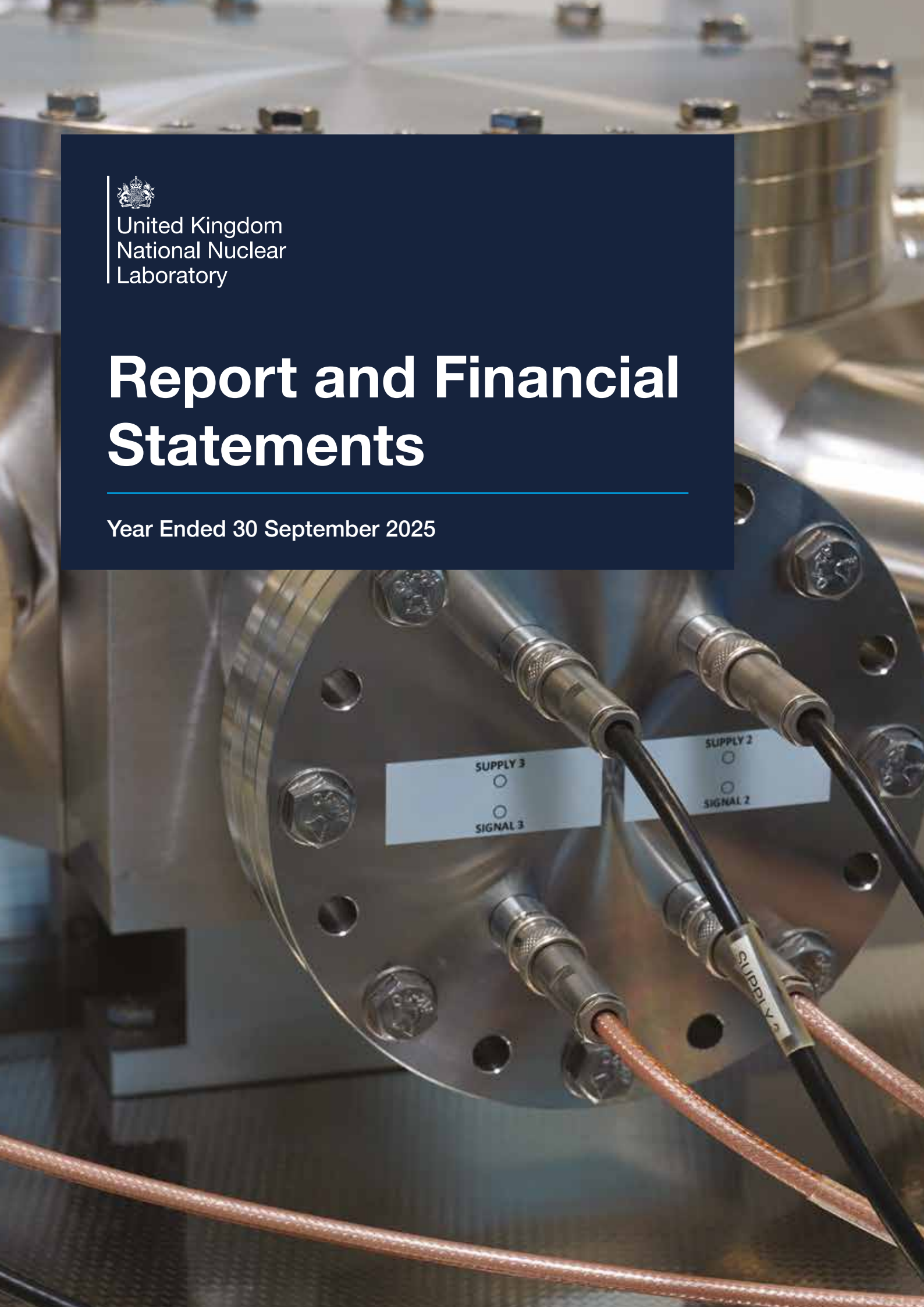




United Kingdom
National Nuclear
Laboratory

Report and Financial Statements

Year Ended 30 September 2025



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Nuclear Science to Benefit Society

1.1 Chair's Welcome

David Scott

UKNNL Interim Chair¹



This Annual Report reflects a transformative period for UKNNL and the wider nuclear sector. Over the past 18 months, nuclear's strategic importance has grown significantly, both internationally and domestically, reinforcing the role that we and our partners hold at the heart of the UK's energy and national security future.

Central to this period was the completion and publication of the government's Strategic Review of UKNNL in December 2024 — a landmark moment that has sharpened the direction of the organisation for the decade ahead. Since then, UKNNL has focused on implementing the 10-year transformation objectives that the review outlines and ensuring it is financially stable for the future.

A new golden age of nuclear

The landscape in which we and our sector operate has fundamentally changed. Energy independence and national security have not been so intertwined with people's everyday concerns since the Cold War era. The British public

recognises the imperative to deliver on these priorities, and nuclear energy is increasingly understood to be a central part of the solution.

The government's commitment to the regeneration of our nuclear sector reflects this reality. We were pleased to host the Prime Minister and Secretary of State for Energy Security and Net Zero at our Preston Laboratory in February 2025 for the announcement of ambitious plans for large-scale nuclear projects.

In the summer of 2025, the government heralded a new era for nuclear power backed by two major decisions. The selection of Rolls-Royce SMR as preferred bidder to build the country's first

small modular reactors — a project that could support up to 3,000 jobs at peak construction and power the equivalent of around three million homes — was followed by the Energy Secretary's approval of the final investment decision for Sizewell C: a landmark, multi-billion-pound commitment that will deliver clean power to six million homes, support 10,000 jobs at peak construction, and stand as the country's most significant public investment in clean, home-grown energy this century.

This is part of a broader global momentum towards nuclear energy. At COP29 in November 2024, six more countries endorsed the Declaration to Triple Nuclear Energy by 2050, bringing the total number of signatories to over 30 nations representing more than 75% of the global economy. This expanding coalition reflects the growing international recognition that nuclear power is indispensable for achieving net-zero ambitions while ensuring energy security.

Strategic Review outcomes

We are immensely proud that the government's Strategic Review confirmed UKNNL's position as the nation's lead civil nuclear fission laboratory — recognising the world-leading scientific expertise our people have built and the irreplaceable sovereign capabilities we steward on behalf of the country, from underpinning energy security to supporting our nuclear deterrent and security. That recognition is a tribute to the dedication of everyone across this organisation, and we carry it with great pride.

At the same time, we are under no illusions that the review sets us a significant challenge: to sharpen our focus on national priorities, strengthen our delivery performance, and deepen those relationships across the sector upon which our future success depends. We are committed to rising to that challenge with the same determination that has always defined this organisation.

This clarity of purpose arrives at a pivotal moment for nuclear energy in the UK, and it positions UKNNL to play a defining role in achieving the nation's nuclear aspirations for decades to come.

A new chapter and wider changes

During this period, we announced that Paul Howarth would be retiring after 15 years of service as Chief Executive Officer.

We were delighted to announce the appointment of Julianne Antrobus as his successor. Julianne, who began her career at British Nuclear Fuels Limited — from which UKNNL stems — brings exceptional experience and leadership that will be invaluable as we implement the Strategic Review's recommendations and embrace our enhanced national role. Within a challenging fiscal environment, a key priority for Julianne and her team will be to ensure UKNNL is financially sound — able to sustain and build upon its capabilities over the long term to safely and securely deliver for its customers and partners.

As we look ahead, I am confident that UKNNL is well-placed to meet the ambitions this moment demands — and to play its full part in securing a clean, safe and prosperous nuclear future for the United Kingdom.

¹ David Scott became the interim UKNNL Chair in January 2026 following the decision of the former Chair, Ian Funnell, to step down in December 2025. [UKNNL Chair Ian Funnell to Step Down - United Kingdom National Nuclear Laboratory](#)

1.2 CEO Overview

Julianne Antrobus



It is with immense pride that I return to UKNNL, taking up the mantle from Paul Howarth as Chief Executive Officer at a moment when the organisation is stepping into an elevated and defining role as the government's lead civil national laboratory for nuclear fission. Starting my own career in the sector at UKNNL's predecessor, British Nuclear Fuels Limited, I had always hoped to close the circle by coming home to this organisation. To do so now, when the significance of UKNNL's work only continues to grow, makes that homecoming all the more meaningful.

The organisation's evolution from NNL to UKNNL comes at a time of renewed ambition for the UK's nuclear sector — an ambition that reflects nuclear's strategic national importance for assuring both our energy independence and national security.

Strategic Review

This Annual Report and Accounts cover the period in which the government completed its Strategic Review of the organisation. In doing so, the government recognised the vital purpose, role and impact of our laboratory as we act in the national interest to help drive forward science and technology. This reporting period has therefore been

a significant one, placing UKNNL firmly at the heart of British nuclear research and development and setting the standard by which the organisation will continue to make its impact for decades to come.

The Strategic Review gave us something invaluable: clarity. Our mission is twofold: to enable and deliver nuclear outcomes for the government, and to support the growth of the UK nuclear sector. The review also confirmed the distinct roles through which we will fulfil that mission: as custodian of national capabilities and infrastructure critical for energy and national security; as the government's lead civil technical and strategic adviser

for nuclear fuels and materials; and as a platform for the private sector to accelerate technology deployment to market. We will carry out research to secure the safe operation of nuclear plants domestically and internationally, deliver practical research to enable decommissioning programmes, and champion and nurture advanced nuclear skills across the sector.

This 'mission framework' demonstrates that UKNNL's impact spans the whole of the nuclear sector. Our work — rooted as firmly as ever in our purpose of using nuclear science to benefit society — makes a profound difference to people's lives, to our communities, and to the UK and global civil nuclear industry. That is a responsibility we carry with pride.

The developments described in the Chair's Welcome — from the selection of Rolls-Royce SMR as preferred bidder for the country's first small modular reactors, to the final investment decision for Sizewell C — are a powerful demonstration of the national ambition we exist to serve. These are precisely the kinds of programmes that place new demands on UKNNL's expertise and reinforce why the transformation set out in the Strategic Review is so important to get right.

Nurturing vital relationships

The Strategic Review was an important opportunity to assess our strengths, address the barriers to greater impact, and agree how UKNNL can best enable the nation's nuclear future. It also sets the direction for our role as a convenor and collaborator across our wider sector, so that we can best deliver on government priorities alongside those with whom we work most closely.

We have placed considerable focus on evolving our relationships with UKNNL's key partners and customers to ensure that together we can deliver for the UK. We have also expanded our academic collaborations through new research partnerships that connect our applied science capabilities with fundamental research conducted in universities. These relationships are crucial for maintaining the pipeline of innovation and developing the specialist skills the sector needs.

Our financial position

Over the reporting period the business faced three concurrent challenges: a nil settlement was received from the spending review, significant cuts to customer programmes were experienced, and overheads (which had built up over a period of time) were causing inefficiency, operational difficulties and an unsustainable cost base. During this period UKNNL maintained safe and secure operations and delivered for customers.

These challenges caused the business to take an unexpected course of corrective measures through 2025. The "Fixing the Fundamentals" programme was launched to drive efficiency, grip and control through the business. This included a decision by UKNNL to extend its accounting reference date to cover the period from 1 April 2024 to 30 September 2025.

The Fixing the Fundamentals improvement programme is making sustainable changes across UKNNL to ensure we safely and securely maintain high service provision to our customers while targeting significant savings.

The Nuclear Regulatory Review 2025 which was published at the end of 2025 following an independent review of civil and defence nuclear regulation comes at a time that aligns with the changes we are undertaking within the business. The report points to three fundamental regulatory drivers of high cost and delay in the nuclear sector; risk aversion; process over outcome; lack of incentives and encourages the sector to implement a series of recommendations as a 'radical reset' of the UK's nuclear regulatory system. UKNNL is uniquely placed

to respond to the recommendations both through its own activity as well as its role within the wider nuclear sector.

By making us financially stable and right-sized for the future, UKNNL will unlock its potential as the UK's lead civil laboratory for nuclear fission, whilst fostering an open, empowering culture and innovation and producing highly valued scientific and technical work for our customers and to benefit the nation.

Fixing the Fundamentals is the catalyst that will enable UKNNL to fully implement its 10-year transformation outlined in the Strategic Review, and by embedding these improvements in our ways of working we will continue delivering for our customers and for the UK for decades to come.

The Strategic Review was clear that a long-term sustainable financial model is essential if the laboratory is to continue fulfilling its pivotal role in the sector. Therefore, agreeing and implementing a sustainable future model remains an area of significant focus for UKNNL and the departmental sponsor team.

Looking to the future

These 18 months have seen a period of significant milestones. More than anything, it has seen UKNNL begin to lay the foundations for a 10-year transformation as we fully embody the role and mission set out in the Strategic Review. That review is our north star, and we will implement its recommendations in close partnership with government and across the nuclear sector — ensuring we play a vital and sustained role in delivering the UK's energy and national security.

None of this is possible without the people of UKNNL. We are fortunate to have exceptional scientists, engineers and professionals whose commitment and expertise make this organisation what it is. Their contributions at every level will help underpin a thriving nuclear industry — one that powers the UK's prosperity and security through world-class science and innovation.

From advanced reactor development to decommissioning, UKNNL is ready to work hand in hand with government, industry and regulators to deliver a smarter, more efficient and safer nuclear programme that enhances the UK's position as a global leader in this critical field.

1.3 How Have We Performed?

1.3.1 UKNNL Value Framework

Business performance is reviewed and monitored using the UKNNL Value Framework which comprises a broad set of measures that enable management to deliver against targets for the period and the strategic outcomes required of the organisation. The measures are divided into Foundational, Financial, Customer, Human and Societal.

Performance for the first 12 months was broadly in line with expectations and good progress was made towards achieving many of the target outcomes in the extended period. This performance is underpinned by continued high standards of safety and security across both nuclear and conventional safety standards.

Value Framework (1 April 2024 to 31 March 2025)

KPI		Metric	Target	24/25	Prior Year
Foundational	Safety	Events (reportable)	<3 (FY)	1	1
	Security	Events (reportable)	<2 (FY)	0	0
	Information security	SOC events investigated by UKNNL	Monitor only	17	N/A
	Assurance	Actions outstanding	<9 (FY)	29	9
	Quality	Events (reportable)	<3 (YFY)	0	0
Finance	Activity <i>(An alternative performance measure to demonstrate the value of work delivered it comprises revenue, capital expenditure and internal investment)</i>	Total activity	£230.7m (FY)	£228.6m	£199.9m
	EBITDA <i>(Earnings before Interest, Investment, Tax, depreciation and Amortisation)</i>	EBITDA	£7.6m (FY)	£8.8m	£7.8m
	Net cash	Closing net cash	£18.6m (FY)	£44.8m	£22.1m
	Total cost base	Total gross cost	£154.9m (FY)	£152.2m	N/A
	Average utilisation	Average recoverable hours per direct employee (tariff)	1513 (FY)	1355	N/A

Customer	Customer feedback	Weighted score (out of 5.0)	4.25 (P/FY)	4.3	4.17
	Project CPI <i>(Cost performance Index, measures the financial effectiveness and efficiency of a project by comparing the value of completed work to actual costs)</i>	Average project CPI (Cat. 3/4)	0.95 (P/FY)	-	N/A
	Project SPI <i>(Schedule performance Index, a ratio of earned value to planned value which shows whether a project is on, behind or ahead of schedule)</i>	Average project SPI (Cat. 3/4)	0.9 (P/FY)	-	N/A
	S&T journals <i>(The number of journals published)</i>	Journals	75 (FY)	82	81
	S&T leverage <i>(The value of customer work leveraged through the internal S&T programme)</i>	Leverage	£30m (FY)	£39m	£32.0m
Human	Gender and ethnicity	% of staff female	33% (P/FY)	32%	32%
	Attrition	Rolling turnover	8% (P/FY)	8.2%	8.6%
	Sickness	Average sickness	3.2% (P/FY)	3.3%	3.1%
Societal	Economic	Spend with SMEs (rolling 12 months)	35% (P/FY)	40%	35%
	Environment	Scope 3 business travel: tCO2 emissions Cars: hired/leased/owned (reported quarterly)	215k tonnes (FY) 255 tCO2 emissions (2023–24) 1,200,000km	347 2,051,554km	239 N/A
	Social	STEM outreach events	70 (FY)	70	N/A

Targets were achieved for many of the reported indicators in the first 12 months and, in particular, performance against financial key performance indicators was generally ahead of target. While activity was below target, driven by the level of internal investment, the value of work delivered for customers was higher than planned.

Value Framework (1 April 2025 to 30 September 2025)

Value Framework metrics were established for the 12-month period 1 April 2024 to 31 March 2025. When UKNNL extended its accounting reference date, only financial targets were put in place to cover the six months from 1 April 2025 to 30 September 2025. We have provided the additional performance data for information purposes only.

KPI		Metric	12 Month Target	6 Month Target	Actual
Foundational	Safety	Events (reportable)	<3 (FY)	n/a	0
	Security	Events (reportable)	<2 (FY)	n/a	0
	Information security	SOC events investigated by UKNNL	Monitor only	n/a	1
	Quality	Events (reportable)	<3 (YFY)	n/a	0
	Objectives	% tracking green	100%	n/a	36.4%
Finance	Activity <i>(An alternative performance measure to demonstrate the value of work delivered it comprises revenue, capital expenditure and internal investment)</i>	Total activity	£225.1m	£114.6m	£104.9m
	Profit before tax	Profit before tax	(£3.7m)	(£1.0m)	£1.3m
	EBITDA <i>(Earnings before Interest, Investment, Tax, depreciation and Amortisation)</i>	EBITDA	£8.0m	£3.8m	£3.1m
	Net cash	Closing net cash	£25.0m	£50.6m	£29.9m
	Total cost base	Total gross cost	£154.9m	£76.2m	£78.5m
Customer	Customer feedback	Weighted score (out of 5.0)	4.25 (P/FY)	n/a	4.26
	Project CPI <i>(Cost performance Index, measures the financial effectiveness and efficiency of a project by comparing the value of completed work to actual costs)</i>	Average project CPI (Cat. 3/4)	0.95 (P/FY)	n/a	N/A
	Project SPI <i>(Schedule performance Index, a ratio of earned value to planned value which shows whether a project is on, behind or ahead of schedule)</i>	Average project SPI (Cat. 3/4)	0.9 (P/FY)	n/a	N/A
	S&T journals <i>(The number of journals published)</i>	Journals	75 (FY)	n/a	34
	S&T leverage <i>(The value of customer work leveraged through the internal S&T programme)</i>	Leverage	£30m (FY)	n/a	£35.5m

Human	Gender and ethnicity	% of staff female	33% (P/FY)	n/a	33%
	Attrition	Rolling turnover	8%	n/a	8.1%
	Sickness	Average sickness	3.2%	n/a	3.4%
	Engagement Sentiment	% employee engagement with pulse survey	Monitor only	n/a	76%
Societal	Economic	Spend with SMEs (rolling 12 months)	35% (P/FY)	n/a	30%
	Environment	(Scope 3 business travel: tCO2 emissions) Cars: hired/leased/owned (reported quarterly)	1,200,000km 215 tCO2e	n/a	694,737km 115tCO2e
	Social	STEM outreach events	30 (FY)	n/a	15

1.3.2 Foundational performance
Primary targets across activities related to health, safety and security were successfully met across the financial period. UKNNL was awarded the RoSPA Order of Distinction (21 consecutive Golds) Award for continued levels of excellence within health and safety. The focus on nuclear safety remains paramount to ensure operations can continue. This is underscored by increased attention to conventional health and safety, which is vital given several major upgrade activities are ongoing across our facilities. A single reportable accident was reported during the financial period, with no major injuries incurred.

The number of overdue assurance proposals and actions was above the threshold. Primarily, these relate to ongoing transformation within information security activities, while the independent assurance function continues to ensure we focus on completing outstanding actions.

UKNNL has continued to develop a detailed understanding of its cyber and information security position, with improvements driven through significant investment associated with IT stabilisation in the period and with further investment planned for future years.

1.3.3 Financial performance
UKNNL had a strong financial performance in the first 12 months of the period. Management focused activities on optimising labour and facilities utilisation, resulting in a revenue of £179 million in the period. This growth in revenue delivered an EBITDA of £8.8 million, which was above budget. The labour utilisation target was; however, not met and targeted actions have been undertaken as part of the Fixing the Fundamentals programme to seek to improve efficiency across the organisation.

Financial performance through the final six month period was generally positive. While revenues were £2.8 million ahead of target, the decision was made to deprioritise investment programmes to preserve cash; therefore, CAPEX spend in the six months was circa £10 million below target resulting in total activity of £104.9 million that was £9.7 million below target at the end of the six month period. Although customer work generated higher margins than expected, cost base pressures impacted EBITDA, which was £0.7 million lower than target.

Cash balances at the end of the 6 months were £20.7m lower than the target, which had assumed a £20m cash injection from the holding company, but which did not take place as expected.

Costs were £2.3m above target, which illustrates the unsustainable cost base which is now being addressed in the Fixing the Fundamentals programme. With respect to all finance KPI's the targets in the value framework are the budget.

Over the 18 month period, customer revenue (one element of activity) was £7.5m above target +3% and EBITDA £0.2m above target with the increased revenue and gross margin from customer work, offsetting the cost base pressure.

1.3.4 Customer performance
Customer feedback improved over the period, most notably from both AWE and EDF. AWE complimented the strong delivery performance by the Preston facility, with progress against the DU Swarf activities being consistently ahead of plan. EDF, in turn, noted the impressive performance throughout 2024, with all deliverables being achieved across both failed fuel and graphite analysis. Delivery of the Ministry of Defence (MoD) programme was strong throughout the financial period with consistent delivery of KPIs and improved customer sentiment. Delivery performance across the multiple programmes within the NDA group (including Sellafield Limited) has been good. We have encountered challenges on a small number of these programmes and are

working closely with NDA to improve performance and delivery confidence. Following the successful delivery of objectives, current advanced nuclear programmes come to an end in 2025/26 after being defunded in the Spending Review. Follow on programmes are under discussion with DESNZ with further opportunities to extend into other service defence requirements.

Systems to monitor project delivery performance have been put in place and are continuing to mature.

Earnings from delivery of customer programmes are reinvested into a lab directed science and technology programme, the scope of which is agreed with stakeholders. This lab directed programme was delivered to plan with over 116 submitted journal articles and £74 million of leverage – a measure of utilising the investment undertaken that is subsequently supported with direct purchase orders from customers – being achieved through the period.

1.3.5 Operations

The working environment in Windscale Laboratory continues to improve in line with significant recent investment. Operational performance has been solid in support of MoD and EDF national programmes and in preparation for post-storage examination (PSE) flask receipt from Sellafield, which has been delayed for several years.

A cracked glovebox spigot was identified in Central Laboratory in August. Further inspections found 58 further examples, resulting in an embargo on glovebox operations and impacting work with Sellafield, NDA, AWE and the European Space Agency. A recovery team was mobilised to return the facility to service under a revised operational regime, replace faulty items and determine a revised maintenance/replacement schedule for the remaining spigots; the facility returned to service in October 2025.

As part of our response to the Strategic Review, we have introduced a Delivery Improvement Programme. The initial focus of the programme has been to cleanse data across a range of systems. The next step is to make this data available to improve operational performance through driving both facility and capability utilisations to meet current and future customer outcomes in line with national programmes and the recommendations of the Strategic Review. This includes the sales and operational planning process, which is being embedded across all sites. The data will be used to underpin business planning in future financial years, including an opportunity to work with our partners to demonstrate the available capacity, particularly at the Preston facility and Central Laboratory.

This Delivery Improvement Programme work also addresses improving our approach to our capital investments, underpinned by improvements in asset management. We are doing this to inform our decision-making on the areas of prioritisation for capital investment and maintenance activities, to drive operational performance in support of the delivery of national missions and potential growth areas.

1.3.6 Human performance

UKNNL continues to promote a strong equality and inclusion agenda with high levels of employee engagement across the organisation. The business attracts a diverse candidate pool for all advertised roles, with the number of women in the organisation at 32%, slightly below target but above average for the sector.

Annual attrition across UKNNL is marginally higher than threshold, with the highest proportion of leavers having fewer than two years' service. Sickness was also slightly above target and mainly driven by a high number of long-term sick cases.

People workstreams were recalibrated through the extended period in light of the cost challenge and financial constraints, and this radically changed planned activity through the period. Investment in recruitment, training and early careers was curtailed to the extent that all non-critical recruitment and non-SQEP training was halted. There has been a significant shift in focus and priority in relation to skills and capability, with the priority being to build a credible and effective understanding of UKNNL skills and capability to ensure investment is aligned to the national needs of the sector. This will be a principal focus of attention for the restructuring of the business to address the cost base challenge.

1.3.7 Societal performance

Carbon intensity was reduced by 24% in the 12 months to 31 March 2025, following investment in energy-efficient equipment upgrades and our people applying best practice. Targeted reductions in business travel emissions were missed, however, and the total emissions continued to increase. During the final six months of the period, we have started to see a reduction, with data indicating a decrease of 27% in business travel compared with the previous period.

Engagement with schools and colleges close to UKNNL locations was high, with 85 outreach events undertaken in the period. These events support early career activities that continue to see high intakes across apprentices, graduates and post-doctorate programmes. Procurement activities remain aligned to the government agenda and there is increased engagement with SMEs close to UKNNL locations.

Sustainability is well embedded within UKNNL, although we recognise that work is needed to develop further the organisational sustainability strategy.



Find out more about our can on our website



1.4 Who We Are and What We Do

Our mission is to enable and deliver nuclear outcomes for government and to support growth of the UK nuclear sector. We achieve this mission by performing a number of critical roles within the sector: maintaining critical national capabilities, providing technical and strategic advice to the government, supporting safe nuclear operations and decommissioning programmes, enabling private sector nuclear development, and nurturing future nuclear talent. Through the impact of these roles, we fulfil our purpose of nuclear science to benefit society.

UKNNL is the government's lead civil nuclear fission laboratory. We are owned by DESNZ via a holding company, NNL Holdings Limited, and overseen by a board of directors, the majority of whom are appointed by the UK government. The framework within which UKNNL operates, including the governance arrangements, is set out in a framework document which is publicly available at www.uknnl.co.uk.

We are here to help make sure our sector can deliver environmentally and financially affordable solutions to some of the biggest challenges of the 21st century. Whether it be contributing to the achievement of net zero or advancing nuclear science for effective healthcare delivery, the outcomes we achieve directly benefit us all. Our values inform our actions and act as our compass to guide our future.

We are responsible for unique critical infrastructure and equipment. Our people have world-leading nuclear skills, and we are proud to employ many internationally recognised experts.

We use our broad knowledge and capabilities to advise government, UK and global stakeholders with independence and authority, and we work with universities to enable academic access to our services.

We occupy a unique position in the nuclear innovation environment, spanning technology readiness levels three to six and beyond, taking science from inactive laboratory-scale demonstration through to prototype deployment with real nuclear materials.

UKNNL hosts the Nuclear Innovation and Research Office, a specialist unit funded by DESNZ. It is separated from our commercial operations by a series of ethical barriers and staffed by experts from both UKNNL and the broader nuclear industry.

UKNNL provides technical advice and support to the government to progress a safe, secure, cost-effective, sustainable and socially acceptable nuclear fuel cycle. This includes supporting the government's objectives and activities around international collaboration on nuclear R&D, including country-to-country bilateral agreements and engagement with the Organisation of Economic Co-operation and Development Nuclear Energy Agency (OECD-NEA) and the International Atomic Energy Agency (IAEA).

Safety in everything we do 	Customer Delivering value, sharing success 
Integrity Doing the right things right 	Taking responsibility Solving the problem, owning the solution 
Enthusiasm Enjoying what we do, inspiring others 	Collaboration Being inclusive, unleashing potential 

1.4.1 Our Strategy

The past 18 months have seen high levels of growth and change – a continuation of the growth and change that the nuclear sector has been experiencing for several years. As nuclear achieves greater recognition for the role it can play in solving the challenges of climate change, national and energy security and economic growth, it is attracting increased interest and investment from both the public and private sectors.

Globally and in the UK, new opportunities are opening up for nuclear, including radioisotope power systems for space exploration, microreactors for remote environments, maritime propulsion and floating nuclear plants, and varied end-use cases for new reactors, such as hydrogen production or off-grid energy provision to high-demand industries. In addition, the unplanned downtime of several reactors in the European medical supply chain in late 2024 focused attention on the challenges of ensuring robust radioisotope supplies for UK medical and research needs.

