Sellafield Limited

Annual Report and Financial Statements

For the year ended 31 March 2026

Company registration number 01002607

Company information

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Directors

(In office at date of this report)

Mr C Train
(Chair)

Mr E Hutton
(Chief Executive Officer)

Mr D G Vineall
(Shareholder Appointed Director)

Mrs A D Rodwell
(Independent Non-Executive Director)

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

Sir S Lister
(Independent Non-Executive Director)

Mr P Vallance
(Shareholder Appointed Director)

Ms J Hodges
(Independent Non-Executive Director)

Mr C Jaouen
(Independent Non-Executive Director)

Mrs S McMillan (Campbell)
(Independent Non-Executive Director)

Mrs N J O'Keeffe
(Chief Financial Officer)

Secretary
Miss K Smith

Auditors
National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Bankers
National Westminster Bank plc
3rd Floor
250 Bishopsgate
London
EC2M 4AA

Registered office
Hinton House
Risley
Warrington
Cheshire
WA3 6GR
Company number 01002607

The full listing of directors who held office during the year and to date of this report is included in the Directors Report (page 19).

Strategic report

The directors present their strategic report for the year ended 31 March 2026.

Principal activities and future developments

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

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

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

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

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

Sellafield is a strategically important national asset that has been providing a sovereign capability to the UK for more than 80 years.

Operating within the framework of the Nuclear Decommissioning Authority's (NDA) Strategy, the company is focused on achieving high hazard risk reduction and ensuring the environmental clean-up of the Sellafield site.

Its historic contributions include supporting the UK's nuclear deterrent, pioneering civil nuclear power generation and delivering major fuel reprocessing programmes.

Today, the company plays a central role in delivering the UK's national safety, security and energy objectives. Through the safe operation, management and decommissioning of the Sellafield site, it addresses complex nuclear, engineering and infrastructure challenges, ensuring that public funding is applied to reduce hazard, manage risk and deliver long-term value for the UK taxpayer.

The company is the UK's only site capable of managing the full range of nuclear waste types and is the custodian of the nation's largest stockpile of nuclear materials. The recent UK government policy decision to immobilise the UK's inventory of civil separated plutonium at Sellafield is a new phase for the site providing potential opportunities to support this programme further and deliver long-term benefits for the UK.

Delivering the end state for the Sellafield site will take significant time and cost. A strategic focus for the company is to provide value from this commitment of local and national effort, but it is also a broader opportunity: to be available to the UK to support any future mission.

The company's Corporate Strategy outlines how it will achieve its purpose to create a clean, safe and secure environment for future generations.

Review of the business

During the financial year 2025 to 2026, the company incurred operating costs of £2,776 million (2024/25: £2,825 million). These costs are fully recoverable from the NDA and represents the operational costs of the Sellafield site including expenditure on:

- the environmental clean-up of the UK's most complex and hazardous nuclear site
- the decommissioning of nuclear facilities
- the receipt and storage of spent nuclear fuel
- the secure management of the UK's special nuclear materials
- the delivery of capital projects aligned with mission objectives
- asset care and maintenance
- the treatment and disposal of low, intermediate, and high-level radioactive waste.

During 2025/26 the company made progress in meeting its targets and milestones set by the NDA, including high hazard reduction, nuclear operations, and safe, secure, sustainable site stewardship.

Progress in 2025/26
The following sections outline the progress the company made under each of its strategic themes: safe, secure, sustainable site stewardship; progress at pace; and lifetime value for money.

Safe, secure, sustainable site stewardship
The company is responsible for the safety and security of the largest nuclear site in Europe and the largest inventory of nuclear materials. Maintaining this responsibility underpins its licence to operate. Examples from 2025/26 include:

- Exceeded stretch targets by delivering one of the highest vitrification throughput rates in recent years, reducing risk by converting waste into a stable solid form.
- Successfully transitioning from an Upper Tier Control of Major Accident Hazards (COMAH) site to Lower Tier, through sustained and proactive work.
- Strengthening the site's infrastructure, including upgrading the electrical distribution network.
- Continuing to act as custodian for the safe, secure storage of the UK's stockpile of special nuclear material.
- Continuing support for the UK's continuous at sea deterrent programme.

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

Progress at pace
Throughout the financial year, the company continued to make strong progress in delivering its mission. This included:

- Progressed retrieval operations across the highest hazard facilities at Sellafield, the legacy ponds and silos and removed 70 tonnes of waste from the Magnox Swarf Storage Silo, supporting the site's hazard reduction mission.
- Continued support for national energy security through the AGR Operational Programme (AGROP). This sees the company receiving and safely storing used nuclear fuel from EDF reactors.
- Completing a significant construction milestone on the Sellafield Product and Residue Store Retreatment Plant, achieving readiness for internal fit out. This progress reinforces the company's role in delivering national policy, aligned with the Government's recent decision on plutonium disposition.
- Treated the first can of plutonium residue for disposal, turning Government policy on plutonium disposition into delivery within twelve months.

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

Lifetime value for money
The company continued to invest in its people, building its early careers capability and delivering social value. Key achievements included:

- Increasing efficiencies across the enabling functions by making appropriate organisational changes, streamlining overheads, reducing duplication and simplifying processes, with resources redirected to essential frontline decommissioning and risk reduction.
- Recruiting 72 graduates, and 215 apprentices across a range of vocational and degree disciplines.
- Continuing to grow and evolve employee led support networks and providing training for Mental Health First Aiders, Domestic Abuse Contacts, the use of Assistive Technology and other support initiatives that enable people to thrive at work and perform at their best.
- Through the Social Impact Multiplied (SiX) programme and wider strategy, Sellafield Limited invested £10 million (2024/25: £9.5 million), delivering social value through a range of initiatives. Key investments included:
    - Transforming a previously derelict Grade II-listed building into a state-of-the-art centre, LEVELS Digital and Gaming Hub. The facility provides access to cutting-edge technology, helping people develop digital skills, raise aspirations and access future employment opportunities.
    - Through multi-year and small community grant programmes, the company continues to strengthen community resilience by supporting organisations including the Carnegie Theatre Trust, Allerdale Disability Association, Millom Network Centre and Maryport Horizons CIC.

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

The company continued to invest in innovation including robotics, remotely operated vehicles and unmanned aerial vehicles, to support the clean-up of legacy facilities. These technologies reduce risk, accelerate delivery, and remove manual handling hazards. This included:

- Deployment of a robotic arm within an active nuclear glovebox, an operational first, representing advancement in technical capability and hazard reduction.
- Introduction of remote video access to previously inaccessible locations.
- Successful completion of the initial trial of a specially designed, patent-pending contamination swabbing tool, mounted on a quadruped robot.
- Signing a memorandum of cooperation with the Fukushima Institute for Research, Education and Innovation to collaborate on robotics and artificial intelligence research.

Safety performance

During 2024/25, the company implemented a safety improvement plan to strengthen conventional and radiological safety performance. The programme is now delivering measurable improvements across key areas, including risk profiling, safety baseline standards, task risk assessment, work management arrangements, radiological risk assessment, and enhanced governance.

Alongside these initiatives, the company has increased its focus on hazard identification and elimination, promoting greater workforce engagement in proactive safety management. These improvements, combined with reductions in injury rates, support the company's objective of demonstrating to the Office for Nuclear Regulation (ONR) that enhanced regulatory attention for conventional safety is no longer required.

During 2025/26, a series of company-wide Safety Pause events enabled employees to step away from routine activities and engage in structured discussions on safety-related topics. These sessions reinforced personal accountability for safety and focused on health and wellbeing, encouraged the sharing of learning and good practice, and identified opportunities for further improvement across the organisation.

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

International Nuclear and Radiological Event Scale (INES)

There were four International Nuclear and Radiological Events during 2025/26. Three rated as Level 1, with no harm occurring; one associated to a can movement during operations, the second during a statutory inspection of a crane, and the third a package transportation issue. The fourth, was rated Level 2 after an individual returned a positive annual biological sample and relates to a dose in excess of 10% of the UK's Ionising Radiations Regulations 2017 (IRR17) dose limit.

Nuclear safety

There were two Nuclear Safety site incident reports raised during 2025/26. One related to a can movement during operations (see INES event above), another related to the Office for Nuclear Regulation issuing an enforcement letter seeking improvement against Minimum Safe Staffing Levels.

No harm occurred from these events.

Radiological safety

During 2025/26, four Radiological Safety Site Incident Reports were raised. Two were attributable to administrative shortfalls in radiological arrangements: the failure to register two X-ray units on the Sellafield Radiation Generators Database, and a Classified Person working in a controlled area with a lapsed Classified Medical. The third incident was related to transportation of a radioactive package.

No harm occurred from three of these events.

The fourth incident involved an individual receiving a radiological dose in excess of 10% of the IRR17 dose limit (see INES events above).

Environmental safety

There was one Environmental Safety site incident report in 2025/26 in connection with a potential Environmental permit breach relating to enhanced filter changes at the Wastwater Pumphouse.

Conventional safety

At the heart of the company's conventional safety work is a desire that everyone who comes to work at Sellafield Limited goes home safely at the end of every day or shift. Lost Time Accident (LTA) and Total Recordable Injuries (TRI) rates achieved were the lowest since 2017. Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR) was the lowest achieved since 2013 (excluding 2020 COVID). The accidents reported in 2025/26 are related to slips, trips and falls, as well as working at height, and manual handling. The company is driving improvements to conventional safety through the safety improvement plan and encouraging greater hazard awareness and hazard removal across the workforce.

Security

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

In November 2025, following significant progress, the Office for Nuclear Regulation announced it had reduced its level of regulatory attention relating to the company's cyber security arrangements from Significantly Enhanced to Enhanced.

For supporting data and charts relating to the company's safety performance during 2025/26, please refer to Appendix 2.

Resources

Employees

In 2025/26 the company employed an average of 11,817 employees (2024/25: 11,653).

Professional standards for capability and development are established by a network of enterprise leaders and heads of profession, who support their respective business areas. Resource development and deployment are managed through these functions in conjunction with line managers. The company manages its workforce in line with an established staffing baseline, with any variations carefully assessed and validated to support business continuity.

To support the 2025 Spending Review obligation to improve operational efficiency and maximise funding for frontline decommissioning and hazard reduction, the company implemented a phased programme of Mutually Agreed Voluntary Exit (MAVE) schemes. These were targeted primarily at enabling functions and support roles, helping to streamline the organisation and release resources to priority activities.

Values and expectations

The Board sets expectations for corporate and individual behaviour through its policies, including those on fraud prevention anti-bribery and corruption, conduct and compliance, and Speak-Up. Supporting these, the company has a range of frameworks to define and reinforce expected behaviours:

- The Nuclear Professionalism Standards and Expectations are aligned with the World Association of Nuclear Operators (WANO) standards. These show what the company expects from people to help build a healthy nuclear safety culture at Sellafield.
- The company continues to reduce hazard and risk through the implementation of Golden Rules - four simple steps for everyone to take and help eliminate preventable incidents.
- The Code of Responsible Business Conduct sets out the minimum standards expected of employees and is underpinned by detailed arrangements for the declaration of any conflicts of interest or the receipt of gifts or hospitality. It also includes arrangements for raising concerns and ensuring they are properly recorded, considered and addressed.
- The company's manifesto developed in 2020, described how individuals are expected to treat one another. During 2025/26, this was further developed into a set of organisational values to help sharpen focus on high-performance. These values have been co-created with the workforce and will be rolled out across the business during 2026/27.

Inclusion and wellbeing

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

During 2025/26 the company made significant progress on a broad range of initiatives, including events, campaigns, and training designed to strengthen a culture of respect and inclusion.

A key focus has been on empowering the workforce and fostering an environment that enables colleagues to bring their whole selves to work and feel respected, included for who they are, and what they contribute.

The company's successful employee-led support networks and groups continue to be a key part of this. Employee-led support networks come from the workforce, bringing their areas of concern to the attention of the business, raising awareness and understanding of critical topics and helping to drive and embed changes that are needed.

They also provide a high-level of peer support to their members, which has wide-reaching positive impacts. One of the key aspects of those networks and groups is how they are structured; employee-led, supported by the People Function, and sponsored by senior leaders.

Approximately 1,500 employees are now actively involved in at least one network or peer support group.

In 2025/26 the company strengthened its commitment to eradicating domestic abuse by signing up to the Employers' Initiative on Domestic Abuse. This is a promise to ensuring a supportive environment for those affected by domestic abuse, aligned with national best practice.

Land

The nature of the Sellafield mission requires the ongoing construction of new waste treatment, storage facilities and supporting infrastructure to reduce hazard and risk in legacy facilities and enable decommissioning. However, the nuclear licensed site is highly congested, with increasing constraints on available land.

Recognising land as a critical, but finite, enterprise asset, the company has developed a strong spatial planning capability to ensure land use is strategically optimised and prioritised. This minimises construction complexity while safeguarding the space required for hazard reduction and decommissioning.

The spatial management plan, underpinned by clear land-use assumptions and development principles, provides the framework for how the company manages and allocates the use of both on and off-site land. Independently assured, the spatial management plan supports informed decision-making and ensures the company can respond flexibly to evolving mission requirements, including accommodating new strategic programmes such as plutonium immobilisation where required.

Supply Chain

The company's supply chain plays an integral role in the delivery of its mission, accounting for almost two thirds of its annual expenditure.

The company works with a network of approximately 900 organisations directly, alongside many more operating across the wider supply chain. It is therefore essential that the company acts as an intelligent client, implements effective commercial strategies, and develops and sustains strong relationships that attract a diverse and capable supply chain, ensuring sufficient capability and capacity, maintaining resilience, and delivering value for money.

The company maintains long term alliance and partnership contracts, building on learning from existing supply chain arrangements and wider industry best practice, while continuing to drive continuous improvement and deliver measurable benefits.

During 2025/26, significant progress was made in transitioning from existing large scale supply chain partnerships to new contractual arrangements, following the award of approximately £7.5 billion of procurements. This transition has reduced delivery risk across the organisation. The company remains focused on safely and effectively exiting legacy contracts while mobilising new arrangements in a controlled and efficient manner. The company has also implemented processes to ensure compliance with the requirements of the Procurement Act 2023 supporting greater transparency, competition and integrity in public procurement and to maximise the associated benefits.

The company continues to apply its three-pillar approach (social, economic, and environmental) as part of driving sustainability and social value through its supply chain. These principles are embedded within procurement processes, including tender evaluation and contract performance management, helping to maximise the wider benefits generated through the company's activities.

