	-	**259**	259	259
Recoverable contract costs	13	**694**	635	582	**694**	635	582
Finance lease receivables	19	**44**	43	43	**68**	67	67
Trade and other receivables	20	**39**	39	44	**62**	65	68
Defined benefit pension scheme asset	26	**1,015**	1,014	674	**21**	19	16
Total non-current assets		**2,176**	2,162	1,795	**1,282**	1,266	1,224
				-			-
Inventories	15	**30**	24	23	**8**	12	13
Other investments	18	**503**	545	496	**-**	-	-
Finance lease receivables	19	**1**	1	1	**2**	2	3
Trade and other receivables	20	**273**	412	290	**212**	341	253
Cash and cash equivalents	21	**439**	353	396	**138**	128	146
Total current assets		**1,246**	1,335	1,206	**360**	483	415
Total assets		**3,422**	3,497	3,001	**1,642**	1,749	1,639
Trade and other payables	22	**(1,401)**	(1,574)	(1,812)	**(1,184)**	(1,353)	(1,627)
Finance lease payables	23	**(19)**	(21)	(21)	**(3)**	(4)	(3)
Nuclear provisions	24	**(3,938)**	(4,347)	(4,091)	**(3,938)**	(4,347)	(4,091)
Other provisions	25	**(17)**	(12)	(7)	**(14)**	(10)	(6)
Total current liabilities		**(5,375)**	(5,954)	(5,931)	**(5,139)**	(5,714)	(5,727)
				-			-
Total assets less current liabilities		**(1,953)**	(2,457)	(2,930)	**(3,497)**	(3,965)	(4,088)
				-			-
Trade and other payables	22	**(1,460)**	(1,451)	(1,270)	**(1,449)**	(1,441)	(1,260)
Finance lease payables	23	**(52)**	(67)	(53)	**(47)**	(49)	(37)
Nuclear provisions	24	**(110,519)**	(107,812)	(103,258)	**(110,512)**	(107,805)	(103,252)
Other provisions	25	**(91)**	(92)	(89)	**(54)**	(45)	(41)
Total non-current liabilities		**(112,122)**	(109,422)	(104,670)	**(112,062)**	(109,340)	(104,590)
				-			-
Net liabilities		**(114,075)**	(111,879)	(107,600)	**(115,559)**	(113,305)	(108,678)
Taxpayers' equity							
Revaluation reserve		**44**	45	44	**9**	9	9
General reserve		**(114,121)**	(111,926)	(107,647)	**(115,568)**	(113,314)	(108,687)
Total taxpayers' equity		**(114,077)**	(111,881)	(107,603)	**(115,559)**	(113,305)	(108,678)
Non-controlling interests	27	**2**	2	3	**-**	-	-
Total equity		**(114,075)**	(111,879)	(107,600)	**(115,559)**	(113,305)	(108,678)

The prior year figures have been restated following a change to the nuclear provision. Further details are in note 24.

The financial statements on pages 143 to 203 were approved by the Board and authorised for issue by the Accounting Officer on 13 July 2026

D. Peattie

David Peattie FREng FNucl

Group Chief Executive Officer and Accounting Officer

13 July 2026

The related notes numbered 1 to 31 form part of these financial statements. Authority refers to the balances within the NDA itself, with NDA Group balances incorporating the Authority and its subsidiaries. Details of the subsidiaries are given in note 12.

Statement of Cash Flows
for the year ended 31 March 2026

		NDA Group		Authority	
			Restated		**Restated**
	Note	**2026**	2025	**2026**	2025
		£m	£m	**£m**	£m
Cash flows from operating activities					
Net income after taxation for the year	SoCNE	**(5,586)**	(8,380)	**(5,738)**	(8,437)
Adjustments for:					
Interest receivable	4	**(33)**	(29)	**(4)**	(4)
Interest payable	4	**4**	3	**2**	1
Tax Expense		**17**	5	**13**	-
Net interest receivable on defined benefit pension schemes	26	**(61)**	(33)	**(1)**	(1)
Net of pension service costs over cash contributions paid		**(29)**	(20)	**-**	-
Depreciation of property, plant and equipment	11	**75**	59	**41**	26
Unrealised Gains / Losses on investment		**(35)**	(11)	**-**	-
Revalorisation of advance payments	22	**195**	169	**195**	169
Amortisation of recoverable contract costs	13	**128**	118	**128**	118
Decrease / (increase) in inventories	15	**(6)**	-	**4**	1
Decrease/(increase) in receivables		**119**	(119)	**116**	(84)
Decrease in payables		**(477)**	(614)	**(449)**	(670)
Decrease in tax payable		**(6)**	(5)	**(11)**	(3)
Increase in nuclear provisions impacting net expenditure		**2,181**	5,190	**2,182**	5,190
Increase / (decrease) in other provisions impacting net expenditure		**1**	14	**2**	16
Net cash outflow from operating expenditure		**(3,513)**	(3,653)	**(3,520)**	(3,678)
Cash flows from investing activities					
Interest received		**68**	40	**4**	4
Interest paid		**(4)**	(3)	**(2)**	(1)
Proceeds received on asset disposal		**-**	1	**1**	-
Purchases of property, plant and equipment		**(14)**	(13)	**-**	-
(Purchase) / sale of investments		**42**	(48)	**-**	-
Net cash (outflow)/inflow from investing activities		**92**	(23)	**3**	3
Cash flows from financing activities					
Grants from parent department	SoCTE	**3,969**	4,357	**3,969**	4,357
Payments of lease liabilities principal		**(22)**	(25)	**(3)**	(3)
Receipts from lease assets		**-**	-	**1**	2
Net cash inflow from financing activities		**3,947**	4,332	**3,967**	4,356
Net increase in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund		**526**	656	**450**	681
Payment of amounts due to the Consolidated Fund		**(440)**	(699)	**(440)**	(699)
Net increase in cash and cash equivalents in the period after adjustment for payments to the Consolidated Fund		**86**	(43)	**10**	(18)
Cash and cash equivalents at the beginning of the period	21	**353**	396	**128**	146
Cash and cash equivalents at the end of the period	**21**	**439**	353	**138**	128

The prior year figures have been restated following a change to the nuclear provision. Further details are in note 24.

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

NDA Group		**General**	**Revaluation**	**Total**
		£m	**£m**	**£m**
Balance at 31 March 2024		(105,553)	44	(105,509)
Impact of Restatement		(2,094)		(2,094)
Restated balance at 31 March 2024		**(107,647)**	**44**	**(107,603)**
Surplus arising on revaluation of PPE	11	(5)	9	4
Property disposal revaluation reserve reanalysis		8	(8)	-
Gross grants from parent department		4,357	-	4,357
Amounts surrenderable to Consolidated Fund (a)		(548)	-	(548)
Actuarial gain on defined benefit pension schemes	26	288	-	288
Net Expenditure	SoCNE	(8,379)	-	(8,379)
Restated Balance at 31 March 2025		**(111,926)**	**45**	**(111,881)**
Deficit arising on revaluation of PPE	11	**(3)**	**(1)**	**(4)**
Gross grants from parent department		**3,969**	**-**	**3,969**
Amounts surrenderable to Consolidated Fund (a)		**(487)**	**-**	**(487)**
Actuarial gain on defined benefit pension schemes	26	**(88)**	**-**	**(88)**
Net Expenditure	SoCNE	**(5,586)**	**-**	**(5,586)**
Balance at 31 March 2026		**(114,121)**	**44**	**(114,077)**

Authority		**General**	**Revaluation**	**Total**
		£m	**£m**	**£m**
Balance at 31 March 2024		(106,595)	9	(106,586)
Impact of Restatement		(2,092)		(2,092)
Restated balance at 31 March 2024		**(108,687)**	**9**	**(108,678)**
Gross grants from parent department		4,357	-	4,357
Amounts surrenderable to Consolidated Fund (a)		(550)	-	(550)
Actuarial loss on defined benefit pension schemes	26	3	-	3
Net expenditure	SoCNE	(8,437)	-	(8,437)
Restated Balance at 31 March 2025		**(113,314)**	**9**	**(113,305)**
Gross grants from parent department		**3,969**	**-**	**3,969**
Amounts surrenderable to Consolidated Fund (a)		**(486)**	**-**	**(486)**
Actuarial gain on defined benefit pension schemes	26	**1**	**-**	**1**
Net expenditure	SoCNE	**(5,738)**	**-**	**(5,738)**
Balance at 31 March 2026		**(115,568)**	**9**	**(115,559)**

The prior year figures have been restated following a change to the nuclear provision. Further details are in note 24.

The revaluation reserve is used to record the increases in the fair value of property, plant and equipment carried at valuation and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in taxpayers' equity. The general reserve is used to record the deficit or surplus arising from the Statement of Comprehensive Net Expenditure, and the deficit or surplus arising on the transfer of assets and liabilities to the NDA from other parts of the public sector.

(a) Surrender of receipts to Consolidated Fund of £486 million (2025: £548 million) included £33 million payable as at 31 March 2026 (2025: £14 million receivable). The amount paid in cash in the year was £440 million (2025: £699 million).

Notes to the financial statements

for the year ended 31 March 2026

1. General information

The NDA is an executive Non-Departmental Public Body (NDPB) that was established on 22 July 2004 under the Energy Act 2004 and is currently sponsored by the Department for Energy Security and Net Zero (DESNZ). The NDA was created with the primary objective of overseeing and monitoring the decommissioning and clean-up of the UK's civil nuclear legacy. The Financial Review on pages 13 to 14 provides further information on the NDA's operations.

As an executive NDPB the NDA is not required to comply with the Companies Act 2006 although may comply with some requirements voluntarily.

These financial statements are presented in pounds sterling and all values are rounded to the nearest million (£m) except when otherwise indicated.

2. Statement of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared under the accounts direction issued by the Secretary of State for Energy and Climate Change in accordance with section 26 of the Energy Act 2004. The accounts direction requires compliance with the Government Financial Reporting Manual (FReM) and any other guidance issued by HM Treasury. The NDA has a specific direction in respect of the accounting for waste management assets on a historical cost basis. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NDA for the purpose of giving a true and fair view has been selected. The significant accounting policies adopted by the NDA are described below and within the notes to the financial statements. They have been applied consistently in dealing with items that are considered material to the financial statements, unless otherwise stated.

These financial statements have been prepared on the historical cost basis, except for the revaluation of property, plant and equipment (other than waste management assets). Investments and derivative financial instruments are measured at fair value. Other financial assets and financial liabilities are measured at amortised cost, as detailed in note 16.

This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the NDA's other sources of income, may only be met by future grants in aid from the NDA's sponsoring department, DESNZ. Under the normal conventions applying to parliamentary control over income and expenditure, such grants in aid may not be issued in advance of need. Grants in aid for 2026/27, taking into account the amounts required to meet the NDA's liabilities falling due in this year, have already been included in DESNZ's estimates, and these have been approved by Parliament. There is no reason to believe that future DESNZ sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

The Board has assessed the NDA's prospects, taking into account its funding arrangements, strategic objectives and principal risks, over the period covered by the most recent Spending Review and associated business planning horizon. This period has been selected as it aligns with the timeframe over which funding settlements, operational plans and risk management processes are sufficiently defined to support a robust assessment.

2.2 Adoption of new and revised standards

The following new or revised standards were adopted during the year:

- IFRS 17: Insurance Contracts replaces IFRS 4: Insurance Contracts and was effective for 2025/26. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard. The authority has undertaken an assessment of contracts, agreements and indemnities in place and has not identified any contracts within the scope of the standard, and therefore IFRS 17 has no impact on the authority accounts.

- FReM non-investment asset valuations. From 1 April 2025 HM Treasury changed the requirements in the Government Financial Reporting Manual (FReM) in respect of revaluations of property, plant and equipment. Where entities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, entities revalue their assets every five years with annual indexation applied to assets during the four intervening years. As a result of the accounts direction in respect of accounting for waste management assets on a historical cost basis (see note 2.1 and note 11) this change to the FReM does not have a material impact on the accounts.

The following changes to the valuation and accounting of non-investment assets is to be included in the 2025/26 FReM for mandatory implementation:

- References to assets being held for their 'service potential' and the terms 'specialised/ non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets.
- An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value.
- The option to measure intangible assets using the revaluation model is withdrawn.

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

- IFRS 18 Presentation and Disclosure in Financial Statements.
- IFRS 19 Subsidiaries Without Public Accountability.

IFRS 18 will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the NDA and its subsidiary undertakings made up to 31 March each year. Control is achieved where the NDA has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2.4 Specific Accounting Policies

Specific accounting policies are presented alongside the relevant notes to the accounts as follows:

- Property Plant and Equipment - See note 11
- Impairment of non-financial assets - See note 11
- Taxation - See note 10
- Deferred Tax - See note 14
- Inventory - See note 15
- Financial - See note 16
- Nuclear Provision - See note 24

2.5 General Accounting Policies

Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in pounds sterling, which is the functional currency of the NDA, and the presentation currency for the consolidated financial statements.

The turnover, assets and liabilities of the foreign operations included within these consolidated financial statements are minor in the context of the Group as a whole and therefore the potential impact of any foreign currency movements are deemed to be negligible.

VAT

VAT is accounted for in that amounts are shown net of VAT except:

(i) Irrecoverable VAT is charged to profit or loss and included under the heading relevant to the type of expenditure.

(ii) Irrecoverable VAT on the purchase of an asset is included in the capitalised purchase cost of the asset.

The net amount due to, or from, HM Revenue & Customs in respect of VAT is included within payables or receivables respectively within the statement of financial position.

Corporation Tax

NDA's ordinary activities are deemed by HMRC to be out of scope of corporation tax and therefore all associated income and expenditure are disallowable for corporation tax purposes. A small number of activities including energy trading, property income and interest remain in scope and subject to corporation tax rules.

Subsidiary companies are within the scope of corporation tax and follow normal corporation tax rules. Where taxable profits arise within the group, these are offset by any losses which have arisen in other parts of the group.

Grants from parent department

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

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the NDA’s accounting policies, the Authority is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements in Applying the NDA’s Accounting Policies

The key areas where significant accounting judgements have been made and which have the most significant effect on the amounts recognised in the financial statements are:

- Income Recognition - Note 9
- Property Plant and Equipment - Note 11
- Inventory - Note 15
- Nuclear Provision - Note 24
- Retirement benefit schemes - Note 26

Key sources of estimation uncertainty

The key sources of estimation uncertainty recognised by management are set out in the relevant notes to the financial statements and comprise the following:

- Income Recognition - Note 9
- Impairment of property, plant and equipment - Note 11
- Nuclear Provision - Note 24

4. Operating segments

For management purposes, the NDA is currently organised into various operating units comprising various legal entities, which are grouped according to activity type. The segmental analysis in the following tables present the net expenditure for each of the continuing operations.

NDA Group 2026	Sellafield	Nuclear Restoration Services	Nuclear Waste Services	Nuclear Transport Solutions	Corporate	Total 2026
	£m	£m	£m	£m	£m	£m
Authority administration expenditure	**-**	**-**	**-**	**-**	**32**	**32**
Programme expenditure	**3,050**	**762**	**241**	**68**	**252**	**4,373**
Decommissioning costs charged to nuclear provisions	(2,880)	(754)	(201)	(37)	-	**(3,872)**
Decommissioning costs charged to other provisions	(8)	-	(1)	-	-	**(9)**
Nuclear provisions increase	6,710	(1,334)	185	491	-	**6,052**
Other provisions increase/(decrease)	11	6	(2)	(5)	-	10
Adjustments to provisions	**3,833**	**(2,082)**	**(19)**	**449**	**-**	**2,181**
Depreciation and Impairment	**40**	**2**	**1**	**29**	**3**	**75**
Income (a)	**(850)**	**(13)**	**(3)**	**(125)**	**(11)**	**(1,002)**
Interest payable	**-**	**-**	**-**	**1**	**3**	**4**
Interest receivable (b)	**-**	**-**	**-**	**(4)**	**(29)**	**(33)**
Net interest receivable on defined benefit pension scheme	**(42)**	**(16)**	**(1)**	**(1)**	**(1)**	**(61)**
Net expenditure/(income) from continuing operations for the year before taxation	**6,031**	**(1,347)**	**219**	**417**	**249**	**5,569**

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

(b) Includes net return on investments of £23 million held by Rutherford Indemnity Limited.

The basis for accounting for transactions between reportable segments is given in note 29.

NDA Group 2025	Sellafield	Nuclear Restoration Services	Nuclear Waste Services	Nuclear Transport Solutions	Corporate	Total 2025
			Restated			Restated
	£m	£m	£m	£m	£m	£m
Authority administration expenditure	**-**	**-**	**-**	**-**	**31**	**31**
Programme expenditure	**3,078**	**747**	**276**	**81**	**235**	**4,417**
Decommissioning costs charged to nuclear provisions	(2,774)	(747)	(248)	-	-	**(3,769)**
Decommissioning costs charged to other provisions	(8)	-	-	-	(1)	**(9)**
Nuclear provisions increase	7,734	928	291	7	-	**8,960**
Other provisions increase / (decrease)	25	(1)	-	(2)	-	**22**
Adjustments to provisions	**4,977**	**180**	**43**	**5**	**(1)**	**5,204**
Depreciation and Impairment	**26**	**2**	**-**	**29**	**1**	**58**
Income (a)	**(1,128)**	**(15)**	**(1)**	**(117)**	**(15)**	**(1,276)**
Interest payable	**-**	**-**	**-**	**2**	**1**	**3**
Interest receivable (b)	**-**	**-**	**-**	**(5)**	**(24)**	**(29)**
Net interest receivable on defined benefit pension scheme	**(21)**	**(10)**	**-**	**(1)**	**(1)**	**(33)**
Net expenditure/(income) from continuing operations for the year before taxation	**6,932**	**904**	**318**	**(6)**	**227**	**8,375**

The prior year figures have been restated following a change to the nuclear provision. Further details of this adjustment are given in note 24.

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

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

The basis for accounting for transactions between reportable segments is given in note 29.