Our aim is to ensure that UKNNL is in the best possible position to support both the UK government’s nuclear policy and the wider nuclear sector. To that end, DESNZ undertook a Strategic Review of UKNNL and its role in the UK’s nuclear landscape to identify how it can be empowered to advance programmes of national significance, supporting both the government and the nation.

The review process was led by the UKNNL sponsorship team within DESNZ and underpinned by over 100 interviews with industry leaders, covering more than 30 organisations across government and industry.

The Strategic Review, which was published in December 2024, identified that UKNNL needs to be even more closely aligned with national policy and priorities. It clearly outlined how we can serve the UK government, society and the nuclear sector more efficiently by fully embodying the role of the UK’s national nuclear laboratory.

In seeking to address the growing requirements of the UK nuclear sector, the Strategic Review set out a bold vision of transformation for UKNNL.

Firstly, it established UKNNL’s new national role and new identity. There was uncertainty within the sector relating to the mission and role of UKNNL, as demonstrated by a number of requests for the government to provide additional direction and clarity on these aspects. In reaffirming that UKNNL is a government-owned laboratory that delivers national priorities on behalf of the government, DESNZ aims to galvanise UKNNL into becoming a more nationally focused organisation. UKNNL’s clear national role and identity were signalled when DESNZ publicly announced that the National Nuclear Laboratory (NNL) was to become United Kingdom National Nuclear Laboratory (UKNNL) and would adopt His Majesty’s Government’s Royal Coat of Arms.

Secondly, we have a new mission that sets our future direction. UKNNL is to be repositioned within the sector as the government’s lead civil nuclear fission laboratory, with a twofold mission:

- to enable and deliver nuclear outcomes for the UK government
- to support the growth of the entire UK nuclear sector.

To achieve this mission, UKNNL will:

- be a custodian of national capabilities and infrastructure critical for national and energy security
- become the government’s lead civil technical and strategic advisor for nuclear fuels and nuclear materials
- carry out research to continue securing the safe operation of nuclear plants domestically and internationally
- deliver practical nuclear research and enable decommissioning programmes
- provide expertise and facilities to be a platform for the private sector to accelerate the deployment of technology to market
- champion and nurture advanced nuclear skills.

The Strategic Review set out three phases of regeneration. The first phase, ‘Signal’, was achieved through the successful launch of UKNNL. The second phase, ‘Directive Recommendations’, refers to the Strategic Review’s set of recommendations that build upon UKNNL’s recognised core strengths and addresses the constraints and challenges set out in the findings. The third phase, ‘Iterative Improvement Sponsorship’, will allow UKNNL to continue to develop beyond the recommendations. In an ever-evolving landscape, this third phase encourages us continually to review where we are, where we need to be and how to get there, working closely with government.

This is not something that will happen overnight. The Strategic Review has a 10-year horizon that reflects the scale of its ambitious recommendations. The regeneration is also multisided; the UK government has called upon the sector and those who work with UKNNL to support and enable the organisation in its new mission.

Over the course of 2025, UKNNL worked in partnership with DESNZ to develop an implementation plan for UKNNL to embody our new mission and role. We have begun to execute it, and it will carry us forward into 2026. It will include a refresh of our strategy, under the direction of our new CEO, and will be published as a new strategic plan in 2026.

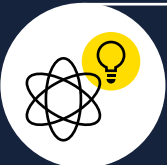
As recognised by DESNZ’s Strategic Review, UKNNL continues to be at the forefront of nuclear science and innovation, playing a critical role in helping the nuclear sector to achieve its ambitions. UKNNL’s purpose is ‘nuclear science to benefit society’. We recognise that the value we create extends beyond purely financial performance, also covering the strategic execution of our nationally critical nuclear civil and defence work programmes. Everything we do is aligned with our four focus areas.

- In **clean energy**, we have collaborated with the Japan Atomic Energy Agency to develop a high-temperature gas reactor design for DESNZ’s Advanced Modular Reactor Research, Development and Demonstration (AMR RD&D) programme. With DESNZ funding, we have also scaled up our capability to produce the coated particle fuels (CPF) that such reactors will need, while working with others in the sector to develop UK capabilities in high-assay low-enriched uranium (HALEU). We are also collaborating closely with the private sector, notably providing the graphite inspections underpinning the safety cases for lifetime extensions of the advanced gas-cooled reactors (AGRs) at Torness, Heysham and Hartlepool, unlocking many more terawatt-hours (TWh) of low-carbon electricity and enabling those plants to contribute to the government’s Clean Power 2030 mission.
- In **environmental restoration**, we are embedding our strategic partnership with NDA and its subsidiaries into our mission, with the aim of supporting their environmental restoration goals and investing in building our capacity in areas that will be critical to delivering that mission, such as robotics, characterisation and disposals.
- In **health and nuclear medicine**, we delivered radionuclide harvesting projects for DESNZ’s Medical Radionuclide Innovation programme (MRIP) and are now working with Innovate UK and the Medicines Discovery Catapult on the Sustainable Medicines Manufacturing Innovation programme to establish research radioisotope supplies in the UK.
- In **security and non-proliferation**, we are forging closer relationships with DESNZ and other departments to deliver programmes of work on safeguards and non-proliferation, nuclear security and emergency response, ensuring that nuclear technology and materials are only used for peaceful purposes.

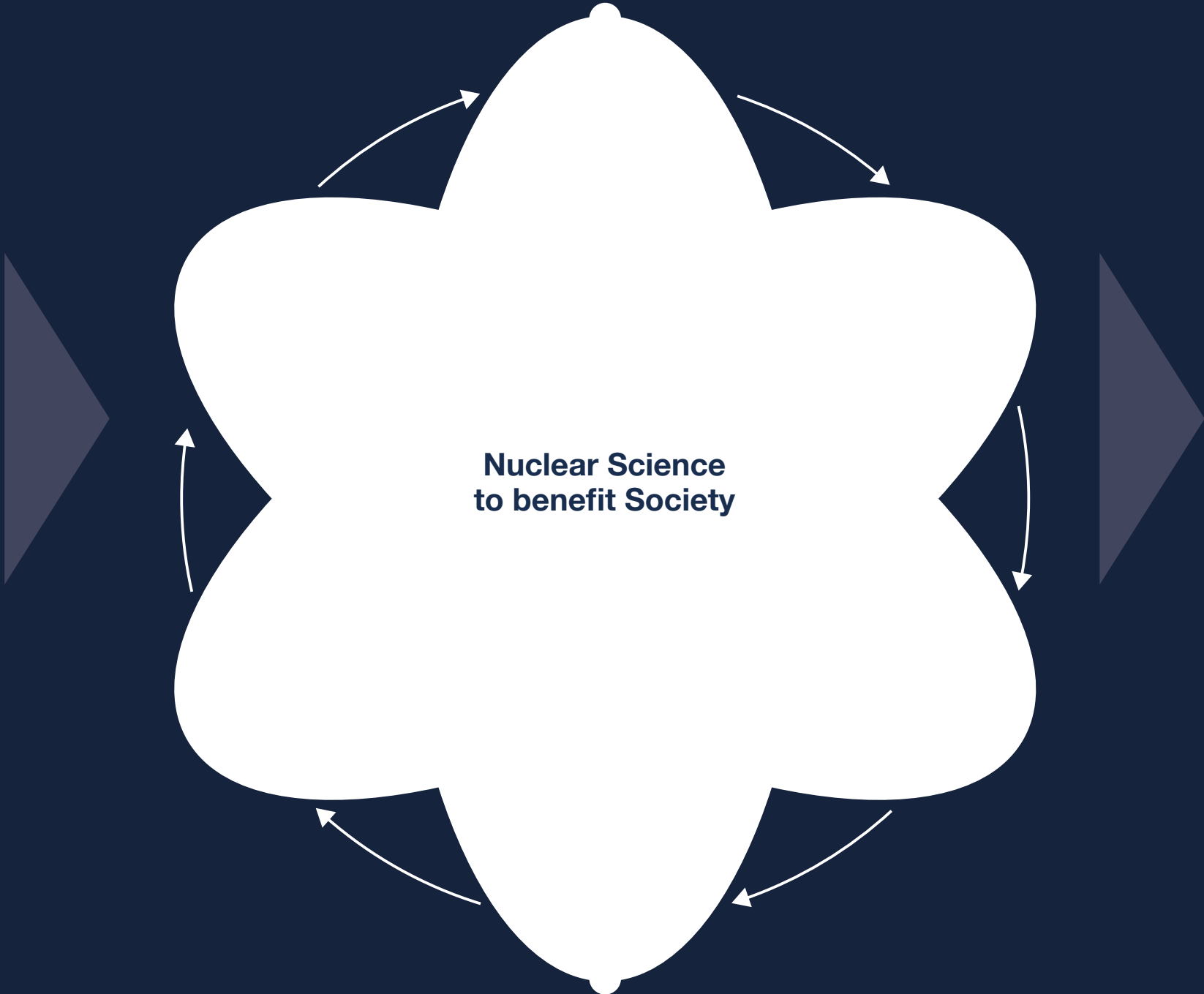
Throughout 2026 and beyond, we will continue to deliver on these programmes and their successors. Thanks to the changes brought about by the Strategic Review, we know that we will be in a better position than ever to support the needs of the UK government and the UK nuclear sector, whatever they may be.

1.4.2 Our Business Model

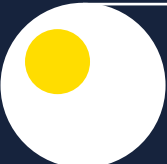
Our unique strengths

-  People and Capabilities
-  Critical Nuclear Infrastructure
-  Programmes: Science to Solutions
-  Government's National Laboratory
-  Long term partnerships

Our Business Model



Driving value creation across stakeholder groups

-  Government
-  People
-  Customers
-  Academia
-  Nuclear industry
-  Wider society

Our strategy is underpinned by our mission:

To enable and deliver nuclear outcomes for UK Government

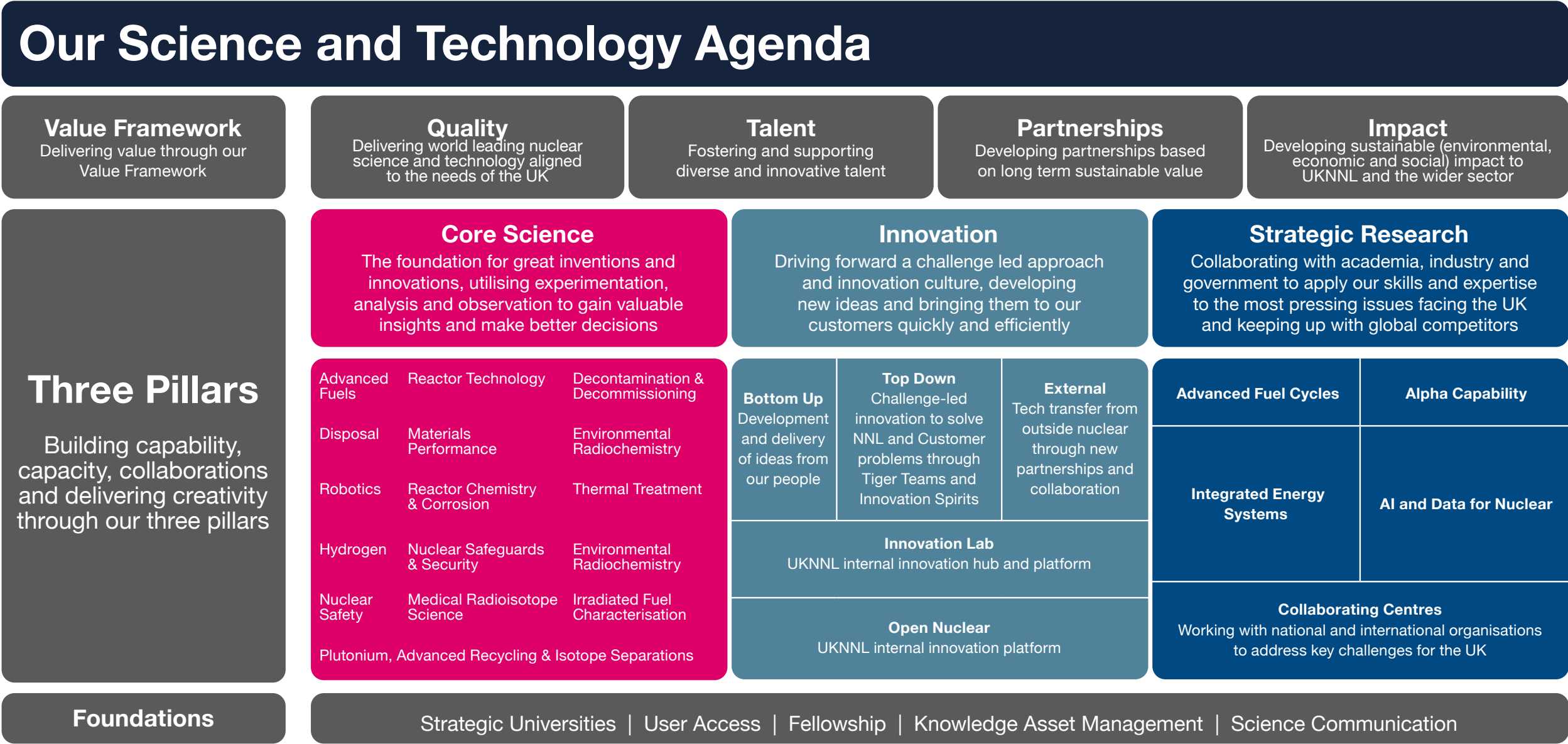
To support the growth of the entire UK nuclear sector

1.4.3 Science and Technology

Science and technology (S&T) are at the heart of our organisation, bringing together critical infrastructure, equipment and expertise to drive forward and accelerate cutting-edge development and demonstration. Our S&T agenda is structured around three pillars: core science, innovation and strategic research. It is focused on developing the capability that enables and supports the delivery of UK policy and programmes. Our approach is to do this collaboratively, enabling and leading partnerships nationally and internationally by making best use of expertise, infrastructure and investment.

The national and international nuclear landscape continues to evolve at a significant pace. Nuclear will play a key role in decarbonising the energy sector by 2050, creating sustainable carbon-free energy, powering space missions and enabling the production of medical isotopes for health. Our work helps put the UK at the forefront of nuclear science and technology by building the right capability.

We are now in the fifth year of our current S&T agenda, which was launched in 2021. Our S&T Value Framework ensures we deliver for our partners and stakeholders. It has four key value themes: quality, talent, partnerships and impact. Together, these enable us to demonstrate the significant value we deliver for our sector and the UK.



Our case studies published in 2024/25



1.4.4 Future Outlook

The demand for UKNNL's services remains high, as evidenced by our future pipeline across defence, energy, decommissioning, and growth areas such as health and nuclear medicine. This demand pipeline from our customers to support national missions, together with our internal capital, S&T and other investments, will be balanced through our developing sales and operational planning process to ensure we have the facilities, capabilities and supply chain in place to meet this demand.

There is no doubt that the fiscal environment in which UKNNL operates is challenging. Spending review outcomes have negatively impacted UKNNL, both directly through a reduction in the amount of work required to support DESNZ programmes and indirectly through budget pressures experienced across its government-owned customers. The Strategic Review, published in December 2024, highlighted the need to develop a sustainable financial model for UKNNL so that the needs of the nation can continue to be serviced. The demand for UKNNL's services remains high, and investment in UKNNL is recognised as being a priority to ensure the development of capabilities and skills that will deliver against government policy requirements. In collaboration with DESNZ and UK Government Investments (UKGI), UKNNL is defining the financial model which will enable the delivery of the remit set out in the Strategic Review. UKNNL remains committed to meeting its sustainability objectives, working with local communities, small and medium suppliers aligned with government objectives, and delivering against targets through the skills of its exceptional workforce.

1.4.5 Risks and Uncertainties

UKNNL has continued to strengthen and improve risk and opportunity management throughout the period and its approach to risk at board level has continued to mature. Specifically, the board has reviewed its risk management framework, reviewed and updated its risk appetite statements, and refreshed its register of enterprise wide business risks, as set out in Section 5.2 'Governance Statement'. A risk system improvement plan is also being progressed to ensure compliance with Corporate Governance Code changes.

UKNNL entered the 2024/25 financial year anticipating significant changes to the UK nuclear landscape and UKNNL's role within it. Risks were therefore elevated particularly in the areas of programme delivery, critical national infrastructure, and cyber security.

The UK nuclear landscape evolved significantly through the period driven by the need to address the UK's energy and national security challenges. Government funding priorities commensurately changed and new reactors were confirmed at Sizewell C and Wylfa. Funding for the legacy decommissioning programme, however, was cut significantly and the extant Advanced Nuclear programme terminated. Sellafield Ltd also announced the termination of its Replacement Analytical Project (RAP). Government also indicated that there would be no continuation of its direct investment in UKNNL's facilities in the next Spending Review. The combined impact of these decisions had a significant impact on UKNNL's financial position, culminating in an increase in financial risk over the period, which has remained high on the board's risk register since Autumn 2024.

Over the summer UKNNL engaged specialist professional advice and developed a restructuring plan known as Fixing the Fundamentals, which has now been launched across the business. The Fixing the Fundamentals programme is focussed on delivering the financial stability, control and accountability needed to support the UK's nuclear mission safely and securely.

The restructuring involved in the Fixing the Fundamentals programme will alleviate the financial risk but may elevate other risks in the short term, particularly people and programme delivery. Ultimately there will always be a trade-off between these risks and decisions around the restructuring plan have been made on a 'balance of risk' basis. The board closely monitors developments, and a new business restructuring risk has been introduced to the risk register.

The Strategic Review concluded that changes are required to UKNNL's role in the sector and its funding model. Implementation of the review's findings remains central to UKNNL's strategy, and the actions required to ensure successful implementation have been developed, integrated into the restructuring plan and will be progressed jointly with DESNZ and UKGI. As custodian of a suite of ageing facilities, UKNNL needs to secure ongoing investment in its critical national infrastructure and asset management capability, and this is the central driver for changes to its funding model.

Operationally the extended 2024/25 financial year has been strong. Significant progress has been achieved on the AHF improvement programme and major targets for customer programmes deliverable through the facility have been achieved. Operations at Preston were disrupted by a thermal excursion event, and at Central by a glovebox integrity issue. Associated customer programmes were impacted but deliveries are now recovering.

As with all organisations, we are seeing increased cyber security threats. The impact of these on customer programmes requires careful stakeholder management, and the board will continue to monitor, manage and mitigate these risks.

The board is responsible for the management of all matters of risk and opportunity across the business. Support is provided by the Audit, Risk and Assurance Committee, which advises the board on the suitability of the assurance, audit and risk processes, and by the Environment, Health, Safety and Security Committee which provides in-depth reviews across the health and safety of our activities.

1.4.6 Going Concern

The directors have considered the company's business activities, together with the factors likely to affect its future development, performance and position.

In assessing the appropriateness of the going concern basis, the directors have prepared detailed cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements. These forecasts include assumptions regarding planned customer revenues, run costs and the strategic restructuring initiative. These assumptions have been subject to sensitivity analysis, including reasonably possible stress tests to these key assumptions.

Based on this assessment, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

1.4.7 Section 172 Statement

The directors have elected to include a statement under Section 172 of the Companies Act 2006 in Section 5.3 of the Directors' Report.

Approval

This Strategic report was approved by the board of directors on 19 May 2026 and signed on its behalf by:

S. Wheeler

Samantha Wheeler
Secretary
2 June 2026

UKNNL's Health and Nuclear Medicine Team





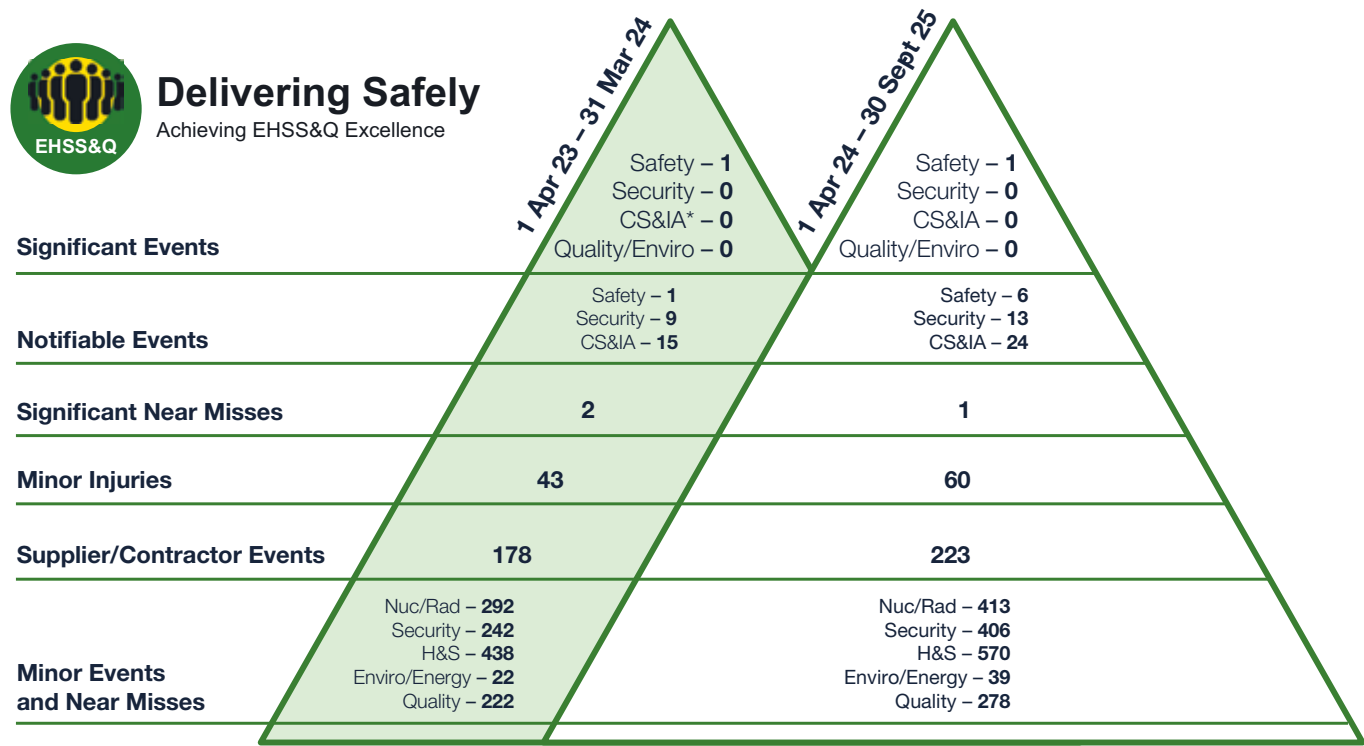
2.0 Environment, Health, Safety, Security and Quality (EHSS&Q)



At UKNNL, we operate an extensive suite of critical national infrastructure across several sites (including our own and those run by others). We handle a wide variety of challenging materials, many of which are highly radioactive, as well as working with heavy engineering machinery in our rig halls.

The nature of the research we undertake often means we are embarking on unique processes for the first time; this means that we must look at change management around both nuclear and conventional safety requirements. All of these factors create an environment where our focus on remaining safe and secure, alongside managing our environmental impacts, must be paramount at all times. We therefore continue to ensure safety is incorporated into everything we do and to sustain this ethos as a core value of our business and personnel.

We once again delivered a good safety performance in the period (see Figure 1), with no notifiable events around nuclear safety (related to INES, the International Nuclear and Radiological Event Scale), with one conventional safety event being externally reported via RIDDOR. The rate of minor safety cases and security plan breaches improved from the previous period, as did minor accidents, for which associated improvement initiatives were completed. Minor events and near misses maintained a similar level.



*Cyber security and Information Assurance

Continuous improvement is a key driver, with the realisation of notable improvement initiatives around conventional safety, corrective action management and learning, safety leadership and management, and competency management.

Certain skills are in short supply within the industry. UKNNL recognises and is addressing this challenge with initiatives around recruitment and internal growth to ensure organisational capability.

Relationships and interactions with our regulators continue to remain strong and positive, with the scheduled intervention programme completed without any significant concerns. We continue to maintain and develop our Nuclear Site Security Plans, working collaboratively with our regulators, particularly in the area of cyber security and information assurance.

We continue to review and de-risk our facility operations as we enhance and improve their infrastructure and capability, in line with future national challenges. In particular, we have focused on improving operational effectiveness and safety cases in our Windscale and Central facilities to enhance our future capability.

We were proud to be awarded the Royal Society for the Prevention of Accidents (RoSPA) Order of Distinction, with 21 consecutive RoSPA Gold Awards for 2024 and the RoSPA Sector Award (Research & Development) for 2025. Even so, we remain vigilant and continue to learn lessons from events and near misses – both within UKNNL and across the industry – as a matter of priority. The health and wellbeing of all our personnel have been the focus of a variety of initiatives and campaigns during the period, with excellent participation and interaction from our people.

Along with safety, security – including the increasingly important area of cyber security-remains a key area of focus, as we seek to make our security and resilience processes

stronger and more robust while we build and sustain our security culture.

Our quality oversight processes also continue to be developed and improved to ensure a first-class service for our customers.

While we are still in the process of defining our sustainability framework for the future, during the period we maintained a strong performance in the area of environmental management and control, with robust compliance with all environmental permits and authorisations across all our facilities. This was supported by improvements in our processes to track energy usage and adhere to Streamlined Energy Carbon Reporting (SECR) regulations. Improvement initiatives surrounding sustainability topics continue to progress.

We successfully passed a recertification audit for our integrated occupational health and safety certification (ISO 45001), environmental management certification (ISO 14001), quality management certification (ISO 9001) and our energy management certification (ISO 50001), as well as surveillance audits for the above standards and information security management systems (ISO 27001).

We continued to identify and progress suitable disposal routes for difficult waste streams, with some long-standing legacy wastes continuing to be disposed of effectively.

Our ‘Achieving EHSS&Q Excellence’ vision and long-term strategic plan to sustain a strong safety, security and conformance culture in nuclear, underpinning operational delivery excellence, continued to advance. Indeed, our cultural maturity model roadmap indicated that we continue to move towards a proactive culture. Our processes in this field have been scrutinised by the Office for Nuclear Regulation (ONR), which deemed us to be a proactive and positive industry example.

3.0 Our Stakeholders



Collaboration is key to our transformation and growth. As the custodians of national capabilities and as a strategic advisor to the government, it is essential that we actively listen and act on external views and insight. Our engagement strategy is coordinated by a Corporate Affairs function and focused on our key stakeholders, particularly across the government and organisations within the sector. This has enabled us to work closely with our colleagues in DESNZ and UKGI to create a joined-up approach to engagement with our stakeholders.