Examples of social value delivered during the year include:

- **Care Experienced Programme –** Through the Decommissioning Alliance (TDA) and Mitie, care-experienced young people have been supported through development programmes and apprenticeship opportunities. The programme has already delivered tangible outcomes, with TDA employing one participant who is due to begin an apprenticeship during 2026/27.
- **Programme and Project Partners Social Impact Fund** – more than £0.04 million was distributed across West Cumbria to support education, skills and training initiatives that raise aspirations, improve employability and help remove barriers to employment.
- **Chapter One online reading programme** - Employees from across the company's supply chain have delivered weekly one-to-one online reading sessions to 355 children across West Cumbria, helping to improve literacy skills and reading confidence. During the year, the programme was also expanded into Warrington schools through partnerships with Amentum, Mott Macdonald, Cavendish Nuclear and AXIOM Joint Venture.

In 2025/26, 36% of total supply chain expenditure was with small and medium-sized enterprises (SMEs), both directly and indirectly, equating to a spend of approximately £620 million.

Non-Financial and sustainability information statement

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

Sustainability

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

The company has invested in and partnered with local communities to support projects that prioritise our Social Impact programme.

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

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

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

Further details on 2025/26 carbon emissions can be found on page 28.

Climate-related financial disclosures

In compiling this section of the annual report, the company has considered the mandatory climate-related financial disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (the 'Regulations'). The company considers climate change to be a principal risk.

Governance

The company has a formal governance structure for climate resilience. Board oversight is provided by the Environment, Health Safety and Security Committee, which meets three times a year and considers all the principal risks at each meeting. Strategic decisions related to climate resilience are managed through the Enterprise Development Committee, a subcommittee of the Executive Committee which meets monthly, considering climate-related matters as required. An executive-sponsored steering group has been established which includes external experts to provide support and challenge which meets twice a year solely on climate-related matters. The company is actively sharing learning across the NDA group and continues to seek opportunities to share and learn from other organisations.

Strategy

The company has a family of climate-related risks and opportunities, with a principal risk to aggregate the totality. Risks have a varying impact across different time-ranges. The company has collaborated with the NDA group on work to develop climate scenarios, the next step of which is to determine the best use of this work to inform climate resilience and adaptation at Sellafield Limited. These scenarios are discussed further below.

The company is continuing to refine and further underpin its climate related risks and opportunities as part of the established risk process, which includes consideration of operational, strategic and financial impacts. These are summarised below. The company's approach for risk mitigation is an 'adaptation strategy', a structured, iterative decision-making process used to manage complex systems under high uncertainty.

Risk management

Climate-related risks and opportunities are identified and owned throughout the enterprise. In accordance with the company's standard enterprise risk management processes, reviews are undertaken quarterly with climate-related risk owners to identify and develop integrated response plans and to address causes and consequences to the business. Regular updates on principal climate risk are provided to the Executive and Board. Climate-related risks are recorded and managed within the company's enterprise risk management database. Risks are scored on the basis of impact and likelihood, consistent with other risks tracked by the enterprise risk management process, and progress of risk mitigation actions tracked.

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

Risks and timeframes

ACUTE RISK	RATING	TIMEFRAME*
Threat of more frequent and severe site flooding	HIGH	Short - Long
Threat of more frequent and severe periods of drought	HIGH	Short - Long
Severe rainfall may impact active effluent systems	HIGH	Short - Long
Potential for future scenarios of extreme cold	MEDIUM	Short - Long
Increasing frequency and severity of extreme weather events may increase the threat of disruption to transport links	MEDIUM	Short - Long
Extreme weather may threaten the resilience of key on-site utilities and services	LOW	Short - Long
Increased threat of regional wildfires may result in operational disruption.	LOW	Short - Long
Threat of increased challenge to safety case due to climate change events	LOW	Short - Long
Extreme high temperatures of greater frequency, duration, and intensity may increase the threat that conditions on site will be intolerable for work	LOW	Short - Long

Extreme weather and the loss of transport options may create a risk of being unable to meet the needs of future site boundary changes	LOW	Short - Long
Periods of extreme high temperatures may disrupt on-site utilities	LOW	Short - Long
Severe rainfall may impact non-active effluent systems	VERY LOW	Short - Long
TRANSITIONAL RISK		
Risk that continued utilisation of assets is no longer viable or sub-optimal	HIGH	Short - Long
Reporting obligations and limiting use of products and services	HIGH	Short - Long
Scarcity of materials and resources	MEDIUM	Short - Long
Asset replacement decisions	LOW	Short - Long
OPPORTUNITY		
Opportunity for investment in carbon reduction to improve enterprise-wide energy efficiency, reduce environmental impacts, improve resilience, and make significant long-term cost savings / cost avoidances.	HIGH	Short - Long

* Assessed over the lifetime of the site. For the purposes of this report, short-term is for the duration of the 5-year Delivery Plan, and long-term is beyond 5 years and up to the remaining duration of the site mission. The current end date for the mission is 2145.

Impacts

Sellafield Limited's core mission is to remediate the Sellafield site, and safely and securely manage the radioactive material and waste stored there until its final disposal in a Geological Disposal Facility (GDF). The company's large radioactive inventory needs to be prepared for final storage and there are many legacy facilities that need to be decommissioned. It has a key role in managing national assets and liabilities, including spent fuel from Magnox and Advanced Gas-Cooled Reactor (AGR) sites.

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

The assessments of the risks carried out to date have been undertaken on a qualitative basis. While the hazards due to climate change are projected to increase over the next 100 years, over the same period, the overall site risks are due to reduce through the overarching site mission of high hazard risk reduction.

The analysis of the resilience of the company's business model and strategy to climate related scenarios is explicitly part of the risk identification, scoring and review process undertaken by the company which considers whether exposure to a given risk impacts a part of the site or business (e.g. effluents systems or roads), the consequences take account of the different aspects of those elements of the business, including strategic and operational impacts. This is different to the storyline, time-horizon approach taken by the NDA (see below), but has the advantage of allowing comparison across all risks within Sellafield Limited as the same scoring approach is taken across the risk register.

The forecasting of risk impact is further complicated by the complex asset management requirements of ageing infrastructure prior to decommissioning, hence the refinement of the company's climate risk profiles to include specific time periodicity for climate risks will necessarily be commensurately complex. The company has worked with the NDA group to create appropriate group-level scenarios to allow it to carry out more refined scenario-based assessments for the 2°C and 4°C world for a limited number of physical and transitional risks. For the physical risks, the Sellafield site scores highly compared to other sites within the NDA estate, as it receives the vast majority of the NDA funding, which means it has the highest financial exposure. The details are below, with the next step being to integrate the associated scenario timelines into the assessment of the more specific Sellafield risks.

The analysis focuses on eight risks:

- Four priority physical hazards: Extreme high temperature / heatwaves (acute), extreme precipitation (acute), change in average precipitation (chronic), sea level rise (chronic). These are assessed at a site level.
- Four priority transition risks identified as most material to NDA operations and finances, and are not broken down to a site level:
    - Energy market prices and volatility: High and / or volatile energy prices increase the risk that the NDA group has insufficient operating capital to deliver its mission as planned.
    - Inability to recruit and retain SQEP: As a result of the transition, the NDA group may be unable to recruit and retain suitably qualified and experienced people (SQEP) to deliver its mission.
    - NDA funding: Risk that the global transition to a low-carbon economy could weaken UK economic growth, reducing government revenues and limiting the ability to adequately fund group activities.
    - Supply chain disruption and green premiums: Supply chain disruption and green premiums driven by resource scarcity, long procurement timelines, and high competition could delay decommissioning and inflate costs.

It considers two bespoke climate scenarios and three time horizons: 2030s (short term), 2050s (medium term) and 2080s (long term). The scenarios considered are:

- Green Horizon – broadly aligned with a 2°C world, with stronger policy, stable regulation and proactive adaptation.
- Critical Collapse – broadly aligned with a 4°C world, with weaker governance, constrained funding and more severe climate impacts, including the passing of a tipping point that leads to extreme future sea level rise.

The scope of analysis is limited to current NDA group sites and operations. No allowance is made for future sites, major changes in remit, or future adaptation measures beyond those embedded in the scenario narratives.

Metrics and targets

The company is investigating data available from the Meteorological Office to more fully understand the regional impacts of climate change. To date, no targets or metrics have been defined by the company for specific climate change adaptations. However, our primary means of managing climate risk is the decommissioning and remediation of the site and safe stewardship of the waste and spent fuel we hold.

While climate change is not the motivator for this focus there are a number of NDA group key targets (available in the NDA Annual Report and Accounts) and Sellafield-specific in-year key targets (not published) and longer-term strategic milestones (again set by NDA and available in their published Business Plan) which address progress against reducing the hazard. Put simply; in focusing on reducing the hazards, we reduce our exposure to climate change. This does not mean we will not be monitoring performance against more specific climate adaptations in the future, rather we recognise that as a complex site we are balancing multiple risks, of which climate is one. Where those risks involve the radiological material we manage, placing it in as safe and secure state as possible reduces multiple types of risk.

To realise the climate-related opportunity to improve resilience by investing in carbon reduction, an ambitious target was set in the Sellafield Ltd Carbon Management Plan to reduce Scope 1 and 2 carbon emissions by 90% by 2050 against a 2018/19 Base Year of 319,484 tonnes CO_2e. Reductions in Scope 1 and 2 carbon emissions are currently c. 50% against Base Year, which is contributing to the NDA group aim to achieve carbon net zero by 2050 and aligned to UK Government climate goals. Confidence in reported carbon emissions (quantified in-line with the Greenhouse Gas Reporting Protocol and ISO 14064-1:2018) is obtained through independent verification to a reasonable level of assurance in accordance with ISO 14064-3:2019.

Further information on current reporting year carbon emissions and how energy efficiency is contributing to this target is provided in the summary of performance in the streamlined energy and carbon reporting on page 28.

Financial review

Key financial performance indicators

	2025	2024	Change %
	£m	£m	
Operating Costs	(2,776)	(2,825)	- 1.7%
Profit after Interest & Tax	-	-	0%
	Number	Number	
Average Number of Employees	11,817	11,653	+ 1.4%

During the year the company incurred operating costs of £2,776 million (2023/24: £2,825 million). The company must control its expenditure within funding levels agreed with NDA and operate the Sellafield site safely and securely whilst meeting targets and milestones agreed with its owner, the NDA. Management and employee incentivisation schemes are also linked to the achievement of those targets.

In 2025/26, the company spent 99% of the funds available from the NDA (2024/25: 100%). Operating profit before depreciation and interest was £7 million (2024/25: £4 million).

The result for the year, after interest and taxation, amounted to £nil (2024/25: £nil).

The company's operating costs of £2,776 million (2024/25: £2,825 million) included spend of £952 million on portfolios (including retrieval of nuclear waste and decommissioning nuclear facilities; receiving and storing used nuclear fuel; managing special nuclear materials) and spend of £651 million on delivering major capital projects to NDA. The operating costs of £2,776 million included donations in relation to socio-economic expenditure of £10 million (2024/25: £9.5 million), as agreed with the NDA.

For more information on financial performance, please refer to the financial statements from page 35.

Resources

During the year, the company employed an average of 11,817 employees (2024/25: 11,653), including executive directors. This incurred a total cost of £1,030 million (2024/25: £952 million) after taxes and pension costs. The company's operations on the Sellafield site involve a significant number of supply chain and agency workers. During the year, there was an average of 275 agency staff (2024/25: 350). For more information on the company's work with the supply chain, see page 8.

At 31 March 2026 the Sellafield Section and GPS SLC Section of the Combined Nuclear Pension Plan (CNPP), both of which are defined benefit pension schemes, had an actuarial surplus.

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

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

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

Employer cash contributions are recognised within operating costs and are reimbursed by the NDA under the Interface Agreement. The company accounts for the defined benefit sections of the CNPP in accordance with IAS 19. Consistent with the company's obligation to surrender any recognised pension surplus to the NDA, movements in the defined benefit surplus are offset by corresponding movements in the related obligation to the NDA. Consequently, the net impact of the pension arrangements recognised in profit or loss reflects the cash contributions payable by the company to the pension schemes.

Research and development

The company is tackling unique challenges at Sellafield. In 2025/26 it invested £71 million on research and development (R&D) (2024/25: £89 million). Most of the R&D was directed at directly supporting the clean-up of legacy facilities, waste management facilities and the infrastructure of the site.

Section 172 Statement

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

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

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

a) **the likely consequences of any decisions in the long-term:** the directors understand the business and the environment in which the company operates. Consideration is given to using the funding received to achieve the NDA Strategy in the most efficient and effective manner. The nature of the business requires consideration of the long-term impacts that decisions would have on the clean-up and decommissioning of the nuclear legacy at the Sellafield site. See page 5 for a summary of decisions and progress made in the year.

b) **the interests of the company's employees:** the directors recognise that employees are fundamental and key to mission delivery and creating and maintaining a safe working environment is essential. As detailed on page 27, an employee engagement survey was conducted during the year to consider the interests of its employees.

c) **the need to foster the company's business relationships with suppliers, customers and others:** delivering the company's mission requires effective working relationships with its supply chain, parent and owner, regulators and the government. For more information, please refer to page 8.

d) **the impact of the company's operations on the community and the environment:** the company has long-standing and extensive engagement with the communities around the Sellafield site and Warrington area, including the West Cumbria Sites Stakeholder Group (WCSSG) members of which include local government and community groups, regulators and unions. There are four main meetings per year and up to an additional twenty working group meetings per year which are open to the public and held in freely accessible locations. The company takes its environmental responsibilities very seriously. Please refer to page 6 for further details of the company's environmental performance.

e) **the desirability of the company maintaining a reputation for high standards of business conduct:** the directors routinely review and approve policies and standards which ensure the maintenance of high standards within the company. The company has adopted a Code of Responsible Business Conduct which outlines the standards of behaviour and integrity expected to be observed by everyone working at the company or alongside the company. The Board is informed and monitors compliance to ensure the company always acts and promotes high standards of business conduct.

f) **the need to act fairly as between members of the company:** the company is licensed under the Nuclear Installations Act 1965 and is the holder of the Nuclear Site Licence for the Sellafield site. The company is the legal entity responsible for this site, which is owned by the NDA. The company as the site licence holder, through its Board, is directly accountable to the relevant regulators for compliance with the conditions of the nuclear site licence, environmental permits for radioactive waste management and with all other applicable law and regulatory requirements, including compliance with the Companies Act 2006.

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

The company's Board of Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholder (having regard to the matters set out in s172(1) a-f of the Act) in the decisions taken in the year ended 31 March 2026.