Geographical information

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

	2026	2025
NDA Group	**£m**	£m
United Kingdom	**839**	1,049
Rest of Europe	**29**	175
Rest of World	**134**	52
Total income	**1,002**	1,276

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

5. Authority administration expenditure

	2026	2025
Authority	**£m**	£m
Staff costs (see Remuneration Report) (a)	**23**	22
Administration costs	**8**	8
Auditors' remuneration (b)	**1**	1
Total Authority administration expenditure	**32**	31

(a) Directors' emoluments are included in the above figures and can be seen in the Remuneration Report on pages 91 to 104.

(b) Auditors' remuneration represents fees payable to the NAO for the audit of the Authority and amounted to £745,000 (2025: £665,000). No remuneration has been paid to the NAO other than the audit fees for the Authority and, where applicable, its subsidiaries (see note 6).

6. Programme Expenditure

	NDA Group		Authority	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Contractor and subsidiary costs (a)	**3,845**	3,934	**3,867**	3,931
Amortisation of recoverable contract costs (see note 13)	**128**	118	**128**	118
Revalorisation of advance payments (see note 22)	**195**	169	**195**	169
Trading costs	**3**	1	**3**	1
Research and development costs	**14**	23	**14**	17
Insurance	**5**	8	**11**	12
Skills & socio-economic	**18**	14	**18**	14
Dividend payable to minority interest	**-**	1	**-**	-
Information governance	**14**	16	**14**	16
Cyber Security	**13**	14	**13**	14
Plutonium management strategy	**20**	15	**20**	15
Movements in inventory provisions	**33**	22	**33**	22
Group development projects	**14**	16	**14**	16
Programme support costs	**20**	21	**20**	21
Property management	**5**	5	**5**	5
Business Support	**4**	5	**4**	5
Environment, Health and Safety	**3**	3	**3**	3
Performance Improvement and Assurance	**10**	8	**10**	8
NTS contract management	**2**	3	**2**	3
R&D tax credit relief	**25**	(13)	**25**	(13)
Other costs	**2**	34	**7**	9
Total programme expenditure	**4,373**	4,417	**4,406**	4,386

(a) Contractor and subsidiary costs include auditors' remuneration payable for the audit of the NDA subsidiary companies amounting to £833,000 (2025: £975,000) of which approximately £463,000 is payable to the NAO (2025: £714,000).

7. Adjustments to Provisions

	NDA Group		Authority	
		Restated		Restated
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Movement in nuclear provisions:				
Provided for in the year (see note 24)	**3,228**	6,402	**3,228**	6,402
Unwind of discount (see note 24)	**2,825**	2,557	**2,825**	2,557
Release from provisions (see note 24)	**(3,872)**	(3,769)	**(3,872)**	(3,769)
Total movement in nuclear provisions charged to SOCNE	**2,181**	5,190	**2,181**	5,190
Movement in other provisions:				
Provided for in the year (see note 25)	**19**	23	**10**	25
Release from provisions (see note 25)	**(20)**	(10)	**(10)**	(10)
Unwind of discount (see note 25)	**1**	1	**1**	1
Total movement in other provisions	**-**	14	**1**	16
Total provisions movement	**2,181**	5,204	**2,182**	5,206

The prior year figures have been restated following a change to the nuclear provision. Further details of this adjustment are given in note 24.

8. Depreciation and impairments

	NDA Group		Authority	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Depreciation of property, plant and equipment (see note 11)	**75**	59	**41**	26
Reduction in impairment of financial instruments for expected credit loss (see notes 19 and 20)	**-**	(1)	**-**	(1)
Total depreciation and impairments	**75**	58	**41**	25

9. Income

Accounting Policy

Contract income is recognised by reference to the stage of completion of the contract activity at the reporting date. In accordance with IFRS 15 the Authority has:

- Identified contracts with customers and the contract price still to be recognised at the reporting date (in accordance with the derogation that allows the Authority to not retrospectively restate revenues) under each contract.
- Determined the performance obligations under each contract.
- Determined the relative value of each performance obligation.
- Identified the appropriate basis for measuring the fulfilment of each performance obligation and therefore the recognition of revenue arising from each.

Critical accounting judgements

The Authority applied IFRS 15 at 1 April 2018, and in doing so performed a number of significant accounting judgements. These judgements, the methods employed in determining them, and the associated uncertainties are described below.

(a) The timing of satisfaction of performance obligations

The Authority has determined that performance obligations will be satisfied in accordance with contractually defined timescales, and in accordance with strategic assumptions implicit in the site decommissioning plans. Examples of the assumed timing of satisfaction of performance obligations include that the Authority will continue to receive spent fuel which is not intended for reprocessing, and will assume title of ownership for said fuel at the point it is received by the Authority. Therefore the transaction price of the contract will be allocated to a single performance obligation, and will be recognised as revenue in proportion to the volume of spent fuel received and taken into ownership in each reporting period, relative to the total volume of spent fuel expected to be received and taken into ownership for the remainder of the duration of the contract. The performance obligations relating to the treatment of waste products from reprocessing were fully satisfied in 2025/26, earlier than previously forecast (2027), due to higher than anticipated availability and performance of waste treatment plants at Sellafield. All associated revenue was therefore recognised in 2025/26. (b) The costs to fulfil contracts with customers.

The Authority has determined the remaining costs of fulfilling each contract applying judgements including judgements as to the allocation of costs to each contract, and performance obligations within each contract, including the apportionment of overhead costs to the cost of each. The resulting estimates are stated at note 13 and will be expensed in each reporting period as they arise. The balances are deemed financial assets under IAS37 and offset against costs provided in the nuclear provision at note 24.

Key sources of estimation uncertainty
A key uncertainty in the Authority’s revenue forecasts is the volume and timing of spent fuel which is received and not intended for reprocessing. There is uncertainty in the overall value of the contract because it is directly related to the volume of spent fuel produced by the customer. There is uncertainty in the timing of revenue recognition in each reporting period because revenue is recognised at the point of receipt of spent fuel, therefore the revenue recognised in each reporting period is directly related to the volume of fuel received in that reporting period. The volume of fuel received is subject to a number of uncertain external factors which are not entirely within the control of the Authority.

Another key uncertainty in the Authority's revenue recognition arises from the measurement of performance obligation relating to treatment of wastes on spent fuel reprocessing contracts. In particular, judgement is required to assess the remaining time period involved in the conclusion of obligations relating to the making available of high level waste residues to customers.

Recoverable contract costs
Note 13 to the financial statements provides information on recoverable contract costs, which comprise:

- Historic costs incurred prior to the recognition of revenue on each relevant contract, which constitute financial assets for the purposes of IFRS15 and are charged to the Statement of Comprehensive Net Expenditure (amortised) in proportion to revenue recognised in each reporting period.
- An estimate of the future costs to be incurred in fulfilling the performance obligations under each contract which are accounted for under IAS37 and constitute a subset of the costs included in the nuclear provision (and are presented as equal and opposite asset balances).

Payments on account
Note 22 to the financial statements provides information on payments on account, which are payments made by customers under long term contracts, in advance of the fulfilment of performance obligations. These balances are contract liabilities under IFRS 15.

Changes in contract price and variations in contract work
The Authority allocates changes in the transaction price of each contract (including the future revalorisation of payments on account balances) to the performance obligations as defined in the initial allocation of the transaction price to performance obligations at 1 April 2018, and in proportion to the allocations made at that time. Where this results in allocation of changes in transaction price to performance obligations already satisfied at the respective reporting date, the resulting allocation to satisfied performance obligations will be recognised as revenue in that reporting period.

Variations in contract work are included to the extent that they have been agreed with the customer.

Treatment of costs
Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract income, the expected loss is recognised as an expense immediately, being an adjustment to the contract loss provision in notes 7 and 25. For contracts in progress at the reporting date, where costs yet to be incurred exceed amounts received to date the balance is shown under non-current assets as recoverable contract costs. Where amounts received to date exceed costs still to be incurred the balance is shown under trade and other payables as payments received on account.

Contracts with customers and performance obligations

The Authority's major contracts with customers, the main performance obligations remaining on each contract and the factors affecting future cash flows and timing of revenue recognition can be summarised as follows:

Contract type and customer(s)	**Main categories of performance obligation**	**Factors potentially affecting future cash flows and revenue recognition**
Management of waste from historic reprocessing of fuel Customer(s): Nuclear energy producers in the UK and overseas	Storage of spent fuel not reprocessed (to 2086)	Overall contract value is materially certain, and timing of recognition is certain (corresponds directly to contracted storage period)
	Storage of treated wastes (to 2038 or 2086 depending on type of material)	Overall contract value is materially certain. Revenue is recognised over time
	Storage of products (to 2086)	Overall contract value is materially certain, and timing of recognition is certain (corresponds directly to contracted storage period)
Spent fuel receipt and management Customer(s): Nuclear energy producers in the UK	Receipt of spent fuel, currently expected to continue until 2033	Overall contract value dependent on volume of spent fuel produced by customer. Timing of revenue recognition dependent on ability of customer to consign spent fuel and on ability of Authority to receive spent fuel
Other contracts for waste and product storage Customer(s): Nuclear operators in the UK, nuclear energy producers overseas	Storage of materials, last contract continuing to 2042	Overall contract value dependent on future price negotiations with customers , occurring at intervals (of one to five years) determined in individual contracts
Storage and destorage of residues Customer(s): Nuclear energy producers overseas	Storage of residues, currently expected to continue until 2028	Contract values may vary according to storage periods required by customers
	Subsequent destorage of residues, currently expected to continue until 2028	Contract values may vary according to storage periods required by customer Timing of revenue recognition dependent on ability of Authority to destore residues and on ability of customer to receive residues
Transportation of nuclear fuel, waste and materials	Transportation of nuclear fuel, waste and materials	Availability of transportation capacity and customer ability and readiness to receive nuclear fuel, waste and materials; customer demand for transportation services
Energy trading	Production of electricity and sales of gas	Performance of electricity producing plants
Sundry	Various including provision of rechargeable services to third parties	Continued demand for services
Admin/non programme	Various	Continued demand for services

Income recognised in the reporting period

	NDA Group		Authority	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Management of waste from historic reprocessing of fuel	**(305)**	(178)	**(305)**	(178)
Spent fuel receipt	**(443)**	(599)	**(443)**	(599)
Other contracts for waste and product storage	**(86)**	(176)	**(86)**	(176)
Storage and destorage of residues	**(10)**	(14)	**(10)**	(14)
Revenue from major contracts (continuing)	**(844)**	(967)	**(844)**	(967)
Other contractual revenue	**-**	(156)	**-**	(156)
Revenue from major contracts (non-recurring)	**-**	**(156)**	**-**	**(156)**
Transportation of nuclear fuel, waste and materials	**(126)**	(115)	**(60)**	(53)
Energy Trading	**(6)**	(5)	**(6)**	(5)
Sundry	**(17)**	(19)	**(14)**	(12)
Admin/non programme	**(7)**	(11)	**(7)**	(11)
Revenue from other contracts	**(156)**	(150)	**(87)**	(81)
Revenue from contracts with customers	**(1,000)**	(1,273)	**(931)**	(1,204)
Other revenues (rental income)	**(2)**	(3)	**(3)**	(2)
Total revenues	**(1,002)**	(1,276)	**(934)**	(1,206)

Revenue recognised in the year includes £444 million (2025: £599 million) from one customer, being 47% (2025: 50%) of the revenue recognised by the Group. The revenue is reported in the Sellafield segment in Note 4.

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

Contracts, performance obligations and timing of expected revenue recognition

The table below shows the main types of contract, the main areas of performance obligations therein, and for each category:

• the revenue recognised in the reporting period [A]

• the revenue expected to be recognised in future reporting periods (being the aggregate amount allocated to performance obligations that are wholly or partially unsatisfied at the reporting date) [B]

• an indication of when the Authority expects to recognise the remaining contract price

Contract type	Categories of performance obligation	[A]	[B]	Of which £m:		
		£m	£m	2025-2030	2031-2041	2042-2087
Management of waste from historic reprocessing of fuel	Spent fuel storage	29	820	67	148	605
	Interim storage of wastes	130	-	-	-	-
	Treatment of wastes	97	-	-	-	-
	Storage of treated wastes	9	188	25	46	117
	Storage of products	40	938	107	235	596
Spent fuel receipts	Receipt of spent fuel	443	2,772	2,054	718	-
Other storage contracts	Storage of materials	86	1,069	337	619	113
Storage and destorage of residues	Storage	9	26	23	3	-
	Destorage	1	44	44	-	-
Total		**844**	**5,857**	**2,657**	**1,769**	**1,431**

10. Tax

	NDA Group		Authority	
		Restated		Restated
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
NDA Group net expenditure before tax	5,569	8,375	5,724	8,438
Deficit on ordinary activities before tax at the UK standard rate of corporation tax of 25% (2025: 25%)	**1,393**	2,094	1,431	2,109
Effects of: Income and expenditure which is not taxable or tax deductible	**(1,413)**	(1,769)	**(1,433)**	(2,109)
	20	(325)	**2**	**-**
Corporation tax payable on research and	**7**	4	-	-
Capital Allowances	**(16)**	-	-	-
Deferred tax movement	**(5)**	-	-	-
Unutilised losses	**-**	325	**-**	-
Current tax charge for the year	**6**	4	**2**	-
Corporation tax paid relating to prior years	11	-	12	-
Controlled foreign company tax	-	1	-	1
Total tax charge/(credit)	**17**	**5**	**14**	**1**

The prior year figures have been restated following a change to the nuclear provision. Further details of this adjustment are given in note 24.

Following a review by HMRC, which concluded in January 2026, NDA's ordinary activities were determined to be outside the scope of corporation tax on the basis that they are not carried on with a view to profit. Consequently, the NDA no longer generates tax losses available for surrender within the Group. Certain activities remain within the scope of corporation tax, including interest income, property-related income and energy trading activities. As a result, the NDA continues to incur corporation tax liabilities on these activities.

The outcome of the HMRC review was applied retrospectively to the financial years 2021/22 to 2023/24. As a result, during the year ended 31 March 2026, payments were made (£11m) to settle corporation tax liabilities arising on in-scope NDA activities, together with additional tax payable on behalf of subsidiary companies following the withdrawal of group loss relief that had previously been applied to prior year computations.

The NDA is also subject to Controlled Foreign Company (CFC) taxation in respect of the activities of Rutherford Indemnity Limited, its wholly owned captive insurance subsidiary incorporated in Guernsey.

The Group has elected to apply the temporary exception under IAS 12 (Income Taxes) in respect of the OECD Pillar Two model rules. Accordingly, the Group does not recognise or disclose deferred tax assets or liabilities related to Pillar Two income taxes.

At the present time all subsidiaries remain subject to corporation tax and prepare returns to HMRC by ordinary corporation tax rules. At the reporting date all subsidiaries are under routine enquiry by HMRC including a review of their trading status for the purposes of corporation tax.

11. Property, plant and equipment

Accounting Policy

Property, plant and equipment includes assets for which the legal title transferred to the Group under Transfer Scheme arrangements pursuant to the Energy Act 2004 and assets subsequently purchased directly by the Group.

Assets on designated nuclear sites where the economic element is less than £100,000 and/or is less than 10% of the overall value of the asset are not recognised as property, plant and equipment in the financial statements. These assets are used wholly or primarily to meet the Authority's decommissioning obligations, for which a liability is recognised in the nuclear provision. These assets do not generate cash inflows from commercial customers and are funded instead from Grant-in-aid. Expenditure incurred on purchasing these assets is charged to the nuclear provision and serves to reduce the Authority's long term liabilities.

Assets on non-designated sites are only recognised where their value exceeds £10,000.

In line with the accounts direction issued by the Secretary of State for Energy and Climate Change, waste management assets which are recognised as property, plant and equipment are excluded from the FReM requirement to carry PPE at fair value due to lack of reliable and cost effective revaluation methodology. Such waste management assets are therefore carried at cost less accumulated depreciation and any impairment charges.

For property, plant and equipment carried at valuation, revaluations are currently performed on an annual basis to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. This includes assets used to support commercial activities, property located outside nuclear licensed site boundaries, and property located inside nuclear licensed site boundaries where a reliable and cost effective revaluation methodology exists. The categories of property, plant and equipment subject to revaluation are Land and Buildings.

Any accumulated depreciation at the date of revaluation is eliminated and the resulting net amount restated to equal the revalued amount. Any revaluation increase arising is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

On the subsequent de-recognition of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to the general reserve.

Where economic facilities have been commissioned, the estimated cost of decommissioning the facilities is recognised, to the extent that it is recognised as a provision under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', as part of the carrying value of the asset and depreciated over the useful life of the asset. All other decommissioning costs are expensed as incurred.

Depreciation is charged so as to write off the cost or valuation of assets, other than assets under construction, to their residual values over their useful lives, using the straight-line method, on the following bases:

Land	Not depreciated
Buildings	10 to 60 years
IT equipment	3 years
Fixtures and fittings	3 to 10 years
Plant and equipment	10 to 40 years
Transport equipment	4 to 14 years

The exceptions to the above are:

- in the depreciation of certain shipping assets which is calculated on a usage, rather than straight-line, basis; and

- in the depreciation of plant and equipment for which the remaining useful commercial life of the assets is less than 10 years (such assets are depreciated over the remaining useful commercial life).

Assets under construction are not depreciated until brought in to use.

Residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Critical accounting judgements

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

Key areas of estimation uncertainty

Impairment of property, plant and equipment is measured by comparing the carrying value of the asset or cash-generating unit with its recoverable amount. The NDA has therefore reviewed the asset base and all assets are reviewed for evidence of impairment. Given the ageing asset base this calculation has a degree of uncertainty within it.