To focus and direct our engagement activity, the following stakeholder objectives were agreed

in 2023 and remain unchanged. We aim to:

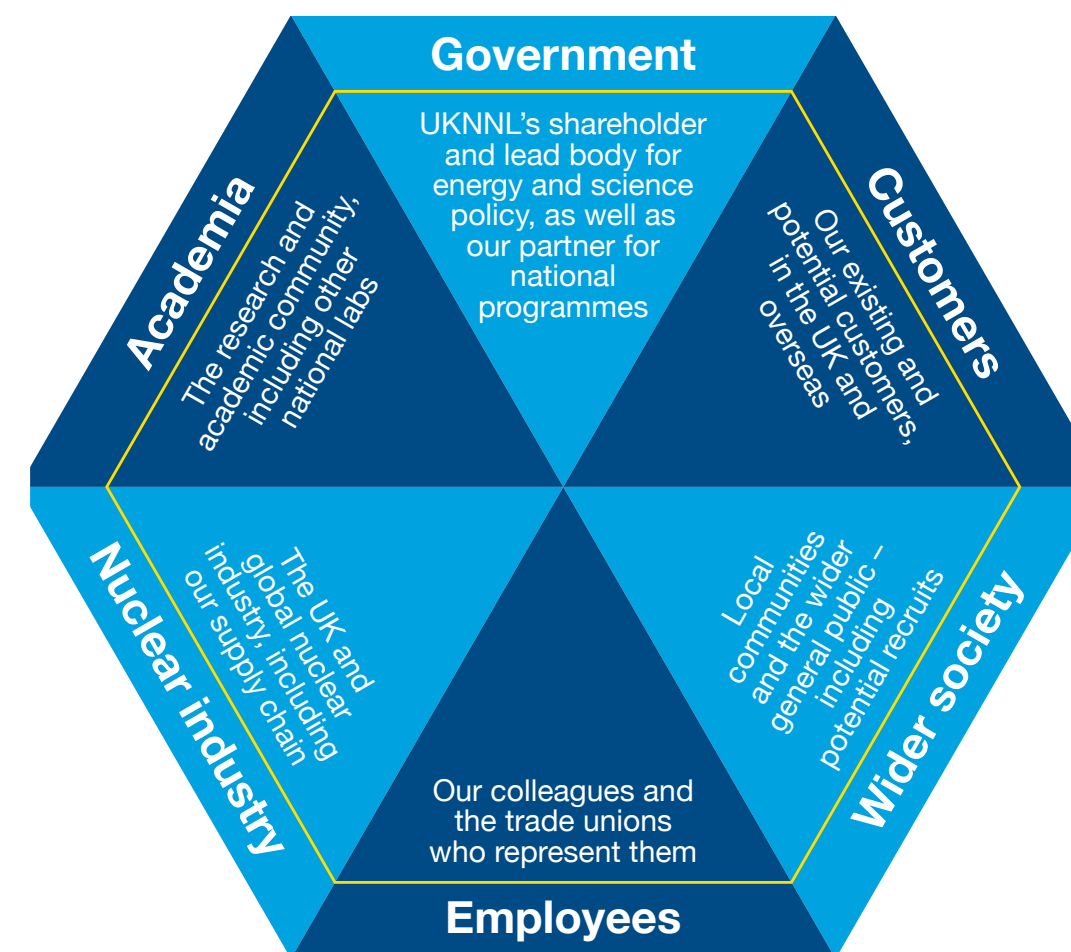
- secure buy-in for our role in the emerging nuclear landscape
- establish an enduring funding mechanism for our core capabilities
- ensure a consistent understanding of our strategy and its implications

The Strategic Review of entailed proactive and comprehensive engagement with sector stakeholders around the role of UKNNL and how our value to the sector can be enhanced. We are grateful for their feedback. UKNNL and DESNZ will be acting on

this insight and working closely together to coordinate engagement with stakeholders.

The overriding aim of our engagement activity with our stakeholders is to ensure that UKNNL is positioned and recognised as the government's national nuclear laboratory and is able to embody the new mission and role articulated in the Strategic Review.

We work closely with a wide range of stakeholders: the government, academia, the nuclear industry, our employees, the wider community and customers.



3.1 Government

We provide vital insight to the government on sectoral developments and the regional, national and global policy landscape to help inform and technically underpin policy.

Direction and intelligence from our government engagement is fed into our own business to support operational activity and UKNNL’s wider strategic thinking.

Our focus throughout the period has been to continue building relationships with our sponsor department, DESNZ. Interactions are coordinated by our government affairs function, the capability of which is being gradually developed to cover the wider sphere of corporate affairs. Significant progress has been made, with solid alignment of DESNZ policy and UKNNL strategy as well as stronger, higher-quality relationships.

We have sought to expand our reach beyond our sponsorship team to include the wider department, across which our visibility has been enhanced, particularly with corporate functions.



We have also extended our approach to stakeholders across government departments that have interests in the nuclear and technology sectors. In particular, we have invested heavily in building greater, sustained links with the MoD, given the government’s ambition to build on synergies between the civil and defence nuclear sectors. We are also

focused on building relationships with the Department of Science, Innovation and Technology (DSIT) to facilitate new applications of advanced nuclear technologies, such as nuclear medicine and space exploration.

DESNZ’s other arm’s-length bodies for nuclear and the wider network of national laboratories are also key government stakeholders. We already engage closely with these stakeholders (which represent key customers, in several cases) and are seeking to broaden the basis for these relationships, consistent with our stakeholder objectives.



3.2 Customers

We provide strategic advice, technical services and expert support to customers across most of the nuclear fuel cycle – from fuel and reactor analysis through post-irradiation examination (PIE) of fuel and reactor materials, to waste management, clean-up and decommissioning support. Our customer portfolios are grouped into three categories: legacy, defence and generation, and government and new build.

Legacy sites

The legacy sites business area represents just under half of UKNNL’s overall revenue and earnings to reinvest, delivering much greater value than purely customer expenditure. It aligns with our environmental restoration focus area, which centres on the safe and effective clean-up and management of the UK’s nuclear legacy.

We deliver sustainable value through a long-term collaborative technical services agreement with Sellafield Limited, and we recently entered into a similar strategic laboratory-related services agreement with the NDA and its operating companies in 2023/24. These collaborative arrangements utilise UKNNL’s sovereign capabilities and world-leading expertise to support the delivery of national programmes for the government.

We also provide solutions for other UK customers, such as Westinghouse and Urenco, using our unique skills at our Preston Laboratory. Furthermore, we deliver value for a portfolio of international customers, such as the European Space Agency, Tokyo Electric Power Company and the US Department of Energy. Alongside these initiatives, we perform groundbreaking R&D, leveraging support from the EU Horizon Europe programmes and UK Research and Innovation (UKRI) grants.

Defence and generation

The continuous-at-sea deterrent and energy security remain at the forefront of UK government priorities.

UKNNL continues to establish the capability to undertake PIE on defence material. Working closely with Rolls-Royce and the MoD, the programme has achieved vital progress towards this capability through key infrastructure upgrade designs, installation and commissioning of analytical capabilities within the Active Handling Facility (AHF) and mobilising an enhanced working pattern at the AHF. On completion, this will enable the receipt of defence materials.

The importance of the role that AWE plays within defence continues to grow alongside investment in the new deterrent and associated scientific capability. In recognition of the importance of AWE’s national programmes, UKNNL and AWE have signed a collaboration agreement and five-year framework. The UKNNL–AWE pipeline has grown significantly, focusing on re-establishing capability, developing chemical processes and establishing novel and safe material processing routes.

EDF’s UK nuclear output was sustained at 14% of the UK’s power output. UKNNL continued to play a key role in supporting EDF’s nuclear power generation, achieving graphite, fuel and failed fuel minimum throughput levels and delivering six endoscopy surveys. Our activities have supported EDF in enabling several critical reactor lifetime extensions.

Government and new build

The government and new build business area is key to the advancement of initiatives associated with net zero and UK energy security.

Working with government to develop advanced fuels for the next generation of reactors is essential to realise these ambitions. In addition, we are developing high-heat generating advanced modular reactors (AMRs) with our Japanese partners, opening up possibilities for other technologies, such as hydrogen generation, that require high temperatures.

Work for new build and in particular small modular reactors (SMRs) has taken on a new dimension in recent years, representing a lower-cost alternative for nuclear power generation. While these technologies are in the early stages of the readiness cycle, UKNNL is working with multiple vendors to progress the technology so that it can be deployed at the earliest possible date.

During the period we introduced the “Voice of the Customer” an initiative designed to enhance our engagement with key customers. We have started with direct CEO: CEO engagement and customer forums to enable us to be open and transparent with our customers and better understand future demand as we serve the sector. We have introduced the “Voice of the Customer” as a series for our executive to hear directly from our customers strengthening executive engagement and allowing our people to hear directly from our customers on how the work they are delivering in our facilities is impacting the UK’s critical missions. The MoD; NDA, Westinghouse, our Shareholder and Minister Vallance have all taken the opportunity to speak directly to our teams.

3.3 Academia

UKNNL continues to invest externally in skills and talent development, particularly through the coordination, co-sponsorship and co-supervision of a portfolio of more than 115 PhDs and several post-doctoral research assistantships. During the period, UKNNL directly supported 10 new PhD students, as well as coordinating 10 further PhD students on behalf of the NDA.

Two of UKNNL’s PhDs are undertaken on a part-time basis by UKNNL staff. Both students are registered with the University of Manchester, and one is co-funded by a prestigious Royal Commission for the Exhibition of 1851 Industrial Fellowship.

UKNNL supports and leads large collaborative post-doctoral research projects with strategic importance to the government. During the

period, the UKNNL Uranics Innovation Centre and the HALEU Deconversion Project funded by the DESNZ Nuclear Fuel Fund have supported the development of front-end fuels capabilities in the UK and encouraged industry-academia collaboration. Research has focused on the light water reactor fuel supply, the high-assay, low-enriched uranium (HALEU) supply chain, advanced modular reactor (AMR) fuel fabrication capabilities and enabling UK fuel production capabilities. UKNNL continues to collaborate with national and international universities and research organisations on significant UKRI-funded research projects and programmes. UKNNL coordinated a visit by US PhD students holding US DOE Universities’ Nuclear Leadership Programme Fellowships to UK nuclear sites and universities in July 2025 and is coordinating a similar visit in 2026.

3.4 Nuclear Industry

UKNNL is actively involved across the entire nuclear sector. Many of the organisations and companies in the sector are our partners or customers, and the work we do together enables them to achieve their objectives.

We are also engaged with cross-sector bodies, such as the Nuclear Industry Association, to support the sector in various ways. Notably, we promote professional development in nuclear through our support for the Nuclear Institute; UKNNL funds its employees’ membership fees and provides time and mentoring for people to progress towards full membership or fellowship. Both the previous and current presidents of the Nuclear Institute are UKNNL alumni.

We strive to improve diversity in the nuclear sector through engagement with the Nuclear Institute’s subsidiary groups, such as the Young Generation Network for early careers, as well as Women in Nuclear and Racial Equality in Nuclear.

In addition, we have links to regional nuclear sector groups such as the Northern Nuclear Alliance and international bodies such as the World Nuclear Association, the IAEA, the OECD-NEA and the Generation IV International Forum (GIF). As GIF’s Policy Director, UKNNL’s former Chief Science and Technology Officer, Fiona Rayment, led the development of the new 10-year GIF framework agreement which was announced in December 2024. Our Vice President for Science and Technology, Paul Nevitt, was appointed as the current Vice Chair of GIF in 2025.

Beyond nuclear, we engage with stakeholders in adjacent industries and sectors, such as the Hydrogen Energy Association (on nuclear-enabled hydrogen), the Nuclear Energy Maritime Organisation (on nuclear power for maritime propulsion) and the North East of England Process Industry Cluster (on nuclear for industrial heat in Teesside).

We also support the nuclear skills agenda through our engagement with and support for the Nuclear Skills Plan. This includes Destination Nuclear, a national campaign launched in 2024 to attract and retain talent for the sector.



3.5 Employees

Deeper Connections	A Shared Purpose	Holistic Well-being
Help employees to strengthen their family and community connections, not just work connections.	Take actions on societal and cultural issues: don't just make statements about purpose.	Don't just provide people with holistic well-being offerings; make sure they use them.
"I feel understood"	"I feel invested"	"I feel cared for"
Personal Growth	Radical Flexibility	Competitive Reward & Benefits
Provide people with opportunities to grow as people not just as professionals.	Give people flexibility of where, when and how they work.	It isn't simply just about the money...but it still matters.
"I feel valued"	"I feel autonomous"	"I feel rewarded"

Deeper Connections

Throughout the period, we focused on attracting the talent that will ensure UKNNL has the right skills to continue delivering the UK’s nuclear strategy into the future. UKNNL remains at the forefront of the planning and delivery of this collaborative effort, in particular through our support for Destination Nuclear.

UKNNL is represented in the Nuclear Skills Delivery Group, both on the executive council and the board, as well as at the North West Regional Skills Hub. We are helping to develop an understanding of the higher-level skills agenda and planning needed to ensure the supply of future UK skills and capabilities for the sector. UKNNL also continues to collaborate with industry through our participation in the HR Directors’ Roundtable Forum.

Within UKNNL itself, we are continually reviewing our skills and capabilities requirements, supported by collaborations, to meet our organisational needs for the short

term, as well as ensuring that we are protecting our specialist capabilities, including some sovereign UK capabilities, for the longer term.

Across UKNNL, we have continued to invest in recruitment activities. Our employee value proposition helps attract the best talent and our focused ED&I agenda plays an important role in helping us attain and retain talent in our organisation.

The Fixing the Fundamentals improvement programme is making sustainable changes across UKNNL to ensure we safely and securely maintain high service provision to our customers while targeting significant savings. This includes making us financially stable and right sized for the future, whilst fostering an open, empowering culture that enables the science and produces highly valued scientific and technical work for our customers to benefit the nation.

Shared Purpose

We are an organisation with purpose, where our people deliver meaningful work. We defined our purpose in 2021 as ‘nuclear science to benefit society’, and it sits alongside our strategy. Underpinning our purpose and strategy are UKNNL’s values and behaviours (see Section 1.4 above), launched in 2018, and we continue to embed these in all aspects of people-related activities.

During the period we launched our new ED&I strategy for 2024 to 2027. In addition, we held our first ED&I Ambassador Day, which was an inspiring and impactful event that championed diverse perspectives and embodied everything our programme stands to represent. We have access to a high level of ED&I data across UKNNL, with 97% of employees voluntarily sharing their data.

In tandem with this, UKNNL places significant value on developing new talent, and across the period we were proud to welcome a total of 61 new apprentices and graduates onto our Early Careers programmes, which provide new joiners with the best foundation for entry into the business and wider nuclear sector. Over the same period, we also welcomed 16 new joiners to our Post-Doctoral Development scheme for those with a PhD.

With 119 people either in our Apprentice or Graduate schemes or on our Post-Doctoral Development programme, approximately 7% of all our people can now be classified as Early Careers.

Competitive rewards and benefits

Enhancing our terms and conditions to attract and retain the best talent in the sector and the country has been a key priority for us. We strive to ensure that we are providing our employees with a purpose-led, rewarding and inspiring place to work, as well as a competitive, engaging and holistically- rewarding career.

Our recently redesigned, family-focused people policies and processes offer a range of benefits that are tailored to support diversity and inclusion in our workplace by creating flexible working conditions that enable our people to pursue rewarding careers alongside other commitments.

Personal growth

Supporting our employees and creating the right environment for them to thrive is of paramount importance to us. We want our people to see UKNNL as a place to have a career, not just a job. To that end, we launched our NuStart Programme for new employees, supporting 34 UKNNL people to obtain further academic and professional qualifications and delivering over 12,500 eLearning courses.

Holistic wellbeing

UKNNL is fundamentally committed to open communications and two-way engagement to help us understand our employees’ needs and ‘what it means’ and ‘what it feels like’ to work at UKNNL.

We regularly communicate with all employees through our monthly Team Talk engagement call, supplemented by our biannual all-employee Team Talk Live roadshows hosted by executive leadership team (ELT) members across all UKNNL sites.

The insights provided by advanced data gathering and analysis have already informed our approach and decision-making on hybrid working and other issues.

Our monthly Trade Union Forum is an established event within our human resources (HR) calendar and ensures we keep trade union colleagues closely involved in what is happening in the business. Together, we are making UKNNL a great place to work. In 2022/23, we launched our employee engagement tool, Smartcrowds, to reach all of our people.

During the period, we launched the Aviva DigiCare+ Workplace app for employees. This award-winning wellbeing application gives employees and eligible family members access to seven support services, including a private GP, mental health consultations and an ‘at home’ annual health check to help our people stay healthy, spot potential health problems early and get help when they need it. We also continue proactively to promote our employee assistance programme, offered by TELUS Health, to increase awareness of its services alongside providing enhanced, easy-to-access resources on our internal intranet site.

Radical flexibility

As we continue to adapt to hybrid ways of working, we aim to explore and develop flexible approaches, taking feedback from our people into account and adopting an open mindset that allows us to find a balance between home and work life, while ensuring we also meet the needs of our business.

Our family-focused people policies are central to this approach, helping us to attract new talent by offering flexible working arrangements that enable colleagues to pursue rewarding careers alongside other commitments.

During the period, we completely reviewed all our people policies and processes and also relaunched our Time Away from Work policy. These policies clearly set out employees' rights and entitlements to leave, pay procedures for annual and special leave and flexible working options which are outside family leave provisions, as well as the options available to employees who may wish to take a career break.

We believe a healthy, motivated and focused workforce contributes to a more positive working environment. With this in mind, during the period we introduced our Care and Connect Policy to support our corporate social responsibility and wellbeing ambitions. This policy provides all employees with the opportunity to take a day's leave to volunteer or otherwise pursue health and wellbeing activities each year. It is important that we prioritise health and wellbeing, and we are dedicated to helping colleagues develop new competencies and skills through volunteering activities.

3.6 Wider Society

Alongside delivering nuclear science to benefit society, UKNNL has developed a varied programme of outreach interventions with a wide range of stakeholders at both the national level and with communities close to our sites. We engage with local schools and communities with the least access to scientific resources and experiences (science capital) and high levels of diversity, ensuring that we have the greatest possible impact in the areas that need it most. In doing so, we follow the UK government's Social Value Model, aligning our interventions with local priorities.

UKNNL continues to develop a wide range of interventions, including outreach, ED&I and supply chain development. In particular, we are working to enhance the attractiveness and visibility of nuclear sector careers, focusing on schools and universities where we know the opportunities are not currently widely known, to increase diversity in the sector and support green careers and economic growth for the UK.

As part of the 'social' pillar of our sustainability efforts outlined in section four of this report, we have detailed some of these interventions and what we hope to achieve. It is clear to us that UKNNL has a major role to play in encouraging the widest possible take-up of the opportunities nuclear provides and we are committed to playing that role, taking advantage of our unique position and strengths within the sector.

4.0 Sustainability

4.1 Overview of Sustainability Ambitions

Delivering against the sustainability agenda is key to the success of UKNNL's business and its purpose of nuclear science to benefit society. UKNNL has for many years embedded sustainability within its commitments, decision-making, operations and culture.

UKNNL has used governance and incentives positively to enhance awareness and interaction with social, economic and environmental factors. It is not just a good thing to do; it is the most astute and

economically wise thing to do. Over many years, UKNNL has worked towards embedding sustainability within its business, from lowering carbon emissions to ensuring social and economic benefit from our

operations. Through our mission, we deliver essential research and development that supports the UK's net-zero goal and low-carbon future.

Sustainability Strategy

Net zero by 2050

Increase impact

Reduce waste

Strategic pillars



Reducing emissions

We will reduce our Scope 1 and 2 emissions across all our sites in line with SBTi targets and offset the absolute minimum.



Measuring social value

We will use the Value Framework project to create balance in the value we create and for whom, guided by the UN SDGs.



Collaborating with partners

We will work with our partners in the NDA, SL and WEC to decarbonise our estates and reduce our waste.



Shaping the public debate

We will seek opportunities to be prominent in the developing debate on sustainability across Whitehall and beyond.



Championing nuclear science

We will continue to advocate for nuclear science as a critical tool in addressing sustainability challenges.

Delivery enablers

Governance

We will review and enhance our governance by embedding climate change and sustainability related responsibilities across UKNNL, including governance structures and aligning our reporting to international standards.

Decision-making

We will take account of sustainability in our decision-making across UKNNL, encouraging decision-makers at all levels to take bold choices in support of our sustainability agenda.

Learning & development

We will ensure all of our colleagues have access to training and awareness to deliver our sustainability strategy, including carbon literacy training and access to subject matters experts.

Stakeholder engagement

We will engage with our people and our external stakeholders across the nuclear industry and beyond to help shape and support delivery of our sustainability agenda and to understand the journey we are on.

Change management

We will engage our colleagues in the implementation of our sustainability agenda, empowering them to help us deliver and recognise implementation of our strategy as a change programme.

UKNNL developed its sustainability ambitions in 2021. Our commitment to achieve net zero by 2030 was deliberately ambitious in order to drive progress in this area. This approach has been successful in increasing efficiencies, and we have seen a steady reduction in carbon emissions since 2018/19. Over the period, UKNNL has reviewed the assumptions on which its ambitions are based. While UKNNL is able to reduce its emissions at its office locations, it is unable to control the supply of its energy at nuclear sites and is dependent upon the sustainability strategies of its landlords. In July 2025, UKNNL formally aligned its ambition to achieve net zero with the UK government's Greening Government Commitment target to achieve Scope 1 and 2 net-zero decarbonisation by 2050.

UKNNL is committed to the net-zero agenda and continues to support the DESNZ Sustainability Strategy (2021) inclusive of key ambitions (including target to achieve Scope 1 and 2 net-zero decarbonisation by 2050). UKNNL is aligned with the UK government and is committed to delivering net zero in its own operations.

Our sustainability targets for the 12-month period from 1 April 2024 to 31 March 2025 were established within our Value Framework.

- Economic: our spend with SMEs to exceed 35% of discretionary annual expenditure with SMEs over a rolling 12-month period
- Environment: to reduce our scope 3 emissions relating to business travel to lower than 215k tonnes
- Social: to deliver 70 STEM outreach events

Senior Waste Residue Chemist Tahera Docrat with UKNNL's washing machine which filters out uranium



4.2 Report on Progress

We have set out below a summary of progress against each of our sustainability targets.

Economic

UKNNL is committed to procuring goods, services and works that deliver value for money, including social and economic value across the commercial lifecycle, that drive sustainable economic growth and benefit local communities, raising living standards in every part of the United Kingdom (see National Procurement Policy Statement – GOV.UK – February 2025). This commitment is set out in our various policies and procedures, and work continues to enhance and improve our sustainability efforts.

UKNNL has made good progress promoting access to contract opportunities to SMEs and local businesses. We successfully achieved our target to exceed 35% of discretionary annual expenditure with small and medium-sized enterprises (SMEs) over a rolling 12-month period for the full extended financial period.

During the period, significant efforts have been made to increase the percentage of work awarded to SMEs, especially in the North West region.

Two supply chain events were hosted in Warrington and Workington in November and December 2024, attracting interest from over 300 suppliers, approximately 40% of whom were new to the nuclear sector. The primary focus was on fostering collaboration with UKNNL and expanding the network of our supply base to include more SMEs within the region. Attendees had the opportunity to engage, share expertise and explore potential partnerships, with over 92%

providing positive feedback on the events' relevance and impact. These events aimed to broaden engagement with local businesses and SMEs and support innovation in the nuclear supply chain.

We also presented at several external events, including NuTech's supply chain event in Dunblane and NDA's supply chain event in Telford. These focused on how to engage and work with UKNNL on future supply chain opportunities. Insightful discussions showcased the industry's shared commitment to innovation and partnership.

Work will continue into 2025/26 with more planned events and the development of a more mature approach to supplier relationship management (SRM).

Environment

UKNNL measures Scopes 1 and 2 reported as a carbon intensity ratio. Compared to a baseline established in 2019/20, our Streamlined Energy Carbon Report (SECR) data shows that total carbon emissions have been steadily reducing each year. During the twelve month period to 31 March 2025, our carbon intensity metric decreased by 24% from 22.3 to 16.9. This reduction in SECR intensity ratio reflects the impact of UKNNL's infrastructure investments in energy-efficient equipment upgrades and the implementation of best practices.

Unfortunately, we did not meet our target for reducing business travel emissions in the 12-month period to 31 March 2025. Total emissions from business travel in rental cars or employee-owned vehicles (Scope 3) continued to increase. While this was disappointing, we have been able to improve data capture and recording methods for travel emissions, and enhanced communication of our

targets across the business. In the six months from April to September 2025, we saw business travel decrease by 20%. This reduction is largely in response to the Fixing the Fundamentals programme, which advocates for business travel only when required and using sustainable alternatives where possible.

Since 2018, UKNNL has driven decarbonisation through people, sustainable procurement, best practices, equipment upgrades and education/workshops for improved energy efficiency by design and/or application. Each UKNNL location shows a year-on-year reduction in our electricity consumption while growing the business.

UKNNL submitted an Energy Savings Opportunity Scheme Action Plan to the Environment Agency in November 2024. The plan outlines key actions to reduce energy consumption and a timeline for actions and expected savings over a four-year period.

Further work has begun exploring options to decarbonise our operations at all facilities. Ideas include more energy-efficient equipment, air source heat pumps and recirculating heat generated through operations. All options require careful consideration in the context of active nuclear operations and technical feasibility. Employee engagement, however, has been strong, with a high interest in implementing effective measures.

Social

Our sustainability strategy's social pillar aims to maximise our positive impact on people and communities, focusing on areas where we can make the most difference and align with our work.

During the period, UKNNL continued to expand its STEM outreach initiatives, focusing on innovation and inclusivity in science, technology and mathematics. We successfully met our Value Framework target and delivered 85 outreach events. Regionally, we engaged with schools, colleges and non-profit organisations to provide hands-on learning experiences. Nationally, UKNNL connected with emerging talent at universities and through events such as New Scientist Live and offered work experience at our Preston and Workington sites. Moving forward, UKNNL remains committed to addressing the STEM education and skills gap and providing opportunities for young people across our communities.

Our social value programme aims to maximise opportunities for achieving net zero and supports the UN's Sustainable Development Goals (SDGs).

Initiatives within our social value workstream include:

- Developing skills and allocating time for our early career colleagues to engage with local schools and communities, specifically KS3 and KS4 pupils in economically deprived areas, girls, and underrepresented communities. Our colleagues aim to inspire these groups through delivering inspiring science, technology, engineering and maths (STEM) activities and engaging with pupils' parents and carers.

- Increasing participation in industry-led collaborative social value programmes in target areas to increase business interaction with young people. These efforts align with the Gatsby principles and include workshops for neurodiverse pupils.
- Developing a community engagement concept in a fun and accessible format to introduce the concepts behind energy integration and nuclear fission's role in achieving net zero. The UK Fission Fair was showcased at high-impact events, including at New Scientist Live 2024, working with our target universities to raise awareness and understanding of the nuclear sector among first-year undergraduates, including its contribution to net zero and career opportunities.
- Taking the Fission Fair on the road to Youth Zone youth centres in Carlisle and Warrington to increase the awareness of nuclear and inspire young people in a fun and engaging way.
- Attending regional STEM fairs, such as UlverSTEM, where our scientists have engaged with pupils from many schools within the region and helped to inspire the next generation of scientists, engineers and mathematicians.

UKNNL recognises that championing equality of opportunity, diversity and inclusion is both ethical and beneficial for business. The People Section and Governance Statement of this report provides further detail on the work we do towards this aim.

UKNNL's social impact approach has been developed over the period and will continue to evolve. We are collaborating with Northumbria University to learn from and apply their approaches to demonstrating impact – specifically, developing a Theory of Change approach to guide our work according to our mission. This work aims to benefit the entire sector, clarifying how UKNNL will develop its strategy to demonstrate significant impact in future years.