Our obligations

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

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

'Direct' obligations

NDA: The company is a wholly owned subsidiary of the NDA and exists, at its discretion, to realise NDA's strategic objectives for the Sellafield site including to support NDA's obligations with third parties such as with the Ministry of Defence (MOD). It is held to account by the NDA for safe, secure, sustainable site stewardship, progress at pace and lifetime value for money. Consequently, we work closely with the NDA on matters pertaining to strategy and planning, major investments, commercial contracts, and performance management. The company is also obliged to fulfil NDA requests for independent reporting for assurance purposes.

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

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

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

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

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

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

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

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

In accordance with the Control of Major Accident Hazards Regulations 2015 (COMAH) the Health & Safety Executive are the competent authority in relation to the Sellafield site's status as a lower tier site, which was reclassified from upper tier in 2025.

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

Broader relationships

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

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

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

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

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

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

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

Corporate governance: Details of the company's corporate governance arrangements are set out on page 21.

Principal risks and uncertainties

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

Risk management processes and controls are routinely reviewed by the Board, the Audit and Risk Assurance Committee, and management committees, alongside internal audit, to ensure the continued effectiveness of risk management arrangements.

The company's principal risk profile covers a series of key themes across the business. These themes are interlinked and have important interactions, enabling the mitigation of principal threats and the optimisation of principal opportunities.

The key themes are:

Asset care - maintaining the ageing facilities and systems (including analytical capability)
Key mitigation activities include the ongoing use of the asset care and maintenance workflow across the business; continuous improvement to the roof and ventilation of the analytical services facility; ensuring the appropriate resources are available when and where required, with the appropriate tooling; and continued investment in IT infrastructure upgrades.

Land, waste routes and storage being in place when required to meet the strategy
Key mitigation activities include ensuring that the company has suitably qualified and experienced resources and the appropriate permissions in place to undertake required works, maintaining a holistic picture of land availability for new requirements and ensuring appropriate and timely planning processes are in place.

Safety from both a conventional and nuclear aspect
Key mitigation activities include implementation of safety improvement plans, working collaboratively with regulators to ensure compliance with site licence conditions; undertaking safety pauses and continuous learning, including lessons learned from other industries to ensure safety remains at the forefront of all activities.

Security, including cyber and physical impact
These risks are mitigated through the strengthening of data centres and the delivery of ongoing physical security enhancements across the site.

Supply chain, including contract management, capability and capacity
Key mitigation activities include ensuring that appropriate contracts in place at the right time, with suppliers capable of meeting requirements; ensuring that the supply chain is fully aware of the company's procedures and processes and maintaining effective interface management systems so that workforce issues can be identified and escalated promptly.

Resource, including availability and deployment
These risks are mitigated through ensuring SQEP (suitably qualified and experienced personnel) is maintained for personnel and streamlining the deployment process, to create a more agile workforce. This ensures the right work is delivered at right time by the right people.

Climate change
The company is undertaking extensive development work to improve organisational resilience and reduce the potential impacts of climate-related events. A climate resilience steering group has been established bringing together personnel from the company alongside external experts from businesses and universities.

Funding and supplier risks
Under the Energy Act 2004, the Nuclear Decommissioning Authority (NDA) has a statutory obligation to provide adequate funding to enable the company to manage risks and keep the Sellafield site safe and secure.

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

Supplier risk is managed through effective relationships and a range of contractual arrangements with the supply chain. The company does not have significant credit risk (2025/26).

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

Modern slavery and human trafficking statement

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

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

During 2025/26 the company has continued to follow its Modern Slavery and Human Trafficking policy which is available to view on the company's website. The company also published its Modern Slavery and Human Trafficking Annual Statement 2025/26 which is also available on its website.

By order of the Board



Mrs Nicola O'Keeffe

Chief Financial Officer

Date: 24/09/2026

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2026.

Directors

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

Mr C Train (Independent Non-Executive Chair)
Mr E Hutton (Chief Executive Officer)
Mrs N J O'Keeffe (Chief Financial Officer)
Mr P D Shipley (Independent Non-Executive Director) (Appointed 1 June 2025)
Mr D G Vineall (Shareholder Appointed Director)
Mr J P Simcock (Independent Non-Executive Director) (Resigned 9 April 2025)
Sir S Lister (Independent Non-Executive Director)
Mr P Vallance (Shareholder Appointed Director)
Ms J Hodges (Independent Non-Executive Director)
Mr C Jaouen (Independent Non-Executive Director)
Mrs S McMillan (Campbell) (Independent Non-Executive Director)
Mrs A D Rodwell (Independent Non-Executive Director)

Secretary

Miss K Smith

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of Sellafield Limited (2024/25: same). According to the register of directors' interests, no rights to subscribe for shares in or debentures of Sellafield Limited were granted to any of the directors or their immediate families, or exercised by them, during the financial year (2024/25: same).

Directors' and officers' liability insurance

Directors' and officers' liability insurance is provided, covering inter alia the defence costs of civil legal proceedings and the damages resulting from the unsuccessful defence of such proceedings except, in each case, to the extent that a director or officer acted fraudulently or dishonestly (2024/25: same).

Directors' indemnities

In the financial year the business entered into Deeds of Indemnity with Directors (2024/25: same). These indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006 (UK).

Going concern

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

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

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

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

Research and development (R&D) expenditure

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

Political and charitable donations

The company made no political contributions during the year (2024/25: £nil). Charitable donations are discussed in the strategic report on page 4.

Financial instruments

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

If required, the company uses forward foreign currency contracts and currency options to reduce foreign exchange rate exposure on certain assets, liabilities and firm commitments. During the year the company did not engage in such activities (2024/25: none). The company does not engage in speculative treasury arrangements, and all its activities are designed to support underlying business activities.

Policy and practice on payment of creditors

Sellafield Limited is committed to paying suppliers in accordance with agreed contractual terms and maintaining effective payment practices across its supply chain. The company operates a range of agreed contractual payment terms, reflecting the nature of individual contracts, procurement arrangements, and commercial requirements.

In accordance with the Reporting on Payment Practices and Performance Regulations, Sellafield Limited publishes payment performance information on a six-monthly basis, with reports approved by the Chief Financial Officer and available on the UK Government website. Across the 2025/26 financial year, approximately 94% of invoices were paid in accordance with agreed contractual terms. The statutory payment reports include all qualifying invoices within scope of the regulations, including invoices that may be subject to validation queries, supplier queries, contractual dispute resolution processes, or other factors affecting payment timing.

The company continues to monitor and review its payment performance as part of its commitment to supporting suppliers and maintaining an efficient procure-to-pay process.

Customer and supplier engagement and interests

The section 172 Statement on page 14 sets out how the company works with the NDA, supply chain, and other stakeholders.

Corporate governance

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

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

The structure enables direction and control of the company in a legally compliant, effective, and efficient manner. The key mechanisms which comprise our corporate governance are discussed below pages 21 - 27.

Role of the Sellafield Limited Board

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

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

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

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

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

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

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

Directors' interests

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

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

The company's system of internal control

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

Personal data related incidents

The company is required to report any personal data related incidents that have been formally notified to the Information Commissioner's Office (ICO).

During the period from 1 April 2025 to 31 March 2026, one personal data related incident was formally reported to the ICO.

Board membership as at 31 March 2026:

1 x independent non-executive Chair

2 x executive directors CEO & CFO

6 x independent non-executive directors

2 x shareholder appointed non-executive directors

Board committee membership

As at 31 March 2026, the Board of Directors comprised seven independent non-executive directors, including the independent non-executive Chair, two NDA appointed non-executive directors and two executive directors, including the Chief Executive Officer.

The table below sets out the Board members during the period 1 April 2025 to 31 March 2026 and their membership of Board committees:

Name	A&RAC	P&RC	EHS&S	P&PC	NomCo	SIC
				Interim Ch (10.04.2025 - 03.06.2025)		Interim Ch (10.04.2025 - 17.07.2025)
Mr C Train				*	Ch	*
Mr J P Simcock	*			Ch*		Ch*
Sir S Lister			Ch		*	
Mr D G Vineall	*	*			*	
Mr P Vallance			*	*	*	*
Ms J Hodges	*	*	*		*	
Mr C Jaouen			*	*	*	*
Mrs S McMillan (Campbell)		Ch	*		*	
Mrs A D Rodwell	Ch				*	*
Mr P Shipley				Ch**	*	Ch***

Ch = Chair

*Ch = to date of resignation on 9th April 2025

**Ch = from 4th June 2025

*** Ch = from 18th July 2025

The following table provides details of each Director's attendance at Board and committee meetings for the period they were a member during the period 1 April 2025 to 31 March 2026:

Total Number of Meetings	**Board (7)**	**A&RAC (6)**	**EHS&S (4)**	**P&PC (3)**	**P&RC (4)**	**NomCo (2)**	**SIC (6)**
Mr C Train	7	6	4	3	4	2	5
Mr J P Simcock (Resigned 9th April 2025)							
Mr P Shipley (Appointed 1st June 2025)	7		1	3	1	1	6
Sir S Lister	5		4			1	
Mr E Hutton	6		1		2	1	
Mr D G Vineall	7	6			4	2	
Mr P Vallance	7		3	2		2	6
Ms J Hodges	5	6	3		4	2	
Mr C Jaouen	7		4	3		2	4
Mrs S McMillan (Campbell)	7	2	2		4	2	
Mrs A D Rodwell	7	6				2	5
Ms N J O'Keeffe	7	6			2	1	6

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

Corporate Governance

The controls and requirements of the 2024 DESNZ Framework Document, issued to NDA, apply to Sellafield Limited as a subsidiary of NDA unless specifically agreed with the Department for Energy Security and Net Zero (DESNZ), Cabinet Office and Treasury. These requirements include benchmarking performance against the UK Corporate Governance Code (the Code) which is part of the Board's annual performance review, representing good practice. The company is not required to adopt the Code, nor have the directors adopted it on a voluntary basis.

Whilst the company does not formally apply the Code, it does seek to apply the underlying principles of the Code to the maximum extent to which it is applicable.

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

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

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

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

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

A. A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society;

B. The Board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture;

C. The Board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed;

D. In order for the company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties; and

E. The Board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.

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

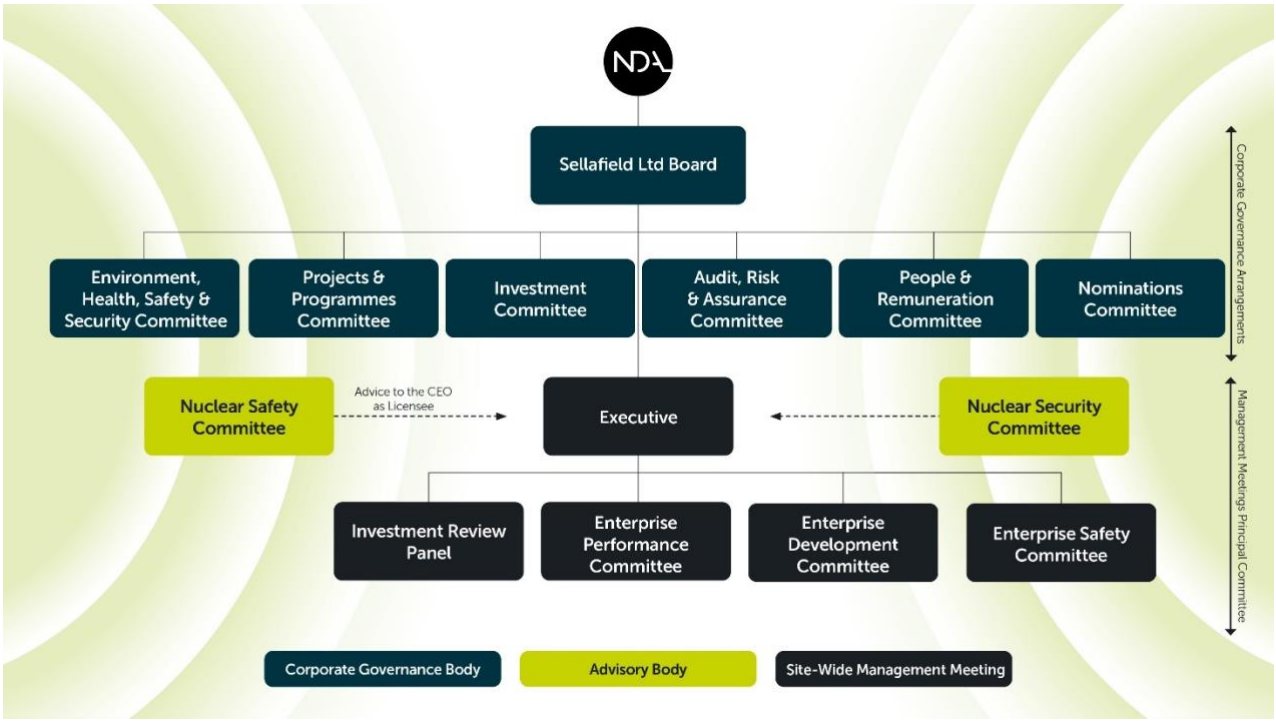
For further detail on principal risks and uncertainties, please refer to page 16.

Board effectiveness review

The company generally complies with the relevant elements of the 2024 Corporate Governance Code by means of an annual self-assessment of the Board and Board Committees and a three yearly independent external review of effectiveness. The most recent independent review took place in December 2024 and was considered by the Board in February 2025 with actions tracked through the Nominations Committee. At the request of NDA, the annual reviews did not occur during 2025/26 and should resume in 2026/27.

Board and Committee Structure

The corporate governance structure for the company is shown below.



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

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

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

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

The A&RAC met six times during the 2025/26 financial year. During this period the A&RAC focused upon supporting implementation of the company's revised risk appetite statement, conducting 'deep dive' reviews in key areas of the enterprise risk and of the arrangements and performance of various directorates' internal control systems. In its meeting in July 2025 the A&RAC approved the Internal Audit Strategy for 2025 - 2028. The A&RAC's priority remains on maintaining, through effective oversight, an aggregated view of compliance, risk and assurance throughout the business.

The People and Remuneration Committee (P&RC): Its purpose is to consider, oversee, evaluate, and provide guidance to the Board on the strategy and implementation plans adopted by the company in relation to its workforce and people. The committee provides the means by which the voice of employees is heard by the Board, and the Chair of the committee ensures that the Board takes into account the interests of employees when making its decisions. The committee has delegated authority, subject to the remuneration framework for the overall effectiveness of the remuneration strategy within the company.