NDA Group 2026	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets £m	Total £m
Cost or Valuation								
Balance at 1 April 2025	11	368	6	4,330	36	4	164	**4,919**
Revaluations (c)	(1)		-	-	-	-	-	**(1)**
Eliminations	-	(63)	-	(564)	-	-	-	**(627)**
Additions	-	7	-	-	-	7	18	**32**
Other reclassifications	-	-	-	1	1	(2)	-	**-**
Disposals	-	(5)	-	(5)	(5)	(7)	(19)	**(41)**
At 31 March 2026	**10**	**307**	**6**	**3,762**	**32**	**2**	**163**	**4,282**
Depreciation								
Balance at 1 April 2025	-	(229)	(5)	(4,157)	(16)	-	(84)	**(4,491)**
Eliminations (e)	-	63	-	564	-	-	-	**627**
Charged in year	-	(1)	-	(45)	(3)	-	(26)	**(75)**
Disposals	-	-	-	9	2	4	21	**36**
At 31 March 2026	**-**	**(167)**	**(5)**	**(3,629)**	**(17)**	**4**	**(89)**	**(3,903)**
Net book value at 31 March 2025	11	139	1	173	20	4	80	428
Net book value at 31 March 2026	**10**	**140**	**1**	**133**	**15**	**6**	**74**	**379**

The net book value of plant and equipment at 31 March 2026 (£133 million) includes £609 million relating to future decommissioning costs.

NDA Group 2025	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets £m	Total £m
Cost or Valuation								
At 1 April 2024	11	361	6	4,434	40	5	170	**5,027**
Revaluations (c)	-	4	-	-	-	-	-	**4**
Eliminations (e)	-	-	-	(106)	(9)	-	-	**(115)**
Additions (d)	-	2	-	-	-	10	43	**55**
Other reclassifications	-	1	-	2	7	(11)	-	**(1)**
Disposals	-	-	-	-	(2)	-	(49)	**(51)**
At 31 March 2025	**11**	**368**	**6**	**4,330**	**36**	**4**	**164**	**4,919**
Depreciation								
At 1 April 2024	-	(229)	(2)	(4,235)	(15)	-	(95)	**(4,576)**
Eliminations (e)	-	-	-	108	-	-	-	**108**
Charged in year	-	-	(3)	(30)	(2)	-	(24)	**(59)**
Disposals	-	-	-	-	1	-	35	**36**
At 31 March 2025	**-**	**(229)**	**(5)**	**(4,157)**	**(16)**	**-**	**(84)**	**(4,491)**
Net book value at 31 March 2024	11	132	4	199	25	5	75	451
Net book value at 31 March 2025	**11**	**139**	**1**	**173**	**20**	**4**	**80**	**428**

The net book value of plant and equipment at 31 March 2025 (£173 million) includes £72 million relating to future decommissioning costs.

Authority 2026	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	Total £m
Cost or Valuation								
At 1 April 2025	8	298	2	4,152	4	-	30	**4,494**
Revaluations (c)	(1)	-	-	-	-	-	-	**(1)**
Eliminations (e)	-	(63)	-	(566)	-	-	-	**(629)**
Disposals	-	-	-	-	-	-	(1)	**(1)**
At 31 March 2026	**7**	**235**	**2**	**3,586**	**4**	**-**	**29**	**3,863**
Depreciation								
At 1 April 2025	-	(226)	(2)	(4,038)	(3)	-	(4)	**(4,273)**
Eliminations (e)	-	63	-	566	-	-	-	**629**
Charged in year	-	1	-	(38)	(1)	-	(3)	**(41)**
At 31 March 2026	**-**	**(162)**	**(2)**	**(3,510)**	**(4)**	**-**	**(7)**	**(3,685)**
Net book value at 31 March 2025	8	72	-	114	1	-	26	221
Net book value at 31 March 2026	**7**	**73**	**-**	**76**	**-**	**-**	**22**	**178**

The net book value of plant and equipment at 31 March 2026 (£76 million) includes £73 million relating to future decommissioning costs

Authority 2025	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport equipment £m	Assets under construction £m	Right of Use assets (a) £m	Total £m
Cost or Valuation								
At 1 April 2024	8	297	2	4,152	4	-	16	**4,479**
Additions	-	1	-	-	-	-	14	**15**
At 31 March 2025	**8**	**298**	**2**	**4,152**	**4**	**-**	**30**	**4,494**
Depreciation								
At 1 April 2024	-	(227)	(2)	(4,014)	(2)	-	(2)	**(4,247)**
Charged in year	-	1	-	(24)	(1)	-	(2)	**(26)**
At 31 March 2025	**-**	**(226)**	**(2)**	**(4,038)**	**(3)**	**-**	**(4)**	**(4,273)**
Net book value at 31 March 2024	8	70	-	138	2	-	14	232
Net book value at 31 March 2025	**8**	**72**	**-**	**114**	**1**	**-**	**26**	**221**

The net book value of plant and equipment at 31 March 2025 (£114 million) includes £73 million relating to future decommissioning costs

(a) All right of use assets held in the Authority are classified as buildings.

Right of Use assets included in Property, Plant and Equipment comprise the following:

NDA Group 2026	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport £m	Total £m
Cost or Valuation						
Balance At 1 April 2025	**4**	**25**	**-**	**19**	**116**	**164**
Additions	**-**	**14**	**-**	**-**	**4**	**18**
Disposals	**-**	**(4)**	**-**	**(1)**	**(14)**	**(19)**
At 31 March 2026	**4**	**35**	**-**	**18**	**106**	**163**
Depreciation						
Balance At 1 April 2025	**(1)**	**(10)**	**-**	**(9)**	**(64)**	**(84)**
Depreciation expense	**(1)**	**(5)**	**-**	**(2)**	**(18)**	**(26)**
Disposals	**-**	**4**	**-**	**1**	**16**	**21**
At 31 March 2026	**(2)**	**(11)**	**-**	**(10)**	**(66)**	**(89)**
						-
Net book value at 31 March 2025	3	15	-	10	52	80
Net book value at 31 March 2026	**2**	**24**	**-**	**8**	**40**	**74**

NDA Group 2025	Land £m	Buildings £m	Fixtures & fittings £m	Plant & equipment £m	Transport £m	Total £m
Cost or Valuation						
At 1 April 2024	**4**	**24**	**-**	**24**	**118**	**170**
Additions	**-**	**15**	**-**	**4**	**24**	**43**
Disposals	**-**	**(14)**	**-**	**(9)**	**(26)**	**(49)**
At 31 March 2025	**4**	**25**	**-**	**19**	**116**	**164**
Depreciation						
At 1 April 2024	**(1)**	**(9)**	**-**	**(14)**	**(71)**	**(95)**
Depreciation expense	**-**	**(3)**	**-**	**(4)**	**(17)**	**(24)**
Disposals	**-**	**2**	**-**	**9**	**24**	**35**
At 31 March 2025	**(1)**	**(10)**	**-**	**(9)**	**(64)**	**(84)**
Net book value at 31 March 2024	3	15	-	10	47	75
Net book value at 31 March 2025	**3**	**15**	**-**	**10**	**52**	**80**

(b) The NDA accounts for non-waste management assets on nuclear licensed sites, which have an ongoing value in use or realisable value, in accordance with IAS 16 and the requirements of FReM. Assets outside the nuclear licensed site boundaries are revalued in accordance with FReM.

The NDA continues to require subsidiaries to maintain inventories of all property, plant and equipment held on nuclear licensed sites and which are subject to validation and audit.

(c) Land and buildings located outside the nuclear licensed site boundaries, were revalued at 31 March 2026 on the basis of existing use value or market value, as appropriate, by external qualified valuers. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (6th Edition) by Avison Young Limited Chartered Surveyors. This resulted in a revaluations decrease of £1 million during the year (2025: £5 million increase).

(d) Changes in the estimated future cost of decommissioning, related to commercial property, plant and equipment, are offset by matching changes in the value of the IAS 37 property, plant and equipment asset. No increase was recognised in the year (2025: Nil), see note 24.

(e) Eliminations on Authority and Group buildings (£63m) and plant & equipment (£566m) relate to the derecognition of assets associated with the vitrification plant following the conclusion of the commercial elements of this plant programme was recognised in the year (2025: Nil), see note 24.

Intangible assets

During the year ending 31 March 2026 there was an addition to intangible assets of £2 million (2025: £3 million) primarily capitalising the continued development costs for waste transport containers in INS Limited

12. Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment. Investments in subsidiaries as at 31 March 2026 was £259 million (2025: £259 million). There were no additions or impairment in the year (2025: Nil) Details of the Authority's subsidiaries at 31 March 2026 are:

Name	Company Number	Country of incorporation	Nature of business	Proportion of ordinary shares held by NDA %
Sellafield Limited	01002607	UK	Operation of nuclear licensed site	100
Nuclear Restoration Services Limited	02264251	UK	Operation of nuclear licensed sites	100
Dounreay Site Restoration Limited	SC307493	UK	Former operator of nuclear licensed site	100
Nuclear Waste Services Limited	05608448	UK	Operation of nuclear licensed site & Development of GDF	100
Radioactive Waste Management Limited	08920190	UK	Former developer of Geological Disposal Facility	100
Direct Rail Services Limited	03020822	UK	Rail transport services within the UK	100
International Nuclear Services France SAS (i)	N/A	France	Transportation of spent fuel	100
International Nuclear Services Japan KK (i)	N/A	Japan	Transportation of spent fuel	100
International Nuclear Services Limited (INS Limited)	01144352	UK	Contract management and the transportation of spent fuel, reprocessing products and waste	100
Pacific Nuclear Transport Limited (i)	01228109	UK	Transportation of spent fuel, reprocessing products and waste	72
NDA Properties Limited (ii)	02970356	UK	Property management	100
Rutherford Indemnity Limited	N/A	Guernsey	Nuclear insurance	100
NDA Archives Limited (ii)	09109416	UK	Operation of Nucleus - The Nuclear and Caithness Archive	100

(i) Ownership through International Nuclear Services Limited

The results of all of the above subsidiaries are included within these consolidated financial statements.

The NDA is a member of Energus, a company limited by guarantee registered in the UK, providing training facilities in support of the nuclear estate. NDA's liability is limited to £10.

The NDA is a member of North Highland Regeneration Fund Limited, a company limited by guarantee registered in Scotland and contributing to socio-economic development in the North Highland region. NDA's liability is limited to £100.

The NDA is a member of Energy Coast West Cumbria Limited and Energy Coast West Cumbria (Workspace) Limited. These companies are limited by guarantee, registered in the UK and contribute to the economic regeneration of west Cumbria. NDA's liability is limited to £1 for each company.

(ii) Subsidiary audit exemption

The following are subsidiaries controlled and consolidated by the Group where the directors have taken the exemption from having an audit of their financial statements for the year ended 31 March 2026. This exemption is taken in accordance with Section 479A of the Companies Act.

- Dounreay Site Restoration Limited
- NDA Archives Limited
- NDA Properties Limited
- Radioactive Waste Management Limited

To facilitate the adoption of this exemption, NDA, the parent of the subsidiaries concerned, has provided a guarantee under Section 479C of the Companies Act 2006 in respect of those subsidiaries. Strict criteria must be met for this exemption to be taken and the exemption has been agreed to by the directors of those subsidiary entities.

13. Recoverable Contract Costs

The NDA Authority and Group have commercial agreements in place under which some or all of the expenditure required to settle nuclear provisions will be recovered from third parties.

Recoverable contract costs comprise costs which were incurred before the revenue recognition period of each contract and which are amortised each year in line with revenue ('Historic costs' below) and costs which typically form part of the nuclear provision, which are restated each year for unwinding of discount and other changes in estimate, and released as they occur in each year ('Future costs' below).

£70 million (2025: £74 million) of the future costs balance relates to costs which do not form part of the nuclear provisions and are offset by payments on account.

NDA Group and Authority	**2026**	**2025**
	£m	£m
Recoverable contract costs:		
Gross recoverable contract costs	**3,401**	3,414
less applicable payments received on account (note 22)	**(2,697)**	(2,758)
25)	**(10)**	(21)
Total recoverable contract costs	**694**	635

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

NDA Group and Authority	Historic Costs	Future Costs	2026 Total Costs	Historic Costs	Future Costs	2025 Total Costs
	£m	£m	£m	£m	£m	£m
Balance at 1 April	**931**	**2,483**	**3,414**	1,048	2,861	3,909
Decrease in year (see note 24)	**-**	**338**	**338**	-	(136)	(136)
Unwind of discount (see note 24)	**-**	**53**	**53**	-	58	58
Amortisation (see note 6)	**(128)**	**-**	**(128)**	(118)	-	(118)
Release in year	**-**	**(276)**	**(276)**	-	(299)	(299)
Balance at 31 March	**803**	**2,598**	**3,401**	930	2,484	3,414

The historic costs within the above are deemed contract assets under IFRS 15.

Release in year includes £276 million of cost accounted for within the nuclear provision (see note 24) and offset by £2 million of recoverable contract costs relating to movements in payments on account.

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

NDA Group and Authority	Management of waste from historic reprocessing of fuel	Spent fuel receipt and management	2026 Total	Management of waste from historic reprocessing of fuel	Spent fuel receipt and management	2025 Total
	£m	£m	£m	£m	£m	£m
Balance at 1 April	**621**	**310**	**931**	672	376	1,048
Amortisation	**(85)**	**(43)**	**(128)**	(51)	(67)	(118)
Balance at 31 March	**536**	**267**	**803**	621	309	930

Contract assets under IFRS 15 are deemed financial instruments for the purposes of IFRS 9 and therefore are ordinarily required to be reviewed for expected credit loss impairment. The above contract asset balances comprise costs which have been previously incurred and are now being amortised in each reporting period. They are not related to or dependent on the future payments still to be made under each contract and therefore a credit loss impairment is not required.

14. Deferred Tax

Deferred tax relates to the following:

	NDA group statement of financial position		NDA group statement of comprehensive net expenditure	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Deferred tax asset for capital allowances	**12**	-	**(12)**	-
Deferred tax asset for unused tax losses	**1**	-	**(1)**	-
Deferred tax liability on unrealised gain on investment properties	**(9)**	-	**1**	-
Deferred tax liability relating to Pension Surplus	**(7)**	-	**7**	-
Deferred tax expense / (benefit)			**(5)**	-
Net deferred tax liabilities	**(3)**	-		

Reflected in the statement of financial position as follows:

Deferred tax assets	**12**	-
Deferred tax liabilitites	**(15)**	-
Net deferred tax liabilities	**(3)**	-

Reconciliation of net deferred tax liabilities

	NDA Group	
	2026	2025
	£m	£m
As at 1st April	**-**	-
Balance transferred from other provisions	**(8)**	-
Tax expense during the period recognised in net expenditure	**5**	-
Tax expense during the period recognised in other comprehensive	**-**	-
As at 31 March	**(3)**	-

Following a review of deferred tax across the group, it has been identified that there are four deferred tax balances that need to be presented in the financial statements. As none of the balances are material a prior period adjustment is not required so no comparative data is included in the note. There are no deferred tax balances applicable in the Authority accounts so no disclosure has been provided.

As the deferred tax balances within the group have a legally enforceable right to be set off and will be settled simultaneously, the deferred tax asset and deferred tax liability are offset in the statement of financial position as per IAS 12 paragraph 74 to the extent that they are expected to reverse in the same period.

Deferred tax assets not recognised - NDA Group

Following HMRC review (see note 10) in which it was determined that NDA activities are outside the scope of corporation tax, it was concluded that elements of the corporation tax return that may give rise to deferred tax assets, would have arisen from activities that are now deemed to be outside the scope of corporation tax and therefore should not be recognised. This has resulted in a significant reduction from the unrecognised deferred tax asset in 2025. Deferred tax recognised within the group relates primarily to Direct Rail Services Limited and NDA Properties Limited.

Unused deferred tax assets are as follows:

	2026	2025
	£m	£m
Deferred tax asset for capital allowances	-	852
Deferred tax asset for unused tax losses	-	4,011
Deferred tax asset for intangibles	-	9
Deferred tax asset at UK standard rate of Corporation Tax for 2026 of 25% (2025: 25%)	-	4,872

15. Inventories

Accounting Policy

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and all costs to be incurred in marketing, selling and distribution.

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

Reprocessed uranic material is held at nil value, pending development of long term options and cost estimates for disposition of this material, and is disclosed as a contingent liability in note 28.

Critical Accounting Judgements

The Authority has exercised judgement in determining the expected future use of existing inventories of consumables, equipment and other items, and restricting the recognition of inventory carrying values in the financial statements to those items expected to be utilised in income generating activities.

	NDA Group		Authority	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Raw materials & consumables	**18**	23	**8**	12
Work-in-progress	**12**	1	**-**	-
Total inventories	**30**	24	**8**	12

The cost of raw materials and consumables recognised as an expense in the year was £77 million in Authority (Restated 2025: £70 million) and £86 million in NDA Group (Restated 2025: £79 million).

Work-in–progress recognised as an expense in the year in both Authority and NDA Group was £11 million (2025: £1 million).

16. Financial Instruments by Category

Accounting Policy

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at cost.

Loans and receivables

Finance lease receivables, trade and other receivables, and cash and cash equivalents, that have fixed or determinable payments that are not quoted in an active market, are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Other investments are measured at fair value through profit or loss.

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying value of the financial asset.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an expected credit loss provision. When a trade receivable is considered uncollectible, it is written off against the expected credit loss provision.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of net expenditure to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

De-recognition of financial assets

Financial assets are derecognised only when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial Liabilities

Financial liabilities are classified as financial liabilities at amortised cost.

De-recognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group’s obligations are discharged, cancelled or they expire.

Derivative Financial Instruments

The NDA enters into derivative financial instruments to manage its exposure to commodity price risk and foreign exchange rate risk, including commodity contracts and forward foreign exchange contracts. Where purchase of the underlying good is deemed to be solely for NDA's own use, it is not treated as a derivative financial instrument.