Streamlined Energy Carbon Report (SECR)	2024-2025		2023-2024
	Government conversion factors https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024-full-set-for-advanced-users		Government conversion factors https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023-full-set-for-advanced-users
Reporting period	18 months (April 2024 -Sept 2025)	12 months (April 2024-March 2025)	12 months (April 2023-March 2024)
ANNUAL Energy consumption/ data <i>converted to kwh [mandatory]</i>	Electricity = 13,219,117 kWh	Electricity = 8,786,526 kWh	Electricity = 9,437,743 kWh
	Gas = 970,993 kWh	Gas = 821,678 kWh	Gas = 845,815 kWh
	Steam = 6,945,451 kWh	Steam = 5,854,115 kWh	Steam = 6,560,407 kWh
Scope 1: data Fleet Vehicle: Small diesel car, up to 1.7 l Efactor = 0.1399	14,352 km 2.01 tonnes CO ₂ e	13,133 km 1.84 tonnes CO ₂ e	10,531 km 1.47 tonnes CO ₂ e
Fleet Vehicle : Medium diesel car, 1.7 - 2.0 l Efactor = 0.1681	101,284 km 17.03 tonnes CO ₂ e	64,479 km 10.84 tonnes CO ₂ e	63,269 km 10.64 tonnes CO ₂ e
Fleet Vehicle : Large diesel car, >2.0 l Efactor = 0.2073	10,576 km 2.19 tonnes CO ₂ e	1,904 km 0.39 tonnes CO ₂ e	1,371 km 0.28 tonnes CO ₂ e
Scope 3 : business travel in rental/leased or employee owned vehicles	Business Travel = 2,745,410 km	Business Travel = 2,044,904 km	Business Travel = 1,431,748 km
Scope 1 tCO ₂ e Direct Emissions Emissions from activities for which the company own or control including combustion of fuel & operation of Facilities	Gas = 178 tonnes CO ₂ e	Gas = 150 tonnes CO ₂ e	Gas = 154 tonnes CO ₂ e
	UKNNL fleet emissions = 21.23 tCO ₂ e	UKNNL fleet emissions = 13.1 tCO ₂ e	UKNNL fleet emissions = 12.3 tCO ₂ e
Scope 2 tCO ₂ e Indirect Emissions Emissions from purchase of electricity (grid/CHP) & steam (CHP) purchased <i>for own use</i>	Electricity = 2340 tonnes CO ₂ e	Electricity = 1819 tonnes CO ₂ e	Electricity = 1954 tonnes CO ₂ e
	Steam (CHP) = 1217 tonnes CO ₂ e	Steam (CHP) = 1052 tonnes CO ₂ e	Steam (CHP) = 1179 tonnes CO ₂ e
Scope 3 tCO ₂ e Total emissions from business travel in rental/leased vehicles or employee owned vehicles	18 months Business Transport emissions = 466 tonnes CO ₂ e conversion using accurate Efactors	12 months Business Transport emissions = 347 tonnes CO ₂ e conversion using average diesel Efactor = 0.16984	Business Transport emissions = 239 tonnes CO ₂ e conversion using average diesel Efactor = 0.16984
Total-gross Scope 1 + Scope 2 emissions (tCO ₂ e)	3757 tCO ₂ e	3034 tCO ₂ e	3299 tCO ₂ e
Carbon Intensity Ratio: (gross Scope 1 + 2) tCO ₂ e / £Million Revenue	3757 tonnes CO ₂ e/£265M UKNNL Intensity Ratio (2024-25 18 months) = 14.2	3035 tonnes CO ₂ e/£179M UKNNL Intensity Ratio (2024-25 12 months) = 16.9	3299 tCO ₂ e/£148M UKNNL Intensity Ratio (2023-24 – 12 months) = 22.3

(tCO₂e = tonnes (t) of carbon dioxide (CO₂) equivalent (e))

Notes
Total gross emissions are noted in ‘tonnes of carbon dioxide equivalent’ (tCO₂e). whereby Tonne = 1000kg
Government conversion factors for company reporting greenhouse gas emissions have been used to derive tonnes of carbon dioxide per annum from each energy source.
UKNNL is accredited to ISO 50001:2018 Energy Management and ISO 14001:2015 Environmental Requirements and is committed to improving energy performance and to mitigating excessive energy use and environmental impact as a result of UKNNL's business activities, by applying effective controlled processes and effective risk management, delivering continual energy efficiency, reduced environmental impact and continuous improvement through our activities. UKNNL supports Greening Government Commitments (GGC).
Methodology UKNNL boundaries are defined as three Active Handling Facilities (AHF), one inactive facility, a head office and two satellite offices, in total approximately 75,000 m2. UKNNL has established and actively uses an energy baseline, using a systematic, data driven and fact-based process, focused on continually improving energy performance. UKNNL monitors and measures all energy consumption, using meter readings for facilities and energy data supplied by landlords for offices in shared buildings. Where estimates are used, the data is extrapolated against historical data and ratified against an equivalent metered office/facility. UKNNL's energy consumption is well understood, forecasted accurately and with any deviation fully investigated. To date, anomalies in forecasts have directly correlated to outages.
Continual energy performance improvement: The organisation ensures awareness of Sustainability, Environmental Requirements & Energy Management through mandatory education (eLearning), workshops, and regular promotion of best practice underpinning the reduction of environmental impact, delivery of net zero and continual energy management efficiency improvement.
Ongoing improvement is achieved through behavioral awareness and scheduled maintenance. All infrastructure and equipment are designed and upgraded to deliver improved energy efficiencies. In addition, UKNNL has a key performance indicator (KPI), that measures environmental, sustainability & energy management improvement activities across nineteen business areas. Progress against KPIs is verified and formally reported quarterly as a percentage completed and in part is incentivised through the business bonus scheme.

Greening Government Commitments

The current GGC framework is for 2021–2025. Targets are measured against a 2017/18 baseline and were to be achieved by March 2025. DESNZ is the lead department for setting policies for the UK to become net zero by 2050, and UKNNL is part of the DESNZ family for GGC.

GGC Performance Criteria	Unit of Measurement	DESNZ: GGC 2021–2025	2024/25 Status Versus Baseline	2017/18 Baseline
Paper use (Scope 3)	Equivalent to A4 reams	Reduce paper used by at least 50% from 2017/18 baseline	2,303 reduced by 65% versus baseline	6,625
Water use (Scope 3)	m³	Reduce water consumption by at least -8% from 2017/18 baseline	8,223 m³ increased by 3.8% versus baseline	7925m³
Business travel (UK) (Scope 3)	Rail travel (km)	No target – report the distance travelled	1,014,982 km (annual)	941 km (annual)
	Domestic flights (km)	Reduce the distance travelled of domestic business flights by at least -20% from 2017/18 baseline	11 flights 9,648km reduced by 81% versus baseline	85 flights 51,595 km
Business travel (international) (Scope 3)	Number of international flights and distance (km)	<i>No target:</i> report the number and distance travelled for international business flights	417 flights 2,518,308 km	44 flights 242,356 km

GGC Reduce the Amount of Waste Going to Landfill to Less Than 5% of Overall Waste	2024/25	2017/18 Baseline
	Tonnes	
Waste recycled externally (excluding IT equipment)	102	180
Waste incinerated with energy recovery	23	0
Waste composted or sent to anaerobic digestion	3	0
TOTAL WASTE RECYCLED (% of total)	105 (56%)	181 (93%)
TOTAL WASTE NOT TO LANDFILL (excluding waste reused)	128	183
TOTAL WASTE SENT TO LANDFILL	58	10
TOTAL WASTE (excluding waste reused)	186	193
TOTAL LANDFILL WASTE DEEMED HAZARDOUS	47	2

Notes
1. Please refer to the SECR for details of Scopes 1, 2 and 3 emissions (business travel)
2. UKNNL boundaries are defined in cubic metres for water usage as explained in SECR.
3. DESNZ targets do not stipulate criteria for the reduction of travel. DESNZ strongly encourages train travel over other methods.
4. DESNZ targets are those it sets for UKNNL as a business. The targets reflect UKNNL's contribution to the DESNZ family commitments year on year using baseline data from 2017/18.

Prompt payment in government contracting

UKNNL follows the Prompt Payment Code of Practice and commits to paying 95% of all supply chain invoices within 60 days.

	01/04/24 – 30/09/24	01/10/24- 31/03/25	01/04/25 – 30/09/25
Average time taken to pay invoices (days)	7.60 days	8.35 days	9.6 days
Paid within 30 days (%)	99.03%	98.98%	99.27%
Paid 31 to 60 days (%)	0.92%	1%	0.69%
Paid 61 days or more (%)	0.05%	0.01%	0.04%

TCFD Compliance Statement

The Financial Stability Board created the TCFD to develop recommendations for the types of information that companies should disclose in relation to climate change. The recommendations provide a standardised approach to climate change reporting, so that risks and opportunities can be categorised consistently, and organisations across different sectors and jurisdictions can be compared.

UKNNL has reported on climate-related financial disclosures consistent with HM Treasury’s TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. UKNNL has complied with the TCFD-recommended disclosures around governance (all recommended disclosures), risk management and metrics and targets (b). This is in line with the central government’s TCFD-aligned disclosure implementation timetable. For completeness, summary

information regarding strategy is included for the period under review. UKNNL plans full disclosures for this area and for metrics and targets disclosures (a) and (c) in future reporting periods in line with the central government implementation timetable.

Governance: the organisation’s governance around climate-related risks and opportunities

Board oversight of climate-related risks and opportunities

The board has ultimate responsibility for setting the organisation’s strategy, which incorporates climate-related risks and opportunities. The board delegates day-to-day responsibility for all elements of strategy, including climate-related, to the Chief Executive Officer (CEO). The Chief Customer Officer (CCO) is responsible for development and implementation of the Sustainability Strategy.

The board has expanded the scope of work undertaken by the Environment, Health, Safety and Security Committee (EHSSC) to include responsibility for the oversight and assurance of UKNNL’s strategy goals, policies procedures, performance and disclosures in relation to sustainability.

The EHSSC has received Sustainability Reports from the CCO. An Integrated Sustainability Plan, however, has not yet been developed and therefore it has been difficult for the EHSSC to provide the meaningful oversight and monitoring of performance as intended.

The board, however, has monitored progress of sustainability through both the Leadership Objectives and the Value Framework.

Management’s role in assessing and managing climate-related risks and opportunities

The extension in EHSSC scope has been supported by the establishment of a risk, assurance and compliance meeting at the executive level.

This entity has focused attention on the need for increased clarity regarding UKNNL’s sustainability ambitions and objectives as well as the development of metrics for demonstrating performance.

The Leadership Objective relating to development of an Integrated Sustainability Plan was superseded in the period by the need to reflect on the change in UKNNL’s assumptions around decarbonisation at the Sellafield site, where Sellafield Limited’s plans to connect to the national grid have been delayed.

Progress this period: - Regular sustainability reporting into the EHSSC - The Audit, Risk and Assurance Committee commenced monitoring of narrative reporting integrity (including sustainability) in 2023/24 - Board papers include sustainability impact assessments where applicable - Executive risk, assurance and compliance meetings continue to monitor and oversee sustainability progress - Risk Management Committee coordinated the completion of climate risk and opportunity assessment across the organisation - Remuneration Committee approved an element of the bonus scheme linked to implementation of site/functional sustainability action plans	Future focus: Executive leadership team (ELT) sponsored assessment of how sustainability is being embedded into decision-making across various UKNNL governance fora, including the Customer Committee and Investment Committee.
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Strategy: how climate-related risks and opportunities impact the organisation’s business, strategy and financial planning

UKNNL’s strategy has been influenced by the changing environment and opportunities presented by net zero for the nuclear industry.

Our current strategy does not explicitly recognise the risks and opportunities presented by climate change but is based around UKNNL’s purpose of ‘nuclear science to benefit society’. It focuses on:

- environmental remediation: minimising the risks posed by the nuclear legacy
- clean energy: development of advanced nuclear systems that can decarbonise elements of the economy for which there are currently no effective/practicable solutions

In 2025/26, UKNNL will be refreshing its strategy. It is intended that the revised strategy will explicitly take account of the risks and opportunities identified through climate change risk and opportunities assessment.

Progress this period: We have started to collate climate change risk and opportunities from across the organisation	Future focus: - We will work with the wider business to further understand climate-related risks and opportunities - We will conduct high-level scenario planning against UKNNL strategy
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Risk: how the organisation identifies, assesses and manages climate-related risks

Over the course of the period, the board has reviewed and updated its business risk appetite statements and thoroughly refreshed its business risk register, including sustainability risk.

The Risk Management Committee coordinated a climate change risk and assessment across the organisation. The assessment asked teams to consider both physical and transitional risks as well as opportunities arising from climate change. We have a high-level view of our climate change risks and opportunities and will look to further develop and understand these risks and opportunities as we move into 2025/26.

The climate change risks and opportunities will be integrated into the UKNNL Risk Management Framework.

The top risk identified by this assessment is that of extreme weather. This could impact the operation of a UKNNL facility (BUS08) either directly or indirectly through prolonged power and/or steam supply outages, the consequences of which would impact on Programme Delivery (BUS05).

The transition to a low-carbon economy creates a significant opportunity for UKNNL around the development and deployment of advanced nuclear systems, with the potential to decarbonise sectors of the economy for which no viable low-carbon solution currently exists. Not only do such systems provide an efficient and reliable source of low-carbon electricity, but they can also generate hydrogen and provide the necessary process heat for the sustainable industries of the future. UK policy and effective government relationships are key to realisation of these opportunities (BUS03) as well as effective Stakeholder Engagement (BUS12).

Progress this period: We have collated a high-level view of our climate change risk and opportunities	Future focus: - The risk management committee will integrate sustainability and climate risks into the risk management system - Work with the risk management committee will monitor development of sustainability and climate risks and opportunities
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Metrics and targets: the metrics and targets used to assess and manage climate-related risks and opportunities

UKNNL reports its environmental performance under both the GGCs and SECR regime. In addition to reporting our energy usage and emissions, we developed a set of targets to be reported under the UKNNL Value Framework.

Progress to date: - We continue to report against GGCs - We continue to report against SECR - We have identified a set of metrics to be included within the UKNNL Value Framework	Future focus: Further development of the metrics will be included in the UKNNL Value Framework
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5.0 Governance Report



David Scott
Chair

Board skills and experience

David joined UKNNL's board as interim Chair in January 2026, bringing over 30 years of infrastructure and financial advisory experience across government and the private sector. After qualifying as a chartered accountant, David went on to become a partner at Deloitte, where he led their infrastructure advisory team. His expertise spans a broad range of sectors, including energy, airports, ports, roads, water and telecommunications. David's expertise lies in complex infrastructure transactions and strategic advice in challenging, high-profile environments. During his career, he has advised the biggest investors in infrastructure on some of the largest transactions,

including Gatwick Airport, the Green Investment Bank and HS1. He has also led major restructurings, including Schaeffler and Waterford Wedgwood.

External appointments

Since leaving Deloitte, David has taken on several board roles, including DESNZ's Audit and Risk Assurance Committee, Water and Sanitation for the Urban Poor, and at the Royal Geographical Society. In addition to advising several businesses, he has also founded an innovative tidal turbine business, combining his infrastructure expertise with his commitment to the clean energy transition.

David holds a BA (Hons) in Economics from Durham University.



Iain Clarkson
Non-Executive Director

Board skills and experience

Iain joined the board in October 2019, having previously served as Chief Financial Officer at WYG Group, an international consulting, engineering and project management business. Before joining WYG, Iain served as Finance Director for Amec Foster Wheeler's clean energy business; prior to that, he held various Finance Director positions with Westinghouse Electric Company, a global nuclear technology provider. During his time with Westinghouse, he lived and worked in the United States.

Iain started his career with Coopers & Lybrand, where he qualified as an associate chartered accountant before moving into corporate finance to work on mergers and acquisitions. He then moved into industry in 1996 and now has 30 years of experience in financial leadership, international consulting and engineering businesses.

External appointments

Iain recently retired from his Executive Director role as CFO for Calder Group Holdings Limited and is now Chair of their defined benefit pension schemes. In addition to his Non-Executive Director role at UKNNL, Iain is Chair of the Audit, Risk and Assurance Committee.



Neil Smart
Non-Executive Director

Board skills and experience

Neil joined UKNNL as Non-Executive Director in 2025. He chairs both the Environment, Health, Safety and Security Committee and the Technical Advisory Board.

With over three decades of experience in the nuclear sector, Neil brings exceptional technical expertise and a proven track record in driving innovation. His career spans leadership roles at several prominent organisations, including Head of Technical Assurance, Chief Scientist, and Head of Research and Development at Sellafield Limited, Director of Research and Innovation at the Nuclear Innovation and Research Office, and Science Director at Radioactive Waste Management Limited.

Throughout his career, Neil has demonstrated a commitment to advancing nuclear science and

technology. As a named inventor on 15 patents in fields including radionuclide separation and radioactive waste management, and author of 30 peer-reviewed publications, he has made significant contributions to nuclear research and development. His expertise in technical assurance and programme delivery has been instrumental in shaping major nuclear initiatives across the UK.

External appointments

Neil serves as the UK Representative on the European Nuclear Society Higher Scientific Council and has held visiting professorships at leading universities. He holds a PhD in Corrosion Science and an MSc with distinction in Technology Management, combining deep technical knowledge with strategic business acumen.



Hannah Gray
Non-Executive Director

Board skills and experience

Hannah was appointed to the board in 2025, bringing over 25 years of corporate finance and governance experience across government and the private sector. After qualifying as a chartered accountant with PricewaterhouseCoopers, Hannah went on to hold senior positions at NM Rothschild & Sons, UBS and Deloitte before joining UK Government Investments, where she continues to serve today.

Hannah's expertise lies in complex transactions and strategic interventions in challenging, high-profile environments. During her career, she has led major restructuring and governance programmes, advised ministers and permanent secretaries on critical corporate interventions including Carillion, British Steel and Covid-related support schemes,

and built high-performing teams that deliver significant value for taxpayers. As a Director at UK Government Investments, Hannah leads shareholder teams for Government Property Agency and heads the Special Situations team – a recognised centre of excellence providing specialist advice on the government's most complex corporate challenges.

Passionate about diversity, inclusion and public service, Hannah has been a committed advocate for maintaining a strong organisational culture and the highest standards of professional conduct.

External appointments

Hannah currently serves as Shareholder Non-Executive Director for the Government Property Agency and as a Member of HM Treasury's Advisory Credit Committee.



Mandy Clarke
Non-Executive Director

Board skills and experience

Mandy joined the UKNNL Board as a Non-Executive Director in 2026, bringing over 25 years of senior HR executive leadership and more than 15 years of board-level governance experience. Mandy began her career as a commissioned officer in the Royal Air Force, serving as a fighter controller and specialising in weapons, radar and electronic warfare. She was among the first women to serve operationally in the field, before women were permitted to undertake roles such as pilot or navigator. Following her military career, she built a substantial executive track record across multiple industries and countries, with senior leadership responsibility for people strategy, culture, governance and change management. In 2010, she established her own consulting business, advising UK and

international clients on HR strategy, organisational development and learning and development.

External appointments

Mandy currently serves as a Non-Executive Director at The Pensions Regulator, chairing its Remuneration and People Committee; as a board member at Platform Housing Group, chairing its People and Governance Committee; and as independent chair and trustee of Engage Technical Solutions.

Mandy is a Chartered Fellow of the Chartered Institute of Personnel and Development, a Fellow of the Institute of Directors and a Fellow of the Royal Society of Arts. She holds a Master's degree in Human Resource Management and is an MSP and PRINCE2 Practitioner.



Julianne Antrobus
Chief Executive Officer

Board skills and experience

Julianne became Chief Executive Officer of UKNNL in April 2025, bringing over 25 years of nuclear sector experience to the role. After beginning her career as a Graduate Radiation Protection Advisor with British Nuclear Fuels Limited, UKNNL's predecessor organisation, Julianne went on to hold strategic leadership positions at Nuvia, Atkins and PA Consulting before returning as UKNNL CEO.

Julianne's expertise lies in strategic implementation and operational excellence. During her career, she has led and implemented transformational growth strategies, established strategic joint ventures between UK, European and international organisations and secured long-term strategic frameworks with government and commercial entities. As Global

Head of Nuclear at PA Consulting, Julianne established and grew an innovative nuclear practice, working with clients across the entire nuclear fuel cycle from new build to decommissioning.

External appointments

Passionate about diversity and inclusion, Julianne has been a driving force for women in STEM. Her contributions to the nuclear sector were recognised with an Honorary Fellowship from the Nuclear Institute in 2023 and the National STEM Ambassador Award from Forward Ladies.

Julianne holds an MSc in Pollution and Environmental Control from the University of Manchester and a BSc (Hons) in Environmental Science from Manchester Metropolitan University.



Brian Tenner
Chief Financial Officer

Board skills and experience

Brian joined UKNNL as Chief Financial Officer in 2026, bringing over 30 years of finance, strategy and operational leadership experience across the energy, nuclear and technology sectors. After qualifying as a chartered accountant, Brian began his career as a consultant with PwC in London and Auckland, specialising in energy sector advisory work before a secondment with Shell in Ukraine. He went on to hold senior finance roles across telecoms businesses in France and the UK, before serving as Finance Director for British Nuclear Group — with responsibility for Sellafield, the low-level waste repository and the UK's Magnox reactors — while also chairing the Audit Committee at AWE.

Brian's expertise lies in designing and delivering major strategic transformation programmes, with a consistent track record of lasting improvements in financial control, governance, health and safety culture and risk management.

External appointments

Brian has held senior executive positions across several UK publicly listed companies, including Scapa Group, Renold, NCC Group and Nanoco Group.

Brian holds an LLB (Hons) from the University of Edinburgh, qualified as a chartered accountant in 1994, and has completed the Advanced Management Programme at the European Institute of Business Administration, Fontainebleau.



Samantha Wheeler
Company Secretary

Sam is Company Secretary to the UKNNL board. Prior to joining UKNNL, Sam was Company Secretary at the NHS, advising senior colleagues on governance matters throughout the Covid-19 pandemic and helping to develop the Green Plan for County Durham and Darlington NHS Foundation Trust.

During Sam's career, she has provided both legal and governance advice across several industry sectors, after starting her career as a corporate lawyer for

PwC Legal. Sam has a breadth of knowledge of the public sector, with expertise in rail, nuclear and health. Since qualifying as a chartered company secretary, Sam has strengthened her knowledge of corporate governance and is keen to introduce it to the sector.

Sam is an Associate of the Chartered Governance Institute and a qualified solicitor.

Board members who served during the accounting period:

Ian Funnell
Chair
26 January 2022 to 31 December 2025

Clare Barlow
Chief Human Resources Officer
16 October 2018 to 31 March 2025

Ann Cormack
Non-Executive Director
21 April 2023 – 20 April 2026

Paul Howarth
Chief Executive Officer
3 April 2009 to 31 March 2025

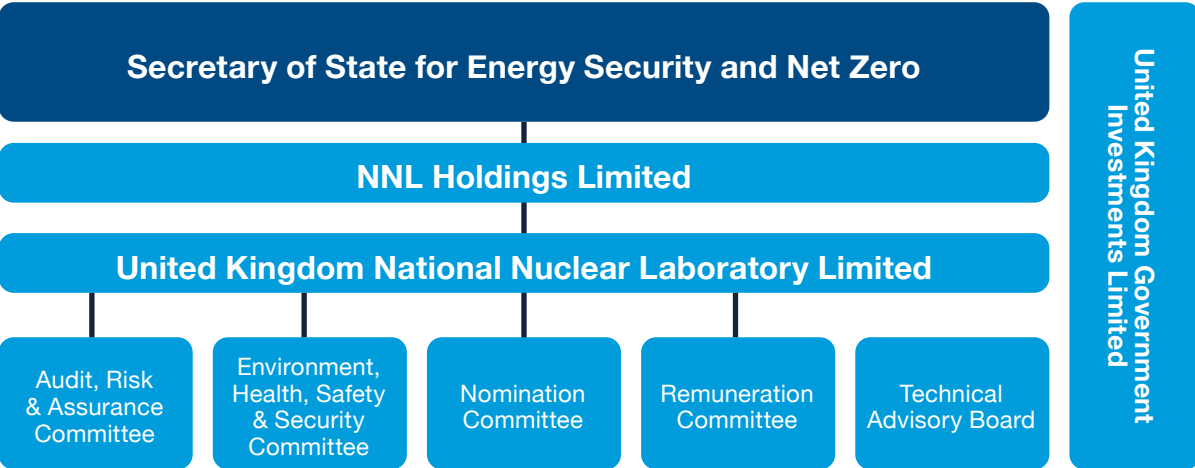
Ed Emerson
Non-Executive Director
19 October 2021 to 17 October 2025

Steve Garwood
Non-Executive Director
19 May 2020 to 31 March 2025

Matt Miller
Chief Financial Officer
19 December 2019 to 30 July 2025

5.2 Governance Statement

UKNNL is owned by NNL Holdings Limited, which is wholly owned by DESNZ (as shareholder). The primary purpose of NNL Holdings Limited is to act as UKNNL's parent company and to finance strategic investments in the UKNNL business. DESNZ manages its ownership of UKNNL through UK Government Investments (UKGI), which provides strategic oversight of UKNNL's corporate governance and advises the government on the management of its interest in UKNNL. A UKGI representative is appointed to the UKNNL board. A framework document governs the relationship between DESNZ, UKGI and UKNNL.



UKNNL is a private company limited by shares. DESNZ owns UKNNL via NNL Holdings Limited, and UKNNL is classified by the Office for National Statistics as a public corporation. UKNNL is not required to comply with the provisions of either the ‘Corporate Governance in Central Government Departments: Code of Good Practice’ or the UK Corporate Governance Code 2018, but it aims to take appropriate account of the principles and provisions of both, to the extent that they apply. Similarly, under the terms of the framework document, UKNNL is required to comply with the principles of managing public money to the extent that they apply.

The following governance statement provides an insight into UKNNL's corporate governance framework during the period 1 April 2024 to 30 September 2025.

Governance framework

The board has responsibility for establishing and taking forward UKNNL's strategic aims and objectives while maintaining a sound system of internal control that safeguards its assets. The board supports high standards of governance and, as far as is practicable given the company's size and status, has, together with UKGI, continued to develop the governance of the business in accordance with ‘Corporate Governance in Central Government Departments: Code of Good Practice’, the UK Corporate Governance Code 2018 and ‘Managing Public Money’ guidance.

The Strategic Review sets out a new mission for the future direction of UKNNL. In order to deliver this new mission and respond to the recommendations set out in the Strategic Review, UKNNL will need to evolve and develop its governance mechanisms. In

particular, the first recommendation of the Strategic Review states:

‘DESNZ intends to give clear direction and accountability to UKNNL, utilising existing governance and control mechanisms (e.g. strategic plan, objectives, KPIs) to the greatest extent possible and considering alternatives where necessary, including board presence. Detailed mechanisms to achieve this intent continue to be investigated as it seeks to minimise disruption to UKNNL and be consistent with its status as a public corporation.’

UKNNL and DESNZ are working in partnership to deliver the recommendations set out within the Strategic Review. The following actions have been taken over the past 18 months.

- Policy advisory group: DESNZ has established the UKNNL

Policy Advisory Group to consider and review the policy landscape within which UKNNL operates and provide clarity on relevant policy priorities of government for the purposes of developing UKNNL's strategic priorities and business plan.

- DESNZ observer: a DESNZ Director has been appointed as an observer to the UKNNL board.
- NNL Holdings Limited: the composition of the board of UKNNL's parent company, NNL Holdings Limited, has been changed to comprise two DESNZ representatives.

The changes outlined above have been designed to improve transparency between DESNZ and UKNNL and to increase alignment between UKNNL's objectives and government policy. It is anticipated that an updated framework document will be developed over the coming year to capture the changes in governance introduced following the Strategic Review.

UKNNL board and committees

Throughout the period, the board comprised a Non-Executive Chair, four further Non-Executive Directors and up to three Executive Directors: the CEO, CFO and CHRO.

Over the period, the board approved a number of changes to its composition. Paul Howarth, CEO; Clare Barlow, CHRO; Matt Miller, CFO; and Steve Garwood, all resigned from the board.

Julianne Antrobus was appointed as CEO. Neil Smart was appointed as a Non-Executive Director.

The board met 16 times in the period, including board workshops in May 2024, September 2024, December 2024 and September 2025. Attendance by members at the board and committee meetings is set out in the table below.

Name	Position	Board	ARAC	EHSSC	RemCo	NomCo	TAB
Ian Funnell	Chair	15	N/A	N/A	7	6	1
Iain Clarkson	Non-Executive Director	13	6	6	6	6	0
Neil Smart	Non-Executive Director	7	2	2	3	2	3
Ann Cormack	Non-Executive Director	14	N/A	N/A	8	6	2
Ed Emerson	Non-Executive Director	13	6	6	8	6	0
Julianne Antrobus	Chief Executive Officer	8	N/A	N/A	N/A	N/A	N/A
Steve Garwood	Non-Executive Director	8	4	4	4	4	N/A
Paul Howarth	Chief Executive Officer	9	N/A	N/A	N/A	N/A	N/A
Clare Barlow	Chief Human Resources Officer	8	N/A	N/A	N/A	N/A	N/A
Matthew Miller	Chief Financial Officer	10	N/A	N/A	N/A	N/A	N/A
Number of meetings		16	6	6	8	6	7

Executive board members regularly attend committees of which they are not formally members. For example, the CFO regularly attends both the Audit, Risk and Assurance Committee (ARAC) and EHSSC, and the CHRO regularly attends both the Remuneration Committee (RemCo) and the Nominations Committee (NomCo). Similarly, the Non-Executive Directors often attend Technical Advisory Board (TAB) meetings over the course of the period.

Ian Funnell, Iain Clarkson, Ann Cormack and Neil Smart were all considered independent on their appointment to the board.

The role of the UKNNL board

The board is responsible for setting UKNNL's strategic direction. It provides effective and proactive leadership of UKNNL within a framework of prudent

and effective controls and risk management processes. It also sets the organisation's values and behaviours and ensures that UKNNL's obligations to its shareholders and others are understood and met.

The board's role is to support and constructively challenge UKNNL executives and to apply scrutiny both in the development of business strategies, plans, business cases and targets and in the assessment

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of its performance in delivering the approved strategic and business plans. The board leads the assessment and management of risk.

The framework document details the responsibilities and accountabilities of both the Chair and CEO.