During 2025/26, the committee's remit was adjusted to take account of the formation of a groupwide Remuneration Committee ('group Remco'). The group Remco now has responsibility for the governance of executive remuneration across the NDA group including for Sellafield Limited. Accordingly, the committee's terms of reference have been revised. Under its revised terms, the committee is required to consider whether decisions by the group RemCo in respect of executive remuneration could affect the ability of Sellafield Limited to comply with its regulatory obligations to maintain its core safety, security and/ or environmental protection capability. If necessary, the committee has authority to make recommendations to the board for appropriate escalation into NDA and/or HM Government.

For employees below Executive level, the work of the Committee included the design and governance of annual incentive schemes, the review and endorsement of annual pay review mandates, the review of people and organisational change programmes and the review of principle risks in relation to people.

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

The EHS&S met four times during 2025/2026 and throughout the year assurance was provided in respect of policy implementation, statutory and regulatory requirements, internal controls and risk mitigation. Specific consideration was given to management of post-operational clean out activities.

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

The NomCo met twice during the 2025/26 financial year. During this period in addition to maintaining its focus on executive leadership and succession, and the management of Board composition, tenure and succession, it focussed particularly upon the recruitment of one new and re-appointment of one non-executive member of the Board.

Advisory bodies

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

Role of the CEO and Executive team

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

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

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

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

Employees and employee engagement

The company continues its established approach of informing and engaging employees about their role in delivering the mission at Sellafield and on matters that affect them.

Employees are regularly briefed on company performance and the factors influencing it. This is achieved through a monthly CEO briefing, which is open to all employees, alongside monthly performance updates published on the company intranet and line manager emails. Additional financial and business updates are communicated through regular messages from the CEO and NDA Group CEO. The company also holds six-monthly employee roadshows, providing opportunities for employees to receive updates and participate in two-way discussions on key business matters, including the financial environment. Employees can also use the Viva Engage platform to ask questions, share information and engage in discussion on topics affecting the business.

Employee representatives are regularly consulted on a wide range of issues affecting both current and future interests of employees. Employee involvement in the performance of the company is encouraged through various bonus and remuneration schemes. The levels of employee engagement have continued to improve year on year, as demonstrated by the annual engagement survey results.

Equality of access to opportunities

The company is committed to removing the barriers to accessing opportunities for all employees such as the availability of assistive technology for employees with dyslexia or other neurodivergent conditions, disabilities and other individual needs.

Recruitment and selection processes are regularly reviewed to ensure they remain fair, transparent and inclusive. Once recruited, employees are supported through appropriate training and development tailored to individual needs.

Workforce data indicates that the company has its most diverse workforce to date. Increasing levels of voluntary data declaration are enhancing insight and enabling more targeted actions to support inclusion.

Applications from people with disabilities and any other protected characteristics are given full and fair consideration. Where practicable, reasonable adjustments are made to meet individual needs that are shared with the company.

The company is accredited as a Disability Confident Level 3 (Leader) organisation and was successfully re-accredited at this level in early 2026. The same criteria for training and promotion apply to all employees. Where an employee becomes disabled or is affected by a chronic health condition, during the course of their employment, significant effort is made to support their continued employment, including access to a wide range of short and long-term support measures.

Employee voice at Board level

The Board's People and Remuneration Committee provide the mechanism through which employee views are heard at this level. The Committee Chair ensures that the Board considers employee interests when making decisions.

The 2025/26 employee engagement survey achieved a participation rate of 72%, representing the views of more than 8,500 employees. Results showed improvements across all key areas, including overall engagement, diversity and inclusion, and health and wellbeing. Positive engagement remained strong among plant and facility-based employees, with strong positive score increases from this group.

The company welcomed continued positive feedback on key topics such as safety, performance management, levels of reward, line manager support, peer relationships, the management of poor behaviour, and the provision of mental health and wellbeing support. This was achieved during a period of organisational change, including the MAVE scheme and implementation of the Target Operating Model, alongside wider external pressures.

Areas for improvement have been identified, particularly in relation to the physical working environment and employees' sense of accomplishment. Senior leaders have specific personal performance objectives relating to employee engagement within their areas.

Streamlined energy and carbon reporting

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

Greenhouse gas (GHG) emissions and energy usage data for the period 1 April 2025 to 31 March 2026 is as follows:

	Current reporting year 2025/26	Comparison reporting year 2024/25
Energy consumption used to calculate emissions: kWh total (000 kWh)	870,000	910,000^
Breakdown by fuel (000 kWh)		
Electricity	130,000	110,000
Natural gas	700,000	780,000
Other fuels	26,000	19,000
Transport	6,000	7,000
Scope 1 (tCO_2e)		
Emissions from combustion of gas	130,000	140,000
Emissions from combustion of fuel oils	6,700	4,800
Emissions from combustion of fuel for transport	700	700
Scope 2 (tCO_2e)		
Emissions from purchased electricity (location-based)	23,000	22,000
Emissions from purchased electricity (market-based)	23,000	22,000
Scope 3 (tCO_2e)		
Emissions from business travel: hire or employee-owned vehicles where company is responsible for fuel	700	900
Total gross CO_2e based on above: tCO_2e total	**160,200**	**171,400***
Intensity ratio: tCO_2e/£1 million	**58**	**61**

Please note that due to rounding, totals may differ from the aggregated breakdown. Both location-based and market-based emissions from purchased electricity are disclosed for stakeholder transparency.

*Comparison reporting year 2024/25 figures for total gross tCO_2e are restated from the FY 2024/25 Sellafield Limited Annual Accounts, due to the previous erroneous inclusion of both market and location-based emissions from purchased electricity in the total. The breakdown of tCO_2e emitted by Scope 1, Scope 2 and Scope 3 for the reporting year 2024/25 remain unchanged.

^The total energy consumption used to calculate emissions (kWh) for the comparison reporting year 2024/25 are restated from the FY 2024/25 Sellafield Limited Annual Accounts, due to a previous rounding error in the calculation.

To view the company's methodologies used for calculating streamlined energy and carbon reporting, see Appendix 1 on page 65.

Summary of performance in the reporting period

The company continued to contribute to the NDA's goal to achieve Net Zero by 2050 by improving carbon management across the organisation, including a focus on current and future energy use.

During the reporting period, the company maintained progress towards its target of reducing Scope 1 and 2 carbon emissions by 90% by 2050, exceeding its annual emissions reduction target for a further year.

Since 2020/21, the company has tracked energy carbon intensity through an annual intensity ratio (tCO_2e/£1 million) for energy use on an annual basis. This has consistently trended downwards indicating that the company's multi-faceted approach to efficiency of energy generation, supply and demand is deriving benefit. Work has continued to accelerate energy demand optimisation and embed future operational energy efficiencies through Whole Life Carbon Assessment (WLCA) for significant projects and programmes.

The company also completed work to improve understanding of energy system costs and the carbon intensity of energy choices. This information, alongside Marginal Abatement Cost Curve (MACC) modelling of various decarbonisation interventions, is supporting decision-making about the carbon reduction and energy demand optimisation opportunities that are pursued. By driving better information into organisational decision making and challenging norms, we are seeing the business progress initiatives that contribute to our mission to create a clean, safe and secure environment for future generations, whilst resulting in lower carbon and lower energy consumption.

Collaborative work across the company and its supply chain has identified opportunities to embed energy and cost savings in the design and replacement of plant services. This has included:

- Reusing prototype equipment on plant following testing, avoiding the requirement to purchase new equipment and reducing industrial waste disposal requirements. A recent example has delivered an associated carbon saving and cost reduction of more than £0.06 million.
- Identifying opportunities to reduce resource use and carbon emissions during detailed design stage. During a recent compressor replacement project, embodied and operational carbon reductions were identified by replacing plans for a full building structure with a modular enclosure and removal of the requirement for a ventilation system.
- Researching alternatives to the status quo. Current trials are aiming to reduce the embodied carbon associated with construction materials by increasing the proportion of recycled slag and limestone filler within concrete mixes as appropriate.
- Identifying alternatives to repeated site visits. The use of laser scans to reduce plant walkdowns on some projects is helping to reduce the requirement to travel to the Sellafield site, thereby reducing the associated fuel use and carbon emissions.
- Using trial work to simplify design and rationalise our approach has led to energy and associated carbon reductions. For example, a revised, simplified approach to outer packaging removal in the Pressurised Package Facility has led to an avoided requirement for power assisted methods.
- Enacting opportunities to embed whole lifecycle considerations in asset replacement. By considering current and potential future compressed air needs and research on new technologies, the preferred replacement solution for compressors on a significant nuclear facility will save several hundreds of tonnes CO_2e emissions over its design life.

By order of the Board



Mrs Nicola O'Keeffe

Chief Financial Officer

Date: 24/09/2026

Directors' responsibilities statement

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

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

In preparing these financial statements the directors are required to:

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

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

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

Directors' statement regarding information to the auditors

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

Annual General Meeting and Auditors

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

By order of the Board



Mrs Nicola O'Keeffe

Chief Financial Officer

Date: 24/09/2026

Registered Company Number: 01002607

Independent auditor's report to the members of Sellafield Limited

Opinion on financial statements

I have audited the financial statements of Sellafield Limited for the year ended 31 March 2026 which comprise Sellafield Limited's:

- Statements of Financial Position as at 31 March 2026;
- Statement of Profit or Loss, Statement of Comprehensive Income, and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion the financial statements:

- give a true and fair view of the state of the Sellafield Limited's affairs as at 31 March 2026 and its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on regularity

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

Basis for opinions

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

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

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

Conclusions relating to going concern

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

My evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of the data and assumptions used by management to determine the going concern basis, and a review of external sources to corroborate or contradict management's assessment.

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

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

Other information

The other information comprises the information included in the strategic Report and Directors' Report but does not include the financial statements and my auditor's report thereon. The directors are responsible for the other information.

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

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

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

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which I report by exception

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

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

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

Responsibilities of the directors for the financial statements

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

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

- assessing Sellafield Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Sellafield Limited's accounting policies.
- inquired of management, Sellafield Limited's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Sellafield Limited's policies and procedures on:
    - identifying, evaluating and complying with laws and regulations;
    - detecting and responding to the risks of fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Sellafield Limited's controls relating to Sellafield Limited's compliance with the Companies Act 2006 and the Energy Act 2004;
- inquired of management, Sellafield Limited's head of internal audit and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations; and
    - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

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

Audit response to identified risk

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

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

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

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

Other auditor's responsibilities

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

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



Paul Hewitson (Senior Statutory Auditor)

Date: 24 September 2026

For and on behalf of the

Comptroller and Auditor General (Statutory Auditor)

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Financial Statements

Statement of Profit or Loss

For the 12 months ended 31 March 2026

	Note	2026	2025
		£m	£m
Revenue	4	2,783	2,829
Operating costs	5	(2,776)	(2,825)
Operating profit from continuing operations before depreciation and research and development (R&D) tax credits		7	4
Depreciation on right-of-use assets	13	(6)	(4)
R&D tax credits	2.4h	-	18
NDA share of R&D tax credits	2.4h	-	(13)
Profit on continuing operations before interest and taxation		2	5
Net Interest	16	-	-
Interest expense on the lease liability	13	(2)	(1)
NDA credit in respect of IFRS 16	13	-	-
Profit before Tax		-	4
Tax expense	8	-	(4)
Profit for the year		-	-
Profit attributable to:			
Equity holders of the Company		-	-

Further information regarding the Company's Corporation Tax position, Research and Development Expenditure Credit (RDEC) balances and associated accounting treatment is provided in Note 2.4h.

All of the Company's operations in both 2026 and 2025 are continuing.

The notes on pages 39 - 64 form part of these financial statements.

Statement of comprehensive income

For the 12 months ended 31 March 2026

	Note	2026	2025
		£m	£m
Profit for the year		-	-
Other comprehensive income items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on the Sellafield section of the CNPP	15	55	199
Deferred tax derecognition relating to pension surplus asset	8	132	(50)
Movement on provision for the surrender of pension surplus to NDA	14	(55)	(199)
Deferred tax derecognition relating to obligation to surrender pension surplus to NDA	8	(132)	50
Total other comprehensive income items that will not be reclassified to profit or loss for the year, net of tax		-	-
Total comprehensive income for the year		-	-
Total comprehensive income attributable to:			
Equity holders of the Company		-	-

The notes on pages 39 - 64 form part of these financial statements.

Statement of financial position

At 31 March 2026

	Note	31 March 2026	31 March 2025
		£m	£m
Assets			
Non-current assets			
Right-of-use assets	13	34	33
NDA receivable in respect of lease liabilities	13	2	2
Receivable in respect of Surplus on CNPP DB Pension scheme (SL section)	15	644	527
Total non-current assets		680	562
Current assets			
Trade and other receivables	9	555	557
Cash and cash equivalents	10	4	4
Total current assets		559	561
Total assets		1,239	1,123
Current liabilities			
Trade and other payables	11	(489)	(498)
Non-current liabilities			
Lease liabilities	13	(30)	(32)
Provision for surrender of pension surplus to NDA	14	(644)	(527)
Long term liabilities	11	(76)	(66)
Total liabilities		(1,239)	(1,123)
Net assets		-	-
Capital and reserves			
Equity share capital	17	-	-
Retained earnings		-	-
Total equity		-	-

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

by:

Date: 24/09/2026

Registered Company Number: 01002607

The notes on pages 39 - 64 form part of these financial statements.

Statement of changes in equity

For the year ended 31 March 2026

	Share capital £m	Retained earnings £m	Total equity £m
Shareholders' funds at 1 April 2024	-	-	-
Total comprehensive income for the year	-	-	-
Changes in equity for year ended 31 March 2025	-	-	-
Shareholders' funds at 31 March 2025	-	-	-
Total comprehensive income for the year	-	-	-
Changes in equity for year ended 31 March 2026	-	-	-
At 31 March 2026	-	-	-

The notes on pages 39 - 64 form part of these financial statements.

Notes to the financial statements

1 General Information

The financial statements of the Company for the year ended 31 March 2026 were authorised for issue in accordance with a resolution of the directors on 23rd September 2026. The Company is a limited Company incorporated and domiciled in England. The registered office is located at Hinton House, Risley, Warrington, Cheshire WA3 6GR in the UK.

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

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

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

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

2 Accounting Policies

2.1 Basis of preparation

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101 *'Reduced disclosure Framework'* (FRS 101). The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 March 2026.

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

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

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

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

Notes to the financial statements
Continued

2.2 Adoption of new and revised standards

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

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

The Company will adopt these standards as applicable, when they become effective on 1 January 2027.