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the statement of net expenditure immediately.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

The accounting classification of each category of financial instruments, and their carrying values, is set out in the following table:

		NDA Group		Authority	
		2026	2025	**2026**	2025
	Note	**£m**	£m	**£m**	£m
Financial assets at fair value through profit or loss (FVTPL):					
Other investments	18	**503**	545	**-**	-
Financial assets (FVTPL)		**503**	545	**-**	-
Financial Assets at Amortised Cost:					
Non-current finance lease receivable	19	**44**	43	**68**	67
Non-current other receivables	20	**10**	9	**33**	35
Current trade and other receivables (a)	20	**164**	232	**141**	213
Current finance lease receivables	19	**1**	1	**2**	2
Cash and cash equivalents	21	**439**	353	**138**	128
Total financial assets at amortised cost		**658**	638	**382**	445

		NDA Group		Authority	
		2026	2025	**2026**	2025
	Note	**£m**	£m	**£m**	£m
Financial liabilities at amortised cost:					
Current trade and other payables (b)	22	**(922)**	(817)	**(816)**	(691)
Total financial liabilities at amortised cost		**(922)**	(817)	**(816)**	(691)

a). Prepayments and VAT are excluded.

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

Generally, financial assets and financial liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NDA in undertaking its activities.

The Group has a small number of Euro-denominated contracts which are not significant to the Financial Statements of the Group. This small currency risk is nonetheless still mitigated through the use of forward currency contracts placed with the Government Banking Service. The currency risk arising from overseas operations within the group is negligible.

The Group is not exposed to any significant level of interest rate risk due to the absence of any commercial borrowings in its Statement of Financial Position.

The Group is exposed to a low level of price risk in respect of its sales of electricity generated by the Maentwrog plant, which is mitigated by the trading strategy employed. The Group is exposed to price risk in respect of purchases of electricity and gas which is mitigated by purchasing arrangements which limit the Group's exposure. Due to the pricing structure and historical nature of reprocessing contracts, there is no significant exposure to price risk. There is no significant exposure of the Group to liquidity risk due to the nature of its funding arrangement with DESNZ.

The NDA is required to place deposit deeds as collateral in respect of certain energy trading costs incurred. The collateral is included within current trade and other receivables in both the Authority and Group Statement of financial Position. The value at the 31 March 2026 was less than £1 million (2025: less than £1 million). The risk of loss associated with these deposits is considered to be minimal.

17. Financial Risk Management

The NDA is financed by a combination of government funding and commercial activities, and as such is not exposed to the degree of financial risk faced by other business entities. Consequently, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. It does however experience some degree of risk due to the variability of commercial income.

The NDA applies for funding as part of the UK Government Spending Review. This sets the annual expenditure limit. The NDA is required to prioritise and allocate funding to deliver the required programme of work within this limit. This is achieved through the use of an extensive reporting and control mechanism, which supports a portfolio based approach to managing the opportunities and risks within both the expenditure and commercial income. The approach has enabled the NDA to consistently control expenditure within the prescribed limits set by the funding regime.

Commodity price risk

Commodity price risk is the risk or uncertainty arising from possible price movements and their impact on the commercial income and therefore ultimately on the funding requirements of the NDA.

The risk to NDA in relation to electricity and gas prices continues to be significant and is mitigated by forward purchasing of electricity where appropriate as well as a price cap arrangement. Electricity and gas purchased through these arrangements are deemed to be for NDA's own use and therefore does not fall within the scope of IFRS 9.

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the NDA. This risk is managed through ongoing monitoring of the aging of receivables (for which expected credit loss impairments have been made under IFRS 9). The Authority’s contracts are almost entirely reprocessing and spent fuel and waste management contracts, for which NDA is not taking on any new customers.

18. Other investments

	NDA Group		Authority	
	2026	2025	**2026**	2025
	£m	**£m**	**£m**	**£m**
Bank deposits	**102**	82	**-**	-
Managed investments	**401**	463	**-**	-
	503	545	**-**	-

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

19. Finance Lease Receivables

	NDA Group		Authority	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Amounts receivable under finance leases:				
Not later than one year	**2**	2	**4**	4
Later than one year and not later than five years	**6**	6	**15**	14
Later than five years	**163**	164	**189**	192
	171	172	**208**	210
Less: unearned finance income	**(124)**	(126)	**(136)**	(139)
Present value of minimum lease payments receivable	**47**	46	**72**	71
Less: expected credit loss	**(2)**	(2)	**(2)**	(2)
Present value of minimum lease payments receivable after expected credit loss	**45**	44	**70**	69
of which:				
Current	**1**	1	**2**	2
Non-Current	**44**	43	**68**	67
	45	44	**70**	69
Amounts receivable under finance leases:				
Not later than one year	**1**	1	**2**	2
Later than one year and not later than five years	**5**	5	**10**	9
Later than five years	**39**	38	**58**	58
Present value of minimum lease payments receivable	**45**	44	**70**	69

The finance lease receivable relates to:

a) Land and buildings of the Springfields Fuels operation which was disposed of to Westinghouse Electric UK Holdings Limited by way of a 150 year lease on 1 April 2010. The interest rate inherent in the lease was fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 3.50% per annum; and

b) Certain land and buildings of the Capenhurst site which were disposed of to Urenco UK Limited on 29 November 2012 by way of a combination of freehold and leasehold sales. The interest rate inherent in the lease was fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 3.50% per annum.

c) Various office buildings sub-leased to Operating Companies within the NDA Group. These are treated as an inter-group sub-lease and are eliminated in the Group figures. These leases have a remaining term of between 1 and 19 years.

The maximum exposure to credit risk of the finance lease receivable is the carrying amount. The Authority has assessed its expected credit loss on finance lease receivables as at the reporting date and determined that all amounts owed by parties outside of the NDA Group are assessed to have an expected credit loss of 5%.

20. Trade and Other Receivables

	NDA Group		Authority	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Non-Current:				
Prepayments	**29**	30	**29**	30
Other receivables	**10**	9	**33**	35
Non-current trade and other receivables	**39**	39	**62**	65
Current:				
Trade receivables	**83**	71	**65**	62
Receivables from the Consolidated Fund	**-**	**14**	**-**	**14**
Accrued income	**79**	141	**75**	136
Other receivables	**2**	6	**1**	1
Prepayments	**42**	54	**6**	6
VAT	**70**	129	**67**	125
	276	415	**214**	344
Less: provision for expected credit loss	**(3)**	(3)	**(2)**	(3)
Current trade and other receivables	**273**	412	**212**	341

Non-current other receivables include lump sum payments made under early retirement arrangements to individuals working for subsidiaries who have retired early, or who have accepted early retirement, before 31 March 2026. These payments are refundable to the NDA from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age.

Provision for expected credit loss

The Authority has assessed its expected credit loss on trade and other receivables as at the reporting date as follows:

- Amounts owed by UK Government departments are considered to have no expected credit loss, in accordance with FReM.
- Amounts owed by entities in the NDA estate (subsidiaries and site licence companies) are considered to have no expected credit loss, based on the Authority's knowledge of the financial position and future operations of each company.
- Amounts owed by all other entities have been subject to a probability weighted assessment based on the historical default patterns and taking into account current economic expectations.

The assessment of expected credit loss on trade and other receivables in the reporting period resulted in a charge of less than £1 million, see note 8 (2025: reduction in the impairment value of less than £1 million).

	NDA Group		Authority	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
NDA Group and Authority				
Neither impaired nor past due	**75**	66	**61**	57
Past due:				
within 30 days	**6**	3	**3**	3
91 to 120 days	**1**	-	**-**	-
Over 120 days	**1**	1	**1**	2
Total	**83**	70	**65**	62

21. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with an original maturity of three months or less, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

			2026			2025
	Cash	Cash Equivalents	Total	Cash	Cash Equivalents	Total
NDA Group	£m	£m	£m	£m	£m	£m
Balance at 1 April	**264**	**89**	**353**	269	127	396
Net change	**(1)**	**87**	**86**	(5)	(38)	(43)
Balance at 31 March	**263**	**176**	**439**	264	89	353
Balances at 31 March were held at:						
Commercial banks	**129**	**176**	**305**	138	89	227
Government banking service	**134**	**-**	**134**	126	-	126
	263	**176**	**439**	264	89	353

	Cash	Cash Equivalents	Total	Cash	Cash Equivalents	Total
Authority	£m	£m	£m	£m	£m	£m
Balance at 1 April	**128**	**-**	**128**	146	-	146
Net change	**10**	**-**	**10**	(18)	-	(18)
Balance at 31 March	**138**	**-**	**138**	128	-	128
Balances at 31 March were held at:						
Commercial banks	**4**	**-**	**4**	2	-	2
Government banking service	**134**	**-**	**134**	126	-	126
	138	**-**	**138**	128	-	128

22. Trade and Other Payables

	NDA Group		Authority	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Current:				
Trade payables	**135**	100	**311**	297
Receipts to surrender to Consolidated Fund	**33**	-	**33**	-
Other payables	**94**	103	**-**	-
Accruals	**660**	614	**472**	394
	922	817	**816**	691
Other taxes and social security	**95**	85	**3**	1
Payments received on account	**372**	666	**357**	659
Deferred income	**12**	6	**8**	2
Current trade and other payables	**1,401**	1,574	**1,184**	1,353
Non-Current:				
Payments received on account	**1,449**	1,441	**1,449**	1,441
Deferred tax (see note 14)	**3**	-	**-**	-
Other payables	**8**	10	**-**	-
Non-current trade and other payables	**1,460**	1,451	**1,449**	1,441

Movement on gross payments received on account	NDA Group		Authority	
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Balance at 1 April per accounts	**4,865**	**5,338**	**4,858**	5,333
Revalorisation	**195**	**169**	**195**	169
Cash received	**225**	**231**	**217**	231
Released to income	**(767)**	**(873)**	**(767)**	(875)
Balance at 31 March	**4,518**	**4,865**	**4,503**	4,858
Gross payments received on account at 31 March	**4,518**	**4,865**	**4,503**	4,858
Deduction of recoverable contract costs (see note 13)	**(2,697)**	**(2,758)**	**(2,697)**	(2,758)
Net payments received on account at 31 March	**1,821**	**2,107**	**1,806**	2,100
of which:				
Current	**372**	**666**	**357**	659
Non-current	**1,449**	**1,441**	**1,449**	1,441
	1,821	**2,107**	**1,806**	2,100

Trade and other payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The NDA has procedures in place to ensure that all payables are paid within the pre-agreed credit terms.

Payments received on account relate to amounts which customers have paid for the provision of services under long-term contracts. These payments will be recognised as income when the services are provided. Payments received on account are shown net after deduction of any applicable recoverable contract costs (see note 13). Payments on account not yet recognised as revenue are adjusted for inflation each year (known as revalorisation).

Payments on account balances are deemed contract liabilities under IFRS 15. Payments on account are revalorised to reflect the current monetary values of long-term performance obligations. This treatment represents a departure from IFRS 15, under which contract liabilities are increased only when additional consideration is received. Management considers that revalorisation provides a more relevant representation of the remaining obligations to deliver goods or services. This treatment has been considered in the context of government financial reporting and HM Treasury is aware of the departure from IFRS 15.

23. Lease payables

The NDA Group as lessee

For any new contracts entered into, the Authority considers whether a contract is, or contains a lease based on the following criteria

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Authority.
- The Authority has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Authority has the right to direct the use of the identified asset throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Authority recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Authority, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Authority depreciates the right-of-use assets on a straight-line basis over the life of the lease. The Authority also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Authority measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate as dictated by HM Treasury.

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

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

With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a Right of Use Asset and a Lease Liability. Right of Use assets and the underlying asset class to which they relate are shown at note 11.

The lease term determined by the Authority comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Authority is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Authority is reasonably certain not to exercise that option.

The Group has entered into commercial leases for land and buildings; motor vehicles; locomotives / rolling stock; and plant and equipment. These lease terms range from 1 to 25 years.

With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a Right of Use Asset and a Lease Liability. Right of Use assets and the underlying asset class to which they relate are shown at note 11

The lease term determined by the Authority comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Authority is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Authority is reasonably certain not to exercise that option.

The Group has entered into commercial leases for land and buildings; motor vehicles; locomotives / rolling stock; and plant and equipment. These lease terms range from 1 to 25 years.

The Authority entered into a new lease with the NAO for the rental of office space at the NAO's London office. The lease arrangement between the Authority and the NAO is an arm's length transaction in the ordinary course of business and the amount is not material to either the NDA or the NAO.

The undiscounted maturity analysis of lease liabilities as at 31 March 2026 is as follows:

	NDA Group		Authority	
	2026	2025	**2026**	2025
Amounts payable under finance leases:	**£m**	£m	**£m**	£m
Not later than one year	**21**	24	**5**	6
Later than one year and not later than five years	**41**	52	**22**	22
Later than five years	**22**	28	**39**	44
Total cash payments	**84**	104	**66**	72
Less amount representing interest	**(13)**	(16)	**(16)**	(19)
Present Value of lease liability	**71**	88	**50**	53
of which:				
Current	**19**	21	**3**	4
Non-Current	**52**	67	**47**	49
	71	88	**50**	53
Depreciation charged on right of use assets during the year (also shown at note 11)	**26**	24	**3**	1
Expenses relating to short-term leases	**(2)**	(2)	**-**	-
Expenses relating to leases of low-value assets	**(1)**	-	**-**	-
Interest expense on lease liabilities	**(5)**	(4)	**(2)**	(1)
Total cash outflow for leases	**(31)**	(32)	**(6)**	(5)
of which low value or short term	**(2)**	(2)	**-**	-
Income from sub-leasing	**3**	4	**2**	3

24. Nuclear provisions

The financial statements include provisions for the NDA's obligations in respect of nuclear liabilities, being the costs associated with the nuclear decommissioning of designated sites. Additional information on the nuclear provision estimate can also be found on page 122 to 124. These are the licensed nuclear sites designated to the NDA by the Secretary of State and Scottish Ministers under powers provided by the Energy Act 2004 and operated by the SLCs. These provisions are based on the latest assessments of the processes and methods likely to be used in the future and represent best estimates of the amount required to discharge the relevant obligations. The NDA's obligations are reviewed on a continual basis and provisions are updated accordingly.

Where some or all of the expenditure required to settle a provision is expected to be recovered from a third party, in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', the recoverable amount is treated as a non-current asset. Provision changes in the Statement of Comprehensive Net Expenditure are shown net of changes in the amount recoverable from customers. Provision changes are accounted for in the year in which they arise.

The nuclear provision and recoverable balances are expressed at current price levels and discounted in accordance with HM Treasury guidance, which determines a nominal discount rate, and recommends (in what is termed a rebuttable presumption) an implied inflation rate based on forecasts of Consumer Price Index (CPI) inflation made by the Office of Budget Responsibility (OBR). Reporting entities may select and apply an implied inflation rate which differs from the recommended rate where this can be demonstrated to be clearly more applicable to the underlying nature of the entity's cash flows.

The Authority has determined that, based on inflation experienced in its cash flows in recent years and future expectations, the implied inflation rate recommended by HM Treasury is appropriate for use in calculating its provisions.

The rates applied in the 2025/26 accounts are shown in the table below (rates per annum).

Provision movement expenditure in the Statement of Comprehensive Net Expenditure includes the adjustments necessary to unwind one years' discount and restate the liabilities to current price levels. The movement also includes the adjustments arising from the change in discount rates described above.

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

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

		Nominal discount rate %	Implied inflation rate %	Real terms discount rate %	Equivalent rate in 2024/25 %
Short term (year 1)		3.64	2.50	1.14	1.43
Short term (year 2)		3.64	2.00	1.64	1.73
Short term (years 3 - 5)		3.64	2.00	1.64	2.03
Medium term (years 6 - 10)		4.22	2.00	2.22	2.07
Long term (years 11 - 40)		5.32	2.00	3.32	2.81
Very long term (years 41 onwards)		5.07	2.00	3.07	2.55

	NDA Group		Authority	
		Restated		Restated
	2026	2025	**2026**	2025
	£m	£m	**£m**	£m
Balance at 1 April	**112,159**	107,349	**112,152**	107,342
Provided in year (a), charged to:				
Statement of Comprehensive Net Expenditure (note 7)	**3,228**	6,402	**3,228**	6,402
Recoverable contract costs (b) (note 13)	**338**	(136)	**338**	(136)
Unwind of discount (c), charged to Statement of Comprehensive Net Expenditure (note 7)	**2,825**	2,557	**2,825**	2,557
Recoverable contract costs (b) (note 13)	**53**	58	**53**	58
Decommissioning costs utilised in year (d) (note 7)	**(3,872)**	(3,769)	**(3,872)**	(3,769)
Recoverable contract costs released in year (b) (note 13)	**(274)**	(302)	**(274)**	(302)
Provision changes impacting PPE (e) (note 11)	**-**	-	**-**	-
Total change in provision	**2,298**	4,810	**2,298**	4,810
Balance at 31 March	**114,457**	112,159	**114,450**	112,152
of which:				
Current	**3,938**	4,347	**3,938**	4,347
Non-current	**110,519**	107,812	**110,512**	107,805
	114,457	112,159	**114,450**	112,152

(a) Changes in cost estimates provided in year

	NDA Group	
		Restated
	2026	2025
	£m	£m
Increase due to inflation	**2,617**	**3,649**
(Decrease) due to change in discount rates	**(10,060)**	**(2,299)**
Increase due to changes in underlying cost estimates	**11,009**	**4,916**
Total change in estimate	**3,566**	**6,266**
of which charged to:		
Expenditure	**3,228**	**6,402**
Recoverable Contract Costs	**338**	**(136)**

The estimated increase related to changes in price levels (£2,617 million) equated to approximately 2.3% of the opening balance value.

During the reporting period management performed a comprehensive review of all the decommissioning plans and other estimates maintained on its behalf by the operating companies. This review incorporates the outcomes of the most recent Spending Review by HM Government, as well as changes in strategic assumptions (for example final site clearance dates). Further information can be found in the nuclear provision section on page 122 to 124.