Key priorities for the board regarding governance this period have included:

- **DESNZ Strategic Review:** The board has been closely involved in the development of the Strategic Review and provided input into the final report via our DESNZ shareholder. The board has supported the executive team with the arrangements for the announcement of the Strategic Review’s recommendations, the launch of the rebranding of UKNNL and the development of the Implementation Plan.
- **Fixing the Fundamentals:** The board has supported the executive team in developing the Fixing the Fundamentals programme and has started to monitor progress against key themes. Fixing the Fundamentals is a three-year improvement programme intended to make sustainable changes across UKNNL to ensure we safely and securely maintain a high service provision to our customers, while targeting significant savings.
- **Stakeholder engagement:** The Strategic Review has provided valuable stakeholder feedback, which UKNNL is now using to develop its senior stakeholder mapping and engagement plans, strengthening its approach to stakeholder management.
- **Board composition and succession:** UKNNL has seen a period of significant change

at board and executive level. NomCo has played a key role in managing the succession programme over the last 18 months. In particular, NomCo has led on the recruitment of a new CEO as well as the replacement of the nuclear Non-Executive Director.

- **Board effectiveness:** The Chair and Company Secretary conducted an internal board effectiveness review in Autumn 2024. The review took the form of a questionnaire, followed up by interviews with each of the members of the board. Details of the outcome of this review are set out below.
- **Diversity and inclusion:** The board has continued to support the executive team in developing UKNNL’s approach on ED&I. Early in 2025, the board approved the new three-year strategy to define the next steps in UKNNL’s ED&I journey.

The board delegates the day-to-day management of UKNNL to the Executive Leadership Team (ELT), comprising the CEO and other senior executives.

All board and board committee meetings held during the period have been quorate. All decisions made by the board and its committees have been recorded appropriately. The board reviews the effectiveness and the terms of reference of each of its committees on an annual basis.

The unitary nature of the board means that both non-executive and executive members share the same responsibility to challenge board decisions on the development of UKNNL’s strategy and operations. The non-executive board members bring a wealth of experience and complement the executive representation on the board in challenging, scrutinising and

supporting operational and strategic matters.

All board members have full and timely access to relevant information to enable them to discharge their responsibilities. All directors have access to independent professional advice, at UKNNL’s expense, if required.

The board met 16 times this period, with meetings taking place across our facilities at Preston, Sellafield and Warrington. Through these visits, board members have had the opportunity to visit our facilities and meet with members of the workforce, ranging from our senior leadership team to our Early Careers cohort.

Board performance and effectiveness

The board undertakes regular evaluations of its effectiveness, looking at both the board and its committees. In line with best practice, an externally facilitated review takes place every three years, and an internally facilitated review takes place during every intervening year.

Following the completion of two external board effectiveness reviews in 2021 and 2023, it was agreed that an internal board effectiveness review would be conducted in 2024. The internal board effectiveness review concluded that the board continues to take its responsibilities seriously and operates in a professional manner, compliant with the principles that apply to this government-owned business. This board effectiveness review also acknowledged that the board was experiencing a period of significant change, including the recent announcement of the recommendations from the Strategic Review, and the appointment of a new CEO, CHRO and Non-Executive Director.

The board effectiveness review made a number of recommendations to help the board to continue to develop its governance through this period of change. These focused around three key themes: enhancing the board’s ability to monitor and manage performance; ensuring that it has access to the skills, knowledge and experience required to effectively discharge its responsibilities; and continuing to develop its focus and dynamics. The board has prepared an action plan to respond to the review recommendations, resulting in an increased focus on performance monitoring and management, succession planning and board governance. It is intended that the board will conduct the next external effectiveness review in 2026/27.

Board committees

The board has three committees: ARAC, RemCo and NomCo. The board also has two advisory committees: TAB and EHSSC.

Each committee is chaired by a non-executive board member. Each committee reports directly to the board by way of an annual report and access to minutes. Urgent matters are escalated by the committee chair to the board as appropriate.

Audit, Risk and Assurance Committee (ARAC)

ARAC’s role is to assist the board in fulfilling its oversight responsibilities by reviewing and monitoring the financial information provided to shareholders, the system of internal controls, the risk management framework, and the internal and external audit processes. ARAC’s purpose is to critically challenge and review the effectiveness of the controls to ensure that they are adequate for meeting the requirements of compliance, operations, corporate governance and information management.

ARAC comprises three Non-Executive Directors, including an independent Non-Executive Director as Chair, currently Iain Clarkson. The committee invites Executive Directors, the Head of Independent Assurance and senior representatives of the external auditors to attend meetings as and when appropriate.

ARAC met six times in the period ending 30 September 2025. ARAC’s activities included reviewing and endorsing the 2023/24 annual statutory accounts for board approval. The auditor, Saffery LLP, undertook its second audit for UKNNL in 2024. In line with statutory requirements, the scope of the audit included the financial accounts, ensuring they reflected a true and fair view of activity in the last reporting period. Given the heightened financial stability risk, the auditors performed additional work in assessing the validity of the going concern assumption. The conclusion was that the going concern assumption remained a valid basis for preparing the financial accounts. Management will continue to manage this risk closely.

During the period, UKNNL decided to extend its accounting reference period. The ARAC Chair was consulted on this proposal and sought advice from auditors and government finance advisors before approving the proposed change. ARAC worked with the auditors to develop a programme for delivery of the annual statutory accounts for the extended period.

Progress with overall business controls was assessed by ARAC through the annual review of independent assurance (IA). Key cross-cutting themes which had been identified in the previous reporting period were monitored, with underlying return-to-green activities reported by IA. ARAC noted improvements in the ownership model of emerging themes and the importance of continued monitoring of the improvement plans. In addition,

ARAC reviewed and endorsed planned activities and management sponsorship of planned interventions for the upcoming financial year.

Over the course of the period, ARAC continued to monitor and review the development of the risk management framework and the approach being taken by the executive team. With this in mind, ARAC oversaw improvements to the risk management process and its implementation, including the proposal to bring together risk and assurance reporting. ARAC also endorsed risk appetite statements for board approval. ARAC will continue to support UKNNL in the development of its risk and opportunity management processes.

Remuneration Committee (RemCo)

RemCo’s role is to assist the board in establishing remuneration policy and practices that support strategy and promote long-term sustainable success. The committee also aims to ensure that remuneration outcomes are clearly aligned with company performance, purpose and values, and that the company’s long-term strategy is delivered successfully.

RemCo is responsible for UKNNL’s remuneration policy and determines the pay and remuneration levels for the executive team and workforce. It also provides guidance and oversight on the organisation’s overall culture. RemCo’s work is undertaken with reference to the UKNNL framework document, civil service pay guidance and the UK Corporate Governance Code 2018, where they apply.

RemCo monitors data and narrative insights from HR, employee surveys, forums and site visits to identify trends and to ascertain whether the company culture, diversity and wellbeing are consistent with the company’s long-term strategy and purpose. RemCo ensures that decisions are

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made with wider consideration of the organisational culture, people development and performance, and that they are underpinned by UKNNL's strategy and values. Engagement with the trade unions throughout the period has reflected the ongoing strong relationships between UKNNL and its people. RemCo has oversight of the key people metrics, including employee relations and employee engagement, in addition to any external benchmarking data.

During the 18 month period to September 2025, RemCo comprised of five Non-Executive Directors and was chaired by a Non-Executive Director who is also an experienced HR professional. The CHRO and CEO attend RemCo meetings as representatives of the ELT, and other Executive Directors are invited to attend meetings as appropriate (other than when their own remuneration or terms and conditions of employment are under discussion).

RemCo met eight times in the period to consider performance and rewards and to provide oversight of wider remuneration matters. RemCo undertook a comprehensive review of UKNNL pay benchmarking and approved a pay negotiation window. A Trade Union Forum, chaired by the VP Human Resources, formally represents employees and leads negotiation on wider pay policy. The initial two-year pay offer was recommended for acceptance by two of the three trade unions. Following extensive discussions with the trade unions, RemCo approved a recommendation to increase the pay offer for all employees. The conditions for the second year of the pay deal were satisfied and took effect from 1 April 2025.

RemCo determines the appropriate performance conditions for UKNNL personal leadership bonus scheme

awards. These are based on a balanced scorecard of metrics, including achievement of key results that deliver on UKNNL's strategy and the way in which these results were accomplished. For the year ended 31 March 2024, UKNNL satisfied all elements of the bonus scheme, with the exception of the target for closing net cash. The failure to meet the target arose from late payment of outstanding invoices. Having carefully considered the cash position with regard to matters set out in Section 172 Companies Act 2006, RemCo approved payment at target levels for all UKNNL bonus schemes.

RemCo also reviewed and approved the design of the bonus scheme for 2024/25, which introduced three additional elements to reflect UKNNL's focus on customer intimacy, sustainability and cyber security, and to align the scheme with the organisation's purpose. As of 31 March 2025, UKNNL had satisfied all elements of the bonus scheme and a bonus payment at target level was approved by RemCo.

During 2024/25, RemCo worked closely with the ELT to develop a way forward for UKNNL following the announcement of the closure of the United Kingdom Atomic Energy Agency (UKAEA) Combined Pension Scheme (CPS).

UKNNL staff are public servants and are subject to certain public sector pay terms and conditions, as set out in the framework document. This stipulates that appointment of the CEO is subject to ministerial approval and that UKNNL salaries will not exceed that of the CEO, thereby setting the strategic rationale for the UKNNL remuneration policy. The executive team, including the CEO, received the same annual pay increases as the wider workforce, and the related bonus proposals were

assessed in line with the personal leadership bonus scheme.

RemCo has continued to ensure that UKNNL takes appropriate account of public sector pay guidance.

Nominations Committee (NomCo)

NomCo's role is to advise the board on matters relating to UKNNL's leadership requirements and the board's succession planning requirements. NomCo supports the board and shareholder in recruiting the best qualified candidates for the board and ELT. Recommendations are made to the board for its approval; the board then passes the recommendation on to the shareholder. The shareholder is responsible for appointing the Chair and Non-Executive Directors, and for approving appointment of the CEO.

NomCo comprises five Non-Executive Directors including the Chair of UKNNL who also chairs the NomCo. NomCo invites Executive Directors to attend meetings as and when appropriate.

During the period, the UKNNL board and ELT experienced a period of significant change. In recognition of the degree of change and in order to facilitate a smooth transition period, NomCo met more regularly than usual, with six meetings held over the period. NomCo was engaged with the following appointments:

- Recruitment and appointment of a new CEO
- Recruitment and appointment of a Non-Executive Director

Following the resignation of the CHRO on 31 March 2025 and the departure of the CFO on 30 July 2025, the composition of the board now comprised a Chair, four Non-Executive Directors and the CEO.

In addition to changes at board level, NomCo has provided oversight and input into changes to the ELT, including the following appointments: Chief Operating Officer, Chief Nuclear Officer and CHRO.

These appointments and changes in role were all subject to the UKNNL management of change process. The Chief Nuclear Officer presented to NomCo on the change management process, so that committee members could provide input into the process and identify any areas of risk.

The executive search agency Thomas Thor supported the organisation with the recruitment of the new CEO; meanwhile, Gatenby Sanderson assisted in the recruitment campaign for the new UKNNL Non-Executive Director (having previously been procured for multiple competitions).

NomCo continued to review the approach to executive succession planning, organisational culture and succession priorities. In particular, the committee undertook a comprehensive review of succession plans for board and senior executive roles, taking into account a blend of internal and external solutions, with a focus on diversity. NomCo noted the wider nuclear skills and talent challenges and welcomed the work that was being undertaken with regard to supporting the goals of the Nuclear Skills Delivery Board.

As noted elsewhere in this report, an internal board effectiveness review was conducted by the Chair and Company Secretary towards the end of 2024. In order to explore the findings of the review, a workshop was held for the board and ELT to explore key themes and to strengthen relationships between the board and ELT. NomCo will continue to monitor the implementation of recommendations arising from

the board effectiveness review in 2025/26.

The UKNNL board approved the new three-year ED&I strategy in January 2025. NomCo will continue to take full account of the ED&I strategy in the development of its approach to nomination and succession planning.

Technical Advisory Board (TAB)

TAB is not a formal board subcommittee. Instead, it is a formal advisory committee to the board and is chaired by a Non-Executive Director. TAB's purposes are to provide advice to the board on its technical strategy, assess the effectiveness and impact of its S&T programmes and offer strategic technical advice on other matters when called on to do so. In particular, it provides advice and assurance for the UKNNL R&D reinvestment programme.

TAB members include UKNNL's Chief Science and Technology Officer, together with government representatives in the form of Chief Scientific Advisers from both DESNZ and the MoD, plus representatives from key industry stakeholders, strategic partner universities, national labs and independents. The committee invites both Non-Executive Directors and Executive Directors to attend meetings as and when appropriate.

TAB met seven times during the period, with key items of discussion including environmental restoration, strategic research and clean energy. TAB continues to monitor and assess UKNNL's S&T programmes and was encouraged by the breadth of research being carried out under the S&T agenda and focus areas. TAB advised that UKNNL capabilities need to align with UK needs and that the organisation should collaborate more with other sectors and

international laboratories aligned to its role.

Environment, Health, Safety and Security Committee (EHSSC)

The role of the EHSSC is to provide assurance to the board regarding the oversight and assurance of UKNNL's strategy, goals, policies, procedures, performance and disclosures in relation to environment, health and safety, physical and information security, and sustainability.

The EHSSC comprises three Non-Executive Directors and is chaired by a Non-Executive Director. The committee invites Executive Directors and others to attend meetings as and when appropriate. The EHSSC met six times in the period to 30 September 2025.

During the period, the EHSSC considered and approved annual reviews of environment, occupational health, safety, security and quality (EHSS&Q), cyber security and information assurance (CS&IA), and the Data Protection Officer (DPO). In addition, the EHSSC received annual reports from UKNNL's Nuclear Safety Committee and Nuclear Security Committee and reports relating to sustainability.

As reported in Section 2 of the Environment, Health, Safety and Security Report, UKNNL had one conventional safety reportable incident this period. The EHSSC oversaw the response to this incident and endorsed the root cause analysis assessment.

Each meeting has received IA input, with the agenda item being common to both the EHSSC and ARAC. Engagement with IA across the business continues to be high.

The EHSSC has increased its visibility of sustainability and quality, and both of these areas will continue to mature

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into 2025/26 as we establish a regular pattern of reporting. The EHSSC endorsed the alignment of UKNNL’s net zero ambitions with the Greening Government Commitment target of Scope 1 and 2 net zero decarbonisation by 2050. CS&IA is a major focus for the committee, alongside visibility of key performance indicators (KPIs) and the CISO improvement programme. Notably, CISO risk reports have been taken directly to board meetings and cyber risk has also become a focus for the board.

Executive Leadership Team (ELT)

The CEO has primary responsibility for the day-to-day management of the business and discharges responsibilities through the ELT, formed of the Executive Directors leading the business. The ELT meets formally on a regular basis – no fewer than 12 times a year. The roles and responsibilities of the ELT include the following:

- Developing UKNNL strategy, strategic aims and objectives to ensure that the company fulfils its purpose
- Developing the strategic and business plans, annual budget, targets and metrics to ensure UKNNL delivers on its purpose
- Developing and overseeing a people agenda and providing organisational leadership
- Developing and overseeing a stakeholder engagement plan to ensure both stakeholders’ and UKNNL’s reputations are managed appropriately
- Monitoring and managing performance against UKNNL’s strategic aims, objectives and the business plan, and ensuring that any necessary corrective action is taken to drive business

performance

- Reviewing the detailed KPIs for UKNNL that monitor overall progress against a framework of targets, and ensuring any necessary corrective actions are taken
- Monitoring continuous improvements and enablers in the business that mitigate risk and/or drive improvement
- Monitoring the effectiveness of all environmental protection, health and safety, security (including information security) and quality aspects of UKNNL activities (including the review and management of assessments and management processes)
- Developing a risk management strategy and overseeing the management of risk relating to all aspects of the UKNNL business, including risks to statutory, regulatory and government compliance, strategy and its delivery, and operational performance
- Monitoring assurance activities undertaken to ensure compliance with statutory and regulatory requirements
- Ensuring that corporate governance arrangements take appropriate account of the requirements of the UK Corporate Governance Code 2018 and ‘Corporate Governance in Central Government Departments: Code of Good Practice’
- Ensuring that financial considerations are fully taken into account at all stages in reaching and executing decisions and that financial appraisal techniques are followed

- Ensuring that UKNNL operates effectively and to a high standard of probity (with propriety, regularity and value for money at all times) in its day-to-day operations and management
- Approving matters that are within the delegated authority of the CEO and endorsing items for board approval.

The ELT holds a monthly ELT performance meeting and a monthly ELT risk, assurance and compliance meeting to enable it to discharge its responsibilities effectively.

Risk Management

UKNNL’s directors are confident about the business’s future. Nevertheless, risks and uncertainties do exist which could adversely impact future financial performance. ARAC oversees and advises the board on the current risk exposure, future risk strategy, the effectiveness of risk mitigation processes and the capability to address new risk types. The responsibility for managing these risks lies with the board.

UKNNL complies with the five principles set out in the Management of Risk - Principles and Concepts document and is focused on continuous improvement (Principle E). A board-sponsored improvement programme has been underway since 2022 to enhance both the Risk Management Framework and its implementation consistent with these principles. The improvement journey was initially focused on Governance and Leadership (Principle A) and the role of risk in decision-making (Principle B). The focus through 2024/25 was on building the risk capability within the company (Principle C) and risk processes and infrastructure

(Principle D). This will continue through 2026/27 together with work to build an appropriate risk culture (Principle B). The aim of this improvement activity is to drive confidence in the risk management

and internal control systems by demonstrating and reinforcing the ‘golden thread’ between risks at various levels of the business. ARAC reconfirmed the set of business risks in October 2024.

Following changes to our board calendar, the risks were reviewed again in May 25. Throughout the period, the board used the risk register below to manage and mitigate risk.

Board Risk	Summary Description	Summary Mitigation
Programme delivery and customer/supplier relationships	As a result of increased demand on resources and capability combined with insufficient resource availability and ineffective business processes, there is a risk of customer programmes failure, which would result in an inability to deliver on the business plan, with a resulting impact on costs, revenues and reputation.	• Proactive management of our end-to-end external relationships with our customers and suppliers • Internal activity balanced with availability and affordability constraints • Capability, capacity and delivery improvement programmes • Governance of capacity and prioritisation of resources • Development and implementation of business system improvements
Sponsor (DESNZ) relationship and governance	As a result of poor stakeholder engagement or a governance/management failure, there is a risk that UKNNL’s role, status and/or relationship with the government is jeopardised, leading to changes in the direction of the business, corporate structure and/or freedom to operate.	• Proactive management of relationships and maintain a broad base of support • Deliver business targets and strategic objectives, fulfil role as national laboratory • Demonstrate UKNNL’s value and effectiveness • Demonstrate consistent, effective governance and sound management
Safety and security	As a result of an out-of-line situation, there is a risk of a significant safety and/or security incident which would cause significant harm to individuals (including our employees), the environment and/or UKNNL business.	• Provide visible EHSS&Q leadership • Deliver EHSS&Q strategy, culture and performance • Share and learn from best practice (nuclear and non-nuclear community) • Responsibly manage operation of large-scale, high-hazard nuclear facilities
People	As a result of a weak employee value proposition or an adverse industrial relations environment, there is a risk that UKNNL fails to retain or attract the skills and talent required now and, in the future, to deliver on its purpose.	• Continue to evolve UKNNL’s employee value proposition and invest in skills and capability • Manage succession, remuneration and industrial relations
Cyber security	As a result of either malicious or accidental activity across the corporate or standalone estate, there is a risk that a cyber or information security event causes a loss of information, a loss of reputation, significant disruption to our business activities and possibly financial impact through loss of business or fines.	• Establish visible leadership • Maintain highest standards in cyber and information security • Develop and implement an information security plan and information security strategy • Security by design planning • Security clearances, testing, health checks and audits • Share and learn from best practice and foster effective relationships with customers and stakeholders at all levels
Strategy implementation	As a result of inadequate strategic planning and stakeholder engagement, there is a risk that UKNNL fails to execute or deliver against its strategy, resulting in changes in the direction of business, corporate structure and/or freedom to operate.	• Develop a robust strategic plan • Engage with stakeholders and adapt strategy accordingly • Agree implementation plans for component strategies, resource and monitor delivery • Agree and implement continuous improvement • Establish culture, systems and processes required for effective business partnering
Stakeholder relationships	As a result of ineffective stakeholder planning or poor management, there is a risk that stakeholder engagement is ineffective, resulting in poor quality relationships, a lack of trust, misaligned aims and ambitions, and a failure to deliver outcomes that align with stakeholder expectations.	• Effective stakeholder planning • Understand stakeholder networks and implications of sectoral developments • Invest in key relationships • Establish culture, systems and processes required for effective stakeholder management

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Board Risk	Summary Description	Summary Mitigation
Critical national infrastructure	As a result of ineffective asset management, there is a risk that mission-critical infrastructure (plant and/or equipment) is not available when required, resulting in an inability to deliver on the business plan.	• Appropriate investment in critical nuclear infrastructure • Capital replacement upgrade of key infrastructure • Proactive asset management regime • Technical basis of maintenance • Suitably qualified and experienced people
Sustainability	As a result of a failure to develop or implement an effective sustainability strategy, there is a risk that UKNNL is not recognised as a sustainable business, adversely impacting its reputation with stakeholders.	• Statutory requirements understood and addressed • Establish the culture, systems and processes required of a sustainable business
Financial sustainability	As a result of a sustained cash outflow, there is a risk that covenants are breached, resulting in the need for additional funds to remain a going concern, with related reputational damage.	• Management of cash to remain above minimum threshold levels • Effective controls to prevent fraudulent activity • Effective investment to improve future capability and capacity to realise opportunities
Quality	As a result of system or process failure or the degradation of standards, there is a risk that UKNNL fails to deliver to the requisite quality standards, resulting in technical output that is not commensurate with its status as a national laboratory.	• Ensure key control measures and suitably qualified and experienced persons are in place • Internal independent assurance • Systems improvements
Business continuity	As a result of a failure to manage the outcomes of external unexpected events effectively, there is a risk of prolonged closure of a UKNNL facility, resulting in disruption to operations, with financial and reputational consequences.	• Established business continuity and emergency response arrangements • Routine exercises to practise deployment
Government	There is a risk that UKNNL's role, corporate status and/or its relationship with Government becomes misaligned to Government Policy.	• Deliver His Majesty's Government (HMG) Strategic Review recommendations • Become Governments technology advisor in relation to nuclear fuels & materials
Restructuring	There is a risk that implementation of the proposed restructuring undermines stakeholder confidence in UKNNL.	• Pragmatic approach to the Fixing the Fundamentals plan • Effective and efficient approach from management and Government to address the immediate cash challenges.

These business risks relate to the delivery of UKNNL's strategic objectives and business plan, and mitigations are implemented accordingly through an approach aligned with best practice. Reporting is structured against these risks, which are captured in a business risk register, which is itself reviewed on a regular basis by both the board and executive.

The board and executive undertake a programme of deep dives into individual risks, recommend appropriate actions and ensure that the risk register is updated accordingly. Risk mitigation is a key consideration in the strategic planning process and informs the setting of annual objectives.

Progress with the delivery of business objectives, which encompass risk mitigations, is routinely monitored by the board and executive.

The revised approach to business risk significantly enhances the level of granularity at which the board assesses risks to the business and is intended to further improve the effectiveness of the board's approach to risk management.

Government functional standards

The government has published a series of standards for use

by functional teams across government. UKNNL has voluntarily agreed to adopt the standards, and, following a gap analysis against the mandatory requirements, is working towards compliance with the standards. During the period, UKNNL continued to make progress towards achieving compliance with functional standards. In particular, where continuous improvement assessment frameworks have been introduced to align with a government functional standard, UKNNL undertook an assessment of its compliance with these frameworks with a view to adopting the framework recommendations going forward. UKNNL will continue to work towards compliance with government standards in 2025/26.

Internal controls

To align with government requirements, the Head of Independent Assurance (IA) must provide an annual opinion on UKNNL's framework of governance, risk management and control to support the Annual Governance Statement. IA has assessed these systems through undertaking a programme agreed by UKNNL's ARAC. The results of this activity, including assurance opinions and progress with implementing recommendations arising from that work, are reviewed and monitored by ARAC.

IA published 50 graded assurance reports throughout the period, yielding 298 findings; 25% of these were graded as green, demonstrating a good level of assurance with only minor improvement opportunities noted; 31% were graded as yellow, representing minor weaknesses in assurance; 40% were amber, where significant weaknesses were found; and 4% were red, where serious deficiencies were noted. Of the highest-level internal findings raised in the last three and a half years – Compelling Advice, Notices of Concern and Significant Internal Control deficiencies – 12 notices are extant and receiving executive leadership attention.

As well as individual findings, the impact of the overarching report outcomes has also been considered in arriving at this opinion. Outcomes were linked directly to their associated strategic risk areas (nine of which were assessed by IA in the 18-month period). Six of the nine risk areas had at least one intervention with an overarching amber rating (consistent with that at the individual findings level), representing significant control weaknesses in these areas.

Where specific weaknesses have been identified, management has, in most cases, agreed appropriate

corrective action and timescales for improvement. Planned corrective action is monitored closely by IA and reported to ARAC. The board also has direct oversight as appropriate.

A full review was undertaken in 2024/25 of UKNNL's enterprise risk management system (fundamental to UKNNL's Governance framework and relevant strategic risk area). This review produced an amber outcome, highlighting significant weaknesses in the risk framework. The proposed improvements are now in progress to drive engagement and to enhance the quality of risk processes at all levels of the organisation. This includes linking functional and business level risks to enable effective escalation and appropriate focus at board level.

On balance, these outcomes are consistent with providing a limited level of assurance over the adequacy and effectiveness of UKNNL's systems of governance, risk management and internal control.

Quality assurance of analytical models

UKNNL recognises that ensuring quality is imperative to its ability to operate as a national laboratory. As such, all technical modelling undertaken within UKNNL must follow a robust technical modelling procedure, referenced in its integrated management system. UKNNL has not formally aligned its quality assurance processes with the MacPherson Report's recommendations for quality assurance using analytical models in government, nor does it follow the Aqua Book, although our technical modelling procedure reflects many of the principles contained within both of these documents.

As UKNNL is increasingly conducting work directly for the UK government, we undertook a review

of our processes and procedures during FY 2022/23. The review identified some minor weaknesses that were addressed in FY 2023/24, with further improvements under review. As a result, we would continue to rate UKNNL as 'Applicable and working to comply'. All business planning financial models are owned by the CFO, who is supported by a team of qualified accountants with deep business knowledge.

Management information

The board is satisfied that the management information it receives is of high quality as a result of the:

- assurance mechanisms that are in place, including the internal compliance and assurance function, ARAC and EHSSC
- accreditation, certification and regulatory environments within which UKNNL operates
- findings from external audits
- feedback from TAB, which includes representatives of strategic partners from academia, government and industrial organisations

Modern Slavery Act 2015

The Modern Slavery Act 2015 requires organisations with a global turnover in excess of £36 million to publish an annual slavery and human trafficking statement. UKNNL is committed to preventing modern slavery and human trafficking. UKNNL will not tolerate the abuse of men, women or children, and it strives for total transparency right through its business and supply chains. Accountability is assigned to the CFO, with the procurement team undertaking day-to-day management. UKNNL's Modern Slavery Act Statement for the financial period ending 30 September 2025 (made pursuant to Section 54 (1) of the

5.2 Governance Statement

Modern Slavery Act 2015) has been approved by the board and published on the UKNNL website www.uknnl.co.uk.

Gender and ethnicity pay gap

UKNNL reported its gender pay gap analysis in March 2025 for the period 31 March 2023 to 31 March 2024, pursuant to the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. This year was UKNNL’s eighth consecutive year of gender pay gap reporting and the first time we have reported on our ethnicity pay gap; more details on our progress are available in our Gender and Ethnicity Pay Gap Report for 2024.

During the period,32% of our staff business-wide were women, and 25% in STEM roles, as our total headcount remained similar to the previous period, in which recruitment was approximately equivalent to attrition. This still compares favourably with our wider sector, which has an average of 21.4% women. Our mean gender pay gap has been approximately 10% for the last three years; while the median gender pay gap increased compared to the previous year; since recruitment but not attrition is biased towards early careers, it is still lower than the years prior to that. Both our mean and median pay gaps are lower than the UK median gender pay gap of 13.1%.