2.3 Going concern

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

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

2.4 Summary of material accounting policies

a Property, plant and equipment

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

b Foreign currency

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

c Revenue recognition

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

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

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

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

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

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

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

- The customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs;
- The entity's performance creates or enhances an asset that the customer controls as the asset is created; or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for the performance completed to date.

Notes to the financial statements
Continued

2.4 Summary of material accounting policies (continued)

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

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

In 2025/26 the Company received miscellaneous revenue (Category 2 income) of £6m (2024/25: £6m) in respect of rental income, services provided to NDA affiliates and other third parties who are resident on the Sellafield site, and sales of NDA assets. Under the Energy Act 2004 and terms of the Interface Agreement, income received by the Company is transferred to the NDA, with NDA bearing any credit risks.

In 2025/26 the Company received secondment revenue of £3m (2024/25: £3m) in respect of employees seconded to other entities. Under the Energy Act 2004 and terms of the Interface Agreement, income received by the Company is transferred to the NDA, with NDA bearing any credit risks.

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

d Leased assets

Company as a lessee

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

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

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- The Company has the right to direct the use of the identified asset throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the Statement of financial position.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

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

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease, if readily available, or otherwise the Group's incremental borrowing rate as determined in accordance with HM Treasury guidance. The liability is split into current and non-current elements on the Statement of Financial position. The current lease liability is included in trade and other payables, as shown in note 11.

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

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

Notes to the financial statements
Continued

2.4 Summary of material accounting policies (continued)

Company as a lessor

As a lessor, the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and is classified as an operating lease if it does not.

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

e Post-retirement benefits

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements
Continued

2.4 Summary of material accounting policies (continued)

f Provisions

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

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

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

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

g Trade and other receivables

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost less any expected credit losses.

Other receivables principally comprise Company operating costs recoverable from the NDA. Where revenue has been recognised in advance of amounts becoming unconditionally due from the NDA under the Interface Agreement, such balances are classified as contract assets under IFRS 15. The NDA reimburses the Company in line with agreed funding, cash drawdown and working capital arrangements, and the directors consider the risk of financial loss to be remote.

In 2025/26 the Company received miscellaneous revenue (Category 2 income) of £6m (2024/25: £6m) in respect of rental income, services provided to NDA affiliates and other third parties who are resident on the Sellafield site, and sales of NDA assets. Under the Energy Act 2004 and terms of the Interface Agreement, income received by the Company is transferred to the NDA, with NDA bearing any credit risks.

In 2025/26 the Company received secondment revenue of £3m (2024/25: £3m) in respect of employees seconded to other entities. Under the Energy Act 2004 and terms of the Interface Agreement, income received by the Company is transferred to the NDA, with NDA bearing any credit risks.

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

h Income taxes

On 3 July 2026, HM Revenue & Customs (HMRC) confirmed that the Company is not carrying on a trade through its ordinary activities and is therefore not chargeable to Corporation Tax in respect of those activities. The assessment applies retrospectively from the accounting period ended 31 March 2022.

Following receipt of this determination, management reassessed the accounting treatment applied to Corporation Tax, Research and Development Expenditure Credit (RDEC) balances and related deferred tax balances.

In prior periods, the Company recognised:

- RDEC income within profit or loss,
- a material receivable from HMRC in respect of RDEC amounts expected to be recovered,
- a corresponding liability to the NDA in respect of the NDA's beneficial interest in RDEC receipts,
- Corporation Tax balances; and
- deferred tax balances relating primarily to the recognised pension surplus and the associated obligation to surrender that surplus to the NDA.

Notes to the financial statements
Continued

2.4 Summary of material accounting policies (continued)

Following reassessment of the Company's Corporation Tax position, management concluded that the previously recognised RDEC receivable, associated Corporation Tax balances, related NDA liability and associated deferred tax balances no longer met the criteria for recognition within the Company's financial statements and were therefore derecognised during FY2025/26.

Accordingly, no RDEC income, associated NDA payable or related Corporation Tax charge was recognised in respect of FY2025/26. In addition, the previously recognised RDEC receivable, associated Corporation Tax balances and related NDA liability were derecognised. The derecognition of these historic balances has been recognised within operating expenditure. As the balances were previously recognised on an offsetting basis, the net impact on profit for the year, net assets and total equity at 31 March 2026 is nil.

Management also concluded that no deferred tax asset or deferred tax liability should be recognised at 31 March 2026. Accordingly, the deferred tax liability relating to the recognised pension surplus and the corresponding deferred tax asset relating to the obligation to surrender that surplus to the NDA were derecognised in full during FY2025/26.

Management considered whether the derecognition of deferred tax balances should be apportioned between profit or loss and other comprehensive income based on the nature of the underlying transactions to which the balances related. As the deferred tax asset and deferred tax liability were fully offset and there was no net impact on equity, management judged it appropriate to present the derecognition through other comprehensive income. This presentation does not impact total comprehensive income for the year.

Furthermore, as the deferred tax asset and deferred tax liability were fully offset, management does not consider the derecognition of these balances to have a material impact on the Company's net assets, total comprehensive income or overall financial position at 31 March 2026.

No prior period restatement has been made, as management considers the FY2024/25 financial statements reflected the facts and circumstances known at that time.

Management understands that this accounting treatment is consistent with the approach being applied across the NDA Group in response to HMRC's determination regarding the trading status of NDA Site Licence Companies and reflects the current group position.

The Company is continuing discussions with HMRC, the NDA and other relevant parties regarding the precise implications of the determination. At the reporting date it is not possible to reliably estimate any additional amounts that may ultimately become payable or recoverable. Further information is provided in Note 12.

I Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits 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. Any short-term deposits within this balance have an original maturity of three months or less.

J De-recognition of financial assets and liabilities

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

k Trade and other payables

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

l Research and Development Expenditure

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

m Operating profit

Operating profit is stated before depreciation and interest.

Notes to the financial statements
Continued

2.4 Summary of material accounting policies (continued)

n Inventory

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

3 Critical accounting judgements and key sources of estimating uncertainty

Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and the reported amounts of income and expenditure during the year. Due to the inherent uncertainty in such estimates, actual outcomes may differ from those estimates.

In applying the Company's accounting policies, management has made the following judgements, other than those involving estimation, that have the most significant effect on the amounts recognised in the financial statements.

Agent v Principal

Management has assessed whether the Company acts as principal or agent in arrangements with the NDA and third parties in accordance with IFRS 15. In respect of the Interface Agreement with the NDA, the Company has concluded that it acts as principal. This judgement reflects the Company's responsibility for directing and integrating activities across its supply chain, including procurement, contract management, and delivery of services required to operate the Sellafield site. Accordingly, revenue is recognised on a gross basis.

However, in relation to Category 2 income, management has concluded that the Company acts as agent. This reflects that such income is collected on behalf of the NDA, with the NDA retaining the associated risks and rewards, including credit risk. As a result, Category 2 income is not recognised as revenue in the Statement of Profit or Loss.

Pensions

The Company participates in sections of the Combined Nuclear Pension Plan (CNPP), which reported actuarial surpluses at the reporting date.

Management has applied judgement in determining whether these surpluses can be recognised as assets under IAS 19, taking into account the requirements of IFRIC 14 regarding the availability of refunds.

Based on the terms of the CNPP trust deed:

- The Company does not have an unconditional right to a refund of surplus in the Group Pension Scheme (GPS) section. Accordingly, the surplus relating to this section has not been recognised.
- The Company does have an unconditional right to a refund of surplus in the Sellafield section. Accordingly, this surplus has been recognised in full as a pension asset, with a corresponding obligation recognised to the NDA.

This judgement has a significant impact on the Statement of Financial Position, as it determines which elements of the actuarial surplus are recognised.

This approach is consistent with that applied in the prior year.

Estimates and assumptions

The key sources of estimation uncertainty and future assumptions, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

Operating costs and accruals

Operating costs recoverable from the NDA under the Interface Agreement include accruals based on management estimates of costs incurred but not yet invoiced. These estimates include judgement in respect of known risks, including sub-contractor and supplier claims, where the final cost may be subject to negotiation or dispute.

At 31 March 2026, total accruals included within trade and other payables amounted to £343 million (2025: £269 million).

Notes to the financial statements

Continued

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

Due to the level of uncertainty inherent in estimating these costs, it is reasonably possible that outcomes in the next financial year could differ from the assumptions used, resulting in a material adjustment. It is not practicable to quantify the extent of such potential adjustments.

Pension benefits

The valuation of the defined benefit pension asset and obligations are determined using actuarial valuations and are subject to significant estimation uncertainty. Actuarial valuations are based on assumptions including discount rates, inflation rates, salary growth and mortality rates. The most significant assumptions are the discount rate and inflation. The discount rate is determined by reference to yields on high-quality corporate bonds with maturities consistent with the estimated duration of the pension obligations. Small changes in these assumptions can result in material changes to the valuation. All assumptions are reviewed at each reporting date.

Further details of the assumptions used are provided in note 15.

Contingent Liabilities

The Company identified a potential financial obligation arising from historic regulatory changes during the last reporting period. There remains significant uncertainty regarding whether the relevant legislation applies to the Company's activities; and what the potential financial impact may be.

Based on the information currently available, management judges that an outflow of resources is more than remote but not probable, and the amount cannot be reliably estimated. Accordingly, no provision has been recognised under IAS 37, and the matter has been disclosed as a contingent liability.

Due to the sensitivity of the matter and the potential to prejudice the Company's position, detailed disclosure of the nature of the obligation has not been provided. Management continues to monitor developments and will update disclosures in future periods as appropriate.

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

Management is also monitoring the potential implications of HM Revenue & Customs' determination regarding the Company's Corporation Tax status and associated Research and Development Expenditure Credit (RDEC) balances. Further details are provided in Notes 2.4h and 12.

4 Revenue

Total revenue shown (£2,783m) equates to the net costs recovered from the NDA.

In both 2026 and 2025, all revenue relates to the operation of the Interface Agreement in the UK.

Revenue of £9m was received in the year in relation to agent income (Category 2 and secondment income).

5 Operating costs

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Staff costs	1,032	952
Subcontractor costs	1,472	1,619
Materials costs	115	102
Equipment costs	21	23
Other costs	136	129
	2,776	2,825

Notes to the financial statements
Continued

Nature of Operating Cost categories

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

Included within staff costs are charges of £37.3 million relating to the Company's Mutually Agreed Voluntary Exit (MAVE) schemes implemented during the year. Of this amount, £3.6 million was paid during the year and £33.7 million was accrued at 31 March 2026 in respect of agreed exit arrangements.

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

The subcontractor costs includes external audit remuneration for the year of £210,000 (24/25: £245,000).

Materials
Costs of raw materials, consumables, and components used in decommissioning activities, waste treatment, and infrastructure maintenance.

Equipment
Costs associated with the acquisition, maintenance, and operation of plant, machinery, remote handling tools, and safety equipment necessary for nuclear site operations.

Other Costs
Includes insurance, training, regulatory compliance costs, charitable donations, and other overheads supporting the safe, secure and efficient operation of the site.

6 Employee information

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

	Year ended 31 March 2026 Number	Year ended 31 March 2025 Number
Staff in support functions	2,830	2,564
Staff engaged in projects and site operations	8,987	9,089
	11,817	11,653

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

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Wages and salaries	824	751
Social security costs	107	87
Pension costs	101	114
	1,032	952

The employee number disclosure is presented in accordance with the Companies Act 2006 and reflects the average number of employees during the financial year rather than the headcount at year end. Whilst the average number of employees categorised as enablers increased from FY2024/25 to FY2025/26 and the average number of employees engaged in projects and site operations reduced slightly, this primarily reflects organisational restructuring and the reclassification of employees between reporting categories during FY2024/25, including the establishment of the SHEQ (Safety, Health, Environment and Quality) directorate.
Recruitment undertaken during FY2024/25 to strengthen frontline operational capability and address scarce and critical skills requirements partially offset these movements. Accordingly, the changes in the reported averages do not indicate a significant reduction in frontline

Notes to the financial statements

Continued

operational resource but instead reflect organisational restructuring together with the use of average employee numbers, rather than year-end headcount, for statutory reporting purposes.

Pension costs disclosed above represent current and past service costs in respect of defined benefit schemes £47 million (2024/25: £67 million), defined contribution schemes £53 million (2024/25: £46 million) and other pension costs £1 million (2024/25: £1 million). Pension costs incurred are included in operating costs and under the interface Agreement form part of the cost base which forms the basis of revenue earned from the NDA

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

7 Directors' emoluments

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Directors' emoluments	1,123	853
Aggregate amounts receivable under Long Term Incentive Plans	71	67
Post-retirement benefit costs	72	49
Total Directors' remuneration	1,266	969

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

In 2025/26, the highest-paid director was employed by the Company and received aggregate emoluments of £567,638 (2024/25: £479,376). This includes employer pension contributions of £44,145 (2024/25: £38,925), benefits in kind of £nil (2024/25: £1,881), and estimated bonus payments of £184,493 (2024/25: £149,113).

In 2025/26, none of the directors were active members of the Company's defined benefit pension schemes as described in note 15 (2024/25: none). During 2025/26, two directors were active members of the defined contribution section of the Combined Nuclear Pension Plan, as described in note 15 (2024/25: two).

The Company's executive directors participate in Long-Term Incentive Plans (LTIPs), which provide performance-related remuneration based on the Company's performance over three-year periods. Amounts relating to LTIPs are accrued over the performance period and adjusted to reflect the expected level of achievement in accordance with the contractual terms.

8 Income tax

HM Revenue & Customs has determined that the Company is not carrying on a trade through its ordinary activities and is therefore not chargeable to Corporation Tax in respect of those activities.

The major components of income tax expense for the years ended 31 March 2026 and 2025 are:

Statement of Profit or Loss

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Current income tax:		
UK Corporation Tax	-	4
Income tax expense reported to the Statement of Profit or Loss	-	4

Further information regarding the Company's Corporation Tax position, Research and Development Expenditure Credit (RDEC) balances and associated accounting treatment is provided in Note 2.4h.

Notes to the financial statements
Continued

8 Income tax (continued)

The reconciliation between the tax charge and the product of the accounting profit multiplied by the UK's domestic Corporation Tax rate for the years ended 31 March 2026 and 2025 is as follows:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Profit from continuing operations before taxation	-	4
Accounting profit multiplied by the UK rate of Corporation Tax of 25%		
Effects of:	-	-
Permanent differences		
Taxation due on Research and development expenditure credits	-	4
Temporary differences		
Temporary timing differences on Defined Benefit Pension Scheme	-	(7)
Temporary timing difference on Provision for surrender to the NDA	-	7
Total income tax charge	-	4

Deferred Tax Position

Further information regarding the Company's Corporation Tax position, Research and Development Expenditure Credit (RDEC) balances and associated accounting treatment is provided in Note 2.4h.