The resulting changes in the discounted value of the plans produce a significant increase in the nuclear provision of which the major components are:

Operating Company / component	Value £m	
NWS - Geological Disposal Facility	**612**	Revised generic assumptions underpinning the GDF plan, including the assumed geological conditions, opening date in the 2050s and corporate overheads and management costs.
NWS – Low Level Waste Repository	**37**	Revised assumptions of the costs of operating the LLWR site based on waste volumes and expected future operational costs.
Sellafield - extended duration of key operational activities		Updated assumptions of the expected conclusion of key site operating activities including the retrieval and management of wastes from legacy ponds and silos (extended to 2054-2059 from the previously assumed 2046) and the longer overall duration of the site mission (expected to conclude in 2145 compared to the previously assumed 2120) to align to delivery performance and changes in strategy.
Sellafield - revised cost estimates (norms)	**10,392**	Update of the underlying cost estimates for future activities and projects reflecting recent and current experience of costs incurred on similar work.
Sellafield - extended asset management		Increased costs of asset management and care, required to support the site and its activities over the longer durations described above. Includes an additional £7.7bn (undiscounted) for the costs of the site's electrical distribution system.
Sellafield - site management and overheads		Increased costs of the services required to support the site and its activities, over the longer durations described above.
NRS	**(509)**	Reflects the longer duration of site decommissioning programmes to align with revised funding assumptions, with the final site clearance now expected to conclude in 2130 compared to the previously assumed 2110. Delaying scope increases the impact of discounting, which reduces the overall estimate.
NDA	**477**	Revision to Springfield and Capenhurst liability estimates
Total	**11,009**	

(b) Recoverable Contract Costs

The NDA has commercial agreements in place under which a portion of the expenditure required to settle certain elements of the nuclear provision are recoverable from third parties. Changes in the future cost estimates of discharging those elements of the Nuclear Provision are therefore matched by a change in future recoverable contract costs. In accordance with IAS 37, these recoverable amounts are not offset against the nuclear provision but are treated as a separate asset. The amount recoverable at 31 March 2026 (NDA Group and Authority) is £2,598 million (2025: £2,484 million) – the 'future costs' balance in note 13.

(c) Unwind of discount

The discount implicit in recognising nuclear provisions is unwound over the life of the provisions, with the impact of the unwind of one years' discount shown in adjustments to provisions in the Statement of Comprehensive Net Expenditure at £2,825 million (Restated 2025: £2,557 million) and reflected in the change in value of the recoverable contract costs at £53 million (2025: £58 million).

(d) Release from provision

The amount provided for the year is based on an estimate of the Authority's expenditure in fulfilling its decommissioning liabilities in the period. The Authority's total expenditure (described in the Financial Summary on page 120 to 121) totalled £4,098 million (2025: £4,145 million) and differs from the amount provided in the year for the following reasons:

- Certain categories of expenditure including the Authority's running costs, some commercial costs and those costs accounted for in other provisions are excluded from the nuclear provision.
- Actual expenditure on fulfilling the decommissioning liabilities in the year may differ from the initial estimate used in the provision due to variances in cost and schedule.

Further information on the Authority's financial performance in the reporting period is shown in the Financial Review on pages 13 to 14 and in the Financial Summary on pages 120 to 121 Further information on the Group's progress against mission progress targets is shown on pages 30 to 42 and information on performance against group key targets and key activities shown on pages 204 to 209.

Expenditure on fulfilling the Authority's decommissioning liabilities includes the creation of buildings, plant and equipment for use in future periods. The Authority recognises such items as property plant and equipment where they are deemed to generate material economic benefits through their use in income generating activities. The Authority's criteria for recognition and the resulting additions of non-current assets are detailed in note 11. In the reporting period assets which generate material economic benefits were created by the Authority only at the Sellafield site.

In the reporting period expenditure on buildings, plant and equipment at the Sellafield site totalled £775 million (2025: £837 million), all of which was incurred on buildings, plant and equipment which were created primarily to fulfil the Authority's decommissioning liabilities, and therefore did not meet the criteria for recognition as property plant and equipment as set out in note 11. This amount was charged to the Statement of Comprehensive Net Expenditure and the estimated cost previously provided was released from the nuclear provision.

(e) Changes in value of decommissioning asset balances

Changes in the estimated future cost of decommissioning, related to commercial property, plant and equipment, are offset by matching changes in the value of the IAS 37 property, plant and equipment asset. A decrease of less than £1 million was recognised in the year (2025: decrease less than £1 million).

Effect of applying discounting and sensitivity to different discount rates

The effect of applying discounting to the nuclear provision value is to reduce the provision, due to the real term discount rates being positive:

	NDA Group	
		Restated
	2026	2025
	£m	**£m**
Undiscounted value of the nuclear provision	**271,705**	222,172
Effect of applying discounting	**(157,248)**	(110,013)
Discounted value of the nuclear provision	**114,457**	112,159
Value if discount rates were 0.5% higher	***103,491***	*101,207*
Value if discount rates were 0.5% lower	***127,077***	*124,054*

Nuclear provision - segmental analysis and timing

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

	Sellafield	**NRS**	**NWS**	**NDA/NTS**	**2026 Total**	Restated 2025 Total
	£m	**£m**	**£m**	**£m**	**£m**	£m
Opening balance	**78,100**	**24,278**	**9,706**	**74**	**112,158**	107,349
Reclassification*	-	-	(1,580)	1,580	-	-
Unwind of discount	2,012	610	214	41	2,877	2,615
Released in year	(3,152)	(754)	(201)	(37)	(4,144)	(4,071)
Discount rate change	(6,651)	(2,380)	(947)	(82)	(10,060)	(2,299)
Inflation	1,347	945	270	55	2,617	3,649
Changes in cost estimate	10,392	(509)	649	477	11,009	4,916
Closing balance	**82,048**	**22,190**	**8,111**	**2,108**	**114,457**	112,159

* Following a review of the segmental analysis, provisions in respect of Springfields and Capenhurst have been transferred from NWS to NDA / NTS as management considers this to better reflect the nature of the underlying activity.

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

	Sellafield	NRS	NWS	NDA/NTS	2026 Total
	£m	£m	£m	£m	£m
Restated opening balance	**151,161**	**48,573**	**22,350**	**87**	**222,171**
Reclassification*	-	-	(2,478)	2,478	-
Net movements	39,568	7,039	1,751	1,176	49,534
Closing balance	**190,729**	**55,612**	**21,623**	**3,741**	**271,705**

* Following a review of the segmental analysis, provisions in respect of Springfields and Capenhurst have been transferred from NWS to NDA / NTS as management considers this to better reflect the nature of the underlying activity.

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

	Sellafield	NRS	NWS	NDA/NTS	2026 Total	Restated 2025 Total
	£m	£m	£m	£m	£m	£m
Within 1 year	**2,944**	**759**	**181**	**54**	**3,938**	4,347
2-5 years	**11,214**	**3,110**	**703**	**210**	**15,237**	15,949
6-20 years	**34,582**	**8,712**	**4,388**	**1,510**	**49,192**	47,643
21-50 years	**26,028**	**7,422**	**1,818**	**262**	**35,530**	32,771
After 50 years	**7,280**	**2,187**	**1,021**	**72**	**10,560**	11,449
Total NDA Group	**82,048**	**22,190**	**8,111**	**2,108**	**114,457**	112,159

Critical accounting judgements and key sources of estimation uncertainty

The nuclear provision represents the best estimate of the costs of delivering the NDA objective of decommissioning the plant and equipment on each of the designated nuclear licensed sites and returning the sites to pre-agreed end states in accordance with the published strategy. This programme of work is estimated to take until 2145. The £114 billion (Restated 2025: £112 billion) provision shown in these financial statements represents management's, single point, best estimate in a wide range of potential outcomes which vary between £102 billion and £173 billion (Restated 2025: £101 billion and £167 billion). In arriving at the provision value, management is required to make assumptions of the timing, processes and methods required to discharge the obligations. These assumptions reflect a combination of the latest technical knowledge available, existing regulatory requirements, Government policy, expected funding levels, costs and commercial agreements. Given the very long timescale involved, and the complexity of the plants and material being handled, considerable uncertainty remains in the cost estimate particularly in the later years.

In preparing the best estimate of the provision required to settle the NDA obligations, it is recognised that there remains a significant degree of inherent uncertainty in the future cost estimates. Should outcomes differ from the assumptions below, a material adjustment to the carrying amount of the Nuclear Provision and related assets and liabilities may be required.

In preparing the estimate of the cost of decommissioning the designated sites, the NDA has greater certainty of the activities, capabilities and technologies to be applied within the first 20 years of the decommissioning plan. Costs expected to be incurred within the first 20 years of the plan represent £68 billion of the total £114 billion provision (Restated 2025: £68 billion out of £112 billion). In undiscounted terms it represents £87 billion out of a total of £271 billion (Restated 2025 £85 billion out of £222 billion). The key assumptions and uncertainties of the basis of estimate are set out below:

General

The table below sets out the key general assumptions for the nuclear provision:

General - Key Assumptions	General - Key Uncertainties
The following key assumptions apply to all components of the estimate: • The nuclear provision estimate for each reporting segment is based initially on the decommissioning plan for each site or programme of work managed within the segment, with specific adjustments as required by the nature of each site or programme to ensure that the estimate is kept up to date and compliant with accounting requirements. • The site decommissioning plans and equivalent figures are based on P50 estimates, meaning there is a 50% probability of the outcome being either under or over the estimate. While alternative bases of estimate could be used, the P50 basis is believed by management to produce a representative single point estimate for disclosure in the financial statements. Alternative calculation techniques may produce materially different results. • The nuclear provision estimate is stated in money values at the reporting date. The site decommissioning plans are stated in mid-year money values (namely the September preceding the reporting date). The Authority applies an inflationary adjustment to produce the estimate as at the reporting date. The adjustment is based on the change in price levels specific to each component of the estimate where this is known or can be reasonably estimated. • The nuclear provision estimate is discounted using discount rates published by HM Treasury each year. The Authority applies discounting on a mid-year basis to reflect the nature of its expenditure, namely that it occurs throughout each reporting period rather than at the end of each reporting period.	The following key uncertainties apply to all components of the estimate: • Potential changes in the NDA funding profile, requiring adjustments to expenditure across the estate to ensure the right balance between addressing high risk, hazard and affordability. This includes changes arising from economic conditions or changes in funding. • The length of time over which the necessary programme of work will be delivered – stretching out to 2145. • Interdependencies between programmes of work both within SLCs and across SLC boundaries. • Uncertainty over future government policy positions and potential regulatory changes. • Possible technological advances which may occur which could impact the work to be undertaken to decommission and clean up the sites.

Sellafield

The key activities of the Sellafield site include:

- concluding reprocessing of spent fuels and associated waste management
- retrieving and ensuring safe storage of wastes from legacy facilities
- interim storage of spent fuel, wastes and other materials before transfer to the GDF
- decommissioning and demolition of facilities; and
- site management and support activities.

The nuclear provision estimate for Sellafield is based on the site decommissioning plan which is updated annually for changes in price levels, other changes in cost estimates and strategic or operational changes. The estimate also reflects cost estimate changes which have not yet been applied to the site decommissioning plan but are expected to be applied in future (for example plutonium management costs) and accounting changes (for example the exclusion of costs which are not NDA's direct liabilities).

Sellafield - Key Assumptions	**Sellafield - Key Uncertainties**
The nuclear provision estimate for Sellafield is based on the following key assumptions: • The conclusion of the treatment of wastes arising from reprocessing at Sellafield by 2039. • The conclusion of the retrieval, packaging and transition to interim storage of wastes from legacy ponds and silos at Sellafield by 2054-59. • The safe interim storage of wastes at Sellafield and other sites until such time that waste transfers to the Geological Disposal Facility can be concluded. In some cases further treatment of wastes and other material is required before transfer to the facility. • The availability of a Geological Disposal Facility by the 2050s and the conclusion of the transfer of wastes to the Facility before 2145. • Final site clearance of the Sellafield site is in line with the assumptions of the 2026 strategy. This assumes demolition of all above ground structures, removal of all contaminated soils and foundations to suitable disposal points, and a suitable system of groundwater control. It is assumed that contamination will be reduced to a standard to release the site from its Nuclear Licence under the Nuclear Installations Act 1965. • The treatment of nuclear materials allowing for final disposition before 2145. • The UK Government has confirmed its policy decision to immobilise the UK's inventory of civil separated plutonium at Sellafield. The NDA group will continue progressing research and development work to identify the preferred technology for immobilisation and will seek approval for a major programme on plutonium disposition, requiring a nuclear material processing plant and interim storage capability to be built at Sellafield. The NDA's current estimate of the likely costs of the preferred policy has been included in the provision.	The major areas of uncertainty in the estimate for Sellafield are: • The costs of building, operating and decommissioning facilities may materially differ from those assumed in the estimate. • The estimate assumes the future achievement of efficiencies and other cost savings which are currently uncertain. • The date at which the Geological Disposal Facility is available to receive waste, and the rate of transfer of wastes from the sites to the facility, may increase the costs of interim storage on the sites. • The estimate is based on multiple individual estimates of the costs of programmes, projects and site management which extend into the very long term • The estimate assumes the development of future technological solutions for waste management and decommissioning, the extent and timing of which are currently uncertain. • A lack of detailed information on the design of the Legacy Ponds and Silos at Sellafield and the exact quantities and chemical composition of the historical wastes held in them, resulting in potential significant uncertainty in both the process and costs of dealing with these materials. • The estimate includes provision for asset care costs based on those asset management plans reviewed and approved at the reporting date. The remainder of the asset management plans were still to be reviewed at the reporting date and the estimate assumes that the outcome of these reviews will not result in a material change to the estimated cost of asset care across the site.

Nuclear Restoration Services

Following the conclusion of electricity generation at the former Magnox sites and the successful conclusion of the de-fuelling programme the key activities of the sites now include interim storage of wastes before transfer to the GDF; decommissioning and demolition of facilities; and site management and support activities.

The nuclear provision estimate for Nuclear Restoration Services is based on management's preferred strategy for decommissioning the sites, in which a rolling decommissioning approach is used to clear each site in sequence. The two former Magnox sites in Scotland will continue to manage higher active waste locally after this date. For the purposes of the nuclear provision, the liability estimate for the former Magnox provides for storage costs to 2130

The Nuclear Restoration Services segment includes the Dounreay site.

Nuclear Restoration Services - Key Assumptions	**Nuclear Restoration Services - Key Uncertainties**
The nuclear provision estimate for Nuclear Restoration Services is based on the following key assumptions: • The rolling decommissioning of all former Magnox sites with the last site to achieve final site clearance by 2130. • Final site clearance of all former Magnox sites is in line with the assumptions of the 2026 strategy. This assumes sites are restored to brownfield condition, before being made available for other uses. All above ground structures will be removed, although some safe material will remain underground. One English site will have all underground structures removed and all will be delicensed. In accordance with the Scottish Waste policy, the two former Magnox sites in Scotland will continue to manage waste locally. • The provision estimate for Nuclear Restoration Services is curtailed at 2133, in line with the final site clearance required in NDA's current mission. On-site waste storage may continue at Scottish sites thereafter at a relatively small (before discounting) annual cost.	The major areas of uncertainty in the estimate for Nuclear Restoration Services are: • The availability of funding to support the rolling decommissioning approach for former Magnox sites • The rate of progress in decommissioning of facilities and variances from the assumed cost of decommissioning. The length of time over which the necessary programme of work will be delivered – stretching out to 2145.

Nuclear Waste Services

The activities of the Nuclear Waste Services division include the siting, planning, construction and operation of the Geological Disposal Facility (GDF) and the operation of the Low Level Waste Repository (LLWR). The GDF will be the permanent disposal facility for wastes which are currently held at nuclear licensed sites in England and Wales.

The nuclear provision estimate for Nuclear Waste Services is based on the decommissioning cost estimate for the GDF, using assumptions of the location, size, and favourable geological conditions of the site (the location of which is not yet determined). Management have considered the implications of the decision by Lincolnshire County Council to withdraw from the GDF siting process in June 2025 and have concluded that as the process to agree a suitable site is ongoing, the use of generic location, size and favourable geological assumptions remains appropriate. As part of their review, management have updated certain assumptions as outlined in the table on page 184. The estimate also includes the costs of the LLWR, net of revenue received by NWS on behalf of NDA for waste disposal services.

Nuclear Waste Services - Key Assumptions	Nuclear Waste Services - Key Uncertainties
The nuclear provision estimate for the GDF is based on the following key assumptions: • Generic assumptions of the location, size, and favourable geological circumstances of the facility, based on international analogues. • Construction of the facility takes 15 years before first waste emplacement. • The availability of a Geological Disposal Facility during the 2050s and the transfer of wastes to the facility for disposal, with final closure assumed in 2200. • Waste for disposal as stated in the Inventory for Geological Disposal (IGD) 2022.	The major areas of uncertainty in the estimate for GDF are: • The achievement of the assumed operational start date of the facility (of the 2050s), which may also impact the estimates in other components of the nuclear provision because of the potential additional on-site storage costs. • The costs of building and operating the facility may materially differ from those assumed in the estimate, due to factors associated with siting, technical feasibility and geological conditions, potential delays through the permitting and approvals processes, as well as general variations from current cost estimates.

Nuclear Transport Solutions

The Nuclear Transport Solutions division manages specific liabilities for the decommissioning of assets currently used in transportation of nuclear materials. The provision estimate is based on current estimates of the future decommissioning costs arising at the end of the assets' respective operating lives.

Sensitivity

The NDA calculates its provision based on management's best estimate of the future costs of the decommissioning programme, which is expected to take until 2145 to complete. The NDA also considers credible risks and opportunities which may increase or decrease the cost estimate, but which are deemed less probable than the best estimate. These are the basis of the sensitivities identified below, which are illustrative estimates of potential upper and lower outcomes, but which do not measure the probability associated with those outcomes.