Our data collection rate for ethnicity during the period was 97%, from which results we ascertain that 9% of our employees self-identify as being from an ethnic minority background, compared to 5% of the wider sector and 18% from the 2021 UK census. Our mean and median ethnicity pay gap were both determined to be 8.3%; this is

impacted by fewer employees from underrepresented ethnic minority backgrounds being in the most senior positions.

We use our gender and ethnicity pay gap reporting to inform our analysis of our workplace demographics and outline how we are progressing in our ED&I journey more holistically. We also achieved a baseline data engagement rate of 97% by linking participation with the ED&I data system to our all-staff bonuses.

We remain committed to building our ED&I strategy with participation from teams across the business. We have also increased the number of opportunities our people have to think, talk and learn about ED&I through National Inclusion Week, which featured internal and external speakers on a number of ED&I topics. The result is that we have a thriving ED&I team, effectively championing improvements within our organisation.

Information governance

Cyber and information security risk is managed by the Senior Information Risk Owner, with the support of the Chief Information Security Officer and a team of information security specialists, working alongside Senior Information Asset Owners who meet regularly to provide oversight and governance of information risk and assurance.

UKNNL has an appointed DPO and has implemented a virtual data protection team of deputy DPOs and Data Protection Specialist Advisers who ensure that personal data is managed appropriately within the organisation.

5.3 Directors’ Report

Directors’ responsibilities statement

The directors are responsible for preparing the annual report and the financial period in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law, the directors have prepared the company financial statements in accordance with UK-adopted International Financial Reporting Standards (IFRS) and applicable law. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the company’s state of affairs and profit or loss for that

period. In preparing the financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently

state whether UK-adopted IFRS have been followed, subject to any material departures disclosed and explained in the financial statements

make judgements and accounting estimates that are reasonable and prudent

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 the company’s transactions and for disclosing with reasonable accuracy at any time the financial position of the company, enabling them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results

The Statement of Comprehensive Income is set out on page 78 and shows the profit for the period. A detailed review is set out in the Strategic Report on page 9.

The directors do not recommend the payment of a dividend (2024 - £Nil).

Support for people with disabilities

Job applicants and UKNNL employees with disabilities are given the same consideration for job vacancies as any other candidates. UKNNL is committed to a policy of equal opportunities for all employees. Great care is exercised in our recruitment and

selection procedures to ensure that there is no discrimination, and training is given to meet individual needs. Applications by people with disabilities are given full and fair consideration and, wherever practical, provision is made for their special needs to help them to realise their potential. The same criteria for training and promotion apply to people with disabilities as to any other employee. If an employee becomes disabled, every effort is made to ensure their continued employment. Reasonable adjustments to the workplace and to working methods will be made wherever it is reasonable and practicable to do so. People with disabilities have the same scope to realise their potential and the same prospects as any other employees. Managers are encouraged and have the authority to respond to the

needs of people with disabilities, including adjusting working hours or responsibilities.

Statement on engagement with employees

It is UKNNL’s policy to encourage employee involvement, as the directors consider that this is essential for the successful running of the business. UKNNL keeps employees informed of performance, developments and progress by way of an intranet, electronic communications, newsletters and briefing sessions. Employees are represented by trade unions. Additional information can be found in Section 3.5 of this report and in our Section 172 statement.

5.3 Directors’ Report

Statement on engagement with employees and suppliers, customers and others

Details of all of our stakeholders and how we engage with them are set out in Section 3. Further information regarding engagement with our people, communities and wider society is included in Section 3. In our Section 172 statement, we explain how we take our stakeholders’ interests into account when making decisions.

Streamlined energy carbon reporting (SECR)

Our SECR is set out in Section 4.

Charitable and political contributions

During the period, UKNNL supported several face-to-face community projects and organisations promoting STEM subjects.

UKNNL has a policy of not making political donations, and, consequently, there were no political donations during the period (2024 – £Nil).

Directors’ insurance and indemnities

The directors have the benefit of the indemnity provisions contained in the company’s Articles of Association, and the company has maintained directors’ and officers’ liability insurance throughout the period for the benefit of the company, the directors and its officers.

Financial risk management

Details of the company’s financial instrument risk exposures and management are discussed in note 17 to the financial statements.

Research and development

During the period, the company carried out R&D activity on behalf of its customer base and invested £14.8 million (rising from £10.2 million in 2024) on its self-funded programmes.

Directors’ confirmations

All the current directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company’s auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the company’s auditors are unaware.

Future Developments

In accordance with Section 414C (7) of the Companies Act 2006, the directors have included an indication of likely future developments in Section 1.4.4 of the strategic report.

Section 172 Statement

In their discussions and decisions during the period ended 30 September 2025, the directors of UKNNL have acted in a way that they consider, in good faith, would be likely to promote the success of the company for the benefit of its members as a whole, having regard to the matters set out in subsections 172 (1) (a) to (f) of the Companies Act 2006.

- (a) The likely consequences of any decision in the long term
- (b) The interests of the company’s employees
- (c) The need to foster the company’s business relationships with suppliers, customers and others
- (d) The impact of the company’s operations on the community and the environment
- (e) The desirability of the company maintaining a reputation for high standards of business conduct
- (f) The need to act fairly as between members of the company

Our strategic report explains that UKNNL is a purpose-led organisation. Our purpose – ‘nuclear science to benefit society’ – reflects our commitment to serving the greater good. The board’s decision-making takes account of the views of and impact upon stakeholders, as well as the expected outcomes and long-term impacts of a decision.

Principal decisions – a definition

UKNNL defines a principal decision as one pertaining to matters that require a significant amount of board or subcommittee time and that affect the company in a significant way. Principal decisions therefore typically include those relating to:

Matters of strategic importance (e.g. restructurings, changes to strategy, investment decisions)

Matters that are commercially material and of financial or operational importance

Matters that will substantially affect NNL’s employees

Decisions on board level policies

UKNNL’s processes have been developed to capture future principal decision-making in a formal manner and ensure that stakeholder engagement requirements have been considered. Board paper templates incorporate sections identifying when and how a principal decision can be proposed and require completion of a stakeholder impact assessment to support decision-making.

5.3 Directors’ Report

Matters of Strategic Importance

Decision	Input into the DESNZ Strategic Review and Development of the Implementation Plan
Context	The government recently undertook a strategic review of UKNNL. It involved looking at what UKNNL does, what the organisation spends its money on, who it partners with, its strategy and its purpose. The government consulted with a wide range of stakeholders while also undertaking a departmental review of operational priorities in line with those of government. The Strategic Review clearly defines UKNNL’s mission as being ‘<i>to enable and deliver nuclear outcomes for government, and to support the growth of the entire UK nuclear sector</i>’. This means UKNNL will: • be a custodian of national capabilities and infrastructure critical for national and energy security • become government’s lead civil technical and strategic advisor for nuclear fuels and nuclear materials • carry out research to continue securing the safe operation of nuclear plants domestically and internationally • deliver practical nuclear research and enable decommissioning programmes • provide expertise and facilities to be a platform for the private sector to accelerate the deployment of technology to market • champion and nurture advanced nuclear skills. The board worked closely with the sponsorship team at DESNZ to provide input into both the Strategic Review and its recommendations.
Stakeholder Considerations	The government conducted an extensive stakeholder engagement exercise as part of the Strategic Review. In endorsing the recommendations, together with the next steps, the UKNNL board took account of the views of these stakeholders, as well as considering the impact upon its employees. The interests of all employees were carefully considered as part of the Strategic Review Campaign Plan and will continue to be a principal consideration as UKNNL moves forward with the Strategic Review Implementation Plan.
Strategic actions proposed to the board	• Endorsement of the Strategic Review’s recommendations • Endorsement of the implementation plan • Endorsement of the Strategic Review Campaign Plan • Approval of the company’s change of name to United Kingdom National Nuclear Laboratory Limited.
Expected long term outcome of decision	The Strategic Review set out a clear role for UKNNL going forward, reflecting the renewed ambition and strategic national importance of a thriving UK nuclear sector. The board welcomed its recommendations and the future it promises for UKNNL. The board also recognises that there are specific challenges which must be addressed for the business to perform as government needs it to. The recommendations in the Strategic Review build on UKNNL’s successes, acknowledge its challenges and help define its priorities. They are an important part of realising UKNNL’s role as the national laboratory at the heart of the UK nuclear sector.

Matters of Strategic Importance

Decision	Approval of Delivery Operations Improvement Programme
Context	The Strategic Review called for UKNNL to establish an internal taskforce focused on enhancing delivery with its findings to be reported to DESNZ.
Stakeholder considerations	The government conducted an extensive stakeholder engagement exercise as part of the Strategic Review. In endorsing the recommendations, together with the next steps, the board has taken account of the views of these stakeholders, as well as considering the impact upon its employees. UKNNL has embraced customer feedback arising from the Strategic Review, and the Delivery Operations Improvement programme is responding to specific improvement opportunities established via customer forums such as the AHF stakeholder forum. In developing the Delivery Operations Improvement programme, we have worked closely with our employees, taking into account their views and ambitions in relation to delivery improvement.
Strategic actions proposed to the board	Approval of the Delivery Operations Improvement programme
Expected long-term outcome of decision	The Delivery Operations Improvement programme will enable UKNNL to deliver its unique capabilities, enhance customer satisfaction and drive operational excellence by streamlining processes and identifying efficiencies. Delivery confidence and credibility are at the core of the programme.

5.3 Directors’ Report

Matters that are commercially material and of financial or operational importance

Decision	Approval of ED&I Strategy 2024–2027
Context	UKNNL’s five-year ED&I strategy has been successfully completed, and we now look to establish a new three-year strategy to define the next steps in our ED&I journey.
Stakeholder considerations	The Equality Act provides a mandate for continually and demonstrably seeking to reduce inequity and promote equality of opportunity. Our ED&I strategy allows us to demonstrate to government stakeholders that we are effective in our delivery of these duties. Our customers often seek to understand how we demonstrate our commitment to social value and the societal pillar of the sustainability agenda. Our ED&I strategy enables us to demonstrate our commitment to our people’s inclusion and wellbeing, alongside our approach to harnessing our work for the greater societal good. Our ED&I team has been working with academics and intends to build on this collaboration going forward, selecting a range of universities to showcase our Early Careers programmes. This will provide opportunities for academics focusing on ED&I themes such as neuro inclusion to showcase their research and enable us to help them, improving the inclusivity and reach of PhD routes and furnishing support to academic institutions’ ED&I committees. The proposed strategy has been reviewed by Prospect, the largest trade union in UKNNL, and is aligned with Prospect’s (and other trade unions’) aspiration, which is to ensure the respectful, fair and inclusive treatment of all people within our workplace. Trade unions are tireless advocates for ED&I and invest significant resources in supporting organisations and their representatives to be effective in this domain. UKNNL’s ED&I Manager is a trade union representative for Prospect. The ED&I strategy focuses on attraction and outreach, aiming to improve UKNNL’s relationships with a wide range of communities and elements of wider society to ensure that it provides opportunities equitably. The wider sector is also committed to improving ED&I. UKNNL’s ED&I strategy seeks to influence this through support for pan-nuclear advocacy groups, networks of ED&I professionals and experience sharing. For example, one aspect of our ED&I strategy is to ask our supply chain for tangible commitments to ED&I; we also build ED&I into the social value elements of the bids for which we tender.
Strategic actions proposed to the board	Approval of the ED&I strategy
Expected long-term outcome of decision	We hope to see improved diversity within UKNNL – and by extension the wider nuclear sector – by broadening the pipeline and retaining people from a variety of backgrounds. We also want to achieve higher levels of employee engagement.

Decision	Care and Connect Policy Approval
Context	Employer-supported volunteering (ESV), also known as corporate volunteering, is where an organisation’s employees take paid time off to volunteer during work hours. Employees can choose to use this time to support a charity or community group of their own choice, or to take up an opportunity provided by their employer. The Care and Connect Policy was agreed as part of the 2024/25 pay deal and provides permanent UKNNL employees with one day per leave year, which can be used for volunteering or to invest in their wellbeing. By investing in our employees and local communities, we are aligning our commitment to social responsibility with employee care.
Stakeholder Considerations	In the development of the policy, legal advice was sought on liability and insurance cover for ESV days. The Care and Connect Policy and associated guidance were approved by the HR Senior Leadership Team, Executive Leadership Team and unions. For Corporate Social Responsibility reporting, Business World has been set up to record Care and Connect days and enable us to understand and report on the types of volunteering employees are undertaking and the investment we are making into our local communities and employee wellbeing. The communities in which we operate and live benefit from skilled and enthusiastic volunteers contributing to various community initiatives and causes. Our people have a wide range of skills and experience that benefit local organisations and charities within those communities. A communications plan has been created to support the implementation of the policy including HR business support, line-managers and employees to ensure that the policy rollout goes smoothly. A review will be held following implementation to ensure that the policy meets stakeholder expectations.
Strategic actions proposed to be supported by the board	Approval of the Care and Connect Policy
Expected long-term outcome of decision	People who volunteer or dedicate some time to their wellbeing may gain a sense of accomplishment, enhanced mental and physical health, and opportunities for skill-building and networking. The Care and Connect Policy brings UKNNL into line with other sector employers and supports our sustainability agenda

Approval

This Directors’ report was approved by the board of directors on 19 May 2026 and signed on its behalf by:



Samantha Wheeler
Secretary
2 June 2026

6.0 Independent Auditors' Report to the members

For the period 1 April 2024 to 30 September 2025

Opinion

We have audited the financial statements of United Kingdom National Nuclear Laboratory Limited (the 'company') for the period ended 30 September 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

give a true and fair view of the state of the company's affairs as at 30 September 2025 and of its profit for the period then ended;

have been properly prepared in accordance with UK-adopted international accounting standards; and have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified

any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company'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.

Our 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 annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the

Independent Auditors' Report

audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our 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 we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 65, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 an auditor's report that includes our 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors and the Audit Risk and Assurance Committee (ARAC), discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation.

Further, the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements; through a significant fine, litigation or restrictions on the company's operations. We identified the most significant laws to be The Health and Safety at Work etc. Act 1974 and The Environmental Protection Act 1990.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making

accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Diane Petit-Laurent FCA
(Senior Statutory Auditor)
for and on behalf of
Saffery LLP
Chartered Accountants
Statutory Auditors,
Trinity,
16 John Dalton Street,
Manchester M2 6HY
2 June 2026

7.0 Financial Statements

For the period
1 April 2024 to 30 September 2025

Country of incorporation and legal form

United Kingdom National Nuclear Laboratory Limited is a Private Limited Company incorporated and domiciled in the United Kingdom.

Directors

Ian Funnell	Chair
Julianne Antrobus	Chief Executive Officer
Paul Howarth CBE FREng	Chief Executive Officer (resigned 31 March 2025)
Clare Barlow	Chief Human Resources Officer (resigned 31 March 2025)
Matthew Miller	Chief Financial Officer (resigned 30 July 2025)
Iain Clarkson	Non-Executive Director
Edward Emerson	Non-Executive Director
Stephen Garwood FREng	Non-Executive Director (resigned 31 March 2025)
Ann Cormack MBE	Non-Executive Director
Neil Smart	Non-Executive Director

Secretary

Samantha Wheeler

Registered office and principal place of business

Chadwick House, Warrington Road, Birchwood Park, Warrington, WA3 6AE

Company registration number

03857752 Registered in England and Wales

Independent auditors

Saffery LLP, Trinity, 16 John Dalton Street, Manchester, M2 6HY

Financial Statements

7.1 Statement of Comprehensive Income

	Note	18 months ended 30 September 2025 £'000	Year ended 31 March 2024 £'000
Revenue	2	264,835	148,964
Cost of sales		(200,962)	(111,898)
Gross profit		63,873	37,066
Other income	2	635	381
Administrative expenses		(77,776)	(53,071)
Loss from operations		(13,268)	(15,624)
Finance income	6	905	419
Finance expense	6	(1,255)	(1,386)
Loss before tax		(13,618)	(16,591)
Taxation	7	17,168	10,578
Profit/(Loss) for the period		3,550	(6,013)
Other comprehensive income/(expense)			
Items that will not subsequently be reclassified to profit or loss:			
Actuarial gains/(losses) in defined benefit pension schemes, net of tax		476	(1,325)
Total other comprehensive income/(expense), net of tax		476	(1,325)
Total comprehensive income/(expense)		4,026	(7,338)

The notes on pages 82 to 114 form part of these financial statements.

7.2 Statement of Financial Position

	Note	18 months ended 30 September 2025 £'000	18 months ended 30 September 2025 £'000	Year ended 31 March 2024 £'000	Year ended 31 March 2024 £'000
Assets					
Non-current assets					
Property, plant and equipment	9	159,391		125,077	
Right of use assets	10	10,941		11,991	
Intangible assets	11	11,966		9,934	
Trade and other receivables	12	–		171	
Deferred tax	16	2,263		48	
Total non-current assets			184,561		147,221
Current assets					
Trade and other receivables	12	58,909		67,101	
Cash and cash equivalents	13	29,877		22,079	
Total current assets			88,786		89,180
Total assets			273,347		236,401
Equity and liabilities					
Equity					
Share capital	18	10,025		25	
Retained earnings	19	79,208		75,182	
Total equity			89,233		75,207
Non-current liabilities					
Trade and other payables	14	109,772		81,607	
Lease liabilities	10	10,034		10,720	
Provisions	15	10,962		10,119	
Total non-current liabilities			130,768		102,446
Current liabilities					
Trade and other payables	14	50,512		55,692	
Lease liabilities	10	1,700		1,472	
Provisions	15	1,134		1,584	
Total current liabilities			53,346		58,748
Total liabilities			184,114		161,194
Total equity and liabilities			273,347		236,401

The financial statements on pages 77 to 114 were approved and authorised for issue by the board of directors on 19 May 2026 and signed on its behalf on 2 June 2026 by:

Brian Tenner, Chief Financial Officer
Company registration number 03857752
The notes on pages 82 to 114 form part of these financial statements.

Financial Statements

7.3 Statement of Cash Flows

	Note	18 months ended 30 September 2025 £'000	18 months ended 30 September 2024 £'000	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Cash flows from operating activities					
Loss before tax		(13,618)		(16,591)	
Adjustments for:					
Depreciation	3	17,321		9,917	
Amortisation	3	2,513		1,532	
Asset impairment	9 & 11	2,076		645	
Loss on disposal of assets	3	768		14,762	
Non-cash movements of defined benefit pension scheme		476		(1,325)	
Increase in deferred tax asset		(2,215)		–	
Non-cash movements in provisions		1,977		(1,342)	
Interest receivable	6	549		419	
Interest payable	6	(1,255)		(1,386)	
Cash flows from operating profit before changes in working capital and provisions			8,592		6,631
Decrease/(Increase) in trade and other receivables		16,513		(1,933)	
Increase in trade and other payables		23,898		23,937	
Utilisation of provisions		3,229		3,177	
Total changes in working capital and provisions			43,640		25,181
Cash generated from operations			52,232		31,812
Tax received			4,064		–
Net cash flows generated from operations			56,296		31,812
Cash flows from Investing activities					
Purchases of property, plant and equipment		(52,219)		(35,000)	
Purchases of intangible assets		(5,073)		(2,912)	
Interest received	6	(549)		(419)	
Cash flows used in investing activities			(57,841)		(38,331)
Cash flows from Financing activities					
Interest paid	6	1,189		218	
Principal elements of lease payments		(1,846)		(1,405)	
Proceeds from issue of share capital	18	10,000		–	
Cash used in financing activities			9,343		(1,187)
Net (decrease)/increase in cash and cash equivalents			7,798		(7,706)
Cash and cash equivalents at beginning of the period	13		22,079		29,785
Cash and cash equivalents at end of the period	13		29,877		22,079

The notes on pages 82 to 114 form part of these financial statements.

7.4 Statement of Changes in Equity

	Note	Share Capital £'000	Retained Earnings £'000	Total equity £'000
At 1 April 2023		25	82,520	82,545
Loss for the year	19	–	(6,013)	(6,013)
Actuarial losses in defined benefit pension schemes	19	–	(1,325)	(1,325)
Total comprehensive expense		–	(7,338)	(7,338)
At 31 March 2024 and 1 April 2024		25	75,182	75,207
Profit for the period	19	–	3,550	3,550
Actuarial gains in defined benefit pension schemes	19	–	476	476
Share issue	21	10,000	–	10,000
Total comprehensive income	19	10,000	4,026	14,026
At 30 September 2025		10,025	79,208	89,233

No amounts recognised as other comprehensive (expenses)/income will subsequently be reclassified through Profit & Loss

The notes on pages 82 to 114 form part of these financial statements.

7.0 Financial Statements

For the period
1 April 2024 to 30 September 2025

1 Accounting Policies

1.1 Summary of principal accounting policies

The following principal accounting policies have been applied consistently in the preparation of these financial statements in accordance with the Companies Act 2006. The policies have been consistently applied to all the periods presented, unless otherwise stated.

1.1.1 Basis of preparation

The directors believe that there is a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing these financial statements. Further detail on the steps taken to reach this conclusion can be found in section 1.9 of the Strategic report. These financial statements have been prepared on a going concern basis, and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on a historical cost basis, except, as stated in the accounting policies, in accordance with UK-adopted International Financial

Reporting Standards (IFRSs). The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the most appropriate application in applying UKNNL's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed below.

UKNNL has a non-trading subsidiary – Nexia Solutions Limited, company number 06729401. Nexia Solutions Limited is registered and domiciled in England and Wales, and its registered address is Chadwick House, Warrington Road, Birchwood Park, Warrington WA3 6AE.

UKNNL is exempt from preparing consolidated financial statements on the grounds that it qualifies under S400 of the Companies Act 2006 as a wholly owned subsidiary of a company registered in England and Wales for which consolidated financial statements are prepared. These financial statements therefore present information about UKNNL as an individual undertaking and not about its group.

On 04 September 2025, UKNNL announced that it was extending its current period from 31 March 2025 to 30 September 2025. The financial statements are therefore presented for the 18 month period ended 30 September 2025, while the comparatives are for the year ended 31 March 2024. As such, the amounts presented in the financial statements are not directly comparable.

The directors have considered the requirements of HM Treasury's Financial Reporting Manual (FReM) and have reported beyond the requirements of the Companies Act 2006 as deemed appropriate for a Public Corporation.

All amounts are presented in Sterling and, unless otherwise stated, rounded to the nearest £1,000.

1.1.2 Revenue

Revenue represents income derived from contracts with customers for the provision of services in exchange for consideration in the ordinary course of the Company's activities.

At the start of each contract the transaction price is estimated as the amount of consideration the

Company expects to be entitled to in exchange for transferring the promised services to the customer, excluding VAT. Variable consideration, such as price escalation, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal of the cumulative amount of revenue recognised. The transaction price does not include estimates of consideration resulting from contract variations, such as change orders, unless they have been approved by both parties to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their stand-alone selling prices. Given the bespoke nature of many of the Company's services there are typically no observable selling prices, instead stand-alone selling prices are typically estimated based on expected costs plus contract margin.

For each performance obligation under a contract the Company determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs;

the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

the Company's performance does not create an asset with an alternative use to the Company, and it has an enforceable right to receive payment for performance satisfied to date.

The Company has determined that all of its contracts satisfy the overtime criteria, as the assets have no alternative use and the Company has an enforceable

right to payment. Revenue from consulting services and bespoke equipment construction is therefore recognised over time based on progress towards completion of the performance obligation, reflecting the transfer of control to the customer.

For each performance obligation to be recognised over time the Company recognises revenue based on an input method based on costs incurred during the reporting period. Revenue and attributable margin are calculated by reference to reliable estimates of transaction price and total expected costs, after making suitable allowance for technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred and risks have been mitigated or retired.

The Company applies the practical expedient included in paragraph 121 of IFRS 15 and does not disclose information about its remaining performance obligations for contracts as the Company recognises revenue in line with the value of the services received by the customer to date.

Where it is probable that total contract costs will exceed total contract revenue the expected loss is recognised immediately as an expense.

Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable.

1.1.3 Foreign currency

Transactions entered into by UKNNL in a currency other than sterling are recorded at the spot rate when the transactions occur. Foreign currency monetary assets and liabilities are translated at the closing rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the profit and loss for the reporting period.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in the profit or loss, any exchange component of that gain or loss shall be recognised in the profit or loss.

UKNNL's policy is to hedge against significant foreign exchange exposures, however, at the Statement of Financial Position date UKNNL did not hold nor had issued any derivative instruments, intended to hedge the Company's exposures.

1.1.4 Leased assets

UKNNL leases its trading locations from third parties. In all cases a significant proportion of the risks and rewards of ownership are not transferred to UKNNL.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following payments:

Fixed payments less any lease incentives receivable; and

Variable payments that are based on an index or rate, initially measured using the index or rate as at the commencement date.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot readily be determined, which is usually the case for the Company's leases, then a discount rate based on HM Treasury's Public Expenditure System (PES) rates is used as an approximation of the Company's incremental cost of borrowing.

The Company is exposed to potential future increases in variable lease payments based on an index or rate which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or

rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of Use Assets are measured at cost comprising the following:

The amount of the initial measurement of the lease liability.

Any lease payments made at or before the commencement date less any incentives received; and

Any initial direct costs.

Right of use assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of vehicles are recognised on a straight-line basis as an expense in the Statement of Comprehensive Income. Short-term leases are leases with a lease term of 12 months or less.

Information about the critical accounting estimates and judgements in the application of lease accounting is disclosed in note 1.2.3.

1.1.5 Retirement benefits: Defined benefit schemes

A defined benefit scheme is a pension plan that defines an amount of pension benefit that an employee will receive on retirement.

In respect of a defined benefit scheme, the pension scheme surplus or deficit represents the difference between:

the fair value of scheme assets at the Statement of Financial Position date; less

scheme liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities.

plus, adjustments for unrecognised past service costs.

The Statement of Comprehensive Income charge is split between an operating service cost and a financing charge, which is the net of the interest cost on pension scheme liabilities and expected return on plan assets.

Actuarial gains and losses are recognised in full during the reporting period, in the Statement of Comprehensive Income. If UKNNL cannot benefit from a scheme surplus in the form of refunds from the plan or reductions in future contributions, any asset resulting from the above policy is restricted accordingly.

Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities over the period due to changes in assumptions or experience within the scheme, are recognised in other comprehensive income in the reporting period in which they arise.

Past service costs are recognised directly in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time. In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Where improvements are made to benefits payable under a defined

benefit scheme, the effect on the plan liability is recognised in the Statement of Comprehensive Income on a straight-line basis over the average period until the employees become entitled to the improved benefits. Where the benefits vest immediately, the effect of the change is recognised immediately.

The net defined benefit liability or asset represents the present value of the defined benefit obligation as reduced by the fair value of plan assets, and as adjusted for any limit on the net defined benefit asset. Any asset resulting from this calculation is limited to the lower of the surplus in the defined benefit scheme and the present value of available refunds, and any reductions in future contributions to the scheme, including the adverse effect of any minimum funding requirements in accordance with IFRIC 14. The asset is expected to be reduced in full and as such a surplus will not be recognised in the statement of financial position.

Where the present value of future scheme liabilities exceeds the fair value of pension scheme assets the excess is recognised in the statement of financial position as a liability in accordance with IAS19 and IFRIC 14.

1.1.6 Retirement benefits: Defined contribution schemes

A defined contribution scheme is a pension plan under which the Company pays fixed contributions to a separate entity. Contributions to defined contribution pension schemes are charged to the Statement of Comprehensive Income in the reporting period to which they relate. The Group has two defined contribution pension schemes.

The CPS is a multi-employer scheme which provides defined benefits to its members. In common with other unfunded public sector schemes the CPS does not have the attributes of typical defined benefit schemes. Any surplus of contributions made in excess of benefits paid out in any year is surrendered to the Consolidated Fund and any liabilities are met from the Consolidated Fund via an annual Parliamentary vote. His Majesty’s Government does not maintain a separate fund. In common with defined benefit pension schemes UKNNL does however bear the risk that it will have to increase its contributions in accordance with the Government Actuaries Department’s assessment of the funding required to provide benefits under the scheme.

A further defined contribution scheme is operated for employees. The Company pays fixed contributions to Royal London and once contributions have been paid, the Company has no further payment obligations. The contributions are recognised in the Statement of Comprehensive Income in the reporting period in which they become payable in accordance with the rules of the scheme. The assets of the plans are held separately from the Company in independently administered funds.