Deferred tax balances recognised in prior periods were derecognised during FY2025/26 following reassessment of the Company's Corporation Tax position as described in Note 2.4h.

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

	Deferred tax liability relating to Pension surplus £m	Deferred tax asset provision for surrender of Pension Surplus £m	Deferred tax asset/(liability) £m
1 April 2024	(75)	75	-
Charge/(credit) to Current Taxation	(7)	7	-
Charge to Other Comprehensive Income	(50)	50	-
31 March 2025	(132)	132	-
1 April 2025	(132)	132	-
Derecognition following HMRC determination of Corporation Tax status	132	(132)	-
31 March 2026	-	-	-

Notes to the financial statements

Continued

8 Income tax (continued)

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

	Year ended 31 March 2026	Year ended 31 March 2025
Deferred tax liabilities	-	(132)
Deferred tax assets	-	132
Total deferred tax asset/(liability)	-	-

9 Trade and other receivables

	2026 £m	2025 £m
Trade and Other Receivables – recoverable from the NDA	535	455
Prepayments – recoverable from NDA	20	31
R&D tax credits	-	71
	555	557

The trade and other receivables disclosed above relate to Company operating costs recoverable from the NDA (including prepayments) of £555 million (2024/25: £486 million). These balances are non-interest bearing and arise under the terms set out in the Interface Agreement.

Receivables represent amounts due from the NDA in respect of costs incurred. The NDA reimburses the Company in line with an agreed cash drawdown process and working capital arrangement. Reimbursement of costs is not linked to the delivery of specific milestones or targets.

There are no provisions for impairment of trade and other receivables at 31 March 2026 (31 March 2025: £nil).

All trade and other receivables are denominated in Sterling, and their carrying value approximates fair value.

Further information regarding the Company's Corporation Tax position, Research and Development Expenditure Credit (RDEC) balances and associated accounting treatment is provided in Note 2.4h.

10 Cash and cash equivalents

	2026 £m	2025 £m
Cash at bank and in hand	4	4
	4	4

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents at 31 March 2026 is £4 million (31 March 2025: £4 million). The Company deposits cash surpluses only with major banks with high-quality credit ratings.

Notes to the financial statements

Continued

The Company does not have significant working capital requirements, as all expenditure incurred is reimbursed by the NDA under the terms of the Interface Agreement. The Company's working capital requirements are therefore supported by the NDA.

In particular, the majority of payments to suppliers, employees, and other third parties are funded through a cash drawdown arrangement with the NDA. In addition, the NDA provides the Company with a working capital facility of £2.5 million to ensure that other liabilities can be settled as they fall due.

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

11 Trade and other payables

Current liabilities

	2026	2025
	£m	£m
Trade payables	56	67
Other taxes and social security costs	62	60
Accruals and deferred income (including employee creditors)	365	297
Corporation Tax	-	16
NDA's beneficial interest in the R&D tax credits	-	55
Lease liabilities	6	3
	489	498

Long Term Liabilities

	2026 £m	2025 £m
Accruals and deferred income	76	66
Lease liabilities	30	32
	595	596

Terms and conditions of the above financial liabilities:

The carrying amounts of financial liabilities are considered to approximate fair value.

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

Trade and other payables are denominated in Sterling.

12 Contingent liabilities

Ongoing Regulatory Matter

The Company has identified a potential financial obligation that does not meet the recognition criteria for a provision under IAS 37, as described in note 3. Accordingly, it has been disclosed as a contingent liability in accordance with IAS 37 paragraph 92.

Research and Development Expenditure Credit (RDEC)

Following HM Revenue & Customs' determination regarding the Company's Corporation Tax status, discussions are ongoing with HMRC, the Nuclear Decommissioning Authority (NDA) and other relevant parties regarding the potential implications for historic Research and Development Expenditure Credit (RDEC) amounts.

The Company has a possible financial obligation associated with this matter as described in Note 2.4h. At the reporting date, it is not possible to reliably estimate any potential amount that may ultimately become payable owing to the early stage of discussions with relevant parties and the uncertainty regarding the final outcome. Accordingly, no provision has been recognised in these financial statements.

Notes to the financial statements

Continued

13 Leases

The Company accounts for leases in accordance with IFRS 16, where it is the lessee. The Company is unable to enter into new leases for land and buildings without the approval of the NDA, which is itself subject to restrictions imposed by DESNZ.

The Company has entered into leases for land and buildings, motor vehicles, and plant and equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is recognised on the Statement of Financial Position as both a right-of-use asset and a corresponding lease liability. For short-term and low-value leases, the Company applies the recognition exemptions permitted under IFRS 16. Variable lease payments that do not depend on an index or rate are excluded from the measurement of the right-of-use asset and lease liability and are recognised in profit or loss as incurred.

Leases for land and buildings have remaining terms of between 1 and 19 years (2024/25: between 1 and 20 years). Leases for motor vehicles have terms of up to 4 years (2024/25: up to 4 years), and leases for plant and equipment have terms of up to 3 years (2024/25: up to 4 years). Lease payments are fixed for all material leases.

Lease agreements generally restrict the Company from subleasing the underlying assets unless explicitly permitted by the contract. Leases are typically non-cancellable or may only be cancelled by incurring a termination fee. The Company is prohibited from selling or pledging underlying leased assets as security. For leases of land and buildings, the Company is required to maintain the properties in a good state of repair and return them in their original condition at the end of the lease term. The Company is also required to insure and maintain leased plant and equipment in accordance with the lease agreements.

The total cash outflow for all leases in 2025/26 is £7m (2024/25: £7.5m).

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

Right-of-use assets

	Land and Buildings £000		Vehicles £000		Other £000		Total £000	
	2026	2025	2026	2025	2026	2025	2026	2025
Opening Balance at 1 April	30,163	30,237	1,778	1,273	625	214	32,566	31,724
Additions	4,880	2,263	800	1,250	1,605	1,234	7,285	4,747
Depreciation	(4,541)	(2,337)	(833)	(718)	(408)	(823)	(5,782)	(3,878)
Impairment	-	-	-	-	-	-	-	-
Disposals	-	-	(81)	(27)	(65)	-	(146)	(27)
Closing Balance as at 31 March	30,502	30,163	1,664	1,778	1,757	625	33,923	32,566

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

Lease Liability

	Land and Buildings £000		Vehicles £000		Other £000		Total £000	
	2026	2025	2026	2025	2026	2025	2026	2025
Opening Balance at 1 April	31,876	31,555	1,781	1,266	713	239	34,370	33,060
Additions	4,880	2,263	800	1,250	1,605	1,234	7,285	4,747
Finance charges	1,434	1,013	84	51	60	34	1,578	1,098
Payments	(5,473)	(2,955)	(902)	(759)	(468)	(794)	(6,843)	(4,508)
Disposals	-	-	(81)	(27)	(65)	-	(146)	(27)
Closing Balance as at 31 March	32,717	31,876	1,682	1,781	1,845	713	36,244	34,370

Notes to the financial statements
Continued

13 Leases (continued)

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

	31 March 2026 £000	31 March 2025 £000
Current liabilities	5,832	2,815
Non-current liabilities	30,412	31,555
Total lease liability	36,244	34,370

A small difference arises between the total amounts recognised in the Statement of Profit or Loss under IFRS 16 and the accrued lease payments for the year. Under the terms of the Interface Agreement, lease payments, including associated finance charges, are reimbursed by the NDA. Revenue therefore includes an amount equivalent to the accrued lease payments. The difference between the IFRS 16 charge and the amounts recoverable from the NDA is recognised as a finance credit, reflecting the reimbursement of finance charges. The corresponding asset is recognised as a non-current receivable from the NDA. The resulting receivable recognised from the NDA in respect of this difference is £2m for 2025/26 (2024/25: £2m).

Sellafield Limited manages liquidity risk associated with lease liabilities through its working capital arrangements with the NDA. Lease payments, together with other operating costs, are reimbursed by the NDA, significantly reducing liquidity risk. Accordingly, liquidity risk is considered to be low.

Maturity Analysis

The undiscounted maturity analysis of lease liabilities as at 31 March 2026, with 1 April 2025 comparatives, is as follows:

	31 March 2026 £000	31 March 2025 £000
Due within one year	7,244	4,163
Due within one to five years	14,457	14,107
Due in five+ years	26,900	29,513
Total Cash Payments	48,601	47,783
Less Amount Representing Lease Interest	(12,357)	(13,413)
Present Value of Future Lease Payments	36,244	34,370

Lease payments not recognised as a liability

The Company has elected not to recognise lease liabilities for short-term leases and leases of low-value underlying assets, as permitted under IFRS 16. Payments made under such leases are recognised as an expense on a straight-line basis over the lease term.

The expense relating to payments not included in the measurement of lease liabilities is as follows:

	2026 £000	2025 £000
Expenses relating to leases of low value assets	146	145
Expenses relating to short term leases	-	2,210
Total	146	2,355

Notes to the financial statements

Continued

13 Leases (continued)

During 25-26, the Company re-assessed the lease for office accommodation at Hinton House to be a finance lease under IFRS16. Previously the lease exemption available for short term leases was applied to Hinton House, therefore in prior years, these lease payments were not recognised as a liability.

The Company as a lessor

The Company acts as a lessor for a small number of operating leases with third parties and does so as an agent on behalf of the NDA. Rental income arising from these operating leases, including the effect of any lease incentives, is recognised on a straight-line basis over the lease term.

Rental income received from third parties in 2025/26 was £562,000 (2024/25: £562,000) and is transferred to the NDA.

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

	2026 £000	2025 £000
Within one year	562	562
After one year but not more than five years	1,859	1,989
More than five years	1,565	1,997
Total minimum lease payments	3,986	4,548

14 Provisions

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

	2026 £m	2025 £m
Opening balance at 1st April	**527**	**299**
Movement relating to current year costs of pensions (reported in Statement of Profit or Loss)	30	15
Movement relating to net interest on pension (reported in Statement of Profit or Loss)	32	14
Movement relating to actuarial gains or losses on pension (reported in Other Comprehensive Income)	55	199
Closing balance as at 31st March	**644**	**527**

The provision represents the Company's obligation to surrender any recognised defined benefit pension scheme surplus to the NDA under the Energy Act 2004. The provision is measured consistently with the recognised IAS 19 pension surplus and therefore moves in line with changes in the underlying surplus recognised in the Statement of Profit or Loss and Other Comprehensive Income.

See note 15 for further details on these balances.

Notes to the financial statements
Continued

15 Retirement benefit schemes

Schemes accounted for as defined contribution

The Company accounts for two pension schemes as if they were defined contribution schemes: the Electricity Supply Pension Scheme (ESPS) and the Combined Pension Scheme (CPS). These schemes are, however, defined benefit final salary schemes, with benefits payable on retirement based on members' reckonable service and pensionable final earnings.

The schemes are subject to the UK regulatory framework for pensions, including scheme-specific funding requirements. They are operated under trust, with the trustees responsible for the administration and management of the schemes. The trustees have a statutory duty to act in accordance with the schemes' Trust Deeds and Rules, in the best interests of the beneficiaries and in compliance with UK legislation.

Electricity Supply Pension Scheme (ESPS)

On 31 March 2007, the scheme was sectionalised into various sections; however, the Company remains unable to identify its share of the scheme's assets and liabilities included in the Magnox Electric Group of the Electricity Supply Pension Scheme (MEG ESPS) on a consistent and reasonable basis, as required by IAS 19 (Revised). Consequently, the scheme is accounted for as a defined contribution scheme.

The pension charge for the period, representing contributions payable by the Company to the ESPS, amounted to £17,182 (2024/25: £174,337). The reduction in the charge reflects a significant decrease in employer contributions recognised in the financial statements during the year, driven by both the improved funding position of the scheme and the lower contribution levels applying in the period. The employer contribution rate for 2025/26 was 3.7% (2024/25: 33.6%).

At 31 March 2026, the Company had 6 employees (2024/25: 7) who were active members of the ESPS, which has approximately 1,000 active members.

The most recent triennial actuarial valuation of the scheme was carried out as at 31 March 2025 by a qualified independent actuary, using the projected unit method. The valuation reported assets of £2,087 million (2022 valuation: £3,416 million), representing a funding level of 104% against technical provisions (2022 valuation: 103%).

The valuation identified a surplus of £71 million against technical provisions. As a result, the Company will continue to pay contributions of 3.7% of pensionable salaries in respect of future service benefits. The actuarial cost of future benefit accrual was assessed at 16.4% of pensionable salaries, with part of the surplus being utilised to meet the difference between the agreed contribution rate and the actuarial cost. The next triennial valuation is due as at 31 March 2028.

The latest actuarial valuation has been updated by a qualified independent actuary to 31 March 2026 on a basis consistent with IAS 19 (Revised). The results of this IAS 19 (Revised) valuation are a total fair value of scheme assets of £2,001 million (2024/25: £2,083 million) and a surplus of £72 million (2024/25: surplus £220 million). There were outstanding employer contributions of £nil at 31 March 2026 (2024/25: £nil).

Combined Pension Scheme (CPS)

Since 24 November 2008, future pensionable service for employees who were members of the CPS has been accrued within the Combined Nuclear Pension Plan (CNPP). Pensionable service up to that date continues to be provided by the CPS. The Company has no ongoing obligation to make contributions to the CPS.

The CPS is a multi-employer scheme providing defined benefits. As an unfunded public sector scheme, it does not operate in the same manner as typical private sector pension schemes. Contributions and benefits are managed through the Consolidated Fund, with any surplus surrendered to, and any funding requirements met by, His Majesty's Government through the annual Parliamentary process. No separate fund is maintained.

The CPS is accounted for as a defined contribution scheme, as the Company is unable to identify its share of the underlying assets and liabilities on a reasonable and consistent basis. The pension charge for the period represents contributions payable by the Company to the CPS, which are fully recoverable from the NDA, and amounted to £nil (2024/25: £nil). There were no outstanding employer contributions at 31 March 2026 (2024/25: £nil).

Notes to the financial statements
Continued

15 Retirement benefit schemes (continued)

Schemes accounted for as defined benefit

The Company accounts for two sections of the Combined Nuclear Pension Plan (CNPP) as defined benefit schemes: the Sellafield section of the CNPP and the Group Pension Scheme (GPS) section of the CNPP. These schemes are defined benefit arrangements, with benefits payable on retirement based on members' reckonable service and pensionable earnings.