Component and key sensitivities	Lower end of range	Upper end of range
Sellafield: Principal sensitivities relate to the cost of delivering the plan, particularly the costs of new construction, decommissioning and post operational clean out (POCO) work in the long-term (beyond the next twenty years)	£8,327 million reduction (50% reduction in the costs of the most uncertain elements of expenditure beyond the first 20 years)	£49,962 million increase (300% increase in the costs of the most uncertain elements of expenditure beyond the first 20 years)
Nuclear Restoration Services: Principal sensitivities relate to the required duration and cost of decommissioning, and the consequential impact on the costs of long-term management of the sites.	£2,219 million reduction (10% variance in costs)	£2,219 million increase (10% variance in costs)
Nuclear Waste Services (costs of GDF): Key sensitivities are in the timing and costs of constructing and operating the GDF, dependent on the location and construction requirements of the facility.	£1,044 million reduction (50% reduction in the costs of the most uncertain elements of expenditure beyond the first 20 years)	£6,263 million increase (300% increase in the costs of the most uncertain elements of expenditure beyond the first 20 years)
Nuclear Waste Services (Low Level Waste Repository): Key sensitivities are in the timing and costs of completing waste management operations and decommissioning work at the LLW Repository.	£183 million reduction (10% variance in costs)	£92 million increase (5% variance in costs)
Nuclear Transport Solutions): Key sensitivities are in the and cost estimates for the decommissioning of transport assets.	£7 million reduction (10% variance in costs)	£4 million increase (10% variance in costs)
Total	**£11,780 million reduction**	**£58,540 million increase**

Key sensitivities currently not quantified

In addition to the specific sensitivities and uncertainties described above, management has identified a risk that the construction and opening of the GDF may be delayed beyond the 2050s (see the Governance Statement on page 74). A delay may increase the cost of the facility itself, along with the cost of interim storage of waste at sites across the NDA group. A delay of less than 20 years is within the overall tolerance of the estimate for GDF construction and waste transfer and is not considered to have a material impact on the provision estimate after discounting.

Restatement of prior year figures

During the year, management identified prior period errors in the measurement and presentation of the LLWR nuclear provision. The errors related to:

- The assumed level of income. The LLWR nuclear provision previously assumed that the cost of the site operations (equivalent to approx. 90% of the overall cost of the site) would be recovered in full from income received from customers (primarily other NDA operating companies). Over the last few years, the group has made significant progress in using alternative, more sustainable, methods of waste disposal (including recycling where appropriate). This has reduced the volumes of waste being processed by the LLWR significantly and means that the cost recovery assumption is no longer appropriate. Reductions in the revenue assumptions have increased the nuclear provision by £1,614 million at 31 March 2025 and £1,643 million at 1 April 2024 (both discounted).
- Increased corporate overhead costs within NWS. In creating Nuclear Waste Services Limited, corporate overheads increased to support expected increases in activity. These costs are allocated between the GDF and LLWR provisions and should have been included in the nuclear provision from 31 March 2024 when the financial statements were prepared. Inclusion of increased corporate overheads have increased the nuclear provision by £444 million at 31 March 2025 and £450 million at 1 April 2024 (both discounted).

The correction has been treated as a prior period error in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, as applied by the FReM. The comparative amounts have therefore been restated to reflect the position as if the income and related cost allocations had been appropriately recognised in the prior year.

The impact of the adjustment on the Group Statement of Financial Position at 31 March 2025 is:

	Previously Reported 2025 £m	Restatement Impact £m	Restated 2025 £m
Nuclear provisions	(4,291)	(56)	(4,347)
Total current liabilities	**(5,898)**	**(56)**	**(5,954)**
Total assets less current liabilities	**(2,401)**	**(56)**	**(2,457)**
Nuclear provision	(105,810)	(2,002)	(107,812)
Total non-current liabilities	**(107,420)**	**(2,002)**	**(109,422)**
Net liabilities	**(109,821)**	**(2,058)**	**(111,879)**
General reserve	(109,868)	(2,058)	(111,926)
Total taxpayers' equity	**(109,823)**	**(2,058)**	**(111,881)**
Total equity	**(109,821)**	**(2,058)**	**(111,879)**

The effect of the adjustment on the Group Statement of Comprehensive Net Expenditure for the year ended 31 March 2025 is summarised below:

	Previously Reported 2025 £m	Restatement Impact £m	Restated 2025 £m
Adjustment to provisions	5,239	(35)	5,204
Expenditure	**9,745**	**(35)**	**9,710**
Net expenditure before interest and taxation	**8,469**	**(35)**	**8,434**
Net expenditure before taxation	**8,410**	**(35)**	**8,375**
Net expenditure after taxation for the year	**8,415**	**(35)**	**8,380**
Total comprehensive net expenditure for the year	**8,123**	**(35)**	**8,088**

The effect of the adjustment on the Group Statement of Cash Flows at 31 March 2025 is summarised below:

	Previously Reported 2025 £m	Restatement Impact £m	Restated 2025 £m
Net income after taxation for the year	(8,415)	35	(8,380)
Increase in nuclear provisions impacting net expenditure	5,225	(35)	5,190

The effect of the adjustment on the Group Statement of Changes to Tax Payers Equity at 31 March 2025 is summarised below:

	Previously Reported 2025 £m	Restatement Impact £m	Restated 2025 £m
Balance at 31 March 2024 (total tax payers' equity)	**(105,509)**	**(2,094)**	**(107,603)**
Net Expenditure	(8,414)	35	(8,379)
Balance at 31 March 2025 (total tax payers' equity)	**(109,823)**	**(2,058)**	**(111,881)**

The effect of the adjustment on the Group Statement of Financial Position at 1 April 2024 is summarised below:

	Previously Reported 1 April 2024 £m	Restatement Impact £m	Restated 1 April 2024 £m
Nuclear provisions	(4,021)	(70)	(4,091)
Total current liabilities	**(5,861)**	**(70)**	**(5,931)**
Total assets less current liabilities	**(2,860)**	**(70)**	**(2,930)**
Nuclear provision	(101,235)	(2,023)	(103,258)
Total non-current liabilities	**(102,647)**	**(2,023)**	**(104,670)**
Net liabilities	**(105,506)**	**(2,094)**	**(107,600)**
General reserve	(105,553)	(2,094)	(107,647)
Total taxpayers' equity	**(105,509)**	**(2,094)**	**(107,603)**
Total equity	**(105,506)**	**(2,094)**	**(107,600)**

25. Other provisions

				2026				2025
	Restructuring (a)	**Contract loss (b)**	**Other (c)**	**Total**	Restructuring (a)	Contract loss (b)	Other (c)	Total
NDA Group	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m
Balance at 1 April	**42**	**34**	**49**	**125**	46	14	51	111
Provided in year	**3**	**7**	**9**	**19**	1	24	(2)	23
Released in year	**(5)**	**(4)**	**(11)**	**(20)**	(6)	(4)	-	(10)
Deferred tax reallocated to trade and other payables (see note 14)	**-**	**-**	**(7)**	**(7)**	-	-	-	-
Unwind of Discount	**1**	**-**	**-**	**1**	1	-	-	1
Balance at 31 March	**41**	**37**	**40**	**118**	42	34	49	125
Amount deducted from recoverable contract costs (note 13)	**-**	**(10)**	**-**	**(10)**	-	(21)	-	(21)
Net balance at 31 March	**41**	**27**	**40**	**108**	42	13	49	104
of which:								
Current				**17**				12
Non-current				**91**				92
				108				104

				2026				2025
	Restructuring (a)	**Contract loss (b)**	**Other (c)**	**Total**	Restructuring (a)	Contract loss (b)	Other (c)	Total
Authority	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m
Balance at 1 April	**43**	**33**	**-**	**76**	46	14	-	60
Provided in year	**3**	**7**	**-**	**10**	1	24	-	25
Released in year	**(5)**	**(5)**	**-**	**(10)**	(6)	(4)	-	(10)
Unwind of Discount	**1**	**-**	**-**	**1**	1	-	-	1
Balance at 31 March	**42**	**35**	**-**	**77**	42	34	-	76
Amount deducted from recoverable contract costs (note 13)	**-**	**(9)**	**-**	**(9)**	-	(21)	-	(21)
Net balance at 31 March	**42**	**26**	**-**	**68**	42	13	-	55
of which:								
Current				**14**				10
Non-current				**54**				45
				68				55

(a) Restructuring provisions have been recognised to cover continuing annual payments to be made under early retirement arrangements to individuals working for subsidiaries who retired early, or had accepted early retirement, before 31 March 2026. These payments include those made to the date at which the recipients would have reached normal retirement age, and those which continue for the remainder of the recipients' lives. The provision is calculated using UK life expectancy estimates published by the Office of National Statistics and is subject to the uncertainty inherent in those estimates. A variance from the life expectancy estimate of one year would increase or decrease the future cash flows by approximately £3 million (discounted). Lump sums paid to individuals on retirement are held as receivables (included in note 20), since they are refundable to the NDA from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age.

(b) Contract loss provisions have been recognised to cover the anticipated shortfall between total income and total expenditure on relevant long-term contracts. The above balances are shown net after deduction from any applicable recoverable contract costs (see note 13). The amount provided in the year for the contract loss provision relates to changes in estimates of the costs of existing contracts.

(c) includes provisions for potential insurance claims and maintenance requirements.

26. Retirement benefit schemes

Critical accounting judgement

The Authority has exercised judgement in determining the assets and liabilities associated with each pension scheme, including judgements as to the expected life expectancy of scheme members and the future performance of scheme investments.

The NDA Group has a range of pension schemes including both defined contribution and defined benefit plans.

Defined contribution schemes

For defined contribution schemes the amount charged to operating costs is the contributions payable in the year.

The majority of the NDA and a closed group of Nuclear Waste Services Limited (NWS) employees have pension benefits provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher, details are described on pages 106 to 107). Prior to that date, NDA and NWS employees participated in the Principal Civil Service Pension Scheme (PCSPS). Further information on the PCSPS and alpha pension schemes can be found within the Remuneration and People Report on pages 91 to 104.

Both alpha and the PCSPS are unfunded multi-employer defined benefit schemes in which the NDA and NWS are unable to identify their share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020 and details can be found in the resource accounts of the Cabinet Office: Civil Superannuation at Civil Superannuation annual account 2024 to 2025 (HTML) - GOV.UK. The next actuarial valuation is due as at 31 March 2024. In accordance with guidance issued by HM Treasury, the Civil Service pension arrangements are accounted for as a defined contribution scheme in these financial statements.

Direct Rail Services Limited (DRS), International Nuclear Services Limited (INS), Sellafield Limited, Nuclear Restoration Services Limited (NRS) and former NWS employees joining after the closure date of their respective defined benefit scheme (see below) participate on a defined contribution basis in the Combined Nuclear Pension Plan (CNPP).

A small number of employees transferred to the NDA from INS in 2018 and continue to accrue benefits in the United Kingdom Atomic Energy Authority (UKAEA) Combined Pension Scheme (CPS). The NDA is unable to identify their share of the underlying assets and liabilities and NDA's participation in the UKAEA CPS Combined Pension Scheme is accounted for as if they were defined contribution schemes, as permitted under IAS 19.

INS employees participate in the UKAEA Combined Pension Scheme (CPS), the CNPP and for part of the year the Magnox Electric Group section of the Electricity Supply Pension Scheme (MEG ESPS). Participation in these schemes is in sections with other employers and INS is unable to identify its share of the underlying assets and liabilities. Consequently, INS’s participation in these schemes is accounted for as if they were defined contribution schemes, as permitted under IAS 19. INS’s contributions to these schemes are assessed as part of regular actuarial valuations of those schemes and will vary in line with the funding position of the relevant scheme.

Pacific Nuclear Transport Limited (PNTL) participates in the following industry wide defined contribution schemes:

- Smart Pension;
- The Merchant Navy Ratings’ Group Personal Pension Plan (MNRGPPP); and
- With effect from 1 April 2026 they will participate in the CNPP."

The National Employment Savings Trust (NEST) is an auto enrolment scheme set up by the UK Government. There is a small number of NDA Group employees who have exhausted their participation in their respective pension schemes and have been auto enrolled into NEST.

The total cost charged to expenditure of £87 million (2025: £86 million) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. No contributions were outstanding at this or the previous year end.

Defined benefit schemes

The Group participates in various pension schemes which are accounted for as defined benefit schemes.

The asset recognised in the statement of financial position is the fair value of scheme assets less the present value of the defined benefit obligation at the reporting date, together with any adjustments for unrecognised past service costs. Any amounts recoverable from third parties are recognised as separate assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are recognised in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in operating costs

The interest cost and the expected return on assets are shown as a net amount of interest costs.

Pension scheme assets are recognised to the extent that they are recoverable and pension scheme liabilities are recognised to the extent that they reflect a constructive or legal obligation.

The MEG ESPS and sections of the CNPP were reformed from 1 April 2024 and all relevant employees now accrue Career Average Revalued Earnings (CARE) pension benefits in the schemes. The final salary benefit sections closed to future accrual on 31 March 2024 but remain linked to salaries whilst members are in active service. Employees in the CNPP and MEG ESPS CARE schemes are still in a transition period with regard to employee contributions, with increases in their contributions being phased in over 3 years.

GPS DRS section of the CNPP

DRS participates in the GPS DRS section of the CNPP, a defined benefit funded pension scheme. The defined benefit structure was available to all DRS employees until 31 March 2008 when it was closed to new entrants.

Nirex section of the CNPP

The Nirex section of the CNPP is a defined benefit (final salary) funded pension scheme. The Nirex section was closed to new entrants on 1 April 2007 and has no active members.

Closed section of the CNPP

On the disposal of the Springfields Fuels operation the NDA took over direct responsibility of the pension liability within the Springfields Fuels section of the CNPP on 1 April 2010. The Closed section (formerly the Springfields Fuels Section) of the CNPP is a defined benefit (final salary) funded pension scheme. The Closed section was closed to new entrants and further accrual on 31 March 2010.

Sellafield and GPS SLC sections of the CNPP

Sellafield Limited participates in the Sellafield and GPS SLC sections of the CNPP defined benefit funded pension schemes. The defined benefit structure was available to all Sellafield Limited employees up to 24 November 2008 when it was closed to new entrants.

Nuclear Restoration Services section (formerly Magnox section) of the CNPP and Magnox Electric Group section of the Electricity Supply Pension Scheme

Nuclear Restoration Services Limited (formerly Magnox Limited) participates in the Nuclear Restoration Services (formerly Magnox) and GPS SLC sections of the CNPP and the SLC Section of the Magnox Electric Group section of the Electricity Supply Pension Scheme which is defined benefit funded pension scheme. The defined benefit structure was available to all Magnox Limited employees up to 26 June 2007 (or 1 November 2009 for former employees of Research Sites Restoration Limited) when it was closed to new entrants.

Nuclear Waste Services Limited Section (formerly LLWR section) of the CNPP

Nuclear Waste Services Limited (formerly LLW Repository Limited) participates in the Nuclear Waste Services Limited section (formerly LLWR section) of the CNPP which is defined benefit funded pension scheme. The defined benefit structure was available to all LLW Repository Limited employees up to 1 April 2008 when it was closed to new entrants.

Nuclear Restoration Services Section (formerly DSRL section) of the CNPP

On the 1 April 2023, the employees, contracts and other assets of Dounreay Site Restoration Limited were transferred into Magnox Limited. This company was subsequently renamed Nuclear Restoration Services Limited on 2 April 2024. This section was renamed the Nuclear Restoration Services section effected retrospectively to 1 April 2024. The former DSRL employees participate in the Nuclear Restoration Service section (formerly DSRL section) of the CNPP which is defined benefit funded pension scheme. The defined benefit structure was available to all DSRL employees up to 1 November 2009 when it was closed to new entrants.

In relation to the CNPP and Magnox Electric Group section of the Electricity Supply Pension Scheme it is noted that:

- The schemes are sectionalised and individual sections cannot be liable for any other sections' obligations under the rules of the schemes;
- The aggregate average duration of the CNPP obligation is 15 years (2025: 16 years), although this differs slightly by section. For those sections within NDA Authority, the aggregate average duration is 12 years (2025: 13 years).
- The aggregate average duration of the Magnox Electric Group section of the Electricity Supply Pension Scheme obligation is 12 years (2025: 13 years).

Merchant Navy Officers Pension Fund (MNOPF)

PNTL employees participate in the Merchant Navy Officers Pension Fund (MNOPF). The MNOPF is an industry wide defined benefit (final salary) funded pension scheme. The scheme was closed on 1 November 1996. All costs relating to 'Pacific' vessels are recoverable under contract from customers and hence a recoverable amount is recognised to offset the related pension scheme deficit.

Merchant Navy Ratings Pension Fund (MNRPF)

PNTL employees participate in the Merchant Navy Ratings Pension Fund (MNRPF). The MNRPF is an industry wide defined benefit (final salary) funded pension scheme. The scheme was closed on 31 May

2001. The liabilities of the scheme have been capped at the level of benefits accrued to employees at the closure date, subject to adjustment for future actuarial valuations. All costs relating to 'Pacific' vessels are recoverable under contract from customers and hence a recoverable amount is recognised to offset the related pension scheme deficit.

In relation to the Merchant Navy schemes, whilst the schemes are sectionalised they operate on a "last man standing" basis such that a participating employer can become liable for part of the obligations of another participating employer should that employer withdraw from the scheme with underfunded obligations. The average duration of the Merchant Navy schemes obligations is 11 years (2025: 12 years).

Actuarial valuations for the various defined benefit schemes referred to above are performed on a triennial basis with 'roll forward' valuations performed in intervening years. Accordingly, the relevant valuations have been updated at 31 March 2025 by independent actuaries using assumptions that are consistent with the requirements of IAS 19 and the results of those calculations have been incorporated in the figures below. Investments have been valued for this purpose at fair value.

Pension Surplus

The Group assesses the recognition of pension surpluses in accordance with IAS 19 and IFRIC 14, considering the extent to which it has an unconditional right to a refund of any surplus or the ability to reduce future contributions.

For the majority of the Group's defined benefit pension schemes, where the Group has concluded that it has an unconditional right to a refund of any surplus (either during the life of the scheme or on wind-up), the full surplus is recognised on the balance sheet.

This assessment considers the scheme rules, trustee powers, and applicable statutory requirements.