1.1.7 Property, Plant and Equipment

Property, Plant and Equipment (other than assets in the course of construction) are stated in the Statement of Financial Position at cost less accumulated depreciation. Assets in the course of construction are stated at cost and are not depreciated until commissioned. The cost of assets will include directly attributable staff costs associated with bringing the asset into the location and condition for it to be capable of operating in the manner intended by management. This includes the cost of testing whether the asset is functioning properly.

The carrying values of Property, Plant and Equipment are reviewed for impairment if events or changes in circumstances indicate that a provision for impairment is required. Accumulated depreciation includes any additional charges made where necessary to reflect impairments in value. IAS 36 also requires management, on an annual basis, to determine the recoverable amount of assets and the estimated useful life to determine if this is still reasonable.

Depreciation is calculated to write off historical costs less residual value of assets, by equal annual instalments over their estimated useful economic lives as follows:

Land and Buildings – Over the lease term

Plant and machinery – 2 to 21 years

Fixtures and fittings – 3 to 22 years

1.1.8 Intangible assets

Intangible assets are measured initially at cost and are amortised, as an administrative expense, on a straight-line basis over their estimated useful lives. The carrying amount is reduced by any provision for impairment where necessary.

Internal expenditure is capitalised as internally generated intangibles only if it meets the definition and recognition criteria of IAS 38 ‘Intangible Assets’.

Criteria of IAS 38 – the asset is separable, i.e., it is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset, or liability, regardless of whether the entity intends to do so, or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The cost of the intangible asset must be able to be measured reliably.

The service concession arrangement on Phase 2 works at the Company’s Central Laboratory consists of future revenue, some of which is guaranteed. An intangible asset is recognised for the non-guaranteed future revenue where it is probable that the revenue will be generated.

Intangible assets are amortised on a straight-line basis over their estimated useful lives:

Computer software – 1 to 10 years

Service concessions – 1 to 20 years

1.1.9 Trade and other receivables

Trade and other receivables arise principally through the provision of goods and services to customers (trade debtors) but also incorporate other types of contractual monetary asset.

UKNNL applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. As these balances do not contain significant financing component, a loss allowance is recognised based on lifetime expected credit losses from initial recognition. Trade and other receivables are stated net of expected credit losses.

Expected credit losses are recognised on a forward-looking basis using lifetime expected credit losses for trade receivables and contract assets. Expected credit losses represent the present value of cash shortfalls, being the difference between contractual cash flows due and those expected to be received. The measurement reflects reasonable and supportable information, including historical experience, current conditions and forward-looking estimates, and does not require the identification of objective evidence of impairment.

For trade receivables, which are carried at cost less any expected credit loss; such losses are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the expected loss.

1.1.10 Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Statement of Financial Position differs to its tax base, except for differences arising on the initial recognition of an asset or liability in a transaction which

is not a business combination and at the time of the transaction affects neither accounting nor taxable profit.

Recognition of deferred tax assets and unused tax losses is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the deferred tax liabilities are settled. Deferred tax balances are not discounted.

1.1.11 Cash and cash equivalents

These include cash in hand and deposits held at call with banks.

1.1.12 Trade and other payables

Trade payables and other short-term monetary liabilities are recognised at fair value and subsequently held at amortised cost.

1.1.13 Government grants

Grants relating to expenditure on property, plant and equipment are recognised in the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in liabilities as other payables. Grants relating to revenue expenditure are recognised in the Statement of Comprehensive Income in the same period in which the revenue expenditure arises. Where applicable UKNNL has opted to record revenue grants by way of a reduction in expenditure as disclosed in note 2.

1.1.14 Provisions

Provisions are recognised, at current price levels, for liabilities of uncertain timing or amount that have arisen because of past transactions and are discounted at a pre-tax rate reflecting current market assessments of the time value of money and the risks specific to the liability.

1.1.15 Revalorisation

Revalorisation arises because provisions are stated in the Statement of Financial Position at current price levels and discounted from the eventual payment dates. The revalorisation charge is the adjustment that results from restating these liabilities to take into account the effect of inflation over the reporting period and the unwinding of the discount as the expected dates of settlement moves closer. The inflation rate applied is specific to the expected cost increases relating to the underlying liability. Finance charges recognised in the Statement of Comprehensive Income include the revalorisation required to reflect inflation and discount unwinding over the reporting period.

1.1.16 Changes in accounting policies

There have been no changes to accounting policies during the period under review.

1.1.17 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. The carrying values of the Company's financial instruments at the reporting date are disclosed in note 17.

Financial assets

Trade and other receivables, accrued income and cash and cash equivalents, that have fixed or determinable payments and are not quoted in an active market, are measured at transaction price. Interest income is recognised by applying the effective interest rate, except for when the recognition of interest would be immaterial. Other investments as appropriate are measured at fair value through profit or loss.

Financial assets are impaired where there is evidence that the estimated future cash flows of the asset have been impacted and are assessed for indicators of impairment at each reporting date. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced through an expected credit loss provision. The Company's approach to measuring expected credit losses is disclosed in note 12.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of comprehensive income to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets are derecognised only when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities

Financial instruments held by the Company are financial liabilities where there is an obligation to repay. Trade and other payables, accruals and lease liabilities are recorded as financial liabilities and accounted for at amortised cost. Financial liabilities classified as amortised cost are initially measured at fair value minus any transaction costs with the liability's effective rate of interest being charged as a finance cost to the statement of profit or loss. Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled or they expire.

1.1.18 Share Capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

1.1.19 Statement of Cash Flows

For the purposes of the statement of cash flows, the Company classifies interest paid within financing activities, reflecting the cost of obtaining financial resources within the Company's capital structure. Interest received is classified within investing activities, reflecting the return generated on the Company's financial investments. These classifications are applied consistently from period to period in accordance with IAS 7.

1.2 Critical accounting estimates and judgements

UKNNL makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed

to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The areas where the estimates and assumptions used could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

1.2.1 Provisions

The provisions recorded in the financial statements represent the directors' best estimates of the costs expected to be incurred as at the Statement of Financial Position date.

Further details of the types of provisions, together with details of relevant estimates and, where appropriate sensitivities, are included in note 15.

1.2.2 Revenue Recognition

Revenue is recognised to the extent that work has been completed and an agreed purchase order from a customer covering the work is held. As a result, at 30 September 2025 £16.07m (2024 – £16.3m) of accrued income was recognised as UKNNL had completed work before the balance sheet date and held agreed purchase orders. Key to the recognition of revenue is the directors' estimate of the stage of completion of each contract. The estimate is based on the ratio of actual costs incurred to date to estimated total costs

UKNNL carries out work for a number of customers under discrete purchase orders which are placed under larger framework agreements. The directors believe that the separate purchase orders constitute separate performance obligations and have treated them as such in determining the amount of revenue to be recognised.

1.2.3 Leases

The lease liability disclosed in the statement of financial position represents the directors’ best estimate of the present value of future leasing cash outflows. In arriving at this estimate the directors have assessed the incremental cost of borrowing to be used in the calculation. The rates used and sensitivities of both the lease liability and the right of use asset values to the rate are shown in note 10. Any lease modifications are first assessed to establish whether or not they cause a separate lease. Where a separate lease is caused then the modification is accounted for as a new lease, where no new lease is caused then the lease liability is remeasured to reflect the modified terms.

In determining the lease term, management considers all facts and circumstances that create an economic

incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Right of use assets are evaluated for indicators of impairments on an annual basis.

1.2.4 Pensions

The directors have considered the impact of IAS 19 and IFRIC 14, and whether the Company has an unconditional right to a surplus of the defined benefit schemes.

IFRIC 14 considers the general requirements concerning the limit on a defined benefit asset, and states that if the right to a refund of a surplus depends on the occurrence or non-occurrence of one or more uncertain future

events not wholly within an entity’s control, the entity does not have an unconditional right and should not recognise an asset.

Based on the terms of the trust deeds, director’s judgement is that the Company does not have an unconditional right to a surplus. As a result, the pension surplus has been derecognised as disclosed in note 20.

Pension assumptions

The Company’s share of costs, assets and liabilities of the defined benefit scheme are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions are set out in note 20.

The Company takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions used may have a significant effect on the Statement of Comprehensive Income and the Statement of Financial Position. Sensitivity to key assumptions is disclosed in note 20.

1.3 New standards and interpretations judgements

The accounting policies adopted are consistent with those of the previous year.

New standards, amendments, and interpretations to published standards effective 2024/25

IFRS 16 Amendment to lease liability in a sale and leaseback

IAS 1 Non-current liabilities with covenant

IAS 1 Amendment to classification of liabilities as current or non-current

IAS 7/IFRS 7 Amendment to supplier finance arrangements

These amendments have been considered alongside existing accounting policies and do not have a material impact on the entity in the current period nor are they expected to have a material impact on future reporting periods and on foreseeable future transactions.

New standards not yet effective 2024/25

The following new accounting standards and interpretations have been published which are not mandatory for 2024/25 and which have not been adopted early by the Company.

IAS 21 Amendments to lack of exchangeability

IFRS 9/IFRS 7 Amendments to the classification and measurement of financial instruments

IFRS 18 Presentation and disclosure in the financial statements

IFRS 19 Subsidiaries without public accountability disclosures

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. While IFRS 18 Presentation and Disclosure in Financial Statements will introduce new subtotals and classification requirements within the Statement of Profit or Loss, it will not affect the underlying recognition or measurement of the Company’s transactions.

2 Revenue

UKNNL’s principal activity is the provision of technology services across the nuclear fuel cycle.

The directors are of the opinion that UKNNL’s activities fall within one operating segment – being the provision of technology services across the nuclear fuel cycle. Accordingly, all revenue recognised from contracts with customers have the same economic factors affecting the nature, amount, timing and uncertainty of revenues and cash flows. There are three key areas of this cycle: waste management and decommissioning, fuel cycle solutions and reactor operations support. As far as practicable customer contracts are constructed to match revenue recognition profiles with payment application.

Revenue arises entirely from the sale of services principally in the UK. Sales to overseas customers make up a small proportion of total revenue at £3,063k (2024 – £3,707k). Other income represents notional funds received via the apprentice levy of £635k (2024 – £381k).

During the period, UKNNL has presented grants related to income as a reduction in the related expenditure. Comparative amounts for 2024 have been restated to correct a prior period presentation error relating to the offset of grant income against administrative expenditure. The correction resulted in the offset against administrative expenditure previously being overstated by £5,344k. The restatement has no impact on the financial statements.

Total grants relating to income of £4,452k (2024: £7,185k, restated) have been offset against related expenditure as follows:

	2025 (18 months) £'000	2024 (12 months) £'000
Cost of sales	983	214
Administrative expenses	3,469	6,971
	4,452	7,185

3 Loss from operations

	2025 (18 months) £'000	2024 (12 months) £'000
This has been arrived at after charging		
Staff costs, permanently employed (see note 4)	160,347	98,211
Staff costs, agency/ other (see note 4)	15,601	10,190
Loss on disposal of assets	768	14,762
Depreciation (see note 9)	14,678	8,289
Depreciation charge on right of use assets – buildings (see note 10)	2,643	1,628
Amortisation (see note 11)	2,513	1,532
Asset Impairment (see note 9 and note 11)	2,076	645
Auditors’ remuneration – audit services	231	127
Auditors’ remuneration – other assurance services	71	–
Training and education (notional via apprentice levy)	635	381

Financial Statements

4 Staff costs and numbers

Staff costs (including executive and non-executive directors) comprise:

	Permanently employed £'000	Agency/Other £'000	2025 (18 months) £'000	2024 (12 months) £'000
Wages and salaries	134,595	20,615	155,210	94,938
Social security costs	16,511	–	16,511	9,499
Pension costs	22,375	–	22,375	13,770
Defined benefit pension cost (see note 20)	189	–	189	54
Apprentice levy	635	–	635	391
	174,305	20,615	194,920	118,652
Capitalised staff costs	(13,958)	(5,014)	(18,972)	(10,251)
	160,347	15,601	175,948	108,401

During the 18 month period under review UKNNL spent £4,532k (2024 – £2,314k) on consultancy services. Expenditure on consultancy represents advice relating to strategy, structure, management, or operations of UKNNL.

During the 18 month period, UKNNL discovered a prior period error relating to the disclosure of staff costs of the financial statements for the year ended 31 March 2024. Staff costs were overstated by £7.6m due to the inclusion of certain non-staff-related expenditure.

The error was limited to the disclosure note and did not impact any of the primary financial statements, including the statement of comprehensive income, statement of financial position, or cash flow statement.

The comparative information has been restated to correct this disclosure. The restated amount for total employee expenses in the year ended 31 March 2024 is £108m, as compared to the previously disclosed amount of £116m.

	Permanently employed 2024/25	Other 2024/25	Total 2024/25	Permanently employed 2023/24	Other 2023/24	Total 2023/24
Scientific, technical, engineering and facilities	948	54	1,002	924	35	959
Administrative	537	51	588	500	50	550
Total	1,485	105	1,590	1,424	85	1,509

5 Directors' remuneration

	2025 (18 months) £'000	2024 (12 months) £'000
Directors' remuneration for both executive and non-executive directors consist of:		
Aggregate emoluments	1,146	925
Company contributions to money purchase schemes	23	53
	1,169	978

During the period ended 30 September 2025, one director was a member of UKNNL's defined benefit scheme, accruing retirement benefits in respect of qualifying service. Three directors accrued retirement benefits under a money purchase pension scheme (defined contribution) in respect of qualifying service, of whom one director joined the scheme during the period.

	2025 (18 months) £'000	2024 (12 months) £'000
The remuneration amounts above includes the following in respect of the highest paid director:		
Emoluments (excluding pension contributions)	303	268
Pension Contributions	52	49
	355	317

At the end of the 18-month period, the highest paid director has accrued an entitlement to a pension of £36k (2024 – £30k) and lump sum of £107k (2024 – £89k) which is excluded from the figures above. The amounts above include emoluments accrued, not yet paid at the end of the period of £66k (2024 – £63k).

6 Finance income and expense

	2025 (18 months) £'000	2024 (12 months) £'000
Finance income:		
Bank interest receivable	549	419
Devalorisation on provisions	356	–
	905	419

	2025 (18 months) £'000	2024 (12 months) £'000
Finance expense :		
Bank charges	14	6
Foreign exchange loss	66	25
Interest on leases	1,175	212
Revalorisation on provisions	–	1,143
	1,255	1,386

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7 Taxation

	2025 (18 months) £'000	2024 (12 months) £'000
<i>United Kingdom corporation tax credit</i>		
Current period	(2,815)	(1,914)
Adjustments in respect of prior years	(1,957)	(249)
Tax reclaimed on research and development	16,934	11,013
Total current tax credit	12,162	8,850
<i>Deferred tax</i>		
Origination and reversal of temporary differences	5,006	1,728
Total deferred tax charge	5,006	1,728
Total tax credit on profit before tax on ordinary activities	17,168	10,578

The reasons for the difference between the actual tax credit for the period and the standard rate of corporation tax in the United Kingdom applied to loss before tax for the period/year are as follows:

	2025 (18 months) £'000	2024 (12 months) £'000
Loss before tax	(13,618)	(16,591)
Expected tax charge based on the standard rate of corporation tax in the UK of 25% (2024 – 25%)	3,405	4,013
Items not deductible for tax purposes and other items	(1,157)	(3,194)
Tax recognised in other comprehensive income	(41)	–
Movement in deferred tax not recognised	60	1,744
Tax credits on research and development	(2,815)	(3,671)
Tax reclaimed on research and development	19,749	12,926
Adjustments in respect of prior years	(2,033)	(1,240)
Total taxation credit for the period/year	17,168	10,578

UKNNL’s tax reclaim for 2024/2025 is £16,934k (2024 – £11,013k). This is due to tax credits receivable from HMRC for research and development activities.

Future tax liabilities arising from operations are expected to be offset by tax credits on research and development. The deferred tax liability as at both 30 September 2025 and 31 March 2024 has been calculated using a Corporation Tax rate of 25% (2024 – 25%).

8 Dividends

No dividends were declared or paid during the current 18-month period or the prior financial year.

9 Property, plant and equipment

	Land and Buildings £'000	Plant and Machinery £'000	Fixtures and fittings £'000	Assets in the course of construction £'000	Total £'000
<i>Cost</i>					
At 1 April 2024	1,889	34,293	58,752	77,473	172,407
Additions	–	–	–	51,373	51,373
Reclassification	–	–	–	22	22
Transfers from assets in course of construction	4,073	10,702	5,376	(20,151)	–
Impairment	–	–	–	1,968	(1,968)
Disposals	–	(509)	–	(434)	(943)
At 30 September 2025	5,962	44,486	64,128	106,315	220,891
<i>Accumulated depreciation and impairment</i>					
At 1 April 2024	557	18,827	27,946	–	47,330
Depreciation charge for the period	632	6,997	7,049	–	14,678
Reclassification	–	–	–	–	–
Impairment	–	–	–	–	–
Disposals	–	(508)	–	–	(508)
At 30 September 2025	1,189	25,316	34,995	–	61,500

9 Property, plant and equipment (continued)

	Land and Buildings £'000	Plant and Machinery £'000	Fixtures and fittings £'000	Assets in the course of construction £'000	Total £'000
<i>Cost</i>					
At 1 April 2023	1,044	26,523	57,628	64,276	149,471
Additions	–	–	–	35,398	35,398
Reclassification	–	–	–	(719)	(719)
Transfers from assets in course of construction	845	8,065	1,138	(9,726)	322
Disposals	–	(295)	(14)	(11,756)	(12,065)
At 31 March 2024	1,889	34,293	58,752	77,473	172,407
<i>Accumulated depreciation and impairment</i>					
At 1 April 2023	337	14,925	23,443	–	38,705
Depreciation charge for the year	220	3,699	4,370	–	8,289
Reclassification	–	–	–	–	–
Disposals	–	(295)	(14)	–	(309)
Impairment	–	498	147	–	645
At 31 March 2024	557	18,827	27,946	–	47,330
<i>Net book value</i>					
At 31 March 2024	1,332	15,466	30,806	77,473	125,077
At 30 September 2025	4,773	19,170	29,133	106,315	159,391

Assets in the course of construction refers to a number of ongoing major projects to enhance our critical infrastructure. Additions include £1,261k of accrued costs not yet invoiced (2024 – £2,108k).

At the end of the reporting period there is capital expenditure contracted for but not recognised as a liability of £4,393k (2024 – £26,210k restated). The comparative figure for the year ended 31 March 2024 has been restated from £2,620k to £26,210k, representing a correction of a prior period error of £23,590k. The error arose as a result of a transposition error in the capital commitments figure disclosed in the prior year financial statements. The restatement has no impact on the primary statements.

The directors believe that the characteristics of certain items previously classified as tangible assets more closely resemble intangible assets. As a result, there have been reclassifications during the period of £22k (2024 – £719k).

Following a review of capitalised costs within assets in the course of construction, it was determined that certain directly attributable costs no longer met the recognition criteria. Accordingly, these costs have been written off as an impairment charge of £1,968k (2024 – £nil). The impairment reflects the write-off of specific capitalised costs only. The underlying project remains ongoing, and the assets will be brought into use upon completion. The impairment has been assessed at individual asset level.

10 Leases

This note provides information for leases where UKNNL is the lessee. UKNNL has no leases where it is the lessor. The balance sheet includes the following amounts relating to leases:

	30 September 2025 £'000	31 March 2024 £'000
Right of use Assets, categorised as Land and Buildings		
Opening balance	11,991	13,361
Additions	1,982	–
Remeasurement	(269)	258
Lease surrenders	(120)	–
Depreciation charged in the period	(2,643)	(1,628)
Closing balance	10,941	11,991

	30 September 2025 £'000	31 March 2024 £'000
Lease Liability		
Opening balance	12,192	13,339
Additions	1,982	–
Remeasurement	(462)	258
Lease surrenders	(132)	–
Interest charged in the period	1,175	212
Cash payments	(3,021)	(1,617)
Closing balance	11,734	12,192

The ageing of lease liabilities are as follows:

	30 September 2025 £'000	31 March 2024 £'000
Current due less than 1 year	1,700	1,472
1-2 years	1,700	1,472
2-5 years	4,362	4,381
Over 5 years	3,972	4,867
Non-current due more than 1 year	10,034	10,720
	11,734	12,192

All right of use assets relates to property leases. Right of use asset and lease liability values are calculated using a discount rate which is based on HM Treasury Public Expenditure System (PES) rates published December 2024. If the discount rates used in the calculation of the individual asset and liability values were 0.5% higher the right of use asset values at the balance sheet date would be £304k lower than stated, the lease liability values would be £174k lower than stated and the loss for the period would be £281k lower than stated.

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11 Intangible assets

	Computer software £'000	Service concession £'000	Assets in the course of construction £'000	Total £'000
<i>Cost</i>				
At 1 April 2024	8,307	3,782	4,039	16,128
Additions	-	-	5,073	5,073
Impairment	-	-	(108)	(108)
Reclassification	-	-	(22)	(22)
Transfers from assets in course of construction	3,186	-	(3,186)	-
Disposal	-	-	(398)	(398)
At 30 September 2025	11,493	3,782	5,398	20,673
<i>Accumulated amortisation</i>				
At 1 April 2024	4,703	1,491	-	6,194
Amortisation charge for the period	2,193	320	-	2,513
Reclassification	-	-	-	-
Disposal	-	-	-	-
At 30 September 2025	6,896	1,811	-	8,707

	Computer software £'000	Service concession £'000	Assets in the course of construction £'000	Total £'000
<i>Cost</i>				
At 1 April 2023	6,837	3,782	5,604	16,223
Additions	-	-	2,517	2,517
Reclassification	-	-	719	719
Transfers from assets in course of construction	1,470	-	(1,792)	(322)
Disposal	-	-	(3,009)	(3,009)
At 31 March 2024	8,307	3,782	4,039	16,128
<i>Accumulated amortisation</i>				
At 1 April 2023	3,384	1,278	-	4,662
Amortisation charge for the year	1,319	213	-	1,532
Reclassification	-	-	-	-
Disposal	-	-	-	-
At 31 March 2024	4,703	1,491	-	6,194
<i>Net book value</i>				
At 31 March 2024	3,604	2,291	4,039	9,934
At 30 September 2025	4,597	1,971	5,398	11,966

11 Intangible assets (continued)

Assets in the course of construction refer to IT software and the software implementation costs. At the end of the reporting period there is capital expenditure contracted for but not recognised as a liability of £Nil (2024 – £30k).

The directors believe that the characteristics of certain items previously classified as tangible assets more closely resemble intangible assets. As a result, there have been reclassifications during the period of £22k (2024 -£719k).

Amortisation of £2,513k (2024 – £1,532k) is included in administrative expenses in the Statement of Comprehensive Income.

12 Trade and other receivables

	30 September 2025 £'000	31 March 2024 £'000
Trade receivables	10,470	20,334
Amounts due from group undertakings	205	205
Prepayments and accrued income	19,342	20,972
Corporation tax	28,735	18,004
Grants receivable	-	6,635
Other receivables	157	1,122
Total trade and other receivables	58,909	67,272
Less: non-current trade and other receivables	-	(171)
Current trade and other receivables	58,909	67,101

UKNNL operates standard payment terms of 30 days.

Prepayments and accrued income include £16,074k of accrued income (2024 £16,342k). Invoicing schedules for a number of contracts are based on milestones rather than on value of work done or time elapsed – variability in the value of accrued income at the period end is therefore to be expected. All accrued income is receivable within less than one year.

Grants receivable relates to government grants for specific (ring fenced) purposes. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and UKNNL will comply with all attached conditions. UKNNL does not have uncommitted grant funds in hand.

The ageing of non-current trade and other receivables are as follows:

	30 September 2025 Other £'000	30 September 2025 Total £'000	31 March 2024 Other £'000	31 March 2024 Total £'000
Less than 1 year	-	-	125	125
1-2 years	-	-	46	46
2-5 years	-	-	-	-
	-	-	171	171

The fair value of trade and other receivables approximates to their carrying value as at the 18 month period ended 30 September 2025 and 31 March 2024.

12 Trade and other receivables (continued)

The carrying value of UKNNL’s trade and other receivables, and amounts due from group undertakings are denominated in the following currencies:

	30 September 2025 £'000	31 March 2024 £'000
Pound sterling	49,532	67,072
US Dollar	5,209	200
Euro	3,958	–
Other	210	–
	58,909	67,272

At 30 September 2025 no trade receivables were impaired (2024 – £Nil) At 30 September 2025 trade receivables of £193k (2024 – £4,803k) were past due but had no expected credit loss provision. At the date of approval of the financial statements £400 of the overdue debt from the period end remains unpaid (2024 – £89k).

The ageing of trade receivables are as follows:

	30 September 2025 Related parties £'000	30 September 2025 Third parties £'000	30 September 2025 Total £'000	31 March 2024 Related parties £'000	31 March 2024 Third parties £'000	31 March 2024 Total £'000
Not yet due	7,603	2,674	10,277	8,257	7,274	15,531
1-30 days	148	29	177	6,955	(1,221)	5,734
31-60 days	12	–	12	–	89	89
Over 91 days	–	4	4	(1,020)	–	(1,020)
	7,763	2,707	10,470	14,192	6,142	20,334

UKNNL has applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, accrued income and intercompany balances.

UKNNL considers that all its customers have shared risk characteristics and has therefore considered the expected loss allowance for all its customers as one group. The expected loss rates are based on the payment profile of sales over a period of 24 months before 30 September 2025 and 31 March 2024 respectively and the corresponding historical credit losses experienced within this period.

UKNNL has considered the forward looking macro-economic factors and does not believe any adjustment is required to historical loss rates to ensure they reflect relevant future economic conditions.

On this basis the loss rate is 0% and the loss allowance as at 30 September 2025 is £Nil (2024-£Nil).

13 Cash and cash equivalents

The cash and cash equivalent balances are broken down as follows:

	30 September 2025 £'000	31 March 2024 £'000
Cash available on demand	29,877	22,079

Book values equal fair values as at 30 September 2025 and 31 March 2024. All day-to-day banking matters are dealt with by the NatWest Bank.

14 Trade and other payables

	30 September 2025 £'000	31 March 2024 £'000
Payments received on account	17,883	20,164
Trade payables	3,467	6,800
Taxation and social security	494	3,966
Accruals	138,440	106,369
	160,284	137,299
Less: non-current trade and other payables	(109,772)	(81,607)
Current trade and other payables	50,512	55,692

Non-current other payables which represent capital grants are aged as follows:

	30 September 2025 £'000	31 March 2024 £'000
1-2 years	3,297	2,993
2-5 years	7,863	6,823
Over 5 years	98,612	71,791
	109,772	81,607

The carrying value of the Company’s trade and other payables are denominated in the following currencies:

	30 September 2025 £'000	31 March 2024 £'000
Pound sterling	160,250	137,270
Euro	11	14
US Dollar	–	15
Other	23	–
	160,284	137,299

Book values equal fair values at 30 September 2025 and 31 March 2024.

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14 Trade and other payables (continued)

The ageing of the trade payables are as follows:

	30 September 2025 Related parties £'000	30 September 2025 Third parties £'000	30 September 2025 Total £'000	31 March 2024 Related parties £'000	31 March 2024 Third parties £'000	31 March 2024 Total £'000
Not yet due	952	2,398	3,350	593	5,564	6,157
1-30 days	–	102	102	46	585	631
61 to 90 days	–	2	2	–	5	5
Over 91 days	–	13	13	7	–	7
	952	2,515	3,467	646	6,154	6,800

15 Provisions

	Severance £'000	Loss making contracts £'000	Other £'000	Total £'000
At 1 April 2024	4,140	773	6,790	11,703
Reclassification	–	(409)	409	–
New in period	–	386	1,946	2,332
Utilised in period	(617)	(148)	(818)	(1,583)
Revalorisation/(devalorisation)	(167)	(17)	(172)	(356)
Released in the period	–	–	–	–
At 30 September 2025	3,356	585	8,155	12,096
At 31 March 2024				
Due within one year	409	555	620	1,584
Due after more than one year	3,731	218	6,170	10,119
	4,140	773	6,790	11,703
At 30 September 2025				
Due within one year	358	149	627	1,134
Due after more than one year	2,998	436	7,528	10,962
	3,356	585	8,155	12,096

Details of each category of provision are shown below.