The schemes are subject to the UK regulatory framework for pensions, including scheme-specific funding requirements. They are operated under trust, with the trustees responsible for the administration and management of the schemes. The trustees have a statutory duty to act in accordance with the schemes' Trust Deeds and Rules, in the best interests of the beneficiaries and in compliance with UK legislation.

On 1 April 2024, the benefit structure for future accrual was changed from a final salary basis to a career average revalued earnings (CARE) basis. All active members now accrue benefits on a CARE basis. The final salary sections were closed to future accrual on 31 March 2024 but remain linked to members' salaries while they are in active service.

Employees participating in the CNPP Sellafield Section are currently in a transition period in respect of employee contribution rates, with increases being phased in over a three-year period.

Combined Nuclear Pension Plan (CNPP) – Sellafield section

Since 24 November 2008, future pensionable service for employees who were active members of the CPS has been provided through the Sellafield section of the Combined Nuclear Pension Plan (CNPP). This arrangement remained unchanged following the transfer of the Company to become a wholly owned subsidiary of the Nuclear Decommissioning Authority (NDA) on 1 April 2016.

With effect from 1 April 2024, all relevant employees accrue pension benefits on a Career Average Revalued Earnings (CARE) basis.

The CNPP comprises separately administered sections and, since 24 November 2008, has been funded by contributions from both employees and the Company. The benefits provided under the CNPP replicate those previously provided under the CPS in respect of historical service.

The Company contributes to the CNPP at rates determined by the scheme's actuary. The principal employer of the CNPP is the NDA.

The CNPP is sectionalised into a number of distinct sections, including a specific section for the Company. These financial statements reflect the Company's share of the IAS 19 (Revised) assets and liabilities of the relevant CNPP section at 31 March 2026 and 31 March 2025.

The most recent triennial actuarial valuation of the Sellafield section of the scheme was carried out as at 31 March 2025 by a qualified independent actuary, using the projected unit method. The valuation reported a market value of scheme assets of £2,049 million (2022 valuation: £2,010 million), representing a funding level of 131% against technical provisions (2022 valuation: 95%).

There is a surplus against technical provisions and therefore no deficit contributions are required. The employer contribution rate for 2025/26 was 29% (2024/25: 29.9%). An IAS 19 (Revised) actuarial valuation for the Sellafield section was carried out at 31 March 2025 by a qualified independent actuary. There were no outstanding employer contributions at 31 March 2026 (2024/25: £nil).

New employees joining the Company after 24 November 2008 were eligible to join a defined contribution section of the CNPP. As of 1 April 2024, both sections of the CNPP have been reformed and all relevant employees now accrue CARE pension benefits under the scheme.

The defined contribution section continues to be funded by contributions from both employees and the Company. The Company contributes at rates ranging from 8% to 13.5% depending on the level of contributions chosen by each individual employee.

At 31 March 2026, the Company had 7,288 employees (2024/25: 6,974) who were active members of the defined contribution section of the CNPP. The pension charge for the period, representing contributions payable by the Company to the CNPP, amounted to £52 million (2024/25: £46 million).

Group Pension Scheme (GPS) section of the CNPP

The Group Pension Scheme (GPS) is a funded scheme. The Company and other participating employers contribute to the GPS at rates recommended by the scheme's professionally qualified actuary.

On 31 March 2007, the GPS was sectionalised into various sections. Following sectionalisation, these financial statements reflect the Company's share of the IAS 19 (Revised) assets and liabilities at 31 March 2026 and 31 March 2025. Of the active members within the section of the GPS relating to the Site Licence Companies (SLC section), the majority are employed by the Company and therefore the entire section has been reflected in these financial statements.

Notes to the financial statements

Continued

15 Retirement benefit schemes (continued)

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

The GPS-SLC section was merged into the CNPP with effect from 1 April 2012 and operates as a separate section of the CNPP. No changes were made to pension and benefit entitlements at the time of the merger.

From 1 April 2024, all relevant employees now accrue CARE pension benefits in the scheme.

The most recent triennial actuarial valuation of the GPS section was carried out as at 31 March 2025 by a qualified independent actuary, using the projected unit method. The valuation reported a market value of scheme assets of £567 million (2022 valuation: £727 million), representing a funding level of 130% against technical provisions (2022 valuation: 132%).

There is a surplus against technical provisions and therefore no deficit contributions are required. The employer contribution rate for 2025/26 remained at 25% (2024/25: 25%). An IAS 19 (Revised) actuarial valuation for the GPS section was carried out at 31 March 2025 by a qualified independent actuary. There were no outstanding employer contributions at 31 March 2026 (2024/25: £nil).

Risks associated with the Company's defined benefit schemes

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

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

Disclosures under IAS 19 can be volatile. The defined benefit obligation liabilities are measured by reference to corporate bond yields whereas the majority of the schemes' assets are invested across a variety of asset classes that may move in the same direction.

The following tables present the components of net benefit expense and the funded status of the schemes, together with the amounts recognised in the Statement of Financial Position.

Net benefit expense, 2026	GPS Section of the CNPP	Sellafield Section of the CNPP	Total
	£000	£000	£000
Current service cost	3,258	43,380	46,638
Past service cost	0	0	0
Interest cost / interest income on assets	(8,840)	(32,087)	(40,927)
Net benefit expense	(5,582)	11,293	5,711
Net actuarial gains/(losses) recognised in year in OCI	**(6,141)**	**55,208**	**49,067**

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

Notes to the financial statements
Continued

15 Retirement benefit schemes (continued)

The Nuclear Decommissioning Authority (NDA) is the principal employer of the CNPP and is ultimately responsible for funding any deficits within the defined benefit sections of the scheme.

The level of employer contributions is determined by the CNPP Trustees based on the results of the latest triennial actuarial valuations.

Under the Interface Agreement, contributions paid by the Company are recognised as operating costs within the Statement of Profit or Loss and form part of the cost base used to determine revenue earned from the NDA.

Changes in the defined benefit liability are summarised as follows:

Benefit/(liability), 2026	GPS Section of the CNPP £000	Sellafield Section of the CNPP £000	Total £000
Defined benefit obligations	(423,747)	(1,619,993)	(2,043,740)
Fair value of plan assets	581,721	2,263,657	2,845,378
Benefit/(liability) – IAS 19 Surplus	157,974	643,664	801,638
Benefit/(Liability) recognised in Statement of Financial Position	-	643,664	643,664

Benefit/(liability), 2025	GPS Section of the CNPP £000	Sellafield Section of the CNPP £000	Total £000
Defined benefit obligations	(412,413)	(1,523,666)	(1,936,079)
Fair value of plan assets	566,871	2,050,811	2,617,682
Benefit/(liability) – IAS 19 Surplus	154,458	527,145	681,603
Benefit/(Liability) recognised in Statement of Financial Position	-	527,145	527,145

At 31 March 2026, both sections of the CNPP were in an IAS 19 surplus position. However, only the surplus relating to the Sellafield Section of the CNPP is recognised in the Company's Statement of Financial Position.

The recognition of a pension surplus is subject to the requirements of IFRIC 14, which limits the recognition of a defined benefit asset to amounts that the Company has an unconditional right to realise. Where the right to a surplus depends on uncertain future events not wholly within the Company's control, an asset cannot be recognised.

Based on legal advice obtained from specialist pension lawyers, the Company has concluded that it has an unconditional right to the surplus arising from its participation in the Sellafield Section of the CNPP. Accordingly, a surplus of £643.7m (2024/25: £527.1m) has been recognised in the current year. There is no asset ceiling restricting recognition of this surplus.

In contrast, the Company does not have an unconditional right to the surplus in respect of the GPS section. Under the terms of the CNPP Trust Deed, the allocation of surplus within the GPS section is ultimately controlled by the Nuclear Decommissioning Authority (NDA). As a result, the surplus of £158.0m (2024/25: £154.5m) has not been recognised and is excluded from the Statement of Financial Position.

Notes to the financial statements
Continued

15 Retirement benefit schemes (continued)

Changes in the present value of the defined benefit pension obligations are analysed as follows:	GPS Section of the CNPP £000	Sellafield Section of the CNPP £000	Total £000
Defined benefit obligation at 31 March 2024	**462,827**	**1,698,152**	**2,160,979**
Interest on liabilities	21,599	81,372	102,971
Current service cost	4,618	63,068	67,686
Past service cost	-	40	40
Actuarial (gain) / loss on change in financial assumptions	(54,792)	(283,824)	(338,616)
Actuarial (gain) / loss on change in demographic assumptions	(944)	(2,585)	(3,529)
Actuarial (gain) / loss on liabilities	151	249	400
Transfers (paid)	(388)	(5,889)	(6,277)
Benefits (paid)	(21,794)	(42,852)	(64,646)
Employee contributions	1,136	15,935	17,071
Defined benefit obligation at 31 March 2025	**412,413**	**1,523,666**	**1,936,079**
Interest on liabilities	22,726	85,945	108,671
Current service cost	3,258	43,380	46,638
Past service cost	-	-	-
Actuarial (gain) / loss on change in financial assumptions	(11,939)	(61,541)	(73,480)
Actuarial (gain) / loss on change in demographic assumptions	2,261	6,919	9,180
Actuarial (gain) / loss on liabilities	15,678	53,799	69,477
Transfers (paid)	(478)	(4,112)	(4,590)
Benefits (paid)	(21,378)	(45,591)	(66,969)
Employee contributions	1,206	17,528	18,734
Defined benefit obligation at 31 March 2026	**423,747**	**1,619,993**	**2,043,740**

Changes in the fair value of plan assets are as follows:	GPS Section of the CNPP £000	Sellafield Section of the CNPP £000	Total £000
Fair value of plan assets at 31 March 2024	**594,695**	**1,997,227**	**2,591,922**
Interest income	27,855	95,924	123,779
Employer contributions	4,313	77,770	82,083
Transfers (paid)	(388)	(5,889)	(6,277)
Benefits (paid)	(21,794)	(42,852)	(64,646)
Return on plan assets (excluding amounts included in interest income)	(38,946)	(87,304)	(126,250)
Contributions by employees	1,136	15,935	17,071
Fair value of plan assets at 31 March 2025	**566,871**	**2,050,811**	**2,617,682**
Interest income	31,566	118,032	149,598
Employer contributions	4,075	72,604	76,679
Transfers (paid)	(478)	(4,112)	(4,590)
Benefits (paid)	(21,378)	(45,591)	(66,969)
Return on plan assets (excluding amounts included in interest income)	(141)	54,385	54,244
Contributions by employees	1,206	17,528	18,734
Fair value of plan assets at 31 March 2026	**581,721**	**2,263,657**	**2,845,378**

Notes to the financial statements
Continued

15 Retirement benefit schemes (continued)

Pension contributions are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit credit method. This method is an accrued benefits valuation approach in which the scheme liabilities reflect future earnings growth.

Scheme assets are stated at their fair value at the reporting date. The net interest on the net defined benefit asset is determined by reference to the discount rate in accordance with IAS 19.

Isio Total Reward and Benefits Limited act as actuary to the CNPP.

At 31 March 2026, scheme assets were invested in diversified portfolios consisting primarily of equity and fixed income securities, with a significant allocation to liability-matching assets such as index-linked gilts.

The fair value of scheme assets, analysed by asset class, is set out below.

	2026 %	2026 £000
Group Pension Scheme Section of the CNPP		
Equities	12	70,916
Index Linked Gilts	61	354,005
Corporate Bonds	15	84,246
Property	3	19,744
Diversified Growth Fund / Multi Credit	7	43,273
Other	2	9,537
Sellafield Section of the CNPP		
Equities	36	807,677
Index Linked Gilts	30	679,323
Corporate Bonds	5	111,108
Property	8	177,749
Diversified Growth Fund / Multi Credit	17	390,640
Other	4	97,160

	2025 %	2025 £000
Group Pension Scheme Section of the CNPP		
Equities	16	87,929
Index Linked Gilts	60	338,382
Corporate Bonds	12	70,244
Property	4	22,461
Diversified Growth Fund / Multi Credit	7	41,645
Other	1	6,210
Sellafield Section of the CNPP		
Equities	41	830,715
Index Linked Gilts	24	496,172
Corporate Bonds	5	100,493
Property	10	195,197
Diversified Growth Fund / Multi Credit	18	363,417
Other	2	64,817

Notes to the financial statements
Continued

15 Retirement benefit schemes (continued)

The assets disclosed include a mixture of Level 1, Level 2 and Level 3 assets as defined by IFRS 13 Fair Value Measurement, which categorises the inputs used in the valuation of assets and liabilities into three levels.

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

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

Level 3 inputs are unobservable inputs for the asset or liability.

The pension schemes have not invested in any of the Company's own financial instruments nor in properties or other assets used by the Company.

The principal financial assumptions used in determining the defined benefit obligations for the Company's plans are set out below.

	GPS Section of the CNPP 2026 %	GPS Section of the CNPP 2025 %	Sellafield Section of the CNPP 2026 %	Sellafield Section of the CNPP 2025 %
Main assumptions				
Future salary increases: years 1 to 3	2.95	-	2.95	-
Future salary increases: years 1 to 4	-	2.75	-	2.75
Future salary increases: years 3+	3.45		3.45	
Future salary increases: years 4+	-	3.25	-	3.25
Future pension increases in payment or deferment – Final Salary	3.30	3.15	3.25	3.1
Future pension increases in payment of deferment - CARE	2.95	2.75	2.95	2.75
Discount rate	6.05	5.65	6.10	5.7
RPI Inflation assumption	3.30	3.15	3.25	3.1
CPI Inflation assumption	2.95	2.75	2.95	2.75
Post-retirement mortality (in years)				
Current pensioners at 65 – male	21.1	20.7	21.1	20.7
Current pensioners at 65 – female	23.3	23.3	23.3	23.3
Future pensioners at 65 (now 45) – male	22.3	22.0	22.3	22.0
Future pensioners at 65 (now 45) – female	24.8	24.7	24.8	24.7

The UK discount rate is based on yields on high-quality corporate bonds of appropriate duration. Inflation and pension increase assumptions are derived from market-implied expectations based on the difference between yields on fixed interest and index-linked government securities.

Mortality assumptions for both sections of the CNPP are based on 110% of the S4P SAPS base tables, with future improvements in line with the CMI 2025 projections model and a long-term improvement rate of 1.25% per annum (2025: 1.25%). The assumptions are adjusted to reflect expected future improvements in longevity.

The weighted average duration of the CNPP defined benefit obligation for the Sellafield Section is 16 years (2025: 17 years) and the GPS section is 12 years (2025: 14 years).