In contrast, for the two Merchant Navy Pension Funds, the Group has determined that it does not have an unconditional right to a refund of any surplus. This is due to the specific governance arrangements and trustee powers within these schemes. Accordingly, any surplus arising in these funds is restricted and not recognised in the financial statements. When the Merchant Navy Pension funds are in deficit, all costs relating to 'Pacific' vessels are recoverable under contract from customers and hence a recoverable amount is recognised to offset the related pension scheme deficit.

Retirement benefit obligations

The Trustee's triennial valuation is used to determine the contributions required for the Scheme to pay all the benefits due, now and in the future. The Trustee must allow for a level of prudence resulting in these assumptions placing a relatively high value on the Scheme's liabilities. By contrast, IAS19 'Employee Benefits' requires companies to value the liabilities on a 'best estimate' basis which places a lower value on the liabilities and therefore a more favourable financial position.

Risks associated with the Group's defined benefit schemes

The defined benefit schemes expose the Group to a number of risks such as:

Changes in bond yields

Pension liabilities are calculated using discount rates linked to bond yields which are subject to volatility. In order to mitigate this risk the schemes hold a proportion of their assets in bonds, which provide a hedge against falling bond yields.

Some asset classes such as equities, which are expected to provide higher returns over the long term, are subject to short term volatility and may lead to deficits if assets underperform the discount rate used to calculate future liabilities. The allocation to such assets is monitored to ensure it remains appropriate given the schemes' long-term objectives.

Inflation risk

Since most of the scheme liabilities are indexed in line with price inflation, higher than assumed levels of inflation will increase the liabilities. In order to mitigate this risk the schemes hold a proportion of their assets in index-linked bonds.

Longevity risk

Increases in life expectancy will result in an increase in liabilities. The scheme actuaries regularly review actual experience of the scheme membership against the actuarial assumptions underlying the valuation of the liabilities and carry out detailed analysis when setting appropriate scheme specific mortality assumptions.

Other risks

There are a number of other risks involved in sponsoring defined benefit schemes including operational risks and legislative risks. The scheme trustees regularly assess these risks as part of their ongoing governance process.

The Merchant Navy Ratings Pension Fund Trustee became aware in 2018 of legal uncertainties relating to the ill-health early retirement benefits payable from the fund since the early 1990s. Following receipt of direction from the Court, the Trustee has contacted and paid compensation to the majority of affected members. The additional liabilities are recognised in the pension disclosures.

NDA Group

Employee benefit obligations

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

	2026	2025
	£m	£m
Benefit obligations	**4,472**	4,286
Fair value of scheme assets	**(5,487)**	(5,299)
Asset in schemes	**(1,015)**	(1,013)
Unrecognised asset under IAS19 para 64b	**4**	3
Receivable from third parties	**(4)**	(4)
Net asset recognised in schemes	**(1,015)**	(1,014)

Statement of Comprehensive Net Expenditure

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

	2026	2025
	£m	£m
Current service cost	**69**	96
Past service cost	**-**	3
Net interest on net defined benefit (DB) assets / liabilities	**(61)**	(33)
Net cost in SOCNE	**8**	66
Actuarial (gain)/loss	**87**	(287)
Movement in unrecognised asset under IAS19 para 64b	**1**	3
Receivable from third parties	**-**	(4)
Actuarial loss / (gain) recognised in OCE	**88**	(288)

Changes in the present value of the defined benefit obligations

The amounts recognised in the Statement of Financial Position are as follows:	**2026**	2025
	£m	£m
Opening defined benefit obligation	**4,286**	4,826
Current service cost	**69**	97
Past service cost	**-**	3
Net interest on scheme liabilities	**237**	224
Employee contributions	**22**	20
Actuarial (gain)/loss	**82**	(660)
Benefits paid	**(224)**	(224)
Closing defined benefit obligation	**4,472**	4,286

Changes in the fair value of the scheme assets are as follows:	**2026**	2025
	£m	£m
Opening fair value of scheme assets	**5,299**	5,500
Interest income on scheme assets	**298**	257
Actuarial loss	**(5)**	(373)
Employer contributions	**97**	119
Employee contributions	**22**	20
Benefits paid	**(224)**	(224)
Closing fair value of scheme assets	**5,487**	5,299

Changes in the value of unrecognised assets under IAS19 para 64b are as follows:	**2026**	2025
	£m	£m
Opening value of unrecognised assets	**3**	-
Movement in unrecognised assets	**1**	3
Closing value of unrecognised assets	**4**	3

Estimated expected employer contributions over the next financial year are as follows:	**2026**	2025
	£m	£m
Contributions including deficit repair payments	**55**	103

The major categories of plan assets as a percentage of total scheme assets are as follows:	**2026**	2025
	%	%
Equities	**20**	22
Property	**10**	11
Index linked gilts	**23**	20
Corporate bonds	**7**	7
Credit investment	**13**	14
LDI Fund	**15**	14
Other growth assets	**9**	10
Cash / other	**3**	2
Total	**100**	100

Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):	**2026**	2025
Discount rate	**5.95% - 6.10%**	5.65% - 5.70%
Future salary increases *	**2.95% - 3.45%**	2.75% - 3.25%
Rate of increase of pensions in payment	**2.95% - 3.30%**	3.10% - 3.15%
Rate of increase of pensions in deferment	**2.95% - 3.35%**	2.75% - 3.20%
Retail Price Inflation	**3.25% - 3.35%**	3.10% - 3.20%
Life expectancy for a male pensioner aged 65 (in years)	**21.7**	21.2
Life expectancy for a male pensioner currently aged 45 from age 65 (in years)	**22.6**	22.2

*For those schemes with members accruing benefits future salary increases for 2026 are assumed to be between 2.95% and 3.20% in the first year, and then between 2.95% and 3.45% thereafter.

Mortality assumption

2026

MNOPF: S4PA YOB tables, 86% weighting for all members, CMI 2025 projections with a long term improvement rate of 1.5% p.a. and a half-life parameter of 1

MNRPF: S3PA YOB tables, 101% weighting for normal health, 110% for pensioners in ill-health and SAPS3 dependant, 114% for female spouses, CMI 2025 projections with a long term improvement rate of 1.5% p.a. and half life parameter of 1

Magnox Electric: 95%(pensioner)/100% (non-pensioner) of the S4PMA/S4PFA_M tables with CMI_2025 projections (H = 1.0, A=0.5) and a long term rate of improvement of 1.0% p.a.

All others: 110% of S4P SAPS base tables and future improvements in line with CMI 2025 projections with a long term improvement rate of 1.25%p.a. and default parameters

2025

MNOPF:S4PA YOB tables, 86% weighting for all members, CMI 2023 projections with a long term improvement rate of 1.5% p.a.

MNRPF: S3PA YOB tables, 101% weighting for normal health, 110% for pensioners in ill-health and SAPS3 dependant, 114% for female spouses, CMI 2023 projections with a long term improvement rate of 1.5% p.a.

Magnox Electric: 100%(pensioner)/105% (non-pensioner) of the S3PMA/S3PFA_M tables with CMI_2023 projections (SK=7.0, A=0.5) and a long term rate of improvement of 1.0% p.a.

All others: 110% S3P SAPS base tables, CMI 2023 projections with a long term trend of 1.25% p.a.

	2026	2025
	£'000	£'000
Experience adjustments on plan liabilities	**(185)**	(4)
Experience adjustments on plan assets	**(5)**	(373)

Sensitivity analysis

Change to	Change in assumption	Impact on DB obligation at 31 March 26	Change in assumption	Impact on DB obligation at 31 March 26
Discount rate	Increase by 0.5%	-6.2%	Decrease by 0.5%	6.9%
Rate of salary increase	Increase by 0.5%	1.5%	Decrease by 0.5%	-1.4%
Rate of price inflation	Increase by 0.5%	6.4%	Decrease by 0.5%	-5.9%
Rate of mortality	Increase by 1 year	2.8%		

Authority

Employee benefit obligations

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

	2026	2025
	£m	£m
Benefit obligations	**89**	90
Fair value of scheme assets	**(110)**	(109)
Net asset recognised in schemes	**(21)**	(19)

Statement of Comprehensive Net Expenditure

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

	2026	2025
	£m	£m
Net interest on net defined benefit assets / liabilities	**(1)**	(1)
Net cost in SOCNE	**(1)**	(1)
Actuarial (gain)/loss	**(1)**	(3)
Actuarial (gain)/loss recognised in OCE	**(1)**	(3)

Changes in the present value of the defined benefit obligations

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

	2026	2025
	£m	£m
Opening defined benefit obligation	**90**	101
Net interest on scheme liabilities	**5**	5
Actuarial (gain)/loss	**(1)**	(12)
Benefits paid	**(5)**	(4)
Closing defined benefit obligation	**89**	90

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

	2026	2025
	£m	£m
Opening fair value of scheme assets	**109**	117
Interest income on scheme assets	**6**	6
Actuarial loss	**-**	(10)
Benefits paid	**(5)**	(4)
Closing fair value of scheme assets	**110**	109

There are no estimated expected employer contributions, or deficit repair payments over the next financial year.

The major categories of plan assets as a percentage of total scheme assets are as follows:

	2026	2025
	%	%
Equities	**12**	15
Property	**3**	4
Index linked gilts	**62**	58
Corporate bonds	**14**	14
Credit investments	**7**	7
Cash	**2**	2
Total	**100**	100

Principal actuarial assumptions at the date of the SOFP (expressed in weighted averages):

	2026	2025
Discount rate	**5.95% - 6.05%**	5.65%
Future salary increases	**0.00%**	0.00%
Rate of increase of pensions in payment	**3.15% - 3.30%**	3.10% - 3.15%
Rate of increase of pensions in deferment	**2.95% - 3.30%**	2.75% - 3.15%
Retail Price Inflation	**3.35% - 3.30%**	3.15% - 3.20%
Life expectancy for a male pensioner aged 65 (in years)	**21.1**	20.7
Life expectancy for a male pensioner currently aged 45 from age 65 (in years)	**22.3**	22.0

Mortality assumption

2026

Nirex and Closed: 110% S4P SAPS CMI2025 projections, 1.25% trend

2025

Nirex and Closed: 110% S3P SAPS CMI2023 projections, 1.25% trend

	2026	2025
	£m	£m
Experience adjustments on plan liabilities	**(1)**	-
Experience adjustments on plan assets	**-**	(10)

Sensitivity Analysis

Change to	Change in assumption	Impact on DB obligation at 31 March 26	Change in assumption	Impact on DB obligation at 31 March 26
Discount rate	Increase by 0.5%	-5.6%	Decrease by 0.5%	6.1%
Rate of salary increase	Increase by 0.5%	0.0%	Decrease by 0.5%	0.0%
Rate of price inflation	Increase by 0.5%	6.2%	Decrease by 0.5%	-5.7%
Rate of mortality	Increase by 1 year	2.9%		

27. Non controlling interests

	2026	2025
NDA Group	**£m**	£m
At 1 April	**2**	3
Change in equity of non-controlling interests during year	**-**	(1)
At 31 March	**2**	2

28. Contingent liabilities

Indemnities

Under the transfer scheme of 1 April 2005, the NDA assumes responsibility for all occurrences relating to the designated nuclear sites that took place up to that date.

a) At 31 March 2026 the NDA held inventories of reprocessed uranic material. These materials are currently held at nil value, due to uncertainty over their future use, which may result in as-yet-unquantified liabilities for the NDA.

b) Whilst not the lead employer, the NDA is the lead organisation and has ultimate responsibility for certain nuclear industry pension schemes, including the Combined Nuclear Pension Plan, the Magnox section of the ESPS, and the GPS Pension Scheme. Provisions for known deficits are included within nuclear provision in periods in which they occur. However, movements in financial markets may adversely impact the actuarial valuations of the schemes, resulting in an increase in scheme deficits and consequent increase in the nuclear provision.

c) In previous reporting periods the Authority maintained a provision for the settlement of health claims payable to former employees in the civil nuclear industry. Claims have reduced to a non-material level in recent years and the future level of remaining claims is expected to be non-material and not able to be accurately forecast. The Authority has therefore discontinued accounting for the provision but recognises the resulting contingent liability.

International Carrier Bond

During 2014/15 the NDA procured a US Bond on behalf of their subsidiary, International Nuclear Services Limited, in order to meet US law in respect of vessels calling at US ports for commercial purposes. This Bond is required to ensure that all duties, taxes and fees owed to the Federal Government are paid. The Bond would therefore only be called on in the case of non-payment of any of the above, and the total cost would not be expected to exceed $100,000.

Advanced Gas-cooled Reactor (AGR) Stations

On 23 June 2021 the NDA, Government and EDF Energy entered into new decommissioning arrangements for seven Advanced Gas-cooled Reactor (AGR) stations in which Government has directed NDA to take on the future ownership of the stations for decommissioning. The work will be undertaken by the NDA subsidiary Nuclear Restoration Services Limited. The NDA will recognise the estimated future liability in its financial statements for each of the stations when the recognition criteria for provisions as per IAS 37 have been met which will be no later than the date that ownership transfers. The NDA therefore recognises a contingent liability for the future decommissioning costs of the stations. This has been estimated by the current owner of the stations at £22 billion (undiscounted) in its most recently published financial statements; of this £2.5 billion relates to the Hunterston B site which transferred on 1 April 2026 (see note 31).

Legislative Changes

Management has identified a potential financial obligation to pay landfill tax arising in connection with certain aspects of the Group’s current and historic waste disposal operations. Whether an obligation exists and, if so, the extent of any such obligation, is contingent on the interpretation and application of changes to relevant legislation. There is significant uncertainty as to whether an obligation was intended to be created or in practice exists.

Based on the information currently available, management consider that the likelihood of an outflow of economic resources is higher than remote, but not probable. Accordingly, the criteria for recognition of a provision under IAS 37 have not been met and the matter has been classified as a contingent liability.

Due to the inherent uncertainties and the current stage of assessment, it is not currently possible to reliably estimate the potential financial effect, given the uncertainty regarding the applicability and scope of the relevant regulations. The matter is subject to ongoing review as further information becomes available.

29. Related parties

Government bodies

The NDA is an Executive non departmental government body. For the reporting period NDA was sponsored by DESNZ, which is regarded as a related party. During the year, the NDA has had various material transactions with the parent body and with other entities for which the parent body is regarded as the responsible department. The NDA receives grant financing from the parent body.

In the course of its normal business the NDA enters into transactions with Government owned banks. In addition, the NDA has a small number of material transactions with other Government departments and other central Government bodies. The detail of these transactions has not been disclosed in accordance with the exemption allowed by IAS 24

Related party transactions

	Sales of services to parent		Purchase of services from parent		Amounts owed by parent		Amounts owed to parent	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m
Sellafield Limited	**(2,783)**	(2,827)	**1**	2	**40**	72	**534**	451
Nuclear Restoration Services Limited	**(762)**	(758)	**1**	4	**5**	7	**115**	137
Nuclear Waste Services Limited	**(209)**	(250)	**1**	2	**-**	1	**47**	38
Direct Rail Services Limited	**(40)**	(41)	**1**	1	**7**	7	**-**	-
International Nuclear Services Limited	**(64)**	(54)	**-**	1	**-**	-	**3**	4
NDA Properties Limited	**(2)**	(1)	**-**	-	**26**	27	**47**	33
Pacific Nuclear Transport Limited	**(1)**	-	**-**	1	**-**	-	**-**	-
NDA Archives Limited	**(6)**	(7)	**2**	2	**33**	34	**3**	2
	(3,867)	(3,938)	**6**	13	**111**	148	**749**	665

Sales of goods to related parties were made at arm's length prices. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Loans to related parties

Amounts owed by Direct Rail Services Limited includes a loan of £7 million which is interest bearing at a fixed percentage above Bank of England base rate. The loan is not repayable until at least 2027. Direct Rail Services Limited also has an interest bearing loan facility whereby funds can be drawn down to meet working capital requirements. Interest is calculated as a fixed percentage above the Bank of England base rate. The value of funds drawn at 31 March 2026 was nil (2025: nil).

Amounts owed by NDA Properties Limited includes a loan which is interest bearing at a fixed rate, repayable in instalments over twenty five years to 2038. At 31 March 2026 the balance owing was £12 million (2025: £13 million).

Key management compensation

Key management includes executive and non-executive directors together with those members of senior management who form part of the Executive Team. The compensation paid or payable to key management for employee services is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual directors is provided in the audited part of the Remuneration Report on pages 91 to 104.

	2026	2025
Authority	**£'000**	£'000
Short-term employee benefits	**3,866**	4,335
Post-employment benefits	**360**	667
Other long-term benefits	**753**	737
	4,979	5,739

30. Comparison of Financial Overview to Statement of Comprehensive Net Estimate

The Authority obtains funding through the UK Government estimates process and reports its performance against these estimates through the budgetary reporting process. The performance of the Authority against the budgets set by the UK Government is presented in the Financial Overview.

There are a number of differences between the income and expenditure reported for budgetary purposes and that reported for statutory accounting purposes and shown in the Authority's Statement of Comprehensive Net Expenditure. These are as follows:

	Total Expenditure £m	Total Income £m	**Authority Net Expenditure £m**
Total per Financial Overview (using Departmental Expenditure Limit definitions)	4,097	(1,014)	**3,083**
Differences between budgetary reporting and statutory accounts:			
Annually Managed Expenditure (a)	2,580	-	**2,580**
Difference in revenue recognition methodologies (b)	-	65	**65**
Accounting for capital acquisitions under IFRS16 Accounting for Leases (c)	(1)	-	**(1)**
Accounting for sales and purchases within Authority budgets (d)	(15)	15	**-**
Totals per Statement of Comprehensive Net Expenditure	**6,661**	**(934)**	**5,727**

(a) Annually Managed Expenditure (AME) comprises non-cash movements including movements in provisions, amortisation, depreciation and revalorisation.

(b) The Authority applies different revenue recognition methodologies for the statutory accounts and budgetary reporting respectively under a derogation from HM Treasury.