Severance

The severance provision relates to severance obligations payable as pensions to employees who left UKNNL through redundancy. The amounts provided are based

on best estimates of the pension payments and will be utilised over the next 30 years. The provision value uses a discount rate of 5.90% and a life expectancy of 89 years. A decrease of 0.25% in the discount rate would increase

the provision value by £0.05m, similarly an increase of 0.25% in the inflation rate would also increase the provision value by £0.06m. An increase of 1 year in life expectancy would increase the provision by £0.2m.

15 Provisions (continued)

Loss making contracts

These are onerous contract provisions and have been calculated based on the latest technical evaluation of the processes and methods likely to be used and reflect current knowledge. The provision relates to fixed-price, loss-making contracts. The loss has been calculated based on current costs and performance in line with the agreed schedule of work for the remaining duration of the contracts.

POCO

These provisions are based on such commercial agreements that are currently in place and reflect the directors’ understanding of

the current Company policy and regulatory framework. UKNNL is responsible for Post Operational Clean Out (POCO) costs or removing and disposing of the plant, equipment and consumables which have become radiologically contaminated during operations within the facilities.

Of the total other provision, £8.11m relates to POCO (2024 – £6.73m). The provision has been estimated based on the weight, packing density and levels of contamination of the plant, equipment and consumables contaminated, multiplied by the agreed cost of disposal with the appropriate supplier. The provision represents the best estimate of the future cashflows required to meet these

obligations. Due to the nature of the provision the future utilisation of the provision is uncertain.

The POCO provision value above is based on disposal in 7 years’ time, inflation of 2.60% year 1, 2.30% year 2, 2.00% into perpetuity and a discount rate of 4.03% year 1, 4.07% year 2 and 4.81% into perpetuity based on HM Treasury Public Expenditure System (PES) rates. A delay of 1 year in the disposal date would decrease the provision value by £0.2m, an increase of 0.25% in the inflation rate would increase the provision value by £0.1m and separately an increase of 0.25% in the discount rate would decrease the provision by £0.1m.

16 Deferred tax

At 30 September 2025 a deferred tax asset is recognised as disclosed below.

	30 September 2025 £'000	31 March 2024 £'000
(Asset)/Provision at start of period	(48)	19
Deferred tax (credited)/charged to Profit or Loss in the period	(2,374)	(1,728)
Deferred tax charged to Other Comprehensive Income in the period	159	1,661
Asset at end of period	(2,263)	(48)

At 30 September 2025 the deferred tax asset consists of:

	30 September 2025 £'000	31 March 2024 £'000
Depreciation in excess of capital allowances	5,619	5,460
Other timing differences – provisions	(849)	(1,035)
Tax credit and loss carry forward	(7,395)	(4,473)
Pension and post-retirement benefits	362	–
Asset at end of period	(2,263)	(48)

16 Deferred tax (continued)

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences and unused tax losses can be utilised. The recognition of the deferred tax asset is supported by forecasts, reflecting the utilisation of available tax credits and expected future profitability. The asset in the balance sheet is not expected to be utilised in the next year.

17 Financial instruments – Risk Management

Principal financial instruments

The principal financial instruments used by UKNNL, from which financial instrument risk arises, are as follows:

Trade and other receivables

Cash at bank

Trade and other payables

UKNNL is exposed to risks that arise from its use of financial instruments. This note describes UKNNL’s policies and processes for managing those risks and the methods used to measure them including quantitative information in respect of these risks.

UKNNL is exposed through its operations to the following financial risks:

Foreign exchange risk – transactional risk from receipts/ purchases in a foreign currency

Credit risk – suppliers not able to fulfil contractual obligation due to financial difficulty and customer inability to pay

Liquidity risk – managing the cash flows of UKNNL effectively

There have been no substantive changes in UKNNL’s exposure to financial instrument risks or its objectives, policies, and processes for managing those risks from the previous year.

All trade receivables and payables recognised by UKNNL at the reporting date are measured at their transaction price and not fair value

as they do not contain a financing component. The carrying amounts of these financial instruments are stated after considering provisions for credit losses and are disclosed below.

Financial risk management objectives

UKNNL’s treasury policy is structured to ensure that adequate financial resources are available for the development of its business whilst managing its currency, interest rate and counterparty credit risks. UKNNL’s treasury policy is approved by the board of directors.

The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting UKNNL’s competitiveness and flexibility. Further details regarding these policies are set out below:

Foreign exchange risk management

Foreign currency exposures are limited as UKNNL’s functional currency is Sterling, although a minor proportion of revenue and expenditure is denominated in Euros and U.S Dollars.

17 Financial instruments – Risk Management (continued)

The carrying value of UKNNL’s cash and cash equivalents are denominated in the following currencies:

	30 September 2025 £'000	31 March 2024 £'000
Pound Sterling	29,790	22,064
US Dollar	37	14
Euro	50	1
	29,877	22,079

Foreign exchange risk is not considered to be material in either the current or the preceding period.

Credit risk management

At the statement of financial position date UKNNL’s maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned below.

Financial assets	Note	30 September 2025 Carrying value £'000	30 September 2025 Maximum exposure £'000	31 March 2024 Carrying value £'000	31 March 2024 Maximum exposure £'000
Cash and cash equivalents	13	29,877	29,877	22,079	22,079
Trade and other receivables*					
Trade receivables	12	10,470	10,470	20,334	20,334
Amounts due from group undertakings	12	205	205	205	205
Accrued income		16,074	16,074	16,341	16,341
Grants receivable	12	–	–	6,635	6,635
Other receivables	12	157	157	1,122	1,122
Total financial assets		56,783	56,783	66,716	66,716

* Excluding non-financial assets

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17 Financial instruments – Risk Management (continued)

Financial liabilities

The table below analyses UKNNL’s financial liabilities into relevant maturity groups based on contractual maturities:

At 30 September 2025	Trade payables* £'000	Accruals £'000	Lease Liabilities £'000	Total £'000
Less than 1 year	3,467	28,668	1,700	33,835
1-2 years	–	3,297	1,700	4,997
2-5 years	–	7,863	4,362	12,225
Over 5 years	–	98,612	3,972	102,584
	3,467	138,440	11,734	153,641

At 31 March 2024	Trade payables* £'000	Accruals £'000	Lease Liabilities £'000	Total £'000
Less than 1 year	6,800	24,762	1,472	33,034
1-2 years	–	2,993	1,472	4,465
2-5 years	–	6,823	4,381	11,204
Over 5 years	–	71,791	4,867	76,658
	6,800	106,369	12,192	125,361

* Excluding non-financial liabilities

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. UKNNL is exposed to credit risk from its trade receivables due from customers and cash deposits with financial institutions.

Trade receivables balances are not covered by credit insurance, but customers are deemed to be of sufficient credit worthiness in order that UKNNL will continue to conduct trade with them. The following internal procedures are undertaken to assess whether UKNNL will grant a credit facility to them:

- obtaining status reports and reference reports for new companies; and
- reviewing their trading history and payments records.

Additional safeguards include the following:

- internal credit limits being set on all accounts which are only increased by credit controllers.
- stop-lists produced on overdue accounts; and
- vigorous collection strategy in place.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. UKNNL maximises the use of publicly procured banking services and shall only hold money outside Government Banking Service accounts with consent from HM Treasury. Only commercial banks which are members of relevant UK clearing bodies may be considered for this purpose.

At the end of the current period and preceding year there were no significant concentrations of credit risk.

Liquidity risk management

UKNNL’s policy is to ensure that it will always have sufficient resources to allow it to meet its liabilities as they become due.

Budgets are set and agreed by the board of directors in advance, to enable UKNNL’s cash requirements to be anticipated.

Capital management

UKNNL manages its capital to ensure that it will be able to continue as a going concern. There have been no changes to UKNNL’s objectives, policies, and processes for managing capital from the previous year.

17 Financial instruments – Risk Management (continued)

UKNNL’s capital consists of cash and cash equivalents (note 13) and equity attributable to equity holders of the parent. Such equity comprises share capital (note 18) and retained earnings (note 19). There have been no changes in what UKNNL manages as capital from the previous year.

The board of directors reviews UKNNL’s capital requirements on a regular basis. Based on this review, UKNNL will balance its overall capital requirements through new share issues and requests for capital contributions from the parent Company when considered necessary. Capital is monitored alongside liquidity risk management.

18 Share capital

	Authorised, issued, and fully paid			
	30 September 2025 Number	31 March 2024 Number	30 September 2025 £'000	31 March 2024 £'000
Ordinary shares of £1 each	10,025,000	25,000	10,025	25

During the period, UKNNL issued 10m ordinary shares of £1 each to NNL Holdings Limited, the ultimate parent entity of UKNNL Limited, for total cash consideration of £10m. The shares were issued at their nominal value of £1 per share and represent additional ordinary share capital.

No dividends were paid or payable during the period (2024 – £Nil).

19 Retained earnings

	30 September 2025 £'000	31 March 2024 £'000
Reserves at beginning of the period	75,182	82,520
Profit/(Loss) for the period	3,550	(6,013)
Other comprehensive income/(expense)	476	(1,325)
Total comprehensive income	4,026	(7,338)
Reserves at end of the period	79,208	75,182

20 Retirement benefit obligations

Schemes accounted for as defined contribution

Combined Pension Scheme (CPS)

The CPS is a multi-employer scheme which provides defined benefits to its members. In common with other unfunded public sector schemes the CPS does not have the attributes of typical defined benefit pension schemes. Any surplus of contributions made in excess of benefits paid out in any year is surrendered to the Consolidated Fund and any liabilities are met from the Consolidated Fund via the annual Parliamentary vote. His Majesty’s Government does not maintain a separate fund.

20 Retirement benefit obligations (continued)

The CPS is accounted for as a defined contribution scheme. The pension charge for the 18 month period ended 30 September 2025 represents contributions payable by the Company to the scheme and amounts to £11,049k (£6,169k for the 12 month period ended 31 March 2024).	Schemes accounted for as defined benefit	<i>Electricity Supply Pension Scheme (ESPS)</i>
	<i>Combined Nuclear Pension Plan (CNPP)</i>	
	The CNPP is a funded scheme (previously named GPS). The Company's contribution rate is 49.5%. The CNPP is accounted for as a defined benefit scheme. A full actuarial valuation was carried out for the Trustees at 31 March 2019. This has been updated to 30 September 2025 by a qualified independent actuary. The actuarial assumption for salary increases was 3.2%.	The ESPS is a funded scheme. The Company's contribution rate is 50.4%. The ESPS is accounted for as a defined benefit scheme. A full actuarial valuation was carried out for the Trustees at 31 March 2019. This has been updated to 30 September 2025 by a qualified independent actuary. The actuarial assumption for salary increases was 3.2%.

Details of UKNNL's defined benefit schemes are as follows:

	30 September 2025 CNPP £'000	30 September 2025 ESPS £'000	30 September 2025 Total £'000	31 March 2024 CNPP £'000	31 March 2024 ESPS £'000	31 March 2024 Total £'000
Fair value of scheme assets	4,717	8,221	12,938	4,869	8,719	13,588
Present value of scheme liabilities	(4,076)	(7,414)	(11,490)	(4,630)	(8,321)	(12,951)
Surplus in the scheme	641	807	1,448	239	398	637

Principal actuarial assumptions

Assumptions regarding future mortality experience are set based on advice in accordance with published statistics and experience.

20 Retirement benefit obligations (continued)

The average life expectancy in years of a pensioner retiring at 65 on the Statement of Financial Position date is as follows:

	30 September 2025 CNPP years	31 March 2024 CNPP years	30 September 2025 ESPS years	31 March 2024 ESPS
Male	22	22	24	24
Female	24	24	25	25

The average life expectancy in years of a pensioner retiring at 65, twenty years after the Statement of Financial Position date is as follows:

	30 September 2025 CNPP years	31 March 2024 CNPP years	30 September 2025 ESPS years	31 March 2024 ESPS
Male	23	23	25	25
Female	26	26	27	27

Expected increases in pensions in payment, discount rates, and inflation are as follows:

	30 September 2025 CNPP years	31 March 2024 CNPP years	30 September 2025 ESPS years	31 March 2024 ESPS
Expected increase in pensions-in-payment	3.2%	3.1%	3.2%	3.1%
Discount rate pensioner liabilities	5.9%	4.7%	5.9%	4.7%
Discount rate deferred and active liabilities	5.9%	4.7%	5.9%	4.7%
Inflation rate	3.2%	3.1%	3.2%	3.1%

Expected discount rates are based on market yields on AA rated corporate bonds. Different discount rates have been applied to each group of members to recognise the cash flow timings attributable to each group.

20 Retirement benefit obligations (continued)

Reconciliation of scheme assets

	CNPP £'000	ESPS £'000	Total £'000
At 1 April 2023	5,003	9,295	14,298
Expected return on plan assets	231	425	656
Employer contributions	83	157	240
Benefits paid	(64)	(294)	(358)
Contributions by scheme participants	10	19	29
Actual return less expected return on pension scheme assets	(394)	(883)	(1,277)
At 31 March 2024	4,869	8,719	13,588

	CNPP £'000	ESPS £'000	Total £'000
At 1 April 2024	4,869	8,719	13,588
Expected return on plan assets	341	615	956
Employer contributions	119	246	365
Benefits paid	(317)	(465)	(782)
Contributions by scheme participants	14	31	45
Actual return less expected return on pension scheme assets	(309)	(925)	(1,234)
At 30 September 2025	4,717	8,221	12,938

Reconciliation of scheme assets

The expected return on scheme assets is equal to the weighted average return appropriate to each class of asset within the schemes. The return attributed to each class has been reached following discussions with the external actuaries.

The fair value of the scheme assets at 30 September 2025 and at 31 March 2024 were as follows:

CNPP	30 September 2025 Fair value £'000	31 March 2024 Fair value £'000
Growth Assets	2,134	2,486
Index-linked gilts	1,104	1,763
Corporate bonds	475	568
Cash	39	–
Hedging	965	–
	4,717	4,869

At both 30 September 2025 and 31 March 2024 all the growth assets, index linked bonds and corporate bonds were held in unquoted pooled investment vehicles.

20 Retirement benefit obligations (continued)

ESPS	30 September 2025 Fair value Quoted £'000	30 September 2025 Fair value Unquoted £'000	30 September 2025 Fair value Total £'000	31 March 2024 Fair value Quoted £'000	31 March 2024 Fair value Unquoted £'000	31 March 2024 Fair value Total £'000
Target Return / Diversified Growth Fund	2,884	–	2,884	2,546	–	2,546
Index linked gilts	–	1,055	1,055	–	1,097	1,097
Cash	–	2,341	2,341	–	2,425	2,425
Liability driven investments	–	1,941	1,941	–	2,651	2,651
Defined benefit pension cost	2,884	5,337	8,221	2,546	6,173	8,719

Reconciliation of plan liabilities

	CNPP £'000	ESPS £'000	Total £'000
At 1 April 2023	4,263	7,817	12,080
Interest cost	196	356	552
Current service cost	57	101	158
Benefits paid	(64)	(294)	(358)
Changes in financial assumptions	168	322	490
Contributions by scheme participants	10	19	29
At 31 March 2024	4,630	8,321	12,951

	CNPP £'000	ESPS £'000	Total £'000
At 1 April 2024	4,630	8,321	12,951
Interest cost	322	584	906
Current service cost	81	158	239
Benefits paid	(317)	(465)	(782)
Changes in financial assumptions	(654)	(1,215)	(1,869)
Contributions by scheme participants	14	31	45
At 30 September 2025	4,076	7,414	11,490

Defined benefit obligation trends of scheme as a whole as at 31 March 2024

	CNPP £'000	ESPS £'000	Total £'000
Scheme assets	4,869	8,719	13,588
Scheme liabilities	(4,630)	(8,321)	(12,951)
Scheme surplus	239	398	637

20 Retirement benefit obligations (continued)

	£'000	£'000	£'000
Experience adjustments on assets	(394)	(883)	(1,277)
As a % of scheme assets	-8.09%	-10.13%	-9.40%

Defined benefit obligation reconciliation of scheme as a whole as at 30 September 2025

	CNPP £'000	ESPS £'000	Total £'000
Scheme assets	4,717	8,221	12,938
Scheme liabilities	(4,076)	(7,414)	(11,490)
Scheme surplus	641	807	1,448

	£'000	£'000	£'000
Experience adjustments on assets	(309)	(925)	(1,234)
As a % of scheme assets	-6.55%	-11.25%	-9.54%

Movement in overall scheme asset from 1 April 2023 to 31 March 2024

	CNPP £'000	ESPS £'000	Total £'000
(Deficit)/surplus as at 1 April 2023	740	1,478	2,218
Operating costs	(57)	(101)	(158)
Expected return on pension scheme assets	231	425	656
Interest on pension scheme liabilities	(196)	(356)	(552)
Actuarial losses	(562)	(1,205)	(1,767)
Contributions paid	83	157	240
Surplus as at 31 March 2024	239	398	637

Movement in overall scheme asset from 1 April 2024 to 30 September 2025

	CNPP £'000	ESPS £'000	Total £'000
Surplus as at 1 April 2024	239	398	637
Operating costs	(81)	(158)	(239)
Expected return on pension scheme assets	341	615	956
Interest on pension scheme liabilities	(322)	(584)	(906)
Actuarial gains/(losses)	345	290	635
Contributions paid	119	246	365
Surplus as at 30 September 2025	641	807	1,448

20 Retirement benefit obligations (continued)

Amounts recognised in the financial statements

Analysis of amounts recognised in the statement of financial position

CNPP	30 September 2025 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2022 £'000
Fair value of scheme assets	4,717	4,869	5,003	6,349
Present value of scheme liabilities	(4,076)	(4,630)	(4,263)	(5,834)
Net pension surplus/(deficit)	641	239	740	515
Reduced to the extent the right to surplus is contingent	(641)	(239)	(740)	(515)
Surplus/(deficit) recognised in the statement of financial position	–	–	–	–

ESPS	30 September 2025 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2022 £'000
Fair value of scheme assets	8,221	8,719	9,295	13,275
Present value of scheme liabilities	(7,414)	(8,321)	(7,817)	(11,192)
Net pension surplus / (deficit)	807	398	1,478	2,083
Reduced to the extent the right to surplus is contingent	(807)	(398)	(1,478)	(2,083)
Surplus/(deficit) recognised in the statement of financial position	–	–	–	–

Total	30 September 2025 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2022 £'000
Fair value of scheme assets	12,938	13,588	14,298	19,624
Present value of scheme liabilities	(11,490)	(12,951)	(12,080)	(17,026)
Net pension surplus / (deficit)	1,448	637	2,218	2,598
Reduced to the extent the right to surplus is contingent	(1,448)	(637)	(2,218)	(2,598)
Surplus/(deficit) recognised in the statement of financial position	–	–	–	–

20 Retirement benefit obligations (continued)

Included in administrative expenses

	30 September 2025 CNPP £'000	30 September 2025 ESPS £'000	30 September 2025 Total £'000	31 March 2024 CNPP £'000	31 March 2024 ESPS £'000	31 March 2024 Total £'000
Current service cost	81	158	239	57	101	158
Expected return on plan	341	(615)	(274)	(231)	(425)	(656)
Interest cost	322	584	906	196	356	552
Defined benefit pension cost	744	127	871	22	32	54

The sensitivity of the defined benefit obligations to the principal actuarial assumptions is as follows:

	30 September 2025 CNPP £'000	30 September 2025 ESPS £'000	30 September 2025 Total £'000	31 March 2024 CNPP £'000	31 March 2024 ESPS £'000	31 March 2024 Total £'000
0.25% reduction in discount rate	150	250	400	200	350	550
0.25% increase in rate of inflation	150	250	400	200	350	550
Life expectancy increased by 1 year	100	200	300	125	225	350

The table above shows the increase in liabilities in each scheme which would result from the stated change in assumption.

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions might be correlated. When calculating the sensitivity of the defined benefit obligation to the principal actuarial assumptions the same method (that is the projected Unit Credit method) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Contributions to defined benefit plans in the 18 month period to September 2025 are:

	30 September 2025 CNPP £'000	30 September 2025 ESPS £'000	30 September 2025 Total £'000	31 March 2024 CNPP £'000	31 March 2024 ESPS £'000	31 March 2024 Total £'000
Employer contributions	119	246	365	83	157	240
Employee contributions	14	31	45	10	19	29
Total	133	277	410	93	176	269

21 Related party transactions

Trading transactions

During the period UKNNL entered into the following transactions with related parties as follows:

	30 September 2025	31 March 2024	30 September 2025	31 March 2024	30 September 2025	31 March 2024	30 September 2025	31 March 2024
	Sales of goods/services		Amounts owed by related parties		Purchases of goods/services		Amounts owed to related parties	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
DEFRA	–	–	–	–	–	–	–	–
NPL	–	–	–	–	129	–	–	–
BNS	551	–	–	–	–	–	–	–
DESNZ	32,697	12,265	1,263	10,770	2	85	–	–
MoD	412	22	12	–	–	–	–	–
NDA	19,883	7,319	1,466	103	190	1,807	–	7
SL	70,877	47,952	4,415	2,240	6,823	4,169	778	–
RWM	–	145	–	–	–	–	–	491
Dounreay	–	–	–	–	–	22	–	–
Magnox	–	128	–	–	–	–	–	–
UKAEA	8	188	–	–	443	269	–	–
HSE	–	–	–	–	–	–	–	–
EE	–	–	–	–	–	52	–	–
UKRI	906	200	–	–	–	–	–	–
Home Office	46	109	–	–	–	–	–	–
AWE Plc	8,991	4,919	336	332	1,083	442	174	44
Cabinet Office	–	–	–	–	120	50	–	–
UK HSA	–	–	–	–	11	2	–	–
Springfield	4,890	2,710	258	383	7,934	2,585	–	–
ONR	–	–	–	31	754	667	–	104
UKSA	–	–	–	333	–	–	–	–
NPSA	10	257	–	–	1	–	–	–
NWS	–	–	13	–	–	–	–	–
Calder Ind. Materials	–	–	–	–	34	36	–	–
SEPA	–	–	–	–	–	–	–	–
DS&T	–	14	–	–	–	–	–	–
Total	139,271	76,228	7,763	14,192	17,524	10,186	952	646

21 Related party transactions (continued)

Undertakings under common control of the Government are the Department for Energy Security and Net Zero (DESNZ), Ministry of Defence (MoD), Nuclear Decommissioning Authority (NDA), Sellafield Limited (SL), Radioactive Waste Management Limited (RWM), Dounreay Site Restoration Limited (Dounreay), Magnox Limited (Magnox), UK Atomic Energy Authority (UKAEA), Health & Safety Executive (HSE), Environment Agency (EA), UK Research & Innovation (UKRI), The Home Office, AWE Plc, Office for Nuclear Regulation (ONR), National Protective Security Agency (NPSA), Nuclear Waste Services Limited (NWS), Waste Defence Science & Technology Laboratory (DS&T) and the Scottish Environment Protection Agency (SEPA), UK Space Agency (UKSA), UK Health Services Authority (UKHSA), Cabinet Office, Department for Environment, Food & Rural Affairs (DEFRA) NPL Management Limited (NPL), British Nuclear Services Ltd (BNS).

Since the 18 month period to 30 September 2025 all the amounts owed by related parties have been settled by cash and a balance of Nil remains (2024 – £Nil).

22 Controlling party

All the share capital of UKNNL is owned by its parent, NNL Holdings Limited. NNL Holdings Limited’s country of incorporation is the United Kingdom, and its registered address is Chadwick House, Warrington Road, Birchwood Park, Birchwood, Warrington WA3 6AE. The results of UKNNL are consolidated in the group financial statements of NNL Holdings Limited which are publicly available.

The entire issued share capital of NNL Holdings Limited is owned by the Secretary of State for Energy Security and Net Zero. In the directors’ opinion, UKNNL’s ultimate controlling party is His Majesty’s Government.

23 Subsidiary Company

UKNNL owns all the share capital of Nexia Solutions Limited, a non-trading company with issued share capital of £1.

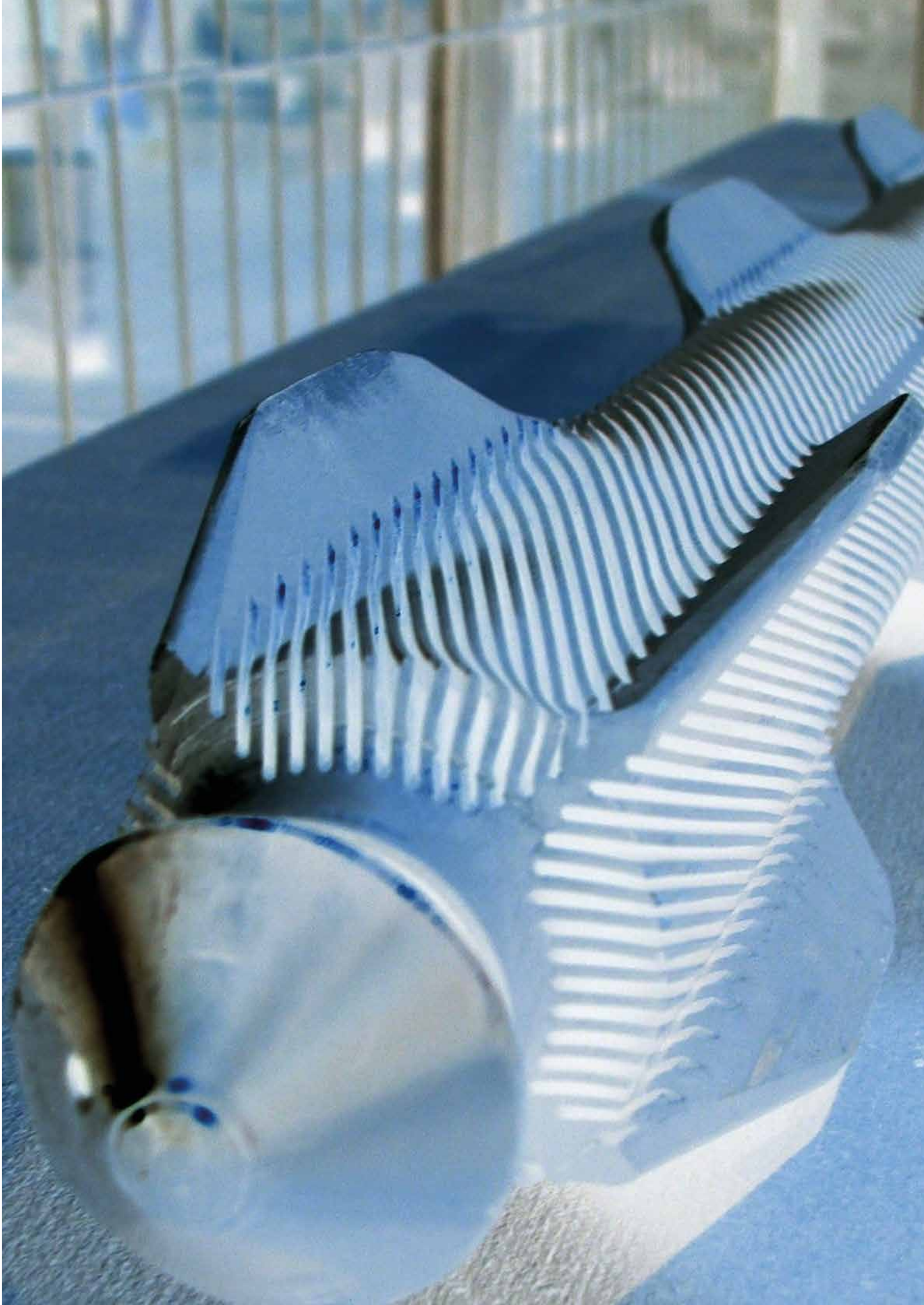
24 Events after the reporting period

In January 2026, the Company announced a voluntary redundancy programme as part of a strategic restructuring initiative. As at the date of authorisation of these financial statements, the process remains ongoing and is expected to conclude in May 2026.

As the number of employees who will participate has not yet been finalised, it is not currently practicable to provide a reliable estimate of the financial effect. The programme is expected to result in a reduction in headcount and associated employment costs in future periods.

This event is considered to be a non-adjusting event after the reporting period and, accordingly, no provision has been recognised in the financial statements for the period ended 30 September 2025.

In April 2026, the Company received an equity injection of £15.6m from its parent company, comprising the issue of 15.6m shares at their nominal value of £1 per share. This was undertaken to provide additional investment to the Company.





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