Notes to the financial statements
Continued

15 Retirement benefit schemes (continued)

Sensitivity analysis

The impact on defined benefit obligations being	**Rate Increase £000**	Rate Decrease £000
Group Pension Scheme Section of the CNPP		
0.5% change in discount rates: 2026	(23,730)	25,849
0.5% change in discount rates: 2025	(27,219)	30,106
0.5% change in salary increase: 2026	2,966	(2,966)
0.5% change in salary increase: 2025	4,124	(4,124)

The impact on defined benefit obligations being	**Rate Increase £000**	Rate Decrease £000
Sellafield Section of the CNPP		
0.5% change in discount rates: 2026	(123,119)	139,319
0.5% change in discount rates: 2025	(123,417)	138,654
0.5% change in salary increase: 2026	46,980	(45,360)
0.5% change in salary increase: 2025	51,805	(50,281)

The most recent triennial actuarial valuation of the GPS section was carried out as at 31 March 2025. Following the valuation, the Company's contribution rate is to remain at 25%. The next valuation is due to be completed as at 31 March 2028.

The most recent triennial actuarial valuation of the Sellafield section was carried out as at 31 March 2025. Following the valuation, the Company's contribution rate will drop to 28.1% in 26-27, and again to 27.5% from 27-28. The employer contribution rate for 2025-26 was 29% (2024/25: 29.9%). The next valuation is due to be completed as at 31 March 2028.

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

Employer contributions paid during the year ended 31 March 2026 were £3.9 million for the GPS section and £72.6 million for the Sellafield section. Employer contributions expected to be paid in the year ending 31 March 2027 are £3.0 million for the GPS section and £39.2 million for the Sellafield section.

The levels of contributions are based on the current service costs and the expected future cash flows of the defined benefit schemes.

Notes to the financial statements
Continued

15 Retirement benefit schemes (continued)

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

Amounts for the current and previous four periods are as follows:	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
GPS Section of the CNPP					
Defined benefit obligation	(424)	(412)	(463)	(415)	(652)
Plan assets	582	567	595	593	727
Surplus/(deficit)	158	155	132	178	75

	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
Sellafield Section of the CNPP					
Defined benefit obligation	(1,620)	(1,524)	(1,698)	(1,426)	(2,606)
Plan assets	2,264	2,051	1,997	1,832	2,011
Surplus/(deficit)	644	527	299	406	(595)

Any deficits arising in either section of the CNPP are recognised in full, with a corresponding asset recognised from the Nuclear Decommissioning Authority (NDA), as principal employer.

A surplus is recognised only in respect of the Sellafield section of the CNPP, as the Company has an unconditional right to that surplus. No asset is recognised for the GPS section, as the Company does not have an unconditional right to any surplus arising in that section.

History of experience of gains and losses

	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
GPS Section of the CNPP					
Experience gains/(losses) on scheme assets:					
Amount	(0.1)	(38.9)	(10.9)	(129.6)	36.3
Experience gains/(losses) on scheme liabilities:					
Amount	(15.7)	(0.2)	(61.8)	(16.8)	(3.5)

	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
Sellafield Section of the CNPP					
Experience gains/(losses) on scheme assets:					
Amount	54.4	(87.3)	20.9	(326.2)	110.0
Experience gains/(losses) on scheme liabilities:					
Amount	(53.8)	(0.2)	(214.9)	(11.1)	(3.3)

Notes to the financial statements
Continued

16 Interest

Interest charges include the following:

	31 March 2026 £m	31 March 2025 £m
Net Interest Received on CNPP Pension Scheme	32	15
Net interest movement on provision to surrender asset	(32)	(15)
Total Interest	-	-

17 Share Capital

	2026 £m	2025 £m
Authorised:		
43,000,000 Ordinary shares of £1 each	43	43
1 B share of £1	-	-
Allotted, called up and fully paid:		
1 Ordinary share of £1	-	-
1 B share of £1	-	-

Ordinary shares carry equal voting rights and do not carry rights to fixed income.

The rights attaching to the authorised ordinary shares are set out in the Company's Articles of Association, which were adopted with effect from 1 April 2016. As set out in the Articles of Association, the rights attaching to the B share are limited to matters relating to dividend payments and the repayment of capital.

At 31 March 2026, both the ordinary share of £1 and the B share of £1 were held by the Nuclear Decommissioning Authority.

18 Ultimate controlling party

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

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

19 Related party transactions disclosure

There were no related party transactions requiring disclosure during the year.

20 Events after the reporting period

On 3rd July 2026 H M Revenue and Customs determined that the Company is not active for corporation tax purposes (note 2.4h).

No further events after the reporting period requiring adjustment and/or disclosure have been identified.

The financial statements were authorised for issue by the Board of Directors on 23rd September 2026.

Appendix 1

Methodology used to calculate greenhouse gas (GHG) emissions and energy usage data for the period 1 April 2025 to 31 March 2026:

Scope 1

Gas Data

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

For off-site properties, where SL pays directly for gas use - use is metered (fiscal) by supplier and recorded on utility bills. Where SL does not pay for the gas directly, the quantity has been calculated from meter readings supplied by the building management company or estimated based on service charges or floor area adjusted for building occupancy multiplied by DESNZ Conversion Factors. tCO_2e is calculated using the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting - Fuels (2025).

Mass of unburnt methane has then been multiplied by the tCO_2e emissions factor for methane using UK Government GHG Conversion Factors for Company Reporting (2025), Refrigerant & other. kWh for methane is already included within the total kWh gas Fellside metered (fiscal).

Transport/ Other Fuels

For petrol, diesel and gas oil from the filling station, fuel keys are used to account for fuel use between transport and other uses. The litres of fuel used are multiplied by the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting - Fuels (2025).

Gas oil use at Fellside (inc. handpump CHP) is metered by local meters, and the litres of fuel are converted into tCO_2e using constants from the Digest of UK Energy Statistics (DUKES) and Carbon Emissions Factors and Calorific Values as used in the Greenhouse Gas National Inventory Report published in 2025. Part of UKETS process.

Invoiced gas oil and diesel is summated in litres and multiplied by the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting - Fuels (2025). It is assumed that all fuel purchased in FY25/26 is utilised in the same period.

Kilogrammes of propane and litres of butane used are converted into tCO_2e using constants from the Digest of UK Energy Statistics (DUKES) and Carbon Emissions Factors and Calorific Values as used in the Greenhouse Gas National Inventory Report published in 2025. Part of UKETS Conservative Estimate.

Scope 2

Electricity

Electricity exported from the National Grid to the Sellafield site is measured by fiscal meter. tCO_2e is calculated using the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting - UK electricity (2025).

For off-site properties, where SL pays directly for electricity use - use is metered (fiscal) by supplier, utility bills. Where SL does not pay for the electricity directly, the quantity has either been calculated from meter readings supplied by the building management company or based on the associated service charge, or floor area as part of the lease, using Non-Domestic National Energy Efficiency Data Framework 2025 figures. Where there are no dedicated meters for the tenant - kWh have been apportioned based on building occupancy. tCO_2e is calculated using the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting - UK electricity (2025).

Scope 3

Business Travel

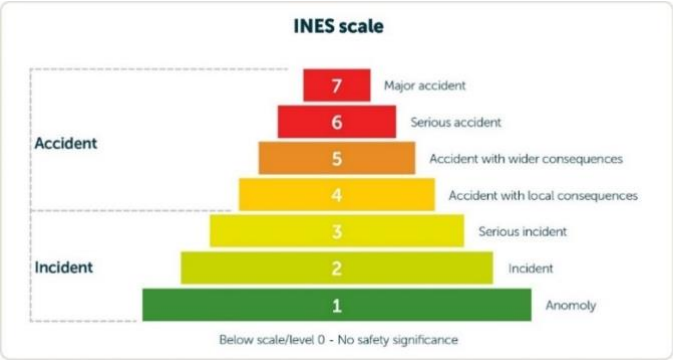
Rental cars derived from contractor hire car data reports. Personal mileage is derived from mileage claims based on cost claimed, converted into kilometres. tCO_2e is calculated using the relevant emission factor given in the UK Government GHG Conversion Factors for Company Reporting (2025).

To convert to kWh - litres of fuel are derived using average litres/km for petrol and diesel; this is multiplied by the average GCV for petrol and diesel; and then converted into kWh.

Fuel use for some Company Cars is accounted for through fuel cards (business mileage is taken to be 50% of the fuel purchased on the fuel cards). These are the recorded litres used but do not specify the fuel type. Litres of fuel have been estimated by using the average cost of unleaded, super unleaded and diesel fuels. The resultant litres have then been multiplied by the average of the emission factors for petrol and diesel, from the UK Government GHG Conversion Factors for Company Reporting (2025).

Appendix 2 – Safety performance data and charts

International Nuclear and Radiological Event Scale (INES)



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



There were four INES events in 2025/26. For details of these events, please refer to page 6.

Nuclear safety



This metric represents the number of Nuclear Sellafield Incident Reports (SIRs) which are nuclear events categorised as 'significant' under our sentencing scheme. For details of these events, please refer to page 6.

Radiological safety



This metric represents the number of Radiological Sellafield Incident Reports (SIRs) radiological events categorised as 'significant' under our sentencing scheme. For details of these events, please refer to page 6.



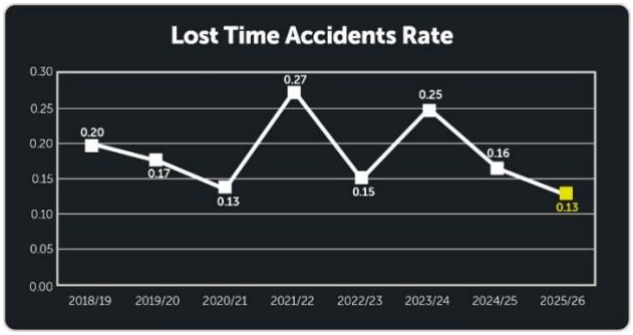
This metric provides the number of personal (skin) contamination events. We continue to work with workforce radiological protection working groups to prevent further contamination events.

Environmental safety

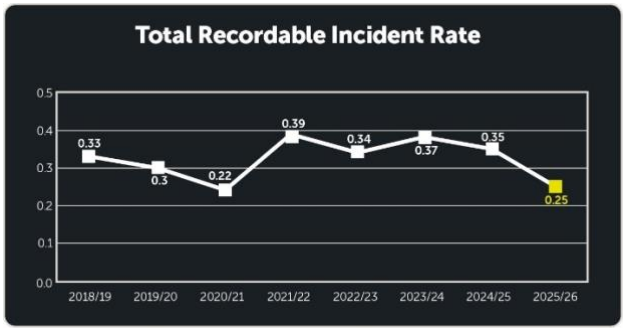


This metric represents the number of environmental Site Incident Report (SIR) events categorised as 'significant' under our sentencing scheme and includes non-compliance of the environmental permit. For details of the event in 2025/26, please refer to page 6.

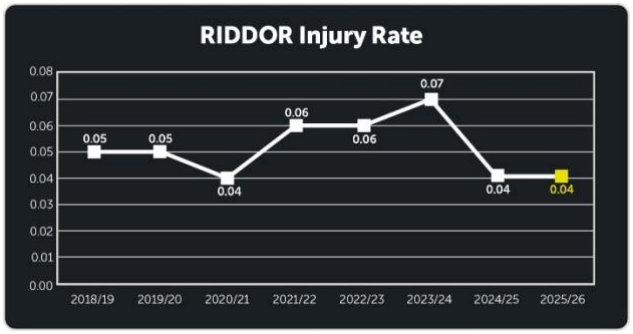
Conventional safety



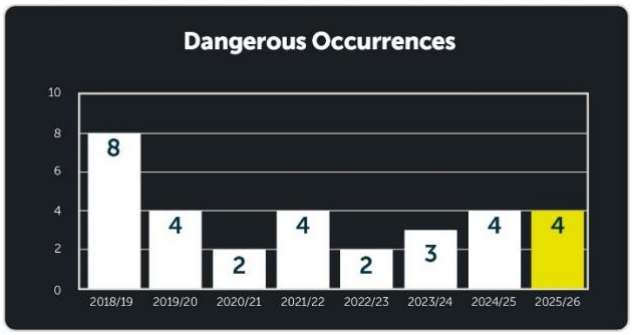
This metric records the 12-month rolling average rate of lost time accidents (accidents resulting in more than one day from work) per 200,000 hours worked. Most of the accidents are as a result of slips, trips, falls and manual handling.



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



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



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

Glossary and abbreviations

Acronym	Description
A&RAC	Audit and Risk Assurance Committee
CEO	Chief Executive Officer
DESNZ	Department for Energy Security and Net Zero
EA	Environment Agency
EHS&S	Environment, Health, Safety and Security Committee
INES	The International Nuclear and Radiological Event Scale
IRP	Investment Review Panel
IRR17	UK's Ionising Radiations Regulations 2017
NDA	Nuclear Decommissioning Authority
NomCo	Nominations Committee
ONR	Office for Nuclear Regulation
P&PC	Projects and Programmes Committee
P&RC	People and Remuneration Committee
SIR	Sellafield Incident Report What is a Sellafield Incident Report? • A significant, off-normal event occurs • A Site Incident Report is created to capture details of the event • Safety teams review the event and 'sentence' it, which means deciding what type and level of event it is and what, if any, further reporting needs to take place • The Site Incident Report is also reviewed to see if there is any learning from the event that can be shared across the business, the NDA, and the wider industry where appropriate.

Useful links and documents

Sellafield Limited
(www.gov.uk/government/organisations/sellafield-ltd)

Nuclear Decommissioning Authority
(www.gov.uk/nda)

Financial Reporting Council
(www.frc.org.uk)

UK Corporate Governance Code
https://www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/
https://media.frc.org.uk/documents/UK_Corporate_Governance_Code_2018.pdf

Task Force on Climate-related Financial Disclosure (TCFD) -aligned disclosure application guidance - Phase 1 and Phase 2
https://www.gov.uk/government/publications/tcfd-aligned-disclosure-application-guidance/task-force-on-climate-related-financial-disclosure-tcfd-aligned-disclosure-application-guidance#metrics-and-targets

Greenhouse Gas Protocol
(www.ghgprotocol.org/about-us)

The NDA group Strategy - effective from March 2026
(www.gov.uk/government/publications/the-nda-group-strategy-effective-from-march-2026)

Sellafield Limited Social Impact Strategy
(www.gov.uk/government/publications/sellafield-ltd-social-impact-strategy).