(c) Capital acquisitions (including new and renewed leases) are treated as expenditure for budgetary purposes and accounted for as capital additions on the Statement of Financial Position for statutory accounting purposes.

(d) Sales and purchases between certain operating companies are accounted for on a gross basis for budgetary purposes and on a net basis for statutory accounting purposes.

31. Events after the reporting period

On 23 June 2021, the NDA, UK Government and EDF Energy entered into new decommissioning arrangements for seven Advanced Gas-cooled Reactor (AGR) stations in which the UK Government has directed NDA to take on the future ownership of the stations for decommissioning. The work will be undertaken by the NDA subsidiary, Nuclear Restoration Services Limited. The costs of decommissioning are to be met by the Nuclear Liabilities Fund (NLF), which has been set up to secure funding for decommissioning of the AGR stations.

On 1 April 2026, the NDA took ownership of the first AGR station, Hunterston B (see note 28). From this date, the NDA Group will assume the decommissioning liabilities associated with the station. Funding for qualifying decommissioning costs is to be provided through the Nuclear Liabilities Fund in accordance with the AGR Funding Agreement. Based on the current funding framework and the expectation that sufficient NLF assets exist to meet the qualifying Hunterston B liability, the NDA expects to recognise a corresponding asset in respect of reimbursable qualifying costs, subject to the relevant recognition criteria and the scope of the agreement. Based on the audited financial statements of EDF Energy Nuclear Generation Limited, the most recent estimated decommissioning cost of Hunterston B is £2.5 billion (undiscounted).

The funding agreement between NDA Group and the NLF includes commitments for NDA to prepare a detailed decommissioning plan and cost estimate for Hunterston B by March 2028. As NDA's own site-specific estimate is further developed and validated, revisions to current assumptions and cost estimates could be material and will have a direct impact on the nuclear provision and the amounts receivable from the NLF.

The Accounting Officer authorised these Financial Statements on 13 July 2026. The Report of the Comptroller and Auditor General was issued on 15 July 2026 (page 128 to 141).

Performance analysis

The following section provides a summary as to how each of the organisations in the NDA group has performed in 2025/26 against the key activities and milestones set out in our 2025-28 Business Plan. The performance of Urenco Nuclear Stewardship Ltd and Springfields Fuels Ltd is also included due to their role in decommissioning our sites at Capenhurst and Springfields.

The ‘golden thread’ from the NDA’s 47 strategic outcomes to each of these key activities and milestones is also shown.

In addition to the activities set out in the NDA Business Plan, the top tier of targets for the group to achieve in 2025/26 are reflected in our Group Key Targets (GKTs). Progress against these targets is reported to the NDA Board and UK Government on a monthly basis.

NDA Group Key Targets 2025/26

During 2025/26 we had 14 Group Key Targets. These cover group-wide targets and targets specific to our individual businesses.

Status		Number of targets
Completed	Target achieved	10
Missed	Target missed	4

Target	Operating company	Strategic outcomes /enabler	Target description	Year-end status	Commentary
1	Sellafield, NTS	6,9	AGR receipts and dismantling	Completed	
2	SL	19	Special nuclear materials operations	Completed	
3	SL	36,37	Waste Vitrification Plant (WVP) output totals	Completed	
4	SL	31	Silos ILW retrievals and transfer to stores	Missed	25 boxes of waste were retrieved from MSSS therefore this element was achieved at Stretch. 50 boxes of waste were retrieved from PFCS, below the 57 boxes needed for threshold and so this element was missed, meaning the GKT was missed.
5	SL	31	First Generation Magnox Storage Pond ILW retrievals	Missed	17 skips were exported from FGMSP, and no units of sludge were transferred, below the threshold value of 30 units and therefore this GKT was missed.
6	NRS	11,27,28, 30,32,33	Dounreay operational delivery	Completed	
7	NRS	22,30,32, 33	Sites ILW retrievals and transfers into store and nuclear material transports	Completed	
8	SL	18,32,33, 42,43	Basket of major project milestones - % completion on time	Completed	
9	NRS	30, 32, 33, 42, 43	Basket of project milestones - % completion on time	Completed	
10	NWS	5, 10, 15, 20, 25, 34, 39	Major project milestones	Missed	Although the GKT was missed by the strict definition of the target, the intent of the target was achieved.
11	Group-wide	Enabler	Functional excellence	Missed	Part A of the target (reduction in overhead expenditure) was achieved on target. Part B of the target was missed, as functional plans were not submitted.
12	Group-wide	Enabler	Beacon project – group planning capability	Completed	
13	Group-wide	Critical enabler – People	Beacon project - skills	Completed	
14	NDA/ NRS	Enabler	AGR transfers to NDA group	Completed	

Business Plan activities 2025-28

NDA group performance

Status		Scheduled activities
Completed	The activity has been completed during the financial year 2025/26	3
On schedule	The activity is on track to be completed to schedule	186
Behind schedule	The activity is delayed and currently forecast for completion behind schedule	8
Missed	The activity was due for completion during the financial year 2025/26 and has been missed	-
Deferred	Activity deferred due to re-prioritisation and/or reallocation of funding	19

The activities that have been completed, missed or deferred during 2025/26 are as follows:

Key activities	Strategic outcome/ critical enabler	Timescale	Status	Commentary
NDA				
Leverage digital and AI technologies, simplify and optimise HR processes across the group and enhance data and reporting	Critical enabler - people	2025-2028	Completed	
Continue to engage with UK and international bodies and partners to share our learning and knowledge, learn from others, and support development of improved approaches to decommissioning and clean-up	-	2025-2028	Completed	The NDA has stopped Performance Improvement, Asset Management and Continuous Improvement activity within the NDA Centre from 1 April 2026 as a result of our commitment to removal of duplication in activity within the group as part of our wider response to the Spending Review responsibilities. As a consequence, this activity is now being managed by the Operating Companies.
Sellafield -				
Spent fuels Spent Magnox Fuel Continue to retrieve fuels from FGMSP	2	2025-2028	Behind schedule	A loss of mechanical handling capability has significantly impacted fuel skip preparation ready for export. therefore, fuel export has been limited to fuel that can be consolidated using only Remote Operated Vehicles. The priority for 2026/27 is to restore partial mechanical handling capability and recommence fuel skip export whilst the longer-term capability is enabled, supporting the recovery of Key Decommissioning Milestones and programme end dates. Success during 2025/26 was the export of the 1st fuel skip in a Self-Shielded Box to the Interim Storage Facility.

Key activities	Strategic outcome/ critical enabler	Timescale	Status	Commentary
Nuclear Material Plutonium Continue the safe and secure storage of plutonium by developing the capability to repack plutonium in line with UK policy	18, 19	2025-2028	Behind schedule	SRP project analysing impact of passive fire protection, final risk loaded revised dates working through governance. Anticipate P80 to move to approximately Q4 2030/31. SMP Labs OBC approved.
Nuclear Material Uranium Support future decommissioning and commercial plans by implementing plans for consolidated storage and potential transfer / export of Sellafield Uranics	22, 24	2025-2028	Deferred	This is made up of several streams. UO2 Consolidation has been escalated to the NDA. UO3 Customer Exports is subject to future contracts and UO3 store awaiting export schedule.
Integrated Waste Management Intermediate Level Waste Support risk reduction from Legacy Ponds through continued removal of fuel and waste from the facilities	31	2025-2028	Behind Schedule	During 2025/26 FGMSP experienced reduced capability from its crane impacting the rates of fuel and sludge export. Recovery is currently ongoing in line with key target commitments.
Integrated Waste Management Intermediate Level Waste Continue retrievals from Pile Fuel Cladding Silo (PFCS)	31	2025-2028	Behind Schedule	The facility remains in a Lead and Learn operational phase. Strong performance achieved in 2025/26 of 50 boxes, is more than 2.5 times the previous lifetime total. Although marginally short of the Key Target threshold level, it has provided considerable learning to demonstrate future operations, recognising that recovery of the programme end date is required. Focus during 2026/27 is continued learning and capability provision with In Silo Size Reduction (ISSR) installation commencing April 2026.
Integrated Waste Management High Level Waste Continue the programme to repatriate overseas-owned vitrified waste to its country of origin	38	2025-2028	Behind Schedule	Returns programme driven by customers and extends to2031/32.
Site Decommissioning and Remediation. Decommissioning and demolition. Continue Post Operational Clean Out (POCO) activities on key facilities	42	2025-2028	On Schedule	The plan covers a wide range of work including positive progress, but also areas where challenges are being tackled to hold schedule. On schedule represents a balanced view.
Critical Enablers Implementation of an overarching Infrastructure Strategy which supports and enables delivery of the future mission	-	2025-2028	Behind Schedule	An infrastructure services strategic overview and implementation plan has been approved, but challenges remain in delivering the work within the timescale and budgets available.
Critical Enablers Continue to progress the land programme to ensure Sellafield Ltd has the land and property available (and this is optimised appropriately) to deliver the mission	-	2025-2028	On Schedule	The land programme is now closed with work reorganised to enable better optimisation. The site strategy team now controls the agenda with delivery within business areas. The work has

Key activities	Strategic outcome/ critical enabler	Timescale	Status	Commentary
				continued to progress under this revised structure.
Critical Enablers Continue with improvements to the site utilities infrastructure	-	2025-2028	Behind Schedule	Electrical upgrade work is experiencing cost and schedule challenge.
NRS Dounreay				
Site Decommissioning and Remediation. Decommissioning and demolition. PFR - reactor vessel residual sodium treatment facility actively commissioned and handed over to operations**	42	2027-2028	Deferred	This activity has been deferred due to requirement to undertake higher priority activities and the Dounreay sites asset stabilisation programme. The revised target date is 2031-2032.
Site Decommissioning and Remediation. Dedesignate or reuse. Low Level Waste Pits Environmental Safety Case complete**	44	2026-2027	Deferred	Deferred through Business Planning. Revised target date 2032.
NRS Sites				
Berkeley **Site Decommissioning and Remediation.** Decommissioning and demolition. Continue to progress the asbestos and plant removal from the blower houses**	42, 43	2025-2028	Deferred	Blower houses made safe, quiescence now 2029/30.
Dungeness A **Site Decommissioning and Remediation.** Decommissioning and demolition. Commence and progress decommissioning the Active Effluent Treatment facilities**	42	2025-2028	Deferred	Deferred out of Spending Review period.
Harwell **Site Decommissioning and Remediation.** Decommissioning and demolition. Continue preparations for decommissioning of the Radiochemistry Facility (B220)**	42	2025-2028	Deferred	Deferred out of Spending Review period.
Harwell **Site Decommissioning and Remediation.** Decommissioning and demolition. Continue decommissioning, demolition, land remediation and reinstatement**	42, 43, 46	2025-2028	Deferred	Deferred out of Spending Review period.
Harwell **Site Decommissioning and Remediation.** Decommissioning and demolition. Delicensing of the Liquid Effluent Treatment Plant (LETP)	44	2025-2026	Completed	

Key activities	Strategic outcome/ critical enabler	Timescale	Status	Commentary
Harwell **Site Decommissioning and Remediation.** Decommissioning and demolition. Continue preparations for the decommissioning of the British Experimental Pile Zero reactor (BEP0)**	42	2025-2028	Deferred	Deferred out of Spending Review period.
Harwell **Site Decommissioning and Remediation.** Decommissioning and demolition. Continue preparations and planning for the decommissioning of the Active Waste Handling facility (B459)**	42	2026-2028	Deferred	Deferred out of Spending Review period.
Trawsfynydd **Integrated Waste Management** Intermediate Level Waste Continue and complete activities to retrieve, treat and store ILW	30, 32, 33	2025-2026	Completed	
Winfrith **Site Decommissioning and Remediation.** Decommissioning and demolition. Commence and progress the removal of the discharge pipelines	42	2025-2028	Deferred	Deferred out of Spending Review period.
NWS - all 13 key activities are on schedule				
NTS - all 11 key activities are on schedule				
Springfields				
Continue decommissioning of the Magnox Island	41, 42, 43, 47	2025-2027	Behind Schedule	Decommissioning has been delayed due to additional building and waste characterisation activities that are necessary to meet regulatory requirements. Springfields Fuels Ltd has re-baselined the programme accordingly – completion forecast by end of 2027/28.
Capenhurst – both key activities are on schedule				
NDA Archives – all five key activities are on schedule				
NDA Properties - all four key activities are on schedule				
Rutherford Indemnity - all four key activities are on schedule				
Energus - all five key activities are on schedule				

**The timing and pace of this activity may be impacted by the outcome of Spending Review 2025 and as such it is subject to change

David Peattie FREng FNucl
Group Chief Executive Officer and
Accounting Officer

13 July 2026

Glossary and abbreviations

AGR	Advanced Gas-cooled Reactor
AI	Artificial Intelligence
AO	Accounting Officer
ARAC	Audit, Risk and Assurance Committee
CEO	Group Chief Executive Officer
CFO	Group Chief Financial Officer
D&I	Diversity and Inclusion
DESNZ	Department for Energy Security and Net Zero
FReM	Government Financial Reporting Manual
FRC	Financial Reporting Council
GDF	Geological Disposal Facility
GExCo	Group Executive Committee
GHG	Greenhouse Gas
GIC	Group Investment Committee
GSR	Group Strategic Risks
GSRTT	Group Strategic Risk Tier Two
HALEU	High-Assay Low-Enriched Uranium
HLW	High Level Waste
HSSSE	Health, Safety, Security, Sustainability and Environment Committee
IAS	International Accounting Standards
ICT	Information Communications Technology
IFRS	International Financial Reporting Standards
ILW	Intermediate Level Waste
INES	International Nuclear and Radiological Event Scale
IWM	Integrated Waste Management
LLW	Low Level Waste
LLWR	Low Level Waste Repository
LTIP	Long-Term Incentive Plan
MAVE	Mutually Agreed Voluntary Exit
MOD	Ministry of Defence
NAO	National Audit Office
NDA	Nuclear Decommissioning Authority
NGO	Non-Governmental Organisation
NDPB	Non-Departmental Public Body
NOMCO	Nominations Committee
NRS	Nuclear Restoration Services
NTS	Nuclear Transport Solutions
NWS	Nuclear Waste Services
ONR	Office for Nuclear Regulation
P&PCo	Programmes and Projects Committee
PID	Probability-Impact Diagram
PNTL	Pacific Nuclear Transport Ltd
REMCO	Remuneration Committee
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
SDG	Sustainable Development Goal
SIRO	Senior Information Risk Owner
SLC	Site Licence Company
SME	Small and Medium-sized Enterprises
SR25	Spending Review 2025
SSG	Site Stakeholder Group
STIP	Short-Term Incentive Plan
TCFD	Task Force on Climate-related Financial Disclosures
THORP	Thermal Oxide Reprocessing Plant
TRIR	Total Recordable Incident Rate
UKGI	UK Government Investments

Care and maintenance	When a Magnox reactor site is kept in a state of Care and Maintenance, it is made safe for a planned period of quiescence, after which decommissioning activities will commence.
End state	Condition of a nuclear site (including the land, structures and infrastructure) following completion of decommissioning and clean-up activities, and any controls to be applied during its subsequent use.
Interim state	An interim state describes the condition of a site or facility (including land) at specific points en-route to the site end state. It is a natural milestone or decision point in the decommissioning and remediation programme that typically represents a significant reduction in risk or hazard. An interim state does not automatically infer a period of quiescence; it can be followed by continuous or deferred decommissioning.
Interim end state	An interim end state is a specific type of interim state. It marks the end of all physical works. No more active remediation will take place to achieve the site end state, i.e. further remediation will be passive for example as a consequence of radioactive decay or natural attenuation of contamination.
NDA authority	This is used to describe the Executive non-departmental Public Body created under the Energy Act and the performance of which is reported in this document.
NDA estate	The businesses that support the NDA mission – Sellafield, NRS, NWS, NTS, NDA Archives, NDA Properties, Rutherford Indemnity, Energus, Springfield's Fuels Ltd and URENCO Nuclear Stewardship Ltd.
NDA group	This is the group of businesses included in the statutory accounts. These are NDA, Sellafield, NRS, NTS, NWS, NDA Archives, NDA Properties and Rutherford Indemnity.
One NDA	A way of working more effectively and efficiently to maximise the opportunities within the group of businesses.

Useful links and documents

- Nuclear Decommissioning Authority
(www.gov.uk/nda)
- Department for Energy Security and Net Zero
(www.gov.uk/government/organisations/department-for-energy-security-and-net-zero)
- Sellafield Ltd
(www.gov.uk/government/organisations/sellafield-ltd)
- Nuclear Restoration Services
(www.gov.uk/government/organisations/nuclear-restoration-services)
- Nuclear Waste Services
(https://www.gov.uk/government/organisations/nuclear-waste-services)
- Nuclear Transport Solutions
(https://nucleartransportsolutions.com/)
- Capenhurst Nuclear Services Ltd
(https://www.urenco.com/)
- Springfields Fuels Ltd
(https://www.westinghousenuclear.com/)

- The NDA group Strategy - effective from March 2026
(https://www.gov.uk/government/publications/the-nda-group-strategy-effective-from-march-2026)
- NDA Mission Progress Report 2025
(https://www.gov.uk/government/publications/the-nuclear-decommissioning-authority-mission-progress-report-2025)
- NDA Business Plan 2026 to 2029
https://www.gov.uk/government/publications/nuclear-decommissioning-authority-group-business-plan-2026-to-2029
- The NDA group sustainability report 2024
(https://www.gov.uk/government/publications/nda-group-sustainability-report-2024)
- The NDA group Sustainability Strategy 2022
(https://www.gov.uk/government/publications/the-nda-group-sustainability-strategy-2022)
- The NDA group gender pay gap report 2024 to 2025
https://www.gov.uk/government/publications/the-nda-group-gender-pay-gap-report-2024-to-2025
- NDA: Register of Board Members' Interests
https://www.gov.uk/government/publications/nda-register-of-board-members-interests
- NDA socio-economic report 2024 to 2025
(https://www.gov.uk/government/publications/nda-socio-economic-report-2024-to-2025)

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